FIAT CHRYSLER AUTOMOBILES

2015 SUSTAINABILITY REPORT

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Contents

Our Business and Responsibilities

Letter from the Chairman and the Chief Executive Officer

FCA closed on a very strong note its first full year as a single, unified global group.

Our results were well in excess of our full-year guidance, further underscoring our commitment to achieve the ambitious 2018 financial targets set out in our five-year plan, and our determination to be a global automaker performing at the highest level.

Excluding Ferrari, net revenues for the year climbed 18 percent to €110.6 billion. Adjusted EBIT came in at €4.8 billion, 43 percent higher than 2014, with NAFTA more than doubling and EMEA returning to profitability one year ahead of plan.

Our net industrial debt was significantly reduced during 2015 and, after the effects of the Ferrari spinoff completed at the beginning of January, the Group begins 2016 operations with net industrial debt of €5 billion, down from the €7.7 billion at year-end 2014.

In order to further fund the capital requirements of the Group's five-year Business Plan, the Board of Directors has decided not to recommend a dividend on FCA common shares for 2015.

Worldwide shipments totaled 4.6 million units, in line with prior year, with continued global expansion for the Jeep brand, which posted an all-time annual record of 1.3 million vehicles shipped worldwide.

Looking at the performance of our mass-market operations by region, in NAFTA we continued to outperform the market, with sales up seven percent over the prior year.

In the United States, we closed the year posting our 69th consecutive month of year-over-year sales gains and our best annual sales since 2006. In Canada, we finished the year as market leader, with 73 straight months of growth and the strongest annual sales performance in our history.

In LATAM, our results were down due to continued macroeconomic weakness in the region resulting in poor trading conditions. Despite this situation, FCA maintained its leadership in Brazil, a position we have held for 14 years. The opening of the new Pernambuco industrial complex in April 2015 is a key move to further consolidate our leadership and to increase the profitability of our operations in the region going forward.

In APAC, results were positive, although below the prior year's level primarily due to the contraction in demand for imported vehicles in China, as competition from local producers continues to intensify. Results were also impacted by the interruption of supply following the Tianjin port explosion in August.

On the back of a more favorable product mix, higher volumes and positive pricing actions, results in EMEA improved significantly, with the region posting an Adjusted EBIT of €213 million, compared with negative €41 million in the prior year.

There were also positive contributions from Maserati, although below the 2014 level, and from Components.

With regard to the near-term outlook, we gave guidance for the current year, with expected revenues of €110 billion or higher, Adjusted EBIT in excess of €5.0 billion and net industrial debt below €5.0 billion.

We will work towards the achievement of these targets with the same spirit that has brought us this far, that of a global company that operates by linking the achievement of financial targets with respect for all stakeholders, convinced that success will ultimately be judged by how it is achieved.

In an era where values such as transparency, integrity and reliability are often put to the test, we believe it is increasingly important that the entire organization work to ensure that our development is responsible. This is why our commitment to sustainable growth is deeply rooted in our corporate culture; it is integral to our business model and, above all, it is something that is non-negotiable.

We believe that the true value of a multi-national organization such as ours is also determined by its level of environmental awareness, respect for people, fair and transparent conduct in commercial relationships and positive contribution to local communities.

We are pleased that our sustainability efforts have been recognized by the world's leading sustainability rating agencies. For the seventh consecutive year, FCA was included in the prestigious DJSI World Index. It was also named to the Climate "A" list in the CDP Climate Change Program 2015 and actively participates in additional CDP initiatives on Water, Forest and Supply Chain.

We also supported the UN Climate Change Conference of the Parties (COP21) through specific commitments and signed the CEO Climate Leadership for Automotive Declaration, signaling our support for the vision of decarbonizing automotive transport. FCA's commitment to sustainable use of the world's resources was also marked by the signing of the Charter of Milan. This document, which was presented to UN Secretary General Ban Ki-moon at the closing of the Milan Expo, reaffirms our involvement in the common goal of protecting and preserving our planet.

To name just a few examples, during 2015 we implemented more than 4,300 new environmental projects at our plants worldwide, leading to about €65 million in savings, while specific projects to reduce water consumption at our facilities resulted in €2.7 million in cost savings and 2.3 billion m^3 of water saved, with our group-wide recycling index reaching 99% in 2015.

As a result of continuous improvements over the years, the percentage of electric energy used in our manufacturing activities that is derived from renewable sources reached 22% in 2015.

Work-related injuries at Group facilities decreased by 20% compared to previous year, representing the 9th consecutive year of improvement.

FCA employees worldwide volunteered thousands of hours to serve the community in the various locations where we operate. In addition, the Group committed more than €22 million to local communities around the world.

A pioneer and leader in natural gas vehicles for 15 years, FCA recently revealed the Chrysler Pacifica Hybrid, the industry's first electrified minivan.

We are convinced that the significant steps we have already taken and the objectives that we have set for the future guarantee FCA and all its stakeholders that "good practices" are not left to individual discretion, but form an integral part of the Group's business strategy.

We want to thank everyone in the FCA organization for their professional and personal contributions, for their courage and determination to change together for the better, constantly guided by a sense of responsibility toward those who have placed their trust in us.

Thank you also to our shareholders and to all of our stakeholders for having been loyal partners on our journey so far and for continuing to support us as we embark on the next phase of our development.

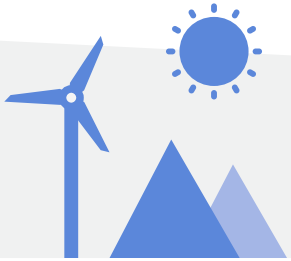
29 February 2016

John Elkann
/S/ Chairman

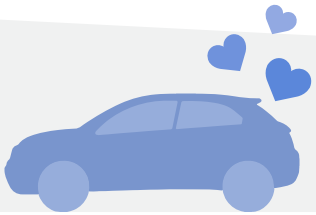
Sergio Marchionne
/S/ Chief Executive Officer

Generating Value, Delivering on Leadership

Delivering Commitments and Actions



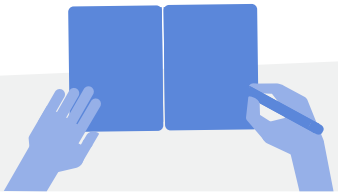
FCA signs **CEO Climate Leadership** for **Automotive Declaration**



FCA **supports climate-specific commitments** through **COP21**

FCA Global Sustainable Mobility Partner for **EXPO 2015** opened to **20M visitors** from around the world

Low carbon logistics implemented in North America with fleet of **179** new **Compressed Natural Gas** trucks



€22M committed to **local communities**, including **53%** for **educational programs**

4,600+ stakeholders engaged in **sustainability discussions** worldwide

500+ performance indicators and long-term **sustainability targets monitored** worldwide

Delivering Milestones >

Generating Value, Delivering on Leadership

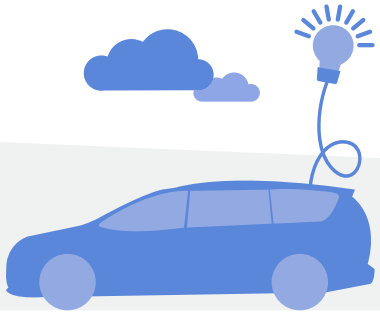
Delivering Milestones

1.2M tons of **waste recovered** to support transition to **circular economy**

- 38% water used for **each vehicle** produced worldwide vs 2010

Frequency and **Severity** of injuries **reduced** for **ninth consecutive year**

~ 33% of top 200 **shareholders** participating in FCA listing on NY and Milan Stock Exchanges are **Highly ESG sensitive**



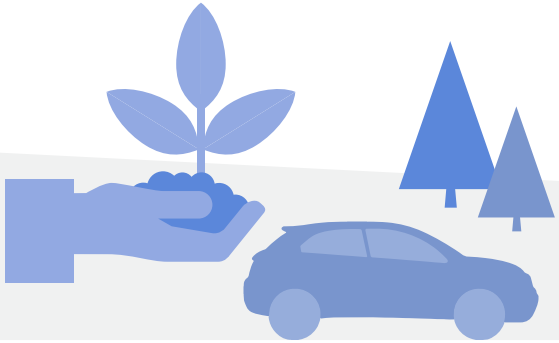
FCA unveils **industry's first electrified minivan:** Chrysler Pacifica Hybrid

Delivering Recognitions >

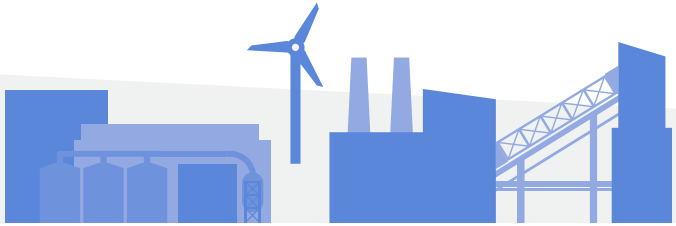
Generating Value, Delivering on Leadership

Delivering Recognitions

FCA wins **Best Employers** for **Healthy Lifestyles** Gold Award in U.S.



FCA marks more than **15 years** as **pioneer** and **leader** in **natural gas** vehicles in **Europe**



67% of FCA plants with certified **World Class Manufacturing** performance level

Environmental achievements recognized at global **EHSLA event**

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

CDP A LIST 2015 CLIMATE

FCA recognized among world's leading companies for combined economic, environmental and social performance

Our Business Model

Fiat Chrysler Automobiles is an international automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems, with operations in approximately 40 countries and commercial relationships with customers across 150 countries.
In 2015, FCA activities were organized through seven reportable segments[1] operating to achieve profitability and responsible growth in a highly competitive and dynamic economy.

FCA touches countless lives on a daily basis, from our 235,000 employees, to the thousands of individuals who work for our dealers and suppliers, to the more than 4.6 million customers who, in 2015, bought our new vehicles. We create value through the improved livelihoods of our customers and employees, vitality among our communities, and financial return to our investors.

Each stage of the **value chain** includes a description of the main activities related to that stage, a link to the section on related FCA results and a list of potential direct or indirect impacts on various capitals and stakeholders related to that stage.
The information is reported following recommendations of the Integrated Reporting framework and the G4 standard issued by the Global Reporting Initiative.

FCA believes that the ability to create value for stakeholders through each of the value chain phases can help to promote responsible development and tackle climate change. The need to transition to a low-carbon and more sustainable future is one of the major challenges facing everyone on the planet today.

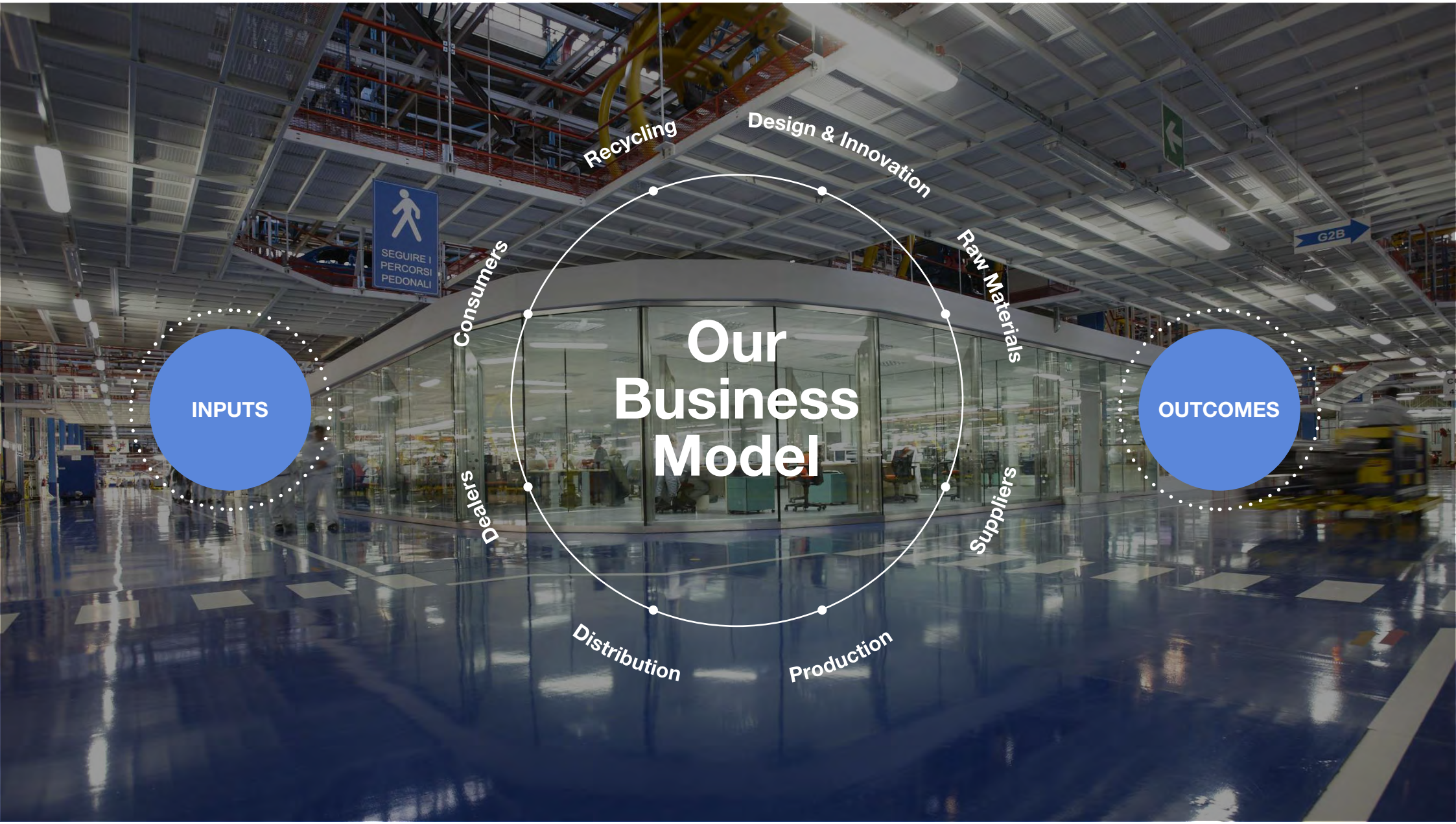
Central to FCA's approach is the belief that effective, lasting solutions to climate change and other pressing environmental issues can only be achieved through an integrated approach that combines individual and collective commitment; an effective multi-stakeholder strategy; investment in enabling premium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

The graphics present a simplified view of our highly complex industry to illustrate how various capitals (financial, production, intellectual, human, natural, social and relational) as inputs are converted through our business activities into outcomes, bringing value to our customers, to society and to the environment.

The relationship between inputs and outcomes is intended to show the interconnectivity of the Group's activities and is not cause-and-effect; several inputs can affect one single outcome or a single input may impact many outcomes.

[1] *Four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), two global luxury brand segments (Ferrari and Maserati) and a global components segment (Magneti Marelli, Comau and Teksid). Ferrari spin-off effective since January 3, 2016.*

GRI: G4-2, G4-3, G4-6, G4-8, G4-9, G4-EC2


Recycling
Design & Innovation
Raw Materials
Suppliers
Production
Distribution
Dealers
Consumers
INPUTS
Our Business Model
OUTCOMES
SEGUIRE I PERCORSI PEDONALI
G2B

Our Business Model

Design & Innovation

This stage includes the research, development and design activities conducted with respect to both products and processes within the Group. Innovative approaches to vehicle efficiency, safety and quality combine with processes that reduce waste of all kind throughout the value chain.

> Read more

Impacts

- Innovation in products and processes
- Customer safety during driving experience
- Vehicle fuel economy and CO_2 emissions
- Vehicle quality
- Customer satisfaction and loyalty
- Product competitiveness and reputation
- Brand perception and value
- Vehicle material composition and end-of-life
- Greenhouse gas emissions and natural resource consumption in production processes
- Employee health and safety in production processes

< RECYCLING
RAW MATERIALS >

Our Business Model

Raw Materials

This stage covers the extraction of raw materials that are subsequently processed and transformed to manufacture our vehicles.

> Read more

Impacts

- Indirect environmental impacts from extraction and material sourcing operations
- Indirect social impacts on communities near the extraction site
- External stakeholder perception due to raw material provision
- International standards and regulatory compliance
- Indirect employment in third parties' operations
- Local revenue for business partners

DESIGN & INNOVATION
SUPPLIERS

Our Business Model

Suppliers

This stage includes the operations suppliers perform to provide FCA with the parts, components and services necessary for the production of Group vehicles.

> Read more

Impacts

- Indirect employment in third parties' operations
- Working conditions for third party employees
- Local revenue for business partners and communities where FCA operates
- Indirect emissions and natural resource consumption
- Innovation on components and processes
- Technological sharing among regions and industries

RAW MATERIALS
PRODUCTION

GRI: G4-EC8, G4-SO2

Our Business Model

Production

This stage includes all activities at Group plants which transform parts and components into finished vehicles.

> Read more

Impacts

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

< SUPPLIERS
DISTRIBUTION >

Our Business Model

Distribution

This stage includes transport, storage and distribution operations of raw materials and components to plants, and finished vehicles from the production site to dealerships before reaching the final customer.

> Read more

Impacts

- Indirect employment in third parties' operations
- Local revenue for business partners and communities
- Fuel consumption and greenhouse gas emissions
- Social impacts on traffic and road safety
- Production continuity
- Vehicle delivery to customers

PRODUCTION
DEALERS

GRI: G4-EC8, G4-SO2

Our Business Model

Dealers

This stage includes the activities that take place in the dealerships, from customer welcome, to sale and delivery of vehicles and after-sales technical assistance.

> Read more

Impacts

- Indirect employment
- Local revenue for business partners and communities
- Product competitiveness
- Customer satisfaction and loyalty
- Brand perception and value
- Sales and profitability

< DISTRIBUTION
CONSUMERS >

GRI: G4-EC8, G4-SO2

Customers

This stage relates to the use phase of our vehicles by consumers around the world.

> Read more

Impacts

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

< DEALERS
RECYCLING >

Our Business Model

Recycling

This stage includes operations for the disposal of vehicles at the end of their useful life.

> Read more

Impacts

- Sourcing of raw materials
- Access to critical raw materials
- Natural resource scarcity
- Environmental impacts of vehicle end-of-life: waste generation, dismantling, recycling, disposal management and remanufacturing

< CONSUMERS

DESIGN & INNOVATION >

GRI: G4-EC8, G4-SO2

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | Social and Relationship | Natural

Financial capital consists of the financial resources available to FCA for use in the development, production and sale of quality vehicles that can successfully compete in an increasingly global market.

INPUTS

€96.1 billion
Net Revenues (2014)

€7.7 billion
Net Industrial Debt (2014)

€1.06 billion
Adjusted net profit - including Ferrari (2014)

€26.2 billion
Available Liquidity (2014)

OUTCOMES

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | **Manufactured** | Intellectual | Human | Social and Relationship | Natural

Manufactured capital consists of FCA buildings, technology and other physical assets and the value of investments to maintain and upgrade those assets to the highest technical and quality standards.

INPUTS

166 manufacturing facilities
worldwide, as well as other properties
(parts distribution centers, research laboratories, proving grounds, warehouses and office buildings)

€27.5 billion of total carrying value of **FCA property**, plant and equipment assets

OUTCOMES

GRI: G4-9, G4-EC7, G4-EC8

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | **Intellectual** | Human | Social and Relationship | Natural

Intellectual capital consists of knowledge-based assets such as systems and processes, patents and licenses, and other know-how that FCA can trace back to its more than century-long heritage in the automotive sector.

INPUTS

- **8,311 patents** registered at December 31, 2014
- Approximately **€4.1 billion invested** in **research and development activities**[2]
- **85 R&D locations** with approximately **20,000 employees**

OUTCOMES

- Continuous research on **vehicle innovation**, **quality**, **safety**, **performance** and **eco-mobility**
- **World Class Manufacturing** program adopted in 2006
- **Employee suggestions** for **improvement collected** worldwide

[2] *Includes capitalized R&D and R&D charged directly to the income statement (Ferrari included in the scope).*

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | **Human** | Social and Relationship | Natural

FCA human capital consists of all individuals worldwide who dedicate themselves on a daily basis to achieving the organization's objectives and creating sustainable long-term value for stakeholders.

INPUTS

228,690 employees at December 31, 2014

~€**61 million** invested in training and development

~**62,400 employees evaluated** globally **through** the **Performance Leadership Management** evaluation process (managers, professional and salaried)

€**291 million invested** for improvement to **Safety** and **Working Conditions** and to employee health, equivalent to 2.5% of annual personnel costs

Health and Safety certification (OHSAS) in place at **136 plants**, covering 187,000 employees

OUTCOMES

GRI: G4-9, G4-LA9, G4-LA10, G4-LA11

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | **Social and Relationship** | Natural

Social and relationship capital consists of the network of relationships based on dialogue that FCA has with internal and external stakeholders, including suppliers, business partners, distributors, dealers, customers, media, investors, public institutions and authorities, regulatory agencies, schools, universities and local communities.

INPUTS

More than **4,600 stakeholders** worldwide **responded to online sustainability survey**

72 sustainability targets updated and communicated to stakeholders

Open dialogue with **international institutions**, **associations** and **partners** on a global scale

~8,500 distribution relationships (dealers and distributors) across **150 countries**

26 Customer Contact Centers worldwide, **30 languages spoken**, more than **1,400 agents**

€62.0 billion in purchases from **2,347 direct material suppliers**

Sustainability Self-Assessment Survey completed by **327 suppliers**

More than **€22 million donated** to local communities, of which **53% to support education**, **culture and art**

OUTCOMES

GRI: G4-EC8, G4-EN32, G4-EN33, G4-LA14, G4-HR10, G4-SO9

Value Chain Inputs

These are key figures that serve as input in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | Social and Relationship | **Natural**

Natural capital consists of resources, either physical or not, required by FCA to conduct its activities and manufacture its products.

INPUTS

Approximately **48 million GJ** of **energy consumed** at Group plants worldwide

21.9% of **electricity from renewable sources**

5.93 GJ of **energy consumed** per **vehicle produced**

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

3.09 m³ of **water consumed** per **vehicle produced**

Average of **1,392.6 kg** of **materials used** per **vehicle in Europe**, of which **583.4 kg** are **recycled materials**

OUTCOMES

GRI: G4-9, G4-EN1, G4-EN2, G4-EN3, G4-EN5, G4-EN8

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | Social and Relationship | Natural

Financial capital generated through the sale of Group products enables FCA to strengthen its global market position and invest to increase the value of the other capitals (including Ferrari).

INPUTS

€113.2 billion
Net Revenues (2015), **+18%** vs previous year

€2 billion
Adjusted Net Profit (2015)

€6 billion
Net Industrial Debt (2015)

€25.2 billion
Available Liquidity (2015)

3.2 million of FCA outstanding **shares** held by **Socially Responsible Investors**[3]

OUTCOMES

[3] *Data refers to IPREO Shareholders Identification registered in February 2016.*

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | **Manufactured** | Intellectual | Human | Social and Relationship | Natural

FCA increases its manufactured capital by developing its global presence and increasing production capacity through modernization of existing plants and construction of new plants.

INPUTS

Expanded **Jeep manufacturing footprint** at the global level to support the brand's increase in sales. In October 2015, the **first Jeep Cherokee rolled off** the line **at the Changsha plant** (China), which is adopting **World Class Manufacturing** standards **to bring Chinese consumers world-class quality** vehicles.

Retooled Mirafiori Assembly Plant (Italy) for the **production** of the **Maserati Levante**, the **brand's first ever SUV**, starting in early 2016

OUTCOMES

GRI: G4-9, G4-EC7, G4-EC8

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | **Intellectual** | Human | Social and Relationship | Natural

To succeed in the highly-competitive, technology-driven auto sector, FCA continuously develops its intellectual capital as one of the means to improve the sustainability profile of its products and processes.

INPUTS

704 new patents and **664 new design rights** registered in 2015

Development of **integrated execution strategies** and **common flexible architectures**, including Small Wide platform (Jeep Renegade and 500X) and standardized parts and components

135 facilities applying **World Class Manufacturing** program, with **70** reaching an award level **(5 Gold level**, **15 Silver and 50 Bronze)**

Employee engagement demonstrated through more than **2.2 million WCM suggestions**

OUTCOMES

Numerous **product recognitions in 2015**, including:

- **"Auto Europa"** award **for the second consecutive year** given to **FCA** for **leadership in natural gas technology**
- The **new Fiat Doblò Cargo** named **"Light Van of the Year"**
- **Fiat Professional brand** named **"Van Fleet Manufacturer of the Year"** for the **second year running** and **"Green Fleet Manufacturer of the Year"**
- **Jeep Grand Cherokee EcoDiesel** named **2015 Green SUV of the Year** by Green Car Journal
- **3.0-liter EcoDiesel V-6** among Ward's **"10 Best Engines"** for **third consecutive year**
- **Uconnect®** received **"Infotainment of the Year"** award from Digital Trends

More than **71,000 suggestions** received **from employees** through **iPropose initiative**, **STEP-UP!**, **Mais** and **Haz Máz** programs

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | **Human** | Social and Relationship | Natural

FCA regards proper recognition and development of human capital as fundamental to the long-term success of the organization. Excellence is heavily dependent on factors such as diversity, professional experience and know-how, and a healthy and safe work environment.

INPUTS

234,621 employees, **+2.6%** vs 2014

2.8 million hours of **training** worldwide

Empowered individuals offered **professional opportunities** that allow them to gain experience in other geographic or business areas

Well-being initiatives of the **Health Promotion Program** implemented at selected locations

OUTCOMES

Accident indicators improved, with **decreases of 20% in the Frequency Rate** and **20% in the Severity Rate** vs 2014

Safety record responsible for savings of approximately **€88 million** in state accident premiums in Italy since 2011

Establishment of **Environment**, **Health and Safety Leadership Awards**, which are **open to** all **FCA employees and contractors**

GRI: G4-9, G4-LA1, G4-LA9

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | **Social and Relationship** | Natural

FCA's dialogue with the various categories of stakeholders enriches its social and relationship capital and is essential to identifying current and future trends that can influence the choices of the Group itself, as well as consumers, business partners, lawmakers and regulators, etc.

INPUTS

Results of **sustainability-focused Stakeholder Engagement process** used to update the **Materiality Diagram** and **extend engagement** to other countries

FCA recognized as a leader for its sustainability commitment and performance. **FCA included in** the prestigious **Dow Jones Sustainability Index World**, as well as the **CDP Climate Performance Leadership Index** (A list)

FCA **Official Global Partner for Expo Milano 2015** and supplier of **official fleet of 71 natural gas** and **10 electric-powered vehicles**

OUTCOMES

Customer **recognition of brand value** demonstrated by increasing sales volumes: **Jeep's strong global performance** continued with **record worldwide shipments** of **1.3 million**, **up 21%** vs 2014

Nearly **16 million customer contacts** managed by our **Customer Contact Centers**

Key suppliers accounted for **roughly 61%** of total purchase value

Approximately **36 ideas** were **implemented by suppliers** in the EMEA region, allowing **shared economic benefits** of approximately **€1.1 million**

Supported several initiatives worldwide **for development** of **local communities**, **2,736 scholarships awarded** and partnerships with universities, research institutes and public institutions

GRI: G4-9, G4-EC8

Value Chain Outcomes

These are key figures that serve as outcomes in generating value for our stakeholders. Data reflects the status at December 31, 2015, unless stated otherwise.

Financial | Manufactured | Intellectual | Human | Social and Relationship | **Natural**

FCA acts to minimize any potentially negative impact of its activities on natural capital by adopting leading technologies and processes, reducing consumption of natural resources, mitigating supplier-related risks and, in general, seeking to apply the highest international standards and best practices.

INPUTS

4.1 million tons of CO_2 emissions at Group plants, a **decrease of 6.8%** vs 2010 despite a **0.2% increase in production volumes**

1.2 million cumulative tons of CO_2 emissions avoided since 2010 through a **23.4% decrease in emissions** per vehicle produced

19.6 million m^3 of water discharged at Group plants worldwide

2.3 billion m^3 of water saved at Group plants worldwide with **recycling index of 98.9%**

OUTCOMES

1.5 million tons in total waste generated at Group plants worldwide, of which **14.9% sent to landfill** and **82.3% recovered**

70.7% reduction vs 2010 **in hazardous waste** per vehicle produced at Group plants

Approximately **4,300 environmental projects** implemented **under the WCM program**, leading to a **significant reduction** (3,700 TJ) in **energy consumption** compared with 2014 and resulting in **0.3 million tons of CO_2 emissions** avoided and **€65 million** in costs saved

83% of **vehicle materials reused** and/or **recovered** in Italy

GRI: G4-9, G4-EN10, G4-EN19, G4-EN22, G4-EN23

Our Responsibilities

Fighting Climate Change

The global fight against the harmful effects of climate change made a significant leap forward in 2015, with the landmark agreement signed at the United Nations Climate Change Conference of the Parties (COP21). To contribute to the goal of keeping global warming below 2 degrees Celsius, 195 countries pledged to curb emissions and take action to preserve the environment.

Together with other sectors, the automotive industry is being called upon to help stabilize the level of greenhouse gases in the atmosphere and to take an active role in the research and development of solutions for more sustainable mobility. FCA believes that effective, long-lasting results to address climate change can only be achieved through the combined efforts of government, energy producers, manufacturers, consumers, academia and the financial community. To this end, the Company supports the objectives of COP21 through specific commitments. We signed the CEO Climate Leadership for Automotive Declaration to show our commitment to the goal of decarbonizing automotive transport. We also signed the Charter of Milan, presented to UN Secretary General Ban Ki-moon at the closing of the Milan Expo, as another indication of our support for the sustainable use of the world's resources. In addition, FCA joined the CDP business leadership initiative by committing to report climate change information in mainstream reports as a fiduciary duty and to contribute to responsible corporate engagement in climate policy.

FCA recognizes its role in addressing climate change effects along its value chain and aims to reduce the CO_2 emissions of its products and processes from design, production, distribution, use and the end-of-life phase. The Company has established long-term targets aimed at reducing our environmental footprint.

The areas where FCA can have the greatest direct impact are focused on our assembly plants, our products and our suppliers:

- FCA aims to reduce its plants' worldwide energy consumed per vehicle produced by 30% from 2010 to 2020.
- FCA aims to reduce its plants' worldwide CO_2 emissions per vehicle produced by 32% from 2010 to 2020.
- FCA aims to reduce its plants' worldwide water consumption per vehicle produced by 40% from 2010 to 2020.
- We continue to attack all types of waste and losses through our global World Class Manufacturing program, a best-in-class system that encompasses all plant processes, with the ultimate objective of zero waste, zero accidents, zero breakdowns and zero inventories.
- FCA aims to minimize environmental impacts related to the use of its products:
  - by 2020, achieve a 40% reduction in CO_2 emissions vs 2006 from Mass-Market Brand cars sold in Europe, maintaining high levels of competitiveness
  - improve the fuel economy of new FCA US vehicles compared with the vehicles they replace by at least 5 to 15%
  - continue to develop electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society
  - minimize environmental impacts related to the use of products by engaging customers in eco-responsible behavior
- FCA aims to monitor CO_2 emissions of 90-100% of top Group suppliers (accounting for about 57% of purchases by value) by 2020 and support them in improving their sustainable performances.

Sustainability Targets

GRI: G4-1, G4-2, G4-EC2

Sustainability Model

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

Our long-term commitments reflect both ongoing changes in the competitive automotive environment and the evolution of stakeholder desires and requirements.

FCA's approach 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.

Sustainability awareness throughout FCA has evolved and strengthened over the years, becoming 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 employees has been reinforced since 2009, when responsibility for sustainability issues was assigned to the Nominating and Corporate Governance Committee which was reappointed in 2014 as the Governance and Sustainability Committee.

Since that time, several entities within the organization have assumed direct sustainability management roles. The Sustainability Team - with members in Italy, Brazil, China and the U.S. - plays a central role in promoting a culture of sustainability within the Group and among its various stakeholders. The team facilitates the process of continuous improvement, contributing to risk management, cost optimization, stakeholder engagement and enhancement of the Company's reputation. The team interacts with the individuals responsible for operational management of key issues (e.g., environment, innovation, human resources, supply chain) 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. Depending on the agenda to be discussed, the CSC may consist of representatives from the principal functions at the central and company levels (Business Development, Corporate Communications, Engineering, Design, Finance, GEC Coordinator, Human Resources, Industrial Relations, Institutional Relations, Internal Audit & Compliance, Manufacturing, Purchasing, Senior Counsel and Treasurer) and meet as necessary on an ad hoc basis. The Sustainability Group Coordinator is also a member of the GEC.

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

The Governance and Sustainability Committee (a subcommittee of the FCA Board of Directors) evaluates proposals related to strategic initiatives on sustainability-related aspects, presents opinions to the Board of Directors as necessary, and reviews the annual Sustainability Report. Consultations regarding sustainability aspects between stakeholders and the highest governance body are delegated to the Sustainability Team which is responsible for maintaining an open dialogue with internal and external stakeholders on these issues. Outcomes of this dialogue are then incorporated into the annual disclosure of the Sustainability Report and reported to the Governance and Sustainability Committee. Relevant outcomes from sustainability-focused Stakeholder Engagement events are reported to the appropriate level within the organization. These can include regional Heads of Human Resources and COOs of the regions and operating segments. Executives with responsibility for sustainability matters are involved in the yearly plan of Stakeholder Engagement activities and informed of results periodically.

GRI: G4-34, G4-35, G4-36, G4-37, G4-42, G4-43, G4-48, G4-49

Sustainable Investing

The Group's capacity to prosper in a competitive business environment by creating advantages and long-term value is a measure of how innovation and sustainability are embedded in the Group strategy. Environmental, Social and Governance (ESG) factors have increased their financial materiality in the last few decades. Thus, relations with shareholders are an essential element not only of FCA's governance structure, but also of the Company's sustainability approach.

The results published in the Global Sustainable Investment Review 2014 - which reports the results of market studies conducted by sustainable investment forums from Europe, the United States, Canada, Australia, Asia (excluding Japan) and Japan - show the increasing importance of the Socially Responsible Investors (SRI) market.

Since 2012, the global sustainable investment market has continued to grow both in absolute and relative terms, rising from $13.3 trillion to $21.4 trillion at the start of 2014. This 61% increase outpaced the growth in total professionally managed assets.

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

Ipreo, a global provider of market intelligence, conducted an analysis of the top 200 shareholders representing 45% of FCA free float shares in 2015. The aim was to identify the composition of shares owned by:

- **SRI funds**, which aim to achieve social and/or environmental performance by investing in selected and screened assets
- **ESG Investors**, who try to achieve a sustainable financial performance by integrating Environment, Social and Governance criteria in their investment decision as well as their management process.

Among the top 200 shareholders analyzed, 55% were revealed to be Highly or Medium **ESG sensitive**.
The concentration of Highly ESG sensitive shareholders in FCA (33% of the institutional investors analyzed) was significantly higher than the global market average (18%).

According to the analysis, the sustainability performance of FCA can have a direct correlation with the investment of 35 SRI funds representing 3.2 million Company shares.[1]

Moreover, 99 of the 200 institutions analyzed, representing 29% of the shares outstanding and 65% of the investors analyzed who own FCA shares, are signatories of the Principles for Responsible Investment (PRI) Initiative, one of the most important SRI initiatives supported by the United Nations. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. Sustainaible investors' interest in FCA demonstrates the relevance of FCA's sustainability approach.

[1] Data is calculated on 2016 FCA shares (after Ferrari spin off).

