

Sustainability Report

At 31 December 2013





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Fiat Group 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 2013 (1 January 2013 to 31 December 2013)
Reporting cycle	Annual
Date of publication	March, 2014
Document formats	PDF and interactive versions available online in English and Italian. Printed versions can be ordered through our website www.fiatspa.com www.chryslergroupllc.com
Report scope and boundary	<ul style="list-style-type: none"> ■ The information and data relate to Fiat Group companies worldwide falling within the scope of consolidation at 31 December 2013. ■ Financial figures reflect those reported in the Fiat S.p.A. Annual Report 2013. For further details see page 170.
Report content	The content of this report is based on the results of our dialogue with stakeholders, the Global Reporting Initiative G4 requirements and other sustainability ratings and rankings. This paper version includes disclosure only of material aspects. The interactive version available at www.2013interactivesustainabilityreport.fiatspa.com includes also 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. 
Assurance	<ul style="list-style-type: none"> ■ The Report was subject to an assurance audit by SGS Italia S.p.A., 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, as of this year, 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 on page 179.
Contact	Your opinion is important to us. Please contact the Sustainability Teams with any questions or suggestions.  +39 011 0063908 sustainability@fiatspa.com  sustainability@chrysler.com stakeholder.dialogue@fiatspa.com

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Highlights

For the fifth consecutive year, Fiat S.p.A. confirmed in Dow Jones Sustainability World and Europe Indices

MEMBER OF
**Dow Jones
 Sustainability Indices**
 In Collaboration with RobecoSAM

Fiat S.p.A. leader in the Italy 100 Carbon Disclosure Leadership Index and Carbon Performance Leadership Index



45 suppliers involved in the CDP Supply Chain program



Ram 1500 named Motor Trend 2014 Truck of the Year for its fuel economy, torque, style and amenities – the only consecutive winner in the history of the award



€3.4 bn
 spent on Research and Development

Fiat's "Methane Program" is Ecobest 2013 for being the simplest and most cost-effective solution with the lowest environmental impact among fuels available today



The innovative 0.9 TwinAir Turbo bi-fuel natural gas-powered engine was named "Best Green Engine of the Year 2013" one of the twelve categories of the prestigious International Engine of the Year Awards

3.0-liter EcoDiesel V-6 and Fiat 500e Battery-Electric Drive System among Ward's 10 Best Engines for 2014



Fiat Professional named Light Commercial Vehicle Manufacturer of the Year at the Green Fleet Awards 2013 for the second year in a row



City Brake Control
given the **EURO NCAP advanced**
2013 award for advanced safety
technologies



EURO NCAP FOR SAFER CARS
5-star rating for
Maserati Ghibli and Jeep Cherokee



WCM gold level
achieved by the
Pomigliano plant (Italy),
by the
Tychy plant (Poland)
and by
Tofas plant (Turkey)

Bielsko Biala plant
in Poland presented
with the prestigious
Automotive Lean
Production Award 2013



2.1 bn m³ of water saved at plants
worldwide, equal to flow over Niagara
Falls for 13 consecutive days

Injury Frequency and Severity Rates
reduced for the 7th consecutive years



About 730 GWh
of electricity saved
within all Italian
owned dealerships

30 US dealerships
honored for eco-friendly
operations by
Chrysler Group



€19.7mn
committed by the Group
to local communities



Under the Chrysler
Group Volunteer
Program, more than 9,400 work
hours volunteered in the US

€3.9 bn
spent with
minority suppliers
(16.8% of Chrysler Group's
North American purchases)



The commitment of the Group

Our Group 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 Fiat Group, each employee and every organization play 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 the Group among its many stakeholders.

Letter from the Chairman

Dear Stakeholders,

During 2013, Fiat-Chrysler continued in its commitment to responsible and sustainable development and achieved significant new milestones in the environmental and social areas that deserve mention.

With regard to environmental performance, for example, we have reduced CO₂ emissions per vehicle produced by more than 15% over the past four years.

At Fiat and Chrysler plants worldwide, we have also achieved 99% reuse of water in the manufacturing cycle, representing savings of more than 2.1 billion m³ of water in 2013.

Our approach to sustainability issues is widely recognized at the international level. For the fifth consecutive year, Fiat was included in the prestigious Dow Jones Sustainability Indices World and Europe and we were recognized as the leader in Italy in addressing climate change with inclusion, for the second consecutive year, in the Italy 100 Climate Disclosure Leadership Index (CDLI) and Climate Performance Leadership Index (CPLI).

Expo Milan 2015, where we are Global Partners together with CNH Industrial, will provide another occasion to present the numerous eco-compatible solutions we have developed, demonstrating that respect for the environment and economic growth can and must coexist.

The Group also maintained its strong focus on safety. Recognitions received for product safety during 2013 included: a Euro NCAP 5 Star rating for the new Maserati Ghibli and Jeep Cherokee (Europe), an ANCAP 5 Star rating for the Fiat Panda (Australia), inclusion in the IIHS "Top Safety Picks" for the Maserati Ghibli and Fiat 500L and a NHTSA NCAP 5 Star rating for the Jeep Grand Cherokee 4WD (USA). In addition, the adoption of World Class Manufacturing standards by many of our suppliers, including those related directly to health and safety, has further extended the benefits to some 300 supplier plants around the world.

Social responsibility is another aspect of our activities that is very important to us. We believe firmly in the values of multiculturalism and diversity and, wherever we have a presence, we actively contribute to the advancement of local communities. Of approximately €20 million committed to local communities in 2013, for example, around 40% was for cultural, educational and training initiatives.

For every social initiative, we give priority to the involvement of local employees and suppliers in order to create jobs, stimulate the local economy and strengthen social ties within each community.

Finally, publication of this year's Sustainability Report offers me the opportunity to reinforce a message that I believe is of fundamental importance. With completion of the integration of Fiat and Chrysler expected during the year, our commitment to sustainability will not diminish. On the contrary, it will be intensified with the involvement of more than 300,000 people around the world.

The Group's targets and long-term initiatives planned up to 2020 are a tangible sign of our desire to maintain this commitment in the years to come, wherever we are present.

/s/ John Elkann

John Elkann

CHAIRMAN

Letter from the Chief Executive Officer

Dear Stakeholders,

2013 was a particularly important year for our Group and I don't believe there could have been a more appropriate or significant way to launch 2014.

As you know, after a protracted negotiation with the VEBA Trust, on January 1st we reached an agreement that cleared the way for us to acquire 100% of Chrysler's equity and will soon lead to the formal creation of a single entity.

From the very moment Fiat and Chrysler formed an alliance almost five years ago, we pursued a vision that went beyond industrial cooperation to full cultural integration at the global level.

We worked tenaciously and single-mindedly to transform differences into strengths, to break down barriers of nationalistic or cultural resistance and to create an organization that would be truly unified in practice, even before it was on paper.

That vision is now a reality. We have created a leading global automaker that is the 7th largest in the world. Even more importantly, we have created an organization that is unique and rich with potential at the technical, professional and human level – 300,000 people around the world driven by the spirit and values of an organization intent on distinguishing itself not only in terms of the excellence of its products, but also for the commitment, integrity and transparency with which it conducts its activities.

The coming together of Fiat and Chrysler has enabled us to intensify our sustainability-related activities by sharing best practices and leveraging our respective strengths.

Our strategy for sustainable mobility is focused on achieving a balance between conventional and alternative technologies that will deliver the greatest benefits for the environment now, while also ensuring that we continue to offer customers affordable products.

This includes designing systems and developing new technologies to cut CO₂ emissions and improve vehicle efficiency, as well as projects to address emerging mobility needs and customer-focused initiatives to raise awareness on the impact driving behavior has on fuel consumption.

Our commitment in this area and the innovations we launched during the year have received wide recognition at the international level.

Fiat's Methane Program received the "Ecobest 2013" award for being the simplest and most cost-effective solution, with the lowest environmental impact among fuels available today.

The innovative natural gas/gasoline TwinAir Turbo engine was named "Best Green Engine of the Year 2013" and the 3.0-liter EcoDiesel V-6 and the Fiat 500e Battery-Electric Drive System were both named to *Ward's* "10 Best Engines" for 2014.

The Ram 1500 received *Motor Trend's* "2014 Truck of the Year" and Fiat Professional was named "Light Commercial Vehicle Manufacturer of the Year" at the Green Fleet Awards 2013, both for the second consecutive year.

The Group's Luxury Brands were also recognized for their eco-performance: the new Maserati Ghibli and Quattroporte with V-6 diesel engines have CO₂ emission levels 35% lower than the V-6 gasoline versions, and Ferrari launched its first ever production hybrid (LaFerrari) with emission levels halved compared with the Enzo.

The Group also further reduced the environmental impact of its production processes, mainly through implementation of the World Class Manufacturing program (WCM), which continues to play an important role in terms of competitiveness, as well as being a key platform for ensuring the highest sustainability standards at plants and among our suppliers.

During 2013, energy-related projects developed as part of WCM contributed to a reduction of approximately 180,000 tons in CO₂ emissions.

In recognition of these efforts and our focus on quality, the WCM program's Gold level was awarded to the Fiat plants in Pomigliano d'Arco (Italy) and Tychy (Poland), as well as the Tofas plant in Bursa, Turkey.

We also continued in our commitment to ensure a safe and healthy working environment for employees in every area of activity at our sites worldwide.

During 2013, we invested a total of €194 million in health and safety improvements, representing an increase of 15.5% over the previous year.

In line with our operating philosophy, the Group also promotes the application of its sustainability principles along the entire value chain.

One initiative involved dealers in Italy, where the introduction of new practices and promotion of environmental awareness generated significant energy savings and reduced the environmental footprint of the sales network.

This project will continue with expansion to our dealer networks in other countries over the next few years.

In the U.S., Chrysler managed the second annual Dealer Environmentally Conscious Operations (ECO) Program, which was designed to encourage environmental responsibility across the dealer network and to recognize dealerships with a demonstrated commitment to eco-friendly business practices.

The Group was recognized again in 2013 by leading rating agencies and other international organizations for its leadership in sustainability.

For the fifth consecutive year, Fiat was included in the prestigious Dow Jones Sustainability Indices World and Europe, receiving the maximum score in several key areas of evaluation in the economic, environmental and social dimensions.

In addition, for the second consecutive year, we were recognized as the leader in Italy for our commitment to addressing climate change. Our environmental performance together with transparency in disclosure earned us recognition at the very top of the Carbon Disclosure Project's Italy 100 Climate Disclosure Leadership Index (CDLI) and Climate Performance Leadership Index (CPLI).

A forward-looking mentality and commitment to continuous improvement are natural to a group that values and cultivates diversity in individual talent, experience and cultures.

With the combined strength of our two organizations, we now also have the opportunity to play a leading role in the creation of a cleaner, safer planet.

We are all challenged to proactively become a part of the solution to problems that today's world faces, such as pollution in urban areas, climate change, over-dependence on oil and diminishing natural resources.

We need to put the maximum effort into helping to solve these issues, not just to meet stringent regulatory demands but, even more importantly, to ensure we can be proud of the legacy we leave future generations.

Fiat and Chrysler, united, intend to do their part.

I want to thank everyone in the Group for embracing the culture of sustainability and for their daily dedication to translating it into concrete actions. They are our best and most precious resource.

/s/ Sergio Marchionne

Sergio Marchionne

CHIEF EXECUTIVE OFFICER

Fighting climate change

Climate change is one of the major global 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. Fiat Group recognizes its role in addressing climate change and is committed to reducing the CO₂ emissions of its products and processes from design and production, to 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 concentrations of CO₂ would have to be limited to between 400 and 550 parts per million (ppm). The lower limit of 400 ppm has now been reached, compared with the pre-industrial level of approximately 280.⁽¹⁾ The fifth Intergovernmental Panel on Climate Change (IPCC) report states with 95 percent confidence that humans are the main cause of the current global warming.

The increase in human-generated CO₂ emissions has led many governments to implement control and regulatory measures to limit the resulting effects. The automotive industry is addressing this challenge responsibly.

Fiat 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), academia, consumers, government and the financial community. As stated in the Group Environmental Guidelines, 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, Fiat Group continues to **focus on addressing CO₂ emissions** and once again, it has confirmed in its Sustainability Plan the commitment to reduce CO₂ 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 (see also pages 48-67)
- **production plants**, by cutting energy consumption levels and promoting the use of renewable energy (see also pages 134-148)
- **transport activities**, by increasing low-emission transport and involving our employees to reduce their commuting emissions (see also pages 163-166)
- **supplier activities**, by promoting environmental responsibility and spreading the principles and culture of World Class Manufacturing (see also pages 88-98)
- **office-related activities**, such as business travel, office activities and information technology emissions (see also pages 149-151)
- **eco-responsible driving** behavior, by providing dealers and customers with information and training on vehicle use and maintenance (see also pages 68, 98-101)
- initiatives to meet new **mobility needs**, by providing alternative mobility solutions to customers (see also page 69).

Fiat Group 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 (see also pages 46-47).

⁽¹⁾ Source: Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2007).

Sustainability governance model

Key target⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ● Target partially achieved |
 ○ Target postponed

Commitment	Target	2013 Results
Strengthen worldwide the Group's leadership position on Environment, Social and Governance aspects throughout the entire company and for the benefit of stakeholders	<ul style="list-style-type: none"> ▶ 2020: incorporate on a yearly basis sustainability targets in performance management processes and systems for an increasing number of employees 	<ul style="list-style-type: none"> ● Incorporation of sustainability targets in performance management system for 100% of individuals with responsibility for projects included in the 2013 Fiat S.p.A. Sustainability Plan, for Group Executive Council members and selected second-level reports to company CEOs ● Environmental and social targets continued to be applied to variable compensation system of approximately 210 Mass-Market and Premium Brand SQE⁽²⁾ managers and their teams

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 2013, business functions and regions across the Group committed to establishing long-term commitments and targets which are reported, together with the previous year's results, in this Sustainability Report. Our long-term commitments reflect ongoing changes in the automotive competitive environment as well as the evolution of stakeholder desires and requirements.

The Group'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 the Group 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 thus became the Nominating, Corporate Governance and Sustainability Committee.

Since that time, several entities within the organization have assumed direct sustainability management roles.

The **Sustainability Team** – with its local presence in Italy, Brazil and the US – 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 business improvement, contributing to risk management, cost optimization, stakeholder engagement and enhancement of the company's reputation. The teams interact with the individuals responsible for operational management of key issues (e.g., environment, energy, innovation, human resources,

> **GRI-G4** 34, 35, 36, 37, 43, 48, 49

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Supplier Quality Engineers.

etc.) 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.

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, Manufacturing, Purchasing, Senior Counsel and Treasurer).

The **Group Executive Council (GEC)**, the decision-making body composed of 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 the Group's overall performance on sustainability issues.

The **Nominating, Corporate Governance and Sustainability Committee** (a sub-committee of the Fiat S.p.A. 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 highest governance body according to their relevance. In 2013, the Chief Operating Officers (COOs) of the EMEA, NAFTA and LATAM regions and their functional reports were updated by the Sustainability Team on results of Stakeholder Engagement Events.

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, actions 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 Nominating, Corporate Governance and Sustainability Committee of the 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.

Following the materiality analysis completed for 2013, the Sustainability Team launched a project to establish Group targets with a longer time horizon. Results of targets set in prior reports which have not yet been concluded as well as the new targets are available through the Group's online interactive report. The selection of the most relevant long-term targets is reported in the printed version of the report at the beginning of the related section.

Stakeholder engagement and materiality analysis

Dialogue with internal and external stakeholders is essential for Fiat Group to continue making progress in its quest for sustainability. In a dynamic, competitive environment, engagement and dialogue are important to understanding stakeholder expectations, needs and concerns. As a corporate citizen, it is our responsibility to be aware of paradigm shifts, anticipate change and detect emerging trends. This is possible because we listen to and learn from our many stakeholders, inside and outside the Group.

One of the objectives of the dialogue with all Group stakeholders is to determine which commitments and topics are considered most important and crucial. These topics are those that allow the Group to continue creating value in the short-, medium- and long-term for all its stakeholders.

We conducted an analysis to update the Group materiality diagram, the first edition of which was published in the 2012 Sustainability Report. This analysis has allowed us to identify the most relevant aspects that reflect significant Group economic, environmental and social impacts and that greatly influence the assessments and decisions of stakeholders, both within the world automotive industry and taking into account the unique characteristics of each geographic area where the Group is present.

This year we updated the materiality diagram with the results of the sustainability-focused Stakeholder Engagement Events held in Italy, Brazil and the United States, allowing us to draw conclusions for the Group level, as well as identify issues perceived to be important in specific locations.

The materiality analysis was carried out in accordance with the **AA1000 Stakeholder Engagement Standard** guidelines for the steps relating to the identification, mapping and prioritization of stakeholders, and to the analysis of the results of their involvement. The guidance notes on Accountability and the criteria defined by the Global Reporting Initiative (GRI-G4) were also followed with regard to outlining an approach to the materiality principle and the identification of material issues.

Materiality diagram



In this Report only material topics identified by internal and external stakeholders as significantly important will be reported. The following topics are not considered highly material and will be reported to interested stakeholders through other channels, such as the interactive report (www.2013interactivesustainabilityreport.fiatspa.com):

- energy from renewable sources in operations
- other emissions from operations
- protecting biodiversity
- employee well-being and work-life balance
- public policy engagement
- recovery from external events.

An analysis defining the scope of each of the issues reported was carried out as well. In the context of the value chain, “scope” means the extent of the impact (of each of the material aspects identified) of Group activities, products, services and relations.

All aspects that the analysis showed to be material have impacts within the organization as a whole (Mass-Market and Premium Brands, Luxury and Performance Brands, Components and Production Systems, companies operating in advertising, communication and services). More specifically, the boundary of this Sustainability Report refers to all companies falling within the scope of consolidation of Fiat S.p.A. at 31 December 2013. Furthermore the aspects analyzed have impacts outside the organization in geographical areas where the Group conducts its operations and for all the stakeholder categories identified.

The result of the materiality analysis also led to a change in the structure of the **sustainability section** included in the **2013 Annual Report**, concentrating more on the material topics, discussed in detail in specific chapters.

Commitments toward stakeholders

Key target⁽¹⁾

⊕ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment	Target	2013 Results
Strengthen worldwide the Group's leadership position on Environment, Social and Governance aspects throughout the entire company and for the benefit of stakeholders	<ul style="list-style-type: none"> ▶ 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"> ● More than 70 stakeholders representing customers, dealers, suppliers, opinion leaders, media, academia and the environment engaged in sustainability-focused Stakeholder Engagement Events in Italy, Brazil and the US, with results reported to management of each region and to the Nominating, Corporate Governance and Sustainability Committee ● Stakeholder Engagement Guidelines available on corporate website ● Sustainability course available on unrestricted basis and delivered to approx. 14,550 Group salaried employees worldwide in addition to all Fiat professionals worldwide and approx. 17,000 Chrysler Group salaried employees and contract workers who took the course in 2012 ● Awareness workshop on sustainability delivered to about 20 representatives of EMEA Human Resource function in Turin (Italy) and 2 employee Town-Hall events held in Detroit (US) ● Sustainability network working groups convened 4 times in the US with about 40 representatives of every function across the company ● 2 initiatives on sustainability involving more than 19,000 employees in Brazil ● Magneti Marelli START publication on sustainability distributed to all managers and professionals worldwide ● Sustainability-focused summer intern program at Chrysler Group and 9 universities across the US engaged in sustainability-focused discussions ● More than 50 Brazilian employees and suppliers engaged in sustainability materiality discussion ● 13 small and medium size suppliers involved in sustainability training in Italy ● 60 small and medium size suppliers involved in sustainability training in the US ● Sustainability results incorporated in Fiat S.p.A. 3rd Quarter 2013 Results provided to investors and financial analysts ● Around 6%⁽²⁾ of Fiat S.p.A. free float shares held by Socially Responsible Investors

The Group approach to stakeholder engagement relies on the assumption that the voice of our stakeholders is relevant and potentially useful for the Group's ability to continuously strengthen its efforts as a global sustainable player. Our ability to generate value through business choices also depends intrinsically 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.

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⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Data refers to Vigeo Shareholders Identification registered in November 2013.

Fiat Group's activities have an impact on the decisions of a large number of stakeholder categories, both internal and external, including: employees, customers, suppliers, dealers, institutions, trade unions and associations, investors, local communities and their surrounding area. Similarly, the Group's results and activities depend in varying degrees on the behavior, expectations and fulfillment of stakeholder needs.

Acting responsibly therefore means engaging in an ongoing dialogue, both locally and globally, with the main Group stakeholders, in order to understand their different needs and expectations.

As the **Stakeholder Engagement Guidelines** state, the Group "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."

Our approach toward stakeholders has evolved over the years in the shape of increasingly sophisticated initiatives.

Through its **business functions**, the Group manages relations with various categories of stakeholders by continually establishing an ongoing dialogue aimed at understanding their expectations and promoting concrete actions that target specific needs and major interests.

Stakeholder interface occurs through **many channels**, and now, in 2013 the Group added yet another by creating the email address stakeholder.dialogue@fiatspa.com

Assessment of the issues that the Group's **internal stakeholders** perceive as most important in the area of sustainability were launched in 2012 and continued throughout the year. A **questionnaire** was administered to a total of about 70 employees from different units and geographic areas.

In 2013, the Group also took a new approach to interacting with its **external stakeholders** by organizing three sustainability-focused **Engagement Events** in Italy, Brazil and the United States.

The **goals** of these events were:

- gain greater insight into regional or national differences with regard to sustainability issues
- increase transparency in the communication of sustainability results and information of interest to stakeholders
- obtain feedback and ideas on how to address sustainability better and shape it to meet major needs of principal stakeholders.

The dialogue opened in each of these three countries made possible an exchange of opinions, ideas and perspectives of various categories of stakeholders⁽¹⁾ aimed at broadening their horizons in the field of sustainability on today's and tomorrow's pressing challenges.

At the meetings, the various participating stakeholder representatives engaged in activities and open discussions, giving them the opportunity to meet and converse freely, contributing to the assessment of:

- the most significant impacts of Group activities on the entire value chain
- challenges for a more sustainable mobility and the long-term sustainability commitments they would like the Group to undertake
- perceived relevance and materiality of various sustainability topics.

⁽¹⁾ These were mainly private customers, fleet customers, dealers, suppliers of materials and services, media, local communities, universities and technical institutes, environmental protection organizations and other foundations, and non-governmental organizations. The identification and selection of stakeholders engaged was based on the following standards and handbooks: AA1000 Stakeholder Engagement Standard, AA1000 Stakeholder Engagement Manual, AA1000 Principles Standard.

The following table shows the main challenges and opportunities that stakeholders believe the Group should address in the short and long-term.

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"> Promoting a culture of sustainability through partnerships with the world of education and other players Promoting new models of mobility that meet the ever-changing requirements of customers and new constraints of urban spaces 	<ul style="list-style-type: none"> Developing innovative solutions for sustainable mobility Developing alternative fuels Optimizing fuel consumption and reducing the CO₂ emissions of vehicles
Belo Horizonte (Brazil), December 2013 25 participants	<ul style="list-style-type: none"> Emphasis on managing end-of-life products Participation in the development of public policies that improve the quality and accessibility of services 	<ul style="list-style-type: none"> Road safety and relative social impact Sharing sustainable practices along the supply chain
Detroit (US), January 2014 24 participants	<ul style="list-style-type: none"> Promoting new models of mobility that meet the ever-changing requirements of customers and new constraints of urban spaces 	<ul style="list-style-type: none"> Spreading a culture of sustainability in society



“The company can play an important role in promoting a culture of sustainability within the community.”

Stakeholder Engagement Event, Turin (Italy)

As mentioned in the Stakeholder Engagement Guidelines, “as part of its responsibility toward stakeholders, the Group is committed to disclose and consult on the impacts and benefits of its activities and to communicate the development of its programs to the public.” For this purpose, the following **map of relevant topics for stakeholders** is a summary of the main actions taken to respond to the feedback from stakeholders.

Map of relevant topics for stakeholders

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

Achievement of common targets and alignment with industry standards in terms of quality, safety and the environmental impacts of products and processes

Responsiveness and proactiveness toward projects and initiatives related to environmental and social matters

Technical support on specific industry-related issues

Our leading actions

Compliance with industry standards, pulling ahead achievement and exceeding minimum requirement when feasible

Regular disclosure on performance and future targets related to the minimization of environmental and social impacts of our business

Active membership in trade and industry organizations such as ACEA,⁽¹⁾ NGV Italy,⁽²⁾ NGVA,⁽³⁾ EDTA,⁽⁴⁾ ERT,⁽⁵⁾ the Alliance,⁽⁶⁾ AIAG⁽⁷⁾ and ANFAVEA⁽⁸⁾ among others

⁽¹⁾ European Automobile Manufacturers' Association.

⁽²⁾ Natural Gas Vehicle Association (Italy).

⁽³⁾ Natural Gas Vehicle Association (Europe and US).

⁽⁴⁾ Electric Drive Transportation Association.

⁽⁵⁾ European Round Table for industrial leaders.

⁽⁶⁾ Alliance of Automobile Manufacturers (US).

⁽⁷⁾ Automotive Industry Action Group (North America).

⁽⁸⁾ Associação Nacional dos Fabricantes de Veículos Automotores (Brazil).

Employees

Approach of engagement

- Ongoing dialogue with 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 Stream initiatives
- Employee suggestion initiatives
- Provision of volunteer opportunities in the areas of society and the environment

Stakeholder expectations

Our leading actions

Transparent, open corporate communication

Worldwide access to intranet 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

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

Open and constructive dialogue aimed at defining joint solutions

Our leading actions

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

Wide range of competitive products

Complete and rapidly accessible product information, including sustainability features and Group commitment

Support business profitability by reinforcing managerial skills

Our leading actions

Competitive financial services offered to customers
Affordable products to meet the needs of a diverse customer base

e-Product tool made available to support vehicle sales by effectively explaining the product range and illustrating innovative characteristics and technologies
Incorporation of sustainability messages in product advertising

Empowerment of dealership staff to improve managerial and interpersonal skills

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

Quality, innovation and affordability of products	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
Safety of products	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 ₂ 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-day 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	The Group continues to develop solutions designed to reduce the environmental footprint of its operations

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

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 2013 alone, the Group invested around €3.4 billion on research and development Continuous research on the potential of alternative fuels to reduce CO ₂ emissions through innovative technologies
Development of an alternative, affordable drive system	Development of electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society
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
Promotion 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	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 2013 for a value of approximately €19.7 million to benefit local communities, (with activities focused on a variety of causes, such as education, for value of approximately €7.7 million and social welfare of approximately €4.9 million) Employees dedicated time and skills to volunteer initiatives in support of local communities in need

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

Expand and reinforce knowledge of the Group's sustainability efforts and results

Value creation (return on investment, sustainable and responsible management of the business)

Identification of key developments in CSR-related topics

Our leading actions

Inclusion of sustainability information in presentations of quarterly financial results

Global presence of the business with more than a century of industrial history, with 4.4 million vehicles sold in 2013 and trading profit of €3.4 billion
Around 6% of free float shares held by Socially Responsible Investors (Source Vigeo research, as of 30 November 2013)

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

Availability, timeliness, accuracy and transparency of information on financial and non-financial performance

Our leading actions

Continuous release and disclosure of information on Group strategies and results through the press, brand websites, the sustainability section of the corporate website and brochures

Each initiative of stakeholder engagement is monitored through qualitative and/or quantitative performance indicators used by the business functions involved both centrally and locally.

The evaluation of the effectiveness of the implemented measures is a key ingredient in the analysis of the lessons learned, which, together with feedback from stakeholders, contribute to advancing continual efforts in Group sustainability.

Breakdown of value added

The value added through the activities of Fiat Group and distributed to its various stakeholders in 2013 totaled €13,437 million (15% of revenues).

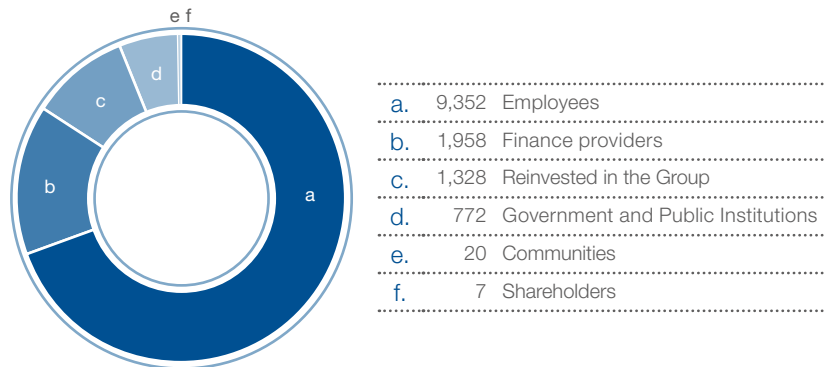
Direct economic value generated

Fiat Group worldwide (€ million)

	2013
Consolidated 2013 revenues	86,816
Income of financial services companies	(239)
Government grants (current and deferred/capitalized), release of provisions, other income	693
Other income	460
Direct economic value generated	87,730
Cost of materials	(68,175)
Depreciation and amortization	(4,574)
Other expense	(1,544)
Value added	13,437

Breakdown of value added

Fiat Group (€ million)



Sustainability ratings

Our Group's commitment to sustainability has received recognition at the global level from several leading organizations and indices. For the fifth consecutive year, Fiat S.p.A. was selected by RobecoSAM AG (the specialists in sustainability investing) for **inclusion in the prestigious Dow Jones Sustainability Indices (DJSI) World and Europe** which only admit companies judged best-in-class in terms of economic, environmental and social performance. The Group received a score of 89/100 compared with an overall average of 61/100 for companies evaluated in the Automobiles sector.

In addition, for the second consecutive year, the Group was recognized as the undisputed leader in Italy for its commitment to addressing climate change. On the basis of performance and transparency in disclosure, the Group was named the **leader in the CDP Italy 100 Climate Disclosure Leadership Index (CDLI) and Climate Performance Leadership Index (CPLI)** for 2013. Fiat received the highest score overall for transparency in disclosure (99/100) and the maximum score (A) for its commitment toward reducing carbon emissions.

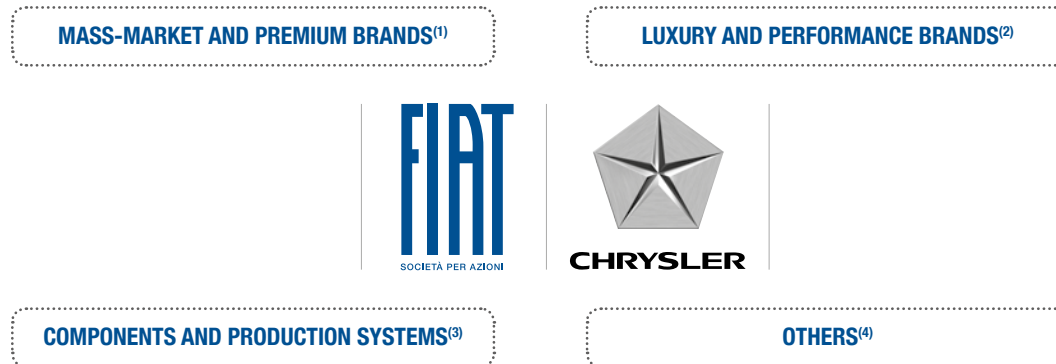
During the year, Fiat Group's position was also confirmed in the Euronext Vigeo Europe 120 and the Euronext Vigeo Eurozone 120 indices, both established in collaboration with NYSE Euronext, which include the top ESG performers based on an analysis of approximately 330 indicators.

The Group is also a member of several other major sustainability 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 and FTSE ECPI Italia SRI Leaders. In 2013, the Group also entered the Parks GLBT Diversity Index.



Group profile

Fiat is an international auto group engaged in industrial activities in the automotive sector that designs, engineers, manufactures, distributes and sells vehicles for the Mass-Market and Premium Brands under the Fiat, Alfa Romeo, Lancia, Abarth and Fiat Professional brands and Chrysler Group brands such as Chrysler, Jeep, Dodge and Ram brand vehicles and vehicles with the SRT vehicle performance designation, as well as Luxury and Performance cars under the Ferrari and Maserati brands.



Following the acquisition of Chrysler Group, the Group is making rapid progress in completing the plan for the integration of Fiat and Chrysler and asserting itself as a strong and competitive group that is a leader in technological innovation with a global presence and comprehensive product range.

The Group also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau and in after-sales services and products under the Mopar brand name. The Group provides retail and dealer finance, leasing and rental services in support of the car business through subsidiaries, joint ventures and commercial agreements with specialized financing services providers.

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⁽¹⁾ Includes Fiat Group Automobiles (100%); as of January 2013 Fiat Powertrain is included in Fiat Group Automobiles) and Chrysler Group (as of 21 January 2014, Fiat S.p.A.'s interest in Chrysler Group increased to 100%).

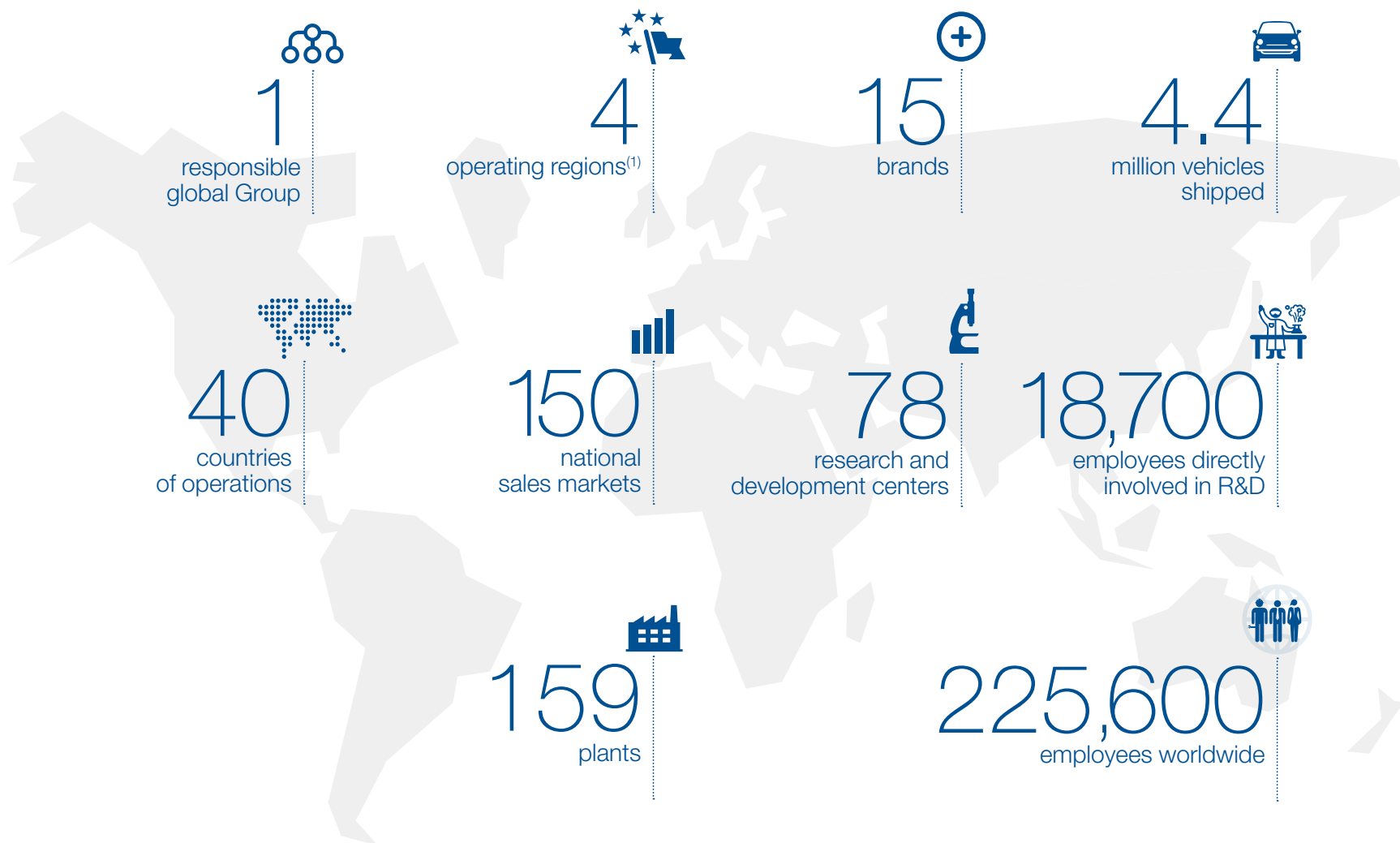
⁽²⁾ Includes Ferrari (90%) and Maserati (100%).

⁽³⁾ Includes Magneti Marelli (100%), Comau (100%) and Teksid (84.8%).

⁽⁴⁾ Includes firms operating in publishing, communication and services.

A global automaker

During the year, the 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. Worldwide shipments were up 3% over the prior year, with net revenues equal to of €87 billion. The Group closed 2013 posting trading profit of €3.4 billion and net industrial debt of €6.6 billion.



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⁽¹⁾ The Group's operations relating to mass market brands passenger cars, light commercial vehicles and related parts and services are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (US, Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).

Mass-Market and Premium Brands



Fiat

The quintessential symbol of Italian motoring, the brand strives to offer simple, innovative and affordable solutions to the many different needs of its customers.

All Fiat brand products combine the genuinely Italian passion for design and original aesthetic solutions with the greatest functional efficiency and versatility. For years now, Fiat has been designing cars that are both fun to drive and low on fuel consumption and emissions. Fiat is engaged in constantly reducing the environmental impact of its cars. In fact, for six years running Fiat has been recognized as the brand with the lowest average CO₂ emissions among the best-selling car brands in Europe. In addition, the European motoring magazine Autobest has awarded Fiat's "methane program" the "Ecobest 2013" title for being the simplest and most cost-effective solution with the lowest environmental impact of fuels currently available.



Alfa Romeo

Technology, efficiency, sportiness, and unique Italian design are the hallmarks of every Alfa Romeo model. The brand's history is reflected in every car and translates into a perfect balance between driving pleasure and maximum safety, made possible by the research and development of cutting-edge technologies. For more than twenty years, Alfa Romeo has been working with the International Safety Driving Center, headed by former Formula 1 champion Andrea de Adamich, to organize driving classes promoting safety, accident prevention and driver education among the general public and especially young people.



Lancia

The Lancia range results from a product philosophy which places elegance, personality, style and customization at the heart of its projects. A charm which, together with the adoption of technological innovations, succeeds in satisfying a demanding audience looking for cars that set themselves apart from the rest of the automotive scene. The ECOCHIC range embodies these same values and is designed to be eco-friendly with bi-fuel engines (natural gas/gasoline) that reduce emissions to a minimum.



Fiat Professional

Fiat Professional is our commercial vehicle brand whose proven experience makes it a leader in its sector. It offers a wide range of vehicles, designed to meet all work and transport needs while minimizing fuel consumption and operating costs and maximizing profitability. Its leadership was confirmed by the title of “LCV Manufacturer of the Year,” received for the second year in a row at the GreenFleet Awards 2013. The award recognizes its efforts to improve fuel economy and reduce the environmental impact of commercial vehicle fleets. The innovative eco:Drive Professional and eco:Drive Fleet systems play a significant role in helping customers optimize efficiency of its commercial vehicles.



Abarth

The legendary company founded in 1949 by Karl Abarth has always been synonymous with cars with a strong, determined and indomitable spirit, just like the scorpion in the company’s logo. Today, the brand builds and sells small and easy-to-handle sports cars with an unmistakable Italian taste, with lightweight engines that can get the most out of every single unit of horsepower. In addition to pursuing engine performance matched with sporty driving, Abarth advocates conscious and safe driving. In 2013, for the third year in a row, the brand held the “Make it Your Race” competition for aspiring race drivers. This platform that brings together the virtual and real worlds is designed to usher young aspiring racing drivers into the world of motor sports while promoting safe and responsible driving on the road.



Chrysler

The Chrysler brand has delighted customers with distinctive designs, craftsmanship, intuitive innovation and technology all at an extraordinary value since the company was founded in 1926. 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. Whether through groundbreaking, bold design; sleek elegant styling; or family-room-on-wheels functionality, Chrysler brand vehicles reward the passion, creativity and sense of accomplishment of its owners.



Jeep

Built on more than 70 years of legendary heritage, Jeep is the authentic sport utility vehicle (SUV) with class-leading capability, craftsmanship and versatility for people who seek extraordinary journeys. The Jeep brand delivers an open invitation to live life to the fullest by offering a full line of vehicles that continue to provide owners with a sense of security to handle any journey with confidence. In 2013, the Jeep brand set a new all-time global sales record, with sales of more than 731,000 Jeep vehicles around the world. This marked the fourth consecutive year of Jeep sales increases both globally and in the United States.



Dodge

The Dodge brand is tearing into its centennial year with a keen eye focused on the future and a desire to create vehicles customers can't wait to drive and are proud to park in their driveways. With 100 years of history, Dodge is building on the technological advancements of the '30s and '40s, design evolution of the '50s, the racing heritage of the '60s, the horsepower of the '70s, the efficiency of the '80s and unbelievable styling of the '90s as it paves the road to its future.



Ram Truck

Since its launch as a distinct vehicle brand, the Ram Truck brand has concentrated on how core customers use their trucks and what new features they'd like to see. Whether focusing on a family that uses its half-ton truck day in and day out, a hard-working Ram Heavy Duty owner or a business that depends on its commercial vehicles every day, Ram has the truck market covered. The Ram brand offers best-in-class fuel economy with the new 3.0-liter EcoDiesel engine, a number of first-in-segment fuel saving technologies, and the only factory-built natural gas pickup truck.



SRT

Chrysler Group's Street and Racing Technology (SRT) uses a successful product development formula to design, engineer and build benchmark American high-performance vehicles. Five proven hallmarks are applied to each SRT vehicle: awe-inspiring powertrains; outstanding ride, handling and capability; benchmark braking; aggressive and functional exteriors and race-inspired and high-performance interiors to remain true to its performance roots.



Mopar

Mopar is the Group's service, parts and customer-care brand which is establishing itself as one of the major players in the market. With the creation of the alliance between Chrysler Group and Fiat S.p.A., Mopar continues to extend its global reach, integrating service, parts and customer-care operations in order to enhance dealer and customer support worldwide. Mopar's worldwide portfolio includes more than 500,000 parts and accessories that are distributed in more than 130 markets. Mopar is the source for genuine parts and accessories for Chrysler Group brands as well as Fiat brands.

Luxury and Performance Brands



Ferrari

Since its founding in 1947, the company has traveled a long way, but its mission has always been the same: to make unique sports cars that represent the best in automotive technology, both on the track and on the road.

The epitome of passion and sportiness, Ferrari needs no introduction. Its calling card is the numerous Formula One titles it has won: a total of 16 constructors' and 15 drivers' championships. And of course, there is the impressive lineup of legendary GT models – exclusive cars that are unique for their performance, cutting-edge technology and design. One after another, each model released raises the bar of excellence within the industry.

Behind Maranello's extraordinary cars, there is a group of equally extraordinary people. True to this philosophy, in 1997, Ferrari launched a comprehensive initiative spanning from workplace safety to bio-sustainable architecture and workplace ergonomics, geared toward ensuring overall employee well-being – Formula Uomo.



Maserati

The brand has continued to achieve success on the track and on the road for over a hundred years through the charm, elegance and cutting-edge technology of its unique cars.

Maserati cars combine power with elegance and a futuristic design with surprising practicality. Its models immediately stand out for their extraordinary personality and satisfy even the most demanding and sophisticated tastes.

With the launch of the new Quattroporte, the brand's flagship model, and the Ghibli, which heralds its entry into the luxury E segment, Maserati has set an ambitious strategic target of achieving a major global presence in the luxury car market with annual production of 50,000 units.

Its long tradition of successful models has repeatedly redefined the concept of the Italian sports car in terms of style, performance, comfort and elegance, as well as safety, as testified by the two prestigious international safety ratings awarded to the Ghibli: the Euro NCAP 5-star rating and the IIHS 2013 Top Safety Pick.

Components and Production Systems



Magneti Marelli

Magneti Marelli is an international company committed to the design and production of 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. Magneti Marelli has a direct presence in 19 countries with 86 manufacturing facilities, 12 Research and Development centers and 26 application centers. Magneti Marelli combines quality, flexibility and competitive technologies to offer customers a range of cost-effective products. Through a process of continuous innovation, Magneti Marelli leverages its technical know-how to develop intelligent systems and solutions that contribute to the evolution of safe and sustainable mobility, as well as enhance the passenger experience. For example, application of research in lightweight materials to suspension systems won it the “Supplier of the Year” at the Vehicle Dynamics International Awards 2013.



Comau

With 40 years of experience in industrial automation, Comau is a recognized world leader in the design and construction of sustainable automation solutions and maintenance 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 an integral part of the company’s activities. In addition to its active engagement to improving energy efficiency and reducing greenhouse gas emissions in its own plants around the world, through the eComau business line it works with customers to improve their automated processes and reduce energy consumption.



Teksid

With over 80 years of experience in the production of engine blocks, cylinder heads, engine components, and transmission, gearbox and suspension components, Teksid is the world’s largest producer of gray and nodular iron castings. The company is committed to continuously adapting the technical characteristics of its products to the increasingly exacting needs of the automotive industry.

The ingredients of Teksid’s success include: high level of automation; continuous technology upgrades to improve quality standards; as well as close integration with the product development activities of customers, which include the leading global producers of cars, trucks, tractors and diesel engines.

In addition, Teksid Aluminum is the world leader in aluminum production technology for cylinder heads and engine components. In 2014, leveraging the synergy with Chrysler Group, there will be a substantial increase in production of cylinder heads at the Carmagnola plant in Italy where new systems, new workstations, leaner production processes and optimized logistics have been implemented.

Map of principal international agreements

EUROPE

FGA Capital: Fiat Group Automobiles (FGA) and **Crédit Agricole Group** (through their French subsidiary CA Consumer Finance S.A.) JV (50/50%) for the financial services activities related to FGA, Chrysler Group, Maserati, Jaguar & Land Rover car sales in Europe. On November 8 2013, the agreement to extend the Joint Venture through 31 December 2021 was completed.