Sustainability Targets

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

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

In 2015, a thorough review of long-term sustainability targets was completed to ensure their continued relevance and alignment with the Group's direction. As a result, some targets were incorporated with others under shared objectives or initiatives. This rationalization was completed without eliminating or weakening any of our commitments. Transparent disclosure is offered within results reported.

Discover all our commitments and results:

Corporate Culture and Values
Risk Management
Employees
Occupational Health and Safety
Information and Communication Technology
Customers
Dealer and Service Network
Suppliers
Communities
Product
Plants
Logistics

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

Corporate Culture and Values

Commitment: strengthen leadership position in Environmental, Social and Governance aspects

Targets	2015 Results
2020: demonstrate continued relevance of Group's sustainability performance to financial and non-financial stakeholders through global and regional recognition	✓ FCA recognized among sustainability leaders and confirmed as member of numerous leading indices, including the Dow Jones Sustainability Index World and CDP A List 2015
2020: incorporate sustainability targets in individual performance goals to drive behaviors in support of sustainability culture and values	✓ Sustainability targets incorporated in performance management system for individuals with responsibility for related projects, Top Management members and second-level reports to heads of operating sectors and certain central functions
2020: expand and innovate dialogue on sustainability topics to reach an increasing number of internal and external stakeholders worldwide	✓ More than 4,600 internal and external stakeholders engaged in an online sustainability survey ✓ Three sustainability-focused Stakeholder Engagement events held in LATAM and APAC regions with more than 170 internal and external stakeholders involved ✓ During Expo Milano 2015: - more than 1,300 people reached with sustainability-focused events - customer feedback on FCA sustainable fleet Share&Drive service averaged 4.7 out of 5 ✓ About 330 high school and university students involved in sustainability-focused open discussions with FCA representatives in Italy and the U.S. ✓ Outcomes from sustainability-focused Stakeholder Engagement events reported on ad hoc basis to regional Heads of Human Resources, executives with responsibility for sustainability matters, Chief Operating Officers of the regions and operating segments, the Governance and Sustainability Committee at Board level ✓ Around 55% of top 200 shareholders[2] Highly or Medium ESG sensitive ✓ About 250 internal sustainability network experts contributed throughout 2015 to the FCA sustainability program, representing all Group companies and business functions worldwide
2020: further incorporate respect for human rights, as already established in Code of Conduct, into Group audit processes, in accordance with local constraints and requirements	✓ Human rights risk self-assessment regarding child labor, young workers, labor practices, forced labor, non-discrimination, conditions of employment, security and supply chain management implemented as part of the FCA standard audit process in the EMEA, NAFTA, LATAM and APAC regions including all companies in order to cover due diligence requirements of the UN Ruggie Framework Guiding Principles

[2] *Data refers to IPREO Shareholders Identification registered in February 2016.*

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

Risk Management

Commitment: continuously update risk management system to ensure business continuity, and manage climate change and other risks

Targets	2015 Results
2020: prevent and manage emerging risks to ensure business continuity and minimize economic, environmental and social impacts, both internal and external	Methodology and tools developed in collaboration with experts from reinsurance companies and available for loss prevention surveys to assess flood risk
2015: coordinate loss prevention activities through Business Continuity Management (BCM) process; create business resilience plans for all higher-risk facilities and supporting functions; integrate process into World Class Manufacturing (WCM) framework	Resilience plans completed and tested for 13 higher-risk facilities and 5 supporting functions; customized database developed for maintaining and sharing plans and mitigation actions; BCM process mapped to WCM: 5 pillars identified as supporting BCM

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

Employees[3]

Commitment: increase competitiveness and employer branding by leveraging workforce diversity

Targets	2015 Results
2020: leverage diversity as a key asset and monitor equal opportunity implementation worldwide through Human Resources processes, to build a complete skill set and value everyone's contribution	✓ Internal mobility opportunities available to FCA salaried and hourly employees worldwide through a variety of channels, including job posting programs: on average half of posted positions are filled with internal candidates ✓ 25% of new hires were women, contributing to the continuous increase of female representation among the workforce ✓ More than 14% of leading positions held by women

Commitment: help employees achieve optimal professional and personal effectiveness on the job

2020: increase work-life balance opportunities to maximize employee satisfaction and effectiveness	✓ Several welfare initiatives in place across all regions and companies as part of the Group support to employees in delivering outstanding professional contribution and results
2020: strengthen local community involvement through regional implementation of corporate volunteer programs, based on local needs, policies, and constraints	✓ More than 5,600 employees volunteered worldwide, devoting more than 145,000 hours[4] during work time to support local community development, corresponding to an economic cost from the Company of approx. €3.7 million[5] ✓ More than 3,000 FCA US employees donated blood through on-site blood drives ✓ FCA US employees participated in scores of service projects through the Motor Citizens program in 2015, donating their time, energy and expertise

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

2020: conduct people satisfaction surveys on a regular basis to monitor and improve effectiveness in talent acquisition, development and retention	✓ Several people satisfaction surveys performed in 20 countries worldwide: - around 46,000 hourly and salaried employees from EMEA, NAFTA, LATAM, APAC regions, and Comau, Magneti Marelli and Maserati participated - survey results and key findings under evaluation for development of appropriate actions
2020: provide long-term, performance-related incentive plans and development programs at the regional level, in accordance with local requirements and constraints	✓ About 3,600 employees participated in short- and long-term exchange programs between FCA regions and companies; top talent high level training; and Executive MBA Programs ✓ Best practices and professional expertise shared across regions through international development path for more than 660 expatriates ✓ New-hire induction and orientation programs conducted for about 5,500 graduate (BA and above) employees (+37% vs 2014) ✓ Retention programs and incentives contributed to 8.3% reduction in manager attrition rate vs 2014
2020: develop new initiatives and channels to increase employee contribution to the Group's sustainability profile	✓ Ongoing employee contributions to improve business products and processes continued through several initiatives[6] with more than 2.3 million suggestions collected, resulting in significant financial return ✓ Regular communication from Company CEO informing employees about significant FCA activities

[3] Ferrari not included in the scope.
[4] Volunteer hours do not include NAFTA region data.
[5] The figure represents a conservative estimate that considers total personnel costs, total employees and assumptions on average total working days and hours.
[6] To leverage efforts, the target about WCM average suggestions per employee, which was published in 2014 Sustainability Report, has been combined with this target aimed at developing initiatives and channels to increase employee contributions to the Group's sustainability profile. The results include the WCM program, iPropose, BIS, STEP-UP!, MAIS and Haz Màz programs.

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

Occupational Health and Safety

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

Targets	2015 Results
2020: achieve OHSAS 18001 certification for all Group plants operating worldwide	136 plants certified OHSAS 18001, covering approx. 187,000 employees (Read more)

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

2020: achieve continued reduction in accident Frequency and Severity rates, with ultimate goal of zero lost time accidents for all Group plants	Reduced Frequency Rate for the ninth consecutive year with 0.12 accidents per 100,000 hours worked (-20% vs 2014 and -73% vs 2010) Reduced Severity Rate for the ninth consecutive year with 0.04 days of absence due to accidents per 1,000 hours worked (-20% vs 2014 and -69% vs 2010)
2020: expand Health Promotion Program (HPP) to all plants worldwide, in line with local needs and constraints, to promote healthy lifestyles and safe working environment	HPP expanded to 125 plants in 18 countries, with focus on smoking cessation, nutrition education and promotion of a preventive culture through medical checks

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

Information and Communication Technology

Commitment: reduce Information and Communication Technologies (ICT) energy consumption

Targets	2015 Results
2020: extend Green ICT clauses to all relevant ICT suppliers	Included Green ICT clauses in the renewed Framework Agreements for Consultancy Services in EMEA region
2020: replace 100,000 video monitors with eco-efficient devices compared with 2010	Replaced approx. 64,100 video monitors with eco-efficient devices since 2010 with 848 cumulative MWh of electricity saved and 425 tons of CO_2 avoided
2020: continue replacement and/or virtualization of servers	Eliminated 260 physical servers and added 565 virtualized servers, resulting in energy consumption and CO_2 emission reductions

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

Customers

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

Targets	2015 Results
2020: support and engage existing and potential customers through a global Customer Care platform and dedicated initiatives or channels	Extended Customer Care global platform to Brazilian and Indian markets Provided worldwide customer assistance in 30 different languages[7] Provided innovative communication channels for existing and potential customers across regions (Read more)
2020: achieve customer service levels[8] in all regions in line with Group's best performing region	Customer service performance across regions varied from 72.0% to 89.6% call response within 20 seconds (Read more)

Commitment: enhance customer relationship and service experience

2016: reach 20% more customers in 18 EU markets vs 2013 through new multichannel customer feedback system	Reached +39% customers vs 2013

Commitment: ensure responsible and personalized selling practices

2016: increase loyalty products up to 40%[9] of all new contracts acquired annually by FCA Bank	Reached up to 31% of new contracts for loyalty products acquired by FCA Bank (vs 30% in 2013)
2016: increase annual renewal/refinancing rate on loyalty products held by existing FCA Bank customers to 45%[10]	Reached 40% for renewal/refinancing rate for existing FCA Bank customers in line with 2013 result

[7] Customer care languages changed compared to 2014 due to business reorganization.
[8] Group level refers to the level of service across the four regions: EMEA, NAFTA, LATAM and APAC.
[9] Range of achievement modified in 2015 as performance affected by EU market condition and related brand strategies.
[10] Target measurement redefined from 60% to 45%, according to change of calculation methodology, EU market condition and related brand strategies.

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

Dealer and Service Network

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

Targets	2015 Results
2020: provide approx. 50% of total training hours to the FCA Italy sales and technical personnel worldwide dedicated to environmental and safety-related product features and increase training hours based on demonstrated needs of the network	Provided approx. 54% of the total training hours delivered to FCA Italy sales and technical personnel on environmental and safety features, corresponding to over 923,000 hours worldwide
2020: provide approx. 33% of total training hours to the FCA US sales force worldwide dedicated to environmental and safety-related product features and increase training hours based on demonstrated needs of the network	Provided approx. 27% of the total training hours delivered to FCA US sales force on environmental and safety features, corresponding to over 308,000 hours worldwide
2020: provide approx. 40% of total training hours to the FCA US technical personnel worldwide dedicated to diagnosis, repair and maintenance of eco-friendly engines and safety-related product features and increase training hours based on demonstrated needs of the network	Provided approx. 36% of the total training hours delivered to FCA US technical personnel on diagnosis, repair and maintenance of eco-friendly engines and safety-related product features, corresponding to over 536,000 hours worldwide
2020: provide approx. 50% of total training hours to the FCA Italy sales and technical personnel worldwide through distance learning, optimizing the learning methods and the sustainability impact	Provided approx. 47% of the total training hours delivered to FCA Italy sales and technical personnel worldwide through distance learning, corresponding to 817,000 hours

Commitment: reduce environmental impact of sales activities and promote excellence in the dealer network

2017: achieve 20% reduction (vs 2012) in average cumulative kWh of electricity consumed at Company-owned dealerships in Italy	Reduced by 4% vs 2012 electricity consumption at Company-owned Italian dealerships
2017: progressively introduce eco-efficiency guidelines and best practices at both independent and Company-owned dealerships	Sustainability award established for dealerships in Brazil, along with continuation of the award program in the U.S., to recognize best practices in environmental and social areas

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

Suppliers

Commitment: promote social and environmental responsibility among suppliers

Targets	2015 Results
2020: address critical current and emerging issues to strive toward a conflict-free supply chain while enhancing mineral traceability in high-risk areas, and promote ethical sourcing through industry-driven programs and mechanisms[11]	✓ Conflict Minerals responses collected by FCA US from the 150 largest volume suppliers comprising approx. 91% of supply base APV (Annual Purchase Value) ✓ Provided support to suppliers in EMEA region to understand U.S. legislation and respond to conflict minerals requirements ✓ Monitored follow-up of the European legislative proposal on conflict minerals and the related Italian position within the ACEA Working Group, in collaboration with other automakers and suppliers

Commitment: work with all tiers of the supplier base on measurement and sharing of social and environmental responsibilities related to climate change, human rights and working conditions

2020: evaluate all Tier 1 suppliers with potential exposure to high environmental or social risks through sustainability audits or assessments; conduct targeted third party audits of all strategic suppliers	✓ 60 audits on major FCA suppliers performed by FCA Supplier Quality Engineers (27 audits) and third party auditors (33 audits)
2020: monitor CO_2 emissions of 90-100% of top Group suppliers (representing approx. 57% of purchases by value) through the CDP Supply Chain program	✓ 210 suppliers invited to respond to the CDP Supply Chain program, with response rate of 62%, average disclosure score of 77 and average performance band “D”

[11] To leverage efforts, the target to promote ethical sourcing, which was published in 2014 Sustainability Report, has been combined with this target aimed at striving toward a conflict-free supply chain, reported in the Supplier section of this Report.

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

Communities

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

Targets	2015 Results
2020: serve as a catalyst to help enhance the self-sustaining social-economic development of local communities	● Local development opportunities and positive impacts generated by the Árvore da Vida program in Brazil: - about 21,500 individuals reached in the period 2004-2015 - about €1.1 million invested in 2015 - social and cultural initiatives continued in partnership with local network representatives ● FCA Serbia named Socially Responsible Company of the Year in 2015 by Serbian Association of Managers ● FCA Foundation grants amounted to approx. €4.5 million to organizations helping empower opportunity and support strong, resilient communities ● United Way contributions from FCA US employees in the U.S. and Canada, special events and FCA corporate donations totaled approx. €5 million
2020: advance youth education and training, with particular emphasis on science, technology, engineering and math programs, including initiatives that address innovation, mobility and environmental issues	● Agreement between FCA and Politecnico of Turin (Italy) for 2014-2018: - approx. €1.85 million contribution granted to support Automotive Engineering master degree course in 2015 - Voluntary Educational Program and Summer School offered with trainers and tutorship provided by Group managers for a total of 88 hours, of which 40 focused on environmental sustainability aspects in 2015 ● Industrial Automation Master, Summer Schools and Voluntary Educational Programs delivered by Comau to most talented university students worldwide with about 800 hours of lessons delivered ● Opportunities provided by the TechPro[2] project measured and assessed: - about 3,100 students trained - about 3 million hours of training provided - 694 internships, of which approx. 36% at Italian FCA after-sales centers - new Train the Trainer focused on new technologies, energy savings and environmental aspects of automotive maintenance ● Approx. €270,000 in grants from FCA Foundation to support *FIRST* programs in the U.S. and Canada: - 59 teams at the high school and middle school levels supported by FCA employee mentors ● FCA employees volunteered for activities to support and enhance youth development, such as literacy, tutoring, college readiness and career development ● About 3,400 children of FCA employees involved in programs focused on environmental awareness at Italian Summer Camps ● For a Healthier Planet and Risks in My School educational campaigns involved about 7,000 pupils at Kragujevac (Serbia) elementary and high schools

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

Product

Commitment: minimize environmental impacts associated with our products by reducing CO_2 emissions through alternative fuels and propulsion systems, and encouraging eco-responsible behavior of consumers

Targets	2015 Results
2020: achieve 40% reduction in CO_2 emissions vs 2006[12] for Mass-Market Brand cars sold in Europe, while maintaining high levels of competitiveness	✓ Reduction of 19% in CO_2 emissions in Europe vs 2006 and of 25% vs 2000 while increasing product portfolio across Mass-Market Brands ✓ 72% of cars sold in Europe recorded emissions up to 120 g CO_2/km and 79 % up to 130 g CO_2/km
2020: achieve at least 5% to 15% improvement in fuel economy[13] for major renewals of FCA US vehicles compared with replaced vehicles/models	✓ Fuel economy of current vehicles improved through continued upgrades to existing engines and integration of efficiency technologies, including Pentastar 3.6-liter engine redesign in 2015, addition of Engine Stop-Start, aerodynamic and tire rolling resistance improvements, and vehicle weight reductions: - Jeep Cherokee 3.2-liter +2 mpg; improvement of +6% - Jeep Grand Cherokee 3.6-liter +2 mpg; improvement of +7%
2025: actively pursue actions in support of the U.S. EPA/NHTSA industry goal of 54.5 mpg by 2025	✓ 2015 product actions that contributed to fuel efficiency: - Pentastar engine upgrades contributed to fuel-economy improvements of more than 6% - Engine Stop-Start technology integrated into additional models: 2015 Jeep Cherokee 3.2-liter, Jeep Grand Cherokee 3.6-liter - Ram EcoDiesel fuel economy increased to 29 mpg - continued integration of technologies to improve fuel efficiency or decrease emissions, including active aerodynamic systems; LED lighting; vehicle weight reductions; thermal control technologies - more than 900,000 2015 model year vehicles produced in North America capable of running on E85 flexible fuel, which contains 85% ethanol, or biodiesel blends of up to 20% (B20)
2017: at least 6.8% reduction in CO_2 emissions on average fleet vs 2012 in Brazil	✓ Over 462,000[14] Flexfuel and TetraFuel vehicles licensed in Brazil (95.62% of total registered licenses) contributing to the progressive reduction of CO_2 emissions of average fleet
2020: develop electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society	✓ FCA sustainable mobility fleet[15] for Expo Milano 2015 with 10 Fiat 500e vehicles provided; approx. 26,000 km traveled during more than 8,000 trips ✓ Experimental electric vehicle car-sharing service in collaboration with the city of Turin (Italy): 8 Fiat 500e vehicles traveled approx. 42,000 km in the urban area ✓ Chrysler Pacifica Hybrid minivan revealed at North American International Auto Show in January 2016: - industry's first electrified minivan - expected to achieve 80 miles per gallon equivalent (MPGe) in the city and 30 miles of all-electric range - available second half of 2016 ✓ Second phase of electrification project started in partnership with McMaster University (Canada) ✓ Energy storage technology project continued in partnership with cell suppliers and pack integrators ✓ First phase of innovation project on next generation power electronics completed ✓ Collaborative development of wireless charging for plug-in hybrid electric and battery electric vehicles near completion

[12] *2006 baseline established using impact assessment guidelines of EC Regulation 443/2009.*
[13] *Data is reported to the U.S. National Highway Traffic Safety Administration (NHTSA) and provided by model year, meaning the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle was actually produced, provided that the production period does not exceed 24 months. CAFE standards from NHTSA are set independently for passenger cars and light duty trucks. Fuel economy is based on the most recent NHTSA required submission, which for 2015 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.*
[14] *Official data communicated to Brazil's INOVAR-Auto program that establishes a minimum average vehicle energy efficiency for 2017 expressed in megajoules per kilometer (MJ/km).*
[15] *Total of 81 vehicles provided (71 compressed natural gas and 10 electric) for Expo 2015 sustainable mobility fleet.*

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

Commitment: minimize environmental impacts associated with our products by reducing CO_2 emissions through alternative fuels and propulsion systems, and encouraging eco-responsible behavior of consumers

2020: maintain a wide offering of CNG models in Europe, promoting technological innovation and retaining significant position among leaders in Europe	Market leadership confirmed for natural gas vehicles in Europe: - about 50% market share with a total of more than 44,000 natural gas vehicles sold in 2015 - more than 690,000 natural gas vehicles produced since 1997 BIOMETHAIR research project completed and demonstrator vehicle developed integrating a mild hybrid 48V architecture on a CNG-dedicated version of the TwinAir on a Fiat Panda model FCA sustainable mobility fleet[16] for Expo Milano 2015, with 35 natural-gas powered Fiat 500Ls provided through Share&Drive service with 6,700 rentals (Read more)

Commitment: minimize environmental impacts associated with our products by reducing CO_2 emissions, focusing on propulsion systems and encouraging customers in efficient-responsible behavior

2020: reduce CO_2 emissions by 30% vs 2008 on entire Maserati product range	Concept study for PHEV Hybrid architecture to be adopted for Maserati Quattroporte, Ghibli and Levante
2015: extension of Engine Stop-Start feature to all gasoline engines of Maserati Quattroporte and Ghibli with expected -6% on CO_2 emissions vs 2013 models	Engine Stop-Start feature available on all Maserati versions of Quattroporte and Ghibli with average CO_2 emissions reduced by 8% in urban cycle
2020: reduce CO_2 emissions by 20% vs 2014 on entire Ferrari product range	Two new turbo engines introduced in accordance to CO_2 emissions reduction plan Progressive implementation of innovative solutions (i.e. turbo, innovative gearbox, electric steering and 48V-hybrid)

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

2020: pursue research, advance development and delivery of new sustainable connectivity and mobility solutions that are economically viable for the Group and its customers	U.S. Mobility Trends research launched spanning multiple generations and exploring five key trend areas: Connected Car; Autonomous Vehicles; Urban Mobility; Shared Economy; and Electric/Alternative Powertrains Global Connected Car of the Future research launched focusing on consumer experience inside the vehicle and emerging long-term consumer trends across Europe, North America and Asia (Read more) Uconnect features launched to enhance hands-free capability, minimize driver interruptions and integrate smartphone technology Uconnect Live, including infotainment, navigation, safety and eco-driving features, launched on Fiat 500X, Fiat 500L, Fiat 500, Jeep Renegade and new Lancia Ypsilon in EMEA region Emergency Road Assistance Program based on Global Navigation Satellite System (ERA GLONAS) continued, with eCall device ready for certification Enjoy[17], the sustainable car-sharing service launched by ENI in partnership with FCA and Trenitalia, extended to Turin (Italy), reaching a total of about 420,000 individuals and 5 million rentals in 2015
2016: extend Fiat Likes U across Europe and establish an international network with major universities	Fiat Likes U project extended to other Italian and European universities with the car-sharing service used by over 4,000 students totaling more than 715,000 km traveled (Read more)

[16] *Total of 81 vehicles provided (71 compressed natural gas and 10 electric) for Expo 2015 sustainable mobility fleet.*
[17] *Already available in Milan, Rome and Florence (Italy).*

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

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

2020: offer new products (vehicles and components) with environmental performance certification through integration of ISO 14040/44-compliant Life Cycle Assessment (LCA) methodologies	● Critical review by a third party certification firm for compliance verification of the LCA applied to the Jeep Cherokee diesel vs gasoline versions and Fiat 500 gasoline vs electric versions ● LCA completed on previous version of Fiat Panda vs new Fiat Panda ● LCA completed on Magneti Marelli products: throttle body; steel subframe; and composite dashboard ● Magneti Marelli began assessment of suppliers' knowledge and application of LCA methodology ● LCA completed on the new eco-friendly Fiat Uno dashboard, adopting a jute and polypropylene fiber thermoformed composite material ● LCA completed in LATAM region on the potential use of food waste and scraps in vehicle parts ● LCA completed on different materials used for the vehicle carpet floor comparing recyclable, recycled and lighter materials vs traditional materials ● LCA started in LATAM region on paint processes comparing different technologies
2015: involve selected suppliers in the EMEA region in joint research and development projects based on LCA analysis of the environmental impacts of strategic vehicle components	● LCA research and development activities conducted in collaboration with selected suppliers within EU-funded research projects
2015: integrate LCA-based eco-design guidelines in the vehicle development process	◐ LCA internal guidelines defined in collaboration with various departments and businesses
2015: complete LCA analysis of body pre-paint process, comparing chemical substances used in normal production with those used in this process	○ LCA studies completed within the NANOPIGMY project related to innovative paint process and materials[18]

Commitment: strengthen sustainable materials strategy at the global level

2020: minimize environmental impact of materials used in vehicles	● Conformity related to Substances of Concern managed for supplier components and materials through Felis and IMDS System according to Global Automotive Declarable Substance List
2020: increase the use of renewable and recyclable materials in next generation vehicles with a focus on recycling and substitution opportunities for critical raw materials	● Consultation process established with suppliers and external partners for testing in automotive applications carbon fiber composites recycled from aeronautic industry ● Began work on the EU Horizon 2020 GreenLight Project to develop automotive applications for bio-based carbon fiber materials derived from waste vegetable polymers ● Assessment continued of several bio-filled material applications for next generation vehicles ● Renewable material made of polypropylene and jute fiber used in the front and rear door panels of Jeep Renegade manufactured in Brazil ● CRF active involvement in the EU's Horizon 2020 research and innovation program to support viable solutions for critical raw materials
2015: evaluation of SVHC phase-out alternatives and development of substitutes	● Launched the IMDS/Substances of Concern Compliance Portal application to improve data relevant to global material content reporting requirements and chemical substance prohibitions

[18] *2015 result represents a preliminary activity of the LCA analysis of body pre-paint process that will be performed upon completion of technical process update.*

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

Commitment: responsibly manage vehicle end-of-life

2020: outperform European Union reuse/recycling quota target (85%) and reuse/recovery quota target (95%) in Italy and achieve similar results in other main EU markets	✓ 82% of vehicle materials reused and/or recycled in Italy ✓ 83% of vehicle materials reused and/or recovered in Italy
2020: improve efficiency in management of End-of-Life Vehicles (ELVs) and exceed minimum regulatory requirements with expansion of qualified and certified ELV network in relevant markets	✓ 100% of tires collected in Italy by dismantlers used in recycling activities ✓ Innovative applications implemented through the TyRec4LIFE EU Project: alternative road paving made of asphalt modified with rubber powder from end-of-life tires ✓ ELV network capacity and quality expanded in France, Spain and Portugal ✓ ELV monitoring activities increased, reaching 70 markets across the EMEA, NAFTA, LATAM and APAC regions

Commitments: improve vehicle preventive, active and passive systems and overall road safety performance through telematic technologies and infomobility services

2020: continue to focus on vehicle occupant safety through advanced solutions encompassing all safety aspects while: - adapting to the rapidly changing regulatory requirements and third-party ratings in all regions - maintaining high levels of structural crashworthiness while introducing Advanced Driver Assistance Systems (ADAS) such as Automatic Emergency Brakes (AEB) and Forward Collision Warning (FCW) - offering modular architectures, innovative and efficient restraint systems and providing technically advanced active safety systems for mass market vehicles including global applications - continue to be an industry leader in user-centered Human Machine Interface (HMI) design approaches for all safety system customer interfaces	✓ Resources and processes of the Office of Vehicle Safety and Regulatory Compliance expanded at FCA US ✓ Announced “Recall Central”, a new internet portal that consolidates recall campaign information ✓ 2016 Fiat 500X named 2016 U.S. IIHS Top Safety Pick Plus ✓ 2016 Chrysler 200 named 2016 U.S. IIHS Top Safety Pick Plus ✓ U.S. NCAP overall 5-star rating achieved by 2016 Dodge Challenger ✓ Australian NCAP 5-star rating achieved by Jeep Grand Cherokee ✓ Introduced new impact simulation system in EMEA region with innovative features such as pitching and full side impact capability ✓ Latin NCAP 5-star rating achieved by Jeep Renegade for Adult and Child occupant protection ✓ New office of Vehicle Safety and Regulatory Compliance established in Brazil reporting to the Chief Operating Officer of LATAM region ✓ Child restraint system further updated and available in FCA aftermarket for Fiat Panda Cross (77%) and 500X (85%) contributing to EuroNCAP child protection results ✓ Fiat 500X achieved 74% score in EuroNCAP pedestrian protection ✓ Internal accident database enhanced with additional 1,500 cases through the participation in the European IGLAD consortium
2015: technological assessment of sensor and communication-based combined solutions aimed at improving recognition of dangerous situations and reducing driver distractions	✓ V2X applications installed on prototype vehicles to improve detection and recognition of dangerous driving scenarios and accident risks ✓ Development and validation of algorithms to estimate driver attention level

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

Commitment: improve preventive, active and passive safety systems on Maserati models

2016: introduce new driver-assist and safety systems such as Active Cruise Control (ACC), Front Collision Warning (FCW) and Roll Over Mitigation (ROM)	Blind Spot Detection system (BSD) available for Maserati Quattroporte and Ghibli

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

2020: achieve top quartile[19] competitive position for vehicle portfolio, leading to increased customer loyalty and advocacy for our products based on applicable regional benchmarks	Improved on average 15% globally for the rate of repair in the first 90 days of ownership Things Gone Wrong (TGW) from surveys that evaluate functionality/design issues at 90 days of ownership improved in two regions and globally remained stable

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

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

Plants[20]

Commitment: expand application and certification of Environmental and Energy Management Systems

Targets	2015 Results
2020: achieve Environmental (ISO 14001) and Energy[21] (ISO 50001) certification for all Group plants operating worldwide	✓ 146 Group plants certified with ISO 14001, accounting for 100% of total Group industrial revenues[22] and covering over 97% of manufacturing employees[23] ✓ ISO 50001 certification for plants accounting for 94% of total FCA energy consumption (Read more)

Commitment: expand application of World Class Manufacturing (WCM) program

2020: extend WCM program to 99%[24] of Group plants operating worldwide and achieve bronze, silver, gold or world class award performance level for 100% of plants in WCM program	✓ WCM program implemented in 135 plants, accounting for 97% of total Group manufacturing cost base ✓ Award performance level achieved in 70 plants (50 bronze, 15 silver and 5 gold level), accounting for 67%[24] of Group plants adopting WCM (Read more)

Commitment: optimize environmental performance of production processes

2020: achieve 30% reduction in energy consumed per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	✓ Reduced by 19.5% energy consumption per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 7.37 to 5.93 GJ/vehicle) (Read more)
2020: achieve 32% reduction in CO_2 emitted per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	✓ Reduced by 23.4% CO_2 emissions per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 0.616 to 0.472 tons CO_2/vehicle) (Read more)
2020: use electricity generated from renewable sources for 100% of purchased electricity supplied from the grid and consumed by Mass-Market Brand plants in EMEA region	✓ 100% of electricity - supplied from the grid and consumed by Mass-Market Brand plants in Italy - is renewable (Read more)
2020: achieve 40% reduction in water consumed per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	✓ Reduced by 38.1% water consumption per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 4.99 to 3.09 m^3/vehicle) (Read more)
2020: maintain water recycling index over 95% at all FCA plants worldwide	✓ Achieved 98.9% water recycling index at FCA plants worldwide (Read more)

[20] *2020 targets for this section are based on current estimates of future production volumes according to the 2014-2018 Business Plan period.*
[21] *Where relevant, corresponding to 95% of energy consumption of all Group plants.*
[22] *Industrial revenues are those attributable to the activities of plants directly controlled by the Group.*
[23] *Manufacturing employees are those directly and indirectly involved in manufacturing processes.*
[24] *Percentage based on the total manufacturing cost base.*

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

Commitment: optimize environmental performance of production processes

2020: achieve 14% reduction in waste generated per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	Reduced by 21.1% waste generated per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 217.2 to 171.3 kg/vehicle) (Read more)
2020: achieve 54% reduction in hazardous waste generated per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	Reduced by 70.7% hazardous waste generated per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 8.2 to 2.4 kg/vehicle) (Read more)
2020: achieve up to 98% waste recovery at Group plants worldwide, with specific targets for each company	Achieved 96.7% waste recovery at Mass-Market Brand assembly and stamping plants worldwide (Read more)
2020: achieve 25% reduction in Volatile Organic Compounds (VOC) emitted per square meter vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	Reduced by 23.8% VOC emissions per square meter at Mass-Market Brand assembly and stamping plants worldwide vs 2010 (from 32.4 to 24.7 g/m^2) (Read more)

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

Logistics

Commitment: reduce the environmental impact of logistics globally while delivering on-time goods to and from plants and finished vehicles to markets

Targets	2015 Results
2020: enhance logistics operations through optimization of fleet characteristics and application of methodologies designed to reduce the impact of freight and vehicle movement	✓ FCA owned fleet upgraded with eco-efficient solutions: - 179 new compressed natural gas-powered tractors for upstream transport in NAFTA region - 91% of FCA-owned trucks used for downstream transport across EMEA region already compliant with Euro V and VI standards ✓ Sustainability assessment completed by logistics providers through specific questionnaires (Read more) ✓ New projects implemented and/or expanded to improve worldwide transport operations, such as: - use of intermodal solutions (Read more) - increase of transport capacity (Read more) - optimization of routes (Read more)
2020: leverage existing and emerging processes and technologies to move materials while protecting part quality and the environment	✓ Performance and environmental impact of packaging and protective materials improved through: - new investments in standard containers - optimized design of special racks for premium parts - adoption of returnable crates and elimination of plastic films in selected flows (Read more)

Process for Sustainability Targets

Each year, the Sustainability Team coordinates and consolidates feedback from all regions and business functions to update the targets. 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

Sustainability commitments and targets 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. Draft Sustainability Targets are submitted for the approval of the Group Executive Council (GEC), which evaluates their consistency with Group strategy and makes appropriate recommendations.

Management phase

Responsibility for individual projects and achievement of the Sustainability Targets 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.

Corporate Governance

Corporate Governance Pillars

FCA's corporate governance structure has been expanded over time to incorporate a set of values, rules and procedures that reflect regulatory changes, improvements in corporate governance practices and suggestions from the major sustainability rating agencies.

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

- the System of Corporate Governance which regulates relations between the Board of Directors of the Company and its shareholders, endorsing the principles and best practice provisions set out in the Dutch Corporate Governance Code
- the Code of Conduct comprised of Principles, Practices and Procedures underscoring the Group's commitment to the highest standards of integrity and ethics, essential to drive social and economic development in line with sustainability goals
- the Risk Management model, aimed at safeguarding the value of investments, preventing accidents or limiting their impact, consistently with the highest prevention standards
- the Whistleblowing Procedure which, through the new FCA Ethics Helpline, represents the Group channel to report conducts which are contrary to the principles outlined in the FCA Code of Conduct or to seek advice concerning its application and interpretation
- the Sustainability Governance model, aimed at monitoring and managing the organization's performance on economic, social and environmental aspects as well as maintaining a constant dialogue with all stakeholder groups.

Because being a responsible corporate citizen is essential to the Company's success, FCA works with organizations and governments around the world to advance solutions related to our own performance as well as on issues linked to sustainable mobility. Participation in public policy, industry, and academic forums provides a way to contribute to the future development of regulations and standards in the automotive industry. Advocacy activities are conducted in strict and full compliance with the FCA Code of Conduct and applicable laws.

Any relationship between FCA and political parties and their representatives or candidates is conducted according to the highest standards of transparency and integrity. Political contributions by the Group are only allowed where permitted by law and must be authorized at the appropriate level within each Group company. In 2015, no contributions were made by FCA to political parties. FCA does not have a Political Action Committee (PAC), but employees are free to make personal contributions to political candidates or parties, to the extent that these contributions do not violate corporate policy. Any political association or financial contribution made by Group employees is considered personal and completely voluntary.

GRI: G4-DMA, G4-16, G4-34, G4-56, G4-SO6

Relationships and Memberships

GRI: G4-16

In Europe, the Group belongs to trade associations such as the European Automobile Manufacturers' Association (ACEA) for passenger cars and commercial vehicles.

The Alliance of Automobile Manufacturers is the leading advocacy group for the U.S. auto industry. The Alliance focuses on developing and implementing constructive solutions to public policy challenges that promote sustainable mobility and benefit society in the areas of environment, energy and motor vehicle safety. The organization provides FCA US and the auto industry with a united voice on U.S. federal and state regulatory and legislative matters.

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

In some countries, dialogue occurs through the employers' associations to which the Group companies belong, such as Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA) in Germany, Mouvement des Entreprises de France (MEDEF) in France, Confederación Española de Organizaciones Empresariales del Metal (CONFEMETAL) in Spain, the Polish Confederation of Private Employers - Lewiatan (PKPP Lewiatan) in Poland, Confederação Nacional da Indústria (CNI) in Brazil and Cámara Nacional de la Industria de Transformación (CANACINTRA) in Mexico.

These associations operate to protect the interests of their members and represent them within the social dialogue, at both a national and local level, with the main political and administrative institutions, the trade unions and the other social parties.

Through its 40 federations in 34 countries, Business Europe, the confederation of European businesses, represents businesses of all sizes and is a recognized partner which is qualified to take part in social dialogue within the European Union.

Corporate Governance Structure[1]

FCA's governance supports how we do business on a daily basis, enabling us to lead the way to sustainable growth and to create value by supplying innovative products and services while respecting the legitimate interests of stakeholders. FCA's governance structure consists of a management and control system and general meetings of shareholders. In addition, as required by law, the accounts are reviewed or audited by independent auditors.

The **Board of Directors** as a whole is responsible for the strategy of the Company. The Board of Directors is composed of two executive Directors (i.e., the Chairman and the Chief Executive Officer), having responsibility for the day-to-day management of the Company, and nine non-executive Directors, who do not have such day-to-day responsibility within the Company or the Group. Pursuant to Article 17 of the Articles of Association, the general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer.

On certain key industrial matters the Board of Directors is advised by the Group Executive Council (GEC). The GEC is an operational decision-making body of the Group, which is responsible for reviewing the operating performance of the businesses, and making decisions on certain operational matters.

Seven Directors qualified as independent (representing a majority) for purposes of NYSE rules, Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act) and the Dutch Corporate Governance Code.

During 2015, there were six meetings of the Board of Directors. The average attendance at those meetings was 100%.

In accordance with the Dutch Code, the majority of members of the FCA Board are non-executive and independent. Independence is a crucial requirement for the proper functioning of the Board. An important means of promoting independent action of the Board is to ensure the diversity of its composition in terms of such factors as age, gender, expertise, social background or nationality (DCGC III.3.1). The presence of independent directors is essential to the protection of the interests of shareholders, particularly minority shareholders, and third parties, assuring that potential conflicts between the interests of the Company and those of the controlling shareholders are assessed impartially. The Board of Directors has also appointed Mr. Ronald L. Thompson as Senior Non-Executive Director in accordance with Section III.8.1 of the Code.

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

- there are 11 directors, ensuring the effective functioning of the Board and its Committees
- the Board is composed of three women and eight men, with women making up 27% of the total and emphasizing the benefits of gender diversity in its membership
- Board member average age is 60.

[1] *The Company addresses its overall corporate governance structure in the "Corporate Governance" section of the Annual Report, as well as in the Governance section of the Company's website where all amendments during the year are reported.*

GRI: G4-DMA, G4-34, G4-36, G4-38, G4-39, G4-40, G4-43, G4-44, G4-LA12

Board of Directors' Qualification and Expertise

GRI: G4-38, G4-40

An optimal combination of skills and experience is fundamental to the proper functioning of the Board. The size, complexity and product offerings of the sectors in which FCA operates, and the geographic spread of its businesses, require that Board members have a broad and diverse mix of skills and background. International experience and an understanding of industrial and financial sectors are also reflected in the Board membership. For more details on the Board of Directors, including its composition and curriculum vitae for individual members, see the Board of Directors section of the corporate website.

Board of Directors

Evaluation of the Board of Directors' Performance

GRI: G4-40, G4-43, G4-44

Periodic evaluation of the Board of Directors and its committees is the responsibility of the Governance and Sustainability Committee. The periodic assessment was conducted for 2015 through a self-evaluation process based on dedicated questionnaires. The results of that evaluation are typically reported to the Board during its meetings. This evaluation process focuses on the most material aspects relating to the Board of Directors and its Committees, including:

(i) the structure, composition, role, functioning and responsibilities of the Board and each of its Committees

(ii) procedures for Board and Committee meetings, management of information, and decision-making processes

(iii) the effectiveness, efficiency and completeness of the information provided to the Board on the work of the Committees

(iv) the relationship between the Board and the Committees

(v) an evaluation of the performance of the Board and the Committees

(vi) the value of the self-evaluation process itself.

To improve the performance of the Board, the Chairman of the Board of Directors uses his best efforts to cause the Directors, after the election and during their mandate, to participate in initiatives aimed at providing them with knowledge of the business sector in which the issuer runs its activity; of corporate dynamics and relevant changes; of the relevant regulatory framework. Structure and content of Board meetings and participation at Committee meetings ensures that the Directors are kept informed about Company operations and market conditions. Meetings to examine specific issues are also held periodically on-site at industrial locations. The Directors also receive periodic updates on significant changes in laws and regulations.

Board Committees

GRI: G4-34, G4-37, G4-38, G4-40, G4-42, G4-43, G4-44, G4-45, G4-48

The Board of Directors is supported by three Committees, whose roles and responsibilities are regularly reviewed and updated to reflect current best practices in corporate governance:

- Governance and Sustainability Committee
- Audit Committee
- Compensation Committee

Governance and Sustainability Committee

The **Governance and Sustainability Committee** is responsible for, among other things, assisting and advising the Board of Directors with: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors; (ii) periodical assessment of the size and composition of the Board of Directors; (iii) periodical assessment of the performance of individual Directors and reporting on this to the Board of Directors; (iv) proposals for appointment of executive and non-executive Directors; (v) supervision of the selection criteria and appointment procedure for senior management; (vi) monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally; and (vii) reviewing, assessing and making recommendations on strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.
The Committee is composed of three Directors, two of whom are independent.
During 2015, two meetings of the Governance and Sustainability Committee were held, with 100% attendance of Directors these meetings.

For details about the **Audit and Compensation Committees**, refer to the Governance section of the corporate website.

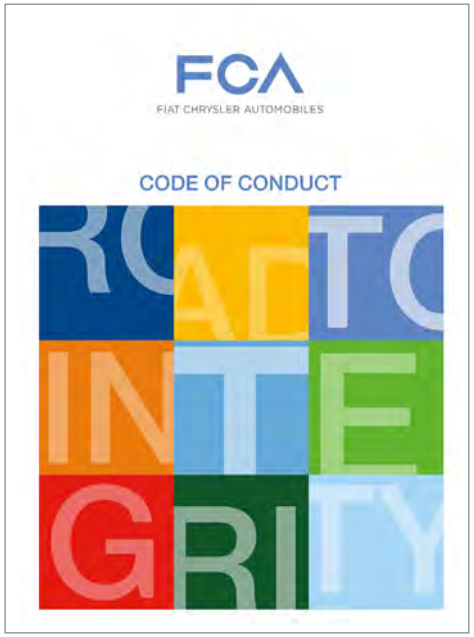
Audit and Compensation Committees

General Meetings

GRI: G4-34, G4-37, G4-40, G4-45

General meetings are the mechanism through which all shareholders are represented. At general meetings, shareholders vote on, among other proposals, approval of the annual financial statements, the appointment of members of the Board of Directors and the engagement of the independent auditors. The general meeting of shareholders has at all times power to suspend or to dismiss any director. The term of office of directors is for approximately one year after appointment, such period expiring on the day the first annual general meeting of shareholders is held in the following calendar year at the end of the relevant meeting. In addition to financial performance, sustainability results are also presented to the public during the Annual General Meeting.

Code of Conduct



A company's values serve as the foundation upon which it can build a culture dedicated to growth, innovation and responsibility.
FCA recognizes that investments in machinery and plants alone cannot account for the results a company achieves. The importance of legacy must also be considered, in particular concerning people and values.

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

The FCA Code of Conduct is comprised of three primary elements:

- Principles that capture the Company commitment to important values in business and personal conduct
- Practices that are the basic rules that must guide our daily behaviors required to achieve our overarching Principles
- Procedures that further articulate the Company's specific operational approach to achieving compliance and that may have specific application limited to certain geographical regions and/or businesses as appropriate.

FCA has Guidelines and/or Policies that will continue to apply until their replacement by a comprehensive set of Practices and Procedures.

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

FCA uses its best efforts to ensure that the Code is regarded as a best practice of business conduct and observed by those third parties with whom it maintains business relationships of a lasting nature such as suppliers, dealers, advisors and agents.

The Code may be consulted and downloaded from FCA's corporate website as well as its employee portal, and is posted throughout the Company for employee access. Copies can also be obtained from Human Resources, the Legal Department or the Head of Internal Audit and Compliance.

FCA disseminates the Principles established in the Code of Conduct and the values of good governance to all employees. In 2015, more than 115,000 FCA employees worldwide received training in ethics and compliance, with particular focus on the Code of Conduct, business ethics, best practices related to anti-corruption, corporate governance and human rights (including non-discrimination) topics.

GRI: G4-DMA, G4-15, G4-56, G4-57, G4-HR1, G4-HR2, G4-SO4

Acting with Integrity

The Code of Conduct aims to ensure that all members of the FCA workforce act with the highest level of integrity. To this end, in 2015 the level of knowledge and compliance with the Code of Conduct has again been systematically measured.

Violations of the Code of Conduct are essentially identified through:

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

For the Whistleblowing reporting, FCA has established dedicated channels, to provide a worldwide, common and independent intake. The new **FCA Ethics Helpline** has been implemented in 2015 as an essential element of the whistleblowing management process in accordance with the Code of Conduct Principles. It is managed by an independent provider, available 24 hours a day, seven days a week.

The entire process was organized in order to consolidate the two methodologies previously in place and to define a common and global approach.

The FCA Ethics Helpline is a comprehensive and confidential reporting tool to report concerns or seek guidance regarding the FCA Principles outlined in the Code of Conduct or other corporate policies (including alleged fraud, abuse, and other misconduct in the workplace) or applicable laws.

FCA has chosen this reporting tool to meet compliance needs, maintaining an accurate reporting environment.

In addition to the FCA Ethics Helpline, it is also possible to report potential forms of misconduct of the Principles, outlined in the Code of Conduct, by utilizing the addresses contained in the **Worldwide Ethics and Compliance Contact List**.

The FCA Ethics Helpline also allows employees, suppliers, clients and other stakeholders to request advice about the application of the Code of Conduct (for example, to verify definitions of terms or restrictions under the Code), and to report any concerns about alleged situations, events, or actions that they may believe are inconsistent with our Code. The FCA Ethics Helpline can be accessed either by phone (35 dedicated numbers in 21 languages) or by web intake (19 languages available).

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

FCA has adopted a comprehensive awareness program to communicate the new process, together with the new Code of Conduct release, which includes:

- 103,000 emails sent from FCA CEO to FCA employees
- 242 legal entities involved
- five posters in 23 languages in over 600 locations, attached to message boards and in the canteens/cafeterias
- dedicated area in the FCA employee portal, with a link available on the homepage for all the workforce
- training session together with the new Code of Conduct release
- link to the Ethics Helpline published on supplier portal.

GRI: G4-DMA, G4-57, G4-58, G4-HR3, G4-HR9, G4-HR12, G4-SO3, G4-SO4, G4-SO5, G4-SO11, G4-EN34

FCA analyzes and investigates the allegations received; the results and potential disciplinary actions arising are assessed by the relevant bodies.

For all **Code violations**, the disciplinary measures taken are commensurate with the seriousness of the case and comply with local legislation. The relevant responsible parties are notified of the violations, irrespective of whether criminal charges are brought by the authorities.

Whistleblowing Procedures as of December 31, 2015
by Code of Conduct categories

	Total closed cases	Total confirmed cases
Managing Our Assets and Information	195	53
Interacting with External Parties	163	29
Conducting Business	105	25
Protecting Our Workforce	131	31
Total	**594**	**138**

The violations of the Code of Conduct have been categorized according to the Principles of the Code. Accordingly, Managing Our Assets and Information includes communicating effectively, protecting FCA assets and maintaining appropriate records. The category Interacting with External Parties comprises avoiding conflicts of interest and supporting our communities. Conducting Business covers sustainably purchasing goods or services, transacting business legally and engaging in sustainable practices. Finally, Protecting Our Workforce includes behaviors related to maintaining a fair and secure workplace, and ensuring health and safety. See the complete Code of Conduct for further details about each category.

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

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

When dealing with our business partners, our workforce is expected to always maintain the highest degree of integrity and to act solely in the best interest of the Company. Any situation that constitutes a conflict or gives the appearance of a potential conflict must be disclosed immediately to any of the individuals or groups listed in FCA's Worldwide Ethics and Compliance Contact List.

Related content

www.ethicshelpline.fcagroup.com >

GRI: G4-DMA, G4-57, G4-58, G4-EN34, G4-HR3, G4-HR9, G4-HR12, G4-SO3, G4-SO4, G4-SO5, G4-SO11

Combating Corruption and Bribery

GRI: G4-DMA, G4-15, G4-57, G4-58

Included in the FCA Code of Conduct's Principle on "Transacting Business Legally" are, among others, rules related to anti-bribery, anti-corruption, anti-competitive behavior and conflicts of interest.

Anti-bribery and anti-corruption laws implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Guidelines, and laws such as the United States Foreign Corrupt Practices Act, United Kingdom Bribery Act and similar laws (e.g., Brazil's Anti-Corruption Law – Lei da Empresa Limpa) prohibit providing, directly or indirectly (such as through an intermediary), anything of value not only to domestic, but also to foreign government, political or military employees or officials, foreign political party officials or candidates; employees of foreign government owned or controlled entities; or representatives of international organizations (such as the United Nations or the World Bank); or to private entities/individuals for the purpose of obtaining or retaining business or securing any improper advantage.

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

Human Rights

In accordance with the Code of Conduct, "FCA is firmly committed to conduct all of its business activities in a socially responsible manner and in line with sustainable practices and local or regional requirements and expectations. The FCA Group's principles and practices in support of sustainability include [...], Child Labor and Forced Labor Prohibitions, [...]."

FCA does not employ any form of forced, mandatory or child labor, namely it does not employ people younger than the permissible age for working established in the legislation of the place in which the work is carried out and, in any case, younger than 15, unless an exception is expressly provided by international conventions and by local legislation. The annual analysis of the presence of child labor at FCA companies covered 96.1% of employees[2] 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 FCA does not employ individuals under the minimum working age set by local legislation, apprentices under the statutory minimum age, or minors under 15 years of age in countries where the minimum age is lower.

To address the potential risk of child labor, particularly in disadvantaged areas, FCA has implemented several initiatives where we have operations. In several countries, these projects consist of job training courses, and are aimed at advocating inclusion and promoting completion of schooling. For more details, see the Educating Generations section.

The Group's pledge to create a working environment that is inclusive and free from any form of discrimination is captured by the FCA Code of Conduct through which the Company endorses the United Nations Declaration on Human Rights. Security personnel employed by FCA are among the stakeholders to whom the Code applies. These principles are reinforced through training initiatives that cover human rights-related aspects relevant to the professional behavior of security personnel. These initiatives address local needs and - where appropriate - specific requirements related to local regulations. For instance in Brazil, FCA's primary market in the LATAM region, all security personnel receive training on human rights every two years.

Security guards directly employed by the Group may be provided with training or modules covering human rights aspects.[3]

Human Rights risk self-assessments form part of the standard internal audit process in the NAFTA, EMEA, LATAM and APAC regions. This assessment aims to evaluate effective application of the UN Ruggie Framework Guiding Principles on Business and Human Rights. Areas covered by these self-assessments include:

- child labor & young workers
- forced labor
- freedom from discrimination
- terms of employment
- security
- supply chain management.

Individual legal entities carried out assessments based on their human rights compliance checklist and, as part of the standard audit procedures, 42% of the checklist items were checked by Internal Audit & Compliance.

[2] *Including Sevel (Italy).*
[3] *This refers not exclusively to training initiatives rolled out in 2015.*

GRI: G4-DMA, G4-HR1, G4-HR2, G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-HR7, G4-HR9

Compliance

A summary is provided here of the final court judgments, final arbitration awards and other final orders deemed significant because of their value and for which a final decision was issued in 2015 against companies of FCA Group (**Final Judgments**).

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

With regard to product liability proceedings, in November 2015 the Los Angeles Superior Court, California, imposed FCA US LLC to pay $1,264,698.49 under a decision referring to a lawsuit issued by plaintiffs for the injuries resulting from the design of vehicle components.

In addition, there were also certain non-final judgments or administrative orders issued against FCA Group companies that are still pending and whose final outcome remains uncertain (Non-Final Judgments).

In July 2015, Spanish Competition Authority (CNMC) adopted a judgment sanctioning FCA Spain and other automotive companies for participating in an alleged cartel consisting of three information exchange schemes (breach of article 101 of Treaty on the Functioning of the European Union). FCA Spain was imposed a fine amounting to €6,968,254 and appealed it before the Audiencia Nacional, being fully confident that this matter will be clarified in due course.

In July 2015, FCA US LLC was ordered to pay $39,600,000 under a decision of the Superior Court for Decatur County, Georgia, referring to a lawsuit issued by plaintiffs for a death resulting from design of vehicle components. In August 2015, FCA US filed an appeal before the Georgia Court of Appeals as the decision above was the result of several errors that tainted the Court's approach to the lawsuit and denied FCA a fair trial.

In November 2015, the Public Prosecutor of Minas Gerais (Brazil) ordered the suspension of Fiat Ducato 2.3 Multijet sales, taking effect from December 10, 2015 due to alleged defects observed in the engine cylinder heads of models manufactured between 2011 and 2014. On December 7, 2015, Fiat Chrysler Automoveis Brasil LTDA filed an appeal before the State Court, requesting a suspension of the decision until the final judgment (granted on December 15, 2015), being fully confident that this matter will be clarified in due course. In connection to the administrative procedure reported above, the Brazilian Justice Ministry Consumer Protection Office (SENACON) sent a notice to the Company on December 9, 2015 requesting some clarifications related to a possible recall of the models involved. FCA replied on January 14, 2016, providing some clarifications and confirming that, due to the absence of risks to safety and health of consumers, a recall action is not expected.

Lastly, final rulings delivered in 2015 related to labor and social security litigations against FCA Group companies were aligned to those from previous years and concentrated mostly in Brazil and in Mexico, mainly related to the interpretation of local regulations. None of these final judgments can be considered exceptional either in nature or in number.

GRI: G4-DMA, G4-EN29, G4-PR2, G4-PR4, G4-PR7, G4-PR9, G4-SO5, G4-SO7, G4-SO8

Risk Management

FCA employs a multi-dimensional approach for managing and mitigating risks to its business operations and assets.
The risks encompass a broad array of topics, including socio-economic uncertainty; regulatory initiatives; competitive actions; industrial accidents; natural disasters; risks posed by climate change; liability claims and lawsuits; portfolio management and investor decisions; employee health, safety, and retention issues; and similar exposures among the FCA supply chain.

The impact of these risks can be tangible – usually quantified in financial terms – or more qualitative, such as the reputational risk among consumers, business partners and investors. The overall process involves identifying the risks, preemptively reducing their likelihood of occurrence, developing plans for responding to risks should they occur, and where possible, securing insurance to cover potential losses.

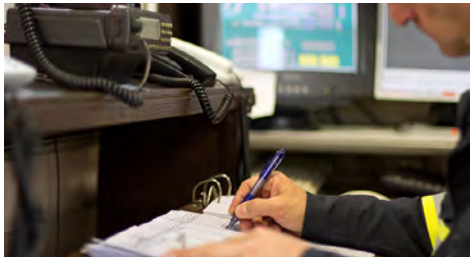
The three primary elements of the globally-integrated FCA approach are:

- the Enterprise Risk Management process, that increases visibility to key risks that may hinder FCA's ability to achieve its strategic goals. All regions collaborate to identify and prioritize risks based on impact and vulnerability, determine the acceptable risk tolerance, and monitor mitigation actions and risk metrics for key global risks throughout the year
- the Business Continuity Management process, that establishes and validates a structured approach to restoring normal business operations after a major disruption - typically those events that impair production across multiple days and/or manufacturing plants
- the Pure Risk Management process, that identifies conditions that could result in property and business interruption losses; assigns probability and estimates the impact; implements optimized prevention, protection, and risk transfer countermeasures; and monitors the process for effectiveness. These activities are not only focused on the traditional fire and natural hazard risks, but have been extended to several other pure risks through the development of innovative risk engineering solutions.

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

- refining existing tools, processes, measurements and risk models to facilitate a more complete risk-based analysis of business decisions and the evaluation of emerging risk-based opportunities
- integrating and consolidating risk management programs
- increasing risk awareness throughout the organization.

Enterprise Risk Management



FCA adopted an **Enterprise Risk Management** (ERM) model in 2004 to provide greater transparency and disclosure of business risks and comply with regulatory directives on the adoption of appropriate governance models.

This methodology defines a risk as any event that could impact the Company's ability to achieve its objectives.

The ERM model which is based on the framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and adapted to the specific needs of the Group was updated in 2010 to reflect experience acquired over the years and include best practices that emerged from a comparison with other industrial groups. In particular, risk drivers were remapped into new, refined or reformulated clusters to better respond to new requirements or emphasize significant issues (climate change, macroeconomic developments, joint ventures, etc.). Over 50 risk drivers were identified, which are further broken down into approximately 85 potential events.

On the basis of a pilot project conducted in 2013, the ERM model was subsequently revised to make the analysis of potential risks dynamic (through periodic evaluation of the main risks with follow-up and monitoring of mitigating actions identified and/or implemented), predictive (through prospective risk assessment), and cross-functional (through risk assessment with direct involvement of business areas).
ERM coordinators are appointed for each region and company of the Group and are responsible for preparing, coordinating and holding cross-functional meetings with the heads of key operating segments.
The objectives of these meetings are to facilitate discussion, identify and evaluate potential risks, and formulate risk mitigation plans. The new model continues to be implemented globally, with expected completion during 2016.

On an annual basis, an **enterprise risk assessment** is performed based on a bottom-up approach beginning with the individual business units. Regional/company CEOs, CFOs and COOs review and approve their respective risk assessments and submit these results to the central ERM team. The central team consolidates results into a Group report for review and validation with the Group CFO and Executive Council. As part of the consolidation, global focus risks are identified and risk dashboards created to monitor key risk indicators as well as current and go-forward mitigation efforts. Once validated, the Group CFO submits the report to the Audit Committee, assisting the Board of Directors in their responsibility for strategic oversight of risk management activities.

Key global risks identified in 2015 include those related to the creation and distribution of our vehicles, climate change, regulatory actions, consumer preference for eco-sustainable products, reputational impact in communities where FCA operates and increased energy costs. As in the past, FCA has ensured continuous management of these risks using appropriate and effective actions, including: conducting research and investment toward products with reduced environmental impact; promoting the use of low emission vehicles; improving the ability of the sales force to convey the ecological benefits of FCA vehicles to customers; implementing efficiency initiatives to reduce energy consumption at plants; and using energy from renewable sources.

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

GRI: G4-DMA, G4-2, G4-14, G4-45, G4-46, G4-47, G4-49, G4-50, G4-58, G4-EC2, G4-EC7, G4-EC8

Business Continuity Management

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

The **Business Continuity Management process** is comprised of four major elements:

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

Additional information on the management of financial risks is provided in FCA's 2015 Annual Report monitored by entities with the appropriate technical expertise.

By the end of 2015, Business Continuity Plans had been developed for 13 higher-risk plants in the United States, Canada and Mexico and for five supporting corporate functions that most directly impact operations. FCA also initiated and developed a customized relational database to improve the efficiency and accuracy whereby business continuity data, plans, and risk mitigation actions are created, tracked, and shared across the enterprise.

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

In a similar way, **FCA Services Business Continuity Plan** follows the best practices and requirements of International Standards (**FCA Services is ISO 27001:2013 certified**) and focuses on the safety of employees and on continuity of services.

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

- Policies and Procedures followed by all FCA Services countries
- Enterprise Risk Assessment and Business Impact Analysis: to identify financial, reputational, operational risks and key resources needed
- Business Continuity Plan with all steps and actions to be taken in case of a disruption event
- disruption scenarios to be prepared against several different adverse situations
- continuous control and monitoring of events that can impact the business
- testing, from simulation exercises to full testing, to ensure the validity of the plan and involve and train our employees.

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

Management of Pure Risk

Pure risks are risks resulting from natural causes or accidental or malicious acts (fire, explosion, floods, etc.) that may result not only in damage to goods or facilities, but also lead to a short- or long-term disruption in operations. FCA takes active measures to prevent risks that could result in damage to the Company's physical assets or disruption in operations.

The four pillars of the Group's Pure Risk Management are:

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

The **FCA Pure Risk Management** entities cover all aspects of pure risk, including identification, analysis, treatment, and loss prevention. Specific activities include monitoring and insuring against pure risks - such as fire, explosions, and natural disasters - and playing a central role in managing events that could potentially impact the continuity of operations or integrity of physical assets at the Group's 1,174 sites worldwide.[4]

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

During 2015, FCA's risk management entities were responsible for managing 224 sites worldwide, representing 89% of total insured value.

To ensure that industrial risk is adequately and efficiently monitored, 100% of sites are surveyed at least once every three years and more than 50% are surveyed annually. In 2015, a total of 100 sites (representing approximately 77% of FCA's industrial activities) and 450 new projects were inspected or monitored to ensure conformity with international standards in loss prevention. Among the new projects inspected by the loss prevention team was the Goiana plant in Brazil and its supplier park. This large industrial complex took two-and-a-half years to build and is the most advanced FCA plant in the world to date. From the initial stages of the plant and supplier park (hosting 16 proximity suppliers), a dedicated team was formed to ensure the full alignment to both Brazilian and internationally recognized loss prevention standards.

During project development, €18 million was invested in fire protection equipment, more than 1,500 loss prevention engineering hours were dedicated to manage 120 fire protection projects, and 15 special surveys were conducted to verify the correct installation and validate the protection systems.

In addition, FCA invested approximately €30 million in loss prevention and risk mitigation measures during the year.[5] Of that total, €28 million were related to improvements needed to align certain sites with FCA's loss prevention standards, and the other €2 million were related to major expansions and greenfield investments.

The €28 million in targeted investments reduced loss expectancies by approximately €2.7 billion and resulted in a Global Efficiency Index (GEI) of 1,[6] which is in line with the highest international standards.

The Group's risk management entities apply forward-looking, risk engineering approaches and solutions. This includes specific projects that highlight the contribution of risk management in addressing climate change issues.

Current projects include:

- FCA approach to insurable environmental risks
- earthquake risk re-engineering project
- flood risk re-engineering project.

[4] Number of insured sites covered by the insurance programs in 2016.
[5] Figures relate to the insurance year from July 1, 2014 to June 30, 2015.
[6] Global Efficiency Index for loss mitigation (GEI = cost of protection/reduction of expected damage) is recognized as a measure of best practice for industrial risk management.

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

Insurable Environmental Risks

GRI: G4-DMA, G4-EC2

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

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

Forty-eight percent of FCA's total insured value was analyzed and quantified using this methodology.

To validate information collected through self-assessments, 22 on-site visits have been conducted (seven visits in 2015) at sites considered representative of the Group in terms of size, activity and geographical distribution. The surveys, organized by the EHS department for each operating company, are conducted by environmental risk engineers from a leading global environmental risk insurer to validate the consistency of the self-assessment check lists and identify possible improvement opportunities.

These activities provided the basis for development of the Group's first environmental maps. These maps provide a quantification of the overall level of risk using a scientifically-based certified self-assessment tool. The results were presented to the insurance market and confirmed that **FCA's environmental risks** have been adequately identified and quantified and are properly managed. These results also enabled the Group to put comprehensive global insurance coverage in place.

This program has become a consolidated pillar within the loss prevention activities of FCA. In 2015, results of the program included the following:

- the self-assessment check list tool was reviewed and upgraded using the experiences gained over the past five years of audits
- the in-scope geographical perimeter will be enlarged to the geographical areas jet not completely monitored
- a general review of the complete FCA portfolio will be launched, using the updated self-assessment checklist.

Earthquake Risk Project

GRI: G4-DMA, G4-EC2

Recent seismic events affecting industrialized countries (e.g., Japan, 2011; Emilia, 2012) demonstrate that the implementation of a structured Risk Engineering program, based on a sound risk estimation, is vital to control exposure of a large industrial company to potential property damage and business interruption. More specifically, a modern risk management decision-making process requires quantitative estimates of expected losses due to seismic events.

A working group composed of FCA Risk Management, AXA MATRIX Risk Consultants, and the University of Naples Federico II developed the "Integrated Approach to Seismic Risk Assessment and Management," a multilevel framework allowing simultaneous advanced **seismic risk assessment** and rational allocation of available resources. Instead of the traditional approaches to seismic risk, which rely heavily on qualitative (macro seismic) estimates of the damage from past earthquakes or which consider only the seismic hazard (i.e., the frequency and intensity of earthquakes) of the site, the developed methodology encompasses the individual quantification of the three basic components of the seismic risk: the seismic hazard of the site, the building structural response, and values at risk.

In 2015, the project reached the application stage using an integrated approach for selected FCA plants worldwide.

In addition, standardized output forms were defined, allowing the collection and reporting of results in a concise and easy-to-communicate way.

Flood Risk Project

GRI: G4-DMA, G4-EC2

Ten years after the launch of the first flood risk re-engineering project, FCA Risk Management formed a new working team to verify whether the FCA methodologies to identify and quantify flood exposures are still the most advanced available. The team consists of specialists from the loss prevention engineering departments of four recognized global leaders in the fields of insurance and reinsurance.

The reinsurance companies, due to their natural hazard research centers, provide their mapping tools based on geomorphological satellite imagery and mathematical modeling. These tools are used to carry out the first macro analysis of the risk portfolio.

The engineering departments of the insurance companies, specializing in field assessments, can provide their risk analysis based on visual and instrumental interpretation techniques along with field checks. With this project we defined an agreed state-of-the-art methodology for industrial **flood risk assessment**.

In 2015, the operative procedures and tools to be used before, during, and after the loss prevention survey by the field engineer were developed.

The new methodology has been tested with the FCA EMEA portfolio (106 sites), identifying the sites where a second flood risk study was recommended. All these sites have been included in the 2016 and 2017 loss prevention visit schedule. The flood team also completed three ad hoc flood surveys to test the correctness and efficiency of the new process.

Supply Chain Risks

Supply chain risk management, with an internal and external focus, is becoming a more standard management priority. It is well-established that a company proactively handling its risk should not only focus on its own risk but also on risk in its supply chain. Through a series of steps, FCA Purchasing, Risk Management and the Sustainability teams work together to define methods for the detection and mitigation of supplier risks.

The first step of this mapping process begins with a simplified, semi-quantitative approach, using information already available, to prioritize suppliers. This helps to focus engineering resources on the most crucial suppliers relative to potential impact or loss likelihood on FCA supply chains. In addition, a list of "critical" suppliers is also created, taking advantage of the information the field engineer collects during the plant survey conducted with the senior plant management.

A second step entails a methodology and supporting tool that allows FCA to assign a **risk management maturity index** to the supplier risk management processes, assuming that a supplier that has mature risk management practices will be able to manage its risks and minimize the probability of an extended production stoppage in one of its key manufacturing plants. Selected suppliers are approached with the aim of working together on the development and testing of a risk management evaluation tool.

The team's next step is to conduct focused loss prevention audits with targeted suppliers to identify and quantify risks that could impact the supply of components to FCA and develop adequate action plans to mitigate the risks.

Our Stakeholders

Stakeholder Engagement

Employees

Customers

Dealer and Service Network

Suppliers

Trade Unions

Communities

Stakeholder Engagement

Commitment to Stakeholders

Operating responsibly requires continuous engagement with stakeholders at the local and global levels.

As a global enterprise with a complex, intricately connected value chain, FCA's success depends on the effectiveness with which we listen to and respond to the needs and expectations of stakeholders who, directly or indirectly, affect the activities of the Group or are impacted by them.

These stakeholders include employees, customers, suppliers, dealers, institutions, trade unions and associations, investors, and local communities and their surrounding area. Our sustainability-focused stakeholder initiatives help us to better identify risks and opportunities, and adapt our strategic objectives to social, technological and regulatory changes around the globe. We communicate with stakeholders worldwide through many channels, including the dedicated global email address: stakeholder.dialogue@fcagroup.com. Our stakeholder engagement and development of **materiality** is conducted in accordance with the principles of the Global Reporting Initiative (GRI-G4), the AA1000 Principles Standard, the AA1000 Materiality Report guidelines, the AA1000 Stakeholder Engagement Standard and the <IR> Materiality Background Paper. FCA has adopted Stakeholder Engagement Guidelines which state that it "firmly believes that this engagement process, backed by a clear commitment, is a key element for maximizing the opportunities and managing the potential risks affecting our business which could arise from the interaction with the various categories of stakeholders."

The Guidelines continue with this statement, "Also, the Group ensures steady information flow through a transparent, direct and systematic communication with the global investment community aimed at increasing the markets' appreciation of the company's business strengths, strategy, competitive situation and investment attractiveness, complying with the most stringent regulations in the relevant financial markets."

Starting in 2012, the Group launched targeted stakeholder engagement activities focused on sustainability topics, fostering dialogue by developing a variety of events and increasing the number and categories of stakeholders engaged each year.

Stakeholder Engagement Guidelines

GRI: G4-DMA, G4-24, G4-25, G4-26, G4-27, G4-SO1

Map of Relevant Topics for Stakeholders

Major common topics raised during regional discussions

- Development of innovative sustainable mobility solutions and alternative fuels
- Road safety and related social impact
- Sharing sustainable practices along the supply chain
- Optimizing fuel consumption and reducing vehicle CO_2 emissions
- Spreading a culture of sustainability in society

2012

70 Total stakeholders involved

EMEA and NAFTA

70 Internal stakeholders

Survey

First survey launched: employees from various functions and geographic areas involved

2013

72 Total stakeholders involved

EMEA

23 External stakeholders

First FCA Sustainability-focused event

MAIN TOPICS RAISED

- Promotion of a culture of sustainability through partnerships with the world of education and other players
- Encouraging new models of mobility

LATAM

25 External stakeholders

Sustainability-focused event

MAIN TOPICS RAISED

- Responsible managment of end-of-life products
- Improvement of quality and accessibility of services through participation in the development of public policies

NAFTA

24 External stakeholders

Survey and open discussion

Sustainability-focused event

MAIN TOPICS RAISED

- Promotion of new mobility models

2014 >

GRI: G4-DMA, G4-24, G4-25, G4-26, G4-27, G4-SO1

Map of Relevant Topics for Stakeholders

Major common topics raised during regional discussions

- Development of new sustainable mobility solutions
- Introduction of mobile connectivity and new technologies in vehicles
- Involvement of suppliers in sustainability aspects

< 2012/13 2015 >

2014

381 Total stakeholders involved

EMEA

221 Internal stakeholders

Survey and open discussion

Seven Sustainability-focused events

MAIN TOPICS RAISED

- Institutions engagement for the promotion of a culture of sustainability
- Promotion of responsible use of energy
- Responsible use of recycling and recycled materials

NAFTA

126 Internal stakeholders

Survey and open discussion

Six Sustainability-focused events

MAIN TOPICS RAISED

- Promotion of new mobility solutions
- Focus on vehicle connectivity and vehicle sharing
- Management of traffic reduction in congested urban areas

APAC

34 Internal stakeholders

Survey and open discussion

Sustainability-focused event

MAIN TOPICS RAISED

- Promotion of a culture of sustainability
- Promotion of flexible working hours and improvement of work-life balance
- Reduction of resource consumption during vehicle production

GRI: G4-DMA, G4-24, G4-25, G4-26, G4-27, G4-SO1

Map of Relevant Topics for Stakeholders

Major common topics raised during regional discussions

- Focus on safety
- Improvement of vehicle fuel economy

WORLDWIDE

Survey

Internal and external stakeholders

Stakeholders engaged for an online survey

LATAM

Open discussion

Internal stakeholders

Sustainability-focused event

MAIN TOPICS RAISED

- Promotion of responsible use of water
- Involvement of suppliers in sustainability aspects

< 2014

2015

4,623

Total stakeholders involved

EMEA

Open discussion

External stakeholders

FCA Global Sustainable Mobility Partner for Expo Milano 2015. Six Sustainability-focused events

MAIN TOPICS RAISED

- Environmental performances
- Promotion of natural resources protection and biodiversity
- Innovation and 3D printing
- Promotion training and educational initiatives
- Improvement of innovative and ecological material

EMEA and NAFTA

Open discussion

External stakeholders

Universities and High School presentations

MAIN TOPICS RAISED

- Promotion of a culture of sustainability
- Engagement of local communities
- Reduction of resource consumption during production processes
- Sustainability engagement in the supply chain

APAC

Open discussion

External stakeholders

Sustainability-focused event

MAIN TOPICS RAISED

- Engage with business partners, guiding them to reach higher quality standards
- Cooperation with the Government to set higher standards on quality improvements and emissions reduction

GRI: G4-DMA, G4-24, G4-25, G4-26, G4-27, G4-SO1

In 2015, FCA engaged more than 4,600 **internal** and **external stakeholders worldwide** through an online survey about sustainability topics. **Engagement events**, **workshops** with subject matter experts and **online surveys** helped continue the dialogue on sustainability topics, **understand region-specific differences** and **gain new insights**. FCA's sponsorship as an official mobility partner at Expo Milano 2015 presented a unique opportunity to share our sustainability approach and commitments with an international audience. Six events were organized in collaboration with various organizations across the Group, focusing on the environment and natural resources, innovation and education topics.