On October 21 2013 FGA Capital and Jaguar & Land Rover renewed the Financial Services partnership

Fiat Group Automobiles (FGA) and **Opel** Agreement with Opel to supply vehicles based on the Fiat Doblò platform

ITALY

Fiat Group Automobiles (FGA) acquisition⁽¹⁾ of remaining 50% stake in **VM Motori S.p.A.** (VM) from **General Motors**

VM is a long-established company specialized in the design and manufacturing of diesel engines

ITALY AND FRANCE

Fiat Group Automobiles (FGA) and **PSA Peugeot Citroën Group** JV in Sevel Val di Sangro (50/50%) and Contract Manufacturing Agreement in Sevel Nord⁽²⁾ for the production of the following vehicle families:

- compact commercial vans for Fiat, Peugeot and Citroën
- light commercial vehicles for Fiat, Peugeot and Citroën

POLAND

Fiat Group Automobiles (FGA) and **Ford** Cooperation for the development and production of A-segment cars (Fiat 500 and Ford KA)

TURKEY

Fiat Group Automobiles (FGA) and **Koç Group** Listed JV (37.86% FGA; 37.86% Koç Group) for the development and production of passenger cars and light commercial vehicles, including a compact commercial van and a passenger car for Fiat, Peugeot and Citroën, and light commercial vehicles for Fiat and Opel

SERBIA

Fiat Group Automobiles (FGA) and the **Serbian government** JV (66.7% FGA; 33.3% Serbian government) for the production of FGA 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) for the production and distribution of instrument panels, door panels, floor consoles and rear quarters to Fiat Group Automobiles Serbia

HUNGARY

Fiat Group Automobiles (FGA) and **Suzuki Motor Corporation** Agreement (PDMA) for the production by Magyar Suzuki Corp. of the Fiat Sedici model in Hungary

MEXICO

Magneti Marelli and **Promatcor Inc.** JV (51% MM; 49% Promatcor) for the production of suspension components for Fiat-Chrysler (Ducato)

CHINA

Fiat Group Automobiles (FGA), Chrysler Group International LLC and Guangzhou Automobile Group Framework Agreement to expand cooperation on passenger car manufacturing and sales in China

Fiat Group Automobiles (FGA) and GAC Fiat Automobiles Co., Ltd (GAC FIAT) Agreement signed for the production of the C-Hatch Back in China by GAC FIAT

Teksid, Shanghai Automotive Industry Corporation (SAIC) and Yuejin Motor Corporation (YMC) JV (50% Teksid; 25% SAIC; 25% YMC) 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) 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) 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) 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) 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) Agreement for the establishment of a JV (50% MM; 50% CSI) for the design, production and distribution of automotive lighting products for the Chinese market

INDIA

Fiat Group Automobiles (FGA) and TATA Motors Agreement on the restructuring of Fiat India Automobiles Limited and the distribution model for Fiat brand vehicles in India

Fiat Group Automobiles India Private Limited Wholly FGA 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) 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) 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) 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) for the production and distribution of automotive lighting products and engine control systems (such as intake manifolds for engines) in India

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 Agreement for the establishment of a JV (40% MM; 60% Hero) for the design, development, production and distribution of powertrain systems for the two-wheeler market in India

INDONESIA

Fiat Group Automobiles (FGA) and PT Garansindo Inter Global Agreement for appointing third party distributor in Indonesia for Alfa Romeo and Fiat

Fiat Group Automobiles (FGA) and PT PARAMA UNGGUL OTOMOTIF Agreement for appointing third party distributor in Indonesia for Abarth

KOREA

Chrysler Korea Limited Chrysler Korea Limited launched the distribution of Fiat brand vehicles in Korea pursuant to an authorization from FGA to Chrysler Group

NEW ZEALAND

Fiat Group Automobiles (FGA) New distributor appointed for Fiat brand vehicles in New Zealand

WORLDWIDE

Magneti Marelli and Faurecia Cooperation Agreement for the establishment of a JV (50% MM; 50% Faurecia) for the design, development, production and distribution of advanced human-machine interface (HMI) vehicle interior products

Current as of end of February 2014.

⁽¹⁾ Acquisition finalized in October 2013, FGA now holds 100% of VM.

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

Timeline of Corporate Governance

By managing its business in an ethical, transparent and responsible way, Fiat Group's system of corporate governance creates value for all stakeholders. Fiat S.p.A. has a system of corporate governance aligned with international best practices and the principles endorsed by the Italian Corporate Governance Code for listed companies (issued in December 2011) with amendments adopted to address the specific characteristics of the Group. Over time, Fiat S.p.A.'s corporate governance system has been expanded to incorporate a set of values, rules and procedures that reflect regulatory changes and improvements in corporate governance practices.

1992

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

1993

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

1997

- Adoption of a system of Values and Policies

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

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

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

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

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

2006

- Certification of the System of Internal Control over Financial Reporting (ICFR) established pursuant to Section 404 of the US Sarbanes-Oxley Act. Although the company is no longer listed on the New York Stock Exchange (NYSE), management and Internal Audit have 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

2008

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

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

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

2011

- Formation of a new Group Executive Council⁽¹⁾ (GEC) following acquisition of majority ownership of Chrysler Group, consistent with the objective of enhancing operational integration between Fiat⁽²⁾ 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

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
- Inclusion of women for 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⁽²⁾ and Chrysler Group on shared goals and combined results of sustainability initiatives

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

⁽¹⁾ 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 remain distinct legal entities with separate governance. The GEC cannot contractually bind Chrysler Group, and recommendations made by the GEC to Chrysler Group, including transactions with Fiat companies, are subject to Chrysler Group's governance procedures.

⁽²⁾ Refers to Fiat Group excluding Chrysler Group.

Labor practices and human rights

The Group is committed to the highest business integrity and ethical standards. Key components of this commitment are embedded in Group codes of conduct. Fiat S.p.A. and Chrysler Group are aligned in terms of the principles and contents of their codes, following international best practices in the respect of local legal requirements.

The Fiat S.p.A. **Code of Conduct** represents a set of values recognized, adhered to and promoted by the Group, 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 which regulates the decision-making processes and operating approach of the Group and its employees in the interest of stakeholders.

The Code of Conduct expands on aspects of conduct related to the economic, social and environmental dimensions, underscoring the importance of dialogue with stakeholders.

Explicit reference is made 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 US Foreign Corrupt Practices Act (FCPA). Specific **Guidelines**, which are an integral part of the Code of Conduct, were created concerning 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 and Stakeholder Engagement.

The document, available in ten languages (Italian, English, French, German, Spanish, Polish, Dutch, Portuguese, Chinese and Japanese), may be consulted and downloaded from the Group's internet and intranet sites and is posted on company boards where employees have direct access. Copies can also be obtained from Human Resources, the Legal department or the Head of Internal Audit. The Code applies to the members of the Fiat S.p.A. Board of Directors, to all employees of Group companies and to all other individuals or companies that act in the name of, and on behalf of, one or more Group companies. Diffusion of the Code follows different steps: Corporate Officers must sign a binding document⁽¹⁾ 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.

Chrysler Group has an **Integrity Code** available in several languages and **Standards of Conduct** that are applicable to all employees. Together with the Chrysler **Corporate Policies and Procedures**, these documents represent the company's firm commitment to high business and ethical standards and contribute to creating a corporate culture that is characterized by integrity, transparency and accountability. The Integrity Code details rules of conduct for employees, including dealing with third parties such as suppliers, customers, government officials and business partners, as well as conflict of interest and internal control issues.

The Corporate Policies are a collection of approximately 50 company statements that support the Integrity Code and cover topics such as Discrimination and Harassment Prevention; Workplace Violence Prevention; Employee Health and Safety; and Environmental Protection, among others.

The Standards of Conduct describe actions or behavior which violate Chrysler Group's standards and which may result in disciplinary actions. In 2013, a new Anti-Corruption Policy was approved for Chrysler Group, which updates and consolidates the company's anti-corruption rules and procedures.

The Integrity Code, Corporate Policies and Standards of Conduct can be found on the online employee portal.

The Group disseminates the principles established in these documents and the values of good governance to all employees. In 2013, a total of **43,630 Group employees worldwide** were **involved in training courses** focused on Corporate Governance (including code of conduct), Anti-corruption and Human Rights (including non-discrimination) topics. Among these training initiatives, each year all salaried Chrysler Group employees complete the Ethics and Integrity Code web-based awareness training and acknowledge they have read and understood the Code, and that they know whom to contact for questions or concerns.

The Group'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 2013, 435 security personnel employed directly by Fiat Group⁽¹⁾ were trained in policies and procedures concerning aspects of human rights. Third party organizations which provide this service to the Group are also expected to adhere to these principles by signing contract clauses.

Aware of the importance attributed also by **external stakeholders** to the respect for human rights, business integrity and ethical standards, the Group extends its commitment to the promotion of the adoption of the Code as a best practice standard to the business conduct of partners, suppliers, consultants, dealers and others with whom it has a long-term relationship. In fact, Group **contracts** worldwide **include specific clauses** relating to the recognition of, and adherence to, the principles underlying the Code of Conduct and related guidelines, as well as compliance with local laws and regulations, particularly those related to anti-corruption, money laundering, terrorism and other crimes constituting liability for legal persons. In Latin America, for example, a dedicated website⁽²⁾ was created to **support access for all stakeholders to the Code of Conduct** and to serve as an extra channel for receiving complaints, including from third parties such as suppliers and clients. Similarly, to enhance the channels for receiving alleged violations of the Code of Conduct, Fiat S.p.A. created a dedicated email address directed to the Fiat S.p.A. Chief Audit Executive.⁽³⁾ At Chrysler Group there are dedicated hot lines and dedicated email address⁽⁴⁾ available to report alleged violations anonymously.

More than **400**  **security personnel** trained on **human rights-related aspects**

GRI-G4 DMA, 56, 57, 58, HR1, HR2, HR3, HR4, HR5, HR6, HR7, SO1, SO3, SO4 <

⁽¹⁾ The mapped population refers to security personnel employed at Group companies in Argentina, Brazil, Italy, Mexico, Poland, Serbia and Venezuela.

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

⁽³⁾ segnalazioni@fiatspa.com

⁽⁴⁾ bpoffice@chrysler.com



“The Group must continue to be aware of social needs such as working conditions along the entire value chain”

Stakeholder Engagement Event, Belo Horizonte (BR)

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 the Group. 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.

Under the Fiat S.p.A. Code of Conduct, Fiat Group “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 Group companies covered more than 99% of employees⁽¹⁾ 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 Group 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.

Key target⁽²⁾

+ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment

Strengthen worldwide the Group's leadership position on Environment, Social and Governance aspects throughout the entire company and for the benefit of stakeholders

Target

- ▶ 2020: further incorporation of respect for Human Rights, already included in Code of Conduct, into Group audit processes, according to local requirements and constraints

2013 Results

- Code of Conduct Survey Program continued and improved
- Human rights 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 EMEA, LATAM and APAC to ensure coverage of due diligence requirements of the UN Ruggie Framework Guiding Principles

> **GRI-G4** DMA, 27, HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR9, SO1, SO3, SO4, SO5

⁽¹⁾ Including Sevel Italia.

⁽²⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

In 2013, an additional **Human rights risk assessment** has been 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**. The assessment covers the areas of:

- child labor and young workers
- forced labor
- non-discrimination
- conditions of employment
- security
- supply chain management.

Since November 2013, a total of **10 Human rights risk assessments** have been completed for a total of 72 items checked. No issues were noted. This project will continue in 2014 to cover 100% of Fiat S.p.A. internal audits. All these efforts demonstrate the continuing Group commitment to respect human rights within and outside its boundaries.

Monitoring Code of Conduct violations

Violations of the Fiat S.p.A. Code of Conduct and Chrysler Group Integrity Code are essentially identified through:

- periodic activities carried out by Internal Audit & Compliance
- reports received in accordance with the Whistleblowing Procedures
- reviews of standard operating procedures.

In 2013, Fiat S.p.A. Internal Audit & Compliance systematically verified the level of knowledge and the respect of the Code of Conduct throughout Fiat Group companies (excluding Chrysler Group). Operational audits which were expanded in 2012 to include assessment of ethical issues with particular reference to human rights, business ethics, conflict of interest, corruption and discrimination issues, have been further integrated with the Human Rights risk assessment based on the UN Ruggie Framework Guiding Principles.

During 2013, **264 cases of actual violations** – received both internally and externally – of the Fiat S.p.A. Code of Conduct were reported. As a consequence of Code violations, 264 employees were subject to disciplinary actions, while six reports received through the Whistleblowing Procedure led to the introduction of improvements to the Internal Control System, such as the review of pertinent 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 corporate departments were notified of the violations, irrespective of whether criminal charges were made by the authorities.

The **principal types of violation** verified in 2013 included inappropriate conduct by employees such as absenteeism, inadequate and unethical behavior and misuse of company assets. Cases of violations of the Code of Conduct involving discrimination were not assessed.

Violations of Fiat S.p.A. Code of Conduct

Fiat Group worldwide⁽¹⁾

	2013	2012	2011
Actual violations revealed during standard operating procedures, periodic activities carried out by Internal Audit and checks forming part of standard operating procedures	246	251	167
<i>Alleged violations received (internally and externally) under Whistleblowing Procedure</i>	86	30	36
of which verified actual violations	14	2	2
Verified actual violations from previous years	4	3	2
Total actual violations	264	256	171

Enterprise Risk Management model

Fiat Group adopted an Enterprise Risk Management (ERM) model in 2004 to provide greater transparency and disclosure of business risks as well as respond to regulatory directives requiring companies to adopt suitable corporate governance models. Chrysler Group subsequently adopted the Fiat ERM methodology in 2012. In the first half of 2013, a review of the ERM process was launched based on a pilot project carried out at Chrysler Group. As a result of this review, the ERM process was revised to focus on making the analysis of potential risks dynamic (periodic evaluation with follow-up of the main risks and periodic monitoring of mitigating actions identified and/or implemented), predictive (prospective risk assessment), and cross-functional (risk assessment with close involvement of business areas). With this in mind, ERM Coordinators were appointed in the Sector/Region Finance functions and they are supported by one or more business unit leaders to prepare, coordinate and hold meetings with key company functions. These meetings are cross-functional and open to the various Business Unit managers to facilitate the discussion, identification and evaluation of potential risks, as well as the development and definition of risk mitigation plans.

Management of pure risks

Key target⁽¹⁾

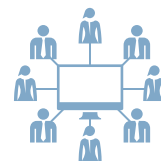
+ Target exceeded |
 ● Target achieved or in line with plan |
 ● Target partially achieved |
 ○ Target postponed

Commitment	Target	2013 Results
Continuously update the risk management system to ensure business continuity and monitor as well as prevent climate change risks among others	▶ 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	+ Fiat S.p.A. and Chrysler Group loss-prevention databases and methodologies converged, with activities and results achieved reported to internal and external stakeholders using a Loss Prevention Stewardship Report ● Transit Insurance Program consolidated at Group level

The Group believes in preventing losses that could result in property damage leading to an interruption in business. The Fiat Risk Management S.p.A. and Chrysler Group Risk and Insurance Management Departments address all stages of pure risk management including risk identification, analysis and treatment (including loss prevention).

The entire risk management process is executed with maximum transparency and the highest level of expertise, supported by consulting companies specializing in industrial risk that, through field audits, ensure an in-depth, continuous and impartial assessment of risk across the entire Group. In 2013, 123 sites were inspected (covering approximately 98% of industrial activities at Chrysler Group and 64% in the rest of the Group) and 519 new projects were tracked ensuring that the highest level of international loss prevention standards are followed. During the year, the Group's investment in loss prevention and mitigation measures totaled around €26.1 million.⁽²⁾ The €19.1 million of Fiat targeted investments reduced loss expectancies by approximately €2.37 billion resulting in a Global Efficiency Index (GEI) of 0.81⁽³⁾ in line with the highest international standards.

The Fiat and Chrysler Group risk management functions work to develop forward-looking, risk engineering approaches and solutions. In particular, this is demonstrated by the development of specific projects that highlight the contribution of risk management in addressing climate change issues.



404 loss prevention specialists connected worldwide through a dedicated intranet community

GRI-G4 DMA, 2, 14, 45, 46, 47, EC2, EC7, EC8, PR1 <

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Figures related to the period from 1 July 2012 to 30 June 2013 (insurance year).

⁽³⁾ Global Efficiency Index for loss mitigation measures (GEI= reduction of expected damage/cost of protection) is recognized as a measure of best practice for industrial risk management.

Product innovation and responsibility

The automobile is still today's most flexible solution to individual mobility needs and among the most popular means of transportation. Fiat Group manages the need for mobility with responsibility by offering a wide range of vehicles that are sustainable throughout their life cycles and accessible to a large number of consumers. To this end, the Group invests heavily in research and innovation.

Key targets⁽¹⁾

⊕ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment

Minimize environmental impacts related to the use of products by reducing vehicle CO₂ emissions, focusing on alternative fuels and propulsion systems and engaging customers in eco-responsible behavior

Targets

- ▶ 2020: 40% reduction in CO₂ emissions vs 2006 from Mass-Market and Premium Brand cars sold in Europe, maintaining high levels of competitiveness

Note: 2006 baseline defined in line with the European regulation 443/2009 impact assessment

- ▶ 2020: at least 5% to 15% improvement in fuel economy⁽²⁾ of the new Chrysler Group vehicle compared with the vehicle replaced, aligned with major vehicle renewals
- ▶ 2025: actively pursue actions in support of the US EPA/NHTSA industry goal of 54.5 mpg
- ▶ 2017: at least 6.8%⁽³⁾ reduction in CO₂ emissions on average fleet vs 2012 in Brazil

- ▶ 2015: continuation of leadership position for natural gas vehicles in Europe

- ▶ 2015-2020: development of electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society

2013 Results

- Reduction of 18% in CO₂ emissions in Europe vs 2006 and of 24% vs 2000 while increasing product offer across Mass-Market and Premium Brands
- 25% of cars sold in Europe recorded emissions at or below 110 g CO₂/km (of which 13% below 100 g CO₂/km) and 81% at or below 130 g CO₂/km
- ⊕ 14% of car versions (model/engine) of Fiat Group Automobiles brands (Fiat, Alfa Romeo, Lancia, Abarth) offered with emissions at or below 100 g CO₂/km
- 4% improvement in average fuel economy and 4% improvement in average CO₂ emissions for passenger cars and light duty trucks achieved in the US vs 2012
- Market leadership maintained for natural gas vehicles in Europe: more than 67% market share with a total of more than 62,000 natural gas vehicles sold in 2013, and almost 600,000 natural gas vehicles produced since 1997
- Technological assessment of micro/mild hybrid and proof of concept for small segment vehicles completed
- Fiat 500e marketing launch in US with EPA label of 108 highway MPGe rating and class-leading 87 miles of combined city/highway driving range

> GRI-G4 DMA

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Data is reported to the US 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 2013 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.

⁽³⁾ 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.

A comprehensive approach to sustainable mobility

The Group's **emphasis on innovation** plays a key role in product research and development. 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 the Group Research & Development and is responsible for stimulating opportunities for synergies and technology transfer across the entire enterprise.

The 1st of January 2014 Fiat S.p.A. announced the acquisition of the remaining equity interests in Chrysler Group LLC, finalizing the global strategic alliance started in 2009. This process of corporate integration brings major benefits like the sharing of architectures, components, know-how, best practices and tools across the two organizations, which leads to common innovation programs. The two groups have been able to draw on the core strengths of the other, with the whole being a far stronger, unified enterprise. Fiat's presence and experience in smaller car segments combined with Chrysler Group's in the medium and larger vehicle segments produces a full range of products competing in diverse market segments. The number of offerings, however, is not the most important factor, but rather that they are capable of meeting customer expectations in terms of fuel efficiency, safety, quality and affordability. Fiat is recognized for its technological know-how and commitment to sustainable mobility, as well as for its ability to introduce fuel-efficient powertrain technology, including diesel and compressed natural gas engines. Chrysler Group brings to the partnership a wealth of experience in larger displacement engines, and has led the development of electric and hybrid vehicles for the Group.



The 78 Research & Development (R&D) centers across the Group's operating regions (EMEA, NAFTA, LATAM and APAC) employ a combined headcount of about 18,700 individuals. The two primary R&D facilities in EMEA and NAFTA are the Centro Ricerche Fiat (Orbassano, Italy) and the Automotive Research & Development Centre (Windsor, Canada).

The Global Innovation Process (GIP), an **innovation network**, was established in 2012 and is led by the Centro Ricerche Fiat (CRF). This network serves as a framework for all Group innovation activities around the world.

The Group's **product strategy** is based on the development of innovative solutions to minimize the impact on the environment by reducing fuel consumption and emissions, improving product recyclability, reducing traffic congestion and diversifying mobility products and services, while in turn helping our customers become increasingly more responsible when driving.

All of these topics have been determined to be material during sustainability-focused Stakeholder Events conducted in 2013 across the regions. In particular, participants expressed a strong focus on the need for an expanded view of the concept of moving people and goods; this concept could include mobility services, car-sharing and connectivity solutions.

Diverse, changing market conditions, as well as the evolving needs of our stakeholders, call for the constant adaptation of product strategy in order to remain fully competitive worldwide. The Group accepts this continuous challenge by developing its sustainable mobility approach.

The Group's commitment to sustainable mobility is based on a **balanced approach** that takes into account best-in-class technologies, with the awareness that there is no single solution to the challenges faced by the automotive industry. Immediate and tangible results can be achieved only by combining the best conventional and alternative technologies, while recognizing and accommodating the different economic, geographic and fuel requirements of each market. Ecological mobility results and targets are a tangible sign of our long-term commitment to combine environmental responsibility with business viability.

The Group addresses this commitment on a variety of fronts:

- optimizing the ecological performance of conventional engines
- continuing to offer a wide range of vehicles with alternative fuels
- developing alternative propulsion systems that are widely accessible
- designing systems to cut emissions and reduce vehicle energy demand
- developing initiatives to meet new mobility needs
- engaging with consumers to raise awareness of driver behavior on fuel consumption.

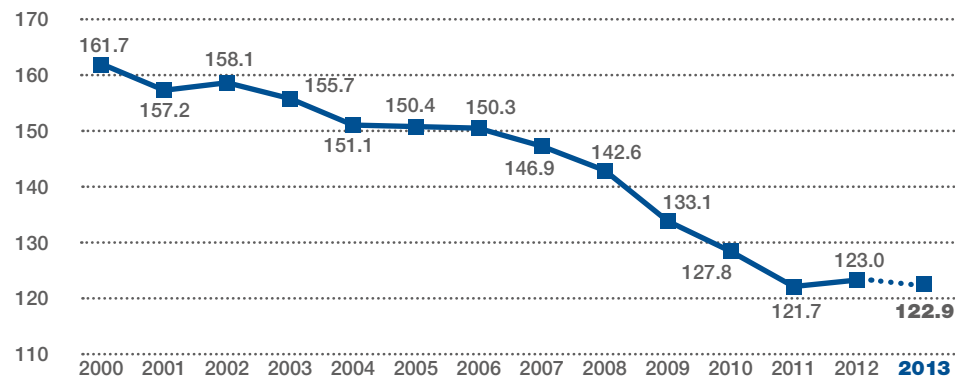
A strategy to minimize emissions

Over the years, the Group has achieved significant results in reducing CO₂ emissions and fuel consumption. The Group's commitment to increasingly sustainable mobility has been demonstrated by the results already achieved in reducing fuel consumption and CO₂ emissions, particularly in EMEA and NAFTA, where approximately 72% of Group revenues were generated in 2013.

In the European Union, the average CO₂ emissions of the Group's Mass-Market and Premium Brands amounted to 122.9 g/km in 2013. This represents an 18% 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 CO₂ emissions for newly-registered vehicles

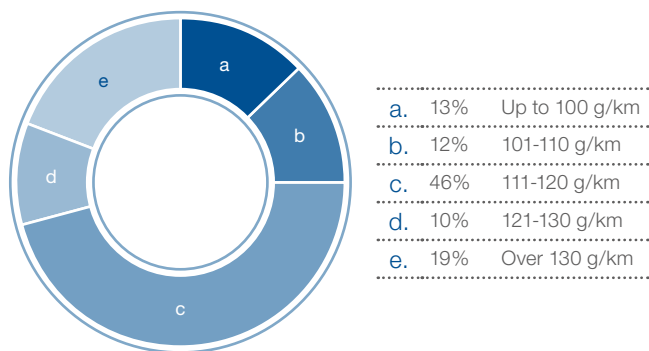
Fiat Group (Mass-Market and Premium Brands) in the European Union (g/km)



Source: 2000-2012 – data submitted to EU Commission; 2013 – FGA estimate

New car registrations by CO₂ emission levels

Mass-Market and Premium Brands in the European Union



Approximately 71% of the Group's newly registered cars of Mass-Market and Premium Brands emitted 120 g/km of CO₂ or less in the **European Union**, while 81% emitted 130 g/km of CO₂ or less.

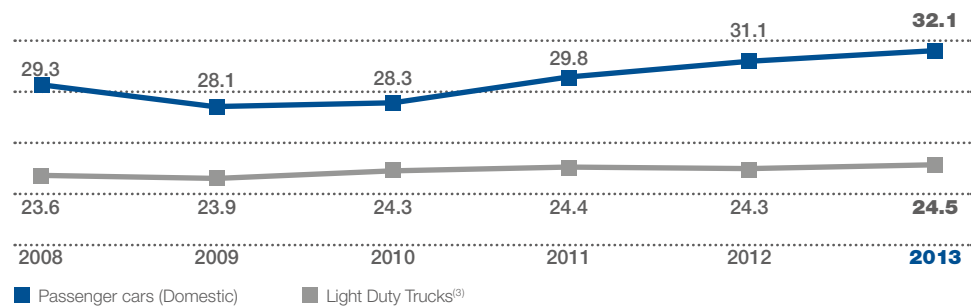
“ I think it's important to change consumer behaviors around transportation methods, ”

Stakeholder Engagement Event, Detroit (US)



Fuel economy⁽¹⁾ of vehicles sold in the US according to Corporate Average Fuel Economy – CAFE⁽²⁾

Mass-Market and Premium Brands in the US (mpg)



In the **United States**, where shipments account for 84% of the NAFTA market, vehicle efficiency is measured by fuel economy expressed in miles per gallon (mpg). In 2013, Chrysler Group's domestic passenger car mpg increased from 31.1 in 2012 to 32.1, an improvement of 3%. Light truck mpg increased 1%, from 24.3 to 24.5.

GRI-G4 DMA, 14, EN7, EN27 <

⁽¹⁾ 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 CO₂ emissions.

⁽²⁾ Data is reported to the US 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 2013 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.

⁽³⁾ Vehicles for the transportation of passengers and/or goods with specific characteristics defined by the US National Highway Traffic Safety Administration – NHTSA (e.g., SUVs, MPVs and pickups).

In countries in the APAC and LATAM regions, including those without specific regulations governing CO₂ emissions or fuel consumption, Fiat Group offers vehicles with leading-edge technology designed to reduce both.

In **China**, where the Corporate Average Fuel Consumption (CAFC) regulation sets limits for CO₂ emissions by 2015, the Group is committed to launch new low-emission products, as well as various technologies currently available in other markets, including MultiAir, 8- and 9-speed transmissions and other technical engine upgrades.

In **Brazil**, the major market in the LATAM region, the sale of Flexfuel and TetraFuel vehicles totaled more than 744,100, corresponding to 97.5% of Fiat vehicles sold. The Group voluntarily participates in the government's INMETRO vehicle fuel consumption monitoring program (PBEV – “Brazilian Labeling Program Vehicle”). In PBEV 2013, referring to the Fiat position in 2012, 30 Fiat vehicles were involved, equaling 13% of the total participating vehicles. Fiat was the carmaker that participated with the highest number of vehicles in the labeling program. The 2013 program featured five Fiat vehicles among the top 15 cars with the lowest average consumption.



The **international awards** received by the Group are further proof of its continued commitment to ecological mobility. In 2013, these included:

- The innovative 0.9 TwinAir Turbo bi-fuel natural gas-powered engine received the “Best Green Engine of the Year 2013” title
- Fiat's “Methane Program” won the Ecobest 2013 award
- Fiat Professional named “LCV Manufacturer of the Year” at the GreenFleet Awards 2013
- Ward's 10 Best Engines list for 2014 included two from Chrysler Group: the 3.0-liter EcoDiesel V-6 engine and the Fiat 500e Battery-Electric Drive System
- Palio Fire, the latest Fiat model to hit the Brazilian market and the most affordable car, received an “A” Rating under the “Etiquetagem Veicular” INMETRO initiative.

Ferrari: HY-KERS, high performance hybrid technology

The **LaFerrari** represents Ferrari's most ambitious project to push the boundaries of technology on a road car, drawing together the finest expression of the marque's technical capabilities in both GT and Formula 1 engineering. Indeed, LaFerrari is the final outcome of this quest; **it is the first ever car with hybrid technology to come out of Maranello**. This model's V12 combustion engine produces 800 hp and the electric motor a further 120 kW (163 hp) for a total of over 960 hp. Thanks to the technological leap represented by **HY-KERS**, a system designed based on F1 experience, the LaFerrari is the most high performance and efficient Ferrari ever built.

This technology has enabled Ferrari's engineers to maximize performance and reduce fuel consumption. “LaFerrari” emits just 330 g/km of CO₂, but without resorting to electric-only drive, so that driving your Ferrari is still a pleasure.

Maserati: high performance meets the highest environmental standards

Maserati has devoted great efforts to developing the new **Maserati Ghibli and Quattroporte**, reducing the fuel consumption compared with the previous generation of cars and engines. The new Twin Turbo V6 and V8 have been designed to consume as little fuel as possible and emit less CO₂ and at the same time deliver extremely sporty performance. With an aluminum alloy crankcase and

cylinder heads, both units are extremely compact, keeping the weight of the car down. Also, a new V6 diesel engine with an enhanced Start&Stop Maserati feature was introduced to further meet the demand for a low-consumption vehicle. Ultimately, these vehicles now run on 30% less fuel than those in the previous models. The new Maserati Ghibli and Quattroporte benefit from the latest generation of eight-speed automatic transmissions, which are lightweight, precise and easily capable of coping with the car's high-performance engines. Particular emphasis was also placed on weight reduction, achieving 100 kg less compared to the previous Quattroporte model.

Optimization of the ecological performance of engines

Conventional engines will continue to play a predominant role in mobility in 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

The two-cylinder **TwinAir** engine, which **emits up to 30% less CO₂** compared with engines of similar performance (16V 1.4-liter gasoline version), continued to be rolled out in further models. The TwinAir family features four engine versions: a naturally aspirated 65 hp, 85 hp and 105 hp turbo, and an 80 hp natural gas turbo. The Group offers these on 31% of cars offered in Europe. The new TwinAir 105 hp turbo version includes improved engine architecture (Cylinder Head Integrated Manifold – CHIM) and a high-efficiency turbocharger, thus further reducing fuel consumption and emissions. After its introduction on the Fiat 500L in 2012, it is now available on the Fiat 500 and 500C, Fiat Punto and Alfa Romeo MiTo. **MultiAir technology** lies at the heart of the TwinAir engines. Its electro-hydraulic valve management system reduces fuel consumption by controlling air directly via the intake valves without using the throttle. Improved combustion control allows MultiAir to reduce polluting emissions, while simultaneously enhancing performance by improving drivability. Compared with a traditional gasoline engine of equal displacement, MultiAir engines increase power by up to 10% and torque by up to 15%, in addition to a significant reduction in CO₂ emissions of up to 10%.

The Group has already developed the new and improved MultiAir II, featuring next generation intake valve management and combustion control, thus enabling a further reduction in CO₂ emissions without compromising performance, drivability or customer satisfaction.

All the gasoline engines in the TwinAir family and the 170 hp FIRE Turbo engine now feature MultiAir II technology. MultiAir II technology has also been extended to all Tigershark engines including the new 2014 Jeep Cherokee. This vehicle comes equipped with a 2.4-liter MultiAir II Tigershark I-4 producing 184 horsepower and 171 lb.-ft. of torque. It achieves a fuel economy rating of up to 31 miles per gallon (mpg) highway for 4x2 models, a more than 45% improvement versus the outgoing model. This same powertrain will be standard on the new 2015 Chrysler 200, and contributes to estimated fuel economy improvements of 13% compared with the outgoing model. The Group's **Pentastar V-6 engine**, originally launched on the Jeep Grand Cherokee in 2010, was expanded during 2013 with the addition of two new downsized versions: a 3.2-liter V-6 in the all-new 2014 Jeep Cherokee and a 3.0-liter V-6 in the 2014 Jeep Grand Cherokee sold in China. With these two introductions, the Pentastar engine family now accounts for all of Chrysler Group V-6 offerings, powering 16 models across 11 segments – from mid-size car to full-size commercial van. The Pentastar V-6 engine has a flexible architecture, so it can be used with a variety of advanced technologies, such as Fiat'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. In 2013, cars equipped with MultiAir technology represented 14.6% of all Mass-Market and Premium Brand sales in Europe. Research into gasoline engines has been aimed at developing solutions to ensure ever-higher performance and extremely low polluting emissions. These solutions are the result of a range of complementary technologies, such as modern supercharging systems incorporating new features developed in the MultiAir system and the use of exhaust gas recirculation systems. These are all solutions that make engine management more flexible while increasing fuel economy and cutting emissions. New engines can deliver the torque needed even at low engine speeds and will lead to the introduction of specific solutions to adapt transmission performance, favoring downspeeding and resulting in even better fuel economy. Vehicles featuring these innovations will be more competitive while offering customers low ownership costs matched with top performance.

Diesel engines

Our technological leadership in the field of diesel engines was strengthened by the second generation MultiJet technology (MultiJet II), an evolution of the revolutionary Common Rail injection system patented by Fiat (Unijet). This technology has spread across the world, and testifies to Fiat's commitment to developing solutions that are accessible to a large number of customers. The MultiJet 1.3-liter version alone reached the historic milestone of five million units produced at the Bielsko Biala (Poland) plant. MultiJet II engines are characterized by their eco-efficiency and performance through advanced combustion optimization technologies such as Injection Rate Shaping (IRS). With IRS, the MultiJet's typical main injection is replaced by two consecutive injections with no hydraulic interval, generating significant improvements in terms of fuel consumption (up to 3% less) and harmful emissions (a potential **20% reduction in NO_x**). In 2013, the MultiJet II was further extended across the product range, with the launch of the new 120 hp 1.6-liter version on the Fiat 500L, 500L Trekking and 500L Living and of the new 150 hp 2.0-liter version on the Alfa Romeo Giulietta. The Group's recently-launched **V-6 EcoDiesel** engine was adapted specifically for the North American market to meet the NAFTA region's stringent emissions and on-board diagnostic regulations. This engine is available in all 50 US states and is Tier 2/bin 5 compliant. It benefits from Fiat's MultiJet II technology, which enables Injection Rate Shaping – fuel injection that is modulated to mitigate noise and improve low-speed throttle response, while reducing fuel consumption and emissions. Research into diesel engines has been focused on further developing the injection and combustion process with the aim of improving engine performance and reducing noise. In addition, the research also aims to study and develop innovative ways to minimize polluting emissions, including nitrogen oxides, in anticipation of future mandatory requirements.



The EcoDiesel-powered 2014 Ram 1500 has earned a 28 miles per gallon (mpg) rating from the US Environmental Protection Agency (EPA), the best highway-cycle test result ever achieved by a full-size, half-ton pickup. The new diesel engine also enables the 2014 Jeep Grand Cherokee to achieve best-in-class 30-mpg performance on the highway. **The 3.0-liter EcoDiesel V-6 engine** was named among **Ward's 10 Best Engines for 2014** and contributed to the 2014 Ram 1500's victory in the latest Motor Trend Truck of the Year competition.

Roadmap of propulsion-vehicle systems

Fiat Group, Mass-Market and Premium Brands⁽¹⁾

Already available	In the pipeline	Innovation
Diesel		
MULTIJET II	NEW ADVANCED TECHNOLOGIES FOR EURO 6 / LEVIII	HIGH-EFFICIENCY COMBUSTION
ECO-TURBO	HIGH-EFFICIENCY AFTERTREATMENT	ADVANCED COOLING SYSTEM
SELECTIVE CATALYTIC REDUCTION	HIGH PRESSURE INJECTION SYSTEM	ADVANCED EXHAUST AFTERTREATMENT
START&STOP		ENERGY / EXHAUST HEAT RECOVERY
LIGHT DUTY DIESEL (<i>North America</i>)		VARIABLE VALVE TIMING
ULTRA LOW FRICTION ENGINE TECHNOLOGIES		SMART BOOSTING INTEGRATION SYSTEMS
Gasoline		
MULTIAIR II	GDI AND MULTIAIR INTEGRATED	HIGH-EFFICIENCY COMBUSTION
TWINAIR	MULTIAIR III	INNOVATIVE ENGINE CONTROL MANAGEMENT
CYLINDER DEACTIVATION		ENERGY / EXHAUST HEAT RECOVERY
START&STOP		LEAN BURN STRATEGY
DIRECT INJECTION		VARIABLE COMPRESSION RATIO
DISPLACEMENT DOWNSIZING		SMART BOOSTING INTEGRATION SYSTEMS
ULTRA LOW FRICTION ENGINE TECHNOLOGIES		
COOLED EXHAUST GAS RECIRCULATION		
Alternative Fuels and Propulsion Systems		
NATURAL GAS – TWINAIR – MULTIAIR II	BIOMETHANE ⁽²⁾	VERY LOW EMISSIONS/MONOFUEL NATURAL GAS
FLEXFUEL/TETRAFUEL	MILD HYBRID	DIRECT INJECTION CNG
LIQUEFIED PETROLEUM GAS (LPG)	PLUG-IN HYBRID ⁽³⁾	MULTIFUEL ENGINES (ETHANOL & GAS)
BATTERY ELECTRIC VEHICLE (BEV)		HYDROGEN/NATURAL GAS BLENDS ⁽³⁾
		NEXT GENERATION BATTERY ELECTRIC VEHICLE (BEV)
		TURBO & DIRECT INJECTION ETHANOL ENGINE
Transmissions		
6-SPEED MANUAL	7-SPEED DDCT	OPTIMIZED TRANSMISSIONS FOR HYBRID / ELECTRIC
AUTOMATED MANUAL TRANSMISSION	EXTENSION OF DDCT APPLICATION	TRANSMISSION CONTROL OPTIMIZATION
DUAL DRY CLUTCH TRANSMISSION (DDCT)		
ADVANCED AUTOMATIC TRANSMISSIONS (6, 8 AND 9 SPEED)		
AXLE DISCONNECT FOR FWD-BASED 4WD VEHICLES		
Vehicle		
ACTIVE GRILLE SHUTTERS	ADVANCED THERMAL MANAGEMENT	SOLAR ROOF
IMPROVED AERODYNAMIC KIT	WEIGHT REDUCTION	ENGINE ENCAPSULATION
CONTROLLED FUEL PUMP		HEAT STORAGE
LED DAYTIME RUNNING LIGHT		NEXT GENERATION LIGHT-WEIGHT MATERIALS

⁽¹⁾ The Mass-Market and Premium Brands include the brands of Fiat Group Automobiles and Chrysler Group.

⁽²⁾ Demonstration fleets.

⁽³⁾ Experimental fleets already in operation.

Broad range of alternative fuel-powered vehicles

A fundamental aspect of Fiat Group'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

Fiat Group believes that natural gas is currently the best existing solution for reducing urban pollution levels and CO₂ emissions. It is the **cleanest and most economical fuel** available, and the only currently viable alternative to gasoline and diesel. 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 CO₂ emissions** compared with gasoline
- has the potential to become a renewable fuel source in the form of biomethane.

Market recognition

Fiat Group has been Europe's leading producer of Original Equipment Manufacturer (OEM) natural gas vehicles for more than 15 years. It offers the largest eco-friendly bi-fuel (natural gas/gasoline) range, satisfying the needs of a wide variety of private and commercial consumers. Safety and comfort remain uncompromised, as the natural gas tanks are designed to be fully integrated into the vehicle structure.

In 2013, **Fiat Group's European leadership was reconfirmed, with a share of more than 67%**, corresponding to more than 62,000 natural gas vehicles registered (+15% compared with 2012), thus totaling **almost 600,000 cars and commercial vehicles sold since 1997**.

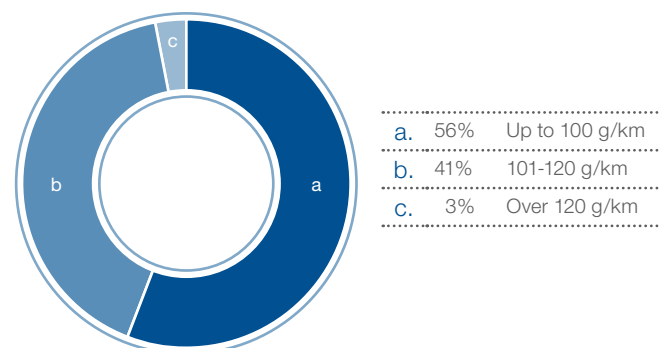
In Italy, despite a market demand contraction of 7%, the demand for natural gas cars increased by more than 26%. Fiat and Lancia natural gas cars sold in Italy in 2013 represented 16.5% of total sales and 17% of total brand revenues.

12
models offered



Building on our long experience in Europe in the development of natural gas-powered vehicles, in 2013 the Group remained the only automaker in the United States to offer a factory-built natural gas pickup, the Ram 2500 Heavy Duty CNG. The Group is currently developing the next generation of fuel tanks to power compressed natural gas (CNG) vehicles by using the human body as inspiration. Patent-pending technology mimics human lungs to benefit CNG-tank capacity and formability. This unique technology development is supported in part by a grant from the Michigan (US) Economic Development Council's Technology Innovation Challenge.

Newly registered natural gas cars by CO₂ emission levels
Fiat and Lancia in Europe



Biomethane: a renewable fuel source

Natural gas vehicles can operate on **biomethane**, a biofuel produced from biomass (without affecting food resources) which is chemically similar to natural gas. From a well-to-wheel perspective, biomethane-powered vehicles produce roughly the same CO₂ emissions as an electric vehicle powered by a renewable fuel. For this reason, biomethane can help countries like Italy meet their renewable energy commitments. The Group is working on research projects fostering the development of a biomethane supply chain.

Biofuels

Fiat Group invests heavily in technologies that optimize the use of available natural resources. This commitment has propelled Fiat Group to leadership in the Brazilian market with its full range of Flexfuel vehicles that run on varying blends of gasoline and bioethanol. Another example of Fiat Group'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 2013, **more than 744,100 Fiat Flexfuel and TetraFuel vehicles were sold**, representing approximately 97.5% 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). In the United States, Chrysler Group has produced more than four million flexible fuel vehicles capable of running on E85, which contains 85% ethanol, or biodiesel blends. In addition, some commercial vehicles are compatible with diesel and biodiesel blends of up to 20% (B20).

Non-conventional propulsion

The Group is focused on the development of alternative propulsion systems, especially for vehicles used in predominantly urban settings. It has adopted an approach that considers every technology which is potentially capable of reducing the environmental impact of vehicles.

Chrysler Group leads the hybrid and electric technology development for the Group. The resources that were previously spread over various electrification development organizations across the Group have now been gathered and integrated into the Powertrain and Vehicle Engineering departments. Accordingly, Chrysler Group is developing technologies that can be used in a range of electrified vehicles, including conventional hybrids, plug-in hybrids, fully electrified and range-extended electric vehicles.

Chrysler Group is exploring how electric vehicles might mesh with our 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.

The Group's **first zero-emission Battery Electric Vehicle (BEV)** for mass production, the **Fiat 500e**, began production in 2012 for the US market. The Fiat 500e launched in the US with an Environmental Protection Agency (EPA) label of 108 highway MPGe⁽¹⁾ rating and class leading 87 miles of combined city/highway driving range. Such performance is enabled, in part, by a distinctive "blended" braking strategy that combines the coasting experience associated with conventionally powered vehicles, with the power-saving benefits of regenerative braking. Customers will spend only an estimated \$500 a year to power the vehicle assuming a 15,000 mile annual distance, according to the EPA.

The Fiat 500e battery-electric drive system is among Ward's 10 Best Engines ranking for 2014 and is the lone representative of electric vehicle technology on this list.

In support of the Zero Emissions Vehicle Regulations (ZEV), development is under way to design the next generation Battery Electric Vehicle (BEV). The next battery electric vehicles focus on reduced costs and extended driving range on a single charge. The core technologies are under development in conjunction with advanced battery suppliers.

Transmissions

The Group continues to invest significantly in improving transmission systems, focusing in particular on optimizing 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 CO₂ emissions.

In 2013, a new nine-speed front-wheel-drive transmission was introduced on the 2014 Jeep Cherokee, and on the recently revealed 2015 Chrysler 200. In addition to improved fuel economy over a six-speed automatic transmission, the Cherokee's nine-speed transmission delivers customer driving benefits such as quicker acceleration and smoother shifting. The Chrysler 200 is the world's

⁽¹⁾ 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.

first mid-size sedan to feature a nine-speed automatic transmission, which comes standard. When equipped with the available award-winning 3.6-liter Pentastar V-6 engine, which delivers best-in-class 295 horsepower, the Chrysler 200 sedan's highway fuel economy is improved by nearly 13% compared with the outgoing model.

Additionally, the Dual Dry Clutch Transmission (DDCT) technology, already available on the Alfa Romeo MiTo, Giulietta and Dodge Dart, was extended in 2013, to include the Fiat 500L in the US. This transmission incorporates 23 patented technologies. It offers significant reductions in fuel consumption and CO₂ emissions, as well as improved driving comfort. The DDCT combines the basic mechanical system of a conventional manual transmission with an electronically controlled shifting system operated by the driver like an automatic transmission.

Vehicle architectures

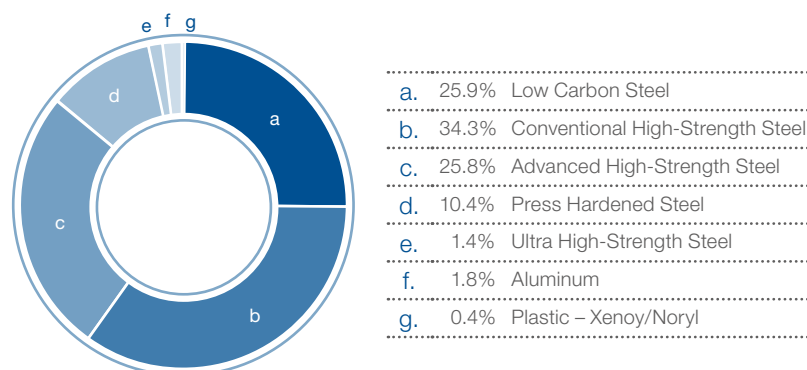
To reduce fuel consumption and emissions without compromising safety and comfort, Fiat Group is working on reducing vehicle weight, aerodynamic drag, rolling resistance and the energy required by auxiliary systems. In 2013, the best architectural solutions were applied to the Fiat 500L Living. The vehicle body is composed for almost 72% of the body weight by the latest generation in high strength steel to ensure optimal performance without weight increase. The newly-launched 2014 Jeep Cherokee uses 65% HSS, an improvement of 16% from its predecessor Jeep Liberty.

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. The 500L's profile optimization led to a 10% reduction in the vehicle's aerodynamic drag coefficient (Cx) compared with the Fiat Idea and Lancia Musa.

Other technologies for ecological performance

Another innovative solution that improves fuel economy is Chrysler Group's **Fuel Saver Technology** found in all of the light duty V-8 5.7L and 6.4L HEMI eight-cylinder engines. By means of cylinder deactivation, it seamlessly alternates between high-fuel-economy four-cylinder mode when less power is needed and V-8 mode when more power is required.

Composition of the new Fiat 500L Living platform



Innovation and sustainable mobility scenario

At the Fiat Group Stakeholder Engagement Events, stakeholders recognized innovation as one of the main drivers for sustainability. In 2013, the Group spent approximately **€3.4 billion on research and development activities**, in spite of the current economic crisis in Europe.



“It is very important to continue investing in the development of new technologies to increase vehicle efficiency”

Stakeholder Engagement Event, Belo Horizonte (BR)

Public funding for research and development

Fiat Group worldwide (€ million)

	2013	2012
Grants	31	51
Loans	410	7
of which subsidized loans	10	7
of which EIB ⁽¹⁾ loans	400	-

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.