Stakeholder events conducted in previous years had raised the issue of helping to educate youth about sustainability. To this end, in 2015, FCA collaborated with **universities** and **high schools** in Italy on several occasions to bring sustainability into the classroom.

FCA at Expo Milano 2015

In the LATAM region, sustainability-focused stakeholder events were held in Pernambuco and Betim where the Company has assembly plants. Water conservation was the major topic raised during discussions with the 170 employees who participated, due to the scarcity of this natural resource in that area.

In 2015, FCA's APAC region conducted its first multi-stakeholder Sustainability Engagement dedicated to external stakeholders. The event involved 14 participants from three stakeholder categories: suppliers, dealers and university representatives. The discussions were primarily focused on the importance of vehicle quality, and engaging business partners to reach higher quality standards.

The FCA supply base was the focus of sustainability engagement in the NAFTA region. In 2015, the FCA Innovation Team facilitated a day-long workshop with the FCA Supplier Sustainability Panel to develop concrete deliverables with tangible impact.

Also in the U.S., representatives from the FCA sustainability team served as instructors for two live case courses at the University of Michigan Ross School of Business. Students were tasked with analyzing a supply chain sustainability-related business challenge and offering creative solutions.

Related content

Ongoing Dialogue with Suppliers >

GRI: G4-DMA, G4-24, G4-25, G4-26, G4-27, G4-SO1

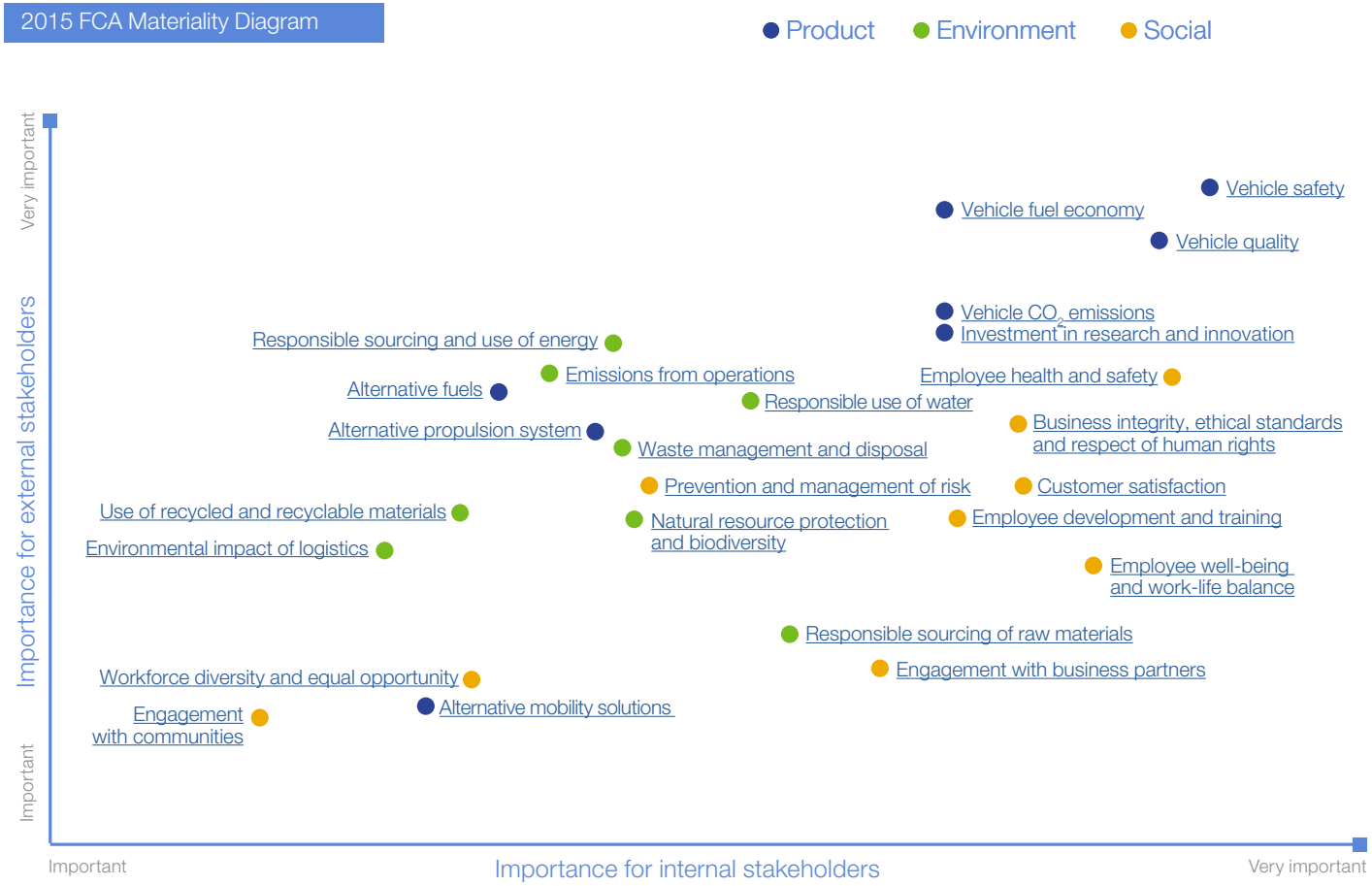
Materiality

FCA's sustainability reporting focuses on those topics that have been determined to be material.

In 2015, material topics identified in prior years were subjected to a thorough review and the **FCA Materiality Diagram** was updated accordingly. In addition to the results from our stakeholder engagement activities, the determination of materiality also took into account strategic priorities, corporate values, competitive activities and social expectations.

An analysis of the scope of each material aspect confirmed that each has impacts throughout the entire organization and across all operating segments and regions. In addition, each aspect has impacts outside the organization in geographical areas where the Group operates and for all stakeholder categories identified.
The scope of this Sustainability Report covers all companies consolidated by FCA N.V. at December 31, 2015.

2015 FCA Materiality Diagram



GRI: G4-18, G4-19, G4-20, G4-21, G4-27

Employees

Attitude to Excellence

Engaged and accountable employees are at the heart of the Group's ability to build a sustainable enterprise that creates value for our many stakeholders inside and outside of our offices and factories. In order to attract, develop and retain a committed workforce, FCA strives to create an environment that is attractive to those who seek to contribute their talents and aspirations to shaping the future of both the Group and larger society.

Employees at all levels are expected to bring their knowledge, creativity and experience to their areas of work in order to solve problems and identify opportunities.

FCA business leaders are called to act as catalysts for change so that the Group can adapt, react quickly to the market and outpace the competition. Leaders are also counted on to help nurture the potential of those they lead, while helping ensure observance of business ethics and behavioral expectations set forth by the FCA Code of Conduct. Consistent with these goals, the Human Resources function supports robust processes designed to both secure the talent required by the business and also provide employees opportunities during the entire career life cycle from recruiting to retirement.

Recruiting and hiring processes are supported worldwide by modern tools aimed at finding the best talent - both internally and externally. Through the use of internal and external job posting systems, career websites, recruiting platforms, and, in certain situations, specialized service providers, employees and potential candidates can access opportunities for advancement.

The Group's annual evaluation process for assessing employee leadership and performance is vital to the development of our workforce worldwide.

Compensation and benefits are provided by the Company as part of the total reward system and, in concert with other elements, make FCA attractive to employees.

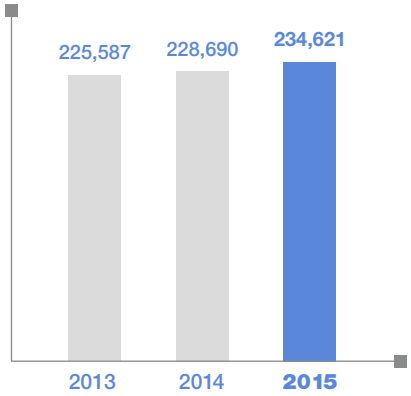
To maintain its appeal as an employer throughout the final stages of an employee's career, FCA supports the transition from employment to retirement. For example, detailed pension estimator tools, savings plan reinvestment initiatives and retirement seminars, webinars and retirement counseling are made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

GRI: G4-DMA, G4-LA10

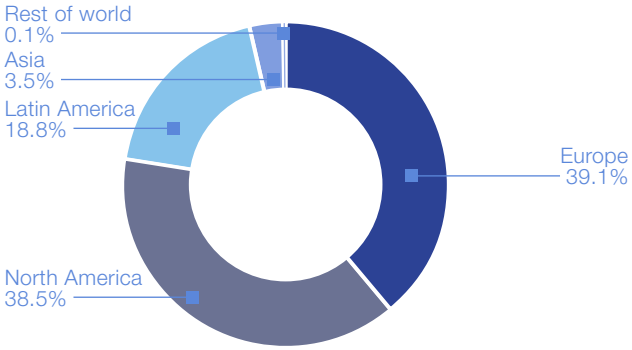
Employees in Numbers[1]

FCA activities are carried out through seven segments[2] with each one reporting revenues and earnings. The steady growth in FCA's production and sales volumes has generated increased employment and economic opportunities in the countries in which the Group operates. As of December 31, 2015, the Group employed 234,621 people, a 2.6% increase over year-end 2014.

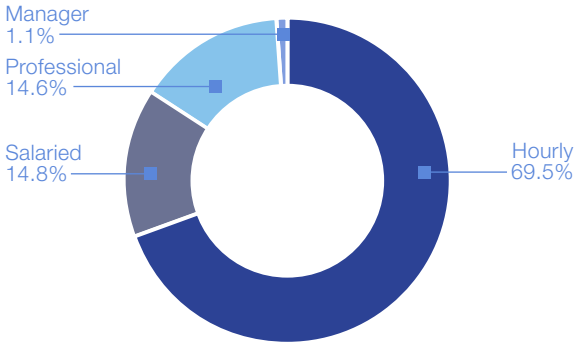
Employee Trend by Year
FCA worldwide (no.)



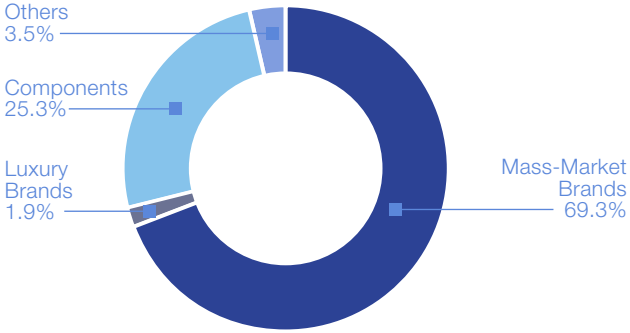
Employees by Geographic Area
FCA worldwide



Employees by Category
FCA worldwide



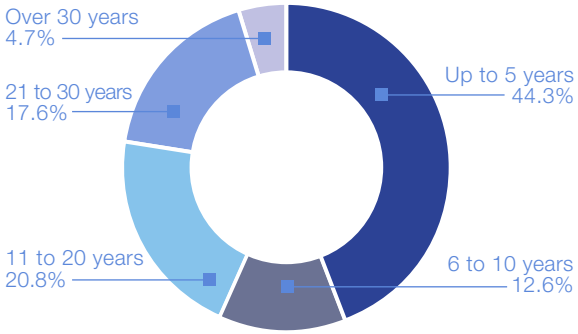
Employees by Operating Segment
FCA worldwide



[1] Unless otherwise specified, workforce data is calculated at year-end.
[2] Four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), two global luxury brand segments (Ferrari and Maserati) and a global components segment (Magneti Marelli, Comau and Teksid).

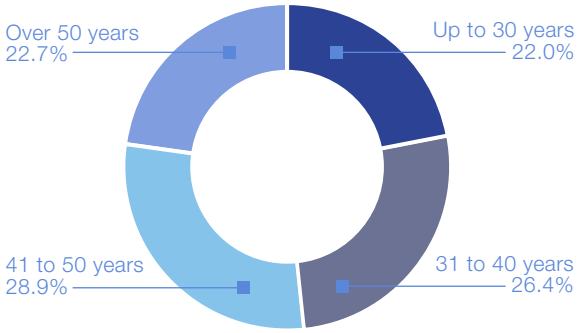
Worldwide, the highest concentration of Group employees remained in the 41-50 age group and approximately 44% of the workforce has been employed for five years or less.
With respect to education level, there was a continuous increase of both men and women having higher levels of education, with 24.7% of employees holding a university degree or equivalent qualification. During 2015, efforts continued toward improving educational reporting for all employees; as a result the percentage of untracked employees decreased to 6.2% compared with 21.3% in 2014.

Employees by Length of Service
FCA worldwide

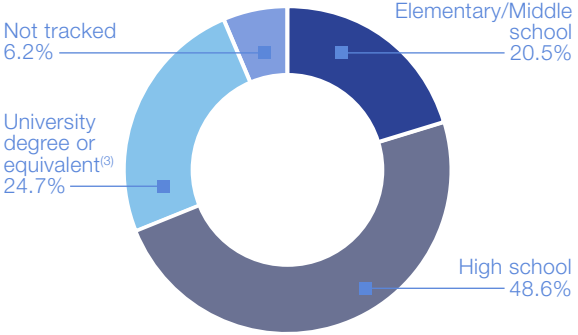


In 2015, about 95% of Group employees were covered by an unlimited-term employment contract and about 98% were employed full-time. Fixed-term contracts were kept to a minimum.
In 2015, about 4,200 temporary contracts were converted into unlimited-term contracts (of which approximately 35% were female employees). A total of 2% of the Group workforce is employed part-time, of which about 57% are women.

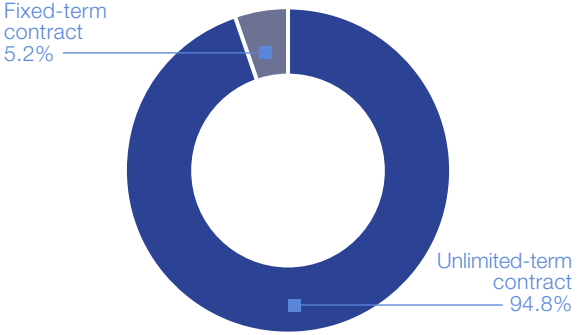
Employees by Age
FCA worldwide



Employees by Level of Education
FCA worldwide



Employees by Contract Type
FCA worldwide



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

GRI: G4-DMA, G4-9, G4-10, G4-LA1, G4-LA12, G4-SO1

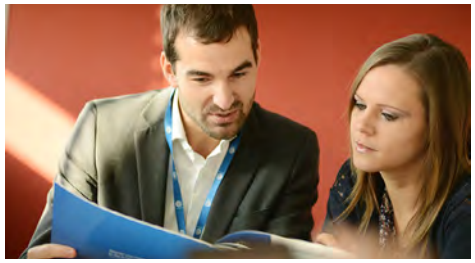
Management and Development

FCA recognizes that its success depends on people at every level embracing shared core values.

The Group's approach to leadership and development is embodied in the commitment to 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 the basis for every decision including the appointment of leaders.



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

In 2015, the PLM process went through a global refresh to focus on the key elements of the Company leadership model. This unique skills mapping and evaluation process, which is the basis for variable compensation,[4] is supported by information systems that enable managers to constantly access up-to-date data on the people within their organizational unit. The PLM process serves not only as the basis for all personnel-related management decisions, but is also a fundamental element in talent management, succession planning and the orientation of our culture around sustainability principles. Sustainability targets are part of the performance management review of individuals with responsibility for related projects, including top management members and second-level reports to heads of operating sectors and certain central functions.

Complete performance and leadership mapping processes were conducted during 2015 for approximately 62,400 FCA employees, including all managers and professionals and the vast majority of salaried employees.

100% of hourly workers complete a pre-employment screening and an initial probationary evaluation through the WCM performance management system.

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

[4] The PLM process is the basis for the individual contribution element for manager and professional employees' variable compensation.

The PLM Assessment Cycle

GRI: G4-DMA

At the beginning of each year, managers and employees discuss and agree upon individual targets for the year, both in terms of individual performance and their development plans. Throughout the year, managers and employees are encouraged to discuss ongoing performance and feedback on demonstrated behaviors. Then, at year-end, individuals are evaluated on performance (i.e., achievement of business targets) and leadership (i.e., the ability to lead change, work as part of a team and manage people). The final results are discussed in a meeting between the manager and the employee, during which an open dialogue on areas identified for improvement contributes toward validating the employee's performance and strengthening the bond with the organization. Upon completion of this process, employees can access their evaluation form online, add details on their professional aspirations and request specific actions to address identified areas of improvement through a variety of resources (e.g., coaching, exposure to senior management).

Talent Management and Succession Planning

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

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

Learning Management

Operating in a competitive environment of constant change, the Group's workforce at all levels needs to be open to constant learning. For this reason, **learning agility**, leadership capacity and awareness of the workforce, are provided through job rotations, coaching, mentoring and training. Training activities are monitored and measured on an ongoing basis in order to evaluate both effectiveness and efficiency.

The Group invested about €61 million in training during 2015. FCA is committed to measuring the business impact of its training. An example is the Cost Deployment of Training model adopted in 2012 within the World Class Manufacturing program. WCM applies this model to a portion of the total training costs. By monitoring the on-the-job training and the associated generation of process improvements, FCA identified savings of about €3.7 million enabled by a training cost of about €1.3 million in 2015.

During the year, a total of 2.8 million hours of training were provided to approximately 159,500 Group employees.

Investments in classroom, online and on-the-job training focused primarily on the Group's four core training concepts: development of job-specific know-how (75%), managerial skills (8%), cross-cultural awareness and language skills (10%) and corporate campaigns, rules and commitments (7%).

The Company regards diversity, including regional differences and cultural aspects, as a strength because it brings viewpoints that reflect the markets in which the Group operates. FCA emphasizes collaboration across different organizations and regions, employing such approaches as business-driven workshops.
These global or region-wide initiatives are aimed at improving team-building, cross-cultural awareness and adoption of common approaches to business goals and challenges. In addition, cross-cultural training (languages, cultural and practical tips) are provided to expatriates and their families.

Dialogue with Employees

FCA seeks to foster a Company culture where **new ideas** are encouraged and valued at every level. This atmosphere of openness provides the basis for a constant flow of suggestions and feedback to improve processes and products on a continual basis. Formal opportunities for exchange and dialogue include organization town halls, employee meetings, team building events and department gatherings.

This openness also reflects FCA's commitment to employee satisfaction, the quality of the working experience within the Company and expectations for the future. To assess these attitudes, surveys are conducted worldwide according to local requirements and constraints. Outcomes of surveys are used to plan and address specific actions aimed at maximizing overall employee satisfaction.

During 2015, various initiatives were completed to explore **employee satisfaction** and well-being at selected locations. In total, satisfaction surveys were conducted with more than 46,000 employees. Below is a summary of the most significant initiatives in 2015:

Information derived from these initiatives is under evaluation for development of appropriate actions.

The Company expects all of its employees to embrace the need for constant change. To foster a bottom-up innovation process, several tools and programs are in place worldwide to collect suggestions from employees.

Relevant examples are:

- The World Class Manufacturing (WCM) program offers the largest worldwide example of employee engagement: in 2015 more than 2.2 million WCM suggestions were collected to foster shared learning and best-in-class performance.
- In the LATAM region, BIS, Haz Máz and MAIS programs generated about 66,000 suggestions.
- The STEP-UP! program implemented by FCA Services in Brazil received more than 1,600 suggestions.
- The iPropose program in the EMEA region facilitated the collection of around 3,800 improvement proposals.

GRI: G4-DMA, G4-LA9, G4-LA10

Magneti Marelli continued its employee satisfaction monitoring activity, involving more than 34,500 employees worldwide.

Comau performed an engagement survey involving more than 1,260 employees in the U.S., China, India and Mexico.

About 50 young professionals were selected within Maserati and Alfa Romeo to participate in a survey focusing on engagement and retention.

EMEA

A compensation and benefit online survey reaching more than 5,200 employees was performed and an additional 1,000 employees were involved in a people satisfaction survey across Italy and Poland.

NAFTA

More than 1,400 employees were surveyed through department surveys.

LATAM

More than 160 selected hourly and salaried employees took part in a people satisfaction survey.

APAC

The region involved almost 2,000 employees in engagement surveys across China, Korea, Japan, Australia, Singapore and India.

Compensation and Reward

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

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

To support these elements of meritocracy, the Company has defined a compensation system that comprises a number of different components. This comprehensive package rewards employees for their contribution to the Company's results, provides development opportunities and allows them to share in the business success they help create.

Base salary, benefits and long-term incentives are determined by market-driven benchmarks, thereby ensuring fair and objective treatment for employees in the different markets around the world. The specific criteria for adjustments focus on closing competitive gaps with respect to market position, giving priority to top performers. Variable compensation and career development are impacted by individual contribution, which is vigorously evaluated through a performance and leadership management program that is consistently deployed throughout the entire organization.

The same metrics and methodology are applied in this assessment of annual performance to all eligible employees worldwide. Additionally, the Group employs a formal process to monitor application of its core equity and fairness principle to compensation levels, annual salary reviews and promotions. In particular, these reviews are based on standard criteria, and do not allow manager discretion of those receiving compensation actions.

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

Benefits

GRI: G4-DMA, G4-EC3, G4-LA2

The Group's compensation and benefits packages are aligned with international best practices and are pursuant to fair and attractive economic rewards for employees. FCA offers a broad range of benefits depending on an individual's grade level, country of employment and local policies. In October 2015, FCA conducted its annual analysis of various company compensation and benefits (on a sample of about 99% of the workforce).

Findings show that more than 66% of employees are eligible for a pension plan and, during 2015, around 71% of these employees joined this type of plan. This last figure represents 47% 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 to FCA employees, and about 62% of the surveyed population was found to have joined a health plan. Childcare services are also offered at some locations to help employees achieve work-life effectiveness by responding to the needs of the family.

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

Principal Employee Benefits

FCA worldwide (% of employees entitled to benefit)

Pension plans	66
Company-provided health plans	78
Life insurance	64
Financial support for disability/invalidity	65
Employee cafeteria or lunch vouchers	62
Childcare services[5]	31
Wellness and nutrition programs[6]	64
Gym/fitness services[7]	39
Others[8]	31

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

Turnover

Every Group region places a strong emphasis on employee cohesion, engagement and inclusion. In 2015, a total of 33,984 people were hired, 50.5% of whom were in North America, which continued to be the area particularly benefiting from increased production volumes. Employees who left FCA totaled 28,493. During 2015, the EMEA region experienced a recovery of the automotive industry ahead of expectations. Among FCA brands, Jeep recorded a strong performance with the launch of new models that have been welcomed by the regional markets.
These factors positively influenced the FCA turnover rate in EMEA, which improved slightly to 2.6% (2.7% in 2014). Focusing on the Italian market, which represents about 76% of the working population of the region, the turnover rate was 1.5%, well below the Italian market median of 2%.

Turnover in the NAFTA region increased in 2015 versus 2014 due to a number of contributing factors, including a very strong economy that led to a general decrease in unemployment and corresponding increased demand for talented professionals, especially those with engineering skills critical for the automotive sector.

FCA recorded 2015 turnover rates slightly above the market median both in China and India, which represent our two largest employee populations in the APAC region. Despite the economic slowdown in both markets, the competition for talent remains strong. The expansion of local production, including that for Jeep vehicles, provides an opportunity for FCA to attract and retain talent in both markets.

In 2015, the LATAM region experienced an unexpected industry decline with uncertain duration, the intensification of competitive pressures from non-major OEMs and currency devaluation. Those three factors impacted the market and affected turnover performance. Despite the tough market conditions, the FCA turnover rate in the region decreased to 1.5% compared with the 2.4% of 2014.

Employee Turnover
FCA worldwide (no.)

Employees at December 31, 2014	228,690
New Hires	33,984
Departures	(28,493)
Δ scope of operations	440
Employees at December 31, 2015	**234,621**

Related content

Management of Production Levels >

GRI: G4-DMA, G4-10, G4-13, G4-LA1, G4-SO2

Work-Life Balance

FCA recognizes the importance of supporting employees in balancing their personal and professional lives. The Group helps its employees manage this balance in line with local requirements and constraints.

Arrangements and initiatives to improve work-life balance include flextime (starting/quitting times), job-sharing, part-time or reduced hours, telecommuting, compressed workweek/summer hours, parental leave and other leaves.

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

An assessment of Group companies revealed that in 2015, roughly 16% of employees were covered by one or more of the available flexible working arrangements. Specifically: 2% of the workforce is employed part-time of which about 57% are women; 2.6% took parental leave related to childbirth and care; approximately 8.7% participated in other types of leaves;[9] and 2.2% were covered by other types of work schedule flexibility (e.g., flexible working hours, working from home, job-sharing).

The actual figure may be considerably higher, as this percentage does not include participation resulting from an informal agreement with local managers, and consequently is not formalized or tracked.

The Group supports equitable choices for maternity, paternity and adoption benefits which encourage employees to balance parental responsibilities with their careers. FCA provides parental leave to employees in compliance with local regulations (labor law requirements may vary from country to country). In some instances, the Group actually exceeds local requirements with dedicated policies (e.g., Canada, Serbia and Denmark).

Return-to-work and retention rates following parental leave are two key indicators of the mid- and long-term capability of the Company to provide employees with career growth opportunities and achieve balance between their home and work lives.

Related content

Return to work after parental leave >

[9] *Other types of leaves are those not related to child birth or childcare.*

Technology Connects Employees

GRI: G4-EN6, G4-EN19

FCA endeavors to make the most efficient tools, devices and technologies available to its employees to support their daily efforts and connect them regardless of their location around the world. To support its global operations, the Group uses telepresence videoconferencing extensively. In 2015, the integrated system of 207 meeting rooms equipped with high-quality conference screens registered more than 80,500 hours of teleconferencing. The availability of this communication method enables employees to communicate effectively with their counterparts at other locations while reducing business travel and its related financial and environmental impacts. To minimize the need for travel, the use of audio and videoconferencing and instant messaging systems was further extended to reach some 99,400 FCA employees. In 2015, on a daily basis there were approximately 290,000 peer-to-peer instant messaging sessions with about 2.2 million exchanged messages, 12,300 peer-to-peer collaboration sessions (audio/video/application sharing) and 3,400 multi-party conferences (audio/video/instant messaging).

The Group is also committed to reducing the environmental impact of Information Technology (IT).

Equipment is replaced regularly so that it is more efficient and increases productivity. In 2015, FCA continued to replace office hardware with more efficient equipment. Since 2010, the move to more efficient monitors has resulted in electricity savings of 848 MWh and has avoided approximately 425 tons of CO_2.[10]

In addition, server consolidation and virtualization work continued in 2015 reducing power consumption and related CO_2 emissions.

[10] The conversion factor used for EMEA is 1 kWh = 0.52 kg of CO_2 (source: Carbon Trust, Conversion Factors, 2011); the conversion factor used for NAFTA is 1 kWh = 0.739 kg of CO_2 (source: Emissions & Generation Resource Integrated Database eGRID, 2014-2010 RFCM).

Culture of Diversity and Inclusion

FCA promotes a company culture where every individual is encouraged to reach his or her full potential, regardless of gender, ethnicity or cultural background. This diversity is considered a distinct competitive advantage as each individual is encouraged to contribute his or her unique perspective and strength to the whole, while respecting and learning from the experience of others.

As stated in the FCA Code of Conduct, "The Group is committed to maintaining a fair, secure, productive and inclusive workplace for all members of our workforce, one in which everyone is valued for their unique contributions to the Company."

FCA does not tolerate discrimination, including discrimination based on race, gender, sexual orientation, physical and health conditions, disability, age, nationality, religion or personal beliefs. Due to the Group's global presence, there may be significant differences in legislation among countries and different levels of employee awareness, concern and capability in applying the principles of non-discrimination.

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

The promotion of equal opportunities between men and women in the workplace has always been a common objective for both the FCA Group and its employees. This theme is a subject of social dialogue in the various countries, consistent with the procedures established by local regulations and practice.

Of the 252 trade union agreements stipulated at the company level worldwide in 2015, five also deal with equal opportunity matters.

Enabling career opportunity and advancement that is free from discrimination and harassment and respecting and enhancing diversity are commitments highlighted in the Group Guidelines on Human Rights and Human Capital Management and local policy such as the FCA US Discrimination and Harassment Prevention Policy.

The commitment to equal opportunities stated in the FCA Code of Conduct also drives the Company's compensation philosophy that is based on the concept of meritocracy, which emphasizes the value of a high performing culture and the importance of a market-driven approach. Additionally, the Group employs formal processes to monitor application of its core equity and fairness principles to compensation levels, annual salary reviews and promotions.

Women Employees by Category

FCA worldwide (%)

	2015	2014	2013
Hourly	**19.4**	18.9	18.0
Salaried	**28.3**	28.5	28.9
Professional	**19.1**	18.5	18.3
Manager	**13.1**	13.1	13.1
Total workforce	**20.6**	**20.3**	**19.6**

At FCA, more than 14% of leading positions are held by women, while female representation over the entire workforce reaches 20.6%.

Several initiatives are in place across the Group to foster a diverse and inclusive work environment among employees. The FCA US Diversity Council works to improve the representation of women and ethnic minorities. Meetings with Senior Leadership and Human Resources align to integrate diversity and inclusion within the talent review process and support HR drivers of recruitment, development, retention and succession planning. Diversity within North America is also represented by the long-standing Employee Resource Groups (ERGs). FCA US ERGs (African American Network, Latins in Connection Network, Asian Network, First Nations Network, Gay and Lesbian Alliance, Women's Forum and the FCA Veterans' Group) provide multicultural learning opportunities, mentoring and networking for employees, and support for community outreach initiatives and charitable events. Participation in ERG-sponsored activities is encouraged and open to all salaried employees from all facilities.

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

GRI: G4-DMA, G4-LA12

Employees with Disabilities

GRI: G4-DMA, G4-LA12

FCA strives to provide a work environment in which everyone is valued based on their personal contribution and that is fair, productive and free from discrimination. In line with this commitment, the Group continues to offer suitable employment **opportunities for individuals with disabilities**. In 2015, the employment level of the disabled among the Group's workforce was surveyed across 38 countries, covering 62% of the total workforce.

In certain countries, legislation requires that companies employ a minimum percentage of disabled workers. These requirements may only apply to companies or sites with headcount over a certain threshold.

In some countries employers may, as an alternative, elect to **contribute to specific funds** for the disabled, reach an agreement with the relevant authorities to **hire disabled workers gradually**, or **benefit from exemptions provided by the law**.

In the countries where regulatory constraints exist (16 out of 38 involved), the minimum level of disabled workers varies between 1.6% and 7%. In 2015, the percentage of the Group workers with disabilities was 2.9%, of which 0.6% were women. The country with the greatest share of disabled Group employees remains Venezuela with 5% of the total workforce. The data provided does not include individuals who have been assessed by a medical professional and/or administrative authority as only being fit to perform specific tasks. In such cases, the Company assigns the worker to an activity appropriate to their specific condition.

To support the concept of inclusion, FCA participates in various initiatives such as the Brazilian government's Inclusão Eficiente and PCD programs that work to facilitate the hiring of disabled workers.

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

In 2015, as a result of recent regulatory changes, FCA US invited all current employees to confidentially self-identify whether they are an individual with a disability and/or a protected veteran. Disclosure is strictly voluntary; however, disclosure will help the Company meet federal requirements and better assess and manage employment practices.

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

Return to Work Specialists at FCA plants in the U.S. and Canada serve as an example of how the Company handles employees suffering from diminished work capacity. Within the bounds of the legal and contractual requirements, these specialists evaluate safe and suitable work opportunities for the physically impaired individuals including, if necessary, assignment to a different activity. For individuals whose conditions make continued employment impossible, FCA frequently works with state or local authorities to retrain the individuals so they can find work elsewhere.

Occupational Health and Safety

In every area of activity and country were we have operations FCA gives paramount importance to achieving the highest standards of workplace health and safety.

Principal pillars of FCA's commitment to health and safety are a continuous reduction of accidents in terms of both severity and frequency; an alignment of all FCA plants and facilities to the international standards (OHSAS 18001); and the promotion of a culture of health and well-being for all employees.

Operating according to these international standards requires an integrated approach to the management of health and safety in our plants and offices. The Group's commitment to health and well-being extends not only to employees but also suppliers, service providers and local communities.