The Group carefully assesses in advance the potential impact of its research on the environment and on the health of the users of its products. In accordance with the precautionary principle, innovations are thoroughly tested before being introduced on the market to verify their safety for the environment and society as a whole.

As a result of this approach, Fiat Group innovation is geared toward a future mobility scenario based on affordability and economic sustainability.

The continuous collaboration between the Group and external partners led to tangible results for intellectual property, with more than 8,000 patents granted to Group companies.

The registered patents are a result of a broader research and development activity which considers medium- and long-term mobility scenarios and technological future trends. The Group's ability to anticipate consumer and market needs plays a key role in our competitiveness in the market.

Patents

Fiat Group worldwide

Total patents registered at 31 December 2013	8,521
of which: registered in 2013	425
Patents pending at 31 December 2013	3,333
of which: new patent applications filed in 2013	459

Promoting creativity within the Group

Employee creativity is a key factor in Group innovation. Fiat Group promotes in-company projects aimed at collecting suggestions and ideas for product and process improvement.

In 2013, the World Class Manufacturing method testified to employee commitment, producing 1.3 million suggestions, an increase of 8% over 2012. The best suggestions were implemented and the project owners were recognized for their contributions.

For example, in 2012, the EMEA region launched the **iPropose** initiative, which is designed to encourage employees to propose ideas on ways to reduce costs and increase competitiveness. In 2013, the initiative involved some 8,400 employees who submitted a total of 8,300 proposals. Adoption of the best suggestions led to approximately €17.3 million in cost savings.

Similarly, in the NAFTA region, the internal innovation program is implemented by the **Innovation Idea Submission Database**, a submission suggestion portal for employees. In 2013, Chrysler Group employees submitted over 200 proposals. The Innovation Space in Auburn Hills held more than 200 training and workshop activities on topics such as strategy development, product features and creative problem solving. In 2013, more than 1,000 employees participated in these workshops.

Universities and research centers

Fiat 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.

These projects include initiatives such as:

- voluntary courses focused on environmental sustainability and emissions reduction (Turin Polytechnic and in collaboration with ATA and CRF)
- development of next-generation electrified powertrains and powertrain components (McMaster University, Canada).

Institutions

In Europe, the Group has been active for many years in the support of policy and priority definition related to automotive innovation programs. During 2013, Centro Ricerche Fiat (CRF) participated in 23 European project proposals, totaling **more than 170 projects launched since the start of the Seventh Framework Programme (2007-2013)** with a global network of approximately 1,800 partners. CRF is also involved in several stakeholder organizations that support the European Commission with the mission to define priorities and guidelines on mobility research.

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
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 established by the European Institution of Innovation & Technology

Recovery Recycling Reuse

Key targets⁽¹⁾

+ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitments	Targets	2013 Results
Assess environmental and social impacts throughout the entire product life-cycle from raw materials to recycling and recovery	▶ 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 ⁽²⁾	+ Life Cycle Assessment analysis carried out and completed for the comparison of the environmental profiles of the Fiat 500L natural gas version with its gasoline-engine counterpart
Strengthen worldwide the focus on a sustainable materials strategy	▶ 2020: increase the use of renewable and recyclable materials in next generation vehicles	<ul style="list-style-type: none"> ● Recycled material utilization on wheel liners increased from 52% to 64% with changes on the Jeep Wrangler, and new Chrysler 200 sedan in the NAFTA region ● Dashboard air ducts in recycled PP for the New Palio family in the LATAM region ● 5% recycled/renewable materials used in 2014 Jeep Cherokee seat foams ● 5% renewable materials used in the seat foams of 100% Fiat Brand vehicles in the LATAM region ● Renewable polyamides from castor bean applied to fuel, brakes and blow-by tubes in the LATAM region
Responsibly manage the end of the vehicle's life developing innovative opportunities to recycle and recover the left over materials	▶ 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	● Compliance with Italian law on recycling and recovery targets confirmed. Monitoring of results of the MUD (Modello Unico di Dichiarazione Ambientale) completed
Define a substitution strategy for critical raw materials	▶ 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"> ● Screening of critical raw material compounds completed for new vehicle models and for selected current vehicles. Applications mapped specifically for Rare Earth Elements ● Contacts established with the European electrical and electronic sectors regarding recycling and/or substitution opportunities for critical raw materials used in automotive components

The Group knows that **a bolder approach to making the best use of both raw materials and recovered or recycled items can make a big difference in reducing the environmental footprint of products throughout all stages of their life cycles.** This approach advocates using eco-compatible materials and substances and investigating types of design that create more opportunities to recover and recycle the vehicles at the end of their lives.

> GRI-G4 DMA, EN1, EN2, PR3

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ The LCA results will support the strategic product planning definition and the related product development process.

In 2013, 41.9% of the weight of type-approved Group vehicles in Europe was made of recycled materials, in line with previous years. These results were also reached through participation in numerous international research projects on innovations in the use of recycled materials and biomaterials. These initiatives evaluate the environmental benefits of using different formulas of polymers – post-consumer recycled plastic or biopolymers – reinforced with natural fibers.

In general, all innovation and development of materials takes place at the **Centro Ricerche Fiat's Group Materials Labs (GML)**, which are also responsible for monitoring the impact of the chemical substances used during vehicle production and sale. Furthermore, CRF's GML ensures that the European regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) – which sets the thresholds of concentration of Substances of Very High Concern (SVHC) – is complied with throughout Fiat Group and coordinated with Chrysler Group.

This includes keeping abreast of changes in legislation and assessing how this will affect products and/or processes.

The International Material Data System (IMDS) enables suppliers to enter all information on the composition of the products they provide. Fiat Group Automobiles' End-of-Life Integration System (FELIS) integrates all data from the IMDS with the product development management system. Currently the IMDS is available in Europe, Turkey, Latin America and China and its integration into the relevant NAFTA databases is proceeding. This year the number of suppliers that used the IMDS grew even more than in previous years (+5% vs 2012⁽¹⁾). The IMDS is important not only for analyzing vehicle recyclability and recoverability, but also for monitoring heavy metals use and substances potentially critical to the automotive sector, i.e., those in the Global Automotive Declarable Substance List (GADSL).

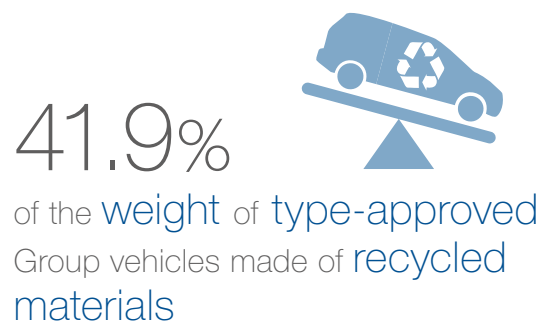
The IMDS is also used to verify compliance with REACH, which governs the manufacture, import, sale and use of chemicals. Composition data is also checked for the use of certain minerals whose availability on the market is seen as critical by the European Union for geopolitical reasons. Examples include rare earths or some noble metals used in catalytic converters.

The recyclability and recoverability of type-approved vehicles, as well as vehicles currently being built, continued to be monitored in Europe in 2013.

All vehicles that the Group sells were 95% recoverable and 85% recyclable by weight, in compliance with European Directive 2005/64 (also known as Reusability, Recyclability, Recoverability – RRR), which establishes the limits of recoverability and recyclability.

For more than a decade, the **Vehicle Recycling Laboratory** at the Group's **Automotive Research and Development Centre (ARDC)** in Windsor (Canada) has been involved in improving the understanding of product recyclability through the entire product life-cycle from development, concept and use, through to end-of-life disposal and recycling. **The ARDC performs vehicle teardowns to satisfy International Dismantling Information System (IDIS) requirements.**

In 2013, the ARDC conducted a complete teardown analysis on the new 2014 Jeep Cherokee to identify the types of materials in all vehicle components. **The information from this analysis was used for both RRR processing (ISO 22628) and IDIS requirements.**



⁽¹⁾ Data refers to the Italian registered companies.

This year, Chrysler Group's Organic Materials Engineering organization approved seven additional materials for the Chrysler Plastic Number (CPN) Index which contains recycled content, renewable content or low emission polymers. **The CPN Index is used to track specific grades of plastic materials approved for use on Chrysler Group programs.** More than 70 specific grades with recycled content are listed, with the earliest active approval going back to 1993. **In 2013, recycled material used in wheel liners (Jeep Wrangler and the new Chrysler 200 sedan) rose from 52% to 64%, and resulted in an expected cost savings of €1.20 per Jeep Wrangler in post-consumer recycled material.** In addition, Chrysler Group now uses a renewable soy-based foam product in the A and B pillars and rear wheel wells on several vehicles. This product blocks unwanted noise in the passenger compartment and enhances driving experience while contributing to improved fuel economy.

Materials used⁽¹⁾

Mass-Market and Premium Brands in Europe

	Average weight of materials used	Average composition of vehicles by material (%)	Average weight of recycled materials used	Average percentage of recycled materials used (%)
Steel	768.1	56.7	301.8	39.3
Cast iron	91.7	6.8	82.7	90.2
Light alloys	95.5	7.1	77.4	81.0
Other metals	34.3	2.5	31.7	92.3
Polymers	186.9	13.8	64.8	34.7
of which thermoplastics	163.0	12.0	64.8	39.8
of which thermosettings	23.9	1.8	0.0	0.0
Elastomers	53.4	3.9	0.0	0.0
Glass	37.4	2.8	1.3	3.4
Fluids	62.9	4.6	0.0	0.0
Other ⁽²⁾	24.2	1.8	8.5	35.1
Total	1,354.4	100%	568.2	41.9

In 2013, the average weight of renewable materials for Group vehicles in Europe was 7.5 kg.

Application of Life Cycle Assessment (LCA)

For many years, Life Cycle Assessment (LCA) analyses have played an important role in Group design choices by aiding in the evaluation of the overall environmental impact of materials, components and certain production processes. **LCA is conducted in accordance with ISO 14040 and ISO 14044 and takes into consideration factors relating to energy and other resources consumed in production, use and recycling, as well as waste generation.**

⁽¹⁾ Average for 2013 existing range of type-approved vehicles in Europe, based on Directive 2005/64/EC.

⁽²⁾ In addition to "other metals".

As collaborative measurement programs on this topic are more frequently introduced, in today's market, companies must react faster and more effectively to assess the environmental impacts of their products. To this end, **in 2013 Centro Ricerche Fiat conducted and completed the first full analysis of a new type-approved vehicle**. This study is the most recent in the center's long track record in LCA, an area in which it began working in 1994.

This examination of a Fiat 500L enabled a complete assessment of different engines and relevant scenarios in terms of the environmental impact of logistics processes, together with other life cycle stages, i.e., materials selection, production, vehicle use and end-of-life (including reuse of components and recycling/recovery of materials). This activity will continue in the next few years in order to combine the in-depth knowledge of vehicle components with the specific environmental impact of each stage, leading to the development of new, more environmentally friendly products for the market. In addition, in 2014 Chrysler Group is expected to integrate LCA analysis by piloting one vehicle through the product development process.

Centro Ricerche Fiat also pursued **research into the biopolymers PLA (Polylactide) and PHB (Polyhydroxybutyrate) and into recycled polymers reinforced with natural fibers** (for example flax, corn cob and wood dust), with the goal to reduce the environmental footprint of components and the use of non-renewable resources. For example, the **MaTeRiA** project included an LCA analysis comparing PHB and natural fiber-reinforced (corn cob and wood) and recycled polymers with synthetic polypropylene. Specifically, it proved that a component for the passenger compartment made out of these materials was technically feasible as well as environmentally friendly.

Monitoring hazardous substances

Each year, the Group works to eliminate or reduce the concentration of substances that pose extreme health or environmental risk, as well as heavy metals. In Europe, the relevant regulation is REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), which governs the control of **Substances of Very High Concern (SVHC)** in the Candidate List. The list is updated every six months and covers "high concern" substances that may potentially be subject to authorization or restrictions in the future.

The Group uses the International Material Data System (IMDS) database to track each product compound, comparing it to the REACH regulation and the Global Automotive Declarable Substance List (GADSL). Data from the IMDS is then channeled into the Fiat End-of-Life Integration System (FELIS), a software program that enables monitoring of the product compound for all vehicles and automatic verification of the presence of SVHCs. When the new Candidate List was published in 2013, the analyses of vehicles, spare parts, engines and transmissions were updated accordingly, in order to meet the communication requirements outlined in Article 33 of the REACH regulation.

The results once again confirmed that in all Fiat Group Automobiles vehicles, the percentage of SVHCs is less than 0.1%.

In order to increase awareness and understanding of the issues related to REACH and its application, the Group conducts periodic training and disclosure sessions inside and outside the company. The Group also participated in relevant events and conferences, and continued ongoing interaction with the authorities responsible for managing and monitoring these issues.

Vehicle End of Life

The Group is strongly committed to the recycling and recovery of materials when a vehicle reaches the end of its life cycle, and has played a key role in this field for many years.

We implement preventive measures from the start of product design, to promote vehicle disposal with minimal impact on the environment. We also foster development of the recycled materials market in order to close the loop and get these resources back into use.

In our organization, ELV & CAR RECYCLING is responsible for ensuring compliance with relevant regulations in Italy, Europe and other non-European markets that have specific regulations or emerging proposals for end-of-life vehicles. Its job is to ensure full compliance with laws inherent to end-of-life vehicles and fulfillment of the relevant obligations of vehicle manufacturers and/or vehicle importers.

In Italy, the Group has been active in this field since 1992, the year the *F.A.RE.* (Fiat Auto REcycling) project was launched. It gained momentum with the European Directive 2000/53/EC and the signing of the ELV Framework Program Agreement between the Italian Ministries for the Environment and for Economic Development and the leaders in Italian industry in 2008.

Our commitment thus played an essential role, especially in Italy, which met the goal set by the European Union due in large part to our efforts. According to Eurostat, the Directorate-General of the European Commission responsible for the publication and communication of end-of-life vehicles (ELV) recycling and recovery data for each Member State, **by 2011 Italy had reached 84.8% in reuse and recycling and 85.3% in reuse and recovery.**⁽¹⁾

The Group recognizes that it must strengthen its commitment and increase the number of activities and programs specifically aimed at reaching the goal of 85% recycling and 95% recovery for 2015, as set by the directive.

Today, end-of-life vehicle issues are monitored not just in Italy and the European markets where European Directive 2000/53 has been adopted, but also in an additional 32 countries in other regions (13 in EMEA, three in NAFTA, five in LATAM and 11 in APAC). **In total, these issues are monitored in 60 countries that represent about 95% of Group products sold worldwide.**

An international team led by the EMEA region was also formed, involving the Group's four operating regions, to monitor changes in legislation on ELVs in non-European countries, particularly in emerging markets.

In 2013, the Group focused its activities in the following areas:

- **Strengthening the dismantling agent network** in Europe's key markets. On the whole, **15% of the Fiat and Chrysler ELV network in Europe is made up of single contracts** with individual dismantlers; **35% of contracts are with qualified companies** offering comprehensive management of ELVs; and **50% is comprised of the Collective Systems** created to fulfill the obligations under laws on end-of-life vehicle management. **Free take-back for Group customers is 100% guaranteed for Fiat and Chrysler vehicles** that reach the end of their life in the 28 European countries where this is required.

- **Improving information to customers, dealers and dismantling companies about regulations, recycling activities and new research projects to use materials from demolished vehicles.** During 2013, the Group also continued to improve the website www.carecycling.fiat.com. All sections have been made available in English, while an international area was added to give updates on amendments to specific end-of-life recycling regulations in the Group's four operating regions. In addition, Fiat Group is active in updating the **International Dismantling Information System (IDIS)**. This comprehensive and advanced database developed by the automotive industry, is meant to optimize demolition procedures for 1,854 models and versions of 71 vehicle brands, and is available in 39 countries and 30 different languages. Any company that manages end-of-life vehicles can log on and use it free of charge. New services related to end-of-life vehicle (ELV) management were also developed. For example, in Germany an online search tool was launched, which helps the customer quickly find the nearest dismantling center.
- **Scientific research on energy recovery from the material left over after a vehicle has been shredded and is no longer recyclable (fluff), as well as on recycling material from end-of-life vehicle parts.** Within the **Target Fluff** project managed by Centro Ricerche Fiat (CRF) on behalf of the Fiat End-of-Life Vehicle division, it was possible to increase knowledge of recycling and energy recovery technology, and invest in technology that optimizes the separation of metal from fluff and prepares this material for subsequent transformation into energy. This project in 2013 enabled the construction of a second pilot plant related to fluff treatment. Fiat Group is also committed to promoting end-of-life vehicle materials recycling through innovative technology and researching new potential emerging markets. In 2013, the PFU (End-Of-Life Tires) collection system sent 100% of the tires collected from all dismantlers in Italy – representing more than 20,000 tons – to be recycled. In addition, Fiat Group Automobiles and Centro Ricerche Fiat (CRF) also participate in the project **TyRec4Life**, funded under the European Union's LIFE+ project and aimed at developing innovative technologies to incentivize the use of rubber from end-of-life tires in street pavement. In 2013, Centro Ricerche Fiat conducted an analysis of Life Cycle Assessment (LCA) to compare recycling of rubber from end-of-life tires (PFU) with energy recovery from cement works where the end-of-life tires are used as a replacement for solid fossil fuels. This analysis showed that the Global Warming Potential (GWP) of recycling 1,000 kg of PFU is negative (-6 kg of CO_{2eq}) compared with the 70 kg of CO_{2eq} outcome obtained from PFU energy recovery in cement works. This means that the environmental credit for using recycled materials instead of raw materials exceeded the environmental debts caused by shredding, separation and cleaning of the materials comprising the PFUs.

Finally, the Group measures CO₂ emissions and the associated energy consumption resulting from end-of-life vehicle treatment. In 2013, CO₂ emissions amounted to approximately 209 kg of CO_{2eq} per vehicle, while energy consumption was 1,600 MJ (PED – Primary Energy Demand per vehicle).⁽²⁾

⁽¹⁾ In order to calculate the GWP of the end of life of an average Fiat Group 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.

Promoting new mobility models

Key target⁽¹⁾

⊕ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment	Target	2013 Result
Offer new mobility services that grant greater access to affordable solutions as well as improve the urban mobility experience	<ul style="list-style-type: none"> ▶ 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"> ● Ongoing activities to explore new sustainable mobility services and anticipate evolving consumer needs and behaviors: <ul style="list-style-type: none"> ▶ involvement in Enjoy, the new car-sharing service launched in Milan (Italy) by ENI (major Italian energy company), in partnership with Fiat and Trenitalia ▶ the Group is an official global partner of Expo Milano 2015, providing low emission cars for sustainable mobility services ▶ 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) ▶ engagement in the US in research on future social and technological trends around five driving forces: cities, lifestyle, work, health and energy

In the continuously changing mobility scenario, Fiat Group is addressing mobility needs with respect to traffic management, customer involvement and alternative mobility solutions. Examples include a variety of navigation and hands-free features on Group vehicles.

In **Italy**, projects devoted to research, development and experimentation of innovative technologies for new mobility models are in process, as well as partnerships in car-sharing services to provide solutions to customers that are affordable and economically viable. In the **United States**, the Group has been deeply engaged in research on future social and technological trends that will affect nearly every aspect of our business – from design to manufacturing to marketing to human resources. This research is organized around five driving forces: cities, lifestyle, work, health and energy. The findings from this research will enable the Group to more successfully navigate the shifting landscape and anticipate evolving consumer needs and behaviors.

Involving the customer

The environmental impact of vehicles is strongly influenced by consumer driving behavior and the level of vehicle maintenance. With this in mind, Fiat Group goes beyond the sale of its products by **promoting environmentally conscious and eco-friendly driving**. Fiat Group has invested in the **eco:Drive** system, software offering personalized tips to drivers based on driving style, hence reducing 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**. 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 2013, **more than 94,000 customers, including more than 11,500 new users in 2013 alone**, had used the software, **with CO₂ savings exceeding 5,800 tons/year**.

Alternative mobility solutions

Among the critical topics discussed at Fiat Group's 2013 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, the Group has launched various initiatives that illustrate its commitment to meet these new challenges.

Enjoy is the new advanced, Italian car-sharing service ENI launched in Milan in partnership with Fiat and Trenitalia. Its goal is to reduce traffic and improve the quality of life for those who live and work in the city. For this project, Fiat provided Enjoy with a fleet of about 650 Fiat 500 and 500L vehicles. Innovative features of the service include online or smartphone app sign-up and management, as well as the ability to instantly select from a pool of available vehicles parked at locations around the city and to leave the vehicle at any of the approved parking facilities within the service coverage area.

Naturally, youth have an important part to play in any discussion about the future of mobility.

The **Fiat Likes U** project was launched by Fiat in 2012 in collaboration with the Italian Ministries of Education and Environment, for students from eight Italian universities in Turin, Rome, Milan, Salerno, Parma, Cosenza, Pisa and Catania.

For the first time in Europe, a car manufacturer promoted environmental awareness and eco-friendly use of vehicles through a three-pronged approach based on Mobility, Education and Employment. The project included a car-sharing service available to students free of charge, scholarships, paid training programs and lectio magistralis.

The initiative was highly successful. More than 6,000 students used the eight vehicles (Panda and 500L) for over 28,000 trips totaling 320,000 km. Moreover, there have been more than 180,000 hits on the dedicated likesu.fiat.it website.

In 2013, Fiat decided to extend the project to other universities across Europe through the Erasmus study abroad network. The first expansion of the initiative was at the Royal College of Art in London (UK). The dialogue with the English students started with Fiat Two of a Kind, an important educational program that will allow them to get a closer look at Centro Stile Fiat. Through lectio magistralis by prominent representatives from this facility, they can participate in a contest that awards the best designs applied to Fiat Panda and Fiat 500 models. In addition, Fiat will offer the Royal College of Art students a free car-sharing service with Panda and 500 vehicles. The 10 winners will be offered internships in Turin at the Centro Stile in 2014 and 2015 and have the opportunity to learn more about Italian culture and Fiat Group brand values.

Fiat Group is also an official global partner of **Expo Milano 2015**, a world's fair not oriented toward trade, but rather to comprehending the challenges that face all of humanity. The theme of EXPO 2015, Feeding the Planet, Energy for Life, is closely aligned with the Group's commitment to respecting the environment. In fact, Fiat Group will provide a fleet of vehicles, designed for sustainable mobility, for getting around inside the Expo and as courtesy cars for the many delegations of visitors coming from every corner of the globe.

Responsibility toward customers

The Group's relationship with its customers represents one of the significant focal points of every activity undertaken by the company: from initial market research to product development, to the manufacturing process, through the purchase and after-sales experience. It is essential to the long term viability of Fiat Group that we engage with our current and potential future customers to ensure that their expectations are met or exceeded. In fact, customer satisfaction and vehicle quality were confirmed as two of the most material aspects during the Group's 2013 sustainability-focused Stakeholder Engagement Events held in Turin (Italy), Belo Horizonte (Brazil) and Detroit (US). Through lifelong relationships with satisfied customers, the Group builds a loyal customer base which promotes the brand in the marketplace and contributes to the overall success of the company.

Vehicle quality

Key target⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ◐ Target partially achieved |
 ○ Target postponed

Commitment

Continue to delight customers with our products at the global level

Target

- ▶ 2020: achieve top quartile⁽²⁾ competitive position for our vehicle portfolio, confirmed via relevant benchmark data in each region. The objective being to drive increased advocacy and loyalty for our products

2013 Results

- Quality methodology and standard measures implemented globally
- Rate of repair in the first 90 days of ownership improved by 10% to 20% globally, depending on the model
- Net Promoter Score on 3 year old vehicles improved by as much as 32% in regions with available measures

> GRI-G4 DMA

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

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

To reflect its strong commitment to global vehicle quality, the Group has established a goal of achieving the top quartile competitive position for the vehicle portfolio based on relevant benchmark data in each region by 2020. This commitment is also supported by targets to improve customer satisfaction within each region and vehicle reliability as measured by rates of repair. In 2013, rate of repair in the first 90 days of ownership improved by 10% to 20% globally, depending on the model, and Net Promoter Score on 3 year old vehicles, a measure of customer satisfaction, improved by as much as 32% in regions with available measures.

Fiat Group's commitment to customers is focused on delivering world class quality in all markets and all vehicle segments. To ensure a stronger, worldwide quality organization, the Group's Head of Quality is a member of the Group Executive Council (GEC) and reports directly to the Fiat S.p.A. Chief Executive Officer (CEO). The GEC is responsible for reviewing the operating performance of the businesses, setting performance targets, making key strategic decisions and investments for the Group and sharing best practices. Each of the four operating regions – EMEA, NAFTA, LATAM and APAC – has its own quality department that reports to the global Head of Quality, as well as to the respective region's President and CEO.

Global quality strategy

The convergence of cross-regional teams has resulted in a Global Quality System that includes one quality language, standard measures, and target setting to achieve top quartile⁽¹⁾ results and standard global processes. The Global Quality System has been a key driver in establishing a process for definition of customer requirements; developing component and vehicle testing; and implementing manufacturing plant quality processes and measures. The Group has implemented a common Quality methodology and standard measures worldwide through its defined Six Types of Quality to surpass customer expectations; eliminate inconvenience and cost to the customer; and improve the company's reputation. The Six Types of Quality that the Group monitors for improvement are:

- **reliability**, also described as ordinary quality, is measured according to warranty claims. The establishment of 14 customer satisfaction teams has been a key factor in significantly reducing the number of warranty claims in the past five years
- **perceived**, also called appearance quality, measures and evaluates vehicle attributes such as fit-and-finish, ergonomics, the feel of interior materials and even the sound quality of movable parts like doors and storage bins
- **performance** quality measures how well a vehicle performs and functions compared to its competition

⁽¹⁾ Vehicle portfolio will place within the top 25% of benchmark data.

- **dislike** quality measures certain vehicle features that customers may find annoying or poorly designed even though the vehicle performs reliably
- **service** quality measures the customer's experience in the dealership, before and after the purchase
- **regulatory** quality refers to recalls for safety or environmental compliance issues which can have an impact on a manufacturer's reputation, in addition the customer inconvenience for extra service trips to a dealer.



“ Vehicles need to be affordable,
but still fun and attractive ”

Stakeholder Engagement Event, Detroit (US)

Every year, Fiat Group conducts extensive market research to understand customer needs and desires. The overall measurement of customer satisfaction is referred to as the Customer Promoter Score (CPS) or Net Promoter Score (NPS), depending on the region. CPS and NPS are internal tracking systems that measure customers' willingness to recommend their vehicle to a friend or family member. Customers are surveyed at several points during the first three years of ownership through a combination of time-triggered and event-triggered transactions.

Safety and regulatory compliance

A manufacturer's responsibility does not end with the final sale to the customer, but continues throughout the entire lifecycle of the vehicle. With this in mind, **the Group continues to monitor all aspects relating to vehicle safety during the after-sales phase.** If technical problems relating to safety and regulatory compliance arise, prompt and fair recall campaigns are initiated to resolve problems identified.

In 2013, there were 71 safety and regulatory compliance campaigns involving 7,157,370 customers around the world (EMEA, NAFTA, LATAM and APAC).

In the EMEA region, recall campaigns are managed by informing customers about the activities concerning their vehicle 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 Fiat Group Automobiles Customer Contact Center at any time through one of the available contact channels: brand toll-free numbers, "Contact us" links on websites and social networks, etc.

In the NAFTA region, a Safety Recall Follow Up program provides for a variety of communication methods to customers that have not had a safety recall performed on their vehicle within six months of the first notification. The number of customers that have recalls completed during the 6-18 month period after notification has nearly doubled since the introduction of the program. Chrysler Group also began a 60-day customer notification program to describe to customers the safety campaign that will be performed on their vehicle.

Vehicle safety

Key target⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ◐ Target partially achieved |
 ○ Target postponed

Commitment	Target	2013 Results
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	<ul style="list-style-type: none"> ▶ 2020: continue to focus on vehicle occupant safety through advanced solutions encompassing all safety aspects while: <ul style="list-style-type: none"> ▶ adapting to the rapidly changing regulatory requirements and third-party ratings in all regions ▶ maintaining high levels of structural crashworthiness while reducing vehicle weight ▶ offering modular architectures, innovative and efficient restraint systems and providing technically advanced active safety systems for mass market vehicles including global applications ▶ continue to be an industry leader in user-centered HMI⁽²⁾ design approaches for all safety system customer interfaces 	<ul style="list-style-type: none"> ● Euro NCAP 5-star rating achieved by Jeep Cherokee with an overall score of 83/100 (92% for adult protection, 79% for child protection, 67% for pedestrian protection and 74% for assistance safety systems) ● Euro NCAP 5-star rating achieved by Maserati Ghibli with an overall score of 86/100 (95% for adult protection, 79% for child protection, 74% for pedestrian protection and 81% for assistance safety systems) ● US NHTSA 5-star overall NCAP safety rating earned by Jeep Grand Cherokee (SUV 4WD) ● US NHTSA 4-star overall NCAP safety rating earned by Jeep Grand Cherokee (SUV 2WD) ● US NHTSA 4-star overall NCAP safety rating earned by Jeep Compass ● Australasian 5-star overall NCAP (ANCAP) safety rating earned by Fiat Panda ● Maserati Ghibli and Fiat 500L named 2013 IIHS Top Safety Pick ● 2014 Dodge Dart, Dodge Avenger and Chrysler 200 sedan named 2014 IIHS Top Safety Pick

The Group is strongly committed to its efforts to ensure **safety for all road users**. This commitment is grounded in the respect for human life which is reflected in all of the Group's activities.

Our vision of sustainable mobility is one that leads to the development of vehicles that address both the security and mobility needs of consumers worldwide, while offering a product portfolio that delivers innovation, style and passion that affords the level of driving confidence today's consumer demands.

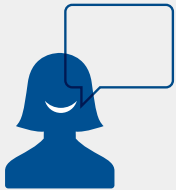
Meticulous research has been conducted to design vehicles equipped with safety systems that keep the customer and brand image in mind, and are competitive in the marketplace.

The Group applies an **integrated approach to the development of on-board safety systems** – which has been proven to significantly reduce the probability of injury in the event of an accident – focusing on the following key areas:

- **collision avoidance:** systems that assist the driver in recognizing potentially dangerous situations
- **driver assist:** systems that provide active assistance in controlling the vehicle and maneuvering to avoid collisions
- **damage mitigation:** systems to minimize damage and injury in the event of an impact.

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Human Machine Interface.



“ Safety is paramount when considering a vehicle for the whole family ”

Stakeholder Engagement Event, Detroit (US)

In addition to vehicle-related innovations, other factors affecting safety for consumers worldwide include infrastructure and driver behavior, which are addressed by the Group in a variety of methods by extending the use of wireless communication technologies to enable **Vehicle-to-Vehicle (V2V)** and **Vehicle-to-Infrastructure (V2I) communication**, setting up safety education programs and advocating proper vehicle maintenance.

Global safety strategy

The ultimate governance of strategy in relation to safety lies at the highest level of the management organization. Several functions across engineering, research and development, which contribute to the implementation of this strategy, include representatives from the regional Active and Passive Safety, Regulatory and Quality areas.

With respect to long-range safety research, the **Centro Ricerche Fiat (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.

Additionally, the **Chrysler Group Automotive Research and Development Centre (ARDC)** in Windsor (Canada) is home to the Lighting Research Facility, one of the largest of its kind in the world.

The Group evaluates how vehicles may impact the health and safety of customers through crash analysis and real-life road safety data. A team of specialized engineers within the Group **Safety Center in Orbassano (Italy)**, **Auburn Hills** and the **Chelsea Proving Grounds (US)** 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.

In support of this approach, upgrades are continually implemented in our impact test facilities. Most recently the focus has been on improving the main physical crash testing tools, the full-size vehicle crash barriers and impact simulators, resulting in greater capability and precision in crash replication and analysis. The latest innovations in Anthropomorphic Test Dummies were also added to the testing fleet to support child safety development in frontal and side crashes, as well as adult safety in lateral crashes.

In addition, vehicle safety system performance in real world collisions is analyzed, with results leading to the development of future active and passive safety systems.

Also worthy of mention is the simulation and analysis of thirty real accidents in 2013, performed by the **Product Safety & Innovation team** at the Pomigliano Technical Center (Italy).

Active and passive safety

The best protection from crashes is to prevent them. With this in mind, the Group sets ambitious targets to develop **advanced safety systems that help the driver take preventive action and react before a crash happens**. Technologies at the forefront of automotive innovation deliver driving support by monitoring vehicle surroundings and driver behavior.

Automatic warning systems detect potentially dangerous situations before they escalate, while **traction and chassis control systems**, as well as **effective brake assistance systems**, provide assistance for vehicle handling. Noteworthy, the **Autonomous Emergency Braking (AEB)**, available under the name City Brake Control, is an innovative system designed to avoid low-speed rear collisions with vehicles that are stationary or traveling in the same direction. City Brake Control works at speeds of up to 30 km/h (19 mph), so that it comes into play in rear collisions that generally take place during urban driving.

Another important technology that delivers driving support capability on the new Jeep Cherokee is the **Adaptive Cruise Control with Stop and Go**, which helps maintain distance from the vehicle ahead and under certain conditions, can bring the vehicle to a full stop without driver intervention.

In addition, the Cherokee is the first Chrysler Group vehicle available with **Park Sense Parallel/Perpendicular Park Assist**, which uses ultrasonic sensors to guide the driver securely into parking spaces.

With respect to **passive safety**, the architecture of Group vehicles includes **energy-absorbing front ends** and, in the most recent launches, **third load paths** that are crucial to lengthening the crushable zone and reducing the force of inertia. In head-on collisions, these features contribute to protecting front-seat passengers involved in the crash. In addition, **multistage driver and front-seat passenger airbags**, **full-length side-curtain** and **side-thorax airbags** as well as **Active Seat Belt Load Limiters** further minimize the risk of injury and protect vulnerable passengers such as the elderly and children.

Other solutions for protecting road users include the Group's **hood architecture**, designed to reduce the risk of pedestrian head injuries on impact as well as the **Active Pedestrian Protection System** in the upper segments, which raises the hood in the event of a collision, increasing the amount of hood deformation and minimizing potential consequences for pedestrians.




Roadmap of safety and security systems

Mass-Market and Premium Brands

Already available	In the pipeline	Innovation
Driving support		
<ul style="list-style-type: none"> TIRE PRESSURE MONITORING ADAPTIVE FRONT LIGHT SYSTEM AUTO HIGH BEAM ADAPTIVE CRUISE CONTROL REAR CAMERA WITH DYNAMIC GRIDLINES SPEED LIMITER HANDS-FREE BLUETOOTH CONNECTIVITY VOICE CONTROL SEMI-AUTOMATIC PARKING PERPENDICULAR-PARALLEL SEMI-AUTOMATIC PARKING PADDLE SHIFTER ROLLOVER DETECTION HILL DESCENT CONTROL HILL START ASSIST TRAILER SWAY CONTROL ADAPTIVE CRUISE CONTROL STOP & GO LANE DEPARTURE WARNING FORWARD COLLISION WARNING BLIND-SPOT MONITORING FULL LED FRONT HEADLAMPS 911 CALL SMS DICTATION REMOTE SERVICES 	<ul style="list-style-type: none"> ACTIVE SAFETY NAVIGATION SUPPORT BIRD'S EYE VIEW CAMERA DRIVING NAVIGATION ASSISTANCE FEATURES CONSUMER DEVICE CONNECTIVITY FEATURES DRIVING IMPROVEMENT INCENTIVE FEATURE DRIVER HELP FEATURE 	<ul style="list-style-type: none"> DRIVING SUPPORT BASED ON CONNECTED VEHICLE REVERSE DRIVING ASSISTANT DRIVER DISTRACTION MITIGATION ATTENTION ASSIST AUTONOMOUS VEHICLE DRIVER WORKLOAD REDUCTION HMI SAFE & ECO-DRIVING INTEGRATION LANE CENTERING ECO ADAPTIVE CRUISE CONTROL INTELLIGENT SPEED CONTROL TRAFFIC JAM ASSIST PARENTAL AWARENESS FEATURES VEHICLE RELATIONSHIP MANAGEMENT FEATURE
Collision avoidance		
<ul style="list-style-type: none"> ELECTRONIC STABILITY CONTROL (ESC) REAR CROSS PATH DETECTION AUTONOMOUS EMERGENCY BRAKING URBAN EMERGENCY BRAKE LIGHT ELECTRIC HAND/PARK BRAKE Q2 (SELF-LOCKING DIFFERENTIAL SYSTEM) TRACTION PLUS ELECTRONIC ROLL MITIGATION FORWARD COLLISION WARNING WITH BRAKING ADVANCED BRAKE ASSIST FRONT AND REAR PARK ASSIST READY ALERT BRAKING RAIN BRAKE SUPPORT REAR PARK ASSIST WITH BRAKE PULSE 	<ul style="list-style-type: none"> AUTONOMOUS EMERGENCY BRAKING INTER-URBAN ADVANCED AUTOMATIC PARKING BRAKE ACTIVE BLIND SPOT ASSIST 	<ul style="list-style-type: none"> PEDESTRIAN DETECTION WITH ACTIVE BRAKING SCENARIO RECONSTRUCTION FOR COLLISION PREVENTION
Damage mitigation		
<ul style="list-style-type: none"> KNEE AIR BAGS ACTIVE PEDESTRIAN PROTECTION SYSTEM AUTONOMOUS EMERGENCY BRAKING URBAN ROLLOVER EJECTION MITIGATION FIRE PREVENTION SYSTEM (FPS) REAR SEAT SIDE AIRBAGS ACTIVE SEAT BELT LOAD LIMITING ELECTRIC VEHICLE SAFETY ACTIVE AIRBAG VENTING SERVICE AND QUALITY DATA FEED (SQDF) 	<ul style="list-style-type: none"> PRE-COLLISION ENHANCE NARROW OVERLAP CRASHWORTHINESS WINDSHIELD BAG FOR ACTIVE PEDESTRIAN PROTECTION SYSTEM ADVANCED EMERGENCY CALL FEATURE ENHANCED E911 FEATURE 	<ul style="list-style-type: none"> ADAPTIVE VOLUME AIRBAGS




EURO NCAP 5-stars
 received by **Maserati Ghibli**
 and **Jeep Cherokee**

Safety ratings

Our approach to designing and developing vehicles that **support the driver, minimize the risk of collision and mitigate damage** when there is a crash, continues to receive recognition across the industry. In 2013, the Maserati Ghibli was awarded two prestigious international ratings for safety. In Europe, the **Ghibli achieved a Euro NCAP⁽¹⁾ 5-star rating and earned the “best in class” designation** from Euro NCAP in its category. In addition in the US, **the Ghibli was first in every safety category of the 2013 Top Safety Pick rating**, issued by the Insurance Institute for Highway Safety (IIHS).

The **Jeep Cherokee also achieved an overall Euro NCAP 5-star safety rating and was recognized as “best in class”** in its category from Euro NCAP. And, as evidence of the Group’s attention to vehicle design in all markets, the **Fiat Panda received an ANCAP 5-star rating in Australia**.

In the US, the IIHS recognized the **Dodge Dart, Dodge Avenger and Chrysler 200 sedan as “Top Safety Picks” for 2014**. In addition, the Jeep Grand Cherokee 4WD was awarded the National Highway Traffic Safety Association (NHTSA) NCAP 5-star rating and the Jeep Grand Cherokee 2WD and Jeep Compass received a 4-star rating.

The Fiat City Brake Control received the **2013 Euro NCAP Advanced** award for its application on the Fiat Panda and Fiat 500L. This recognition identifies automakers that make **new safety technologies which demonstrate a scientifically proven benefit for consumers and society**. This important acknowledgment confirms the Group’s commitment to designing and manufacturing vehicles that achieve high performance levels both in real life and in safety crash tests.

2014 Top Safety Pick



Dodge Dart



Dodge Avenger



Chrysler 200 sedan

Euro NCAP rating⁽²⁾ Fiat Group Automobiles

	Rating	Adult Occupant Score	Child Occupant Score	Pedestrian Protection Score	Safety Assist Score ⁽³⁾
Maserati Ghibli ⁽⁴⁾ (2013)	5 star	95%	79%	74%	81%
Jeep Cherokee ⁽⁴⁾ (2013)	5 star	92%	79%	67%	74%
Fiat 500L ⁽⁴⁾ (2012)	5 star	94%	78%	65%	71%
Fiat Freemont ⁽⁴⁾ (2011)	5 star	83%	82%	50%	71%
Lancia Thema ⁽⁴⁾ (2011)	5 star	83%	77%	59%	71%
Alfa Romeo Giulietta ⁽⁴⁾ (2010)	5 star	97%	85%	63%	86%
Alfa Romeo MiTo (2008)	5 star ⁽⁵⁾	98%	59%	50%	-
Lancia Delta (2008)	5 star ⁽⁵⁾	93%	67%	42%	-
Fiat 500 (2007)	5 star ⁽⁵⁾	94%	57%	39%	-
Fiat Bravo (2007)	5 star ⁽⁵⁾	89%	73%	44%	-
Fiat Grande Punto (2005)	5 star ⁽⁵⁾	91%	71%	53%	-
Fiat Panda ⁽⁴⁾ (2011)	4 star	82%	63%	49%	43%
Lancia Voyager ⁽⁴⁾ (2011)	4 star	79%	67%	47%	71%

GRI-G4 DMA, PR1 <

⁽¹⁾ European New Car Assessment Programme.

⁽²⁾ Rating for vehicles in the Fiat Group Automobiles range launched from 2005 onwards. For detailed information on the Euro NCAP system, see www.euroncap.com

⁽³⁾ Category introduced for new Euro NCAP rating system since 2009.

⁽⁴⁾ Scores based on post-2009 Euro NCAP rating system.

⁽⁵⁾ Stars assigned according to adult vehicle occupant protection level (pre-2009 Euro NCAP rating system), percentage scores are index-linked based on pre-2009 Euro NCAP rating system.

New horizons of safety

In the coming years, the Group will continue its research towards improving accident prevention through vehicles that detect hazards and support the driver when maneuvering.

In 2013, Centro Ricerche Fiat took part in an experimental program – the first real-life trial in Europe – using applications based on **cooperative systems and vehicle-to-vehicle and vehicle-to-infrastructure communication (V2X systems)**. Some of the various functions under study were: road construction alert; ambulance or motorcycle approaching; sudden traffic jams; slowdowns caused by slow vehicles; and static and dynamic road signs. This large-scale test, now underway in many European member states, is yielding results that are paving the way for the first implementation of these functions in vehicles.

In addition, the Group, through Centro Ricerche Fiat (CRF) and Magneti Marelli, continued to be actively involved in the **HeERO project**, aimed at launching an **interoperable and harmonized eCall system**. Co-funded by the European Commission, the goal of the eCall system, which will be mandatory on all new vehicles in Europe by the end of 2015, is to save up to 2,500 lives each year and reduce the response times of emergency services following an accident by up to 50%.

The Italian pilot project is unique because it implemented and tested the eCall system on an end-to-end real chain and not in a simulated one. For example, the eCall emergency control center is supported and managed by the Italian emergency call center in Varese. This is Italy's first example of a level-1 PSAP (Public Safety Access Point) that fully meets the standards of the single European emergency call number 112.

Moreover, with an outlook to establishing advanced methods, technologies and systems for driver-vehicle interaction that prevent road accidents and reduce polluting emissions, the Group participates in the **DRIVE IN² – DRIVeR Monitoring: Technologies, Methodologies, and IN-vehicle INnovative systems for a safe and eco-compatible driving** project. This project is in collaboration with universities and other research institutes and has proven effective due to its multidisciplinary approach. It is currently developing devices for acquiring data on the driver's vital signs.

The **HeERO** and the **DRIVE IN²** projects have been recognized as samples of Italian best practices in the Intelligent Transport Systems field.⁽¹⁾



Safe use of products and services

The Group provides relevant **information on vehicle safety through several channels**, including in owner's manuals and on brand websites. This information covers a range of topics such as vehicle features, maintenance schedules and driving behavior. To highlight the importance of this issue, specific sections are regularly added to the owner's manuals. Safety inspections continued to be part of **Summer** and **Winter Check-Up programs**, including special offers on the purchase of parts related to vehicle safety, and six months free roadside assistance in Europe. **Correct diagnosis and maintenance increase vehicle efficiency, resulting in lower fuel consumption as well as safety system integrity.**

Because technology is not the only way to save lives, the Group has also developed an array of courses on safe driving aimed at improving driver behavior and control over the vehicle.

⁽¹⁾ The HeERO and DRIVE IN² projects have been cited as national best practices in the Italian action plan on Intelligent Transport Systems (ITS) adopted by the Decree of the Minister for Infrastructure and Transport dated February 12, 2014. The decree sets out the priorities, time-frames for implementation and expected benefits to the country.

Customer experience

Key targets⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ◐ Target partially achieved |
 ○ Target postponed

Commitment

Strengthen the relationship with customers at the global level and achieve higher level of satisfaction

Targets

- ▶ 2020: achieve the highest Group level⁽²⁾ of customer service across all regions
- ▶ 2020: engage existing and potential new customers through innovative communication channels

2013 Results

- Global KPIs shared across regions and local best practices investigated and disseminated, resulting in:
 - ▶ specific cross-functional task forces activated in EMEA for management of critical cases (>100 days old), with backlog reduced by 86% and average aging by 25%
 - ▶ enhanced escalation process and resources in NAFTA to improve handling and closure of complex cases, and incorporated customer feedback into call center agent training to improve overall performance of call handling
 - ▶ case management team activated in LATAM to accelerate issues resolution time by involving dealers and regional offices
 - ▶ call response time improved in India with 93% answered in 5 seconds and 91% of complaints closed within 5 days
- Innovative communication channels available across regions:
 - ▶ extension of Social Customer Care to further Brands (Lancia and Jeep, in addition to Fiat and Alfa Romeo) and expansion of the engagement approach to some dedicated online forums, in addition to the existing Twitter channel
 - ▶ direct communication line from Fiat Studio showrooms to Customer Assistance Center, customer "chat" functionality on owner's site and customer self-service features on brand sites improved in NAFTA
 - ▶ dedicated team available for liaising with customer and managing topics raised by customers on social media of official brands
 - ▶ Fiat India Facebook page used to promote expansion of the new Fiat network for sales and services with daily review, and response handled by Fiat India top management

Fiat Group engages with consumers in a variety of ways with the responsibility shared by many different business functions. The company strives to address a wide range of requirements from all customers, including those with special needs. Regardless of the type of interaction, the relationship with customers is handled with honesty, professional integrity and transparency, as specified in the codes of conduct and several related policies and guidelines. The Group has an obligation to inform customers about the proper use of our products and services including potential risks or hazards. For this purpose, manuals, labels and advertising are available and distributed or communicated through the dealer and service networks, the Customer Contact Centers (CCC), as well as on Group websites.

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Group level refers to the level of service across the four regions within Fiat and Chrysler: EMEA, NAFTA, LATAM and APAC.

The Group monitors customer expectations and satisfaction in various ways and throughout the whole value chain, starting from market research during the pre-purchase phase. Monitoring continues after the vehicle is purchased by means of the Customer Feedback program. This program measures how satisfied customers were with the pre-purchase experience, the vehicle purchase, service and repair if applicable, as well as how likely they are to recommend a dealer or a brand to family and friends.

To ensure strong global management of customer activities worldwide, dedicated Customer Care functions have been established in all four operating regions, NAFTA, EMEA, LATAM and APAC, to:

- offer multichannel interaction
- increase customer satisfaction
- build and improve customer loyalty.