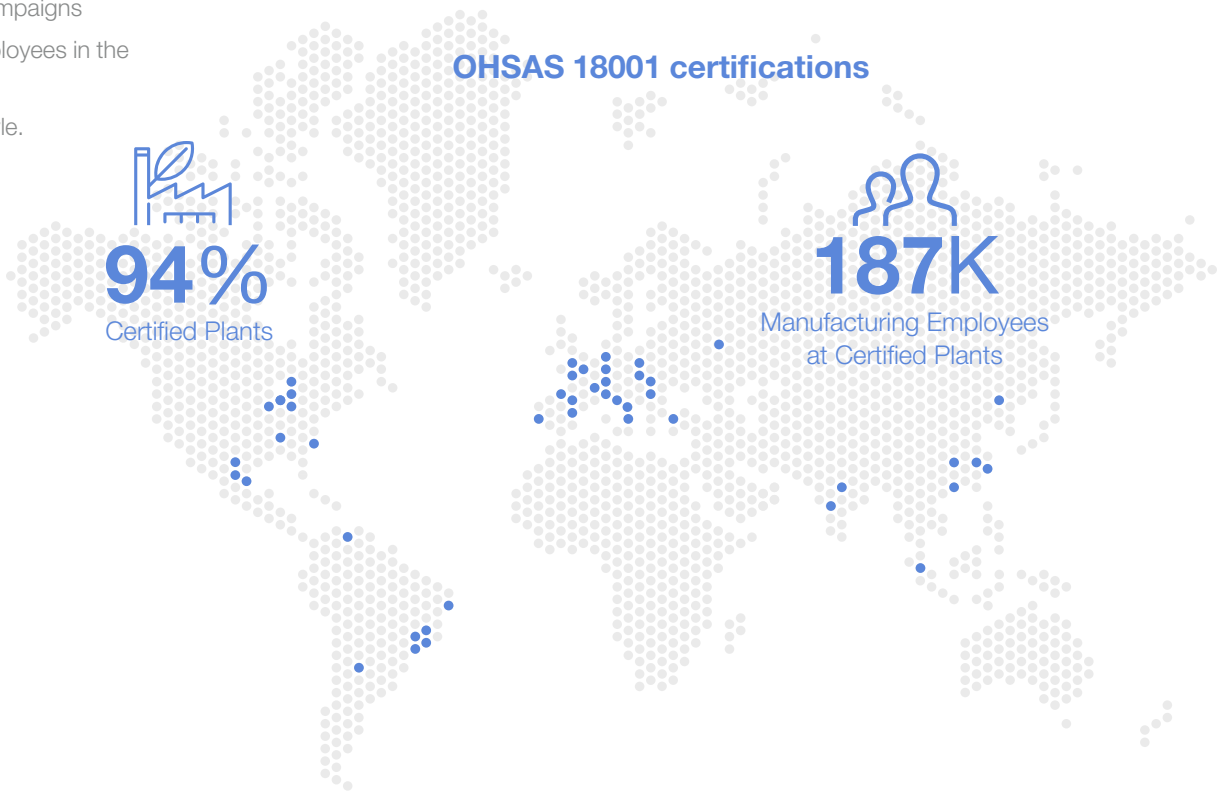
€291 M
for safeguarding health and safety

FCA is active in a number of areas, including:

- definition of standardized procedures for identifying and assessing risk
- adoption of preventive measures for continuous improvement of working conditions
- application of robust safety and ergonomic standards in plants and equipment design
- promotion of safe behavior through training initiatives and awareness campaigns
- active involvement of all employees in the improvement process
- promotion of a healthy lifestyle.

At the Group level, Environment, Health and Safety (EHS) managers are responsible for establishing health and safety guidelines, procedures and standards and for supporting local EHS professionals in implementing health and safety policies and guidelines. In addition, they are responsible for monitoring national and local legislation, as well as applicable health and safety rules and regulations.

FCA has committed that all of its plants operating worldwide in 2020 will be OHSAS 18001 certified. At the end of 2015, 136 Group plants (including all those in scope in 2013), representing 94% of manufacturing employees,[11] were OHSAS 18001 certified.



Spending on Occupational Health and Safety
FCA worldwide

	2015	2014	2013
Spending on Occupational Health and Safety (€ million)	**291**	230	194
Percentage of personnel costs	**2.5%**	2.3%	2.1%

[11] *Manufacturing employees are those directly or indirectly involved in manufacturing processes.*

Engagement in Prevention

Effective implementation of health and safety standards at FCA facilities is made possible through a combination of preventive measures and the collaboration of employees. Employees are involved in the process through training and initiatives designed to increase safety awareness, and by participating in a comprehensive system for gathering feedback and suggestions.

During 2015, employees submitted more than 2.2 million suggestions, of which 241,000 were related to improvement of health and safety conditions. The best ideas were put into practice, shared across multiple facilities and incorporated into FCA's Occupational Health and Safety Management System (OHSMS). Recognition was given to the employees who proposed them.

241,000
suggestions to improve health and safety conditions

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

Delivering on this core value requires a broader approach in which employee health and safety are not simply considered as a lack of illness or risk factors, but are considered more broadly in terms of the workers' well-being.

1 M
training hours on safety aspects

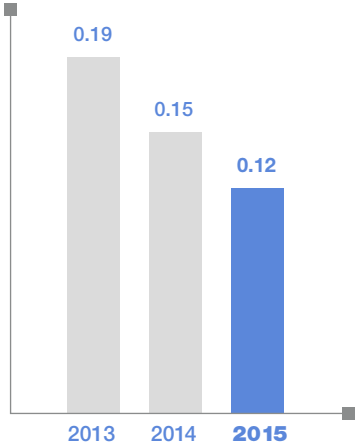
Improvement of employee health and safety is also one of the issues of ongoing dialogue with the employee-representative bodies in accordance with current laws and the collective agreements applied in the various countries in which the Group operates.

The analysis carried out in 2015 covering 96.1% of FCA employees worldwide (including the joint operation Sevel S.p.A. in Atessa, Italy) revealed that 82.1% are represented on issues such as health and safety through organized bodies that monitor health and safety programs and provide advice where needed.

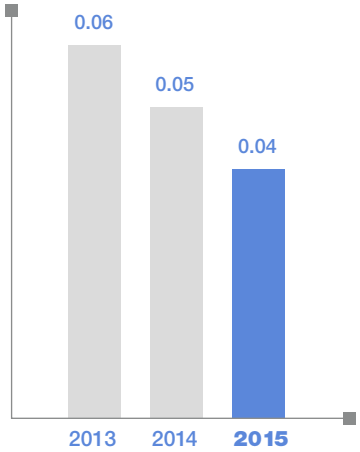
Safety Insights

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

Frequency Rate[12]
FCA worldwide
(accidents per 100,000 hours worked)



Severity Rate[13]
FCA worldwide
(days of absence due to accidents per 1,000 hours worked)

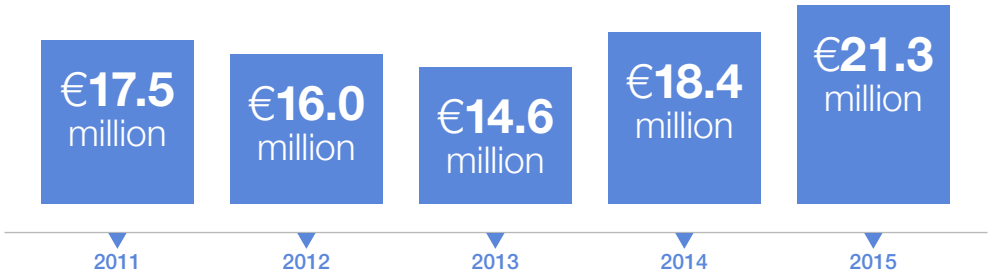


Work-related injuries are analyzed to determine the contributing causes and to take appropriate measures to avoid recurrence. Injuries are categorized according to frequency, severity and gender of the employee involved. Additional statistics are also kept by site and production line/process.

In 2015, the primary indicators improved for the ninth consecutive year. The **Frequency Rate** was reduced by 20% over the prior year to 0.12 accidents per 100,000 hours worked and the **Severity Rate** was reduced by 20% to 0.04 days of absence per 1,000 hours worked.

In Italy, investment in health and safety, combined with other measures, has resulted in a progressive reduction in the level of risk attributed to FCA plants by INAIL, the national accident and disability insurance agency. As a result, the Group was eligible for "good performer" premium discounts, which enabled savings of about €88 million between 2011 and 2015.

Insurance Premium Discounts in Italy



Near misses[14] are also analyzed so that the appropriate preventive measures can be taken, including implementing best practices and correcting potentially high-risk behaviors. In 2015, approximately 27,000 near misses were identified and analyzed.

[12] *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.*
[13] *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.*
[14] *A near miss is an event that did not result in injury or illness but had the potential to do so.*

GRI: G4-DMA, G4-LA6, G4-LA7

In 2015, there were three fatal accidents involving Group employees: one at the Magneti Marelli plant in Mexico and two at an assembly plant in the U.S.
The circumstances were analyzed in detail and the FCA companies took necessary actions to prevent future incidents of a similar nature and assisted local authorities with the accident investigations.

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

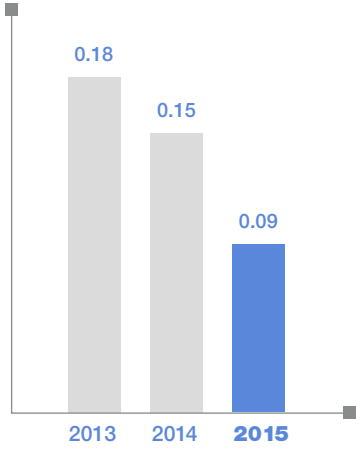
From a statistical point of view, occupational illnesses occurring in the manufacturing environment fall into two distinct categories. First are the cases under investigation, which are being reviewed by insurers to verify, in accordance with the applicable regulations, the existence of a disease and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

Fatalities
FCA worldwide

	2015	2014	2013
Fatal accidents involving Group employees (no.)	**3**	1	2

In 2015, there were 382 confirmed cases worldwide. The **Occupational Illness Frequency Rate** was 0.09 cases per 100,000 hours worked (0.15 in 2014).
This indicator (and changes from year to year) typically bears a low correlation to recent or current preventive measures because, unlike the accident indicators, occupational illness can relate to issues that originated years or even decades prior to being confirmed. In fact, occupational illnesses are quite complex and are usually related to historical working methods or environmental conditions that have long since been eliminated. There is currently no evidence of a high incidence or high risk of occupational illness related to FCA employees.

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



Health Promotion Program

FCA considers the health of its workers a top priority for all of its companies and all the countries in which it operates. In 2015, the Health Promotion Program (HPP) continued, including several projects promoted at the central and local levels to support and monitor employees as they strive to adopt a healthy lifestyle. In 2015, the program was expanded to 125 plants in 18 countries, continuing to address regional issues where appropriate.

The HPP is based on experiences reported both inside and outside FCA, and follows the health and safety principles of the main international organizations, including the World Health Organization (WHO), the U.S. Occupational Safety and Health Administration (OSHA), the European Agency for Safety and Health at Work (EU-OSHA), and the International Labour Organization (ILO).

The four top-priority areas where the HPP seeks to intervene are:

- screening and vaccination including services such as blood pressure, blood sugar level and cholesterol monitoring
- nutrition education initiatives, including counseling on healthy eating in the workplace and providing healthier food options on the cafeteria menu
- promotion of physical exercise through sports teams or clubs, and advice on how to increase daily exercise. For example, dedicating special areas of the Company to sports activities and/or entering agreements with local sports centers for use by employees and their families
- smoking cessation programs through awareness campaigns on smoking-related issues, including long-term health risks and the creation of support groups.

Customers

Understanding Customers

FCA's efforts to create lasting relationships with customers are focused on every step of the ownership experience from purchase consideration and vehicle sale to after-sales support and services. Customer feedback and opinions are monitored on an ongoing basis regarding not only satisfaction with the vehicle and dealer experience but also to integrate consumer insight into areas such as Vehicle Planning, Design and Engineering.

At FCA, **market research** experts deliver insights across all regions to help shape new concepts and product design; identify consistent actions to improve vehicle brand perceptions and experiences; and track automotive after-sales and services.

In 2015, FCA US launched Mobility Trend research spanning multiple generations and exploring five key trend areas: Connected Car, Autonomous Vehicles, Urban Mobility, Shared Economy, and Electric/Alternative Powertrains. The study surveyed 18,000 U.S. consumers to measure behaviors, opinions and outlook against these key automotive industry trends. Findings will quantify consumer demand for new technologies, products and services.

In addition to the Mobility Trend research, a variety of product insight clinics and benchmarking events are conducted on a regular basis to gather consumer feedback. In EMEA, FCA is also investigating customer interest related to innovation in several areas. Consumers take part in testing experimental features and their requirements for connectivity, and autonomous technologies are targeted by several projects.

Customer Experience

Customer experience is based on interactions with Company products, services and representatives.

Realizing that the dealer network is the primary connection with customers, FCA uses both customer and other external feedback to enhance dealer programs specifically designed for each market focused on improving customer experience and satisfaction.

An example of this process is the Customer First program launched in 2015 to FCA dealers in the U.S. The program supports improving the **customer experience** as the primary means to retain customers and focuses on the dealer network's important role in the process. The program was created in partnership with J.D. Power and the U.S. National Dealer Council. Customer First concentrates on five key pillars including facility maintenance, employee engagement, sales and service process consistency, customer advocacy measures and employee training. The goal is to take a long-term relational approach to both customer and employee engagement by placing emphasis on processes, training, and facility comfort and convenience.

In 2014, FCA redesigned the sales processes in the main European markets and developed the Branded Sales Process (BSP), concentrating on **customer satisfaction**, individual brand values and availability of interactive tools. The overall goal was to redefine the network strategy to deliver an improved, consistent customer experience across all brands and markets involved.

The structure of the Branded Sales Process includes eight customer-facing processes: acquisition, welcome, interview, experience, negotiation, purchase, delivery and loyalty. The program also covers internal dealer processes such as marketing and communication, showroom management, order management and sales staff management. The enhancements are expected to lead not only to higher Net Promoter Scores and sales, but also to improved sales capabilities and, ultimately, to a competitive advantage.

A variety of communication channels are used to support the program including a Sales Process Portal which offers manuals, communication guidelines and video tutorials on the applications developed by FCA that support the sales consultants and customer-facing personnel. In addition, dealership training has been deployed to strengthen the processes used by both sales and after-sales dealer personnel.

Several measures have also been implemented over time to improve processes, customer service standards and service quality for the Group's dealer network in Brazil. In order to improve the customer experience, FCA developed a structured quality management system called Service Standards, which is tailored to local network characteristics and customer expectations. To achieve certification from FCA, dealers must participate in meetings at the regional branch office, undergo on-site audits, implement measures recommended during the certification assessment process and, finally, achieve the minimum level for each indicator. In 2015, external audits were conducted for 263 dealers for certification according to Service Standards.

Customer Feedback

FCA measures on a regional basis how satisfied customers are with both the sales and after-sales service experience, as well as how likely they are to recommend our dealers and brands to family and friends. Results are integrated into dealer sales and service processes, customer contact center management and training programs. Regional customer feedback examples include **Net Promoter Score** (NPS), **Customer Experience Initiative** (CEI) and the **Customer Satisfaction Poll**.

Net Promoter Score is the internationally recognized measure used in the EMEA region to evaluate customer satisfaction throughout the vehicle sales and service experience. With improvements to the dealer network processes, NPS increased by three points (on a scale from one to 10)[1] in 2015 and the number of customers providing feedback increased by 39% compared with 2013. The overall feedback process covers a total of 19 markets within the EMEA region, providing extensive insights from customers.

Customer Experience Initiative, an ongoing FCA internal tracking system, is used in the U.S. to survey customers at several points during the first three years of ownership. The CEI survey process provides insight into customer advocacy and satisfaction with the brand, the vehicle and the dealership sales and service experience. In 2015, over 1.4 million completed surveys were received from U.S. sales and service customers.

The Customer Satisfaction Poll program in Brazil also focuses on gathering customer feedback. In 2015, over 800,000 customers were surveyed about dealers, vehicles and Company perception. Focusing on customer experience, while incorporating a regional approach, supports customer satisfaction and contributes to improved loyalty across the regions.

[1] Data refers to NPS after-sales across all EMEA markets covered by Customer Feedback Sales and Services (general distributor, Finland, Ireland, Middle East, South Africa, and Turkey not included).

Interactive Tools

FCA offers a variety of **communication tools** for the dealer network to support **interacting with customers** during both the sales and service processes.

Sales Communication

FCA provides sales consultant **product presentation platforms** in its main markets. These tools include video, graphics and animation to engage the potential vehicle buyer and communicate product information, vehicle accessory details, competitive comparisons, and include the ability to virtually build a vehicle to suit the wants and needs of the customer. In the U.S., the iShowroom tool displays vehicles that are currently available in that dealer's inventory.

Vehicle Delivery Communication

Owner Support Lite and Owner Support+ are electronic tools designed for sales professionals to provide vehicle specific **product information** to new vehicle owners at the time of delivery. To increase relevancy, the content is derived from features that have been identified as difficult to understand by both the Quality organization and customer feedback to the FCA Customer Contact Center.

Service Communication

To promote communication and enhance the **customer service experience**, FCA provides the industry-leading service tool, wiADVISOR. Dealerships actively utilizing wiADVISOR in their service lane provide customers with a complimentary vehicle health check consisting of basic vehicle diagnostics, vehicle software updates, factory-required maintenance information, as well as a walk-around inspection. This technology simplifies the service write-up process and provides customers with an accurate, consistent and transparent service experience.

Supporting Customers

FCA places customers and their needs at the center of its activities across the various stages of the ownership experience. Customer satisfaction depends not only on the vehicle, but can also be impacted by interactions with Company representatives and services. The digital age has elevated customer expectations regarding both the timeliness and accessibility to information. To be successful in this environment, we are focusing our efforts on our ability to respond quickly and appropriately to improve **customer satisfaction** and ultimately **customer loyalty**.

To support our customers, the Mopar owner site is available in the U.S. and a majority of countries in the EMEA region. FCA customers can access Mopar products, accessories and services, including various features available on a regional basis, such as Remote Vehicle Services, including lock and unlock doors; Vehicle Health and Maintenance Recommendations; Warranty and Roadside Assistance; and Vehicle-Specific Recall Information.

There are many touch points throughout the vehicle ownership process that can impact customer experience. FCA offers a variety of services and information to support not only our current customers but also potential customers.

Mopar owner site

Financial Services

FCA facilitates access to vehicle purchases in Europe through FCA Bank S.p.A.[2] which offers customers a wide range of **financial products** and **insurance services** at competitive terms.

FCA Bank Satisfaction Index in selected EMEA Major Markets
Score: Min 1 to Max 5

	2015	2014
Italy	**4.06**	3.98
Germany	**4.37**	4.26
U.K.	**4.41**	4.48
France	**4.12**	3.90

Web-based tools are developed and used to suggest the financial plan that best suits customers' needs and budget, including Financial Calculator and Find Your Car.

In 2015, FCA Bank issued more than 600,000 new financial contracts. By offering **attractive tailored options** to refinance existing or purchase new vehicles, FCA Bank strengthens customer loyalty and contributes to their overall satisfaction. FCA Bank engages its customers through surveys and polls, surveying more than 16,000 customers by phone in 2015.

All products and services are offered to customers through clear and transparent information, in alignment with the principles of transparency, fairness and responsibility, as well as in full compliance with applicable laws and regulations.

Financial calculator
Find you car

Customer Contact Centers

To ensure strong and global management of customer activities worldwide, dedicated Customer Care functions have been established in all four operating regions: EMEA, NAFTA, LATAM and APAC. Customer Contact Centers (CCC), together with dealers, are the main channels of communication between customers and the Company. The Group's Head of Mopar Service, Parts and Customer Care is globally responsible for the Mopar brand and its Customer Contact Centers. There are 26 CCCs worldwide, with roughly 1,400 agents who handle nearly 16 million customer contacts per year. The CCCs offer a variety of services including **information**, **complaint management** and, in some locations, **roadside assistance**. They provide multilingual support with a strong focus on employing native speakers of **30 different languages**.

[2] In January 2015, FCA Italy and CA Consumer Finance S.A. announced the creation of FCA Bank S.p.A. which, following receipt of its banking license in Italy in 2015, became the parent of an international banking group with operations in 16 European markets.

FCA Customer Contact Centers

NAFTA

Chatham, **Ontario**
Windsor, **Ontario**
Center Line, **Michigan**
Southfield, **Michigan**
Salt Lake City, **Utah**
Irving, **Texas**
Mexico City, **Mexico**
San Juan, **Puerto Rico**

EMEA

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

APAC

Beijing, **China**
Seoul, **South Korea**
Tokyo, **Japan**
Changsha, **China**
Pune, **India**
Melbourne, **Australia**
Brisbane, **Australia**

LATAM

Valencia, **Venezuela**
Belo Horizonte, **Brazil**
Cordoba, **Argentina**

Customer Contact Center Performance	EMEA	NAFTA[3]	LATAM	APAC
Contacts managed (million)	4.3	8.7	1.4	1.5
Customers participating in satisfaction surveys	12.0%	6.0%	4.5%	5.0%
Satisfaction index (scale 1-10) Information	7.5[4]	8.5	8.0[5]	8.7[6]
Satisfaction index (scale 1-10) Complaints	6.2[4]	6.9	6.1[5]	7.2[6]
% of calls answered within 20 seconds	81.8%	72.0%	89.6%	88.0%
Information: cases settled in a single call	92.2%	94.0%	90.2%	97.0%
Complaints: % cases settled within 5 business days	64.8%	78.0%	45.7%	77.0%

[3] NAFTA region decrease in call center response (as measured by the % of calls answered by call center within 20 seconds) and increase in abandoned calls is mainly due to a 44% increase in recall call volume year-over-year, with spike levels reaching as high as an 85% increase.
[4] EMEA markets monitored through Customer Satisfaction Index are Austria, Belgium, France, Germany, Italy, the Netherlands, Poland, Portugal, Russia, Spain, Switzerland, and United Kingdom.
[5] LATAM markets monitored through Customer Satisfaction Index are Argentina and Brazil.
[6] APAC markets monitored through Customer Satisfaction Index are India, Japan and South Korea.

FCA Customer Contact Centers manage the entire process, from the first contact with the customer until a response has been given, ensuring resolution in the shortest possible time.

The NAFTA region CCCs handled approximately 8.7 million customer contacts in 2015 with nearly 750 personnel for all Mass-Market Brands through separate and dedicated brand teams.

In the LATAM region, the Group has three Customer Contact Centers that handle around 1.4 million customer contacts per year, with 144 agents.

With approximately 500 personnel, the EMEA region Customer Contact Centers handled more than four million contacts in 2015. During the year, the volume of contacts increased by almost two million compared with 2014 due to new outbound campaigns to engage prospective customers.

In 2015, the APAC Customer Contact Centers managed about 1.5 million customer contacts with 68 agents covering the full range of FCA brands. The countries within the APAC region are very diverse in terms of culture, language, vehicle population and automotive industry penetration.
To respond to these regional differences, the current customer care strategy is for each main country, i.e., India, China, South Korea, Japan and Australia, to have its own CCC.

FCA believes that **skilled**, **knowledgeable and motivated agents** are essential for a high level of customer satisfaction and help reduce employee turnover. For this reason, in 2015 the Group offered a total of 40,000 hours of agent training on new products, behaviors and processes, as well as systems and new procedures.

Hours of training per person[7] in each region
EMEA: **34**
NAFTA: **14**
LATAM: **32**
APAC: **23**

Focusing on proactive communications, FCA uses innovative **digital channels** and new **customer touch points** to provide consistent, detailed and up-to-date information on products and services worldwide.
To strengthen connections with our customers and address customer complaints, FCA launched **social media listening teams** to monitor digital media channels, such as Facebook, Twitter and automotive blogs.

[7] *Training hours do not include training dedicated to new hires.*

Customer Education

Supporting our customers includes more than just communicating with them. FCA uses a variety of channels worldwide to educate customers about **vehicle safety**, including a wide and expanded array of courses aimed at improving **driver behavior and control over the vehicle**. The courses vary by brand, focusing on the individual vehicle attributes and include topics such as accident prevention and vehicle safety.

One example of an advanced driving course is the Mopar Road Ready program in the U.S. The course is designed to teach safe and defensive driving techniques. Sponsored by the FCA Foundation and supported by Mopar, the program is dedicated to training and educating teenage drivers. Each session provides a brief classroom review of basic driving topics, including proper seat positioning, hand positioning and basic vehicle dynamics. Advanced behind-the-wheel training is then provided to teens during five on-track courses, including accident avoidance, distraction, panic stop, wheel drop and wet skid pad.

In addition to the safe driving courses, FCA encourages safe and eco-friendly driving through awareness campaigns and software tools like eco:Drive. The eco:Drive feature offers personalized tips to drivers based on driving style with the objective of helping them reduce fuel consumption and emissions.

eco:Drive

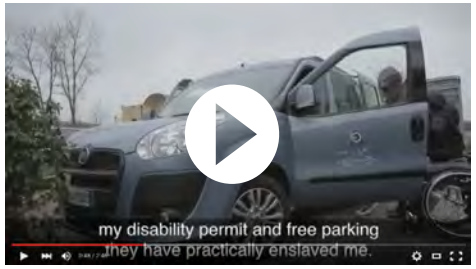
Autonomy

Challenged Mobility

FCA strives to address the needs of a wide range of customers, including those with special needs. At FCA, Autonomy and **Automobility programs** are founded on the principle that mobility accessible to everyone is a fundamental pre-condition for the economic and cultural development of modern society.

Since 1995, the Autonomy program has been offering a range of tailored solutions that make it possible for people with disabilities to drive Fiat, Lancia, Alfa Romeo, Abarth, Jeep and Fiat Professional brand vehicles. For anyone with a disability, accessible mobility can be a very important step toward independence and FCA is committed to offering technical solutions that meet specific individual and collective transportation needs. In 2015, 1,700 people benefited from the services offered through the Autonomy program's 19 Mobility Centers in Italy. These Centers are managed in collaboration with local associations, rehabilitation centers, health authorities and the department of motor vehicles. The services offered include assistance with a range of administrative, legal and technical issues, fitness-to-drive screening assessments, and information on test drives. In addition, 17,777 Autonomy vehicles were sold to customers in Europe and Brazil. In Italy, revenues from the sale of Autonomy vehicles totaled about €144 million in 2015.

The other Group initiative designed to improve mobility and enhance vehicle accessibility is the Group's Automobility program in the U.S. Automobility is a financial assistance program that was launched in 1987 to help customers with permanent disabilities get in and out of, and/or operate, a new vehicle. The program helps cover up to about €900 of the expense for installing adaptive driver or passenger equipment on most Chrysler, Jeep, Dodge, Ram or Fiat vehicles. It also helps customers locate assessment centers and vehicle modifiers or adaptive equipment installers to ensure new products meet their needs. Since 2000, the program has provided nearly 100,000 Automobility Program customer assistance grants.



Interacting with Customers

The Group takes great care in processing and **protecting personal data** of customers and others stakeholders, as set out in the FCA Data Privacy Guidelines and in compliance with applicable laws and regulations.

Data Privacy Guidelines

In 2014, the Alliance of Automobile Manufacturers and the Association of Global Automakers submitted to the U.S. Federal Trade Commission the Consumer Privacy Protection Principles for Vehicle Technologies and Services. As a member of the Alliance, FCA US committed to the implementation of seven Principles, which include transparency; choice; respect for context; data minimization, de-identification & retention; data security; integrity & access; and accountability. The Principles represent a unified responsibility to continue enhancing benefits to customers while respecting their privacy and are increasingly important as customers and vehicles become more connected. This connectivity may include information such as location of vehicles or how drivers operate their vehicles.

The Privacy Principles acknowledge that technologies and services are increasingly designed to enhance vehicle safety, performance and the driving experience, and rely upon information from vehicle systems.

Consumer Information

● GRI: G4-DMA, G4-PR3, G4-PR6

FCA regularly engages with stakeholders to provide information regarding the **proper use of our products and services**, including potential risks or hazards. With our global focus, the Group sells its products and services to consumers in approximately 150 countries worldwide, excluding markets where they are prohibited.

Given the nature of its activities, FCA is subject to numerous laws and regulations governing product information. One example is the Directive 1999/94/EC in Europe which establishes specific requirements relating to the availability of consumer information on fuel economy and CO_2 emissions for new passenger cars. Similar requirements are adopted in other markets where local requirements are less severe. In keeping with those requirements, the Group communicates that information to consumers through a variety of channels, including product materials in dealer showrooms, product advertisements, brand websites, etc.

In the U.S., the Environmental Protection Agency (EPA) supervises compliance with fuel economy labeling requirements on new vehicles. In addition to information on fuel economy, the label format also provides consumers information about annual fuel costs and environmental performance, including smog and greenhouse gas ratings. Consumers can also scan the QR Code on the label with a smartphone to access additional fuel economy information about the vehicle.

In China, the Ministry of Industry and Information Technology (MIIT) enforced the fuel consumption label for new light vehicles, and standard GB 22757-2008 established specific requirements relating to the availability of information on the label. Also, MIIT set up a website to publish fuel consumption information on vehicle types sold to consumers in China.

The Group communicates other information including safety and usage instructions and warnings that are either required by law or provided on a voluntary basis. This information is provided through owner and maintenance manuals, information labels and product advertising, as well as through the dealer and service network, Customer Contact Centers and other channels. Consumers are provided detailed information on areas such as the proper use of active and passive safety features (e.g., seat belts, airbags, child seats), environmental performance of the vehicle, driving behavior that can affect fuel consumption and emissions and responsible disposal of materials following maintenance (e.g., used oil, filters, etc.).

● GRI: G4-DMA, G4-PR8

Dealer and Service Network

Building the Network

Dealers are key business partners, providing a direct link with customers and playing a pivotal role in developing relationships and building trust. The Group works closely with dealers to enhance their competitiveness, processes and opportunities for development.

FCA redesigned the sales processes in the main markets across the EMEA, NAFTA and LATAM regions to provide a positive ownership experience while accommodating local requirements and different customer needs.

FCA offers extensive opportunities to expand the skills of dealer network personnel and those who may join the network in the near future. Specific training initiatives and educational programs also focus on increasing the quality of service offered and product-related knowledge.

With the aim to reduce the network's environmental impact, in 2015, FCA continued to develop and propose initiatives in the various regions, based on local network characteristics.

Customer First Award

Focusing on **customer satisfaction** and the quality of customer experience, in 2015 FCA announced the Customer First Award for Excellence for the U.S. dealer network. Created in partnership with J.D. Power and our U.S. National Dealer Council, the Award can be earned by dealers who show exemplary performance in five key pillars: facility maintenance, employee engagement, sales and service process consistency, customer advocacy measures and employee training. The goal is to take a long-term relational approach to both customer and employee engagement by placing emphasis on processes, training, and facility comfort and convenience. As a part of the program, a team of J.D. Power-trained consultants is available for dealers to seek help on implementing process changes that can increase customer satisfaction and advocacy in their stores.

FCA Dealer Council

Providing regular channels of communication with the network helps strengthen the relationship between FCA and our dealers, as well as contribute to improving customer satisfaction and financial success. One channel is the FCA Dealer Council which serves as the foundation for FCA dealers in the U.S. to submit feedback within their area or business center. All dealers are given the opportunity to submit their ideas and suggestions through a feedback tool located on the DealerCONNECT portal, the website connecting dealers and FCA. The National Dealer Council also addresses areas of common concern in an effort to find a more efficient and productive way to conduct business.

Minority Dealer Network

GRI: G4-EC8

The Network Diversity and Dealer Development Group was developed in the U.S. in 1983 to create dealership opportunities for persons of African American, Hispanic, Asian, Native American and Alaskan descent with a demonstrated entrepreneurial spirit. The mission focused on developing a culturally diverse dealer network in the U.S. that represents FCA's customer base and the communities the dealers serve. FCA canvasses the market in search of qualified ethnic minorities with automotive retail experience, a proven track record and access to capital for dealership opportunities. FCA continued its commitment by establishing one of the most diverse dealer networks in the industry with Fiat brand dealerships, in addition to awarding the Alfa Romeo franchise to nearly half of the minority-owned Fiat dealers.

World Class Dealer

Built on the extensive knowledge and best practices consolidated within the World Class Manufacturing program, FCA launched the World Class Dealer (WCD) program to promote dealership operational efficiency, including identifying improvements in performance and developing related strategies. The purpose of WCD, which has been active in Brazil since 2013, is to help dealers develop the most competitive dealer network. This in turn contributes to improving profitability, market share and customer satisfaction, while reducing loss and waste.

The program addresses four pillars: finance, market, processes and people. WCD is deployed through on-site consultant visits over a six-month period. To support dealerships adopting this program, FCA covers 50% of the deployment cost. WCD was implemented at seven dealer organizations in 2013, 10 in 2014 and 13 in 2015, covering 160 points of sale and representing more than one-third of Fiat sales in Brazil.

Related content

World Class Manufacturing >

Supplier World Class Manufacturing >

Standard Monitor Tool

In Brazil, the Standard Monitor tool is used to evaluate several areas of dealership performance, including services provided, personnel, image and facility/equipment. Two questionnaires are used with specific focus on sales and after-sales processes. Aspects assessed are clustered in five main categories: sustainability, facility, image, technology and processes. In 2015, Standard Monitor questionnaires were completed by 92.7% of the sales network and by 94.3% of the after-sales. The results from the Standard Monitor questionnaires are also included in the Qualitas Excellence award program.

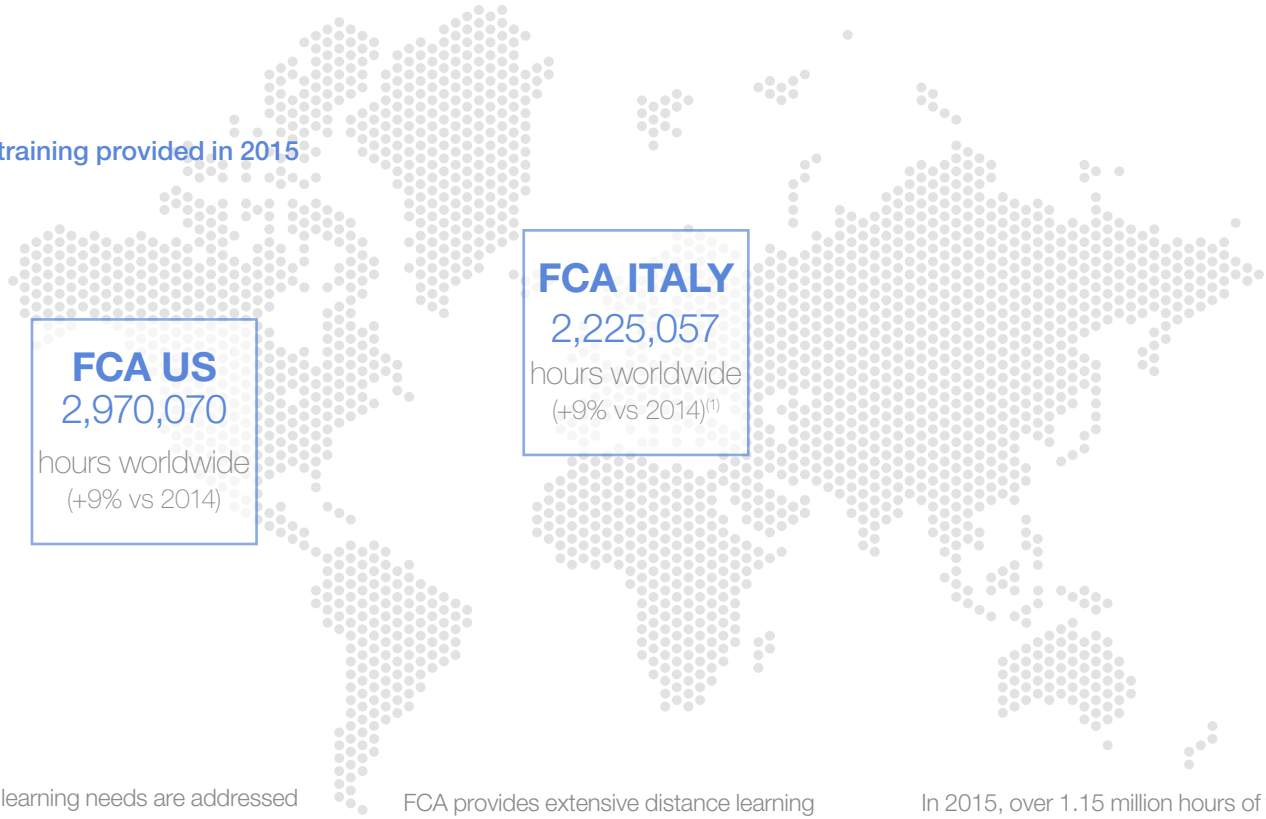
Qualitas Excellence

The Qualitas Excellence award in Brazil recognizes top sales and service personnel in the dealer network, helping them gain visibility and build a positive reputation. In line with the World Class Dealer concepts, the Qualitas Excellence develops the same four pillars. The award is organized according to dealership size and area. A variety of both monthly indicators, such as Customer Satisfaction Index, and annual activities, including Service Standard certification, are used to determine overall results. In 2015, 4,500 professionals from 111 dealers received the award.