Customer Contact Centers (CCC), together with dealers, are the main channel of communication between customers and the company. There are 26 Contact Centers worldwide, with roughly 1,000 agents who assist customers, handling more than 9 million contacts a year. The Group's Head of Mopar Service, Parts and Customer Care, is globally responsible for the Mopar brand and its Customer Contact Centers and is also a member of the

Group Executive Council (GEC), reporting directly to the Fiat S.p.A. Chief Executive Officer. This represents the greatest possible commitment to customer management. The GEC is in fact 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, in 2012 a study was conducted to evaluate a common customer care platform, 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 roll out and deployment of the new processes in India in the first half of 2013. In 2014, this activity will be expanded to the Fiat and Chrysler brands in China and Korea, with the remainder of APAC anticipated in 2015.

The project is scheduled to being roll-out in LATAM in 2014. A cross-regional project steering committee is in place to ensure global alignment of strategies and process convergence. NAFTA and EMEA are scheduled to join the CRM project, which is expected to be completed by 2020.



The Customer Contact Centers offer a variety of services including information, complaint management and, in some locations, roadside assistance.

Customer Contact Center Activities – 2013

	EMEA	NAFTA	LATAM	APAC
Contacts managed (million)	2.7	5.1	1.2	0.2
Customers participating in satisfaction surveys	9%	5%	19%	5% ⁽¹⁾
Satisfaction index (scale 1-10) Information	8.2	8.3	8.6	8.6 ⁽¹⁾
Satisfaction index (scale 1-10) Complaints	7.0	6.6	7.0	6.4 ⁽¹⁾
% of calls within 20 seconds	80%	83%	90%	93%
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 7 days 60% settled within 5 days	cases settled within average 4 days 84% settled within 5 days	cases settled within average 6 days 66% settled within 5 calendar days	average case settled time N/A; 73% settled within 5 business days

The main CCC in the EMEA region is located in Arese (Italy), which supports not only Mass-Market and Premium Brands and Maserati customers, but also FGA Capital and Fiat Services in 20 countries.

The NAFTA region CCCs, located in the US, Canada and Mexico, handle incoming customer contacts of all Mass-Market and Premium Brands through separate and dedicated brand teams. These teams also provide special attention during new model launches.

Both the EMEA and 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.

With respect to the other operating regions, in LATAM the Group has six Customer Contact Centers.

In APAC, the Group is increasing its CRM activities in response to the growing presence in the region and to enable the move to the common Customer Care platform. In April 2013, India became the first country within the Group to roll out the Siebel Global CRM platform and enhanced Customer Care process. It now collectively handles over 50,000 inquiries a year. As a result, complaint levels were reduced and the Net Promoter Score, which measures customer satisfaction, improved.

In order to continue improving CCC operators skills, training was conducted in 2013 across all regions. Not including new hire training, EMEA personnel received approximately 41 hours of training per person, 33.5 in NAFTA, 27 in LATAM, and 14 in APAC. In India alone, the 14 CCC operators received 100 hours of training each in order to expedite the transition to the joint Customer Care platform.

⁽¹⁾ Figure based on South Korean data only.



Fiat's best-in-class Customer Contact Center: a behind-the-scenes look at the people and technologies at the Group's call center in Arese (Italy)

Fiat has had a fully-dedicated Customer Care service in place since 2006. In February 2013, Fiat opened the doors of its European Customer Contact Center to a group of journalists to show them how operators manage customer requests from initial contact until an issue is resolved.

The Center occupies 5,000 square meters of space at the former Alfa Romeo factory in Arese and all employees involved are Fiat employees and 90% unlimited-term contracts. The operators covering each market are native speakers, ensuring the service is as user-friendly as possible for customers. Operators are trained to handle all requests for the Group's brands, ranging from information on products and services to direct support, including roadside assistance, and processing complaints.

To provide the appropriate level of customer service, operators receive continuous, in-depth training and refresher courses, including sessions on how to manage the stress and optimize interaction with customers.

Journalists had the opportunity to listen to several live calls from customers needing technical support or other assistance. Operators demonstrated efficient response times, in addition to their professional and courteous manner. At a time when the economic crisis would seem to be dictating business strategy for many companies, Fiat has chosen to continue to invest in an efficient and innovative Customer Care service to further consolidate its market position over the long term, as well as to promote customer loyalty through a high quality customer service managed by friendly, qualified Fiat personnel.

Customer feedback

Customer feedback and opinions are monitored on an on-going basis regarding satisfaction with their vehicle, dealer and ownership experiences. Regional programs are in place to evaluate these events, as well as how likely customers are to recommend a dealer or a brand to family and friends.

In the US, the Customer Promoter Score (CPS), an internal monthly 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 ten, the answers allow customers to be broken down into three categories: promoters, passive customers and detractors.

Similar to CPS, Fiat Group Automobiles (FGA) in EMEA uses the Net Promoter Score (NPS) to evaluate customer satisfaction throughout the vehicle sales, service and ownership experience.

In the US, to assess customer satisfaction with their service experience, customers are contacted within their first year of ownership immediately after their first warranty service visit or the first time they pay for service. Additionally, surveys are sent to customers who have dealership service visits later in the ownership cycle. The primary questions related to the customer's dealership service experience include:

- How would you rate your satisfaction with your most recent experience at the dealership?
- Were all your service needs completed correctly on the first visit?

In 2013, more than 700,000 responses were received from US service customers. Owners are able to complete the survey by phone or email. In the EMEA region, FGA developed the Customer Feedback Sales and Service program to manage customers and help dealerships improve customer satisfaction. In 2013, it was expanded to 19 markets in Europe.

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 (NPS) to provide additional customer input and improvement opportunities.

In 2013, FGA expanded the customer management processes 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.

FGA developed a new reporting tool called **Customer Feedback Web Report** available to markets so they can easily use the results. It also allows users to gain a better understanding of customer opinions.

Finally, because customer wants and needs continue to evolve, in 2014 a new, digital way to keep in touch with customers will allow them to complete the questionnaire at their convenience: by phone, email or smartphone.

Communication with customers

One way to better understand the customer's perspective is to create a customized on-demand channel of communication.

In order to create a connection between the dealer network and customers, the Group launched an innovative platform in Italy in 2013 that offers valuable information and allows Mopar to keep in touch with customers. The **Mopar Owner Center** is a digital platform dedicated to Fiat Group owners within the Fiat, Alfa Romeo, Lancia, Fiat Professional, Abarth and Jeep website. It will be implemented in all European countries by the end of 2014.

The website provides customers with information on:

- original 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 the 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.

To increase communication in 2013, Fiat Group Automobiles (FGA) enhanced the Mobile Customer Care program, which enables customer-to-company interaction through the latest mobile channels, including iPhone and iPad. This channel achieved more than 280,000 downloads for seven brands. The channel expanded with a dedicated iPad application "Lancia Everywhere Tablet" and the Mobile Customer Care program currently reaches 17 EMEA markets.

In 2013, Fiat Group's focus on social media was further strengthened. The Customer's "Social Listening" process has been extended to cover all four brands in Italy and two brands in Germany and France. The engagement activity involves the Arese Customer Contact Center which manages messages received via Twitter through the @FiatCareIT, @AlfaRomeoCareIT, @lamJeep and @LanciaEverywhere accounts. In the second half of 2013, social media activity for Fiat and Alfa brand customers was further extended to include forums direct engagement.



Increasing channels of
communication to engage customers

Similarly, Chrysler Group launched its Customer Care Social Media program in 2011 with program expansion in 2012 and 2013. In 2014, Mopar's Customer Care and Marketing social media efforts will be combined in order to leverage additional opportunities for engaging customers. Existing Customer Care initiatives will continue expansion to additional sites and forums to provide support to customers across all Group brands.

In LATAM, the CRM and Customer Care departments regularly monitor the main company social media channels for comments regarding Fiat

or its products. The comments are evaluated, and if appropriate, a case file is opened. Depending on the topic, contact is made with the customer to achieve a resolution.

As indicated in the Group's **Data Privacy Guidelines**, which are available on the Group's corporate website, as well as in the legislation of the countries where the company operates, maximum attention is given to processing and protecting the personal data of customers and others who contact the company. The process for managing communication with customers is dedicated to respect their right to privacy.

Customer-centered services and products

Customer-centered services respond to owner expectations and provide added value related to their ownership of Group products.

In order to increasingly meet customer requirements during 2013, Chrysler Group increased the number of dealers offering express service by 16% over 2012, which significantly reduces the time required for routine maintenance such as oil change, tire rotation and multi-point inspection.

In addition, in 2013, dealers offering Saturday service hours increased by 2% in the US, for a total of 80.6% of the dealers.

To deliver the quality of service that customers expect, Chrysler Group has expanded offerings of high-quality remanufactured parts. These parts offer alternatives to dealers and customers that simultaneously reduce the cost of vehicle ownership and the volume of salvageable materials heading to landfills. The selection of remanufactured options includes more than 4,000 unique parts, 200 of which were added in 2013, and includes remanufactured brake calipers, starters and alternators, electronic control modules, steering and suspensions, air compressors, as well as engine and transmission product categories.

Chrysler Group launched the wiADVISOR dashboard for US dealerships during the fourth quarter of 2012 to further enhance the experience of dealership service for customers during the write-up process. As of December, 2013, 52% of the Group's US dealer network and 35% of the Group's Italian dealer network are enrolled in wiADVISOR. Fiat Group is expanding this program to the entire EMEA region. Additionally, Mopar continued its **Green Check Up campaign**, which is promoted in several countries in Europe on all Group brands. The campaign is an educational program on proper maintenance offering a series of **free vehicle checks** which covers inspection of areas such as tire condition, spark plugs, air filter, exhaust, lambda probe, passenger compartment filter, etc., aimed at reducing fuel consumption and CO₂ emissions.

Addressing special needs

Freedom of movement for all: this is the guiding principle of Fiat Group's Autonomy and Automobility programs.

Since 1995, the Fiat Group Automobiles' (FGA) Autonomy program has been providing technical solutions for people with reduced motor ability, which allow them to use any car or commercial vehicle (Fiat, Lancia, Alfa Romeo, Abarth, Jeep and Fiat Professional). It has also sponsored sports events and trend-setting activities. For individuals with disabilities, driving is one of the major steps marking the return to an independent lifestyle.

For this reason, Fiat Group designs and provides technical solutions to meet a variety of transportation needs, either individual or collective. The best evidence of the Autonomy program's effectiveness and appeal are the 1,000 people in 2013 who benefited from the services offered by the 19 Mobility Centers in Italy, as well as the number of Autonomy vehicles sold throughout the year in Europe and Brazil, totaling 18,770. This figure represented an increase of approximately 10% over 2012. The Mobility Centers are run jointly with local associations and rehabilitation centers, local health authorities and the Italian Traffic Authority. They offer a wide range of services, including advice and assistance in dealing with the administrative, legal and technical aspects of the fitness-to-drive screening assessment. Service also include providing information on how to get a driver's license and test driving our specially-equipped vehicles.

Our commitment is also reflected in the many prestigious sport initiatives we participate in through the Autonomy program, which seeks to dispel stereotypes and increase freedom of mobility for all. We are convinced that there is no such thing as "different" competitions, but only "different" skills, and that all athletes have the same desire to win and overcome any obstacle.

Chrysler Group Automobility is another company initiative designed to improve mobility and enhance vehicle accessibility. It 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. Since 2000, Chrysler Group has granted loans to about 89,000 customers who have benefited from the program.



Transparency in communication

Fiat Group has deliberately chosen to adopt and foster positive values and responsible practices in all types of communication, and knows that communication through advertising has a voice in society. In 2011, Fiat Group Automobiles (FGA) published its guide to ethics in communication to promote a policy of responsible marketing and advertising in every market where it is present. Based on applicable law and advertising standards in individual countries, the guide sets out the fundamental principles that are to be applied in communication activities by all those who work in or with FGA, such as advertising agencies. The core values underlying the guide reflect FGA's principles of respect, honesty and responsibility. The guide was drafted in clear, straight forward language to ensure that it could be readily understood and applied by everyone.

In addition, numerous national and international laws and regulations governing product information apply to Fiat Group business dealings, due to their very nature. In Europe, the Group provides consumers specific information on fuel economy and CO₂ emissions through various channels such as: posters in stores, advertisements, websites, etc., in accordance with the provisions of Directive 1999/94/EC of the European Parliament and Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO₂ emissions with respect to the marketing of new passenger cars.

In the US, the Environmental Protection Agency (EPA) ensures compliance with fuel economy labeling requirements on new vehicles. The EPA, together with the US National Highway Traffic Safety Administration (NHTSA), rolled out an entirely new design for labels, appearing on vehicles starting with the 2013 model year. In addition to information about a vehicle's fuel economy, the new labels inform consumers about energy use, fuel costs and environmental impact, including smog and greenhouse gas ratings. Customers with smartphones can scan the QR Code on the label to access additional online vehicle information.

The Group expressly communicates other information – including caution and warning messages, whether required or added as an option – through manuals (e.g., owner's manual and maintenance guide), labels, advertising, the dealer and service network, Customer Contact Centers, and other channels. Users are informed about topics such as the proper use of active/passive safety features (e.g., seat belts, airbags, child seats), the vehicle's environmental impact, correct driving habits that may affect fuel economy and emissions, and responsible disposal of maintenance materials (e.g., fluids or filters). Also, the Group encourages the use of low environmental impact technology and fosters safe and environmentally friendly driving through driving courses, awareness campaigns and computer-based tools like eco:Drive, which debuts in its "LIVE" version on the 500L. Now the system will provide suggestions on how to be more environmentally friendly at the wheel in real-time.

Fiat Group is a global automaker that sells its products or services to customers in more than 150 countries. We do not sell our products in markets where there are restrictions banning their sale. We regularly engage in dialogue with our many stakeholders in order to better understand their expectations, needs and concerns. At the same time, no incidents of material non-compliance were identified in products, service information or labeling.

Responsible selling practices

The Group facilitates access to vehicle purchase through FGA Capital (FGAC), a joint venture⁽¹⁾ between Fiat Group Automobiles and Crédit Agricole Consumer Finance. FGAC offers financial services for the purchase and lease of new and used vehicles to its various customer segments – private or corporate – as well as to dealers with tailored products.

FGAC is committed to providing customers access to credit founded on principles of fairness, responsibility and diligence at acceptable conditions, through transparent relationships and in full compliance with applicable regulations.

Across the 14 European countries where FGAC operates, customers can rely on a full range of financial products and insurance services (e.g., Credit Protection Insurance, Car Insurance, Extended Warranties, etc.), which are offered in keeping with principles that underscore the importance of using clear and accessible language.

In order to allow everyone access to responsible credit, FGAC incorporated two specific financial tools into its websites in 2012. These tools allow customers to work out the financial plans that best suit their needs and budget.

In 2013, FGAC also launched a loyalty program, aimed at strengthening the relationship with customers and improving their overall satisfaction. This program offers renewal and vehicle replacement opportunities through increasingly made-to-measure financial products that help to reduce vehicle maintenance costs while also providing easier access to innovative and more environment-friendly vehicles.

In 2013, FGA Capital continued its training program launched in 2012, which promotes sustainability and responsible credit. Training is delivered to internal staff and to dealership salespeople.

Twice a year, FGAC conducts a comprehensive Customer Satisfaction Survey to monitor customers' level of satisfaction with financial products, salesperson behavior, and clarity and completeness of the information provided by salespeople. In 2013, about 14,000 customers were surveyed by phone.

⁽¹⁾ A 50/50 joint venture between Fiat Group Automobiles and Crédit Agricole Consumer Finance, which operates in 14 European markets and manages 3 lines of business dedicated to dealers, private customers and commercial customers respectively. For more information, visit www.fgacapital.com

Engagement with business partners

We believe that working closely with our global supply chain and dealership network is crucial to achieve the high level of quality that we expect in our products, services and operations. Establishment of partnerships, dissemination of best practices and collaboration on several topics (technological, environmental and social) are the ways the Group engages its business partners.

Supplier profile

Key targets⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ● Target partially achieved |
 ○ Target postponed

Commitments

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

- ▶ 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
- ▶ 2020: monitoring of CO₂ emissions of 90-100% of top Group suppliers (accounting for about 57% of purchases by value) through the Carbon Disclosure Project Supply Chain program

+ 72 audits on Fiat and Chrysler major suppliers performed by internal Supplier Quality Engineers (38 audits) and third party auditor (34 audits)

● 68 selected suppliers invited to participate in the Carbon Disclosure Project Supply Chain program, 45 of which responded, reaching an average disclosure score of 68 and an average allocated performance band of C

Promote social and environmental responsibility among suppliers

- ▶ 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

- Eligible suppliers identified and industry-standard reporting tool for conflict minerals implemented
- Tool/process developed to facilitate the provision of information by suppliers concerning conflict minerals as required by company policy
- + Provided supplier support to facilitate understanding of the US legislation and helped provide responses on conflict minerals as required by the internal policies of major customers

- ▶ 2020: enhance mineral traceability in high-risk areas for the entire supply chain

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

Suppliers are strategic allies who support our creation of successful and exciting vehicles that deliver best-in-class quality, innovation and performance to our customers. We believe that cooperation is what makes the difference. **Our supplier relationships go beyond the purely commercial sphere and include a mutual understanding of what it takes to promote good practices and pursue responsible and sustainable development.**

Today, globalization requires leading supply chain management methods that ensure the **widespread incorporation of sustainability criteria in the selection and engagement of suppliers**; in so doing, these practices help to limit exposure to unexpected events and supply disruption while building long-term core competence. **Group Purchasing** is the Fiat and Chrysler organization responsible for supplier management by setting global purchasing strategies as well as developing an integrated worldwide process. This organization works with peers and counterparts to integrate key environmental, social and governance considerations into its global purchasing strategies, thereby enabling responsible and sustained economic success for the extended Group enterprise.

The ultimate governance of strategy in relation to supplier management lies at the highest level of the management organization. The Group evaluates the effectiveness of its management approach through external audits and feedback from various stakeholders. In 2013, all information related to the model for sustainable management of the supply chain was assessed by SGS by means of a high level audit as per the AA1000 and Assurance Standard principles, which did not find any gaps in the management approach. Further improvement is expected by continuous application of the new KPIs related to an extensive supply chain monitoring process. Furthermore, media monitoring, stakeholder commentaries and other public information gave no reason for concern, as reported by the rating agencies responsible for assessing the Group's supply chain management processes.

In 2013, **Fiat and Chrysler again honored top-performing suppliers during the NAFTA and EMEA Supplier Sustainability Award ceremonies**, by recognizing their outstanding achievement in social and environmental responsibility performance. **The top winners in 2013 were BASF for NAFTA and Brembo for EMEA.** These companies, and others, were recognized for their commitment in 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 **CO₂ emissions generated from it were offset through the purchase of 181 equivalent credits under a forestry project in Italy (Po Delta Park).**



In 2013, Group Purchasing managed approximately €44.5 billion⁽¹⁾ in purchases through a supply base of 2,884 companies (direct material suppliers). **The top 184 supplier parents producing roughly 57% of the total purchase value were identified as key suppliers.**

Whenever possible, we utilize local resources 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.⁽²⁾

In addition, the Group constantly monitors and manages any critical situations arising in the automotive supply chain to ensure prompt detection and mitigation of potential disruptions. Resolution actions may entail providing support for restructuring plans and, where necessary, temporary cash-flow support with the objective of ensuring supply continuity and preserving jobs, if possible.

In 2013, the Group added 442 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 any notable outsourcing activities. Starting in 2014, the Group will begin to utilize our re-qualification process to monitor changes in the location of suppliers' plants from one country to another.

Approximately

€44.5 bn



in purchases for a **direct material supplier** base of **2,884 companies**

Highlights

Group Purchasing worldwide

2013

Direct and indirect material purchases managed by Group Purchasing ⁽³⁾ (% of total Group purchases)	approx. 95
Direct material suppliers (no.)	2,884
Concentration of direct material purchases (% of purchases from top 184 suppliers)	57
Value of purchases from direct material suppliers ⁽⁴⁾ (€ billion)	44.5
Value of purchases from indirect material suppliers ⁽⁵⁾ (€ billion)	10.9

> GRI-G4 DMA, 12, 13, EC8, EC9

⁽¹⁾ Value of purchases from direct and indirect material suppliers totals roughly €55.4 billion.

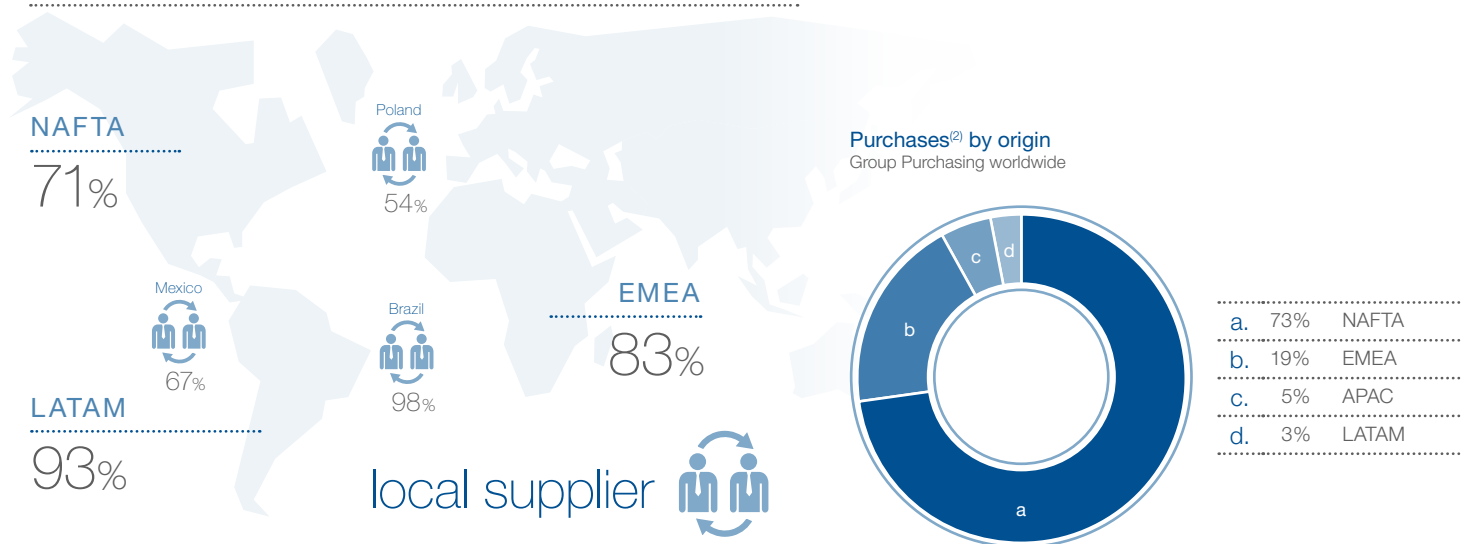
⁽²⁾ The term "local suppliers" refers to suppliers operating in the country where a Group plant is located.

⁽³⁾ Refers to the monetary value of purchases managed by Group Purchasing.

⁽⁴⁾ Direct materials are pre-assembled components and systems used in assembly.

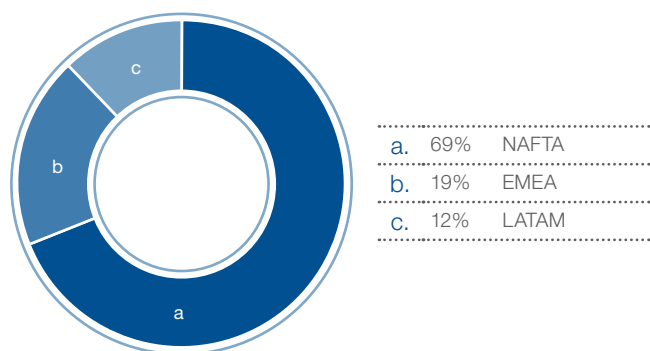
⁽⁵⁾ Indirect materials are services, machinery, equipment, etc.

Concentration of Group Annual Purchase Value (APV) on local suppliers at major locations of operation and by emerging markets⁽¹⁾



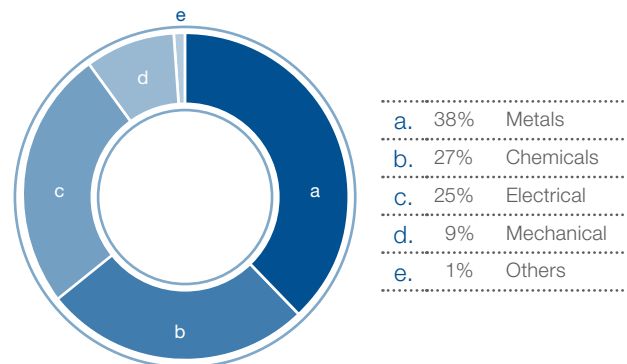
Purchases⁽²⁾ by destination

Group Purchasing worldwide



Purchases⁽²⁾ by type

Group Purchasing worldwide



⁽¹⁾ Refers to markets where Group plants are located (source for "Emerging Markets": Dow Jones Indexes Country classification system, effective September 2011).

⁽²⁾ Refers to the monetary value of direct material purchases managed by Group Purchasing.

Supply chain standards

We are committed to ensure impartiality and equal 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.

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.

Should a supplier fail to follow these principles, the Group reserves the right to terminate the business relationship or require the supplier to implement a corrective action plan, to be verified by audit. **Compliance with environmental, social and governance clauses is required in 100% of new agreements** (General Terms and Conditions).

Supplier Sustainability Guidelines are available on the Supplier Portal and on the Group corporate website. They focus on the following principles:

- human rights and working conditions
- respect for the environment
- business ethics.



Assessing potential suppliers

In 2013, the Group adopted a new supplier assessment system which strengthened the criteria relating to sustainability.

The SEA (Supplier Eligibility Assessment) identifies suppliers' strengths, weaknesses and capabilities and the evaluation is done by 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 is required well before the sourcing phase. Suppliers are also required to adopt a Code of Conduct or Code of Ethics, governing matters such as respect for human rights and anti-corruption measures, and to implement certified systems for Health and Safety Management and for Environmental Management. Additionally, suppliers must provide evidence of the existence of process and product quality improvement processes; training courses to expand the skills of their internal staff; and adequate and comprehensive sub-tier supplier development methods.

Twenty new suppliers were evaluated in 2013 through this process. In general, 100% of new suppliers are evaluated according to sustainability criteria by means of the Supplier Eligibility Assessment and the self-assessment questionnaire.

We aim to prevent or mitigate any adverse environmental or social impacts that are directly linked to our business operations, or by products or services from a business partner. Suppliers play a key role in our business continuity, and can significantly impact public opinion of how responsible the company is in the social and environmental spheres. We recognize that any adverse events within the supply chain can have a direct, material impact on production and economic performance – both for the company and the supplier – and may affect our collective reputation.

Responsibility for supplier assessments is assigned to the Supplier Quality department and at the operational level to Supplier Quality Engineers. In order to preempt any sourcing risks, we developed a **risk map to identify critical suppliers** whose compliance with sustainability criteria must be monitored. The four primary risk drivers used to create this map are supplier amount of business; country risk associated with the supplier's location, with particular emphasis on poor human rights records; supplier financial risk; sustainability history. Manufacturing locations and commodities are also considered in the analysis.

The risk map, which covers all the suppliers with annual purchase volume, classifies suppliers as high-, medium- or low-risk. A score between one and three is assigned to each driver. The final score is a weighted average of the risk drivers and defines the overall level of supplier risk.

The Group then assesses supplier compliance with sustainability criteria through self-assessment questionnaires. Overall, this systematic screening through questionnaires covers supplier operations based on environmental, labor practice, human rights and social criteria. In 2013, **about 1,200 suppliers completed the self-assessment questionnaire, representing approximately 43% of total purchase value for the year.** Suppliers that completed the questionnaire scored 79/100 on average. We conduct audits if the outcome of self-assessment questionnaires requires further investigation.

Building on last year's self-assessment questionnaires, **72 audits were performed in EMEA, NAFTA and APAC** (of which 38 were conducted by Supplier Quality Engineers and 34 by a third party auditor). These audits did not reveal any particularly critical situations: no contracts were suspended or canceled, and no suppliers were placed on probation. However, corrective action plans for certain areas in need of improvement were developed in collaboration with suppliers. **Specifically, in 2013, approximately 143 joint action plans were initiated for about 28 suppliers as a result of the audits.** The analysis of the action plans was performed on 47 audits, while for the remaining 25 audits this will be completed in 2014. No significant issues have arisen during these audits.

To verify performance and progress, action plans are monitored regularly. All audits are announced and coordinated with suppliers.

Self-assessment questionnaires

Group Purchasing worldwide

	2013	2012	2011 ⁽¹⁾
Suppliers sent self-assessment questionnaires (no.)	2,051	1,522	1,924
Suppliers responding to questionnaire (%)	59	71	64
Average score	79/100	85/100	87/100
Purchases ⁽²⁾ by value covered by questionnaires (%)	43	55	37

⁽¹⁾ Data includes Chrysler Group for the full year.

⁽²⁾ Value of direct material purchases managed by Group Purchasing.

Audits

Group Purchasing worldwide

	2013	2012	2011 ⁽¹⁾
Sustainability audits (no.)	72	89	51
performed by Group personnel (Supplier Quality Engineers)	38	42	37
performed by a third party	34	47	14
Purchases ⁽²⁾ by value covered by audits (%)	5	7	1

Analysis of suppliers' self-assessment questionnaires

Aspects	Number of suppliers identified as having significant actual and potential negative impacts	Significant actual and potential negative impacts identified
Environment	78	<ul style="list-style-type: none"> ▶ GHG emissions management ▶ Environmental training ▶ Recycled and/or sustainable materials use ▶ Biodiversity ▶ Measures to verify responsible environmental practices of the supply chain
Labor practices and Human rights ⁽³⁾	80	<ul style="list-style-type: none"> ▶ Basic human rights (addressed through supplier code of conduct) ▶ Compensation and working conditions ▶ Contractual requirement to the supply chain for compliance with labor and human rights laws and regulations ▶ Health and safety management
Impact on society	4	<ul style="list-style-type: none"> ▶ Sustainability in Supply Chain Management

Analysis of corrective action plans

Aspects	Percentage of suppliers identified as having significant actual and potential negative impacts, with which improvements were agreed upon ⁽⁴⁾	Number of action plans	Main action plan topics
Environment	17%	8	<ul style="list-style-type: none"> ▶ Definition of a formal Environmental Management System
Labor practices	45%	58	<ul style="list-style-type: none"> ▶ Evidence of documentation on workplace safety ▶ Training activities ▶ Harassment (definition of a dedicated management procedure) ▶ Health and safety performance ▶ Monitoring overtime
Human rights	38%	32	<ul style="list-style-type: none"> ▶ Additions to the code of conduct ▶ Ensuring freedom of association rights ▶ Child labor (definition of a dedicated management procedure)
Impact on society	38%	45	<ul style="list-style-type: none"> ▶ Inclusion of monitoring activities and supply chain involvement

GRI-G4 DMA, EN33, LA15, HR4, HR5, HR6, HR11, SO10⁽¹⁾ Data includes Chrysler Group for the full year.⁽²⁾ Value of direct material purchases managed by Group Purchasing.⁽³⁾ The findings also included one evidence of potential negative impact for child and forced labor due to the lack of a dedicated management procedure. Consequently, the supplier has been submitted to an audit and a targeted action plan has been implemented.

No potential negative impact has been identified for the right to exercise freedom of association or collective bargaining.

⁽⁴⁾ The percentage is calculated based on the number of 47 suppliers audited. The analysis of the action plans for the remaining 25 suppliers audited is still underway and will be completed in 2014. No significant issues have arisen during these audits.

€3.9 bn



spent by Chrysler Group
with minority suppliers, representing
16.8% of its total annual
purchasing value



Supplier Diversity

Since 1983, Chrysler Group has purchased more than €38 billion from minority-owned suppliers. The High Focus Supplier Program is a best practice that creates a win-win for Chrysler and our suppliers, and serves as an example of supply chain innovation. The High Focus program, established in 2011, focuses on 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 six times or €644 million. Chrysler 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.

Another Chrysler Group innovation designed to expand opportunities for minority suppliers is its **Matchmaker program**. The program has generated more than €1.5 billion in new business opportunities for exhibitors since 2000.

Ongoing dialogue with suppliers

The Group is continuously renewing its focus on supplier relations, thus constant engagement and communication are essential to helping the company foster more positive, mutually beneficial relationships. Many process and system improvements have been executed to help suppliers work with the company more effectively.



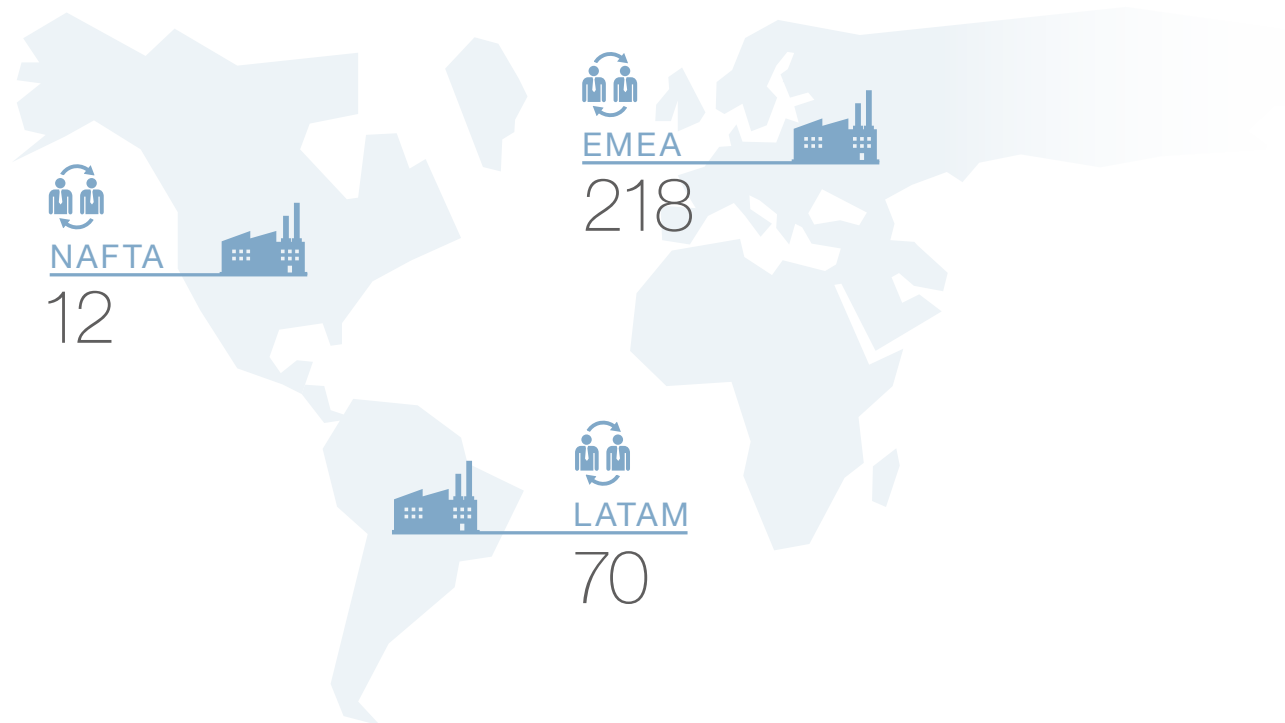
suppliers invited to participate
in the CDP Supply Chain
(of which 45 disclosed)

A continuous dialogue is encouraged with suppliers at all levels of management, including forums such as the regional **Supplier Advisory Council (SAC)**. 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. The Group also uses a dedicated **supplier internet portal** 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.

Additionally, initiatives for the exchange of ideas and information include **local conferences** and **Technology Days** (23 meetings in 2013), attracting an average of approximately 1,200 participants. At these events, leading suppliers in terms of innovation, technology, and quality address specific topics and share some of their latest technological developments. At Chrysler Group, regular **Supplier Town Hall meetings**, which are attended by an average of 500 suppliers either in person or via webcast, continued to be a major enabler of two-way communication.

Continuous improvement is also seen in **World Class Manufacturing Purchasing**, which, in collaboration with the World Class Manufacturing (WCM) team, continued providing its advice to suppliers intending to implement the WCM system. During the year, **WCM was implemented at additional supplier plants, reaching a total of 300 supplier sites** (of which 218 in EMEA, 70 in LATAM and 12 in NAFTA). A total of **five executive conventions** have been held to examine the status of application of the program and the commitment of the senior management that fuels it.

300
supplier plants
involved in
WCM program



The Group works closely with many industry and supplier organizations to encourage dialogue. One such group is the **Automotive Industry Action Group (AIAG)**, which Chrysler Group helped found in 1982. The 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.

Furthermore, Chrysler Group hosts **Supplier Training Week** three times per year covering numerous subjects, including sustainability-related topics such as responsible working conditions, environmental impact and ethics.

Additional in-depth training on responsible working conditions is offered to suppliers in partnership with the Automotive Industry Action Group. However, we are also committed to promoting entrepreneurial growth by providing entrepreneurs the practical capacity-building training they need and that enables subject matter experts to achieve a higher level of sustainability. With this aim, an on-site basic sustainability training course was delivered at Fiat headquarters to 13 select suppliers (17 individuals participated). The carbon emissions that resulted from travel to participate were entirely offset through the purchase of 15 equivalent credits under a forestry project in Italy (Po Delta Park). To address existing and emerging sustainability issues, the **Supplier Sustainability Panel** was created. This stakeholder group represents a cross section of the supplier base with participants from companies of different sizes, footprints and commodities. Topics addressed include ways in which the Group and its suppliers can work together on sustainability initiatives, gap assessment and resolution, benchmarking site visits, and training and communication throughout the supply chain.

Finally, the Group encourages supplier innovation through various initiatives to find ways to reduce costs.

The **Technical Cost Reduction SUPER** (Supplier Product Enhancement Reward) **Program** is aimed at encouraging a proactive approach with suppliers by the mutual sharing of the economic benefits generated by proposing and introducing innovative methods and technologies. In 2013, in the NAFTA and EMEA regions **more than 350 ideas were implemented by suppliers, resulting in tangible cost reductions of about €39 million**. Moreover, the **Supplier Innovation Gateway**, whose goal is to stimulate innovative ideas leading to benchmark systems, provides a streamlined process to review, investigate, and approve supplier innovations in the NAFTA region.

Dedicated email addresses (sustainability_supplychain@fiat.com and sustainability@chrysler.com) represent another method for suppliers to request information or report events or situations of non-compliance in the supply chain in addition to the specific channels identified by the Group Companies for reporting a violation (or suspected violation). In 2013, no violations or suspected violations were received about environmental, labor practices, human rights and society impacts (see also page 43).

196 
credits purchased
to offset carbon emissions
from suppliers' travel participating
in Group's event in EMEA region

Dealer and service network

Key target⁽¹⁾

⊕ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment	Target	2013 Result
Reduce environmental impact of sales activities and encourage dealer network excellence	<ul style="list-style-type: none"> ▶ 2017: 20% reduction of average cumulative electricity consumption measured in kWh at all company-owned Italian dealerships compared to 2012 	<ul style="list-style-type: none"> ● All company-owned Italian dealerships engaged in energy-saving activities achieving an average 7% reduction in electricity consumption (kWh) compared to 2012

The Group considers our dealer network to be a **key business partner**: they represent an important direct link between the Group and its customers. We work with them to implement several initiatives aimed at increasing their awareness of sustainability issues and reducing the environmental footprint.

Reducing environmental impact

Reducing the environmental impact of the dealer network is one way the Group 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. The Group 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 2013 the Group continued to develop and expand methods and initiatives in different regions, based on local network characteristics.

Actions taken or proposed at dealerships were mainly related to increasing awareness of sustainability and reducing energy consumption, and subsequently, total emissions generated on-site or at the source.

New goals have been set for 2017 in order to support this commitment.

In the EMEA region, company-owned dealerships represent 2% of the total Group dealerships in terms of number and 5% in terms of surface area. In 2013, the Group focused on defining actions for all company-owned dealerships in Italy, which cover an area of 105,000 square meters (31% of the entire surface area of company-owned dealerships in all of EMEA).

Actions taken at Italian company-owned dealerships included: a **detailed analysis** of their status and energy consumption; the **provision of suggestions**, including potential benefit, on how to improve in areas like maintenance and employee-specific behavior; and continual **monitoring** of dealership energy consumption trends. With the technical support of Fiat Partecipazioni, the Group company in charge of facility and energy management, dealership suggestions were customized depending on their site characteristics. With the introduction of these 2013 initiatives, the total amount of **energy consumed decreased by 5.5%** compared with the previous year and around 6,400 GJ were saved. In addition, more than **685 tons of CO₂ were not emitted** into the atmosphere. The program resulted not only in environmental improvements, but also in operational benefits in the form of reduced costs.

The approach was to implement actions that were either no cost or highly affordable. The site that improved the most saved 17% in electricity compared with 2012. In addition, up to 27% in electricity (in kWh) was saved at sites that had refurbished systems and machinery.

This experience led to the creation of **operational guidelines on eco-efficiency** specifically tailored to dealerships. The purpose of the guidelines is to help dealerships conserve resources, illustrating best practices to reduce waste and use energy more efficiently. They also offer technical solutions and examples focused on saving energy. The goal is to reach as many dealerships as possible, and encourage each site to implement appropriate changes on a voluntary basis. Separate eco-efficiency guidelines addressing the sustainable construction of future company-owned dealerships are also available. These two documents pave the way for future actions to minimize the environmental impact within the scope of our dealerships.

-685 tons 
of CO₂ in the Italian owned
dealerships equivalent of the gas
needed to fill 140 air balloons

To support lower energy consumption and less environmental impact in the dealer network, we set targets to be met by 2017 at all Italian company-owned dealerships for electricity consumption. Targets were also set for progressive extension of eco-friendly initiatives to both company-owned and independent dealerships in other countries.

In the **LATAM region**, the World Class Dealer (WCD) program was implemented in 2013. WCD aims to increase the focus on operational efficiency at dealerships, including identifying opportunities, improving performance and achieving results.

As part of the program, an **initiative to monitor and increase the environmental and social sustainability** of the Brazilian dealerships was launched in partnership with the Ethos Institute and will eventually cover the entire dealer network, comprised of around 600 private dealers. The development of this initiative started with direct involvement of the Fiat Brazil Dealer's Association (ABRACAF) in four engagement meetings. Dedicated workshops were held with 11 dealers where an online sustainability tool was defined on the basis of 26 indicators that help analyze a dealer's performance in areas such as:

- human rights
- relationships with workers and local communities
- sustainable consumption of materials and resources (like energy and water)
- reverse logistics for material disposal.

Each dealership is able to monitor its environmental and social impact by using the online tool to enter data on the 26 indicators. The system then provides suggestions and priorities to enhance performance.

In the **NAFTA region**, in an effort to promote environmental responsibility the Chrysler Group Dealer Network organization and the Corporate Sustainability Office organized the **Dealer Environmentally Conscious Operations (ECO)** program for the second consecutive year. The program recognizes Chrysler Group dealers who contribute to the company's goal of reducing its impact on our planet.

Top performing dealers are then nominated for the Chrysler Group Environmental Leadership Award (ELA) based upon energy consumption and efficiency, waste recycling, community relations, etc. Best practices highlighted in the 2013 program will be communicated to all Chrysler Group dealers in 2014 via the sustainability portal in **DealerCONNECT**. The DealerCONNECT portal was also enhanced to include an area for updates regarding Green Buildings where sustainability practices will be easily accessible to the dealer network. For example, data collected from dealers who have implemented LED lighting, waste oil burners, sustainable roofs, etc. will be made available to the dealer network to promote the benefits of sustainability practices in terms of the impact on the environment as well as the financial impact.

Direct and indirect energy consumption in dealerships

Mass-Market and Premium Brands in EMEA (TJ)

	Private ⁽¹⁾		Company-owned	
	EMEA	of which in Italy	EMEA ⁽²⁾	of which in Italy ⁽³⁾
2013				
Direct energy consumption	1,196	186	120	26
Indirect energy consumption	1,075	168	153	82
Total energy consumption	2,271	354	273	108

Direct and indirect CO₂ emissions in dealerships

Mass-Market and Premium Brands in EMEA (thousands of tons of CO₂)

	Private ⁽¹⁾		Company-owned	
	EMEA	of which in Italy	EMEA ⁽²⁾	of which in Italy ⁽³⁾
2013				
Direct emission	70	11	7	2
Indirect emission	106	17	14	9
Total emission	176	28	21	11

The dealer network plays an important role in creating and enhancing customer satisfaction. Through the skill and expertise of our dealership personnel, the Group can maintain an open and trusted relationship with the owners of our vehicles. To this end, extensive and varied training is offered to expand the skills of those working within the dealer network. The Group provides extensive web training for all dealership positions. 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.

In 2013, over **3.7 million online hours of training** were delivered to Group sales, after-sales and technical personnel in the four regions.



Over **110 mn km**
of travel around the world eliminated
through web-based training

⁽¹⁾ Data estimated according to GHG Protocol on figures collected on some company-owned dealerships.

⁽²⁾ Data includes both figures collected and estimations based on the GHG Protocol.

⁽³⁾ Data entirely based on figures collected.

Engagement with local communities

Fiat Group 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, Fiat Group is building a more secure future for its industrial enterprise as well as for society as a whole.

Key targets⁽¹⁾

⊕ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitments

Support social inclusion, cultural growth and economic development in local communities

▶ 2020: each year, expand the range of stakeholders engaged with the Group in support of self-sustaining and social-economic community development

- Approx. 20,000 individuals benefited from the *Árvore da Vida* program from 2004 to 2013
- Approx. €2.5 million invested in 2013 *Árvore da Vida* initiatives
- Approx. €4.3 million donated to the United Way in 2013 by company employees in the US and Canada

▶ 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

- Approx. 670 Brazilian students benefited from the project *Árvore da Vida Capacitação Profissional* from 2006 to 2013
- Partnership with Politecnico of Turin (Italy) continued:
 - ▶ approx. €1.9 million contribution granted to support the "Ingegneria dell'Autoveicolo" master degree course
- Results and opportunities provided by the *TechPro*² project measured and assessed
- Continued support of *FIRST* Robotics program for high school students

Support for volunteer work during paid working hours

▶ 2020: strengthen impacts on local communities through corporate volunteer programs by region, according to local policy, requirements and constraints

- Formare project and Natal Solidário campaign continued in Brazil allowing Magneti Marelli and Teksid employees to do volunteer work for non-profit organizations during work hours
- Chrysler Group employees volunteered more than 9,400 paid work hours in the US in support of various company-sponsored volunteer efforts
- Approximately 123,500 hours donated by Group employees for blood donations worldwide

Philanthropic strategy

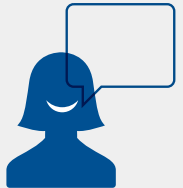
Corporate citizenship efforts focus primarily in areas where we have operations, as this is where we can be most effective. Our presence in these communities enables us to best assess particular needs and challenges related to social, economic and cultural aspects. Through our ongoing engagement and strong relationships with community, academic and political leaders, programs can be developed 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. The Group's goal is to help build strong, self-reliant communities with an engaged and skilled workforce.

During 2013, the Group committed resources for a value of **approximately €19.7 million⁽¹⁾ to benefit local communities.**

In addition to direct cash contributions and donations in kind, Fiat Group also supported local communities when permitted by company policies by encouraging employees to participate directly in volunteer activities during work hours. In the NAFTA region, Chrysler Group has a corporate policy that allows salaried employees to take part in charitable or public-service activities during normal work hours.

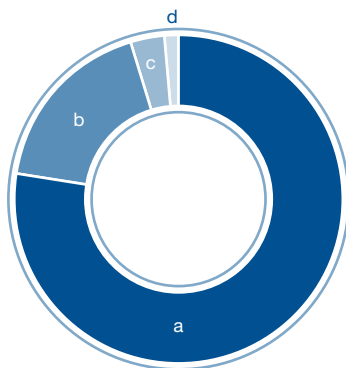
In order to make a sustainable improvement in local communities, the Group prefers investments designed to enhance community development (**50.7% of total value of community initiatives**) over simply donating money.

“Developing the community where the operations are and maintaining a good relationship with them is very important. Fiat should continue to think about more initiatives with the local community. A lot of people do not know about Fiat's community efforts ”



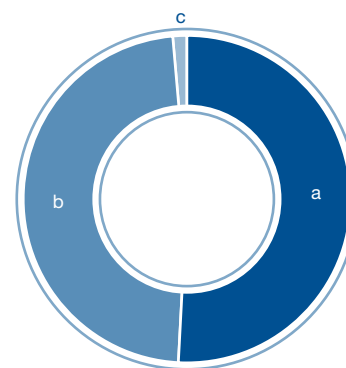
Stakeholder Engagement Event, Turin (IT)

Type of contributions
Fiat Group worldwide



- a. 77.7% Cash contribution
- b. 17.8% Volunteer work
- c. 3.3% Donations in kind
- d. 1.2% Management cost

Type of initiatives
Fiat Group worldwide

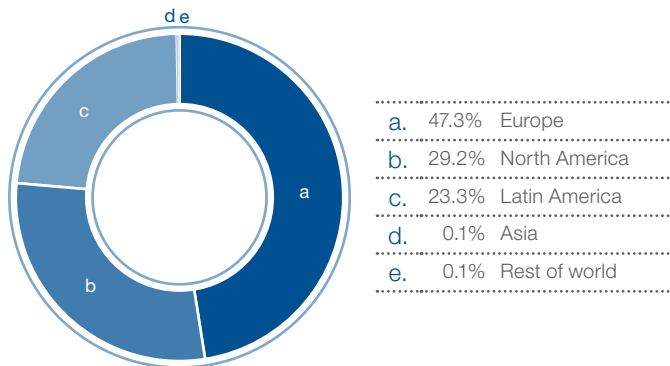


- a. 50.7% Investment in local communities
- b. 47.4% Charitable donation
- c. 1.9% Commercial initiatives with social impact

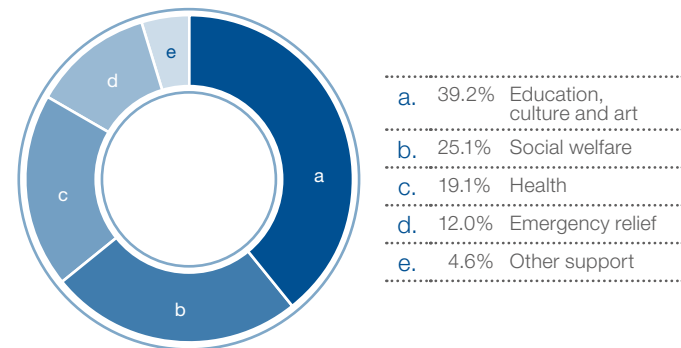
⁽¹⁾ Based on non-accounting data and calculation methods. Also includes estimates. Amounts in currency other than euros were converted at the average progressive annual exchange rate as of 31 December, 2013. The reported figure doesn't include initiatives whose sole purpose is to promote a brand. Amounts refer to all Fiat Group companies worldwide.

Area of intervention

Fiat Group worldwide

**Destination of initiatives**

Fiat Group worldwide



The Fiat S.p.A. Code of Conduct best expresses the Group's commitment to community development in the following statement: "Fiat 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 programs" generally established based on engagement initiatives with the local community and impact assessments.

By engaging with the relevant stakeholders, the Group establishes a collaborative relationship with local communities and authorities, strengthening its social license to operate.

The new initiatives of the business call for the Group to "take all reasonable steps to inform those communities of relevant actions and projects and [that it] shall promote an open dialogue to ensure that their legitimate expectations are taken into due consideration." An ongoing dialogue is ensured over time; for instance, Human Resources managers on-site continually interact and maintain dialogue with community representatives and local authorities in order to assess needs and expectations as well as monitor the impact of the company's industrial activities. The employees themselves are "asked to behave in a socially responsible manner by respecting the cultures and traditions of each country in which the Group operates and acting with integrity and good faith in order to merit the trust of the community."

Fiat Group Community Investment Guidelines provide indications 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. A portion of the Group charitable activities is managed by The Chrysler Foundation, which supports a wide variety of charitable and community-based local and global organizations. The Foundation is an independent, nonprofit organization sponsored exclusively by Chrysler Group and governed by its own Board of Trustees consisting of six 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.

At each location, the Group is engaged in providing appropriate operational conditions for generating local growth while respecting the interests of the various stakeholders. To this aim, three main conditions must be met: the identification and cultivation of local assets, the establishment of collaborative processes to plan and implement change and the encouragement of a local mindset that fosters growth. These three conditions can form only if founded on a relationship of mutual trust between the Group business and the local community and its institutions.

Supporting education

Fiat Group believes that education plays an essential role in building and sustaining strong communities. For this reason, we are highly engaged in a variety of training programs and educational initiatives, particularly for young people, in communities around the world. The Group's investment in education will help these future innovators obtain the technical skills necessary to address the many social and environmental topics facing our ever-changing world.

The Group's knowledge of the communities where it operates helps to inform and drive its Corporate Citizenship activities. Support of long-term educational projects can contribute to social inclusion and promote understanding of technology and sustainability topics. In the NAFTA region, the Group supports the **FIRST Robotics** initiative, 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, the Group is helping develop the technical skills necessary for the workforce of the future.

Another innovative Group initiative is the **TechPro²** project, a collaboration between Fiat Group Automobiles (FGA) and the Salesian Vocational Training Center (CNOS-FAP). TechPro² was designed to provide specific technical training to young people who have finished their required schooling – and who often come from socially disadvantaged or troubled neighborhoods. In 2013, approximately 2,300 students took part in the vocational training program, which provided around 2.2 million hours of training in seven different languages at 51 locations around the world.

Moreover there is **Master's Course in Industrial Automation** organized jointly by Politecnico di Torino and Comau for the Fiat Group. This program provides young people the training and employment opportunities necessary to help them develop their talents and put them into practice in those sectors of Italian industry where there is a growing demand for these skills.

In 2013, the *Árvore da Vida Jardim Teresópolis* program in the LATAM region continued its contribution toward education, youth training and community strength in Brazil. The program, developed by Fiat Group, confirmed that the rate of students participating in this project who passed their final exams at school jumped from 71% in 2004 to 96% in 2013. Correspondingly, the percentage of students attending school rose from 78% to 99% in the same period.

Fiat Group also developed the *Árvore da Vida Professional Training* initiative in seven Brazilian States, providing the professional education young people need to be employed in the company's dealer network. Since 2006, around 670 students benefited from this program with a resulting employment rate of 87%.



Community



€19.7mn
donated



39%
for educational
and cultural initiatives



25%
social welfare

Leadership for the future

Human capital is a crucial factor in providing the Group a competitive edge at the highest level of the industry and in succeeding in its ambitious goal of creating sustainable stakeholder value over time. The degree to which the technical expertise and motivation of our employees contribute to Group success is strongly evidenced by the work already done over the past few years to integrate the respective cultures of Fiat and Chrysler, transform differences into strengths, and break down geographic and cultural barriers. The final equity interest acquisition of Chrysler in 2014 further fuels the expectation of unique benefits from the characteristics of both organizations.



225,587 employees
belonging to 63 nationalities

Workforce insights⁽¹⁾

Motivated and committed employees have always been 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**. Fiat Group strives to provide its employees with growth opportunities that continuously foster international collaboration, capitalizing on diverse experience, background and skill. The Group's approach to human capital management rests on structured processes applied globally across all regions to ensure harmonic governance and management of employee development paths.

The Human Resource (HR) function is responsible to support the business leaders in all areas of employee management. Robust Human Resource processes are intended to deal with all the fundamental phases of the employee career life cycle: from recruiting to retirement. The recruiting and hiring processes at Group companies are supported worldwide by modern scouting and recruiting tools aimed at finding the best talents in the employee population, (through internal job postings), as well as external applicants (through career websites, recruiting platforms, and selected service providers).

Customized according to the needs of the local community, (except when already set by law), hiring tools, methods and specialists adhere to the principles of an **Equal Opportunity Employer** policy which highlights Group commitment to respecting the diversity of job applicants during internal recruiting and hiring processes. Results-oriented programs are designed to monitor and analyze recruiting agency practices and can be used as necessary to promote consistent application of the policy toward external recruiting services. Additionally, to monitor potential cases of discrimination, Human Resources (HR) supports investigations and takes appropriate corrective actions, where warranted.



22,500 applications filed through the Group careers website in Europe with the average age of applicants at 29.3

The evaluation process adopted worldwide to assess employee leadership and performance plays a key role in the management model of our people. Our **Performance and Leadership Management** (PLM) process applies to 100% of managers and professionals, plus a portion of salaried staff, and is conducted annually. Data related to employee performance are stored in dedicated information systems, accessible to HR representatives, managers and employees eligible for the process, each one of them having access to proper information.

To support the management of employees along their career paths, the company organizes classroom and web-based training initiatives for the acquisition and reinforcement of both managerial and technical skills, as well as coaching and team building pathways. 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/individual skills, and, when relevant, applicability of concepts learned to the participant's work process. To verify whether the desired outcome is achieved, training efficiency is monitored by comparing training hours by both type and category and examining expenditure levels against international best practices.

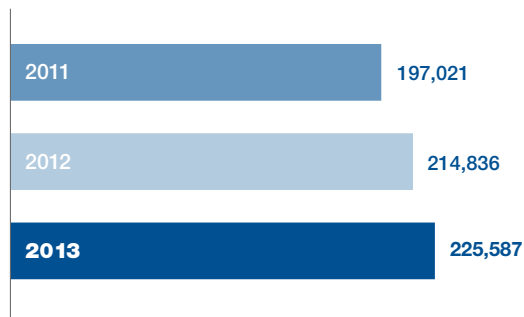
The Group recognizes it is important to continually measure and understand employee attitude, opinion, motivation and satisfaction. With this in mind, along with the many opportunities that the Human Resources function organizes to maintain an open dialogue with employees, powerful ad-hoc tools are adopted as necessary. These include but are not limited to **engagement and people satisfaction surveys**, and launches initiatives aimed at collecting employee suggestions and increasing the level of their participation in company processes and progress.

To maintain its appeal as an employer throughout the final stages of an employee's career, initiatives to support employee transition from employment to retirement are made available. Similarly, detailed pension estimator tools are available in certain countries, as well as savings plan reinvestment initiatives and retirement seminars, webinars and retirement counseling.

All employee data are monitored and reported on a monthly basis for headcount reporting. IT systems support this activity. For instance, the turnover rate represents a key indicator for Group workforce reporting and is periodically monitored both at the company and headquarter level. The Group HR Reporting & Projects team is responsible, on a monthly basis, for data collection and trend monitoring through dedicated HR data systems, with support provided by local HR representatives responsible for data maintenance and update.

Employees trend by year

Fiat Group worldwide (no.)



During the year, the 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. Worldwide shipments were up 3% over the prior year to 4.4 million units.

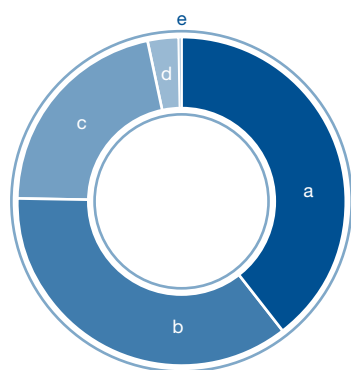
Progressive regionalization, the reorganization of the business into operating segments and the export challenge, are crucial choices for the Group's stability. This also creates sources of **employment opportunities** and growth opportunities for the economies of the countries in which the Group operates. This is seen in the steady increase in the Group's workforce. Group employees, as of 31 December 2013, were 225,587, a 5% increase over year-end 2012.



The construction of the new plant in Pernambuco (Brazil) is an excellent example, as well as a clear signal of the Group's strategy to expand and to reach the highest levels of competitiveness at every location of operation. The plant is expected to start activities during the first half of 2015 with an initial production capacity of 200,000 vehicles per year. The site will also have an integrated supply park, product engineering center and testing facilities. This new industrial presence in the area will be characterized by an approach to development and deruralization based on participation that provides for the engagement of local communities early on, starting from the very first design phases and assessments of local needs.

Employees by geographic area

Fiat Group worldwide

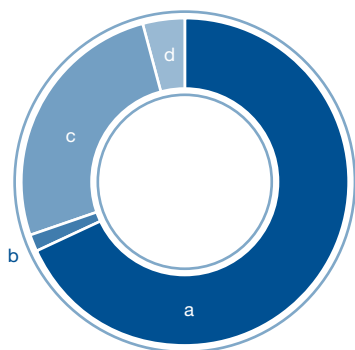


a.	39.5%	Europe
b.	36.0%	North America
c.	21.4%	Latin America
d.	3.0%	Asia
e.	0.1%	Rest of the world

Workforce distribution across geographical areas testifies to the widespread and global reach of the Group, which ranked seventh among automakers in the world, offering job and development opportunities in every region of presence.

Employees by operating segment

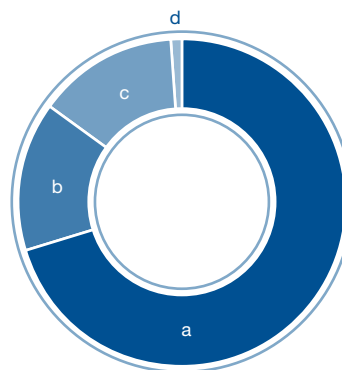
Fiat Group worldwide



a.	68.3%	Mass-Market and Premium Brands
b.	1.6%	Luxury and Performance Brands
c.	26.2%	Components and Production Systems
d.	3.9%	Others

Employees by category⁽¹⁾

Fiat Group worldwide



a.	70.4%	Hourly
b.	14.6%	Salaried
c.	13.9%	Professional
d.	1.1%	Manager

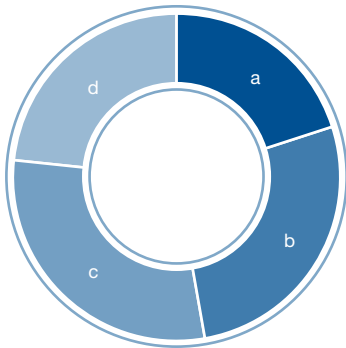
The shift of the Group's product strategy toward the Premium segment has positively impacted some production areas in EMEA. This is the case of the Italian plant Officine Maserati Grugliasco (OMG) which had been inactive since September 2006. It was then acquired by Fiat Group in November 2009 and finally inaugurated after refurbishment in January 2013, under the new name of Avv. Giovanni Agnelli plant. The plant, located in Grugliasco (Italy), is the production site for the new Maserati Quattroporte and the Maserati Ghibli.

GRI-G4 DMA, 10, SO1 <

⁽¹⁾ Employees are divided into four main categories: hourly, salaried, professional and manager. Professional encompasses all individuals who perform specialized and managerial roles (including "professional" and "professional expert" under the Fiat S.p.A. classification system and "mid-level professional" and "senior professional" under the Chrysler Group classification). Manager refers to individuals in senior management roles (including those identified as "professional masters," "professional seniors" and "executives" under the Fiat S.p.A. classification system, and "senior managers" and above under the Chrysler Group classification).

Employees by age

Fiat Group worldwide



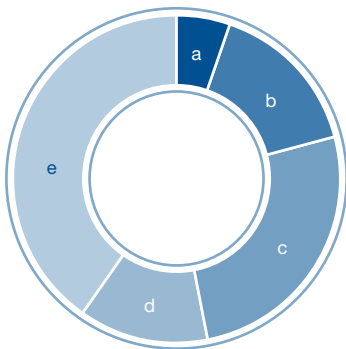
a.	20.0%	Up to 30 years
b.	27.3%	31 to 40 years
c.	29.5%	41 to 50 years
d.	23.2%	Over 50 years

Worldwide, the highest concentration of Group employees remained in the 41 to 50 **age group**, and approximately 40% of the workforce has been employed for five years or less.

In recent years, the impact of the demographic changes in process has started to be reflected in the slight yet progressive aging of the Group's workforce: continuing into 2013 there was a steady global increase in the number of employees in the over-50 category compared with 2012, while the distribution of other categories was stable. No differences were registered between genders. To respond to aging trends observed in the working population, the company develops specific initiatives in areas that range from workstation ergonomics to career transition to retirement programs.

Employees by length of service

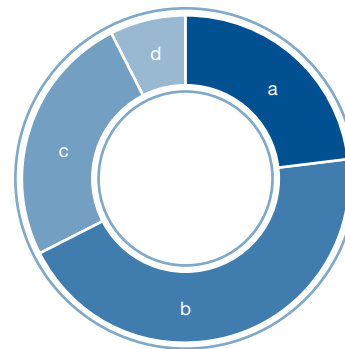
Fiat Group worldwide



a.	5.5%	Over 30 years
b.	15.4%	21 to 30 years
c.	26.3%	11 to 20 years
d.	12.8%	6 to 10 years
e.	40.0%	Up to 5 years

Employees by level of education

Fiat Group worldwide



a.	23.1%	Elementary/middle school
b.	44.5%	High school
c.	25.2%	University degree or equivalent ⁽¹⁾
d.	7.2%	Not tracked ⁽²⁾

With respect to **education level**, there was a continuous increase for both men and women having higher levels of education, with 23% of employees holding a university degree or equivalent qualification. Roughly 45% of Group employees had completed high school. The number of employees having completed elementary/middle school was stable at about 25%. During 2013, efforts made to improve data quality and reporting systems continued to lead to a significant drop in the percentage of the workforce for which it is not possible to report the level of education, mainly composed of hourly employees. For further details see pages 176-177.

> GRI-G4 10, LA1

⁽¹⁾ Calculation subject to approximation resulting from the comparison of academic qualifications among different countries.

⁽²⁾ 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.



Turnover

In 2013, a total of 34,245 people were hired, 47.4% of whom were in North America, which continued to experience an increase in production volume. About 25,550 employees left the Group throughout the year. Changes in the scope of operations also led to a net increase of 2,048 employees. In October, the Group completed the acquisition of VM Motori, a company employing approximately 1,150 people. Located in Cento (Italy), this plant specializes in the production of advanced diesel engines. For further details see pages 176-177.

Employees by contract type

Fiat Group worldwide (%)

	2013	2012
Unlimited-term contract	95.7%	94.8%
Fixed-term contract	4.3%	5.2%

In 2013, about 96% of Group employees were covered by an **unlimited-term employment contract** and about 99% were employed full time.

Fixed-term contracts were kept to a minimum; the use of this type of contract was distributed over the different geographic areas ranging from a minimum of 0.4% (Latin America) to a maximum of 2.1% (North America) of all contracts.

In 2013, despite the ongoing global economic crisis, about 6,900 temporary contracts were converted into unlimited-term contracts (of which approx. 8% were female employees). A total of 1.3% of the Group workforce is employed **part-time**, of which about 70% are women. For further details see pages 175-177.

Employees by contract and employment type

Fiat Group worldwide (no.)

2013	Total	Unlimited-term		Fixed-term	
		Full-time	Part-time	Full-time	Part-time
Europe	89,030	85,461	952	2,609	8
North America	81,365	76,512	6	2,887	1,960
Latin America	48,306	47,400	15	890	1
Asia	6,699	5,238	4	1,457	-
Rest of world	187	187	-	-	-
Total	225,587	214,798	977	7,843	1,969

Management and development

Key targets⁽¹⁾

+ Target exceeded | ● Target achieved or in line with plan | ◐ Target partially achieved | ○ Target postponed

Commitment	Targets	2013 Results
Acquire, develop and retain the best people through engagement, challenge and reward	▶ 2020: provide long-term performance-related incentive plans and talent development programs by regions, according to local requirements and constraints	● Long-term performance-related incentive plans for key talent launched in NAFTA
	▶ 2020: increase employee contribution through new initiatives and channels which strengthen Group sustainable business	<ul style="list-style-type: none"> ● <i>iPropose</i> program continued in Italy with 8,300 suggestions collected leading to a savings equal to €17.3 million ● Average of 15 improvement proposals per person received within the WCM program ● Access to the corporate repository for training catalogues and special projects extended to hourly employees through the implementation of the new Fiat extranet Virtual Training Center

Through robust **people management processes** that cover the entire employee life-cycle – from selection to retirement – the Group is committed every day to developing existing talent, focusing on business objectives as well as individual growth opportunities. The company 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 the Group people management processes. Through these processes, employees have the opportunity to be evaluated based on their performance and to unleash their aspirations and contribute to achieving the expected results.

Performance and Leadership Management (PLM) is the appraisal system adopted worldwide to assess Group employees (manager, professional and salaried).⁽²⁾ It is one of the key processes used by Fiat Group in the management and development of human resources. Through PLM, specific targets are set to help guide and assess employees in relation to their results, attitudes and behaviors.

> GRI-G4 DMA, LA11

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com


⁽²⁾ In some areas, a similar appraisal system, named Performance & Behavior Feedback, is in place for salaried employees.

This unique skills mapping and evaluation process, which is the basis for variable compensation,⁽¹⁾ is supported by information systems that enable managers to constantly access up-to-date information on the people within their organizational unit, as well as those not directly in their reporting line. In this way, the individual performance of each employee is accessible and can be examined 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 specifically in talent management, succession planning and sustainability culture growth. Sustainability targets are in fact 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 sector CEOs.

During 2013, complete **performance and leadership mapping** processes were conducted for around **54,500 Group employees**, including all managers and professionals, and a portion of salaried employees. For further details see page 176.

The portion of salaried employees evaluated has increased on a yearly basis, from 68% in 2012⁽²⁾ to 69% in 2013. 100% of hourly workers complete a pre-employment screen and an initial probationary evaluation through the WCM performance management system.

The importance of the evaluation process to the company's success is also shown by the five days spent by Fiat S.p.A.'s Chief Executive Officer and Chrysler Group's Chief Executive Officer and Chairman, together with the Regions and supporting business Heads in analyzing the results of the PLM process, with particular emphasis on senior managers. Concrete measures in terms of the career development of individual employees combined with the evolution of the business will be defined and planned, determining organizational changes, cross-region and cross-company transfers as well as key positions filled largely by internal candidates.

 **22,946** salaried employee evaluations completed in 2013

The PLM yearly calendar

At the beginning of each year, managers discuss individual targets with each team member. 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. Consistency in the evaluation process is ensured by comparing the rating of other employees in the same category/role. Calibrations within an expected distribution curve reduce the risk of inequity and align appraisal outcomes through defined 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 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.).



⁽¹⁾ The PLM process is the basis for the individual contribution element for manager and professional employees' variable compensation.

⁽²⁾ Data includes Chrysler Group for the full year.

Other individual performance evaluation systems

In addition to the PLM evaluation process, other performance evaluation processes are in place for individual performance-related compensation. For salaried and hourly employees working at plants in **Brazil**, Group companies have a variable bonus called **Profit Sharing Plan** (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 applies to 19,534 employees.

Talent management and succession planning

The integration between Fiat and Chrysler Group continued to generate further opportunities for the business during 2013, particularly in terms of skills, experience and ability-sharing to provide greater performance across the entire organization.

The Group is called to address the challenges of the industry with ever greater flexibility and firmly believes that success can be achieved by ensuring the presence of empowered individuals in the organization and by appointing the people with the right skills to key positions. Talent management paves the way to reaching this objective by identifying the most talented employees and fast-tracking their development.

The selected individuals are offered professional opportunities that allow them to gain experience in other geographic or business areas as well as opportunities for greater contact with senior management. The program focuses on ensuring that all key leaders are developing both a **short- and long-term succession plan**. Through this process, attention is focused on less experienced talented individuals who are not yet widely known within the organization, but who warrant investment as potential leaders for the future. Consequently, the Group can develop 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 Group-wide. **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, from their immediate supervisor to senior management representatives.

In 2013, following the evaluation of all managers and professionals, **Talent Reviews** were performed for Group employees, across 20 professional families/supporting businesses/functions. Since 2011, senior managers, during the Talent Review sessions, can view the profiles of both the mid-level talents and senior managers identified in succession plans, through the dedicated Talent Review tool.

In 2013, the Fiat S.p.A. Chief Executive Officer, together with the members of the Group Executive Council and their supporting Head of HR, dedicated two full days to talent management, focusing on the assignment of key roles, the analysis of talents and initiatives to support their development and international/cross-functional career plans.

In 2014, the Group will continue to evaluate its Total Compensation to maintain alignment with market best practices. Part of this evaluation will include a **Long-Term Incentive Plan** as well as various other programs. This evaluation is important to ensure the engagement and retention of individuals who are the key to the Group's continued development.

Local minimum wage

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 UK, France, Spain, the United States and Brazil).

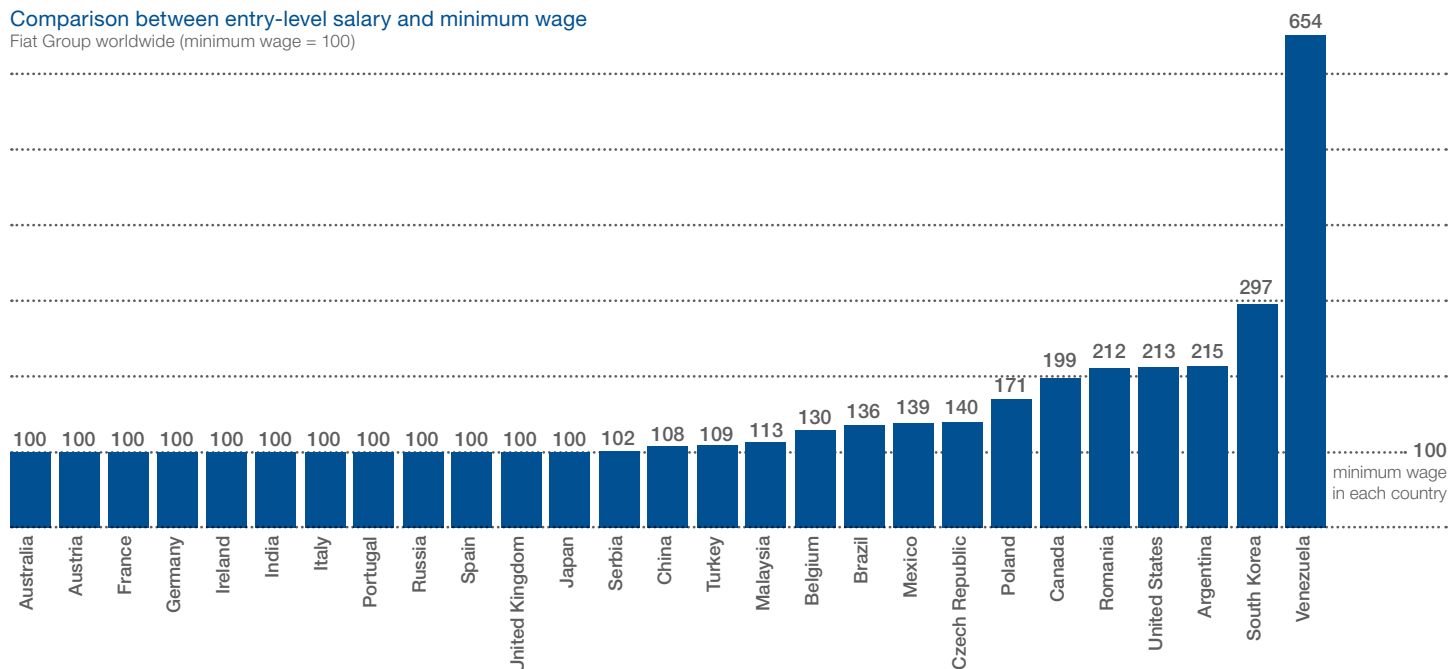
Where no specific law exists, a minimum wage is often established by collective bargaining agreements between employer associations and union representatives. This is the case in Italy, Germany and Belgium, for example, where pay and employment conditions are negotiated at the regional or national level, 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,⁽¹⁾ entry-level salaries⁽²⁾ 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, wage levels were found to be identical between men and women.

Comparison between entry-level salary and minimum wage

Fiat Group worldwide (minimum wage = 100)



GRI-G4 DMA, EC5 <

⁽¹⁾ The survey covered around 83% of the workforce of the 27 countries mapped and about 97% of the Group's total workforce.

⁽²⁾ 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 October 2013.

Employee benefits

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. Fiat Group offers a **broad range of benefits** depending on an individual's grade level, country of employment and local policies. In October 2013, Fiat Group conducted its annual analysis of various company compensation and benefits (on a sample of about 86% of the workforce). The findings are provided in the following table.

Those findings show that more than 63% of employees are eligible for a pension plan and, during 2013 around 71% of these joined this type of plan. This figure represents 45% 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 Fiat Group employees, and about 81% of the surveyed population was found to have joined such a plan. **Child care and elderly care services** are also in place at some locations to help employees achieve work-life effectiveness by responding to their needs. The Group also promotes a **healthy lifestyle** through comprehensive wellness programs and facilitates access to dedicated sports facilities.

Training

The Group is committed to the ongoing development of its workforce through a number of alternatives, such as job rotation, coaching, mentoring, training and development. To this end, in 2013, at Fiat Group professional development through training and skill-building initiatives continued to be one of the key elements in the Group's strategy for the development and continual strengthening of skills for its staff. The Group's **investment in training** reached a total of about **€76 million**. The slight decrease in investment in training is due to the priority given to activities focused on 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.

Principal employee benefits

Fiat Group worldwide

Financial benefits	% of employees entitled to benefit
Pension plans	63.4
Company-provided health plans	79.9
Life insurance	62.8
Financial support for disability/invalidity	53.7
Employee cafeteria or lunch vouchers	64.0
Child care services ⁽¹⁾	37.6
Wellness and nutrition programs ⁽²⁾	62.0
Gym/fitness services ⁽³⁾	42.0
Others ⁽⁴⁾	44.9

GRI-G4 DMA, LA2, LA9, EC3

⁽¹⁾ Includes kindergarten, free gymnasium access for children, assistance with homework, summer camps/holidays, other services dedicated to child care.

⁽²⁾ Includes nutrition coaching, smoking cessation training, medical check-ups, medical screening, other wellness programs.

⁽³⁾ Includes free gymnasium access, gym/fitness courses and other sports initiatives.

⁽⁴⁾ Includes benefits such as company cars, housing, interest free loans.

The Fiat reference center for learning activities, Fiat SEPIN,⁽¹⁾ supports these efforts as needed, particularly in the rollout of required standards, regulations, and behaviors (e.g., Health & Safety, Corporate Governance), and of key techniques and skills within the automotive field (e.g., Research & Development, Manufacturing). At the individual business level, those in charge of training are responsible for the development of customized programs created to respond to specific needs and in line with Group guidance. 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.


Since 2012, the Group has utilized an e-learning platform that is designed to increase the ability to manage and monitor the entire Group training process with a common set of rules and support remote training worldwide. Training tools and content are accessible via the platform, which training specialists can update at any time with new courses, modules, and other materials. In addition to providing online courses, the platform also offers training process management, including management of programs, invitations to courses, evaluation questionnaires, reporting, cost tracking, etc. Starting in 2013, the platform enables an even more comprehensive and systematic approach to monitoring learning processes and related investments.

During the year, more than 4.2 million hours of **training** were provided (+1.1% vs 2012) **to approximately 186,000 Group employees**, of whom about 149,400 were men (80%) and 36,400 women (20%). Of the employees involved in training activities, 59.5% were hourly employees, 38.4% professional and salaried employees, and 2.1% managers. Each employee received an average of approximately 19 hours of training; specifically, 16.7 hours for hourly employees, 24 hours for professionals and salaried employees, and 32.3 hours for managers. In 2013, male and female employees have benefited, on average, from a total of 27.7 and 20.1 hours of training respectively.⁽²⁾ 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 (82%), managerial skills (7%), cross-cultural awareness and language skills (7%) and corporate campaigns,

rules and commitments (4%).

In 2013, **training on sustainability** continued: the Group sustainability course has been made available on an unrestricted basis and delivered to approx. 14,550 Group salaried employees worldwide in addition to **all Fiat professionals worldwide** and approximately 16,950 Chrysler Group salaried employees and contract workers who took the course in 2012.

4.2 mn
training hours around the world



Training expenditures and activities

Fiat Group worldwide

	2013	2012	2011 ⁽³⁾
Spending on training (€ million)	75.7	83.7	80.3
Percentage of personnel costs ⁽⁴⁾	0.8	0.9 ⁽⁵⁾	1.1
Hours of training provided (thousands)	4,232	4,206	4,048
Employees involved (thousands)	185	135	139

GRI-G4 DMA, LA9, LA10 <

⁽¹⁾ In addition, Fiat SEPIN oversees the benchmarking and innovation of learning methods and solutions, supporting the management of training program financing and, in partnership with Fiat Group Purchasing, facilitating the selection and certification of external training providers.

⁽²⁾ Averages calculated based on total workforce and not exclusively on employees enrolled in training courses.

⁽³⁾ Data includes Chrysler Group for the full year.

⁽⁴⁾ Personnel costs totaled €9,352 million in 2013, €9,110 million in 2012, €7,629 million in 2011.

⁽⁵⁾ Data differs from the one reported in 2012 Sustainability Report due to adjustment to the calculation methods of personnel costs.

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

Fiat Group worldwide

	2013	2012
Employees involved (no.)	53,242	93,232
of which manager (%)	4.3	2.1

Corporate initiatives and on-the-job training sessions are designed to continually channel information to employees and keep them up to date on health, safety, and environmental issues. In 2013, around 1,184,000 hours of training were delivered on health and safety topics. 218,544 hours of training were dedicated to environmental issues (see also page 139).

The model adopted in 2012 to evaluate benefits and potential savings from training initiatives continued to be used. Based on the industry leading World Class Manufacturing (WCM) Cost Deployment framework, this model is called Cost Deployment of Training. With reference to the training initiatives most specific to field activities, the **potential savings** generated as a result of the training were calculated. The application of this methodology to on-the-job-training has allowed for the generation of process efficiencies resulting from investments in employee training as well as from converting them into their corresponding economic value. In 2013, spending in the training activities monitored using this methodology amounted to about €1.3 million and generated a potential savings of approximately **€2.5 million**.

People satisfaction surveys

The Group conducted its first extensive people satisfaction survey in 2010, in collaboration with the Great Place to Work Institute® (GPTW), a globally recognized organization that assists in evaluating results against national and international benchmarks. 2011 was dedicated to the deployment of action plans focused on the main areas for improvement raised in the survey. The Group completed a second extensive survey⁽¹⁾ in 2012 in order to again monitor satisfaction levels, needs and requests of employees. This survey also followed the GPTW® methodology, ensuring comparability of scores.

In 2013, the Group completed satisfaction surveys in selected companies and departments.

A people satisfaction survey⁽²⁾ has been conducted following the GPTW® methodology on more than 35,000 Magneti Marelli employees worldwide. Engagement surveys were conducted at Chrysler Group involving 1,700 salaried employees across certain functions and satisfaction surveys were completed by more than 200 employees working at National Sales Companies across Australia and China.

Within the EMEA region, about 10,000 employees of the Mass-Market and Premium Brand operating segment took a computer assisted web Interview conducted by a specialized research institute. The survey included questions useful to provide an updated framework on the average level of employee satisfaction.

The definition of **action plans** according to the above survey results is ongoing.

⁽¹⁾ Launched in part in November 2011.

⁽²⁾ Launched in part in November 2013.

Diversity and equal opportunity

Key target⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ● Target partially achieved |
 ○ Target postponed

Commitment

Increase competitiveness and employer branding, leveraging on workforce diversity

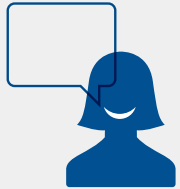
Target

- ▶ 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

2013 Results

- About 450 diversity candidates hired in accordance with local requirements and constraints
- 40-hour training to support disabled new hires delivered to 11 disabled employees at the Fiat Group Automobiles plant in Atessa (Italy), in addition to the 23 trained and employed in 2012
- 110-hour training program launched at Fiat Group Automobiles (Brazil) for new employees with disabilities to teach the basics of the automotive industry (math, metrology, design, quality environment, health and safety, customer service and soft skills)
- Disability program (PCD) established in collaboration with the Ministry of Labor and Employment in Brazil to help disabled candidates fill an open vacancy in the medium term, with 13 enrolled
- 22% of Fiat Group Automobiles Europe hires were women, of which 13% to 30% were employed in fields that generally in our company have a low ratio of women to men (R&D, Supply Chain, Manufacturing)
- 16% of Comau Europe hires were women, of which 6% to 25% were employed in fields that generally in our company have a low ratio of women to men (R&D, Supply Chain, Manufacturing)
- 33.5% of Chrysler Group US hires were women and approx. 37% of all applicants were non-Caucasian (diverse)
- Results of monitoring process of global implementation of equal opportunity principles in relation to Human Resources processes analyzed for both professionals and managers and corrective actions implemented, as necessary
- Diversity recruiting initiatives at target partner universities continued across regions to provide diversity candidates for intern and entry-level positions
- Regional/country-based recruitment processes monitored to ensure Equal Opportunity Employer (EOE) performance

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com



“With the increased emphasis on technology, partly due to new, non-traditional competitors entering the auto space, the Fiat-Chrysler worker of the future will require a different skill-set than those of the past”

Stakeholder Engagement Event, Detroit (US)

Inclusion at Fiat Group 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, and represents a promise for challenging working experiences and opportunities. To this end, the Group seeks to foster a work environment in which employees feel respected, valued, and included, and is committed to attracting a diverse, highly motivated and innovative global workforce.

Equal opportunity employer

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

The Fiat S.p.A. 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.

Enabling **career opportunity** and advancement that is free from discrimination and respecting and enhancing diversity are among the commitments highlighted in the Fiat S.p.A. Human Capital Management Guidelines and Human Rights Guidelines. At Chrysler Group, the Discrimination and Harassment Prevention Policy addresses these same objectives.

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

In its commitment to ensure an inclusive work environment and equal opportunities for all employees, Fiat 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.

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

Since 2013 the
Group is part of the




Workforce inclusion

Ensuring the same rights and opportunities for both men and women in the workplace is a fundamental principle of Fiat Group's human resources management. This commitment is in line with the UN Gender Equality Seal (GES) definition of gender equality as a human right and business imperative.

The contribution of both genders 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.

19.6%
of women in the workforce



Women employees by geographic area

Fiat Group worldwide (%)

	2013	2012
Europe	21.6	21.6
North America	19.4	22.0
Latin America	22.4	8.8
Asia	9.6	29.7
Rest of world	29.8	27.5
Total	19.6	19.2

Women employees by category

Fiat Group worldwide (%)

	2013	2012
Hourly	18.0	17.4
Salaried	28.9	29.1
Professional	18.3	18.2
Manager	13.1	13.1

The percentage of female managers was stable in 2013 at more than 13%. For further details on workforce distribution by gender see pages 174-177.

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

Among these, the **Chrysler Group Diversity Council** was established more than a decade ago in the **United States**. The Council's commitment led to the launch of the Diversity WorkStream strategy in 2011. The Council implemented three new Workstream initiatives in 2013, for a total of 17. Among the Workstreams implemented since 2012 were such initiatives as bilingual call centers and expanded utilization of the Employee Resource Groups.

Diversity in North America is also represented by the long-standing **Employee Resource Groups** (ERG). Chrysler Group's ERGs (African American Network, Hispanic Network, Asian Network, Native American Network, Gay and Lesbian Alliance, and Women's Forum) provide multicultural learning opportunities and career development avenues such as mentoring and networking for employees, as well as 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 exchange.

During 2013, Chrysler Group continued its internship program to facilitate the **integration of veterans** from the US armed forces into the company's engineering and product design departments. A total of 17 internships started during the year. In Brazil, Fiat Group Automobiles is a partner of Minas Pela Paz (MPP) a non-governmental organization that works for building a culture of peace in society, through social inclusion, with a view to transforming the lives of **socially vulnerable people**, including former prison inmates.

Promoting employment opportunities for **individuals with disabilities** is another ongoing Group commitment. In 2013,⁽¹⁾ the yearly monitoring of the employment of disabled workers within the Group covered 38 countries, mapping over 66% of all employees.

In certain countries, such as Austria, Brazil, China, France, Germany, Italy, Spain and Venezuela, local legislation requires companies to employ an established minimum of disabled workers, which also may vary in relation to the headcount of the company/site, in many cases entailing the requirement only for sites with a headcount over a certain threshold. These laws also may give employers the alternative of paying contributions to specific funds for the disabled (i.e., Poland), or establishing agreements with the relevant bodies to hire these individuals gradually (i.e., Italy). Economic difficulties have led to a temporary suspension of the minimum employment quota requirement (Greece) or widening of the scope of exemptions, as in Italy, where some Group companies had to resort to extraordinary temporary lay-off benefits and collective redundancy schemes (see also page 132). In some countries the deadlines for the payment of contributions to be allocated into specific funds can be changed (e.g., Germany and Spain), as can those previously established by agreements within individual countries (Italy) for hiring disabled workers.

In countries where there are regulatory minimums (15 out of a total 38), disabled workers accounted for an average 2.9% of Group employees (0.5% women and 2.4% men). The total average value is the result of different scenarios and is influenced by local regulations that establish mandatory minimum quotas of 1.6% to 7% of the headcount or quotas reached with specific formulas based on other types of calculations.

Company wide, the Group had the highest percentage of disabled workers in Venezuela (4.9%).

The survey also revealed that in these countries disabled women make up 17.3% of the headcount of disabled employees; this statistic mirrors that of the percentage of women in the entire headcount at the companies mapped, which was 17.2%.

In many other countries (including Argentina, Australia, Belgium, Canada, India, Mexico, United Kingdom and the United States), there are no regulations specifying a minimum employment quota for workers with disabilities. However, integration is supported by a variety of accommodations, for example, working hours, working environment, special terms or benefits for companies employing disabled workers, etc. In countries where employees and applicants are not legally required to disclose any disabled status, there are objective limitations to reporting the number of disabled workers, as the information is sensitive and often subject to data protection legislation. Consequently, US mapping is partial and Canada was not included in the survey.

Nevertheless, Group companies still keep a focus on this area; in fact, the companies located in these countries are proactive in ensuring that their facilities provide reasonable accommodation to disabled individuals in terms of both workplace accessibility and usability.

Furthermore, this data does not include the disabled workers who are fit to perform specific tasks as per assessments carried out by a medical professional or facility responsible for evaluating both the health conditions of the worker and the activities involved. In these specific circumstances, the company offers workers a position appropriate to their condition. Chrysler Group's **Return to Work Specialists**

in US and Canadian plants provide a concrete example of how the company handles employees whose work capacity has been impacted. These specialists actively pursue – within legal and contractual obligations – safe and productive work for affected employees including, if necessary, a role in a different capacity. For employees whose condition is such that employment with Chrysler Group is no longer feasible, the company frequently works with the respective state or provincial governments to retrain the individuals so they may find work in other external occupations.

Fostering equal opportunities for both men and women in the workplace is also one of the common objectives shared by the Group and **employee representatives**. Globally, equal opportunity is an issue discussed in the social dialogue conducted according to local regulations and practice. Every two years, in compliance with Italian law, Group companies with more than 100 employees submit a report on male and female employment to the trade unions and Equal Opportunities Councilor. This report provides information on training initiatives, compensation levels, promotions, and turnover, as well as other pertinent data. The First-level Collective Labor Agreement (CCSL), which applies to Fiat S.p.A.'s Italian companies, provides for the establishment of Equal Opportunity Commissions within all covered Group companies. The objective of these commissions is to monitor employment conditions for women – including by analyzing the biannual report – and examine feasibility of proposed proactive initiatives and promote their implementation, as well as interventions for spreading behavior consistent with equal opportunities.

In France, equal gender opportunities in business environments and the measures to achieve them are among mandatory bargaining issues and, if an agreement with trade unions is not reached, companies are required to present a unilateral action plan. For example, at Magneti Marelli France SAS, an agreement was signed with unions outlining specific objectives to improve equal treatment of men and women in hiring, training enrollment and grade classification. Magneti Marelli Motopropulsion France SAS, Comau France SA and Fonderie du Poitou Fonte S.A.S.U. instead presented unilateral action plans with hiring guidelines that guarantee equal opportunities in addition to the commitment and tools that will be adopted both to ensure equal treatment as far as salary and to facilitate employees' work-life balance. Also, in accordance with French law, each year Group companies with more than 50 employees submit a report on employment and training provided to both men and women to employee representatives.

An example of how Fiat Group Automobiles monitors equal opportunities is the detailed analysis it conducts each year in France on male/female employment. The objective is to single out any differences in opportunities to evolve within the company, pay rates/qualifications or opportunities for training courses. Furthermore, at the beginning of 2014 an action plan outlines the company's commitment to:

- ensure equal treatment of male and female candidates during hiring
- guarantee equal access to training in addition to providing women that have returned from maternity leave a specific interview with the preparation of any training plan needed to facilitate their return to work
- help employees to balance work and family life by giving access to part-time jobs and flexible hours when the school year starts, together with the commitment not to schedule meetings after 6:00 p.m.
- conduct an analysis of differences in salary for equivalent roles.

In all other European countries, as well as in those where a Works Council or a similar body representing the employees is in place, equal opportunities are the subject of information and/or consultation with the employer.

Engagement with trade unions

As stated in the Fiat S.p.A. Code of Conduct, the Group recognizes and respects the right of its employees to be represented by trade unions or other representatives established in accordance with local applicable legislation and practice as well as with the rules of the various trade unions. Fiat Group maintains relationships **with trade unions** and **employee representatives** that are based on **mutual respect, dialogue** and **constructive interaction**. We continued pursuing dialogue in 2013 to reach consensus-based solutions designed to address various market conditions and manage the impact on workers of measures adopted in response to the European market trend, which remained particularly critical in Italy.

Social dialogue

At the European level, the establishment of a European Works Council (EWC) complies with regulations whose purpose is strengthening the worker's right to information and consultation in Community-scale undertakings. Fiat Group's EWC was established in 1997, as a result of the founding agreement signed in 1996, and subsequently revised and amended. Still today, Fiat S.p.A.'s European Works Council, as established by the renewal agreement signed on 28 June 2011 has not been set up, despite the fact that the deadline for announcing the appointment of its members was 31 October 2011. Not having representatives from four countries – out of the nine eligible – up until now has in fact stopped the company from initiating convocation of the EWC. Fiat informed the industriAll European Trade Union (the European federation of metalworking, chemical and textile industries) that it still intends to launch convocation as soon as the EWC is fully set up, as well as to work out together the most suitable solutions to overcome any obstacles to its proper establishment.