Training the Network

In 2015, FCA continued to develop training opportunities as well as skills assessment and certification of sales personnel and technicians. Focusing on these areas helps to grow the **quality of service offered** by dealerships as well as their operations and product-related knowledge. The two main Group training organizations, Unetversity and the FCA Performance Institute, standardize skill levels across the network and offer targeted training to dealership personnel, sales and after-sales professionals and technicians worldwide.

Hours of training provided in 2015



A variety of learning needs are addressed for technical and sales issues faced by the dealer network, such as **customer relationship management** processes; product and **vehicle systems knowledge**; and **environmental and safety features** of the Group's vehicles.

In 2015, continued progress was made in the area of online training through internal multimedia platforms. The knowledge and information was readily accessible to everyone in the network, saving time and money and limiting the environmental impact of travel.

FCA provides extensive distance learning solutions for all dealership positions. These web-based courses are tailored for those network professionals who are not located near live course offerings. The Company offers various online tools and performance support, including virtual classroom, online training, web portals, tablet applications, in-dealership touch-screen kiosks and smartphone-optimized tools and resources.

In 2015, over 1.15 million hours of training were delivered online through web courses or virtual classrooms to FCA Italy sales, after-sales and technical personnel worldwide. This represents 52% of total training provided. FCA US worldwide online training accounted for an additional 1.6 million hours, representing 55% of total training. With the objective of offering solutions close to the participants, FCA offers 52 Technical Training Centers located across the NAFTA region, 34 in EMEA, 22 in LATAM and six in APAC to cover the training needs of local dealership personnel.

[1] 2014 data restated to be consistent with 2015 scope.

Customer Relationship Focus

GRI: G4-EC8

In 2014, FCA deployed the Branded Sales Process (BSP) training in 18 European markets for the Fiat and Jeep brands. Sales and after-sales training were based on this approach for the Jeep Renegade and Fiat 500X launches. Sales process training in 2015 included dedicated sessions to introduce Alfa Romeo sales personnel to BSP and also involved on-site coaching activities at 289 dealerships in nine markets (Italy, Spain, France, U.K., Germany, Switzerland, Austria, Belgium and the Netherlands).

The coaching methodology was developed by external specialists and involved all dealer principals/owners, sales managers, sales consultants and customer-facing personnel, with the following main goals:

- knowledge transfer: train staff on the Branded Sales Process, highlighting the key success factors that impact customer experience
- application tutorials: explain main features of the tablet applications and support front-office personnel to switch from desktop-based tools to tablet-based selling
- sales process implementation: determine gaps between the current process and the ideal process, identifying individual solutions to ensure a seamless and effective transition
- people mindset: assist front-office personnel to develop more customer-oriented behavior, sharing tips and techniques to make the customer experience more enjoyable
- data-driven culture: build and promote the culture of data analytics, helping staff become more familiar with customer feedback results.

Each dealership was evaluated before and after the coaching sessions using several processes such as Mystery Shopping visits. This helped determine the success of the program.

Service consultants also play an important role in building relationships with customers. In the EMEA region, new customer-oriented training courses were developed, along with local training events, for the launch of the Fiat 500X. These events covered not only product content but also extensive vehicle test drives on the road and test tracks; presentation of safety and infotainment features; and services and accessories.

These training events contributed to the more than 500,000 hours of training to FCA Italy after-sales personnel worldwide, of which approximately 340,000 hours were delivered through distance learning.

Environmental and Safety Focus

GRI: G4-EC8

The Group dedicates considerable resources to support environmental and safety training in our dealer and service network.

Worldwide, the sales force received specific training on topics related to the reduction of fuel consumption and CO_2 emissions, eco-friendly technologies, alternative fuels and the latest generation engines. In addition, when possible, test drives were organized to demonstrate the characteristics of the new models and their competitive advantages. For example, at the 2015 Jeep Training Day held in Italy, sales personnel had the opportunity to test safety systems such as Forward Collision Warning and Adaptive Cruise Control. In addition, personnel received specific training on the Uconnect system, including services such as eco:Drive and My Car which support more sustainable driving.

In 2015, FCA US delivered more than 308,000 hours of training to the sales force on environmental and safety features, or around 27% of the training hours delivered. On the same topics, training delivered to the FCA Italy sales force amounted to approximately 548,000 hours, or around 56% of the training.

Worldwide training for service technicians continued with a focus on developing know-how in the repair and maintenance of eco-friendly engines and safety and environmental-related features. This training is essential to ensure engine efficiency and reduce fuel consumption and emission levels. In addition, the increased availability of safety features on vehicles was supported by specific training covering these topics for the after-sales staff in the dealerships.

Based on the needs of the network, in 2015, more than 536,000 hours or around 36% of the total training hours were dedicated to training on diagnosis, repair and maintenance of eco-friendly engines and safety-related product features delivered to FCA US technical personnel worldwide. FCA Italy technical personnel worldwide received over 375,000 hours on these subjects, or around 51% of the total training hours.

Enhancing Network Skills

GRI: G4-EC8

Building our network goes beyond providing training and communication tools for our existing network employees - it means looking forward and supporting the development of the next generation of dealership personnel.

Through Strayer University, FCA launched the Degrees@Work and Degrees@Work Family programs in the U.S. in 2015. FCA US is not only the first company in the automotive industry to offer the programs, it's also the first U.S. company of any type to provide a no-cost, no-debt college degree to both dealership employees and their immediate families. Through this partnership with Strayer University, employees at participating dealerships are offered the opportunity to receive relevant Associate's, Undergraduate, and Master's degrees at no cost. The programs will enable dealerships to attract top talent, improve the skillset of existing employees, lessen the burden of paying for college for families and increase employee retention.

The Mopar Career Automotive Program (MCAP) provides FCA dealerships in the U.S. with a competitive method to recruit and train entry-level technicians to sustain and grow the dealer service operations. MCAP is a national study and internship program offered by a network of schools that utilize FCA-specific curriculum to train high-potential, entry-level automotive technicians for employment at FCA dealerships. MCAP has created strategic partnerships with automotive technical colleges and technical schools in selected locations throughout the U.S. The program provides a competitive and structured career training path for students so that dealers can attract the best future technician applicants. Through partnerships with community colleges and technical schools, FCA offers technician candidates college-level instruction and internship experience, which creates awareness of skilled technician careers and helps support customer experience.

Improving Network Sustainability

Reducing the environmental impact of the dealer network is one way FCA approaches sustainability issues across the entire value chain. Working together with dealers toward this goal is also an opportunity to establish dialogue with customers, touching on all aspects of the Group's commitment to sustainability. The Group's dealer network consists of sales points in approximately 150 countries. FCA is committed to support the monitoring and progressive reduction of the network's environmental footprint although the majority of the dealer network is privately-owned. To reach this goal, in 2015 FCA continued to develop and expand methods and initiatives in the various regions, based on local network characteristics. Actions taken or proposed at dealerships were mainly related to increasing awareness on sustainability topics, including reducing energy consumption, atmospheric emissions and natural resource consumption, and improving waste management.

At Italian Company-owned dealerships, total energy consumption, including both electricity and heating, was reduced by 12% versus the 2012 baseline year and around 13.5 TJ of energy saved.

Environmental awareness is communicated to the private dealer network through the use of ecologically sound solutions included in the Corporate Identity and in the standards developed by the Company. Since 2012, in the EMEA region, around 50,000 square meters of anti-bacterial and anti-pollution tiles have been installed. The titanium dioxide content of these tiles contributes to creating an improved indoor air quality, a better atmosphere and a cleaner environment. The advanced floor installed has the same pollutant degradation capacity as a 835,000 square meter greenfield.

-12%
energy consumption

In the U.S., sustainability is promoted to our dealers through a dedicated website that encourages dealers to:

- upgrade existing facilities
- lower energy costs by installing LED lighting
- optimize dealership operations by increasing efficiencies
- lower maintenance costs by installing easy-to-clean tile floors
- use low Volatile Organic Compounds (VOC) paints when updating color schemes
- use building materials with recycled content.

The website also includes a guide for dealers to renovate or build a new facility, a virtual tour of the prototypical dealership and completion photos of recent dealer facilities.

Along with promoting sustainability to our dealers through a dedicated website, 255 U.S. dealers participated in the Dealer ECO Survey in 2015. Dealers provided survey information and reports on their sustainability initiatives, energy efficiency, waste recycling and community programs. Some of the best practices reported were solar farms, LED light conversions, recycled building material usage, waste oil heating systems and water-based parts washers. From the survey results, four finalists were chosen to participate in the FCA Dealer Environment, Health and Safety (EHS) Leadership Award application process and one winner was selected.

In 2015, the Sustainability Award for Brazilian Fiat Dealers was established. Dealers were asked to submit best practices and initiatives in three categories: rational use of natural resources, social responsibility and process sustainability. The award ceremony took place during the Qualitas Award Convention to promote and present their initiatives to the rest of the network.

Related content

Environmental impact reduction in plants >
Environmental impact reduction in logistics processes >

GRI: G4-DMA, G4-EC8, G4-EN6

Suppliers

Supplier Management

Suppliers provide more than 75% of the components used in our vehicles.
They are strategic partners who contribute to improving our products while working toward achieving responsible and sustainable development goals even in the face of challenges resulting from globalization.

Our suppliers' level of quality, understanding of the market and readiness to innovate are critical to our ability to distinguish our products from those of our competitors. We strive to create relationships that benefit both sides in order to work together to develop responsible development practices. These practices help limit exposure to unexpected events and supply disruption, while building long-term core competence that can drive sustainable growth over time.

With respect to **green procurement**, FCA has a general quality specification under all supply contracts requiring every material's adherence to environmental, health and safety requirements, including ingredients, formulas and handling procedures where relevant. Those requirements are extended to our procurement practices through the use of tools such as the International Material Data System and Life Cycle Analysis.

Group Purchasing, the organization responsible for supplier management, sets global purchasing strategies and oversees the integration of processes worldwide. This organization also works with peers and counterparts to integrate key environmental, social, and governance considerations into global purchasing decisions.

Our buying teams within the Chemical, Metallic, Electrical, Powertrain, Indirect and Mopar commodity groups work with suppliers and internal colleagues within the various functional areas to develop and execute sourcing strategies. In addition to the buying teams, other departments support the ongoing selection, management and development of our automotive supply base. These teams include Supplier Quality, Supplier Relations and Product Development.

The Company evaluates the effectiveness of its management approach through periodic benchmarking activities of major competitors, external audits and feedback from various stakeholders.

No relevant areas of concern were identified through media monitoring, stakeholder commentaries and other public information, as reported by the major rating agencies responsible for assessing the FCA supply chain management processes.

Our supplier base is highly concentrated, with the top 141 strategic suppliers accounting for approximately 61% of total purchases by value. The Group classifies suppliers as strategic through a formal process based on the following criteria: allocated spending amount; production and spare parts capacity; absence of technical and commercially-viable alternatives; and the value of Group procurement orders as a percentage of the supplier's annual turnover.

In 2015, we extended our supplier base to 328 new suppliers. In general, there were no other significant changes in our supply chain's structure or in any notable outsourcing activities.

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

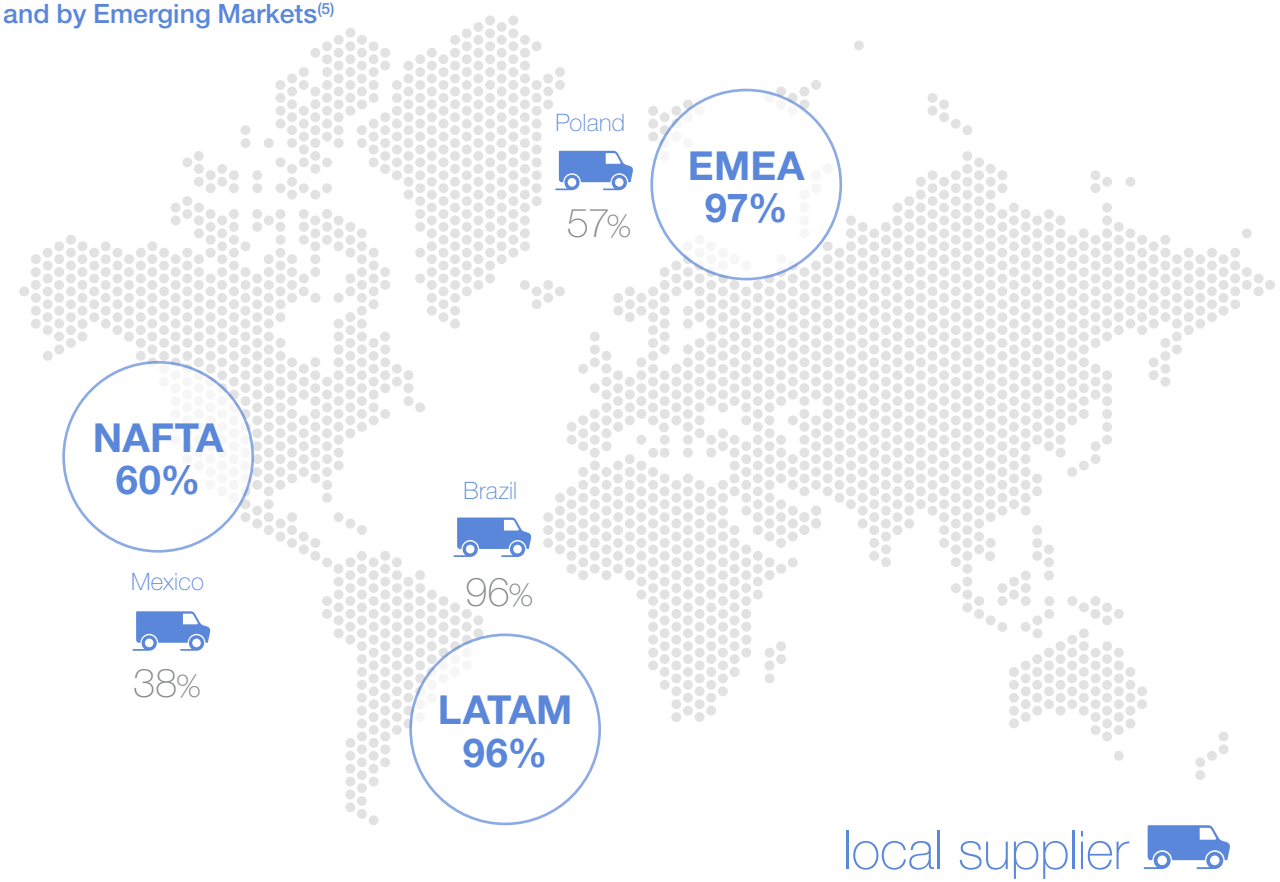
Highlights Group Purchasing[1]

Worldwide

	2015
Direct and indirect material purchases managed by Group Purchasing (% of total FCA purchases)[2]	~100
Direct material suppliers (no.)	2,347
Concentration of direct material purchases (% of purchases from top 141 suppliers)	60.7
Value of purchases from direct material suppliers (€ billion)[3]	62.0
Value of purchases from indirect material suppliers (€ billion)[4]	16.5

We are aware that our operations impact local economies. Whenever possible, we utilize local suppliers at major locations of operation (based on the amount of spending allocated) in order to generate direct and indirect income and employment opportunities in the communities where the business is located. This emphasis also serves to minimize transport-related environmental impacts. The term local suppliers refers to suppliers operating in the country where an FCA plant is located.

Concentration of FCA Annual Purchase Value (APV) on Local Suppliers at Major Locations of Operation and by Emerging Markets[5]



[1] *Value of purchases from direct and indirect material suppliers totals roughly €78.5 billion.*
[2] *Refers to the monetary value of purchases managed by Group Purchasing.*
[3] *Direct materials are pre-assembled components and systems used in assembly.*
[4] *Indirect materials are services, machinery, equipment, etc.*
[5] *Refers to markets where FCA plants are located (source for "Emerging Markets": Dow Jones Indices Country classification system, effective September 2011).*

Supplier Risk Management

GRI: G4-DMA, G4-EC8

The financial strength of our supply base is one of the key elements of the supply chain selection and management strategy. FCA has a **Supplier Risk Management** (SRM) function that ensures the assessment of suppliers' financial status both for potential new orders and contracts in progress.

Existing risk management tools have been recently upgraded and enhanced to support risk identification and mitigation in a proactive way. The SRM global tools combine a worldwide database and common methodologies that enable financial risk analysis of our supply chain, including providers of both direct and indirect products and services. The evaluation is based on suppliers' public financial reports and other information provided by the suppliers themselves.

A financial risk rating is issued for each supplier and only low risk suppliers are considered eligible for new contracts; however, in specific cases (e.g., technological constraints), suppliers with a lower rating can be selected by implementing corrective action plans and stricter monitoring.

The condition of the supply base is constantly monitored through regular meetings with the relevant departments of our operating segments; the cases potentially at risk are examined to define strategies and corrective action plans where needed.

Related content

Supply Chain Risks >

Culture of Sustainability

GRI: G4-DMA, G4-EC8

The support of FCA employees at all levels is critical to fully realize our goals for sustainability across the supply base.

FCA has created a global project called **Destination 2020** to help transform the organization and support long-term goals, including sustainability targets. One of the project areas addresses supplier relationships and is built around our **Foundational Principles**. These principles are being rolled out both internally and to our suppliers through training materials and publications. The long-term goal is that all supplier relationships will reflect these Foundational Principles.

A supplier survey program has been created to support the process of getting feedback from suppliers. Feedback is collected after interactive events, and then turned into actionable projects. Progress is then communicated within and outside FCA Purchasing as a further means to improve supplier working relationships.

A Global Scorecard with metrics standardized across all regions is under development. This tool will be used for Supplier Performance Management (One Voice), Commodity Strategies, Qualitas Awards Selection and to augment the Quality First Sourcing Process.

FCA Purchasing Foundational Principles

Integrity
Trust and be trustworthy

Mutual Transparency
Share expectations and information

Proactive Collaboration
Work together effectively and efficiently

Personal Accountability
Take ownership and accept responsibility

Empathy & Advocacy
Respect and support each other

Sense of Urgency
Act quickly and decisively

Continuous Improvement
Share best practices

Long-Term Mindset
Make decisions that foster sustainable relationships

Supplier Standards

FCA suppliers are selected based on the quality and competitiveness of their products and services, and on their respect of social, ethical and environmental principles.

Commitment to responsibility is a prerequisite to becoming an FCA supplier and developing a lasting business relationship with us. For this reason, and in order to address, prevent, and mitigate any potential impacts, **contractual clauses** have been progressively introduced since 2009, and new agreements require suppliers to comply with both the principles set forth by the FCA Code of Conduct and specific Sustainability Guidelines.

If a supplier fails to follow these principles, the Group can require the supplier to implement a corrective action plan, which is then verified through audit activities, and reserves the right to terminate the business relationship. Our General Terms and Conditions require compliance with environmental, social and governance clauses in 100% of new agreements.

Supplier Sustainability Guidelines are available on the FCA corporate website and on the supplier portal. They focus on the following principles:

Human rights and working conditions

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

Respect for the environment

- optimization of the use of resources
- responsible waste management
- management of substances of concern in the manufacturing process
- development of low environmental impact products
- use of an environmentally sustainable logistics system.

Business ethics

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

Our suppliers are monitored on their governance structure and level of ethics and integrity.

Any noncompliance on the part of the supplier is brought to the attention of a sustainability committee, established within FCA Purchasing. The committee's role is to review performance and to identify the appropriate actions for noncompliant suppliers in order to prevent and mitigate actual and potential adverse impacts. The committee consists of the FCA Purchasing's Processes Compliance Manager, Supplier Quality Engineering Head, and General Counsel.

GRI: G4-DMA, G4-HR1

Supplier Diversity

In 2015, FCA US was selected by Black Enterprise magazine as one of the 30 Top Companies for Supplier Diversity. Inclusion in this list is based on our demonstration of best practices through the diverse representation within our supply chain.

FCA was also awarded the Top Corporation Award by the Women's Business Enterprise National Council, the Excellence in Supplier Diversity Award from the Great Lakes Women's Business Council and Corporation of the Year from the Michigan Hispanic Chamber of Commerce for Development and Training.

One of the ways FCA supports inclusion is through the Matchmaker event, which creates **opportunities for diverse suppliers**. Completing its 16th year, the annual **Matchmaker** provides minority-owned, women-owned and veteran-owned businesses access to FCA US Tier 1 suppliers and to decision-makers within the FCA US procurement organization.
The 2015 Matchmaker event attracted more than 3,000 participants, and more than 184 minority-owned, women-owned and veteran-owned suppliers participated.

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 them. Since the program's inception, 143 suppliers have improved their minority purchasing by more than 10 times (€1.2 million).

Evidence of the Company's commitment toward supplier diversity is in the inclusion of both minority and women sourcing performance at the Tier 2 level as a criterion on the supplier's scorecard.

With a world-class supplier diversity and development program that spans 32 years, FCA US spent €6.3 billion with minority suppliers in 2015, representing 19% of its total annual purchasing value. Women-owned businesses, which are tracked separately, accounted for €2.2 billion of FCA US spending, representing 6.6% of its total annual purchasing value.

The Company continues to support several organizations that assist Tier 1 suppliers in achieving their minority-owned and women-owned sourcing goals. These organizations include the National Minority Supplier Development Council, the Canadian Aboriginal and Minority Supplier Council, the Women's Business Enterprise National Council, WBE Canada and WECONNECT International. In addition, we support veteran-business ownership through membership with the National Veteran-Owned Business Association.

Supplier Assessment Process

FCA aims to prevent or mitigate adverse environmental or social impacts that may be directly linked to our own business activities or to products and services from our suppliers. As partners, suppliers play a key role in the continuity of our activities and can have a significant impact on external perceptions of our social and environmental responsibility. As such, the Group is aiming by 2020 to conduct **sustainability audits** or assessments of all Tier 1 suppliers with potential exposure to significant environmental or social risks.

The **Supplier Sustainability Self-Assessment** (SSSA) covers environmental, labor practice, human rights, compliance, ethics, diversity, and health and safety aspects. The results of the SSSA and other criteria are used to create a risk map for the purpose of identifying suppliers that may be at risk and, therefore, require further investigation through focused audits.

Supplier Quality and Supplier Relations departments are responsible for managing the supplier assessment process.

The assessment of supplier compliance with sustainability criteria is conducted through three phases over the course of 12 months. The first phase consists of the Supplier Sustainability Self-Assessment (SSSA) questionnaire adopted since 2014 in all four operating regions. This standardized tool was developed by the Automotive Industry Action Group (AIAG) with the contribution of a work group that included FCA and other automakers and suppliers. It has a two-fold purpose: to communicate expectations to suppliers; and to determine the effective level of sustainability activity within the supply base. Moreover, it represents an effective and efficient tool that reduces the burden of multiple and similar information requests received by suppliers. FCA suppliers can complete the SSSA online by accessing it via the **eSupplier Connect portal**.

In 2014, the SSSA questionnaire was expanded with an increased emphasis on water and environmental stewardship.

The second phase of determining supplier compliance is the creation of the **risk map**.

The primary factors taken into account in building the risk map are:

- supplier's turnover
- country risk associated with the supplier's home country, with particular emphasis on countries with a poor human rights record[6]
- supplier's financial risk
- supplier's SSSA score
- supplier's exposure to commodity risk
- location of supplier's main production activities (where available or known).

The final risk map score, which is based on a weighted average of all factors, provides an indicator of a supplier's overall risk level (high, medium or low) and is used to select which suppliers have to be audited. Active direct material suppliers are assessed yearly and their risk level analyzed.

[6] *With reference to the EIRIS "Countries of Concern for Human Rights" List.*

GRI: G4-DMA, G4-EN32, G4-EN33, G4-HR4, G4-HR5, G4-HR6, G4-HR10, G4-HR11, G4-LA14, G4-LA15, G4-SO9, G4-SO10

On-site supplier audits represent the third and most intensive phase for confirming supplier compliance, and may be conducted by either internal Supplier Quality Engineers or external auditors. If any critical issues are identified during an audit, a supplier may be placed on “watch status” or, in particularly severe cases, the relationship with the supplier may be suspended or terminated. Where areas for improvement are identified, a supplier corrective action plan is developed. Action plans establish specific responsibilities within the supplier’s organization, activities and deadlines for implementation. The status of implementation and effective achievement of targets assigned through the action plan are monitored on a periodic basis.

For each supplier, the level of compliance and any recommended action plans following the self-assessments and on-site audits are reported in the Supply Quality Performance (SQP) system. The SQP divides suppliers into three groups: compliant (green); compliant but with recommendations for improvement (yellow); and noncompliant (red code). On a monthly basis, the SQP system also generates an updated Bid List which provides a qualitative assessment (including sustainability rating) of suppliers eligible to participate in competitive tenders.

Assessing Potential Suppliers

Before FCA does business with a company, an evaluation helps determine their suitability based on a broad scope of criteria. Through the **SEA (Supplier Eligibility Assessment)** the Company identifies potential suppliers’ strengths, weaknesses and capabilities to produce a product of the required quality, performance and cost, and whether a supplier has the potential to be a high-performing supplier for FCA.

The SEA is conducted during the procurement phase for those suppliers who are not currently providing parts or services for us.

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

The SEA consists of an audit carried out at the supplier’s facility and is generally preceded by the completion of a Supplier Data Profile. Subsequently, if required, corrective actions, responsibilities, and target dates for resolution can be defined for all identified items. In 2015, more than 130 new suppliers were evaluated worldwide through this process.

GRI: G4-DMA, G4-EN32, G4-EN33, G4-HR4, G4-HR5, G4-HR6, G4-HR10, G4-HR11, G4-LA14, G4-LA15, G4-SO9, G4-SO10

Ongoing Dialogue with Suppliers

Continuous dialogue is encouraged with suppliers at all levels of management, including forums such as the **Global and Regional Supplier Advisory Councils** (SAC). The SAC meets quarterly, and involves 15-20 supplier executives that provide feedback on strategic topics. FCA also uses a dedicated supplier internet portal, **eSupplier Connect**, to share information on technical requirements, supply planning, supplier quality and the results of compliance tests conducted on new components. Suppliers use this portal to communicate with the Company, enter contract bid details and specify the origin of components. eSupplier Connect also includes a section dedicated to supply chain sustainability, including best practice articles highlighting supplier initiatives that provide inspiration to companies with less experience in implementing sustainability programs.

As in previous years, initiatives for the exchange of ideas and information continued, including **local conferences** (about 124 in 2015) and **Technology Days** (26 meetings in 2015), attracting an average of approximately 1,000 participants worldwide. At these events, leading suppliers in terms of innovation, technology, and quality address specific topics and share some of their latest technological developments. In the NAFTA region, regular **Supplier Town Hall meetings**, attended by an average of 500 suppliers either in person or worldwide via webcast, continue to be a major enabler of two-way communication.

FCA encourages dialogue with and within the supply base also by working closely with many industry and supplier organizations. One such group is the **Automotive Industry Action Group** (AIAG), which a predecessor to FCA US helped found in 1982. AIAG is a cooperative forum for the auto industry focused on improving business processes and practices involving trading partners and peers throughout the supply chain. In addition to a leadership role on the Board of Directors and co-chairing the Corporate Responsibility Steering Committee, FCA US employees are engaged in 45 work groups, many of which focus on sustainability issues within the supply chain and on streamlining tools and metrics across the industry.

FCA US hosts **Supplier Training Week** twice a year, covering numerous subjects from Purchasing, Quality, Supply Chain Management, Manufacturing, Finance, and Engineering. The agenda also includes specific classes on sustainability-related topics such as responsible working conditions, environmental impact and ethics.

FCA seeks to improve and expand training opportunities every year. Our supply base is a critical element of the FCA organization and it is imperative that timely training is developed and deployed to our supplier partners worldwide. Training initiatives addressed to suppliers increased during 2015 in the EMEA region, China and Mexico. Specific training for indirect suppliers was also developed to address the needs of this specialized segment of the FCA supply chain.

Within eSupplier Connect, a **new supplier Learning Center** was launched in late 2015 to improve learning opportunities and create a more robust system overall. As the supply base continues to expand globally, it is necessary to effectively manage training information to enable development, delivery and use of this material.

GRI: G4-DMA, G4-EC8, G4-EN34, G4-LA16, G4-HR12, G4-SO11

Additional in-depth training on responsible working conditions is offered to suppliers in partnership with AIAG. This training is developed and updated collaboratively with other automakers and is designed to help protect the rights and dignity of the workers who make vehicle components. In 2015, full-day, interactive training sessions were conducted in Mexico, Brazil and China. The classes, which were funded by the OEMs, covered human rights, environmental concerns, health and safety, and ethics. The classes reached approximately 156 supplier companies, with the additional requirement that all attending suppliers cascade the material to their next-tier suppliers, expanding the reach even further. Almost 1,600 participants took the web-based training, which is available is seven languages and which is a high-level version of the same concepts.
FCA is also committed to promoting entrepreneurial growth by providing entrepreneurs the practical capacity-building training they need, which enables subject matter experts to achieve a higher level of sustainability knowledge. With this aim, an on-site basic sustainability training course was delivered in 2015 at FCA's EMEA headquarters to 120 select suppliers.

To address existing and emerging sustainability issues, the FCA US **Supplier Sustainability Panel** represents a cross section of the supplier base with participants from companies of different sizes, footprints and commodities. Topics addressed include ways in which FCA and its suppliers can work together on sustainability initiatives, gap assessment and resolution, benchmarking site visits, and training and communication throughout the supply chain. In 2015, the Panel held a day-long workshop with the help of the FCA Innovation Team to develop concrete deliverables with tangible impact. The member companies as well as representation from industry associations defined and prioritized work teams and projects, all led by the suppliers themselves. These ongoing projects will be used to engage with other industries, create training materials for suppliers and expand our reach into the sub-tier supply chain.

We encourage supplier innovation through various initiatives to find ways to reduce costs. **The Technical Cost Reduction (TCR) SUPER (SUpplier Product Enhancement Reward) Program** encourages a proactive approach with suppliers whereby economic benefits are shared when innovative manufacturing technologies and leaner component designs are implemented.

The TCR department underwent reorganization during 2015 to a decentralized structure. This change prompted a TCR strategy focus with Purchasing and the supply base. Each of the purchasing commodity areas held workshops to generate savings ideas and a new process was developed to manage internal and external idea generation. All supplier-initiated ideas are incorporated into the SUPER program. For example, approximately 36 ideas were implemented by suppliers in the EMEA region, resulting in shared economic benefits of approximately €1.1 million.

The **Supplier Innovation Gateway** is an initiative whose goal is to stimulate ideas leading to benchmark systems. It provides a streamlined process to review, investigate, and approve supplier innovations in the NAFTA region.

Dedicated email addresses enable suppliers to request information (sustainability_supplychain@fcagroup.com) or report situations of noncompliance in the supply chain (bpo@fcagroup.com). Additional FCA channels are also in place to report a violation or suspected violation.
In 2015, no violations or suspected violations were received about environmental, labor practices, human rights or social impacts.

GRI: G4-DMA, G4-EC8, G4-EN34, G4-LA16, G4-HR12, G4-SO11

Supplier WCM

GRI: G4-DMA, G4-EC8

FCA Purchasing has established a program to expand the World Class Manufacturing methodology to its suppliers. FCA Purchasing, with the support of the WCM Academy, developed a new program strategy called **WCM 2.0** to better support the target to achieve "perfect quality products and services that enable FCA to exceed all corporate objectives." The main drivers enabling suppliers to meet the target are: quality, service level, financial rating, innovation, competitiveness, time-to-market, partnership and sustainability. To maximize the effectiveness of the program for FCA and its final customers, suppliers and commodities are prioritized based on importance from the customer's point of view, the purchasing strategy, and the supplier's current performance. Furthermore, the program is tailored to offer suppliers a wider range of scenarios: Light (Basic Training), Intermediate (Advanced Training), Award, and Focused Problem Programs.

The new strategy's intent is to increase the suppliers' medium- and long-term performance according to the evaluation tools already in place.

The suppliers involved in WCM 2.0 in EMEA significantly outperformed the overall population of suppliers. On average, WCM 2.0 suppliers closed 35% of their gap to a perfect score of 100, compared with other suppliers which averaged a 12% gap closure.

Other initiatives during 2015 include:

- convergence of Supplier Quality tools to WCM as a result of a global training program
- special project initiatives with methodological and technological knowledge sharing that allowed suppliers to access FCA plant standards and processes
- green and brownfield projects through which FCA helped suppliers developing new plants to consider best practices and have a systemic approach to the development of the plant.

Through the WCM program, Tiberina Sangro reached the Bronze level award in 2015 and was honored at the WCM Awards Ceremony in the U.S. as the first supplier ever to reach this level. The plan for 2016 is to continue to share best practices and put in place actions to help an increasing number of FCA suppliers to reach this level of excellence.

Supplier Awards

In 2015, FCA again honored top-performing suppliers during the **Supplier Qualitas Award** ceremonies held in each of the four operating regions. Several suppliers were recognized for their outstanding achievement in social and environmental responsibility performance. In the category of Sustainability, the top winners in 2015 were Continental Automotive Guadalajara Mexico, S.A. de C.V. for the NAFTA region and PPG Industries for the EMEA region.

These companies and others were recognized for their commitment to sustainability and the breadth and depth of their related initiatives and programs. In the EMEA region, the Qualitas event was **ISO 20121 certified** as a sustainable event. All CO_2 emissions generated from it were offset by planting 500 fruit trees in Kenya and Haiti as part of the **Treedom project**, for a total of about 100,000 kg of CO_2.

Treedom project

Deep-dive Supply Chain Study

A tightly focused study of the supply chain was completed in 2015 in which the supply chains of several complex modules were analyzed from completed assembly upstream through each tier, finishing with the raw material source. The purpose of the study was to understand the degree of transparency and sustainability practices within each tier of the supply chain. Each tier was assessed by means of an expanded Supplier Sustainability Self-Assessment (SSSA) and through direct interviews. The study, which included 146 suppliers throughout five tiers, revealed both diminishing adherence to and understanding of sustainability practices at each tier. It also showed the impact of personal engagement when partners at any point of the supply chain encourage their next tier suppliers. This pilot study will be expanded into other commodity groups. Outcomes and lessons learned will continue to be used for employee, supplier and student training.

Supplier Environmental Performance

FCA's commitment to fighting climate change cannot exclude the involvement of suppliers. Suppliers are screened to verify their commitment to a wide array of environmental concerns. Suppliers must optimize the use of resources; minimize polluting emissions and greenhouse gases; properly manage waste treatment and disposal; and adopt logistics processes with minimized environmental impact.
FCA encourages suppliers to implement an environmental management system aligned to international standards.

As directed by globally regulated substance restrictions such as REACH (regulation on Registration, Evaluation, Authorization and Restriction of Chemicals), our direct suppliers are required to use chemicals whose contents meet our current standards for the management of substances of concern.