Over the year, however, the Group did not launch any initiatives with a significant impact on employment at a transnational level, and locally the company does business in compliance with the procedures and practice of employee information and consultation as laid down by the law.

In **Italy**, on 8 March 2013, Fiat S.p.A. and the trade unions FIM-CISL, UILM-UIL, FISMIC, UGL Metalmeccanici and Associazione Quadri and Capi Fiat reached an agreement on the renewal of the wage-related part of the first-level Collective Labor Agreement (Contratto Collettivo Specifico di Lavoro di primo livello – CCSL) for the year 2013.

In 2013, too, the Chief Executive Officer met with the Italian trade unions signatories to Fiat's Collective Labor Agreement to present the half-year economic results. On September 4, a further meeting was held at which the company and trade unions both confirmed their commitment to protect and strengthen the contractual relationship, with full awareness of its vital importance to Fiat's continued commitment to its industrial presence in Italy. On the basis of this renewed mutual commitment, at the end of the meeting Sergio Marchionne announced that the Group would undertake the investment necessary to ensure future production and jobs at the Mirafiori plant in Turin. The meeting gave the opportunity for trade unions to urge FIOM-CGIL once again to follow the basic principles of industrial democracy by accepting an agreement that has been signed by the vast majority of trade unions represented within Fiat.

In 2013, FIOM-CGIL (trade union that chose not to sign the Fiat CCSL) continued to claim the right to appoint employee representatives within Fiat Group companies provided for and recognized by Art. 19 of the Workers' Statute (Law 300/70) solely for trade unions signatory to the collective labor agreement applied within a company.

This dispute is part of a larger scenario regarding trade union representation in Italy comprised of: the National Multi-Industry Agreement signed 31 May 2013 by Confindustria and CGIL, CISL and UIL (which does not apply in Fiat Group companies since the company is not a member of Confindustria); the parliamentary debate still underway on the countless bills concerning it; and a ruling by the Constitutional Court. In July, the Constitutional Court determined unconstitutional the section of Article 19 of the Workers' Statute which requires that a union be signatory to the collective labor agreement applied within a company as a prerequisite for representation, reversing the stance it had taken on numerous previous decisions on the topic.

The Court ruled that unions are entitled to representation when they have actively participated in negotiations for a collective labor agreement, even if they are not signatory to such agreement.

The interpretation Fiat has applied up to this point has been recognized not only as correct, but as the only interpretation possible, affirming that Article 19 does not allow for the application of criteria that would go beyond a literal interpretation.

Despite the fact that the general principle laid down by the Constitutional Court (actual participation in negotiations) appears questionable to the trade union FIOM specifically concerning Fiat, in September the company informed FIOM it would be allowed to appoint plant-level union representatives (RSA), according to law.

Lastly, in November the company and FIOM settled all litigation regarding Article 19 of the Workers' Statute. In short, the settlement in court calls for the acknowledgment of FIOM plant-level union representatives in a number permitted by law and the legislative rights, rather than under labor contract, and FIOM's agreement not to pursue any other lawsuits in this area.

Collective bargaining

Collective bargaining at various levels resulted in major agreements being reached with trade unions on both wage and employment conditions in several countries.

Around 90% of the Group's employees worldwide are covered by collective bargaining agreements.

In **Italy**, all Fiat Group employees are covered by such agreements. To this regard, the Fiat Supplementary Pension and Health Fund is particularly important, set up after negotiations between the company and the trade unions and ongoing dialogue between the two parties.

Italian managers are subject to the collective labor agreement for managers at Fiat S.p.A. and Fiat Industrial S.p.A., signed on 23 December 2011 with Federmanager. The contract remained in effect the entire year 2013, and on December 16, the first meeting for renewal with Federmanager was held.



Trade union agreement for renewal of the Fiat CCSL

In March 2013, Fiat S.p.A. and the trade unions FIM-CISL, UILM-UIL, FISMIC, UGL Metalmeccanici and Associazione Quadri and Capi Fiat reached an agreement on the renewal of the economic part of the first-level Collective Labor Agreement (Contratto Collettivo Specifico di Lavoro di primo livello – CCSL). It lasted the entire year of 2013.

The main points of the agreement can be summarized as follows:

- **Increase of the minimum wage** (the minimum under the CCSL) by a gross average of 40 euros per month as of 1 February 2013
- **Introduction of the production bonus**, paid monthly on an individual basis according to the actual number of hours worked. The agreement makes days off for hospital stays and serious illnesses – as well as mandatory maternity leave, trade union meetings and leaves of absence taken by Worker Safety Representatives (RLS) – equal to full work days
- **Layout of the structure of the supplemental health care plan FASIF**. Although it was already laid out in a trade union agreement signed on 11 October 2012 (integrated on 29 October 2013), it is an integral part of the contract renewal as required by a specific article of the CCSL. In addition to outlining the health care plan's different parts concerning contribution and services, the agreement includes the implementation of **basic health care coverage for employees at the sole expense of the company**. Starting in January 2013, employees under the CCSL benefit from annual LTC (Long Term Care) coverage of not self-sufficient cases as well as a biannual cardiovascular/metabolic syndrome screening.

The agreement was anything but predictable, given the enduring market crisis that the automotive industry suffers and the country's deep economic crisis. It lasted for all of 2013, and on November 25 the company entered renewal negotiations with the trade unions.

Outside Italy, around 80% of employees are covered by collective bargaining agreements. This is an average figure based on local practice and regulations that vary from country to country. However, it should be noted that in non-unionized Group companies, the company grants 37% of the employees not covered by collective bargaining terms better than, or in addition to, those set by law.

In 2013,⁽¹⁾ 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 97% 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 national legislation.

In **Brazil**, in December, FIEMG (*Federação das Industrias do Estado de Minas Gerais*) and metalworkers' trade unions renewed the economic and regulatory terms of the collective labor agreements in force in the sector for businesses operating in the State of Minas Gerais.

In 2013, company-level collective salary agreements in **France** and **Poland** were affected by the negative economic results in Europe, and the continuing negative market trends called for a strict policy curbing collective wage increases.

In **France**, Magneti Marelli Motopropulsion France SA signed an agreement with trade unions aimed at protecting jobs at the Argentan site and to improve competitiveness linked to the increase of production levels. The agreement, which will take effect in January 2014, provides for measures concerning work organization, working hours and wages. The company confirmed the investment in a new production line and the adaptation of another production line to better suit differently-abled workers, as well as the commitment to maintain the same employment level for three years, including through new hires.

In December, a three-year agreement was reached in **Serbia** for the renewal of the collective labor agreement in effect at the Fiat Automobili Srbija d.o.o. plant in Kragujevac. The company and trade unions have also concluded collective negotiations on wages that resulted in average raises in line with inflation. The agreement also provides for a Christmas Bonus, the amount of which depends on the actual performance of the workers concerned.

In **Canada**, CpK Interior Products Inc. (a Chrysler Canada Inc. company) and the United Steel Workers (USW) negotiated a new four-year Collective Agreement with competitive labor cost provisions and work rules. Major economic provisions of the new Agreement include annual Cdn \$500 lump sum payments to employees and annual Cdn \$500 lump sum payments to the defined contribution pension plan of each eligible employee.

Collective agreements signed during the year at company/plant level

Fiat Group worldwide (no.)

	2013	2012
Collective agreements	384	372

Main issues covered under the agreements

Fiat Group worldwide (%)

	2013	2012
Wage issue	24.5	24.5
Operating issue	44.0	50.5
Restructuring	7.6	4.6
Occupational Health and Safety ⁽¹⁾	8.6	13.4
Equal opportunities	0.8	1.3
Training	7.8	6.5
Other	12.5	21.8

In **Mexico**, Chrysler Group and Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada, Similares y Conexos de la República Mexicana completed the annual bargaining process. For the first time in their history and in the history of the Mexican automotive industry, the parties negotiated a multi-year agreement. The new three-year agreement will end 9 May 2016. Covering approximately 8,200 employees, it ensures the competitiveness of the cost of labor, since the increase in wages is counterbalanced by savings arising from the implementation of better labor rules. The new agreement also provides for annual US \$500 lump sum payments to employees in recognition of their contribution to the achievement of the company's plant-specific quality improvement targets. It provides additional bonus incentives for employees at facilities that achieve increasingly higher target audit scores within the company's World Class Manufacturing (WCM) system. For instance, employees at the Saltillo Assembly Plant qualified for total payments of US \$625 in 2013.

⁽¹⁾ Also includes prevention of work-related stress issues.

Freedom of association and representative bodies

Under the Fiat S.p.A. Code of Conduct, employees are free to join a trade union in accordance with local law and the rules of the various trade union organizations. 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 2013, an analysis was conducted in countries that have not ratified ILO Conventions on freedom of association and/or the right to organize and collective bargaining. It covered over 97% 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. At Magneti Marelli plants in Mexico, the right to representation is also ensured through company practices that support existing legislation.

A survey of workers belonging to trade unions in the Group's various companies is not possible in all countries, since legislation on the freedom of association varies from country to country. For example, in 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 with a greater presence of Group operations where such data is not considered sensitive, surveys are conducted regularly to map trade union membership.

In **Italy**,⁽¹⁾ it was found that 32.8% of workers were trade union members in 2013 (compared with 33.5% in 2012). In addition to the rights granted to all Italian trade unions and workers concerning freedom of association, the company 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 Fiat first-level Collective Labor Agreement (CCSL). Trade union dues for employees who are members of trade unions that are not signatories to the Fiat CCSL are paid either directly by employees or via deductions from employee wages⁽²⁾ through the company.

In the **United States**,⁽³⁾ over 74% of Group employees are union members, almost all of them with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). More specifically, with reference to Chrysler Group in the United States, the UAW represents over 36,000 hourly production workers and more than 3,000 salaried office workers.

In **Canada**,⁽⁴⁾ Unifor, the trade union that emerged from the merger of National Automobile, Aerospace, Transportation and General Workers Union of Canada, or the CAW, and the Communications, Energy and Paperworkers Union in September 2013 represents about 9,700 hourly production workers and over 100 salaried office workers. In **Mexico**, the Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada, Similares y Conexos de la República Mexicana represents over 8,200 hourly production workers at eight Chrysler Group facilities.

> GRI-G4 DMA, HR4

⁽¹⁾ The survey covered a sample of 98.2% of workers under the Fiat CCSL.

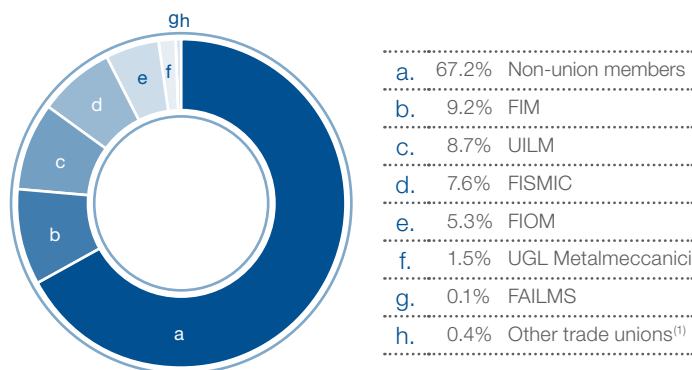
⁽²⁾ Cessione del credito retributivo.

⁽³⁾ The survey covered 99.8% of the US workforce, excluding temporary part-time workers.

⁽⁴⁾ The survey covered all Canadian employees.

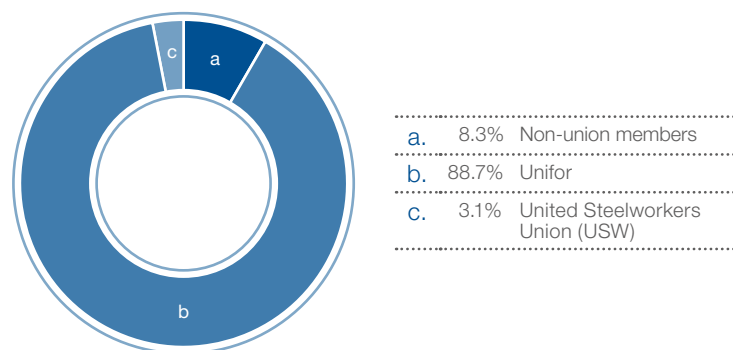
Union membership Italy

Fiat Group in Italy (% of total workforce to whom CCSL applies, excluding managers)



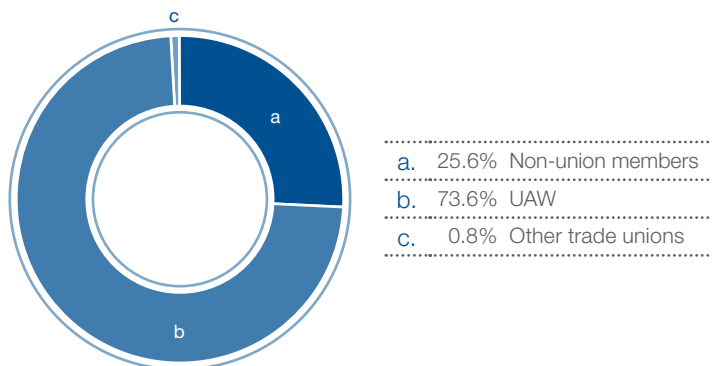
Union membership Canada

Fiat Group in Canada⁽²⁾ (% of total workforce excluding managers)



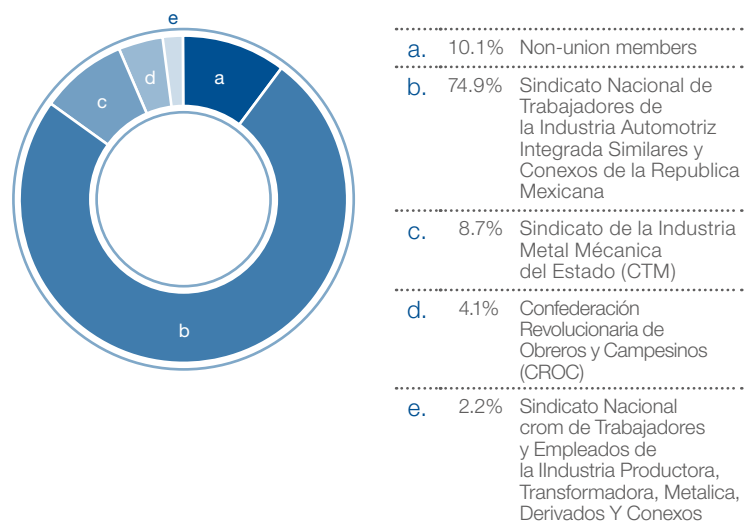
Union membership US

Fiat Group in US⁽³⁾ (% of total workforce excluding managers)



Union membership Mexico

Fiat Group in Mexico⁽⁴⁾ (% of total workforce excluding managers)



⁽¹⁾ Other trade unions includes independent trade unions.

⁽²⁾ The survey covered 100% of the workforce (both active and inactive employees), managers excluded.

⁽³⁾ The survey covered 99.8% of the workforce (both active and inactive employees), managers excluded.

⁽⁴⁾ The survey covered 84% of the workforce (both active and inactive employees), managers excluded.

In **Venezuela**, the Sindicato de Trabajadores de Chrysler de Venezuela, L.L.C. represents about 900 hourly production workers. Fiat companies in **China** comply in all material respects with all applicable Chinese laws and regulations. In particular, these companies take measures permitted by applicable laws and regulations to implement advanced practices in terms of labor contracts, working conditions, work safety, establishment of a labor union and participation of the union in the company's decision-making process. Where provided for under applicable laws and regulations, a labor union is established and provided with the condition of operating inside the company. Where a union is not established (usually in small companies where unions are neither required by regulations nor by the employees), the Human Resources Departments implement the relevant laws and regulations and proactively adopt advanced practices in China, actively communicating with employees on relevant labor and other issues.

Representative bodies, generally elected by workers of the site concerned, are entitled to be informed and/or consulted and/or to negotiate matters defined by law or collective agreements in force. In the countries of the European Union, the law provides for the establishment of representative bodies at companies and/or sites employing a number of workers exceeding the specific minimum limits, while in North America these bodies are present only at sites where there is a trade union. In China, laws and regulations do not provide for the obligation to establish employee representative councils. However, workers are free to set them up in accordance with national labor legislation and based on specific regulations implemented by several provinces and cities. In China, there are currently no national laws or regulations mandating that companies must have an employee representative council, however employees are free to form an employee representative council in accordance with relevant PRC labor laws (mainly: Labor Law, Labor Contract Law and Trade Union Law). Based on PRC labor laws, several provinces and cities have further issued their own rules to regulate the employee representative councils which shall only apply in such provinces and cities. In **Italy**, under the Workers' Statute (Law 300/1970), worker representation in Fiat Group companies takes place through plant-level union representatives (RSA). As of 31 December 2013, there were 887 RSAs at the plants of Group companies. The data includes FIOM-CGIL RSAs that are present in Group companies and/or sites as a result of the ruling of the Italian Constitutional Court in July. FIOM's plant-level union representatives were appointed according to the numerical terms set by law and are entitled to the rights provided for by existing law.

The RSAs of trade unions which are signatories to the Fiat CCSL benefit from more hours of paid leave for trade union-related activities than required by Italian law, as well as from offices and personal computers, made available according to law. In addition, notice boards are provided at sites where the trade unions may display announcements, accessible to all Fiat Group employees.

The participation system set up by the Fiat CCSL fosters dialogue between the signatories and is organized into joint commissions that operate at the company and plant level. The issues addressed by these commissions include equal opportunities, occupational health and safety, organization and production systems, company services and absentee monitoring. This last commission tracks the rate of absenteeism due to illness.

At the national level, the participation system provided for by the CCSL sets forth the establishment of the Bilateral Welfare Commission and the Joint Conciliation Commission, whose task is to examine any unresolved conflicts at individual plants.

Management of production levels

In 2013, the economic results achieved throughout the world benefited from the strength of the Group, further consolidated by the geographical diversification of the various business activities.

During the year, the Group positively responded to the performance of some markets through instruments aimed at enhancing flexibility. These market situations also made it possible to transform the majority of fixed-term employment contracts to unlimited contracts.

In **Europe**, 2013 was characterized by a further decrease in demand, which particularly impacted Fiat Group's production capacity in Italy, where work stoppages were necessary. However, the Company has continued its policy for the protection of jobs through the use of temporary social welfare mechanisms, where possible, or other measures based on collective agreements or company policy.

In **Italy**, recourse to temporary layoff benefit schemes by Group companies to cope with reduced production and restructuring or reorganization initiatives linked to Group investments declined slightly from 2012 (-1.9%). These benefit payment schemes (financed with company contributions) continue to play a significant role in this context; this year, too, they avoided redundancies.

In 2013, the company continued in the reorganization of production in Italy by leveraging the Premium brands, realigning the product portfolio and repositioning the business for the future.

In January, the Avv. Giovanni Agnelli plant was inaugurated in Grugliasco (Turin), which is the production site for the Maserati Quattroporte and the Maserati Ghibli sold all over the world. Fiat has invested more than €1 billion to develop the two new models and refurbish the plant.

In July, the CEO of Fiat, Sergio Marchionne, presented plans for future activities at the plant of Sevel (a 50/50 joint venture between Fiat Group and PSA Group for the production of Light Commercial Vehicles) located in Atessa, Italy, where the Ducato is currently produced. Approximately €700 million is to be invested in the facility over five years. In September, the CEO announced an investment plan for the Mirafiori Plant in Turin, where a production establishment dedicated to the premium segment will be set up.

At the end of October, following receipt of regulatory approvals, Fiat Group Automobiles' acquisition of the 50% stake in VM Motori S.p.A. held by General Motors was completed. VM is specialized in the production of advanced diesel engines. Its plant located in Cento, in central Italy, employs over 1,000 people.

As announced in late 2012, investment of over €1 billion in the SATA Plant in Melfi (Italy) started in 2013 for the production of the Fiat 500X and a Jeep brand vehicle.

Two major corporate streamlining measures were undertaken during the year in Italy. One was the transfer of the Officine Maserati Grugliasco plant to Fiat Group Automobiles situating it in the Turin-based complex specialized in manufacturing premium brand vehicles. The other involved the transfer of staff and operations from Fabbrica Italia Pomigliano (FIP) to Fiat Group Automobiles. Certain circumstances; organizational and industrial requirements; and constraints were overcome, and led to the formation of a company specifically dedicated to the investment in the new Panda.

In 2013, the positive trend of the automotive market in Latin America continued.

In **Brazil**, work on the new Pernambuco plant started (see also page 108), as announced on 28 December 2010. The Group's new plant is expected to start activities during the first half of 2015 with initial production capacity of 200,000 vehicles per year based on the Small Wide platform which will strengthen the product offering in the mid-size segments of the market. The establishment will also have an on-site supply park, product engineering center and testing facilities.

In 2013, the Group confirmed its leadership in the Brazilian market, despite a slight decrease compared with the previous year, which had benefited from tax incentives on sales. In 2013, the need to adjust production levels to market trends was primarily addressed through flexible working schemes by managing shifts accordingly, under trade union agreements.

With respect to Chrysler Group, in 2013 the company increased vehicle production at its NAFTA facilities in response to higher product demand. To handle the greater output, the company increased staff, i.e., the number of manufacturing employees to support our current and anticipated production volumes, as well as additional engineering, research and development and other highly skilled employees to support our product development, sales, marketing and other corporate activities.

Restructuring and reorganization

In **Italy**, use of extraordinary temporary lay-off benefit schemes during 2013 enabled decreases in production to be managed, and restructuring and reorganizing programs linked to Group investments to begin or continue.

Redundancy plans launched during the year as a result of an agreement with trade unions affected a very small number of workers – a total of 34 people – and the relevant procedures will be completed by 2015. All the affected employees will become eligible for retirement during the period covered by the collective redundancy scheme (mobilità).⁽¹⁾ As a result of this scheme implemented following agreements signed with trade unions in previous years, in 2013, about 650 individuals left the Group. As in previous years, the company granted them an additional redundancy payment set by the corresponding trade union agreements. These included the workers to whom the scheme was applied in 2012: of the 81 workers initially involved, 30 were relocated within the Group.

In Italy, in 2013 the Ministry for Economic Development continued its efforts to find a solution for maintaining industrial activities at the plant in Termini Imerese (which, as announced by Fiat in 2009, ceased production in December 2011). During the year, lay-offs under “mobilità” continued for those workers at the Termini Imerese plant⁽²⁾ who became eligible for retirement, according to union agreements signed in 2011. An agreement on extraordinary temporary lay-off benefits (Cassa Integrazione Guadagni “in deroga”⁽³⁾) was signed in October. Considering the forthcoming completion of the review of reindustrialization projects by the relevant authorities, the benefits were extended until 30 June 2014 for the remaining workers for whom the deadline of the previous scheme was in December 2013.

⁽¹⁾ Government benefit scheme, financed by companies, and applicable to employees affected by collective redundancies for a duration of three years in Northern Italy and four years in the South.

⁽²⁾ Those employees are included in the data referred to those who left the Group during the year.

⁽³⁾ Extraordinary scheme to protect workers' income.

Also in 2013, the Group took steps to reduce the impact of reorganization on employees. In Italy, at the Fiat Group Automobiles Avv. Giovanni Agnelli plant (formerly Officine Maserati Grugliasco) work was halted for restructuring and extraordinary temporary lay-off benefits were paid to workers. During the year, employees continued to receive training to update their skills for when production activities resume. The training program addressed various contents such as the World Class Manufacturing (WCM) system, ergonomics and work metrics. In 2013, a total of 637 people attended the training courses with the objective of updating and adding basic skills, as well as raising awareness and spreading the use of WCM methodologies for workers placed on the extraordinary temporary lay-off benefit scheme.

As planned, the current production volume of premium range vehicles has allowed employees to return to work.

Outside Italy, stoppages were negligible and there were no significant restructuring and reorganization measures. The reorganization process at the Fiat Auto Poland plant in Tychy, announced in December 2012, was completed in the early months of the year.

Labor unrest

In 2013, cases of unrest in Group companies in **Italy** were scarce, with very few employees taking part, although in some cases the reasons for unrest had an impact on the community. Likewise, the scope of locally organized labor action was extremely limited. This trend confirms the commitment undertaken by those trade unions that signed the first-level Collective Labor Agreement, in which they agreed not to call strikes for issues already settled in this accord. It also showed how effective the “cooling-off” procedure has been in preventing, examining and solving any potential causes of labor unrest for which the commissions set up through the agreement found no solution.

This year, labor unrest **in other countries** was negligible once again and mostly involved issues at the individual plant level.



Responsible and World Class processes

Fiat Group's commitment to environmental stewardship and the conservation of natural resources includes not only our efforts to enhance sustainable mobility solutions, but also our focus on minimizing the impact of manufacturing processes. The measurement of our environmental footprint and the pursuit of continuous improvement in environmental performance are integral parts of the Group's industrial strategy. These pursuits are essential to generating value over time for our stakeholders and to the viability of the company in the global marketplace.

Key targets⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ● Target partially achieved |
 ○ Target postponed

Commitments	Targets	2013 Results
Optimize the Group's environmental performance	▶ 2020: -32% in CO ₂ emitted per vehicle produced vs 2010 at Mass-Market and Premium Brand assembly and stamping plants worldwide	● -15.5% vs 2010, on comparable scope of activities, in CO ₂ emissions per vehicle produced at Mass-Market and Premium Brand assembly and stamping plants worldwide (from 0.612 to 0.517 tons CO ₂ /vehicle)
	▶ 2020: -40% in water consumed per vehicle produced vs 2010 at Mass-Market and Premium Brand assembly and stamping plants worldwide	● -34.9% vs 2010 in water consumption per vehicle produced at Mass-Market and Premium Brand assembly and stamping plants worldwide (from 4.96 to 3.23 m ³ /vehicle)
	▶ 2020: -14% in waste generated per vehicle produced vs 2010 at Mass-Market and Premium Brand assembly and stamping plants worldwide	● -2.8% vs 2010 in waste generated per vehicle produced at Mass-Market and Premium Brand assembly and stamping plants worldwide (from 215.0 to 209.0 kg/vehicle)
Expand, consolidate and certify the Group's Environmental and Energy Management Systems	▶ 2020: ISO 14001 certification for all plants operating worldwide	● 133 Group plants ISO 14001 certified with 136 certifications granted, accounting for 100% of total Group industrial revenues ⁽²⁾ and covering over 99% of manufacturing employees ⁽³⁾
	▶ 2020: rollout of energy management system and ISO 50001 certification of all Group plants ⁽⁴⁾ operating worldwide	● 43 Group plants ISO 50001 certified accounting for 36% of total Fiat Group energy consumption
Expand and consolidate the World Class Manufacturing (WCM) program worldwide	▶ 2020: extend WCM program to 99% ⁽⁵⁾ of Group plants operating worldwide	● 121 Group plants involved in WCM, accounting for 97% of total Group manufacturing cost base
	▶ 2020: 100% of Group plants involved in WCM achieve an award performance level (bronze, silver, gold or world class level)	● 37 Group plants achieved award performance level (26 bronze, 7 silver and 4 gold level)

> GRI-G4 DMA

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽²⁾ Industrial revenues are those attributable to the activity of plants directly controlled by the Group.

⁽³⁾ Manufacturing employees are those directly and indirectly involved in manufacturing processes.

⁽⁴⁾ Where relevant, corresponding to 95% of energy consumption of all Group plants.

⁽⁵⁾ Percentage based on the total manufacturing cost base.

World Class Manufacturing and process certification⁽¹⁾

At Fiat Group, 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%⁽²⁾ 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 2013, a total of **121 Fiat Group plants** were part of the WCM program: 26 have achieved bronze level, seven silver and four **the gold level (Bielsko Biala** engine and transmission plant in Poland, achieved in 2012, and assembly and stamping plants of **Tychy** in Poland, **Tofas** in Turkey and **Pomigliano** in Italy).

The projects developed within WCM are designed to achieve the broadest engagement of employees and to 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. 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 2013, about 2,400 specific energy projects were implemented, resulting in approx. 180,000 fewer tons of CO₂ emissions. The total number of roughly 3,000 **environmental projects** started during the year resulted in cost **savings of €70 million**.⁽³⁾

Thanks to WCM environmental projects

€70 mn
saved



⁽¹⁾ In the tables with absolute values in chapter 8 the data relative to 2011 include Chrysler Group for the full year. The data relative to 2010 have been restated to include Chrysler Group and to exclude companies demerged into CNH Industrial S.p.A.

⁽²⁾ Percentage based on the total manufacturing cost base.

⁽³⁾ Data is prorated to include carry-over from projects launched in 2012.



WorkPlace Integration (WPI) – a new way of designing the process

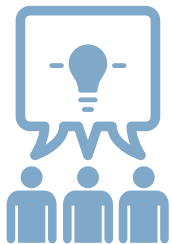
In production system development, the Group has refined the design and workstation improvement phase at plants through the use of WPI. One of the strengths of WPI is that the design phase begins earlier; in fact, studying production cycles already starts during the development of the new model. Thus, the product and process are developed to optimize the technical and methodological synergies, which results in many fewer changes later on and has a positive effect on station ergonomics and costs.

For the first time, a project of this nature brings together process engineers, quality specialists, research and development managers and plant personnel to plan the process from the very beginning. The activities are carried out in the WPI Room, an area equipped with the technology needed for design and simulation. The assembly line personnel are involved in organizing their future workstation, proposing improvements based on their direct experience at the plant and giving suggestions to the planners who create the new workstation layouts.

First developed at the Pomigliano (Italy) plant and then spread to all Group plants with new model launches, WPI applies all WCM principles. The workstation is centered around human beings, making it safe, ergonomically sound, comfortable and functional for the designated worker's job.

Naturally, environmental sustainability aspects are also included. In order to ensure that the impact is kept to a minimum, WPI works by reducing disposable packaging, hazardous chemical products and the generation of waste, as well as by aiming to eliminate energy waste. During each individual phase, quality aspects are analyzed, introducing systems geared toward avoiding human error in the process. This way, the workstation is efficient and organized from the very start, consistent with the most sophisticated concepts of logistics engineering and material flow management, and is aligned with the best technical solutions for processes and products.

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 to be transformed in a project. In 2013, Fiat Group's plant employees submitted an average of **15 suggestions per employee**.

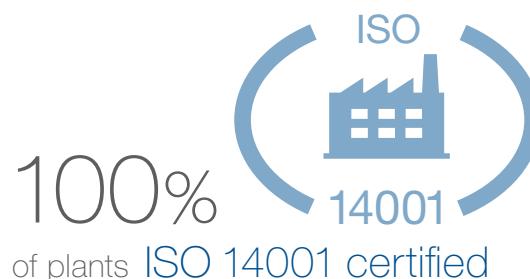


1.3 mn
WCM suggestions for
improving processes
received in 2013

Furthermore, an essential contribution to extending the best processes to all plants derives from the **sharing of innovative best practice projects**, with approximately **10,100** approved and disseminated across the Group's plants through 2013.

WCM tools and methods can also be applied to other activities not strictly related to production. Fiat Group is transferring these principles into its Logistics, Manufacturing Engineering and Design activities as well, to integrate this approach in other areas of the company.

Moreover, we are committed to implement WCM also among suppliers (see also page 96). 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. At the same time, 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 year-end 2013, **133 plants, representing 100% of industrial revenues⁽¹⁾ in 2012 scope and 99% of manufacturing employees⁽²⁾ 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. By the end of 2014, all Group plants operating worldwide in 2012 will be ISO 14001 certified.



With respect to the **Energy Management System**, efforts continued in 2013 to integrate an Energy Management System compliant to the **ISO 50001** standard into the Environmental Management System. At year-end 2013, 43 Group plants were certified, representing approximately 36% of the Group's total energy consumption. By 2014, all of the Group's main plants, accounting for more than 90% of total energy consumption, will be ISO 50001 certified.

An Environmental Management System certified by accredited third parties, 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 relevant environmental legislation 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 2013, **expenditures and investments for the environment amounted to almost €100 million,⁽³⁾** clearly demonstrating the Group's commitment to environmental protection.

⁽¹⁾ Industrial revenues are those attributable to the activity of plants directly controlled by the Group.

⁽²⁾ Manufacturing employees are those directly and indirectly involved in manufacturing processes.

⁽³⁾ €96.67 million, of which 65.8% for waste disposal, emissions treatment, and remediation costs, and 34.2% for prevention and environmental management costs.



Organization, environmental performance and monitoring systems

In the Group, environmental protection is managed through its **Environment, Health and Safety** (EHS) organization. Each company relies on its own department responsible for environment, health and safety, both centrally and at the plant level. Company EHS managers are responsible for overseeing facility environmental activities and direct capital investments dedicated to specific action plans. Moreover, they are in charge of monitoring national and local legislation, as well as rules 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 compliance audits.

Meetings are held regularly to coordinate Group activities. This enables EHS managers to discuss results, share best practices, and carry out benchmark comparisons against 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: atmospheric emissions, water and waste. The Plan is 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 Standard Aggregation Data (SAD) system 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 properly, to plan new courses of action, to realign programs and interventions, and to set new and more challenging targets. In 2012, Fiat Group structured the monitoring process to track environmental performance not only at the plant and corporate levels, but also across operating regions. This was a result of the Group's new organizational structure, and was achieved by means of the SAD application.⁽¹⁾ The data management system enables EHS managers to compare and contrast the environmental performance of standardized processes, enhancing the likelihood of internal benchmarking and ensuring that opportunities for improvement within the Group are promptly identified. For consistency with financial information and organizational structure, as well as with the data and targets published in the Group's 2012 Sustainability Report, the term "Mass-Market and Premium Brand assembly and stamping" refers to 15 assembly and stamping facilities of Fiat Group Automobiles (FGA) and 18 of Chrysler Group (CG). "Mass-Market and Premium Brand engines and transmissions" includes nine engine and transmission facilities of FGA and nine of CG, previously included in "Chrysler others." "Mass-Market and Premium Brand casting" and "Mass-Market and Premium Brand others" refer respectively to two and to four facilities of CG previously included in "Chrysler others." "Mass-Market and Premium Brands" refers to the data of these 57 FGA and Chrysler facilities.

Like last year, this year's Sustainability Report presents normalized environmental performance indicators as well as the absolute values directly correlated to production volumes, in order to ensure data comparability from year to year and allow the evaluation of operational trends. Due to the variety of production lines within the company (vehicles, engines, components, etc.), it is not possible to present normalized data at the Group level. In addition, within certain companies (for example, Teksid), different production lines require varied normalization parameters.

The only normalized data documented in this Report are for Mass-Market and Premium Brand assembly and stamping facilities (which account for more than half of the impacts) for energy, emissions, water and waste. For information on the performance and targets of each Group company, see www.2013interactivesustainabilityreport.fiatspa.com

Environmental training

Investment in human capital at all organizational levels is a key driver for improving the Group's environmental performance. Competence, knowledge and motivation are essential attributes to ensure a deeply embedded environmental culture throughout the company. For this reason, a variety of methods are used to spread environmental know-how, promote awareness and encourage action planning throughout the company. The training of specialized personnel working within the Environmental Management System (EMS) continued in 2013. Seminars conducted by internal environmental professionals and online courses provided approximately **220,000 hours of environmental training to 71,500 individuals**, respectively +48.8% and +11.3% compared with 2012. Training activities focused on prevention, management of environmental aspects, Environmental Management Systems in accordance with the ISO 14001 standard, and Energy Management Systems in conformance with ISO 50001. Additionally, special training was provided to increase employee understanding of their individual impact on the environment.

Internal employee websites dedicated to Environment, Health and Safety, and internal periodical newsletters provide information on policies, procedures, organizational responsibilities, publications, best practices, regulatory information and company requirements. The websites also provide links to external environmental internet sites and IT applications used in the management of environmental programs and training.



Energy consumption

Consuming energy responsibly is the premise behind Fiat Group's commitment to researching technologies that consume less energy as well as employing energy solutions with an ever-decreasing impact on the environment. This commitment is embodied by the World Class Manufacturing (WCM) program (see also pages 135) that dedicated a sub-pillar to energy in 2010 for improving the ability to identify and implement energy reduction measures and increase efficiency.

Primarily because of increased production volumes in the NAFTA region combined with adverse weather conditions in that area throughout the year, total energy consumption compared with the previous year increased slightly. Despite this, an overall downward trend is seen compared with the baseline year of 2010.

The factors contributing to the increase in energy use were mitigated by a series of interventions geared toward improving the energy efficiency of systems and equipment. This activity included overhauling or refurbishing the equipment in favor of more technologically advanced and efficient solutions that **saved approximately 600 TJ and averted 55,000 tons of CO₂**.

Direct and indirect energy consumption

Fiat Group worldwide (TJ)

	2013	2012	2011	2010
Plants	142	144	150	148
Electricity	21,272	20,520	21,274	21,182
Natural gas	20,957	18,278	19,253	19,440
Other fuels	1,234	1,322	1,617	1,395
Other energy sources	4,860	5,572	6,731	7,705
Total energy consumption	48,322	45,692	48,875	49,722



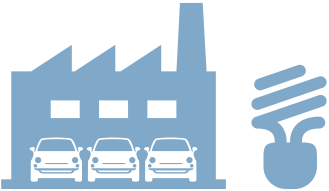
“Fiat should continue to think about projects to reduce the consumption of energy and decrease CO₂ emissions”

Stakeholder Engagement Event, Belo Horizonte (BR)

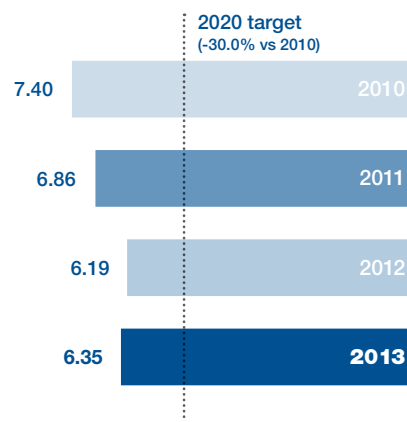
A major contribution also came from organizational measures, including process redesign, improving the use of plant operating capacity, operational changes and changing employee behavior through heightened energy awareness. These activities resulted in total **3**.

At Mass-Market and Premium Brand assembly and stamping plants, the **energy consumption per vehicle produced** showed a small increase of 2.6% compared with last year, from 6.19 GJ per vehicle produced in 2012 to 6.35 GJ per vehicle produced.⁽¹⁾ This was principally due to the factors mentioned previously (increased production volumes in NAFTA region and adverse weather conditions). As with total energy, energy per vehicle produced has also shown an overall downward trend compared with the baseline year of 2010.

-14.2% vs 2010
in energy consumed
per vehicle produced worldwide



Direct and indirect energy consumption per unit of production
Mass-Market and Premium Brand assembly and stamping worldwide
(GJ per vehicle produced)



CO₂ emissions

Fiat Group's engagement in the fight against climate change is demonstrated by the general downward trend in CO₂ emissions from our production processes compared with the 2010 baseline. As with energy, the 2013 CO₂ results were negatively affected by the increased production volumes in the NAFTA region and the adverse weather conditions. Consequently, in 2013, total CO₂

⁽¹⁾ Number of vehicles produced and plant list are confidential for competitive reasons and therefore are not publicly published.

emissions increased by 5.4% at Group plants, for a total of about 4 million tons, despite the **2,400 energy projects** that were launched in 2013, **saving €62 million.**⁽¹⁾

The **CO₂ emissions per vehicle produced** at the Mass-Market and Premium Brand assembly and stamping plants **decreased 15.5% in the last four years**, falling from 0.612 tons per vehicle produced in 2010 to 0.517 tons per vehicle produced.⁽²⁾

thanks to WCM
energy projects

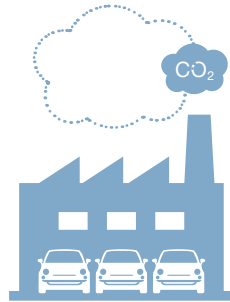
€62 mn
saved



Direct and indirect CO₂ emissions

Fiat Group worldwide (thousands of tons of CO₂)

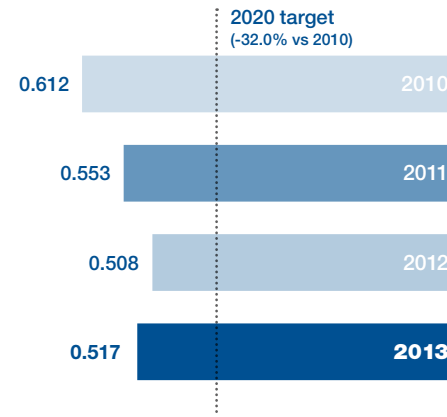
	2013	2012	2011	2010
Plants	142	144	150	148
Direct emissions	1,198	1,069	1,150	1,140
Indirect emissions	2,980	2,896	3,046	3,243
Total CO₂ emissions	4,178	3,965	4,196	4,383



-15.5% vs 2010
in **CO₂ emitted** per vehicle
produced worldwide

Direct and indirect CO₂ emissions per unit of production

Mass-Market and Premium Brand assembly and stamping worldwide
(tons of CO₂ per vehicle produced)



⁽¹⁾ Data is prorated to also include carry-over from projects launched in 2012.

⁽²⁾ Number of vehicles produced and plant list are confidential for competitive reasons and therefore are not publicly published.

In 2013, the Group continued to use renewable energy sources, slightly increasing the percentages reached by each company. In Europe, the vast majority of renewable energy purchased by the Group is certified by the supplier, while on the South American market electricity purchased is certified as coming almost entirely from hydroelectric sources. Furthermore, within the Group there are some plants that take advantage of solar energy to produce renewable energy for electricity or heating.



Total energy from **renewable energies** used in Group production processes covered **20.9%** of the total consumption, excluding Chrysler Group, and 9.7% of total energy consumed, including Chrysler Group.

Paint process energy savings at the Sterling Heights Assembly Plant (SHAP)

Major energy savings are represented by the new paint shop at SHAP in the US. Painting demands more energy than any other stage of the production process in the automotive industry. In paint shops, the paint booth in particular consumes the most energy, since it requires around 100,000 cubic meters of air per minute at a specific temperature and humidity. Booths consume natural gas, electricity and water in order to meet stringent process control requirements.

SHAP's new paint shop covers approximately 100,000 square meters and was conceived to guarantee high energy efficiency, using a "cascading air / recirculating air" process to significantly reduce energy and water usage, designed to recirculate 90% of the air.

This innovation provides annual energy savings of approximately €1.3 million, avoiding approximately 24,000 tons of potential CO₂ emissions through energy reduction, while also resulting in a significant reduction in water use.



Water management

Water scarcity is one of the primary challenges facing governments, businesses and individuals in many parts of the world today. Because water scarcity also exposes companies to business risks, it is a factor that needs to be managed rapidly and effectively.

Fiat Group 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.

We periodically map the availability of water resources around the world, correlating the quantity of water available with the quantity consumed in each region.

As a result of improvements in water cycle management and measures taken to reuse water in industrial processes, in 2013 **Fiat Group reduced overall water consumption by 3.6%** compared with 2012 (from 25.9 to 24.9 million m³) **and by 27.1% compared with 2010** (from 34.2 to 24.9 million m³).

Water withdrawal and discharge

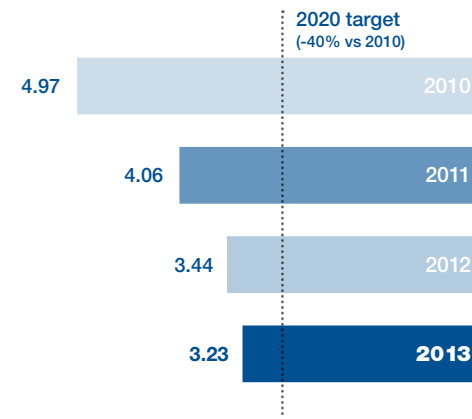
Fiat Group worldwide (million of m³)

	2013	2012	2011	2010
Plants	142	144	150	148
Total water withdrawal	24.9	25.9	29.9	34.2
Total water discharge	16.2	17.3	18.8	22.4

In 2013, all Mass-Market and Premium Brand assembly and stamping plants currently in operation **reduced water consumption per vehicle produced by an additional 6.1%** compared with the previous year (a **34.9% reduction compared with 2010**).

Water withdrawal per unit of production

Mass-Market Market and Premium Brand assembly and stamping worldwide (m³ per vehicle produced)



-6.1%



in water withdrawal per vehicle produced worldwide

Water recycling indexFiat Group worldwide (million of m³)

	2013	2012
Total water requirement	2,155.6	2,064.7
of which covered by recycling	2,130.6	2,038.9
of which water withdrawal	24.9	25.9
Recycling index⁽¹⁾ (%)	98.8	98.8

2.1 bn m³ of water saved at plants worldwide, equal to flow over Niagara Falls for 13 consecutive days

**Saving water in Pernambuco, Brazil**

The commitment to conserve water will also be applied at the new plant that Fiat Group will open in Goiana, in Pernambuco, one of the north-east states in Brazil, an area that has been drought-stricken for years. Water distribution and wastewater treatment in Pernambuco is managed by Compesa, (Companhia Pernambucana de Saneamento) which has set more stringent limits on water consumption for industrial activities than other Brazilian regulations.

When installing a new plant in such a sensitive area, special care must be dedicated to water cycle optimization. Particular attention was dedicated to designing water-optimized production processes. For example, the paint line – traditionally the most water-consuming process in the automotive industry – will have a water consumption index lower than one cubic meter per vehicle through internal recycling and careful planning of the rinsing stages.

Despite internal water use optimization, the plant's water consumption would nonetheless be high for this specific area unless additional actions were taken. A further dramatic reduction will be achieved by sending treated wastewater back to the industrial processes. For this purpose, the wastewater treatment station design includes a recycling process that will generate a stream of high quality water for industrial reuse, drastically improving the water recycling index. This will also lead to significant economic savings. The remaining water will be discharged with quality standards far higher than the limits set by local authorities.



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, Fiat Group pairs reducing consumption of water resources with optimizing wastewater treatment processes and constant monitoring of the relevant parameters. For 2014, each plant aims to maintain this discharge well under mandatory limits. In 2013, analysis conducted on water discharged from Fiat Group plants worldwide revealed levels of Chemical Oxygen Demand (COD) up to 80% below regulatory requirements, while levels of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) were up to 97% and 91% below required limits, respectively.

⁽¹⁾ The recycling index is calculated on the basis of total water requirement, which is the sum of water withdrawn and water recirculated in the plants.

The Group regularly measures and analyzes the presence in our industrial processes worldwide of certain heavy metals which are considered most material. In 2013, nickel (Ni) and zinc (Zn) were analyzed, following 2012's analysis of lead (Pb), cadmium (Cd) and copper (Cu). These analyses provide a comprehensive view of Fiat Group's overall impact on water quality. Specific objectives were set for levels well below legal limits. **No significant spills were reported for the Group in 2013.**

Waste management

Fiat Group 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. When the waste generated cannot be recycled, it is disposed of, seeking to use technologies with minimal environmental impact (waste-to-energy conversion or treatment, with shipment to landfills only as a last resort). The consolidation of actions to improve this important environmental factor resulted in a substantially stable trend in the volumes of waste generated in 2013 compared with 2012, despite increased production volumes. In the past two years, the total amount of waste generated has decreased by 2.5%. Projects to cut the quantity of waste generated led to overall **savings** of about **€4.5 million in 2013**. The Group also monitors the level of waste defined as hazardous which is generated during manufacturing processes, in accordance with the applicable legislation 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 3.1% in the last year and by 36.7% compared with 2010 levels.**

Waste generation and management⁽¹⁾

Fiat Group worldwide (tons)

	2013	2012	2011	2010
Plants	142	144	150	148
Waste generated				
Non-hazardous waste	1,770,029	1,720,410	1,804,698	1,650,257
Hazardous waste	39,069	40,327	50,614	61,754
Total waste generated	1,809,098	1,760,737	1,855,312	1,712,011
of which packaging	121,837	75,332	97,099	90,982
Waste disposed				
Waste-to-energy conversion	23,750	19,950	23,336	21,609
Treatment	31,055	31,219	37,489	43,936
Sent to landfill	438,741	438,345	547,056	515,434
Total waste disposed	493,546	489,514	607,881	580,979
Waste recovered				
Total waste recovered	1,315,552	1,271,223	1,247,431	1,131,032



1,300 tons
of hazardous waste reduced
at plants worldwide, equal to
the weight of 500 hippos

⁽¹⁾ 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 to the entire Fiat Group.

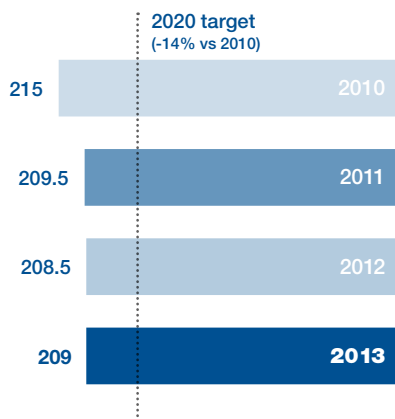
In Mass-Market and Premium Brand assembly and stamping plants, the quantity of waste generated per vehicle in 2013 was roughly the same as the previous year, while the comparison with 2010 shows a decrease of 2.8% (from 215.0 to 209.0 kg/vehicle produced) in overall waste generated per vehicle produced. **Hazardous waste per vehicle produced decreased 10.3% compared with 2012** (from 3.9 to 3.5 kg/vehicle produced) **and 50.0% compared with 2010** (from 7 to 3.5 kg/vehicle produced).

In 2013, Mass-Market and Premium Brand assembly and stamping plants increased the waste recovery rate to 96.4% (compared with the Fiat Group average of 72.7%) and reduced the **percentage of waste sent to landfill to levels as low as 1.3%** (compared with the Fiat Group average of 24.3%).

The average value of waste sent by the Group to landfills is essentially linked to a single type of waste, that is, 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 (see box on next page).

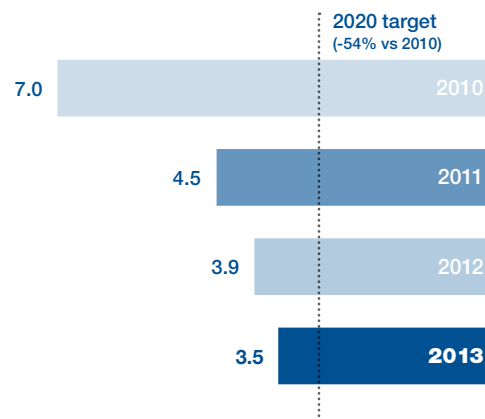
Waste generated per unit of production

Mass-Market and Premium Brand assembly and stamping worldwide
(kg per vehicle produced)



Hazardous waste generated per unit of production

Mass-Market and Premium Brand assembly and stamping worldwide
(kg per vehicle produced)

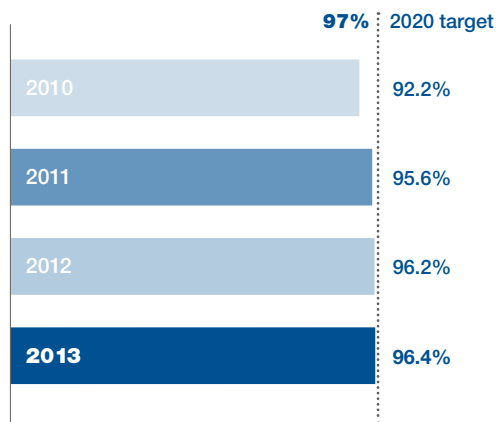




In alignment with the terms of the Basel Convention, 104 tons of hazardous waste were exported from Canada to the United States for recycling (paint shop-related waste),⁽¹⁾ representing 0.27% of all hazardous waste generated by Fiat Group.

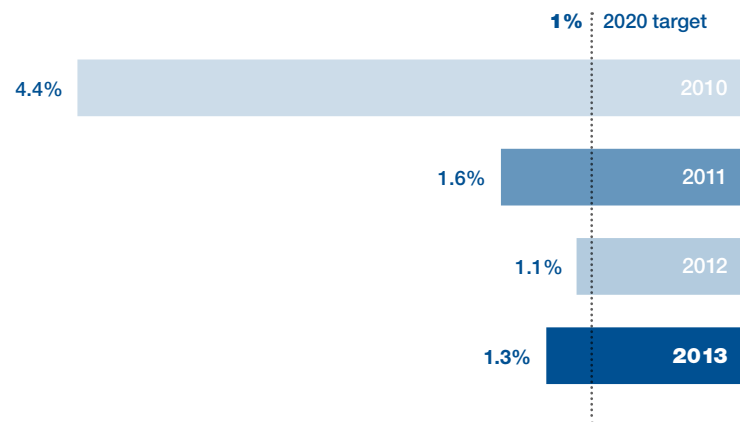
Waste recovery rate

Mass-Market and Premium Brand assembly and stamping worldwide



Waste sent to landfill

Mass-Market and Premium Brand assembly and stamping worldwide



Reducing waste sent to landfill

In 2013, numerous waste management improvements were implemented in the majority of the Group's plants. The Teksid plant in Monclava (Mexico) introduced a foundry sand regeneration system that allows recovering and reusing part of the sand in the production cycle to shape the cores (sand and resin templates used to make the hollow spaces inside iron castings), thereby reducing the amount of waste generated by about 30,000 tons a year.

This activity is yet another step in spreading the Best Available Technologies (BAT) in waste management to all plants, which started in 2012 at the Teksid plant in Ingrandes sur Vienne (France).

Non-manufacturing processes

The Group's commitment to reducing its environmental impact goes beyond its products and industrial plants and also involves its workspaces and offices.

Offices

In 2013, several initiatives were launched or continued from previous years, aimed at engaging and training personnel on issues concerning health, environmental protection (waste management, water consumption, energy saving) and proper management of workspaces. The ultimate goal of these initiatives is to make employees fully aware of the need to put healthy and sound habits into practice in the workplace, thus increasing their awareness of responsible behaviors that could also be continued at home.

The Group's various initiatives have been implemented through a number of different communication channels. These included meetings, information disseminated through specific intranet and internet sites and by email, signs in common areas and special events.

The environmental protection initiatives currently under way include the **Zero Waste to Landfill** program at the Chrysler Group Headquarters and Technology Center in Auburn Hills (US), where more than 14,000 people work. Approximately 1,670 containers were installed for separate waste disposal of plastic, paper, recyclable and organic material. At a special education event, employees participated in a contest to test their level of knowledge about waste disposal, with awards for the best responses. Of a total 8,358 tons of waste generated at the Auburn Hills complex during 2013, zero waste was disposed of via landfill.

In Italy, the **ECOoffice** program was continued for Group employees. The program consists of an online course available on the intranet portal that illustrates the most common energy-related issues in the office and suggests actions that employees can take to significantly reduce their usage. The course offers technical information, tips, links to related topics, a self-assessment test and a suggestions area that is divided into three office equipment categories: PCs, printers and lighting. It also includes a more general module on saving energy and water. In 2013, access to the program was extended to include additional Maserati employees.

In 2013, the Group began a **major project** to convert an abandoned 42,000 m² industrial site in Turin (Italy) into offices. The energy performance specifications of the new structure are superior to existing regulations and, starting in 2014, the site will house approximately 1,600 employees that are currently located at multiple sites around the city. Beginning with the design phase, particular attention was given to the ability of the building's outer shell to adapt to seasonal variations in climate, optimizing ventilation systems and natural lighting, as well as using advanced technologies to limit thermal dispersion.



From an environmental point of view, the primary benefits of renovating an existing building rather than building a new structure are:

- reuse of existing industrial site
- significant reduction in the generation of waste due to preservation of the building's external structure
- minimization of new building materials to avoid the consequent impact to production and transportation
- conservation of latent energy of materials in the existing structure.

An analysis during the design phase was completed using established standards. The results showed that maintaining the existing structure and materials to transform the building saved energy and cut emissions significantly, compared to a demolition and rebuild. The parameters considered were:

- Global Warming Potential 100, i.e., the contribution to global warming produced over 100 years expressed in tons of CO₂ equivalent and calculated based on the contribution to emissions of each element and material present in the building (existing and planned). Preserving the original structure **saved about 7,600 tons CO₂e**

- PEI, or Primary Energy Intensity, which represents the total energy consumed during the entire life cycle of a product from the extraction of the raw materials up to its demolition and disposal. Preserving the original structure saved about 89 terajoule

- AP, or Acidification Potential, which represents the potential to form acid rain and is linked to the emission of specific airborne acidifying substances, such as nitrogen oxides and sulfur oxides. Preserving the original structure saved about 925 tons SO₂e.

Another tangible sign of the project's responsible approach was the use of recyclable materials for the renovation.

Once occupied, the building's energy performance will be monitored. In addition, the new site is expected to contribute to a progressive revitalization of the local area and infrastructure.



Together We Are 20 Thousand Sustainable Attitudes program in Brazil

Several initiatives were launched at FGA sites throughout the LATAM region where approximately 22,500 hourly and salaried workers are employed. Some were linked to the implementation of standards and international certifications, such as ISO 14001 and ISO 50001, at Group plants. Others focused on preserving natural resources through conscientious use and reducing food waste in cafeterias, like the **Together We Are 20 Thousand Sustainable Attitudes** and **No Waste campaigns** launched at the Betim plant. Before the launch of the awareness campaign at company cafeterias in the Betim plant where approximately 19,500 people work, 45.6 grams of food per person were wasted on average. This totaled 19 tons a month and 228 tons a year, enough to feed more than 200 people for a year. Each month, ten baskets of food are donated to charitable institutions designated by the *Árvore da Vida* association for each of the four company cafeterias that succeed in wasting less than 40 grams per person. In May 2013, nine months after the launch of the initiative, all four cafeterias reduced waste to below the threshold, recording quantities of waste per person ranging between 21.38 and 39.76 g. As a result, 20 baskets of food were donated to the Antonio Goncalves Pereira association in the Teresopolis Gardens neighborhood where 32 elderly people live, and another 20 baskets to Good Shepherd kindergarten in the Imbirucu neighborhood, which serves over 145 children.

Green IT⁽¹⁾

The Group is committed to reducing the environmental impact of its Information Technology (IT) activities by replacing its equipment so that it is more efficient.

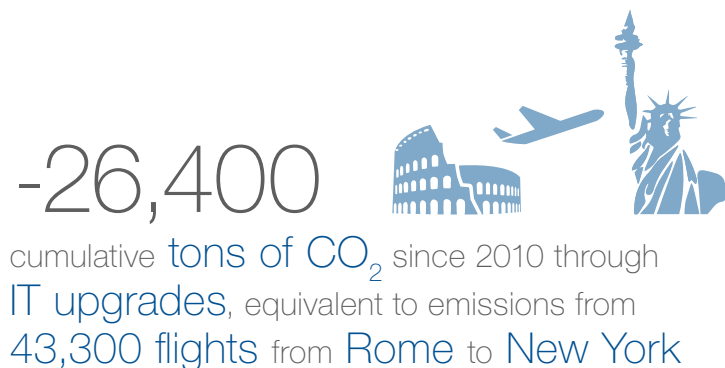
In 2013, a program to replace office hardware worldwide with equipment featuring high-efficiency power supply units continued. This resulted in saving 1,179 MWh of electricity and approximately 791 tons of CO₂ since 2010. The Group intends to further extend the initiative in 2014.

In addition, approximately 13,800 computer monitors were replaced with new EnergyStar equipment. These new monitors consume less electricity by 473 MWh, and CO₂ emissions by approximately 236 tons since 2010, while meeting the most stringent health, safety and environmental standards. This new equipment does not contain mercury, thus enabling environmentally friendly disposal and recycling.

In 2013, Chrysler Group initiated a program to replace all printing devices throughout US facilities. Multifunctional printing devices were deployed at the Auburn Hills Campus 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. According to plans, these devices will be deployed in the remaining US facilities in 2014. Along with improved functionality, it is expected to save over €750,000 a year.

In the Data Center area, which includes the computer systems that host applications and IT services, activities continued to reduce, replace, consolidate and virtualize servers, achieving a cumulative **reduction of 36,470 MWh and approximately 23,200 tons of CO₂ since 2010**. Further initiatives are planned in this field for 2014.

Finally, Chrysler Group in the NAFTA region saved cumulative 3,013 MWh of energy and about 2,200 tons of CO₂ since 2010 by automatically powering down personal computers not in use at night.



⁽¹⁾ The conversion factor used for EMEA is 1 kWh = 0.52 kg of CO₂ (source: Carbon Trust, Conversion Factors, 2011), the conversion factor used for NAFTA is 1 kWh = 0.75 kg of CO₂ (source: Emissions & Generation Resource Integrated Database eGRID, 2012).

Occupational Health and Safety⁽¹⁾

Safety in the workplace and the health of workers is of paramount importance to Fiat Group, in every area of business and in each country of operation. The Group strategy for promoting and safeguarding employee health and safety on the job is divided into many different areas of intervention and includes the belief that the highest levels of health and safety are necessary for the performance of all operations. The main components of the Group's commitment toward health and safety are the continuous reduction of accidents in terms of their severity and frequency; the alignment of all Group operations, including new plants, to the highest international standards (OHSAS 18001); and the promotion of a culture of well-being and healthy conditions across the workforce.

Key targets⁽²⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ◐ Target partially achieved |
 ○ Target postponed

Commitments

Strive for a zero accident and injury rate

▶ 2020: continuous reduction of accident Frequency and Severity rates in alignment with the goal of zero lost time accidents at all Group plants worldwide

2013 Results

- Frequency rate reduced for the seventh consecutive year with 0.19 accidents per 100,000 hours worked (-13.6% vs 2012 and -56.8% vs 2010)
- Severity rate reduced for the seventh consecutive year with 0.06 days of absence due to accidents per 1,000 hours worked (-14.3% vs 2012 and -53.8% vs 2010)

Continue internal and external certification process for the Occupational Health and Safety Management System

▶ 2020: 100% Group plants operating worldwide certified according to the highest international health and safety standards (OHSAS 18001)

- 110 plants OHSAS 18001 certified, covering approx. 147,000 employees⁽³⁾ (65.2% of Group employees in scope for 2013)

> GRI-G4 DMA

⁽¹⁾ The data reported in this chapter relative to 2011 includes Chrysler Group for the full year.

⁽²⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

⁽³⁾ Coverage includes employees working at manufacturing plants as well as nearby facilities (e.g. offices).

Commitment

Provide a workplace that promotes employee health and well-being

Target

- ▶ 2020: expansion of *Health Promotion* Program to all plants worldwide, according to local needs and constraints, promoting healthy lifestyles and safe working environments

2013 Results

- *Health Promotion* Program expanded at 78 plants in 10 countries, with focus on smoking cessation campaigns, nutrition education initiatives and promotion of prevention culture through medical checks
- Sites where risk is considered most likely (22 sites employing approx. 19,000 employees) monitored and action plans implemented accordingly
- Needs evaluated and new initiatives implemented, with focus on mental health and psychosomatic illnesses at 69 plants
- Information on prevention against the seasonal flu virus distributed or flu vaccinations provided at selected sites worldwide
- HIV awareness campaign continued at Fiat Group Automobiles plant in Brazil (approx. 19,600 employees involved and 7,700 supplier employees)
- *WELL* program with advice and tips about health and wellness continued through Group intranet sites worldwide for approx. 42,300 employees
- Biometric Screening checks for cholesterol, blood pressure and glucose provided to approx. 22,700 Chrysler Group employees (8.9% of the total Group workforce and 29.8% of the Chrysler Group workforce) in addition to 10,400 Chrysler employees already screened in 2012
- *Health Risk Assessment* program completed for approx. 21,150 Chrysler Group employees (8.3% of the total Group workforce and 27.7% of the Chrysler Group workforce) in addition to 9,700 Chrysler employees already screened in 2012 (+118% vs previous year)
- IQS tool for clinical assessment and classification of cardiovascular risk and life habits of each employee implemented with 870 employees involved in Brazil

Health and safety management

As part of the Group commitment to being a responsible employer, a safe and **healthy working environment is considered a basic right** that must be provided to all employees.

Choosing to operate according to the highest internationally recognized standards involves an integrated approach to the management of health and safety in our plants, factories and offices. The commitment to health and safety covers in fact not only company employees, but also suppliers, service providers and the communities surrounding Group sites.

Our Group takes action in many different areas:

- the definition of common, uniform procedures for identifying and assessing risks
- the application of robust safety and ergonomic standards in plant and equipment design
- the promotion of safe behavior through training initiatives and awareness campaigns
- efforts to assure a healthy work environment
- the promotion of a healthy lifestyle.

These responsibilities are formally outlined in the **Health and Safety Guidelines**, which define the Group's commitment in every area of activity and location. The Guidelines are regularly updated by incorporating regulations, insights from specialized literature and needs reported by stakeholders inside and outside the Group. These updates ensure that the Guidelines remain a current source for new requirements and developments in the field of occupational health and safety.

€194mn



spent on safeguarding
health and safety of employees

+15.5%
over 2012

Integrated health management approach and systems are structured to prevent, and when necessary to assist, all workforce members and contract workers, as well as their families and communities indirectly.

Main **pillars of our approach** are:

- management of risk through continuous analysis of critical areas and adoption of a preventive approach for all key 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 (i.e., 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 among 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 organized both by in-company and third-party safety specialists who operate centrally and in the individual organizational units (plants and staff functions). Centrally, Environment, Health and Safety (EHS) managers are responsible for defining health and safety guidelines, procedures and standards; locally, they support the EHS managers of each organizational unit of the Group in managing and implementing health and safety policies accordingly. Moreover, they are responsible for monitoring national and regional legislation, as well as rules and regulations related to health and safety. They are also involved in monitoring observance of the Health and Safety Guidelines and in the implementation of prevention programs. Coordination between the different regions and organizational units is provided through regular meetings worldwide addressing EHS, during which the key performance indicators are evaluated and areas for improvement are identified.

A dedicated IT platform monitors performance, and is updated constantly to help assess results achieved, as well as to share best practices, new ideas and successful experiences.




10 health and safety indicators tracked monthly as part of industrial performance

Pursuing the highest standards

Maintaining high standards of health and safety calls for an ongoing investment of resources and energy by the Group so that the best working conditions are ensured at every plant and in every country of operation around the world.

By expanding a management system based on standardized methods and procedures, established centrally and certified by an authorized certification body, the Group can bring its safety requirements to countries where government standards may be less stringent. With this aim we have continued to pursue our worldwide commitment to adopt the **Occupational Health and Safety Management System (OHSMS)** certified in conformance with the OHSAS 18001 international standard.

This provides for a uniform approach in the different plants as well as consistency in the production processes of the sites across the world. By 2014, all Group plants operating in 2012 will be OHSAS 18001 certified.

110  Group plants already certified

Spending on Occupational Health and Safety

Fiat Group worldwide

	2013	2012	2011
Spending on Occupational Health and Safety ⁽¹⁾ (€ million)	194	168	270
Percentage of personnel costs ⁽²⁾	2.1	1.8 ⁽³⁾	3.5

OHSAS 18001 certifications

Fiat Group worldwide

	2013	2012	2011
Plants certified (no.)	110	107	103
Employees working at certified plants (thousands)	147 ⁽⁴⁾	123	121

Full engagement in prevention

Health and safety conditions at Group facilities depend on the interconnection of preventive measures and a collaborative approach that recognizes that employees, regardless of their role or responsibilities within the organization, have a duty to contribute to the dissemination and maintenance of the highest possible standards in the workplace by the way they behave.

Employees are involved in activities focused on safety through training and initiatives geared toward increasing their awareness, which are supported by a formal system for the collection of suggestions. During 2013, about 1.3 million **suggestions from employees** were

> GRI-G4 DMA

⁽¹⁾ Includes spending on improvements to safety and working conditions (improvements to facilities, worker protection, inspections of plants and the working environment) and to employee health (health care costs).

⁽²⁾ Personnel costs totaled €9,352 million in 2013, €9,110 million in 2012, €7,629 million in 2011.

⁽³⁾ Data differs from that reported in 2012 Sustainability Report due to adjustment to the calculation methods of personnel costs.

⁽⁴⁾ Coverage includes employees working at manufacturing plants as well as nearby facilities (e.g., offices).

received. **149,000** of these were **about ways to improve health and safety conditions**. The best suggestions have been adopted and implemented and the idea owners recognized for their efforts.

This significant level of employee participation demonstrates how widely and strongly the commitment is shared within the Group. Combining proactive and preventive approaches has enabled the Group to capitalize on specific projects and initiatives that have established themselves over time as best practice, and have become an integral part of Fiat Group's Occupational Health and Safety Management System (OHSMS).

During the year, **more than 5,000 audits** (+110% compared with 2012) were completed (of which 122 external, representing an improvement of 85% compared with 2012) covering a total of about 150,000 employees.

From 2009 to 2013, WCM was implemented in a total of 300 supplier sites (of which 218 in EMEA, 70 in LATAM and 12 in NAFTA).

World Class Manufacturing: the Safety pillar

The World Class Manufacturing Safety pillar aims to contribute to the continuous improvement of the work environment and to progressively reduce 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 be achieved only by **creating and disseminating a genuine culture of shared safety throughout the entire organization**.

A strong leadership that is expressed through the direct involvement of senior management in setting clear and measurable objectives and the motivation and engagement of all employees are essential ingredients to achieve the highest health and safety standards like those set by the Safety pillar.

Leadership and engagement promote the dissemination of the company's vision and fundamental values in the field of health and safety at all levels, as well as the strategies for intervention and the results to be reached. A crucial role is played by the training and education of all workers as a part of the objectives set in the Skills Development pillar.

The scope for the implementation of the pillar is not limited solely to the plant level, but also includes suppliers, third-party companies and other entities along the value chain.

The Safety pillar allows for the sharing of objectives specific to each plant area and the clear and transparent communication of indicators to monitor whether these are achieved.

The Safety pillar's objectives are:

- elimination or drastic reduction of the risk of accidents, injuries and occupational diseases
- development of a corporate culture of health and safety in the workplace
- constant improvement of ergonomics in the workplace, including redesigning workstations through worker feedback
- development of specific professional skills in the field of occupational health and safety
- creation of intrinsically safe workstations and equipment starting from the design phase
- elimination or minimization of environmental pollution in the production unit
- adoption and consolidation of safe behaviors by workers both at and outside the workplace.

The Safety pillar is oriented toward direct worker engagement in prevention, with the support of management and the awareness that a genuine culture of safety requires the active involvement of the people who every day face operational issues that may entail health and safety risks.

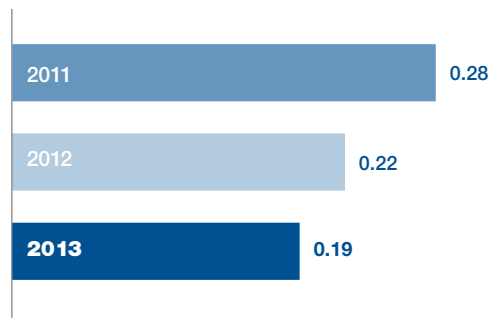


Safety first

By integrating the standards and tools defined in the Occupational Health and Safety Management Systems (OHSMS), the methods and tools in the World Class Manufacturing Safety pillar, proactive employee participation, development of know-how and the company's financial commitment, the Group has achieved significant results in reducing work injuries.

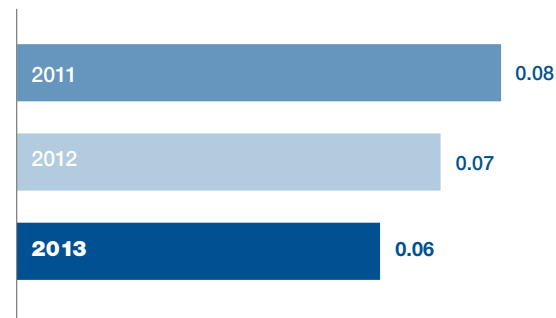
Frequency rate⁽¹⁾

Fiat Group worldwide (accidents per 100,000 hours worked)



Severity rate⁽²⁾

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



Work injuries are investigated and analyzed in depth to understand root causes and to establish the right measures to eliminate the risk of recurrence. The injuries are classified according to their frequency, severity and gender of the employee involved. Further classifications are handled at the site level and by production line/process. Any new best practice deriving from this in-depth analysis is then shared across the Group.

For the seventh year in a row, work injury indicators continued to improve, with a 13.6% drop in the **Frequency rate** (with 0.19 accidents per 100,000 hours worked) and 14.3% in the **Severity rate** (with 0.06 days of absence per 1,000 hours worked) compared with the previous years. As of 2012, data is also monitored by gender (for further details see page 178). The data analysis does not show **any prevailing gender-related trend**.

⁽¹⁾ 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.

⁽²⁾ 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.

Initiatives and investments also led to a gradual reduction of risk factors attributed to our plants in Italy by the National Institution for Insurance against Accidents at Work (INAIL). The measures adopted by the Group have yielded savings from lower insurance premiums paid to INAIL, amounting to over €17.5 million in 2011, about €16 million in 2012 and €14.6 million in 2013.

Every year **near misses**⁽¹⁾ (approximately 28,000 cases identified and analyzed in 2013) and **unsafe acts** continue to be monitored. This analysis enables the development of measures to prevent conditions and to correct behaviors that could potentially cause hazardous situations.

Prevention, surveillance and emergency aid activities to safeguard health in the workplace are carried out by medical and paramedical personnel, generally present at each Group plant based on the needs of each site.

In 2013, **medical check-ups** of all kinds numbered approximately 409,000 (318,000 in 2012).



€48 mn

saved in 2011-2013 in Italy thanks to **health and safety investment and initiatives**

Fatalities

Fiat Group worldwide

	2013	2012	2011
Fatal accidents involving Group employees (no.)	2	3	-

In 2013, two fatal accidents occurred involving Fiat Group employees in Brazil and Argentina. The first involved an employee at the Teksid plant in Brazil, the second concerned a Comau worker at the plant in Argentina.

A fatal accident involving one employee from an external company occurred at the Fiat Group Automobiles plant G. Vico (Italy). Each accident was analyzed in-depth and the Group companies involved took immediate steps to support the families of these individuals and are fully cooperating with local authorities.

Occupational illnesses refer to diseases resulting from gradual and progressive harm to the worker, which occur during, and as a direct consequence of, insured activities performed while working. Trends in occupational illnesses and how they change over time are closely monitored by the Group.

From a statistical point of view, information on occupational diseases occurring within the manufacturing environment is collected and classified in two distinct categories: case files opened and confirmed cases of disease. The former are cases being investigated and verified by insurers in accordance with applicable local regulations to determine the existence of an occupational disease and any causal link with the work activities performed. The latter are cases where the insurer, upon completion of the investigation, confirms that the above conditions exist.

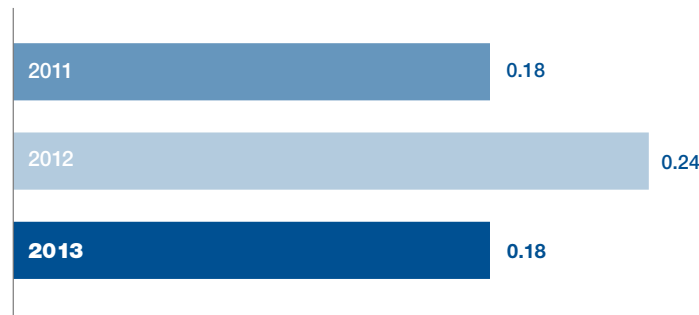
⁽¹⁾ A near miss is an event that did not result in injury or illness but had the potential to do so.

In 2013, a total of 732 cases of occupational illnesses were verified by insurers in the various countries.

The **Occupational Illness Frequency rate** shows the ratio of occupational illness cases per 100,000 hours worked. In 2013, it was 0.18 (0.24 in 2012). The comparison of this indicator between years is only tentative since unlike accidents, the data on occupational disease refers to cases discovered several years – often decades – prior to the year in which they were actually verified. In fact, occupational diseases are quite complex, and often related to situations that no longer exist within the Group because they may be associated with working methods and environmental conditions that have long since been eliminated. For this reason, there is no evidence of high incidence or high risk of disease related to employee occupations. For further details see page 178.

Occupational Illness Frequency rate

Fiat Group worldwide (cases of occupational illness per 100,000 hours worked)



Health at the workstation

We believe that promoting a healthy and safe working environment is an essential value and a primary responsibility toward employees and anyone else at company sites. This responsibility implies a **broader outlook on health and safety**, in which health is not just the absence of disease and risk factors, but also the availability of resources that support well-being.

The experience gained within the Group, ongoing dialogue and sharing of know-how, in addition to the directives of the European Agency for Safety and Health at Work, confirm that new forms of occupational disease are becoming a serious issue. Most of the more recent occupational diseases are related to **musculoskeletal disorders** and **work-related stress**. Both are new areas of risk analysis in which Fiat Group has been engaged, establishing a number of tools and actions for risk prevention, elimination and mitigation.

Initiatives for a culture of prevention

The development of a culture of prevention, health and safety, and the integration of safe behaviors within the working environment is pursued at Fiat Group through investments in training programs and awareness campaigns.

Within the framework of the Occupational Health and Safety Management System (OHSMS) and the World Class Manufacturing (WCM) Safety pillar, dedicated organizational structures plan and implement awareness campaigns, as well as educational and training initiatives. These activities focus on the importance of safeguarding health and safety, complying with policies and procedures, and promoting appropriate prevention behaviors across all organizational levels and roles.

Health and safety training

Fiat Group worldwide (thousands)

	2013	2012	2011
Hours of training provided	1,184	1,079	699
Employees involved in training activities	155	215	148
of which hourly	116	154	102

In 2013, the number of **training hours on health and safety** was 1,184,000 representing an improvement of about 10% compared with 2012 (1,079,000 in 2012), delivered to approximately 155,000 employees, including about 116,000 hourly employees.

The **Organismo Paritetico Health and Safety** (OPHS), established in 2012, thoroughly planned the health and safety courses of the **Health and Safety First** training platform. OPHS is a joint body in which Fiat S.p.A., CNH Industrial and trade unions FIM-CISL, UILM-UIL and FISMIC ensure the joint governance of training programs and relevant management activities, as well as propose solutions for critical workplace health and safety issues.

The goal of the Health and Safety First training platform is to provide an array of training courses developed and customized to real-life scenarios and needs within the Italian operations of the Group, particularly addressing managers and professionals in charge of safety, specialists (Safety Officers responsible for emergencies and first aid, etc.) and employee safety representatives.

Information campaigns aimed at increasing employee awareness of health risks and health care prevention measures continued in 2013. The **WELL initiative** is accessible to web users worldwide on the company intranet sites (accessible as of year-end 2013 to approx. **42,300 employees**). This initiative provides information on the promotion of good health habits and the prevention of minor illnesses, sensory impairment and future health problems. Other regular programs included those for the prevention of seasonal flu; campaigns against the spread of infectious diseases, with a focus on sexually transmitted diseases (particularly HIV; provided

to approx. 19,600 employees and 7,700 external providers); and for the promotion of personal hygiene. Counseling services are also available at Chrysler Group US facilities through **Employee Assistance Programs (EAP)**, whose purpose is to put employees in touch with professional counselors when needed. The program provides an opportunity to discuss personal concerns and to easily access a variety of services to address stress management and other personal issues (i.e., depression and anxiety, substance dependence, family or financial troubles) or needs such as child care, eldercare and other concerns in balancing work and personal life.

The comprehensive Group-wide **Health Promotion Program**, developed and launched in 2012, continued throughout the year. The Health Promotion Program is based on experiences reported both inside and outside the Group, and follows the health and safety principles of the main international organizations, especially 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 intervention areas used during the program's first year remained:

- screening and vaccination (including services such as blood pressure, blood sugar level and cholesterol monitoring, as well as free vaccinations)
- nutrition education initiatives (counseling on healthy eating in the workplace; healthier food options on the cafeteria menu)
- promotion of physical activity (increasing options for physical activity through sports teams or clubs, and advice on how to increase daily activity levels)
- smoking cessation programs (awareness campaign on issues related to smoking including long-term health risks; creation of smoking cessation groups).

In addition to Fiat Group's Health Promotion Program, various other initiatives were developed and promoted locally over the years to inform, support and monitor employees as they strive to adopt healthy lifestyle habits.

Trade union relations on health and safety

Improvement of employee health and safety is also one of the key issues in the exchange with employee representative bodies, in keeping with current legislation and collective labor agreements applicable in each country where the Group is present.

In 2013, a survey carried out on over 99% of Group employees⁽¹⁾ worldwide showed that over 81% are covered by **representative bodies** which, among other topics, also handle health and safety issues by supporting the monitoring of dedicated programs and advising as needed.

Optimizing transport

As a global automaker, people and goods within Fiat Group are always on the move. Every year, our Logistics departments manage the movement of a huge amount of goods and vehicles. We strive to keep our emissions as low as possible by expanding the number of low-emission transport vehicles, by optimizing our transport logistics flows, and by using telecommunication technologies where possible to reduce employee travel.

Key target⁽¹⁾

+ Target exceeded |
 ● Target achieved or in line with plan |
 ◐ Target partially achieved |
 ○ Target postponed

Commitment

Reduce environmental impact of logistics

Target

- ▶ 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

2013 Result

- 80% of Group-owned fleet in EMEA already Euro V compliant

Upstream and downstream logistics

Attaining maximum efficiency and minimal environmental impact while managing the movement of materials, parts and finished vehicles through a complex global supply chain is a commitment that Fiat Group Logistics embraced years ago. By optimizing freight flows and maximizing efficiencies, our efforts are centered on reducing environmental impacts by **cutting logistics-related emissions and minimizing the use of non-reusable packaging**. This is specifically stated in our **Green Logistics Principles**, consistent with the Fiat Group Environmental Guidelines on which they are based, which provide guidance on reducing environmental impacts, focusing on four main areas:

- increase in low-emission transport
- use of intermodal solutions
- optimization of transport capacity
- reduced use of packaging and protective materials.

⁽¹⁾ For further details see Sustainability Plan on www.2013interactivesustainabilityreport.fiatspa.com

Organization

World Class Logistics (WCL) defines logistics processes at plants and in the supplier network which have been established to meet the requirements of safety, ergonomics, eco-compatibility and transport flow optimization. This is managed by Fiat's Logistics Engineering unit and Chrysler Group's Logistics & Customs department, which act as bridges between manufacturing and suppliers or dealers through material movement. Processes have been significantly 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.

Logistics flows

Components and materials delivery (**upstream transport**) to Group plants and **spare parts** (managed by Fiat Parts & Services and Mopar⁽¹⁾) transport to warehouses and distribution centers is handled either by external transport providers engaged by the company or managed directly by the material suppliers themselves. Shipment of spare parts to dealers is handled by external logistics operators that are not managed by the Group.

Vehicle distribution (**downstream transport**) from plants to dealers is handled by the Group-owned fleet (i-FAST Automotive Logistics S.r.l. in Europe and Chrysler Group Transport in North America) or by external transport providers engaged by the company.

Environmental performance

The environmental key performance indicators (KPI) identified and adopted are regularly monitored to enable greater coverage and in-depth analysis of distribution flow impacts. The results from monitoring are used to set continuously challenging improvement targets.

CO₂ emissions recorded in 2013 relating to Group logistics processes managed directly by Mass-Market and Premium Brand logistics in the **NAFTA** region equaled approximately 900,000 tons: 52% from upstream and 48% from downstream transport for vehicle distribution. This represents an increase of about 19.8% compared with the previous year.⁽²⁾

The 2013 increase in production levels and volume mix 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.

Aggressive measures were essential in keeping the resulting carbon emissions to a minimum. Overall, carbon emissions per kilometer traveled for upstream freight increased by 1.6% despite the 17.4% increase in kilometers driven, while downstream carbon emissions per kilometer traveled decreased by 7.5% compared with the 30.3% increase in transport kilometers, primarily due to an increase in rail transport.

> GRI-G4 DMA, EN15, EN17, EN18, EN30

⁽¹⁾ The Group's service, parts and customer care organization.

⁽²⁾ Last year's report indicated 308,000 metric tons of CO₂ emissions from upstream freight. This figure should be 387,904 resulting in a total of 749,473 metric tons.

With respect to the EMEA region, CO₂ emissions decreased **9.5%** in 2013 compared with 2012.

Increase in low-emission transport

In the NAFTA region, efforts continued to reduce our carbon footprint for downstream Group-managed transport, resulting in new official partnerships. With respect to downstream transport in Europe, the Group's internal fleet of trucks carries about 16% of the total vehicle distribution by road. Of this fleet, **80% is already Euro V-compliant**. Continued investment in more efficient trucks is expected for 2014.

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 2013, **requiring that at least 50% of supplier fleets consist of vehicles compliant with Euro IV or stricter standards**.

Use of intermodal solutions

In order to reduce traffic congestion and CO₂ emissions, the Group explores alternative solutions to road transport through a variety of options such as rail and sea. Depending on geography, infrastructure and production volumes, the upstream and downstream material transport may require a significant percentage of road transport. Efforts were made in 2013 to continue the **extension of intermodal solutions** which had already been introduced. In addition, the Group continued to evaluate potential new rail routes both for material transport and vehicle distribution.

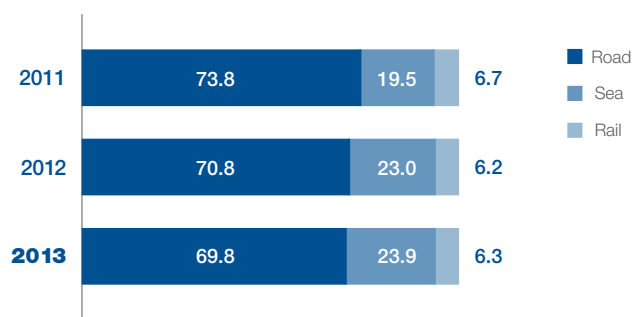
CO₂ emissions in logistics processes⁽¹⁾

Mass-Market and Premium Brands in EMEA (thousands of tons of CO₂)

	2013	2012 ⁽²⁾	2011 ⁽²⁾
Upstream	65.7	74.6	81.0
Downstream	96.1	104.7	114.5
Spare parts	8.0	8.4	9.5
Total	169.8	187.6	205.0

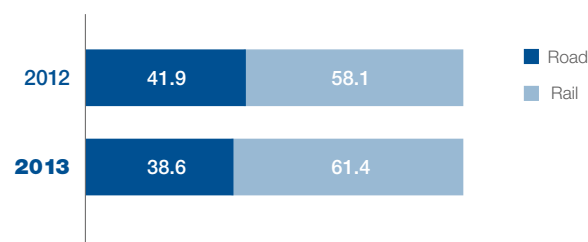
Logistics transport by mode⁽³⁾

Mass-Market and Premium Brands in EMEA (% of CO₂)



Logistics transport by mode

Mass-Market and Premium Brands in NAFTA (% of km)



GRI-G4 EN15, EN17, EN19, EN30, EN32 <

⁽¹⁾ The calculation of CO₂ 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 31% of upstream traffic by weight; downstream transport for spare parts is not monitored as it is not currently managed directly by the Group.

⁽²⁾ Data restated to be consistent with 2013 scope.

⁽³⁾ Data includes upstream and downstream transport and excludes spare parts figures.

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.

The extension of the “milk run”⁽¹⁾ approach by Magneti Marelli in the EMEA region resulted in a reduction of 12,500 tons in CO₂ emissions in 2013.

Through daily route optimization in upstream flows in the NAFTA region, 870,000 kilometers were saved, avoiding the emission of 850 tons of CO₂. Collaboration with other automakers to consolidate collection routes resulted in a savings of an additional 1 million kilometers, avoiding the emission of 970 tons of CO₂. The process led not only to improvements in financial performance but also a reduction in truck traffic.

The Mopar Service and Parts organizations have embraced the concepts of World Class Logistics (WCL) and have begun implementing actions similar to those at our manufacturing facilities in order to achieve a best-in-class supply chain.

The continuation of training and awareness programs on cube utilization has resulted in additional year-over-year improvement. In 2013, our supplier shipments required an estimated 300 fewer trailers and 320,000 fewer kilometers when adjusted for volume.



1.9 mn km
saved in logistics flows, equivalent
to 5 trips to the moon

-320,000 km 
in supplier shipments, equivalent
to 8 trips around the world's equator

Reduced use of packaging and protective materials

We also work to **minimize packaging and protective materials** and **increase the use of reusable containers**, while maintaining standards and meeting quality requirements. Where this is not possible, the Group ensures that standard recovery processes are applied. We continued to **reduce wood packaging** for international shipments of materials from Italy. In 2013, shipments to our plant in Betim (Brazil) saw a 9.7% reduction in the use of disposable wood packaging compared with 2012 (from 7.2 in 2012 to 6.5 kg/m³ shipped) and a reduction of 47.6% compared with 2011. These results are due to the progressive introduction of returnable metal crates or specially equipped containers replacing disposable wood packaging. In 2013, monitoring of wood packaging systems was extended to Group plants in Turkey and Poland.

Further details

Definitions, methodology and scope

The Fiat S.p.A. Sustainability Report, now in its 10th edition, is a voluntary document issued by the Group according to GRI-G4 guidelines⁽¹⁾ to provide stakeholders a comprehensive picture of the activities carried out, results achieved and commitments made 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 “Fiat Group” or “Group” refer to all companies consolidated within Fiat S.p.A. for accounting purposes, (see subsidiaries consolidated in the Fiat S.p.A. Annual Report)
- the term “Chrysler Group” refers to all companies consolidated within Chrysler Group LLC for accounting purposes (see subsidiaries consolidated in the Fiat S.p.A. Annual Report)
- the term “Fiat Group excluding Chrysler Group” should be construed accordingly
- the term “company” refers to the entire Group unless when used with reference to a selection among the following entities: Fiat Group Automobiles (FGA), Chrysler Group, Ferrari, Maserati, Comau, Magneti Marelli, Teksid, Fiat Services and other companies
- the term “operating segment” refers to the four segments established as of July 2011 and according to which the Group business is organized. They include: Mass-Market and Premium Brands (previously reported as FGA, FGA Engines and Transmission and Chrysler Group); Luxury and Performance Brands (Ferrari and Maserati); Components and Production Systems (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 and Premium Brands are carried out, with the boundaries set according to the organizational changes effective as of September 1, 2011. The operating regions are: EMEA (Europe, Russia, Middle East and Africa), NAFTA (US, Canada and Mexico), LATAM (South and Central America) and APAC (Asia and Pacific countries).

⁽¹⁾ The Global Reporting Initiative (GRI) is a multi-stakeholder process for the development and disclosure of Sustainability Reporting Guidelines. The GRI-G4 guidelines have been 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.

Unless otherwise indicated or required by the context, the information and data contained in this Sustainability Report relate to financial year 2013 (1 January 2013 to 31 December 2013) and to all Fiat Group companies worldwide falling within the scope of consolidation at 31 December 2013.

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 2012 and 2013, data refers to all companies consolidated within Fiat S.p.A. for accounting purposes, for the full year (see subsidiaries consolidated in the Annual Report)
- with respect to year 2011, although Chrysler Group was consolidated in Fiat S.p.A. for accounting purposes as of June 2011, data includes Chrysler Group information for the full year
- with respect to year 2010, data was restated to include Chrysler Group and to exclude companies demerged into 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. 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 chapter 9 relates to 140 of the 159 plants⁽¹⁾ included in the Fiat S.p.A. Annual Report (covering approx. 98% of plant workers),⁽²⁾ to office facilities (in total covering approx. 100% of overall Group office employees), and to four plants of companies that are not fully consolidated (including the Sevel and Tofas joint ventures)
 - the Group's environmental and energy performance reported in chapter 8 refers to 138 of the 159 plants⁽¹⁾ included in the Fiat S.p.A. Annual Report (covering over 98% of the Group's industrial revenues),⁽³⁾ and to four plants of companies that are not fully consolidated (including the Sevel and Tofas joint ventures)
 - performance indicators per unit of production reported in chapter 8 were 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.⁽⁴⁾ 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.

> GRI-G4 22, 23, 29, 30

⁽¹⁾ Data was not considered material, and was thus not reported, for 2 plants dedicated to publishing and communication activities and 19 plants in start-up or closing phase.

⁽²⁾ 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.

⁽³⁾ Revenues attributable to activity of plants directly controlled by the Group.

⁽⁴⁾ Please note that numbers may be subject to rounding.

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: Report presented together with the Fiat S.p.A. Annual Report at the Annual General Meeting of Fiat S.p.A.
- 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. Fiat Group 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 online interactive version of the Sustainability Report will be considered the most current version and takes precedence over any previously printed version. The document is:

- prepared by the Fiat Group Sustainability teams that coordinate and engage Group operating segments and regions and relevant functions
- approved by the Group Executive Council, the highest decision making body headed by Fiat S.p.A.'s CEO, consisting of Chief Operating Officers of regions and companies of the Group and various function heads
- examined by the Nominating, Corporate Governance and Sustainability Committee, a sub-committee of the Board of Directors of Fiat S.p.A.
- subject to an assurance audit by SGS Italia S.p.A.,⁽¹⁾ 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, as of this year, 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 on page 179
- presented together with the Annual Report at the Annual General Meeting of Fiat S.p.A. to provide a complete, up to date overview of the Group's financial, environmental and social performance
- published and freely available for download from the sustainability section of the Group website (www.fiatspa.com) as well as available in its interactive format at www.2013interactivesustainabilityreport.fiatspa.com

The 2012 Sustainability Report was made available at Fiat S.p.A.'s Annual General Meeting on 9 April 2013.

⁽¹⁾ The Chief Executive Officer of Fiat S.p.A. 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.

Details by operating segments

> GRI-G4 9

Mass-Market and Premium Brands

EMEA (€ million)

	2013	2012 ⁽²⁾	2011 ⁽¹⁾
Segment revenues	17,420	17,800	19,591
Trading profit/(loss)	(470)	(703)	(557)
Shipments (000s)	979	1,012	1,166

LATAM (€ million)

	2013	2012 ⁽²⁾	2011 ⁽¹⁾
Segment revenues	9,973	11,062	10,562
Trading profit/(loss)	619	1,056	1,356
Shipments (000s)	950	979	910

NAFTA (€ million)

	2013	2012 ⁽²⁾	2011 ⁽¹⁾
Segment revenues	45,777	43,521	19,830
Trading profit/(loss)	2,220	2,443	1,008
Shipments (000s)	2,238	2,115	1,033

APAC (€ million)

	2013	2012	2011 ⁽¹⁾
Segment revenues	4,621	3,128	1,513
Trading profit/(loss)	358	260	88
Shipments (000s)	163	103	53

Luxury and Performance Brands

Ferrari (€ million)

	2013	2012 ⁽³⁾	2011
Net revenues	2,335	2,225	2,251
Trading profit/(loss)	364	335	312
Employees at year-end (no.)	2,787	2,719	2,695

Maserati (€ million)

	2013	2012 ⁽³⁾	2011
Net revenues	1,659	755	588
Trading profit/(loss)	171	57	40
Employees at year-end (no.)	890	770	714

Components and Production Systems

Magneti Marelli (€ million)

	2013	2012	2011
Net revenues	5,988	5,828	5,860
Trading profit/(loss)	166	141 ⁽⁴⁾	181
Employees at year-end (no.)	38,157	36,911	34,804

Comau (€ million)

	2013	2012	2011
Net revenues	1,463	1,482	1,402
Trading profit/(loss)	48	33 ⁽⁴⁾	10
Employees at year-end (no.)	13,481	13,277	14,457

Teksid (€ million)

	2013	2012	2011
Net revenues	688	780	922
Trading profit/(loss)	(13)	-	26
Employees at year-end (no.)	8,754	7,214	7,865

⁽¹⁾ Data includes Chrysler Group as of June 2011.