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

Because we believe that water scarcity could impact business continuity and that water conservation is essential, in 2014 the Group led an update to the AIAG Supplier Sustainability Self-Assessment questionnaire, which now includes an increased focus on **water and environmental stewardship**. Specifically, questions were added related to water policy, strategy or management plan focused on discharge water quality improvement; water-related targets or goals; and operations located in water-stressed areas. FCA is also continuing to pursue opportunities to partner with our suppliers and local communities to establish sustainable water stewardship that supports access to clean water in water-stressed areas, such as certain areas in India.

GRI: G4-DMA, G4-EN32, G4-EN33

CDP Supply Chain Program

FCA recognizes the importance of collaboration for improving the environmental sustainability of supplier products and processes, and provides comprehensive support through a variety of initiatives.

For example, in an effort to raise the awareness of suppliers on climate change issues with a particular focus on the reduction of their greenhouse gas emissions, 210 suppliers were invited to participate in the **CDP supply chain program** in 2015. One hundred-thirty suppliers disclosed (62% response rate), attaining an average disclosure score of 77 and an average performance band of D.

About 89% of responding suppliers reported scope 1 and scope 2 emissions. This successful response rate was due in part to the dedicated supplier and buyer training webinars FCA provided in cooperation with the CDP supply chain organization to support this engagement.

By 2020, the Group is committed to monitoring 90-100% of top Group **suppliers' CO_2 emissions** (accounting for about 57% of annual purchases by value) through the CDP supply chain program.

IMDS

● GRI: G4-DMA, G4-PR3

To help manage environmental impacts related to vehicles and components, FCA uses the International Material Data System (IMDS). Suppliers are required to submit detailed information on the materials and substances used in their components through this online platform so that substances can be traced back to the specific component. In this way, FCA can monitor, control, reduce, or eliminate regulated chemical substances which are restricted or prohibited in one or more markets.

In 2015, FCA US launched the IMDS/Substances of Concern Compliance Portal application to improve data relevant to global material content reporting requirements and chemical substance prohibitions. This application, which is accessed through the eSupplier Connect portal, allows suppliers and release engineers to utilize a centralized platform to view IMDS status and chemical substance prohibitions lists, resulting in increased compliance knowledge and improved collaboration in developing parts that are globally compliant.

More than 108,600 material data sheets were completed in 2015 for FCA vehicles.

Supplier Labor Practices

Sustainability standards and performance along the value chain also include aspects related to **international human rights standards and labor laws**.

Suppliers at every tier of the supply chain carry much of the management responsibility; nevertheless FCA is aware of the role that the Company can play in preventing human rights violations and promoting sound working conditions. FCA's approach over the years has been built on systematic assessments and competency-building initiatives.

Self-assessment questionnaires are used to monitor the suppliers' management systems with respect to basic human rights, health and safety in the workplace and fair working conditions. Suppliers are also expected to establish an occupational management system to systematically assess occupational health and safety risks, to measure performance through key indicators; and to extend their health and safety policies to their contractors.

Lastly, FCA expects suppliers to take appropriate steps in preventing child labor and forced or compulsory labor, as well as recognizing the right to freedom of association and collective bargaining.

Conflict Minerals

Many geopolitical experts believe that conflicts may increasingly arise over access to raw materials. For this reason, FCA places a high priority on **responsible sourcing** and the integrity of its suppliers. The Group monitors events very closely in countries considered politically or economically unstable for potential disruptions in the supply chain that could compromise the ethical availability of essential raw materials that are difficult to replace.

FCA promotes socially responsible sourcing by making reasonable effort to **trace the source of conflict minerals** contained in our products in order to avoid knowingly using conflict minerals from sources that support or fund inhumane treatment, including human trafficking, slavery, forced labor, child labor, torture and war crimes in known regions of conflict.

The complex global challenge of managing multiple layers of suppliers is a driving force in working with peers to address ethical and social sourcing risks. In collaboration with the Automotive Industry Action Group (AIAG), FCA has developed strategies addressing Section 1502 of the Dodd-Frank Act, as well as subsequent rules promulgated by the U.S. Securities and Exchange Commission (SEC), regarding conflict minerals. The rule requires companies to determine whether tin, tantalum, tungsten, or gold (3TG) in their supply chain originated from the Democratic Republic of the Congo (DRC) or surrounding countries, and if the sale of those minerals supported the armed conflict in the DRC.

In addition, FCA has supported AIAG in creating a common automotive process to obtain conflict minerals reporting information through the **iPoint Conflict Minerals Platform** (iPCMP), a web-based data management tool based on the Conflict Minerals Reporting Template.

By acquiring this information, FCA fulfills its due diligence obligation under the SEC conflict minerals rule. Being subject to U.S. SEC regulation, FCA US filed its first annual conflict minerals report with the SEC in May 2014. FCA, however, will not file a report in 2015, but will file its first report for the 2016 year in May of 2017 to follow SEC obligations.

FCA is also working closely with the **Conflict-Free Sourcing Initiative** (CFSI) and the **Conflict Free Smelter Program** (CFSP). The CFSP audits smelters around the world to designate whether they are conflict free. To date, more than 144 smelters have been audited as conflict free, and the CFSP is increasing its auditing efforts. We provide significant resources to support the CFSP and will continue to do so in the future.

Since supply chain management is an essential part of responsible sourcing, FCA provides suppliers with the necessary support to understand and comply with regulations on conflict minerals, including guidance for using the appropriate tools to trace their origin. A working group was formed to ensure close collaboration between the EMEA and NAFTA regions, with members including representatives from the Purchasing, Legal and Global Materials Lab organizations.

Ethical Sourcing

Certain raw materials could become scarce in the near future, as happened in 2010 with rare earth elements (REE) following the decision by China, the world's predominant supplier, to restrict production and export.

FCA also continued mapping use of raw materials and noble metals that could threaten the industry's sourcing stability due to the potential lack of availability. The objective is to develop alternative solutions, either through substitution or recycling, and identify opportunities for recycling or reuse through collaboration with other industries. FCA's Global Materials Lab personnel are actively involved in the EU's Horizon 2020 research and innovation program as experts in support of the search for viable solutions in this area.

GRI: G4-DMA, G4-LA14, G4-LA15, G4-HR4, G4-HR5, G4-HR6, G4-HR10, G4-HR11

Trade Unions

Social Dialogue and Collective Bargaining

FCA recognizes and respects the right of its employees to be represented by **trade unions** or by other representatives elected in accordance with current local legislation and practices and in line with the practices of the various trade unions. FCA maintains relationships with trade unions and employee representatives that are based on mutual respect and constructive dialogue. During 2015, that dialogue included achieving consensus-based solutions to respond quickly and decisively to changes in market conditions.

At the European level, EU regulations require that all Community-scale undertakings establish a **European Works Council** (EWC), which ensures workers the right to information and consultation. FCA first established an EWC in 1997 on the basis of the agreement signed in 1996 wich was subsequently renewed (with amendments and modifications).

In 2015, collective bargaining, conducted in accordance with local law and practices, resulted in various agreements with trade unions on both wage and employment conditions.

Worldwide,[1] 85% of FCA employees are covered by **collective bargaining agreements** and 252 such agreements were stipulated at the company or plant level.

In Italy, all FCA employees are covered by collective bargaining agreements.

Outside Italy, approximately 79% of all employees are covered by collective bargaining agreements. That percentage varies from country to country on the basis of local practice and regulations. For the remaining non-unionized companies, more than 80% of employees not covered by collective bargaining benefit from conditions that are supplemental to, or better than, the minimum required by law.

In 2015, 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 approximately 92% of 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.

Collective agreements signed during the year at company/plant level

FCA worldwide (no.)

	2015	2014
Collective agreements	**252**	255

Main issues covered under the agreements

FCA worldwide (no.)

	2015	2014
Operating issue	**61.5**	51.4
Wage issue	**40.5**	29.0
Restructuring	**3.6**	14.5
Occupational Health and Safety[2]	**11.1**	9.0
Training	**4.4**	3.5
Equal opportunities	**2.0**	0.4
Other	**13.5**	13.3

Considering the economic context of countries within the European Union, the 2015 wage negotiations aimed at not increasing the labor cost, but at providing conditions based on specific company performance metrics, where conditions are met.

[1] The survey covered 98.6% of Group workforce, including Sevel (Italy).
[2] Including work-related stress.

Italy

GRI: G4-DMA, G4-HR4

In Italy, on July 7, 2015, the **company-specific collective labor agreement (CCSL)** was renewed with the Trade Unions FIM-CISL, UILM-UIL, FISMIC, UGL Metalmeccanici and Associazione Quadri e Capi Fiat.

The main provisions of the four-year agreement (2015-2018) include an innovative performance-based compensation scheme which has been first introduced in the Automobiles sector (Ferrari excluded) and it was subsequently extended to all FCA companies. It was effective retroactively from January 1, 2015 through December 31, 2018, and incentivizes all employees toward achievement of the productivity, quality and profitability targets established in the 2014-2018 Business Plan for the 2015-2018 period by adding two additional variable elements to base pay:

- an annual bonus calculated on the basis of production efficiencies achieved at the employee's plant, together with a coefficient reflecting the plant's World Class Manufacturing (WCM) level, that is to be paid in February of the year following the reference year
- a variable component linked to the achievement of the financial targets established in the 2015-2018 period of the Business Plan for the EMEA region (Business Plan Bonus), including the activities of the premium brands Alfa Romeo and Maserati. A portion of the Business Plan Bonus is a guaranteed amount based on employees' base salaries and is paid over four years in quarterly installments, while the remaining portion is to be paid in March 2019 to active employees as of December 31, 2018, with at least two years of service during 2015 through 2018.

Other major innovations introduced at FCA by the agreement include an experimental classification system for new hires, with the existing eight levels being reduced to three.

The new agreement also introduces certain important changes in relation to work hours and new work-time flexibility which aim to improve employee work-life balance. In addition, a continuous shift cycle (with a total of 20 shifts per week) based on the successful model already in place at FCA's Melfi plant, was introduced.

The industrial relations process and the system of participation have also been significantly revised.

United States

GRI: G4-DMA, G4-HR4

In the United States, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) is the principle union representing FCA's U.S. hourly and certain salaried employees.

The UAW is also the principle union representing U.S. hourly employees at General Motors and Ford Motor Company.

Agreements at all three companies included a common termination date of September 14, 2015.

In 2015, Company and the UAW reached an initial tentative agreement on September 15, 2015, which was rejected by the UAW membership. Consequently, the UAW and FCA re-entered negotiations reaching a second tentative agreement on October 7, 2015, which was later ratified by the UAW membership. As negotiations continued beyond the September 14 termination date, the agreements at GM and Ford were formally extended pending resolution of the FCA agreement.

At the conclusion of the UAW-FCA negotiations, the UAW entered into discussions with GM and then Ford with both having a new agreement ratified on November 20, 2015.

Key achievements of the **UAW-FCA Agreement**:

- maintained FCA's ability to remain competitive within the U.S. automobile manufacturing industry through the agreement period
- provision for different pay structures / payouts for traditional and in-progression employees (i.e., general wage increases, up-front lump sum bonus and performance bonus)
- improved workforce stability through resolution of the unsustainable two-tier wage structure by means of a combination of fixed and variable compensation
- investment in the workforce to recognize and reward employees for their engagement and commitment to achieving Company business objectives, including World Class Manufacturing
- work rules were strengthened, enabling increased workforce flexibility and efficiency, including improvements related to the utilization of temporary employees to support the manufacturing process.

The new Agreement has a termination date of September 15, 2019.

Brazil

GRI: G4-DMA, G4-HR4

In Brazil, **collective bargaining** for companies located in the State of Minas Gerais was initially conducted by the Federation of Industries of the State of Minas Gerais, FIEMG (Federação das Indústrias do Estado de Minas Gerais). Negotiations ended the year 2015 without a Collective Agreement for the Betim region.

However, a union agreement was reached for the FCA Betim plant and 17 suppliers. The agreement mainly provides for the adjustment of wages. To the special shift work arrangements (alternate shifts, continuous shift, third shift on Sundays), the companies paid an allowance of R$1,000.00 per capita. Profit sharing was also negotiated.

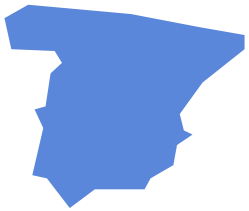
Collective bargaining at the Goiana plant lasted more than one year, with an agreement reached aimed at strengthening the competitiveness of the plant. Negotiations at the Campo Largo plant were guided by the premise of maintaining the company's competitiveness in the region, where other automakers are located. In December, the collective labor agreement was signed. The Agreement follows the guidelines for collective bargaining in Betim. It also covers operating issues such as the provision for compensatory time off and the possibility of implementation of the third-shift and continuous shift.

Collective bargaining at Fiat Chrysler Participações Brasil S.A. provided for the alignment of salaries with inflation.

France

In France, the annual negotiation concluded with wage increases in line with inflation, except for the Magneti Marelli plant in Châtellerault, where the reference parameters for 2015 had already been agreed with the trade unions in 2012.

Comau France signed an agreement for the introduction of a performance-based compensation scheme for the period 2015-2018 substantially similar to the one introduced in Italy. In January, 2015 an agreement was signed with trade unions aimed to improve competitiveness of the Magneti Marelli plant in Châtellerault for the period 2016-2018. The agreement provides for measures concerning work organization aimed at introducing greater labor flexibility and defines specific employment policies. For the period 2016-2018, the agreement provides for wage increases within 1%. The company has confirmed its commitment to maintain the same employment level for the reference period.



Spain

In Spain, wage negotiations at FCA Spain were carried out and implemented with the objective of containing labor cost by assessing the results obtained in 2015 and introducing, for the first time, biennial collective bargaining, which also lasts through 2016 with a wage increase aligned to the recovery of purchasing power.

Portugal

In Portugal, 2015 wage negotiations at Funfrap referred to the expected inflation level for the year and to specific company performances. The agreement provides for a structural percentage of wage increase and a variable element (to be paid in February 2016) related to the achievement of trading profit targets, quality, measurement of employee involvement, and the WCM score obtained at the end of the year within the audit. If the “zero accidents” target is reached at the end of the year, the agreement also provides for the payment of a percentage in addition to the variable remuneration.

Poland

In Poland, company-level wage negotiations led to salary increases substantially in line with inflation within the Group companies with increasing volumes of business.

In July 2015, FCA Poland and the majority of the trade unions reached an agreement on the introduction of a performance-based compensation scheme for the period 2016-2018 which is similar to the model defined in Italy.

Romania

In Romania, the renewal of the collective labor agreement applied to Comau calls for the introduction of a new 2015-2018 performance-based compensation scheme similar to the one introduced in Italy.

Serbia

In Serbia, FCA Services d.o.o. and Magneti Marelli d.o.o. in Kragujevac reached an agreement with the trade union for the definition of the company-level agreement, which covers both salary and regulatory conditions.

Within FCA Srbija, Magneti Marelli and FCA Services, wage negotiations have acknowledged the lack of context and company-specific conditions for proceeding with collective wage increases. The Company defined criteria for the determination of the “Christmas Bonus,” which is based on actual hours worked.

Mexico

In Mexico, the annual contractual negotiation at Teksid Hierro de Mexico concluded with a 5% wage increase in line with inflation. The agreement also provides for actions aimed at increasing employee awareness about health and safety, skills-development training, as well as the levels of certain benefits granted to employees.

The agreement reached in 2015 at the Comau facility in San Martin Obispo recognized a 4.5% wage increase.

Argentina

In Argentina, historically, union negotiations are conducted directly with the local union with the aim of ensuring competitive advantages. In 2015, the wage adjustment applied to hourly employees in FCA Automobiles Argentina was 19.78% and represents greater competitiveness of labor cost compared with the rate recognized by competitors.

Venezuela

For Venezuela, in 2015 there were no wage negotiations as they had already been regulated by the agreement signed in 2012. For 2015, the company has practiced the recovery of inflation through wage increase in six-month periods, as practiced throughout the region.

Management of Production Levels

In 2015, the EMEA region returned to profitability one year ahead of plan. The contrasting levels of market demand for certain models has had a particular impact on production capacity in Italy, leading to production stoppages in certain instances and increased production in others. The Company, however, has continued with its policy for the protection of employment by taking advantage of temporary layoff schemes or schemes defined by collective bargaining or company policies.

The drop in shipments recorded in 2015 in the LATAM region reflects continued macroeconomic weakness in the region resulting in poor trading conditions in Brazil and Argentina. In Brazil, nonetheless, the Group remained the market leader, and competitiveness of the plants was also supported by the trade union agreements reached.

In the NAFTA region, again in 2015, market share in the U.S. confirms the growth trend and, in Canada, FCA was the market leader. The company continues to meet unprecedented vehicle production demand through flexible operating patterns at NAFTA facilities. FCA US has correspondingly increased the number of manufacturing employees to support current and anticipated production volumes, as well as adding engineering, research and development, and other highly skilled employees to support product development, sales, marketing and other corporate activities.

Italy

GRI: G4-DMA, G4-HR4

In Italy, the use of **temporary layoff benefit schemes** (significantly reformed by Italian D.Lgs. 148/2015) allowed drops in production to be managed and various restructuring and reorganization activities linked to Group investments, to be implemented including through use of “Contratti di Solidarietà.”[3]

In 2015, the use of temporary layoff benefit schemes and “Contratti di Solidarietà” by Group companies considerably decreased compared to 2014 (-45.6%), which confirms the continuation of the upturn in production and return of workers to the plants.

During the year, the company largely completed the plan for investment in, and reorganization of, the Avvocato Giovanni Agnelli plant in Grugliasco (Turin), which produces the Maserati Quattroporte and Ghibli. A new investment plan was implemented for the Mirafiori Plant aimed at better preparing the site for the production of new premium-brand models.

Activities related to the reorganization and restructuring of the FCA Italy plant in Cassino and the Mirafiori Presse, Pratola Serra and Termoli plants also continued. They are now prepared for the gradual implementation of the initiatives linked to the FCA Business Plan.

For FCA Melfi (which produces the Fiat 500X and Jeep Renegade) and Sevel in Atessa (a joint venture with PSA-Peugeot Citroën for the production of light commercial vehicles), there were excellent results in terms of volumes due to commercial success. This led both to the need to implement new solutions in terms of work organization and to the hiring of over 2,000 workers.

[3] *A government benefit scheme which provides for a temporary reduction in work time and pay (partially compensated by the protection of workers' income).*

Freedom of Association

FCA employees are free to join any trade union provided they do so in accordance with local law and the rules of the trade union concerned. The Group recognizes and respects the right of its employees to be represented by trade unions or other representatives in accordance with local applicable legislation and practice.

Representative bodies, generally elected by local plant workers, are entitled to be informed and/or consulted and/or to negotiate on specific issues as provided by law or applicable collective agreements. In the European Union, the law provides for the establishment of employee representative bodies at companies and/or sites having more than a specified minimum number of employees. In North America, these representatives are only present at sites where trade union representation has been established. In China, there are currently no laws requiring that trade union representation be established; however, employees are free to form a representative council in accordance with national labor laws.

Based on those national labor laws, in order to regulate the trade union representation structures, many cities and provinces throughout China have issued rules and regulations which only apply locally.

In Italy, the Workers' Statute (Law 300/1970) ensures representation at FCA companies through company or plant-level union representatives (RSA). At the end of December 2015, 926 RSAs were present at Group companies in Italy. Under the 2015-2018 company-specific collective labor agreement (CCSL), the industrial relation process has been significantly revised. To further enhance the level of coordination and collaboration between trade unions, the CCSL provides for the establishment of a joint representative body at each plant ("Consiglio delle RSA").[4]

Each of these bodies serves as the sole liaison with the Company and represents members' interests on an absolute-majority basis.

There were also important innovations in relation to the system of participation. The roles and duties of the joint bodies and joint committees set up for matters which are considered relevant, such as work safety and training, were enhanced. The system of participation provided for by the CCSL is structured into various joint committees and implements the common objectives of recognition of human resources, broadening of opportunities for dialogue, and reduction and prevention of conflict, while dealing with the problems of common interest in a constructive manner. Issues addressed by the committees which operate at the plant level are occupational health and safety, organization and production systems, company services and monitoring of absenteeism. In plants with over 1,500 employees, the CCSL also provides for setting up the Plant Efficiency and WCM Committee,[5] assessing the specific issues related to WCM and the efficiency targets linked to the new performance-based compensation scheme. In December, specific training started focused on WCM and its pillars, with a detailed look into Cost Deployment and audit results. This training, which is comprised of five modules to be completed in February 2016, is addressed to trade union members of the Plant Efficiency and WCM Committee.

At the national level, the CCSL provides for establishment of a Bilateral Welfare Committee, an Equal Opportunities Committee and the National Bilateral Committee which, among others, will annually examine the Sustainability Report (with particular reference to production and employment trends).

In some countries, such as France and Germany, surveys on the level of trade union membership is not possible since the decision to join a union is considered a personal matter for employees, who are not required to inform the company. FCA conducts regular surveys only in countries where the Group has a significant presence and that information is not considered sensitive.

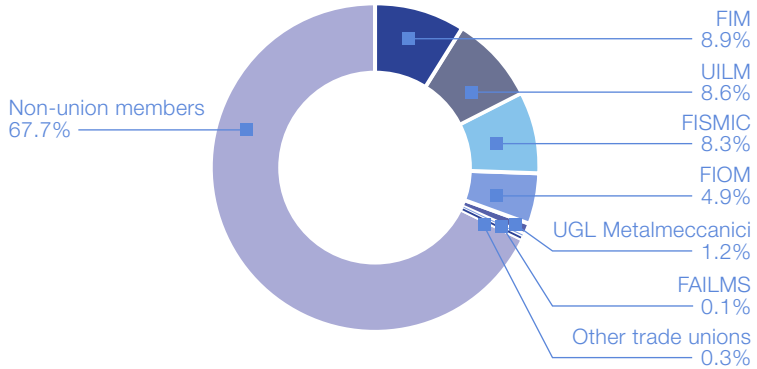
[4] "Executive Committee" in plants with more than 900 employees.
[5] Up to 1,500 employees, the duties of the Plant Efficiency and WCM Committee are assigned to the Organization and Production Systems Committee.

Italy
United States
Canada
Mexico
Venezuela
China

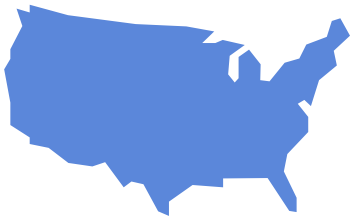
Italy

In 2015, a survey revealed that 32.3% of workers are trade union members (compared with 33.2% in 2014). In addition to the rights granted by the CCSL agreement to all Italian trade unions and workers on freedom of association, FCA provides an additional service to its employees by paying trade union dues on behalf of those employees who are members of trade unions that are signatories of the CCSL. Trade union dues for employees who are members of trade unions that are not signatories of the FCA CCSL are paid either directly by employees or via deductions from employee wages[6] by the Company.

Union Membership Italy
FCA in Italy (% of total workforce, excluding managers)



[6] *"Cessione del credito retributivo".*



Italy

United States

Canada

Mexico

Venezuela

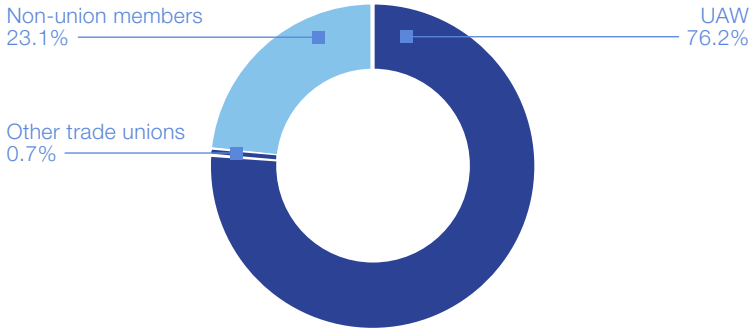
China

United States

In 2015, 76.9% of Group employees are union members, almost all with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). The UAW represents approximately 41,000 hourly workers and nearly 3,300 salaried workers.

Union Membership United States

FCA in the United States *(% of total workforce, excluding managers)*



Italy

United States

Canada

Mexico

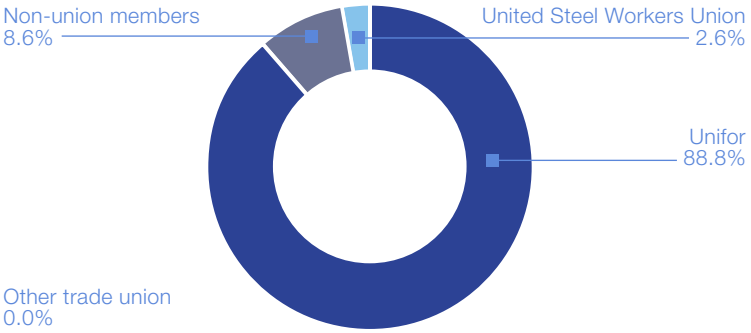
Venezuela

China

Canada

The Unifor trade union represents 10,500 hourly workers and more than 100 salaried workers.

Union Membership Canada
FCA in Canada *(% of total workforce, excluding managers)*

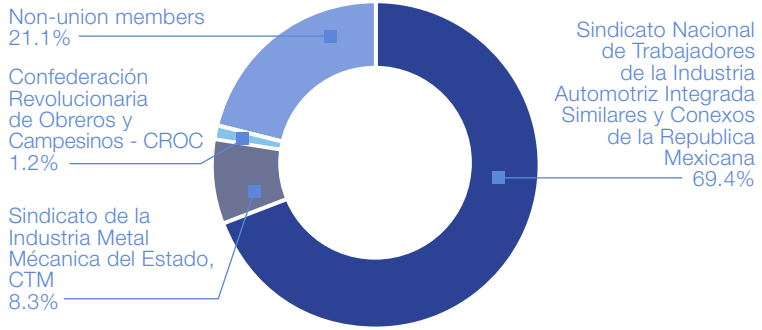


Italy
United States
Canada
Mexico
Venezuela
China

Mexico

The Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada trade union represents approximately 9,600 hourly workers.

Union Membership Mexico
FCA in Mexico (% of total workforce, excluding managers)



Sindicato Nacional Crom De Trabajadores Y Empleados De La Industria Productora, Transformadora, Metalica, Derivados Y Conexos
0.0%

Other trade union
0.0%

Italy
United States
Canada
Mexico
Venezuela
China

Venezuela

The Sindicato de Trabajadores de Chrysler de Venezuela, L.L.C. trade union represents 735 employees (corresponding to 82.2% of the workforce).

Italy

United States

Canada

Mexico

Venezuela

China

China

FCA companies in China comply in all material respects with applicable laws and regulations. They adopt advanced labor practices relating to: contracts, working conditions, safety, introduction and establishment of union representation and involvement in the Company's decision-making process. Where representation exists, trade unions are ensured the appropriate conditions to operate internally. Where union representation is not established (usually in small companies where there is no legal requirement or employee request), the Human Resources department implements and applies the main regulations and adopts advanced practices, informing employees on relevant labor and other issues.

Restructuring and Reorganization

In Italy, the use of temporary layoff benefit schemes in 2015 enabled the Group both to manage market weakness as well as **restructuring and reorganization activities** related to the Group's investment programs. Redundancy plans activated during the year, in agreement with trade unions, affected 64 workers[7] who will become eligible for retirement during the period covered by the redundancy scheme.[8]

In 2015, a total of 19 workers affected by redundancy schemes left the Group as a result of trade union agreements. As in prior years, these individuals received an additional leaving incentive as established in the relevant trade union agreements.

In 2015, the Mirafiori Plant was affected by an extraordinary temporary layoff benefit scheme for reorganization, and during the year training courses were held for employees' professional qualification. Training courses also continued for employees at the Cassino plant affected by this extraordinary temporary layoff benefit scheme for restructuring.

The training encompassed a number of areas, including: World Class Manufacturing (WCM), technical updating, ergonomic and working methods, organization and managerial soft skills.

WCM, in particular, has been central to the new change process within the organization and to technical developments involving the creation of the new models assigned to the two production sites.

In the Cassino plant, certain training initiatives were implemented through on-the-job training at other Group operating locations and in special areas set up within the plant.

Starting from the Work Place Integration (WPI) process, know-how and experience from previous launches were used to design the most efficient, ergonomic and error-free workstations possible.

The various training methods, were continued in 2015, with more than 500,000 training hours at each plant.

Elsewhere in Europe, there were minimal stoppages and no significant restructuring or reorganizations directly related to fluctuations in demand.

Labor Unrest

In Turkey, a series of mobilizations affected the plants of the main automakers, with a ripple effect from the city of Bursa. Protests and unrest started at Oyak Renault and then spread to Ford and Tofas (a joint venture between FCA and the Turkish group Koç Holding), as well as to several component companies, including FCA Group companies, with a consequent stop in production for a number of days. The reason for the protest was mainly related to a claim for salary increases in line with those agreed between Bosch and the Türk Metal trade union at the company level.
The dispute was resolved with the recognition of a one-off payment.
Otherwise, again in 2015, the level of labor unrest and local labor action in other countries was negligible and mostly related to local issues at individual plants.

[7] Including the employees of Sealing and Brake Hoses Extrusion S.r.l.(company not consolidated under the L.L. consolidation method).
[8] A redundancy scheme ("mobilità") is a government benefit scheme applicable to employees affected by collective redundancies. The benefit period depends on worker age and on geographical location of the company and provides for the protection of workers' income.

Minimum Notice Period

Within the European Union, Directive 2001/23/EC stipulates that, in the event of transfer of an undertaking, business, or part of an undertaking or business as a result of a legal transfer or merger, a disclosure and consultation process must be implemented with employee representatives.

The procedure must be initiated reasonably in advance of the transfer. FCA companies comply with this Directive as implemented by the relevant laws and regulations of each EU member state.

In addition, the establishing agreement for the FCA European Works Council sets out the specific condintions under which employees are to be informed and consulted. These include fundamental changes in the organization; the introduction of new working methods and new manufacturing processes significantly affecting the Group as a whole; and reductions in size or the closure, relocation of production, or merger of companies or business units having a substantial impact on employment at the global level. Outside the European Union, local laws and practices apply.

In the United States, a federal law known as the Worker Adjustment and Retraining Notification Act (WARN), which applies to both unionized and non-unionized sites, requires an employer to give a minimum of 60 days' notice of any action that will cause at least 50 employees or 33% of the workforce to lose their jobs.

In Canada, notice-of-termination regulations vary by province. In Ontario, where the majority of the Canadian workforce is employed, notification must be given at least eight weeks prior to termination for employees with eight years or more of service. The remaining FCA Canada LLC employees are located in Alberta and Quebec, where the maximum notice requirement is eight weeks for employees with more than 10 years of service. At unionized sites and/or plants in the United States and Canada, the level of union involvement is normally defined by the collective bargaining agreement signed between the Company and the trade union and applicable at the plant level, and usually also sets out the information and consultation procedures to be followed in such circumstances. At nonunionized plants, it is common practice to make a company-wide announcement to all employees of organizational changes relating to outsourcing, giving reasonable prior notice of the operation.

In Mexico, companies are required to notify the Federal Arbitration and the Conciliation Board, as well as the trade unions, prior to any large-scale employee layoffs or plant closures. In agreement with Federal Labor Law, prior to any large-scale employee layoffs or plant closures, companies are also required to inform the Federal Labor Agency. According to FCA's Union Bargaining Agreement, in case of any large-scale employee layoff, the Company and the union will agree to the terms and conditions applicable to such layoff. However, no notification period is expressly defined in Mexican labor law.

In Venezuela, the notice period varies based on length of service.

Communities

Supporting Communities

FCA embraces our responsibility to contribute constructively to the greater community. The conviction that the Group can and should be an agent of positive change is deeply embedded in the Company culture. The commitment to society is also reflected in the way FCA encourages the workforce to donate its time and skills to help build strong, self-reliant communities.

The Company's corporate citizenship efforts primarily target areas where we have operations, as this is where we can be most effective. Our presence in these communities enables us to best assess particular needs and challenges related to social, economic and cultural aspects. Our ongoing engagement and strong relationships with community, academic and local leaders enables us to develop programs for the benefit of all.

Social initiatives primarily take the form of investment in **targeted projects**, planned in collaboration with local stakeholders, which contribute to the **long-term development of the local community**. In addition to monetary contributions, the Group's investment often includes employees **volunteering** their time and knowledge on projects that address community development, education, the environment and basic social needs.
During 2015, Group employees around the world volunteered many thousands of hours during work time.

FCA has set **long-term targets to advance education** and **training among youth**, with a particular focus on programs designed to expand science, technology, engineering and math skills, including initiatives that address innovation, mobility and environmental issues.

The Group Community Investment Guidelines provide guidance for the development and implementation of community initiatives to build a coherent and consistent approach for the Group worldwide. They offer information to manage the various initiatives to benefit the communities and remain consistent with each brand's core characteristics and positioning. Initiatives may be managed at the plant, company and brand level, and those that are financially significant are approved at the corporate level.

A portion of the Group's charitable activities is operated through the **FCA Foundation**, which supports a wide variety of charitable and community-based organizations. The Foundation is supported by FCA US and is governed by a Board of Trustees consisting of corporate executives.

Group Community Investment Guidelines

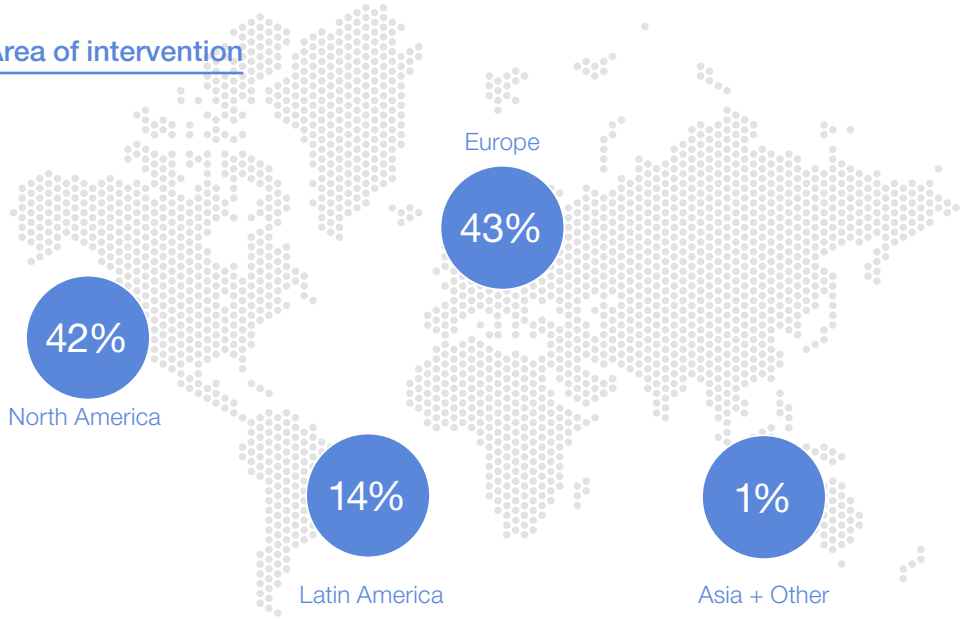
Specific indicators may be used to measure the impact of initiatives to evaluate the benefit for the local community. This helps to ensure that the Group's activities remain aligned and relevant to the current needs of the regions involved. In addition, these metrics assist in evaluating potential opportunities for development or extension of programs, as well as turning successful individual activities into long-term commitments.