⁽²⁾ The figures previously reported for 2012 have been restated to reflect application of the amendment to IAS (International Accounting Standards) 19.

⁽³⁾ Ferrari and Maserati stand alone have been restated to reflect the allocation to Maserati of its activities in China conducted, from a legal entity standpoint, through the local Ferrari subsidiary.

⁽⁴⁾ The figures previously reported for 2012 have been restated to reflect application of the amendment to IAS (International Accounting Standards) 19. Restatement resulted in total.

Details by operations⁽¹⁾

GRI-G4 EN3, EN4, EN15, EN16

Direct and indirect energy consumption Worldwide (GJ)

	Fiat Group	Mass-Market and Premium Brands				Luxury and Performance Brands		Components and Production Systems		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
2013										
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
Total energy consumption	48,322,332	29,138,169	6,901,737	1,267,324	776,102	556,116	810,388	3,887,418	4,712,563	272,515
from renewable sources	9.7%	6.3%	12.1%	-	-	1.3%	12.7%	18.0%	25.1%	5.0%
2012										
Plants	144	30	21	2	4	1	2	64	6	14
Electricity ⁽²⁾	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 ⁽²⁾	5,570,488	4,516,064	631,434	-	-	-	-	252,218	128,918	41,854
Total energy consumption	45,691,953	27,226,469	6,792,062	1,108,761	767,125	46,214	758,932	3,939,463	4,787,596	265,331
from renewable sources	9.8%	6.1%	9.9%	-	-	15.6%	17.0%	18.1%	27.2%	5.1%
2011										
Plants	150	31	22	2	4	1	2	69	6	13
Electricity ⁽²⁾	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 ⁽²⁾	6,728,214	5,605,564	698,243	-	-	-	-	269,864	113,259	41,284
Total energy consumption	48,875,264	29,262,063	7,055,569	1,098,595	529,530	48,708	730,702	4,386,411	5,514,676	249,010
from renewable sources	9.7%	6.4%	8.1%	-	-	11.8%	13.5%	18.0%	26.1%	5.5%

Direct and indirect CO₂ emissions Worldwide (tons)

	Fiat Group	Mass-Market and Premium Brands				Luxury and Performance Brands		Components and Production Systems		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
2013										
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
Total CO₂ emissions	4,178,320	2,370,792	826,897	119,576	67,368	41,921	68,084	346,746	315,141	21,795
2012										
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
Total CO₂ emissions	3,965,210	2,211,302	835,921	105,657	67,218	3,113	61,119	349,577	308,077	23,226
2011										
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
Total CO₂ emissions	4,196,067	2,337,404	851,227	107,267	58,991	3,494	61,082	386,261	368,490	21,851

⁽¹⁾ In this section, the data relative to 2011 include Chrysler Group for the full year.

⁽²⁾ Data may differ slightly from those published in the 2012 Sustainability Report due to a different method used to break down energy from renewable sources.

GRI-G4 EN8, EN22

Water withdrawal and discharge

Worldwide (thousands of m³)

	Fiat Group	Mass-Market and Premium Brands				Luxury and Performance Brands		Components and Production Systems		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
2013										
Plants	142	33	18	2	4	2	2	61	6	14
Withdrawal										
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	-	-
Total water withdrawal	24,936	14,812	3,539	293	171	320	674	2,577	2,443	106
Discharge										
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	-	-
Total water discharge	16,196	9,012	2,876	139	84	95	447	1,084	2,384	76
2012										
Plants	144	30	21	2	4	1	2	64	6	14
Withdrawal										
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	-	-
Total water withdrawal	25,874	15,449	3,708	239	201	16	618	2,662	2,863	118
Discharge										
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	-
Total water discharge	17,321	9,378	2,755	110	106	16	319	2,217	2,335	85
2011										
Plants	150	31	22	2	4	1	2	69	6	13
Withdrawal										
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	-	-
Total water withdrawal	29,862	17,766	4,472	245	135	16	538	2,924	3,644	122
Discharge										
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	-
Total water discharge	18,839	10,578	3,477	122	126	15	178	1,570	2,689	84

Waste generation and management

Fiat Group worldwide (tons)

2013	Fiat Group	Mass-Market and Premium Brands				Luxury and Performance Brands		Components and Production Systems		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	142	33	18	2	4	2	2	61	6	14
Waste generated										
Non-hazardous waste	1,770,029	942,887	145,877	45,574	14,065	2,635	8,224	53,620	554,213	2,933
Hazardous waste	39,069	16,289	6,543	-	-	270	3,003	8,877	3,629	458
Total waste generated	1,809,098	959,176	152,421	45,574	14,065	2,905	11,227	62,497	557,842	3,391
of which packaging	121,837	96,699	8,488	8	1,379	2,545	1,043	10,196	1,026	453
Waste disposed										
Waste-to-energy conversion	23,750	18,762	1,871	340	-	-	-	613	1,863	301
Treatment	31,055	3,602	11,455	6	-	246	6,052	7,400	1,962	331
Sent to landfill	438,741	12,050	2,071	123	752	-	-	2,952	420,574	219
Total waste disposed	493,546	34,414	15,397	469	752	246	6,052	10,965	424,399	851
Waste recovered										
Total waste recovered	1,315,552	924,762	137,023	45,105	13,313	2,659	5,175	51,532	133,443	2,540
waste recovered	72.7%	96.4%	89.9%	99.0%	94.7%	91.5%	46.1%	82.5%	23.9%	74.9%
waste sent to landfill	24.3%	1.3%	1.4%	0.3%	5.3%	0.0%	0.0%	4.7%	75.4%	6.5%
2012										
Plants	144	30	21	2	4	1	2	64	6	14
Waste generated										
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
Total waste generated	1,760,737	921,072	147,126	31,661	14,912	444	11,504	79,281	551,068	3,669
of which packaging	75,332	52,053	9,255	6	383	321	807	11,294	779	434
Waste disposed										
Waste-to-energy conversion	19,950	14,144	1,251	298	-	-	1	2,296	1,709	251
Treatment	31,219	10,303	5,309	1	38	48	7,532	6,461	1,210	317
Sent to landfill	438,345	10,270	2,614	-	827	-	124	6,322	417,574	614
Total waste disposed	489,514	34,717	9,174	299	865	48	7,657	15,079	420,493	1,182
Waste recovered										
Total waste recovered	1,271,223	886,355	137,952	31,362	14,047	396	3,847	64,202	130,575	2,487
waste recovered	72.2%	96.2%	93.8%	99.1%	94.2%	89.2%	33.4%	81.0%	23.7%	67.8%
waste sent to landfill	24.9%	1.1%	1.8%	0.0%	5.5%	0.0%	1.1%	8.0%	75.8%	16.7%
2011										
Plants	150	31	22	2	4	1	2	69	6	13
Waste generated										
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
Total waste generated	1,855,312	897,994	135,154	34,987	12,602	442	11,294	91,976	667,144	3,719
of which packaging	97,099	69,875	10,191	12	309	323	757	13,222	1,887	523
Waste disposed										
Waste-to-energy conversion	23,336	16,509	2,165	258	-	-	-	2,544	1,833	27
Treatment	37,489	8,867	10,209	-	-	52	7,941	7,956	1,969	495
Sent to landfill	547,056	14,423	5,535	184	521	-	129	8,999	516,474	791
Total waste disposed	607,881	39,799	17,909	442	521	52	8,070	19,499	520,276	1,313
Waste recovered										
Total waste recovered	1,247,431	858,195	117,246	34,545	12,080	390	3,224	72,477	146,868	2,406
waste recovered	67.2%	95.6%	86.8%	98.7%	95.9%	88.2%	28.5%	78.8%	22.0%	64.7%
waste sent to landfill	29.5%	1.6%	4.1%	0.5%	4.1%	0.0%	1.1%	9.8%	77.4%	21.3%

Details by workforce

> GRI-G4 10, 13

Employees in numbers⁽¹⁾

Workforce gender distribution by geographic area

Fiat Group worldwide

	2013			2012		
	workforce by geographic area (no.)	% men	% women	workforce by geographic area (no.)	% men	% women
Europe	89,030	78.4	21.6	88,625	78.4	21.6
North America	81,365	77.6	22.4	73,713	78.0	22.0
Latin America	48,306	90.4	9.6	46,949	91.2	8.8
Asia	6,699	70.2	29.8	5,360	70.3	29.7
Rest of world	187	72.7	27.3	189	72.5	27.5
Total	225,587	80.4	19.6	214,836	80.8	19.2

Workforce gender distribution by category⁽²⁾

Fiat Group worldwide

	2013			2012		
	workforce by category (no.)	% men	% women	workforce by category (no.)	% men	% women
Manager	2,409	86.9	13.1	2,302	86.9	13.1
Professional	31,302	81.7	18.3	29,051	81.8	18.2
Salaried	33,047	71.1	28.9	30,670	70.9	29.1
Hourly	158,829	82.0	18.0	152,813	82.6	17.4
Total	225,587	80.4	19.6	214,836	80.8	19.2

Workforce by geographic area and category

Fiat Group worldwide (no.)

2013	2013					2012				
	Total	Hourly	Salaried	Professional	Manager	Total	Hourly	Salaried	Professional	Manager
Europe	89,030	57,137	14,857	15,857	1,179	88,625	57,576	14,526	15,392	1,131
North America	81,365	60,145	9,014	11,151	1,055	73,713	54,356	8,406	9,959	992
Latin America	48,306	38,826	6,242	3,085	153	46,949	38,695	5,309	2,794	151
Asia	6,699	2,696	2,905	1,078	20	5,360	2,161	2,364	809	26
Rest of world	187	25	29	131	2	189	25	65	97	2
Total	225,587	158,829	33,047	31,302	2,409	214,836	152,813	30,670	29,051	2,302

Workforce gender distribution by operating segment

Fiat Group worldwide

	2013			2012		
	workforce by operating segment (no.)	% men	% women	workforce by operating segment (no.)	% men	% women
Mass-Market and Premium Brands	154,074	82.0	18.0	145,372	82.7	17.3
of which Fiat Group Automobiles ⁽³⁾	77,786	85.9	14.1	77,259	86.1	13.9
of which Chrysler Group	76,288	78.0	22.0	68,113	78.9	21.1
Luxury and Performance Brands	3,677	87.5	12.5	3,489	87.8	12.2
of which Ferrari	2,787	89.5	10.5	2,719	89.4	10.6
of which Maserati	890	81.1	18.9	770	81.9	18.1
Components and Production Systems	59,082	79.9	20.1	57,402	79.6	20.4
of which Magneti Marelli	38,157	72.6	27.4	36,911	71.8	28.2
of which Comau	13,481	92.1	7.9	13,277	92.9	7.1
of which Teksid	7,444	94.7	5.3	7,214	95.0	5.0
Others ⁽⁴⁾	8,754	53.3	46.7	8,573	54.2	45.8
Total	225,587	80.4	19.6	214,836	80.8	19.2

⁽¹⁾ Unless otherwise specified, workforce data is calculated as of year-end.

⁽²⁾ Employees are divided into four main categories: hourly, salaried, professional and manager. Professional encompasses all individuals that perform specialized and managerial roles (including "professional" and "professional expert" under the Fiat S.p.A. classification system and "mid-level professional" and "senior professional" under the Chrysler Group classification). Manager refers to individuals in senior management roles (including those identified as "professional masters," "professional seniors" and "executives" under the Fiat S.p.A. classification system, and "senior managers" and above under the Chrysler Group classification).

⁽³⁾ As of January 2013, Fiat Powertrain is included in FGA: 2012 and 2011 data restated accordingly, in order to ensure data comparability from year to year.

⁽⁴⁾ Others includes companies operating in publishing, communications and services and other companies.

Employees by country

Fiat Group worldwide (%)

	2013	2012
Italy	27.7	28.8
United States	24.4	22.3
Brazil	18.5	18.9
Mexico	6.7	6.8
Canada	4.9	5.2
Poland	4.0	4.8
Argentina	2.4	2.5
Serbia	1.7	1.5
Germany	1.2	1.3
France	1.2	1.2
Spain	0.6	0.6
Venezuela	0.5	0.5
Other countries	6.1	5.6
Total (no.)	225,587	214,836

Workforce by nationality minority group

Fiat Group worldwide

	2013
Employees belonging to a nationally minority group ⁽¹⁾ (no.)	6,076
of which men (%)	77.2
of which women (%)	22.8
over total workforce ⁽²⁾ (%)	2.7

Workforce gender distribution by contract and employment type

Fiat Group worldwide

2013	Unlimited-term				Fixed-term			
	% men		% women		% men		% women	
	Total		Total		Total		Total	
	Part-time		Full-time		Part-time		Full-time	
	% men	% women	% men	% women	% men	% women	% men	% women
Europe	8.3	91.7	79.5	20.5	62.5	37.5	68.6	31.4
North America	33.3	66.7	77.6	22.4	54.0	46.0	94.4	5.6
Latin America	33.3	66.7	90.5	9.5	100.0	-	91.1	8.9
Asia	50.0	50.0	69.5	30.5	100.0	-	72.7	27.3
Rest of world	-	-	72.7	27.3	-	-	-	-

⁽¹⁾ Minority group reported in the table consists of employees with nationality different from country of work (data calculated as of 31 October 2013).⁽²⁾ Workforce calculated as of 31 October 2013.**Nationality of managers**

Fiat Group worldwide

2013	managers (no.)	% of total managers
Italian	1,005	41.7
American	915	38.0
Brazilian	116	4.8
French	66	2.8
German	44	1.8
Polish	23	1.0
Other nationalities	3	9.9
Total (no.)	2,409	

Managers of local nationality by geographic area

Fiat Group worldwide (%)

	2013
Europe	91
North America	100
Latin America	85
Asia	81
Rest of world	50

Workforce by principal ethnic origin⁽²⁾

Fiat Group North America (%)

	2013
Caucasian	58.8
African American	18.2
Hispanic	20.7
American Indian	0.2
Other	2.2

GRI-G4 LA1, LA11

Workforce gender distribution by length of service

Fiat Group worldwide

	2013			2012		
	workforce by length of service (no.)	% men	% women	workforce by length of service (no.)	% men	% women
Up to 5 years	90,413	77.7	22.3	84,542	79.4	20.6
6 to 10 years	28,797	82.8	17.2	22,883	81.3	18.7
11 to 20 years	59,228	81.4	18.6	60,730	81.7	18.3
21 to 30 years	34,714	85.8	14.2	33,324	84.8	15.2
Over 30 years	12,435	74.8	25.2	13,357	75.3	24.7
Total	225,587			214,836		

Workforce gender distribution by age

Fiat Group worldwide

	2013			2012		
	workforce by age (no.)	% men	% women	workforce by age (no.)	% men	% women
Up to 30 years	45,024	80.4	19.6	43,508	81.4	18.6
31 to 40 years	61,631	79.6	20.4	60,089	80.0	20.0
41 to 50 years	66,554	81.2	18.8	64,081	81.6	18.4
Over 50 years	52,378	80.5	19.5	47,158	80.4	19.6
Total	225,587			214,836		

Workforce gender distribution by level of education

Fiat Group worldwide

	2013			2012		
	workforce by education (no.)	% men	% women	workforce by education (no.)	% men	% women
University degree or equivalent ⁽¹⁾	52,202	76.1	23.9	47,161	76.6	23.4
High school	100,369	82.7	17.3	91,933	83.6	16.4
Elementary/middle school	56,671	81.4	18.6	55,093	81.3	18.7
Not tracked ⁽²⁾	16,345	76.9	23.1	20,649	77.1	22.9
Total	225,587			214,836		

Talent attraction

Fiat Group worldwide

	2013	2012
New graduates recruited (no.)	1,810	1,816
Traineeships (no.)	2,765	2,540
Scholarships ⁽³⁾ (no.)	2,686	2,982
Scholarships (€ million)	1.9	2.5

Individual performance appraisal (PLM, PBF) by gender⁽⁴⁾

Fiat Group worldwide (%)

	2013	2012
Men	84	80
Women	71	63

Employee turnover

Geographic area⁽⁵⁾

Europe	North America	Latin America			
Employees at 31 Dec 2012	88,625	73,713	Employees at 31 Dec 2012	46,949	
New Hires	5,640	16,233	New Hires	9,649	
Departures	(6,533)	(8,567)	Departures	(8,977)	
Δ scope of operations	1,298	(14)	Δ scope of operations	685	
Employees at 31 Dec 2013	89,030	81,365	Employees at 31 Dec 2013	48,306	
Asia	Rest of world	Total worldwide			
Employees at 31 Dec 2012	5,360	Employees at 31 Dec 2012	214,836		
New Hires	2,696	New Hires	34,245		
Departures	(1,436)	Departures	(25,542)		
Δ scope of operations	79	Δ scope of operations	2,048		
Employees at 31 Dec 2013	6,699	Employees at 31 Dec 2013	187	Employees at 31 Dec 2013	225,587

⁽¹⁾ Calculation subject to approximation resulting from the comparison of academic qualifications among different countries.

⁽²⁾ 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.

⁽³⁾ Includes scholarships granted within the corporate program.

⁽⁴⁾ Calculated over eligible employees.

⁽⁵⁾ The geographic areas were redefined in 2012 and 2011 data restated accordingly, in order to ensure data comparability from year to year. For this reason, employee breakdown by geographic area at year-end is not comparable with data reported in the 2011 Sustainability Report.

Category

Hourly		Salaried		Professional		Manager	
Employees at 31 Dec 2012	152,813	Employees at 31 Dec 2012	30,670	Employees at 31 Dec 2012	29,051	Employees at 31 Dec 2012	2,302
New Hires	24,989	New Hires	6,662	New Hires	2,503	New Hires	91
Departures	(20,432)	Departures	(4,739)	Departures	(366)	Departures	(5)
Δ scope of operations	1,459	Δ scope of operations	535	Δ scope of operations	33	Δ scope of operations	21
Hourly at 31 Dec 2013	158,829	Salaried at 31 Dec 2013	33,128	Professionals at 31 Dec 2013	31,221	Managers at 31 Dec 2013	2,409

Category and geographic area

Hourly Europe		Hourly North America		Hourly Latin America	
Employees at 31 Dec 2012	57,576	Employees at 31 Dec 2012	54,356	Employees at 31 Dec 2012	38,695
New Hires	3,307	New Hires	12,192	New Hires	8,170
Departures	(4,654)	Departures	(6,420)	Departures	(8,573)
Δ scope of operations	908	Δ scope of operations	17	Δ scope of operations	534
Hourly at 31 Dec 2013	57,137	Hourly at 31 Dec 2013	60,145	Hourly at 31 Dec 2013	38,826

Hourly Asia		Hourly Rest of world		Hourly worldwide	
Employees at 31 Dec 2012	2,161	Employees at 31 Dec 2012	25	Employees at 31 Dec 2012	152,813
New Hires	1,320	New Hires	0	New Hires	24,989
Departures	(785)	Departures	0	Departures	(20,432)
Δ scope of operations	0	Δ scope of operations	0	Δ scope of operations	1,459
Hourly at 31 Dec 2013	2,696	Hourly at 31 Dec 2013	25	Hourly at 31 Dec 2013	158,829

Age group⁽¹⁾

Up to 30 years		31 to 40 years		41 to 50 years		Over 50 years	
Employees at 31 Dec 2012	43,508	Employees at 31 Dec 2012	60,089	Employees at 31 Dec 2012	64,081	Employees at 31 Dec 2012	47,158
New Hires	19,327	New Hires	10,130	New Hires	3,323	New Hires	1,465
Departures	(9,657)	Departures	(8,314)	Departures	(3,266)	Departures	(4,305)
Δ scope of operations	928	Δ scope of operations	127	Δ scope of operations	543	Δ scope of operations	450
Employees at 31 Dec 2013	54,106	Employees at 31 Dec 2013	62,032	Employees at 31 Dec 2013	64,681	Employees at 31 Dec 2013	44,768

Gender

Men		Women	
Employees at 31 Dec 2012	173,689	Employees at 31 Dec 2012	41,147
New Hires	26,228	New Hires	8,017
Departures	(20,224)	Departures	(5,318)
Δ scope of operations	1,742	Δ scope of operations	306
Men employees at 31 Dec 2013	181,435	Women employees at 31 Dec 2013	44,152

⁽¹⁾ Turnover by age does not cover employees that changed age group between 2012 and 2013.

Occupational Health and Safety

> GRI-G4 LA6, LA7

Injuries by geographic area and gender⁽¹⁾

Fiat Group worldwide (no.)

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	323	251	72	332	260	72	488
North America	161	126	35	179	136	43	186
Latin America	259	247	12	292	285	7	320
Asia	5	5	-	5	3	2	15
Rest of world	-	-	-	-	-	-	-
Total	748	629	119	808	684	124	1,009

Days of absence⁽³⁾ by geographic area and gender⁽¹⁾

Fiat Group worldwide (no.)

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	10,407	8,174	2,233	10,709	8,815	1,894	14,841
North America	8,762	6,176	2,586	10,534	7,977	2,557	7,792
Latin America	5,378	5,088	290	5,689	5,626	63	5,864
Asia	72	72	-	149	140	9	472
Rest of world	-	-	-	-	-	-	-
Total	24,619	19,510	5,109	27,081	22,558	4,523	28,969

Occupational illness cases by geographic area and gender⁽¹⁾

Fiat Group worldwide (no.)

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	211	156	55	289	256	33	59
North America	378	217	161	436	279	157	386
Latin America	143	140	3	165	162	3	197
Asia	-	-	-	-	-	-	-
Rest of world	-	-	-	-	-	-	-
Total	732	513	219	890	697	193	642

Frequency rate by geographic area and gender⁽¹⁾

Fiat Group worldwide (accidents per 100,000 hours worked)

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	0.24	0.24	0.26	0.26	0.25	0.29	0.34
North America	0.09	0.09	0.10	0.12	0.12	0.13	0.15
Latin America	0.28	0.31	0.10	0.33	0.35	0.09	0.39
Asia	0.07	0.10	-	0.09	0.07	0.12	0.18
Rest of world	-	-	-	-	-	-	-
Total	0.19	0.19	0.15	0.22	0.22	0.19	0.28

Severity rate by geographic area and gender⁽¹⁾

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

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	0.08	0.08	0.08	0.08	0.09	0.08	0.10
North America	0.05	0.05	0.07	0.07	0.07	0.08	0.06
Latin America	0.06	0.06	0.02	0.06	0.07	0.01	0.07
Asia	0.01	0.01	-	0.03	0.03	0.01	0.06
Rest of world	-	-	-	-	-	-	-
Total	0.06	0.06	0.07	0.07	0.07	0.07	0.08

Occupational Illness Frequency rate by geographic area and gender⁽¹⁾

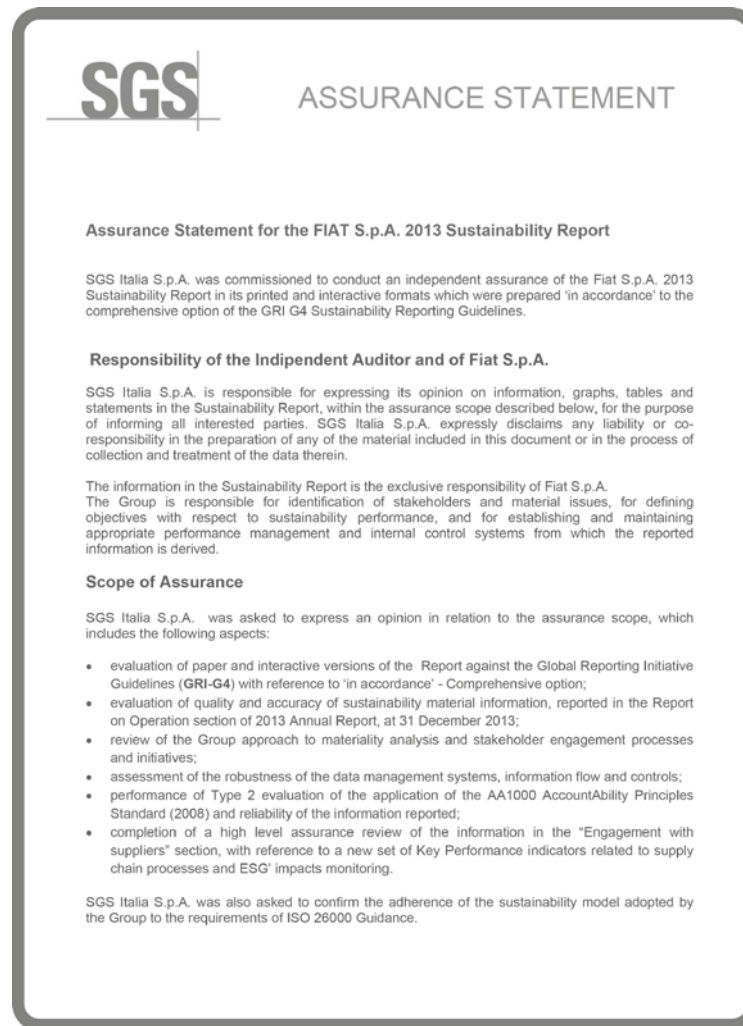
Fiat Group worldwide (cases of occupational illness per 100,000 hours worked)

	2013			2012			2011 ⁽²⁾
	total	men	women	total	men	women	total
Europe	0.16	0.15	0.20	0.23	0.25	0.13	0.04
North America	0.22	0.16	0.46	0.29	0.24	0.49	0.30
Latin America	0.16	0.18	0.02	0.19	0.20	0.04	0.24
Asia	-	-	-	-	-	-	-
Rest of world	-	-	-	-	-	-	-
Total	0.18	0.16	0.28	0.24	0.23	0.29	0.18

⁽¹⁾ Starting in 2012, the Occupational Health and Safety indicators also include a breakdown by gender.⁽²⁾ Data includes Chrysler Group for the full year.⁽³⁾ 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.

Statement of assurance

This Sustainability Report has been audited by SGS Italia S.p.A., an 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.



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 and March 2014 at Group sites in Italy (Turin), Serbia (Kragujevac) and the United States (Trenton and Detroit, MI) 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. Financial data are drawn directly from the Fiat S.p.A. Annual Report at 31 December 2013, already certified by the auditing firm.

Assurance Opinion

On the basis of the verification work performed, we are satisfied that the information contained in the Fiat S.p.A. 2013 Sustainability Report is accurate, balanced and reliable, representing an important summary of the activities carried out by the Group in 2013 and an essential tool in communicating with stakeholders.

SGS Italia S.p.A. 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 regards to the level of adherence to the AA1000 Principles (Inclusivity, Materiality and Correspondence), the audit team provides the following opinion:

- the 2013 Materiality analysis and the update of the Sustainability Plan objectives are tangible signs of the Group's commitment to constant dialogue with its stakeholders;
- the Group Multi-Stakeholder Engagement activities and Materiality analysis carried out represent a further step towards the continual goal to identify and prioritize economic, environmental and social aspects as well as impacts;
- the data measurement techniques and bases for calculations have been adequately described to SGS Italia S.p.A. 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 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 "Engagement with suppliers" section, the audit team is of the opinion that:

- the evaluation of suppliers according to sustainability criteria is prevalent within the Group with an accurate screening process. Several initiatives are in place with regards to sustainable procurement, including training on sustainability issues. Further improvement is expected by continuous application of new KPIs set related to supply chain extensive monitoring process. Furthermore, we confirm that the sustainability governance model – integrated in the Group's business model - and methodologies are in line with the requirements of ISO 26000 guidance.

Statement of conclusion

The information contained in the 2013 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 new GRI Guidelines G4, the organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information.

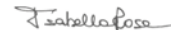
We confirm that the Report is aligned with the requirements of the GRI-G4, 'in accordance' **Comprehensive option**.

Milan, 14th March, 2014

SGS ITALIA S.p.A.

Paola Santarelli
Consumer Testing Services
Systems & Services Certification
Business Manager

Isabella Rosa
Consumer Testing Services
Systems & Services Certification
Project Leader


AA1000
Licensed Assurance Provider
000-8

Index of GRI-G4 content

GRI-G4 32

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 2013 Sustainability Report or other publicly available sources.




Key

PSR = 2013 Paper Sustainability Report











ISR = 2013 Interactive Sustainability Report – www.2013interactivereports.fiatspa.com⁽¹⁾

AR = Annual Report at 31 December 2013

ARCG = Annual Report on Corporate Governance, February 2014

	Fully disclosed
	Partially disclosed
	Not disclosed
n.a.	Not applicable

General standard disclosures

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Strategy and analysis					
G4-1	Statement from the Chairman and the CEO	PSR ISR	8-12		YES-179
G4-2	Key impacts, risks, and opportunities	PSR ISR	12, 46-47		YES-179
Organizational profile					
G4-3	Name of the organization	ARCG	4, 183		YES-179
G4-4	Primary brands, products, and/or services	PSR ISR	30, 33-37		YES-179
G4-5	Location of the organization's headquarters	PSR ISR	194		YES-179
G4-6	Countries where the organization operates	PSR ISR	31, 38-39		YES-179
G4-7	Nature of ownership and legal form	AR ARCG	16-19 183-184		YES-179
G4-8	Markets served	PSR ISR	31		YES-179
G4-9	Scale of the reporting organization	PSR ISR AR	30-31, 170 14-15		YES-179
G4-10	Workforce characteristic	PSR ISR	110-111, 174-175, 177		YES-179
G4-11	Employees covered by collective bargaining agreements	PSR ISR	125-127		YES-179

⁽¹⁾ The Interactive Sustainability Report can be consulted online or downloaded at www.2013interactivereports.fiatspa.com. A search by GRI-G4 indicator can be performed in the pdf file.










> GRI-G4 ³²

DMA and Indicators	Publications	Page	Omission and reason	External Assurance	
G4-12	Organization's supply chain	PSR ISR	88-91	■	YES-179
G4-13	Changes in organization's size, structure, ownership or its supply chain	PSR ISR	42, 88-91, 108, 111, 174-176	■	YES-179
G4-14	Precautionary approach to risk management	PSR ISR	46-47, 49-52, 60, 68	■	YES-179
G4-15	Externally developed charters, principles or initiatives to which the organization subscribes	ISR ARCG	5	■	YES-179
G4-16	Membership in associations or organizations	PSR ISR	21	■	YES-179
Identified material aspects and boundaries					
G4-17	Entities included in the organization reports	PSR AR	33-37 237-258	■	YES-179
G4-18	Reporting principles for defining report content	PSR ISR	16-17	■	YES-179
G4-19	Material aspects identified in defining report content	PSR ISR	16-17	■	YES-179
G4-20	Material aspects within the organization	PSR ISR	16-17	■	YES-179
G4-21	Material aspects outside the organization	PSR ISR	16-17	■	YES-179
G4-22	Restatements of information provided in earlier reports	PSR ISR	167-169	■	YES-179
G4-23	Significant changes from previous reporting periods in scope and aspect boundaries	PSR ISR	167-169	■	YES-179
Stakeholder engagement					
G4-24	Stakeholder groups engaged by the organization	PSR ISR	19, 21-27	■	YES-179
G4-25	Identification and selection of stakeholders to engage	PSR ISR	18-19, 21-27	■	YES-179
G4-26	Organization's approach to stakeholder engagement	PSR ISR	17-19, 21-27	■	YES-179
G4-27	Key topics collected through stakeholder engagement	PSR ISR	20-27, 44, 60, 68-69, 71, 103, 120, 140	■	YES-179
Report profile					
G4-28	Reporting period	PSR ISR	3	■	YES-179
G4-29	Date of the last report	PSR ISR	167-169	■	YES-179




GRI-G4 32 <

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
G4-30	Reporting cycle	PSR ISR	3, 167-169	■	YES-179
G4-31	Contact point for questions regarding the report	PSR ISR	3	■	YES-179
G4-32	GRI Content Index	PSR ISR	3, 181-193	■	YES-179
G4-33	External assurance	PSR ISR	3, 169, 179-180	■	YES-179
Governance					
G4-34	Governance structure	PSR ISR ARCG	14-16, 40-41 6-8, 18	■	YES-179
G4-35	Delegating authority for economic, environmental and social topics	PSR ISR	14-16	■	YES-179
G4-36	Positions with responsibility for economic, environmental and social topics	PSR ISR	14-16	■	YES-179
G4-37	Consultation between stakeholders and the highest governance bodies on economic, environmental and social topics	PSR ISR	14-16	■	YES-179
G4-38	Composition of highest governance bodies and its committees	ISR ARCG	17, 19-20, 23	■	YES-179
G4-39	Executive powers of the Chairman	ISR ARCG	44	■	YES-179
G4-40	Qualification and expertise of highest governance bodies	ISR ARCG	39, 48, 69, 168, 170, 172	■	YES-179
G4-41	Processes to avoid conflicts of interest	ISR ARCG	16-17, 20-21, 36-37, 75	■	YES-179
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	PSR ISR	14-16	■	YES-179
G4-43	Measures taken to develop and enhance the highest governance bodies' collective knowledge of economic, environmental and social topics	PSR	14	■	YES-179
G4-44	Evaluation of the Board of Directors' performance	ARCG ISR	19, 20	■	YES-179
G4-45	Highest governance bodies' role in the identification and management of economic, environmental and social impacts, risks, and opportunities	PSR ISR AR ARCG	46-47 107-108 152	■	YES-179
G4-46	Highest governance bodies' role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	PSR ISR AR ARCG	46-47 107-108 152	■	YES-179

> GRI-G4 ³²

DMA and Indicators	Publications	Page	Omission and reason	External Assurance	
G4-47	Frequency of the highest governance bodies' review of economic, environmental and social impacts, risks, and opportunities	PSR ISR	46-47		YES-179
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	PSR ISR	14-16		YES-179
G4-49	Communicating critical concerns to the highest governance bodies	PSR ISR	14-16		YES-179
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-179
G4-51	Remuneration policies for highest governance bodies and senior executives	AR	189-195, 306-311, 350-361		YES-179
G4-52	Determining remuneration	ARCG	53-58		YES-179
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	ARCG	28, 69, 70		YES-179
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-179
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-179

Ethics and integrity

G4-56	Organization's values, principles, standards and norms of behavior	PSR ISR	43		YES-179
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	PSR ISR	43		YES-179
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	PSR ISR	43, 45-46		YES-179

Specific standard disclosures

Economic

DMA and Indicators	Publications	Page	Omission and reason	External Assurance	
Material aspect: economic performance					
G4-DMA	Generic Disclosures on Management Approach	PSR AR	116 42-79, 114-117, 122-132		YES-179
G4-EC1	Direct economic value generated and distributed	PSR ISR	28		YES-179
G4-EC2	Financial implications, risks and opportunities for the organization's activities due to climate change	PSR ISR	12, 46-47		YES-179

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G4-EC3 Coverage of the organization's defined benefit plan obligations	PSR ISR	116	■	YES-179
G4-EC4 Financial assistance received from government	PSR ISR	60	■	YES-179
Material aspect: market presence				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	115	■	YES-179
G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage	PSR ISR	115	■	YES-179
G4-EC6 Proportion of senior management hired from the local community	PSR ISR	175	■	YES-179
Material aspect: indirect economic impacts				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	88-91, 102-103	■	YES-179
G4-EC7 Development and impact of infrastructure investments and services supported	PSR ISR	46-47, 103-104	■	YES-179
G4-EC8 Significant indirect economic impacts	PSR ISR	46-47, 88-91, 95-97, 103-105, 108	■	YES-179
Material aspect: procurement practices				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	88-91	■	YES-179
G4-EC9 Proportion of spending on local suppliers	PSR ISR	88-91	■	YES-179

Enviromental

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: materials				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	62-63	■	YES-179
G4-EN1 Materials used	PSR ISR	62-64	■	YES-179
G4-EN2 Recycled input materials	PSR ISR	62-64	■	YES-179
Material aspect: energy				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	66-67, 98-99, 134, 140-141	■	YES-179
G4-EN3 Energy consumption within the organization	PSR ISR	101, 140, 171	■	YES-179
G4-EN4 Energy consumption outside of the organization	PSR ISR	66-67, 101, 171	■	YES-179

> GRI-G4 ³²

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G4-EN5 Energy intensity	PSR ISR	141	■	YES-179
G4-EN6 Reduction of energy consumption	PSR ISR	99, 140, 151	■	YES-179
G4-EN7 Reductions in energy requirements of products and services	PSR ISR	49-54, 56-58	■	YES-179
Material aspect: water				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	134, 138, 143-144	■	YES-179
G4-EN8 Water withdrawal	PSR ISR	144, 172	■	YES-179
G4-EN9 Water sources significantly affected by withdrawal	ISR		■	YES-179
G4-EN10 Water recycled and reused	PSR ISR	145	■	YES-179
Material aspect: biodiversity				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	134, 138	■	YES-179
G4-EN11 Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	ISR		■	YES-179
G4-EN12 Description of significant impacts on biodiversity	ISR		■	YES-179
G4-EN13 Habitats protected or restored	ISR		■	YES-179
G4-EN14 List of species with habitats in areas affected by operations, by level of extinction risk	ISR		■	YES-179
Material aspect: emissions				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	66-67, 98-99, 134, 140-142	■	YES-179
G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	PSR ISR	101, 141-142, 164-165, 171	■	YES-179
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	PSR ISR	101, 141-142, 171	■	YES-179
G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	PSR ISR	66-67, 101, 164-165	■	YES-179
G4-EN18 Greenhouse gas (GHG) emissions intensity	PSR ISR	142, 164	■	YES-179
G4-EN19 Reduction of greenhouse gas (GHG) emissions	PSR ISR	99, 135, 140, 150-151, 165-166	■	YES-179
G4-EN20 Emissions of ozone-depleting substances (ODS)	ISR		■	YES-179
G4-EN21 NO _x , SO _x , and other significant air emissions	ISR		■	YES-179

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: effluents and waste					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	134, 138, 146	■	YES-179
G4-EN22	Water discharge	PSR ISR	144-146, 172	■	YES-179
G4-EN23	Waste disposal	PSR ISR	146-149, 173	■	YES-179
G4-EN24	Significant spills	PSR ISR	146	■	YES-179
G4-EN25	Hazardous waste	PSR ISR	148, 173	■	YES-179
G4-EN26	Biodiversity and habitats affected by the organization's discharges	ISR		■	YES-179
Material aspect: products and services					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	48-51, 55, 60, 66-69	■	YES-179
G4-EN27	Mitigation of environmental impacts of products and services	PSR ISR	49-54, 56-61	■	YES-179
G4-EN28	Products sold and their packaging materials that are reclaimed	PSR ISR	66	■	YES-179
Material aspect: compliance					
G4-DMA	Generic Disclosures on Management Approach	ISR		■	YES-179
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	ISR		■	YES-179
Material aspect: transport					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	163-164	■	YES-179
G4-EN30	Environmental impacts of transport	PSR ISR	164-165	■	YES-179
Material aspect: overall					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	134, 138	■	YES-179
G4-EN31	Environmental protection expenditures and investments	PSR ISR	137	■	YES-179

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: supplier environmental assessment				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	92-94	YES-179
G4-EN32	Suppliers screened using environmental criteria	PSR ISR	92-93, 165	YES-179
G4-EN33	Actual and potential negative environmental impacts in the supply chain and actions taken	PSR ISR	92	YES-179
Material aspect: environmental grievance mechanisms				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42, 94, 97-98	YES-179
G4-EN34	Grievances about environmental impacts filed, addressed, and resolved	PSR ISR	42, 97-98	YES-179


Social

Labor practices and decent work

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: employment				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	106-109, 116	YES-179
G4-LA1	Number and rates of new employee hires and employee turnover	PSR ISR	110-111, 176-177	YES-179
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	PSR ISR	116	YES-179
G4-LA3	Return to work and retention rates after parental leave	ISR		YES-179
Material aspect: labor/management relations				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	124	YES-179
G4-LA4	Minimum notice periods regarding operational changes	PSR ISR	124	YES-179
Material aspect: occupational health and safety				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	152-157	YES-179
G4-LA5	Workforce represented in health and safety committees	PSR ISR	161-162	YES-179
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	PSR ISR	158-159, 178	YES-179
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	PSR ISR	160, 178	YES-179
G4-LA8	Health and safety topics covered in formal agreements with trade unions	PSR ISR	127	YES-179

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: training and education					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	112-114, 117-118	■	YES-179
G4-LA9	Training per employee	PSR ISR	81, 87, 116-118, 139	■	YES-179
G4-LA10	Programs for skills management and lifelong learning of employees	PSR ISR	117-118	■	YES-179
G4-LA11	Employees receiving regular performance and career development reviews	PSR ISR	112-114	■	YES-179
Material aspect: diversity and equal opportunity					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	119-123	■	YES-179
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	PSR ISR	120-123	■	YES-179
Material aspect: equal remuneration for women and men					
G4-DMA	Generic Disclosures on Management Approach	ISR		■	YES-179
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-179
Material aspect: supplier assessment for labor practices					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	92-94	■	YES-179
G4-LA14	Suppliers screened using labor practices criteria	PSR ISR	92-93	■	YES-179
G4-LA15	Actual and potential negative impacts for labor practices in the supply chain and actions taken	PSR ISR	92, 94	■	YES-179
Material aspect: labor practices grievance mechanisms					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42, 97-98, 124-126	■	YES-179
G4-LA16	Grievances about labor practices filed, addressed, and resolved	PSR ISR	42, 97-98	■	YES-179
Human rights					
DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: investment					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42-44	■	YES-179
G4-HR1	Investment agreements and contracts that include human rights clauses or that underwent human rights screening	PSR ISR	42-44	■	YES-179

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



DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G4-HR2 Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	PSR ISR	42-44		YES-179
Material aspect: non-discrimination				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	42-45, 124-125		YES-179
G4-HR3 Incidents of discrimination and corrective actions taken	PSR ISR	42-45, 124-125		YES-179
Material aspect: freedom of association and collective bargaining				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	42-44, 92, 128-131		YES-179
G4-HR4 Risks to the right to exercise freedom of association and collective bargaining	PSR ISR	42-44, 92, 94, 128-131		YES-179
Material aspect: child labor				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	42-45, 92		YES-179
G4-HR5 Operations identified as having significant risk for incidents of child labor	PSR ISR	42-45, 92, 94		YES-179
Material aspect: forced or compulsory labor				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	42-44, 92		YES-179
G4-HR6 Operations identified as having significant risk for incidents of forced or compulsory labor	PSR ISR	42-44, 92, 94		YES-179
Material aspect: security practices				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	42-44		YES-179
G4-HR7 Security personnel trained on human rights policies	PSR ISR	42-44	 The process for data collection in under development.	YES-179
Material aspect: indigenous rights				
G4-DMA Generic Disclosures on Management Approach	ISR			YES-179
G4-HR8 Violations of the rights of indigenous peoples	PSR ISR	103-104		YES-179
Material aspect: assessment				
G4-DMA Generic Disclosures on Management Approach	PSR ISR	44-46		YES-179
G4-HR9 Operations subject to human rights reviews or impact assessments	PSR ISR	44-46	 For a portion of the Group data is considered confidential. Evaluations for possible inclusion in the scope of disclosure are ongoing.	YES-179

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: supplier human rights assessment					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	92-94	■	YES-179
G4-HR10	Suppliers screened using human rights criteria	PSR ISR	92-93	■	YES-179
G4-HR11	Actual and potential negative human rights impacts in the supply chain and actions taken	PSR ISR	92, 94	■	YES-179
Material aspect: human rights grievance mechanisms					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42, 97-98	■	YES-179
G4-HR12	Grievances about human rights impacts filed, addressed, and resolved	PSR ISR	42, 97-98	■	YES-179








Society

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: local communities					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	102-104	■	YES-179
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	PSR ISR	18-19, 42-44, 100, 103-104, 108-109	■	YES-179
G4-SO2	Operations with significant actual and potential negative impacts on local communities	PSR ISR	103-104	■	YES-179
Material aspect: anti-corruption					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42-44	■	YES-179
G4-SO3	Operations assessed for risks related to corruption	PSR ISR	42-44	■	YES-179
G4-SO4	Communication and training on anti-corruption policies and procedures	PSR ISR	42-44	■	YES-179
G4-SO5	Confirmed incidents of corruption and actions taken	PSR ISR	44-46	■	YES-179
Material aspect: public policy					
G4-DMA	Generic Disclosures on Management Approach	ISR		■	YES-179
G4-SO6	Value of political contributions	ISR		■	YES-179
Material aspect: anti-competitive behavior					
G4-DMA	Generic Disclosures on Management Approach	ISR		■	YES-179
G4-SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	ISR		■	YES-179

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	ISR		YES-179
G4-SO8	Fines and sanctions for non-compliance with laws and regulations	ISR		YES-179
Material aspect: supplier assessment for impacts on society				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	92-94 	YES-179
G4-SO9	Suppliers screened using criteria for impacts on society	PSR ISR	92-93 	YES-179
G4-SO10	Actual and potential negative impacts on society in the supply chain and actions taken	PSR ISR	92, 94 	YES-179
Material aspect: grievance mechanisms for impacts on society				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	42, 97-98 	YES-179
G4-SO11	Grievances about impacts on society filed, addressed, and resolved	PSR ISR	42, 97-98 	YES-179
Product responsibility				
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: customer health and safety				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	46-47, 65, 70-77 	YES-179
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	PSR	46-47, 60, 65, 71-75, 77 	YES-179
G4-PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	PSR ISR	72 	YES-179
Material aspect: product and service labeling				
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	62-63, 66, 78-87 	YES-179
G4-PR3	Product and service information	PSR	62-63, 66, 78-79, 86-87 	YES-179
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	ISR		YES-179
G4-PR5	Results of surveys measuring customer satisfaction	PSR ISR	86 79-85, 87 	YES-179

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DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: marketing communications					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	86		YES-179
G4-PR6	Sale of banned or disputed products	PSR ISR	86		YES-179
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	ISR			YES-179
Material aspect: customer privacy					
G4-DMA	Generic Disclosures on Management Approach	PSR ISR	84		YES-179
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	PSR ISR	84		YES-179
Material aspect: compliance					
G4-DMA	Generic Disclosures on Management Approach	ISR			YES-179
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	ISR			YES-179

Contacts

Head Office

Via Nizza, 250 - 10126 Turin (Italy)
Tel. +39 011 00.61111
www.fiatspa.com

Sustainability

Tel. +39 011 00.63908
sustainability@fiatspa.com

Investor Relations

Tel. +39 011 00.62709
Fax +39 011 00.63796
investor.relations@fiatspa.com

Press Office

Tel. +39 011 00.63088
Fax +39 011 00.62459
mediarelations@fiatspa.com

Fiat on Social Networks



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