In 2015, the Group committed resources for a value of more than € 22 million[(1)] to benefit local communities.

[(1)] Based on non-accounting data and calculation methods. Also includes estimates. Amounts in currency other than Euro were converted based on exchange rate at December 31, 2015. The reported figure does not include initiatives whose sole purpose is to promote a brand. Amounts refer to all FCA companies worldwide consolidated on a line-by-line basis at December 31, 2015.

GRI: G4-DMA, G4-2, G4-EC1, G4-EC7, G4-EC8, G4-HR8, G4-SO1, G4-SO2

Area of intervention



In order to make a sustainable improvement in local communities, the Group prefers investments designed to enhance community development over a simple donation of money.

The Group's 2015 activities destined to benefit local communities are focused on a variety of causes: 53% for promotion of education, culture and art (scholarships represented around 40% of educational spend);[2] 23% for social welfare projects addressing issues such as disability, eldercare, etc.; 1% for emergency relief efforts; and 23% for other areas, such as health (representing 18%).

From a regional perspective, the Group primarily made investments in Europe where 43% of the total resources were donated. North America followed with 42% of investments and the remaining funds were donated in Latin America (14%), Asia and the rest of the world (1%).

Type of contributions

75%	17%	7%	1%
Cash contribution	Volunteer work	Donation in-kind	Management cost

Destination of initiatives

53%	23%	18%	5%	1%
Education including 40% for scholarships	Social welfare	Health	Other support	Emergency relief

[2] *Includes scholarships granted within the corporate program and other initiatives at the local level.*

GRI: G4-DMA, G4-2, G4-EC1, G4-EC7, G4-EC8, G4-HR8, G4-SO1, G4-SO2

Impacting Development

At each location, FCA is committed to operating in a way that generates local growth while respecting the interests of the various stakeholders. To achieve this self-sustaining development, three conditions must be met:

- identify and develop local assets
- establish processes to plan and implement change
- encourage a local mindset to promote growth.

These three conditions require a relationship of mutual trust between FCA, the local community and its institutions. FCA continues to evolve and develop its relationship with the core communities where it does business.

One significant example that is impacting local development is the **Árvore da Vida** program in Brazil where FCA is the highest-selling automaker. Developed in 2004, the Árvore da Vida program promotes social, cultural and economic growth by encouraging independence and empowerment of people living in the community of Jardim Teresopolis, an area near the FCA plant in Betim. More than 21,500 people have benefited from the program since it started. The program initially began with a study that revealed a low rate of education, low family income, high violence rates and a flat social structure. Consequently, the program focused on sports, socio-educational initiatives, professional qualification programs and support for entrepreneurship and community development. The success of the program has led to the creation of a Vision of the Future for the next decade, including four priorities for the next 10 years: Education, Culture, Community Integration and Safety.

Another program that focuses on local entrepreneurial activities to generate income is the **Cooperarvore**, a social cooperative formed by women from the community in 2006. The Cooperarvore not only contributed to recycling more than 25 tons of material, such as seat belts and automotive fabric, it also increased the average income of cooperative members by 249%, from 2007 to 2015.

The Motor Citizens corporate volunteer program allows FCA employees in the NAFTA region the chance to positively impact communities through a variety of engagement activities. Salaried employees in the U.S., Canada and Mexico have 18 hours of paid time off each year to volunteer for eligible charitable organizations of their choosing, as well as for Company-sponsored initiatives. In 2015, one of the many Motor Citizens projects was a Detroit city neighborhood revitalization initiative in partnership with the nonprofit organization Life Remodeled. FCA US employees helped refurbish homes, board up abandoned properties and beautify vacant lots along with a variety of other clean-up efforts for which we were awarded the Spirit of Detroit Award from the Detroit City Council.

GRI: G4-EC7, G4-EC8, G4-HR8, G4-SO1, G4-SO2

Educating Generations

FCA believes that one of the key factors to accelerate economic growth and promote employment is to ensure that younger generations have the **needed skills to succeed in the labor market**. The Group pursues the goal of helping students complete their schooling through a variety of education and training initiatives in communities around the world. In the EMEA region, FCA's partnership agreement with Politecnico of Turin extends to 2018, including a commitment from FCA to provide €7.4 million in funding and other resources. For the academic year 2014-2015, 169 students completed the Laurea Magistrale and five received a dual Master's degree from Politecnico and the University of Windsor in Canada. Teachers with automotive experience conducted 35% of the training and collaborated on a number of joint research programs, in addition to being involved in workshops, summer courses and student projects. FCA personnel also provided a total of 88 hours of instruction, of which 40 were focused on environmental sustainability issues to support additional educational initiatives for the students.

The demand for skilled professionals continues to grow across the industry. To train graduates for a role within the Italian manufacturing industry, Comau collaborated with Politecnico of Turin to organize a Masters in Industrial Automation which was funded by the Region of Piedmont. The objective of the two-year postgraduate program is to attract the best graduates in engineering from Italian and foreign universities. These students will be provided specialized training in industrial automation to prepare them for a two-year advanced apprenticeship with the Group. The curriculum also includes a focus on environmental sustainability and approaches used to reduce vehicle emissions. The program is taught in part by Comau managers and is conducted entirely in English with 540 hours of theory in the first year and 660 hours of project work at Comau in the second year. The success of the program is visible by the 79 engineers hired from the first four graduating classes and the additional 20 students enrolled in the 2015 program.

FCA has a long tradition of engagement in education programs in the LATAM region. The consolidated Árvore da Vida Jardim Teresópolis program focuses on educating youth near the FCA Betim plant (Brazil). Together with the efforts of government, NGOs and the community, the program helped improve education results measured by key indicators.

For example, the Basic Education Development Index increased by 20.5% between 2005 and 2013, going from 4.5 to 4.88. In addition, the students who benefited from the Árvore da Vida program showed an increase in passing their final exams which climbed from 87% in 2010 to about 96% in 2015.

GRI: G4-EC7, G4-EC8, G4-SO1, G4-SO2

Another educational initiative is the Qualiescola project, located near the FCA plant in Pernambuco (Brazil).

The Qualiescola project was launched in 2015 to train elementary school teachers and administrators of schools to improve public education. In total, 178 teachers and administrators from 43 public schools each received more than 90 hours of training.

FIRST Robotics was created in 1989 to inspire high school students to explore and pursue careers in science, technology, engineering and mathematics.
By encouraging interest in these critical fields at a young age, *FIRST* (For Inspiration and Recognition of Science and Technology) is helping develop the technical skills necessary for the workforce of the future.

In 2015, the **FCA Foundation** awarded approximately € 270,000 in grants to *FIRST* programs in the U.S. and Canada. In addition, FCA employees in the U.S. and Canada served as team mentors to guide 59 student teams at the high school and middle school levels to design, build and program robots to perform prescribed tasks against a field of competitors. Through this process, students learn basic physics, electrical and mechanical engineering and machining skills.

In the APAC region, Fiat India Automobiles Private Limited (FIAPL) has a venture in Pune (India) between FCA Italy and Tata Motors in collaboration with Don Bosco Vyawasaik Prashikshan Kendra. One of the programs, called Diksha, is focused on providing education and technical training to youth, particularly for those who are disadvantaged and have limited opportunities.
The goal of this initiative is to help the students become self-sufficient and able to earn a self-supporting income. FIAPL supports Diksha through:

- improving the knowledge, capability, and competencies of trainers and teachers
- offering company training internships for trainers and students
- supporting practical experience through donations of vehicles, components, workshop equipment, teaching materials and training aids
- on-the-job factory training, the dealership network and train-the-trainer programs.

Since 2013, approximately 450 students have participated in the program with about 98% of qualified students employed in the automobile sector.

TechPro² Social Return on Investment Analysis

GRI: G4-EC7, G4-EC8, G4-SO1, G4-SO2

TechPro² is an international FCA project in association with Salesian Vocational Training Centers (CNOS-FAP) that has been in operation since 2008. The project offers young people, who are often from **disadvantaged backgrounds**, with continuing education to become specialized operators for automotive repair centers and the dealer network. The three-year program provides selected students with theoretical and practical knowledge from CNOS-FAP instructors who have received professional training through FCA employees.
The training centers are designed and equipped by FCA and reflect the same service standards as the FCA dealer network. Second and third-year students gain important hands-on experience through internships and apprenticeships. In 2015, 694 students in Italy were enrolled in apprenticeships, with 36% of them within the FCA dealer network. In addition, approximately 3,100 students took part in the program around the world, receiving more than **three million hours of training** in seven different languages and 52 locations.

TechPro²

CNOS-FAP conducts an annual survey to assess the effectiveness of the initiative. In 2015, the survey involved 399 students who had completed the program the previous year and, despite the employment challenges in the automotive industry, 35% of the students in Italy had found employment. The successful results of the program have encouraged FCA to further investigate the benefits in terms of improvements to the social condition and employability of the program's participants. FCA's investigation has shown that for every euro spent by the Company on TechPro², it has a **social return of about €6**. The Social Return on Investment (SROI) analysis estimates the social and economic costs and benefits of our services, comparing resources invested to value generated across a panel of selected stakeholders, including FCA, the Italian government, local communities and students participating in TechPro². For data consistency, the analysis was limited to the TechPro² program in Italy from 2009 to 2014. This time period allows the opportunity to evaluate the **social benefit** both during and after completion of the training program. The results of this investigation also confirm the importance of investing in the education of future generations as a means of **generating value**.

Products and Processes

Product Innovation and Responsible Mobility

Plants

Logistics

Product Innovation and Responsible Mobility

Responsible Products

FCA endeavors to reduce the environmental impact of its vehicles over their entire life cycle, while responding to consumer demands in each market where we do business. In January 2016, the Group updated our 2014-2018 Business Plan to better reflect these demands. The updated plan addresses the unique regulatory requirements of each region, and includes actions to improve vehicle fuel efficiency, including further applications of battery/electric technologies, such as the **Chrysler Pacifica Hybrid** which was unveiled at the beginning of 2016.

FCA's approach to providing mobility solutions strives to minimize the impact on people and the environment, by focusing on:

- improving the fuel efficiency of vehicle and powertrain technologies, both conventional and alternative
- directly involving drivers in reducing environmental impacts of vehicles during use
- developing and promoting new concepts that improve the mobility experience.

Emissions and Efficiency

FCA vehicles must comply with comprehensive local, regional and national laws and regulations with respect to vehicle emissions and fuel economy. The Group develops technologies that respond to the regulatory requirements of each market, while at the same time addressing vastly different consumer preferences and demands across the world.

FCA's efforts to reduce CO_2 emissions and fuel consumption have focused on:

- vehicle/powertrain combination
- vehicle energy demand (aerodynamic efficiency, weight, tire performance, etc.)
- customer driving style and usage.

To optimize vehicle energy efficiency, FCA addresses each of these areas at the start of the product development process.

For more information on emissions and fuel economy regulations in the various markets, see the FCA 2015 Annual Report on Form 20-F.

FCA 2015 Annual Report on Form 20-F

GRI: G4-DMA, G4-EN7, G4-EN27

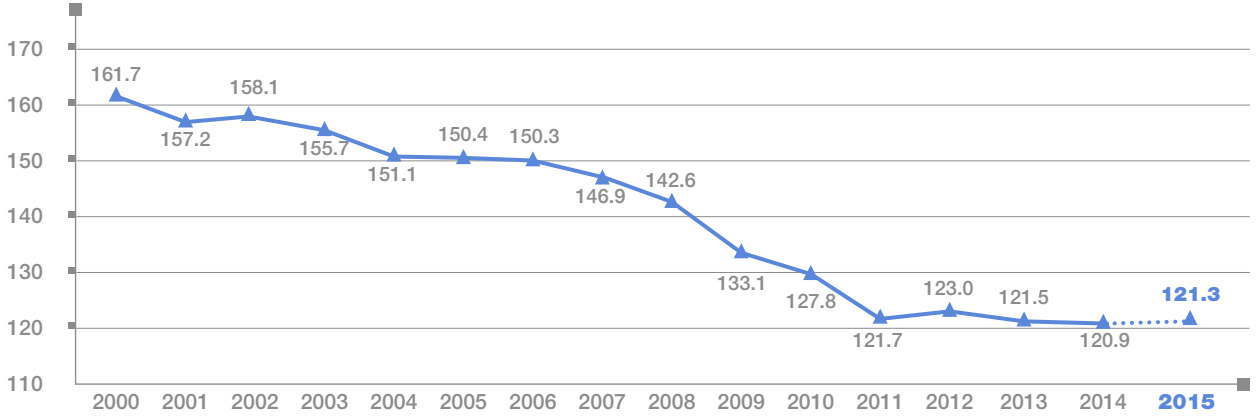
European Union

GRI: G4-DMA, G4-EN7, G4-EN27

In the European Union, the average CO_2 emissions of the Group's Mass-Market Brand cars is 121.3 g/km in 2015. This represents a 19% decrease compared with 2006 (the benchmark year used in EU regulations to set the 2012-2015 and 2020 targets), and a 25% reduction compared with 2000, which was the first year the EU Commission monitored average emissions.

Average CO_2 Emissions for Newly registered Passenger Cars

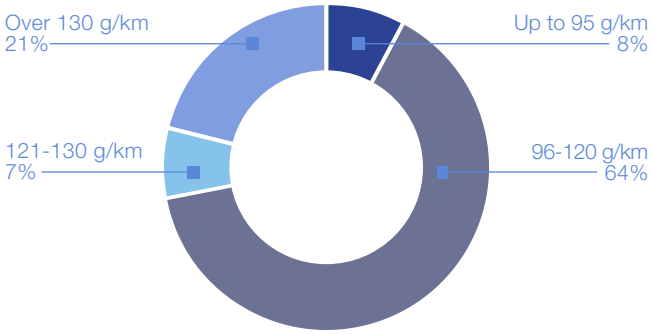
FCA (Mass-Market Brands) in the European Union (g/km)[1]



Approximately 72% of the Group's newly registered cars of Mass-Market Brands emitted 120 g/km of CO_2 or less in the European Union, while 79% emitted 130 g/km of CO_2 or less.

New Car Registrations by CO_2 Emission Levels

Mass-Market Brands in the European Union



In 2014, the European Union implemented new regulations that established CO_2 emission targets for light commercial vehicles (LCV) and, accordingly, FCA continued to monitor LCV data and established appropriate systems based on regulation requirements.

In 2015, FCA continued to be compliant with both passenger car and LCV regulations.

[1] *Source: 2000-2014 EU Commission data; 2015 FCA estimate.*

Other Emissions

As part of its environmental commitment, FCA's work to reduce fuel consumption and CO_2 emissions is paired with an even greater effort to develop technologies that reduce polluting emissions, including particulates and oxides of nitrogen (NOx).

The Group has developed solutions to reduce emission levels to comply with the Euro 6 standard. This standard introduces mandatory, more stringent limits, particularly on diesel NOx emissions, for all new type-approved passenger cars in Europe as of September 2014, and for all new registrations as of September 2015 (one year later for LCV). For diesel engines, FCA's MultiJet II technology represents an important step toward compliance with Euro 6 emission standards, as it ensures better combustion while lowering the need for exhaust gas aftertreatment.

In 2015, compliance to the **Euro 6** standard was completed for the entire FCA passenger car lineup.

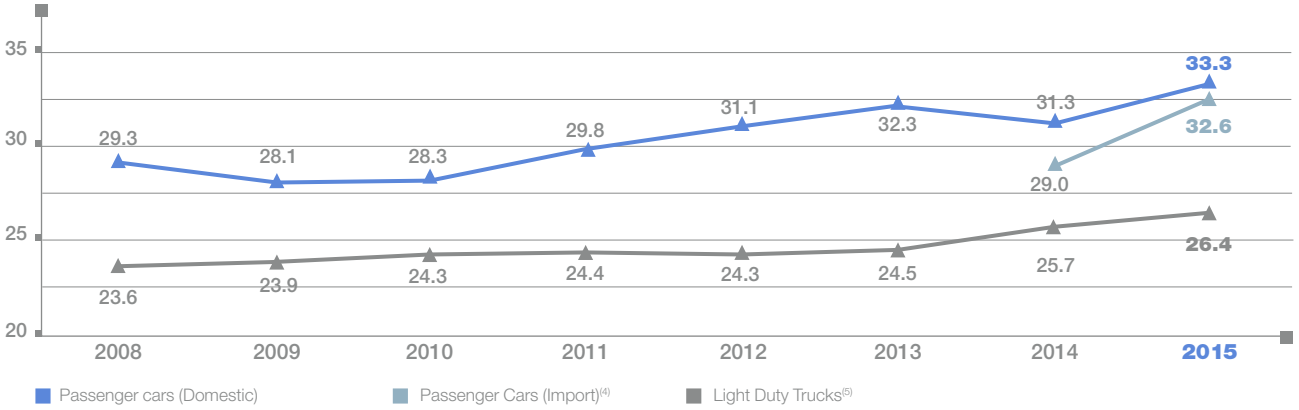
Further requirements of Euro 6 have been developed by the EU institutions and are expected to be implemented on September 1, 2017. In addition, a new test procedure has been defined to directly assess the regulated emissions of light duty vehicles under real driving conditions and is expected to be put into effect for new passenger cars on September 1, 2017 and for all passenger cars on September 1, 2019 (one year later for LCV).

United States

GRI: G4-DMA, G4-EN7, G4-EN27

In the U.S., vehicle fuel efficiency is measured by fuel economy expressed in miles per gallon (mpg). Actual fleet performance is dependent on many factors, including the vehicles and technologies FCA offers, as well as the mix of vehicles consumers choose to buy.

Fuel Economy[2] of Vehicles Sold in the U.S. according to Corporate Average Fuel Economy - CAFE[3]
Mass-Market Brands in the U.S. (mpg)



Trucks, including SUVs, pickup trucks and minivans, accounted for more than three-quarters of FCA sales in the U.S., and their truck fuel economy improved 2.7% from 2014 to 2015, increasing from 25.7 mpg to 26.4 mpg. Domestic passenger car fuel economy improved 6.4%, from 31.3 mpg in 2014 to 33.3 mpg in 2015, and import passenger car increased from 29.0 mpg to 32.6 mpg. The 2015 model year launch of the Jeep Renegade and Chrysler 200, as well as the continued expansion of the more fuel-efficient 8-speed transmission across the vehicle lineup contributed to these improvements.

[2] Refers to fuel consumption in miles per gallon, which, by applying an appropriate conversion factor, corresponds to the kilometers traveled with consumption of a liter of fuel. Therefore, an increase in fuel economy corresponds to an increase in vehicle efficiency and a reduction of fuel consumption and CO_2 emissions.
[3] Data is reported to the U.S. National Highway Traffic Safety Administration (NHTSA) and provided by model year, meaning the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle was actually produced, provided that the production period does not exceed 24 months. CAFE standards from NHTSA are set independently for passenger cars and light duty trucks. Fuel economy is based on the most recent NHTSA required submission, which for 2015 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.
[4] FCA's import passenger car fuel economy was reported for the first time in 2014, and includes both Mass-Market and Luxury Brands sold in the U.S., including Fiat, Maserati and Ferrari brand vehicles.
[5] Vehicles for the transportation of passengers and/or goods with specific characteristics defined by the U.S. National Highway Traffic Safety Administration – NHTSA (e.g., SUVs, MPVs and pickups).

Other Markets

GRI: G4-DMA, G4-EN7, G4-EN27

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

Brazil

In Brazil, the major market in the LATAM region, more than 462,000 Flexfuel and TetraFuel vehicles were registered[6] in 2015, accounting for approximately 96% of vehicles licensed by the Group. FCA participates in the government's INMETRO vehicle fuel consumption monitoring program (PBEV - Brazilian Labeling Program Vehicle). For PBEV 2015, 51 Fiat brand vehicles were involved.

As a result of technological improvements, the 1.8-liter E.torQ engine with Flexfuel technology earned the EVO designation. One of these technologies is the Continuously Variable Cam Phaser (CVCP), which contributes to a reduction in fuel consumption and greenhouse gas emissions. This engine is available on the Jeep Renegade in the LATAM market. Other powertrain upgrades, such as a new cylinder head and piston, new camshaft, variable oil pump and new air intake manifold led to increased performance at lower engine speed. In addition, a new variable intake system, designated VIS, was introduced on the 1.8-liter E.torQ EVO VIS which further contributes to a reduction in fuel consumption and greenhouse gas emissions by improving the overall engine torque profile. This engine is available on the Fiat Toro in the LATAM market.

China

In China, where the Corporate Average Fuel Consumption (CAFC) regulation set targets for fuel efficiency starting in 2015, the Group is committed to launching fuel efficient products, with technologies that have been upgraded and adapted to address the specific characteristics of the market. In 2015, the import of diesel engine models, including Jeep Wrangler, Jeep Grand Cherokee and Dodge Journey, resulted in a positive contribution to the fleet CAFC. Diesel engine models represented approximately 15% of total FCA imports in 2015. To respond to the more stringent 2016 CAFC regulation, technical solutions such as Engine Stop-Start (ESS) technology were introduced on selected 2016 model year vehicles.

The 2.0-liter diesel engine, developed to respond to Chinese regulations and local market needs, was launched in 2015 on the Dodge Journey.

[6] *Official data communicated to Brazil's INOVAR-Auto program.*

Efficient Powertrains

FCA's commitment to reduce vehicle CO_2 emissions and improve fuel economy is reflected in the long-term targets that we have established. To fulfill these commitments, the Company has adopted a selective approach that applies the most suitable technologies considering market and regulatory requirements, as well as customer expectations with respect to level of technology and cost.

Product Targets

A key enabler to this approach is FCA's global powertrain organization that leverages regional strengths and develops plans from a global perspective.

FCA's distinctive technologies such as MultiAir II and MultiJet II have continued to evolve. In combination with other technologies such as direct injection and variable displacement oil pumps, this has led to the development of efficient powertrain architectures.

In addition, FCA and supplier capabilities are being optimized through ongoing improvements in the co-development process, from the design phase through the start of production.

Gasoline Engines

GRI: G4-EN7, G4-EN27

To respond to widely varying consumer demands across the regions, FCA offers a broad portfolio of gasoline engines.

FCA launched MultiAir technology in Europe in 2009 and applied it to the Fully Integrated Robotized Engine, or FIRE, engine family. Since production began at our plant in Termoli, Italy in 1984, more than 20 million FIRE engines have been produced at that plant. In 2011, we also launched the FIRE MultiAir naturally aspirated and turbo engines in North America from our engine plant in Dundee, Michigan.

The FIRE family now offers a complete lineup in terms of displacement, fuel, air management and valve actuation, including the latest variant on the Jeep Renegade and Fiat 500X, the 1.4-liter Turbo MultiAirII.
The second generation of MultiAir technology further improves fuel efficiency thanks to the combination of innovative camshaft profiles and control strategies.
In the EMEA region, the portfolio starts with the 0.9-liter engine. The Engine Stop-Start (ESS) system was extended in 2015 to the 8-valve, 1.2-liter versions of the Fiat 500 and Lancia Ypsilon, further reducing CO_2 emissions generated.
The E.torQ engine family is a 1.6-liter gasoline-powered EVO engine (Euro 6) with ESS and smart alternator produced in Brazil. It is now available for the European market on the Jeep Renegade and Fiat 500X.

Development continues on a new family of small gasoline engines designed to improve vehicle fuel economy and emission levels. This engine family covers a large range of vehicle applications with different power outputs. It introduces new features and technologies to improve efficiencies, focusing on a reduction in friction and thermal management to maximize the efficiency of the engine's internal combustion. This engine's output is aligned with the expected evolution of regulations and the foreseeable trends in market and customer needs.

FCA's Pentastar V-6 engine, originally launched on the Jeep Grand Cherokee in 2010, now powers almost six million vehicles. In 2015, the Pentastar was upgraded with a focus on improving efficiency and providing greater customer satisfaction. Depending on the application, the redesigned engine can offer more than 6% fuel economy improvement. During development, potential improvements were measured right down to the component level, with the final solution being a combination of features that deliver the greatest benefits in the widest operating range. Enhancements include two-step variable valve lift (VVL), cooled exhaust-gas recirculation and innovative weight reduction strategies. The VVL system is designed to remain mostly in low-lift mode until the customer demands more power; then it responds by switching to high-lift mode for improved combustion. The result is less overall pumping work, which on its own, accounts for a fuel-economy improvement of up to 2.7%. And, in spite of added content, the redesigned components reduce overall engine weight by four pounds.

Diesel Engines

GRI: G4-EN7, G4-EN27

FCA's lineup of diesel engines was further expanded with the recent launch of the **2.2-liter MultiJet four-cylinder engine**. The passenger car range now extends from the in-line 1.3-liter to the V-6 3.0-liter, with three additional in-line displacements: 1.6-liter, 2.0-liter and 2.2-liter.

The primary 2015 launches of new diesel Euro-6 applications for passenger cars and light commercial vehicles comprise the 1.3-liter in the Fiat 500L, Qubo and Fiorino; the 1.6-liter in the Alfa Romeo Giulietta and Fiat Doblò; and the 2.0-liter in the Giulietta and Jeep Cherokee.

The new 2.2-liter turbodiesel was launched at the beginning of 2015 on the Jeep Cherokee in Europe. This new engine, which was right-sized for application on specific models, offers a balance between performance and fuel economy.

With respect to CO_2 emissions, the 500X equipped with the 1.6-liter engine achieves a value of 109 g/km (consumption of 4.1 liters/100 km, combined cycle). To reach this level, **eco-friendly technologies** were incorporated, including a smart alternator, which modulates energy output based on actual energy demand and battery charge level; optimization of the engine cooling circuit to reduce warm-up time; and a variable displacement oil pump that improves energy efficiency by regulating oil pressure based on actual operating conditions. The vehicle is also equipped with Engine Stop-Start technology. Low-viscosity oil is used to minimize friction on the engine and transmission.

The exhaust gas treatment system on the 1.6-liter and 2.0-liter engines incorporates close-coupled diesel particulate filter technology, which provides efficient integration between the oxidizing catalytic converter and the particulate filter. The oxidizing catalytic converter also incorporates advanced NOx Storage Catalyst (NSC) technology which reduces NOx emissions by as much as 60% through a special chemical process coupled with sophisticated software-controlled injection strategies. Adoption of this technology has made it possible to meet the strict Euro 6 emissions standards.

On the combustion side, enhanced control of injection parameters together with optimization of combustion bowl shape represented a key step in mitigating the formation of pollutants and enhancing fuel economy. In terms of aftertreatment systems, research and development activities mainly focused on passive and active NOx reduction technologies and the study of real driving conditions. Advanced aftertreatment systems for the reduction of NOx emissions are under development both for passenger car and light commercial vehicle applications.

FCA's flagship diesel engine is the 3.0-liter V-6. The Euro 6-compliant version with selective catalytic reduction (SCR) technology to cut NOx emissions is available in the Maserati Ghibli and Quattroporte models, as well as the Jeep Grand Cherokee. The SCR has also been adopted in the light commercial vehicle range on the Euro 6 version of the Fiat Ducato with the 2.3-liter engine.

In the U.S., this engine and aftertreatment technology, named EcoDiesel, is available on the Jeep Grand Cherokee and Ram 1500 pickup. In December 2015, the EcoDiesel was named one of "Ward's 10 Best Engines" for the third consecutive year. The EcoDiesel was the only representative of clean diesel engine technology among Ward's 10 Best Engines. In 2015, FCA further improved the fuel economy of the Ram 1500 EcoDiesel HFE (for high fuel efficiency). The U.S. Environmental Protection Agency (EPA) rates the Ram 1500 pickup at 21 miles per gallon (mpg) city, 29 mpg highway and 24 mpg combined. On the Ram 1500, the engine delivers the highest fuel economy among all full-size truck competitors.

On the Jeep Grand Cherokee, the EcoDiesel offers fuel economy of 30 miles per gallon highway with a driving range of more than 730 miles. Green Car Journal named the **Jeep Grand Cherokee EcoDiesel its 2015 Green SUV of the Year** for its lower environmental impact, as well as comfort, power, functionality and driving range.

Transmissions

GRI: G4-EN7, G4-EN27

FCA offers a well-balanced transmission portfolio that includes manual transmissions, automated manual transmissions, dual dry clutch transmissions (DDCT) and automatic transmissions. This broad offering is designed to meet market demands and regulatory requirements in the different regions where we operate, and to achieve the right vehicle performance characteristics for our individual brands. The use of DDCT, a core technology for the Group, will be extended in 2016 to new applications in order to improve fuel economy and offer driveability advantages in markets where customers value this technology.

The Group has established a leadership position in automatic transmission technology, offering 8- and 9-speeds to gain efficiency, performance and refinement. These advanced TorqueFlite transmissions contribute to a 6 - 10% improvement in fuel economy over their 4-, 5- and 6-speed predecessors. Particular focus is placed on optimizing the engine-transmission pairings. The objective is to develop the most efficient powertrain solutions for each vehicle segment in order to significantly reduce fuel consumption and CO_2 emissions. Since their launch, more than one million 8-speed and 9-speed transmissions respectively have been produced.

Maserati's sustainable innovation

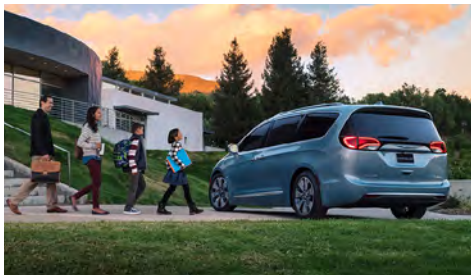
In a year of consolidation and in the run-up to the launch of the **Levante SUV** scheduled for 2016, Maserati upgrated all current engines to the Euro 6 standard and added exclusive new contents for the Ghibli and Quattroporte sedans.

For gasoline engines (V-6 Twin Turbo from 330 up to 410 hp and V-8 Twin Turbo with 530 hp), the introduction of Euro 6 homologation and advanced Engine Stop-Start contributes to a reduction in CO_2 emissions and fuel consumption of up to 8%, and unchanged performance compared with the previous Euro 5 engines.

On the V-6 diesel engines, consumption as well as performance remain unchanged, while to address Euro 6 homologation Maserati introduced AdBlue (Urea) technology, with a dedicated on-board tank to significantly reduce NOx emissions.

Other areas to benefit from new content are driver aids and safety, with the Blind Spot Alert and Rear Cross Path system, and the user-friendliness of the Power Trunk (motorized trunk opening and closure with hands-free activation). Maserati is also continuing to work on the development of a new hybrid powertrain that can be incorporated in future Maserati vehicles to allow full-electric driving and further reduce CO_2 emissions to address new stringent emissions targets.

Electric and Hybrid Technologies



The updated FCA 2014-2018 Business Plan presented in January 2016 reconfirmed the **Company's commitment to battery/electric technologies**. The technologies under development will be applied as needed in a range of electrified vehicles, including conventional hybrids, plug-in hybrids, fully electrified and range-extended electric vehicles. We also continue to research vehicle applications for improving the use and re-use of thermal energy, thereby reducing energy consumption, and extending the range for hybrid electric and all-electric vehicle models.

FCA's first battery electric vehicle for mass production, the **Fiat 500e**, began production in late 2012.

The **Chrysler Pacifica Hybrid** was unveiled in January 2016 and is expected to be available in the second half of the year. The Pacifica Hybrid, which can be configured to accommodate seven occupants, is the industry's first electrified minivan and is expected to achieve an estimated range of 30 miles on electric power from a 16-kWh lithium-ion (Li-ion) battery. In city driving, it is expected to achieve an efficiency rating of 80 MPGe based on U.S. Environmental Protection Agency standards. The Pacifica Hybrid was designed to respond to the driving behaviors and multipurpose nature of the minivan segment.

This vehicle pairs the upgraded and specially-adapted 3.6-liter Pentastar V-6 gasoline engine with an electrically variable transmission (EVT).
The EVT features two electric motors, which are both capable of driving the vehicle's wheels. Conventional electrification designs dedicate one motor to serve as a generator and a second motor – usually much larger – to deliver torque to the wheels. The Chrysler Pacifica Hybrid, however, uses a one-way clutch that allows the motor typically used only as a generator also to deliver torque to the wheels, depending on driving conditions. The result is increased efficiency, refinement and improved component packaging.

When the battery's energy is depleted, the Pacifica Hybrid becomes a part-time electric vehicle, like a conventional hybrid. Power to the wheels is supplied by the electric drive system or supplemented by the Pentastar engine. The battery pack may be fully recharged in as little as two hours using a 240-volt plug-in system. Deceleration triggers the motor to turn into a generator, which creates electricity to send back to the battery pack.

FCA is also developing a **mild hybrid using belt starter generator (BSG) technology**. BSG offers improvement in fuel economy and a reduction in CO_2 emissions at a relatively low cost. This technology utilizes an electric motor which acts like a modified alternator that generates current, but also doubles as a starter to restart the engine when the vehicle is stationary. BSG is expected to be applied to FCA vehicles within the next two years.

FCA supports public and private sector pilot projects aimed at overcoming existing barriers and testing the market potential for widespread application of electric vehicles, particularly for urban use. In Europe, a car-sharing service was established with the City of Turin. FCA provided a fleet of eight all-electric Fiat 500e vehicles, which have traveled roughly 42,000 km around the city center. The Fiat 500e was also part of the fleet supplied to **Expo Milano 2015 by FCA**, as **Official Global Partner for sustainable mobility**.

These 10 Fiat 500e vehicles traveled nearly 26,000 km during more than 8,000 trips, providing the Company with extensive real-world data on vehicle usage and consumer preferences.

FCA's collaboration with McMaster University in Canada is in its second of three phases. This project was announced in 2014, and is a five-year, €13.7 million partnership with the university in Hamilton, Ontario, with funding support from the Canadian government. Besides advancing FCA's electrification strategy, the project has made available to the Company a valuable pool of skilled new employees. During 2015, the project focused on developing, designing and testing components that are improved in terms of cost, efficiency and lower density, and integrating them into a powertrain system for near-term launch.

A number of other hybrid/electric projects are also in process. Among these are:

- a collaborative project involving FCA's research and development center, CRF, called OPTEMUS. This project is aimed at extending the driving range of electric and plug-in hybrid cars and leveraging low energy consumption and energy harvesting.
- an energy storage technology project in partnership with cell suppliers and pack integrators.
- an innovation project on next generation power electronics in partnership with microprocessor and electronic suppliers. This project seeks to combine unrelated technologies to improve performance. The first phase has been completed.
- a collaborative development of wireless charging for plug-in hybrid electric and battery electric vehicles.

Alternative Fuels

In addition to electric and hybrid technology, FCA invests heavily in solutions that optimize the use of available natural resources. From natural gas to biofuels, the Company aims to offer technologies that are aligned with the fuels available in the various markets, and that reduce vehicle emissions.

Natural Gas

GRI: G4-EN7, G4-EN27

FCA believes that natural gas is one of the best existing solutions for reducing urban pollution levels and CO_2 emissions.

It is one of the most economical fuels available and a viable alternative to traditional fuels. Specifically, natural gas:

- produces a low level of harmful emissions, from particulate matter (reduced to essentially zero) to the most reactive hydrocarbons that result in the creation of other pollutants
- generates 23% less CO_2 emissions compared with gasoline
- has the potential to become a renewable fuel source in the form of biomethane.

Natural gas is also a key element in the European Union's strategy for sustainable mobility. At FCA, alternative fuels form a key pillar of our strategy, as illustrated by our collaboration with the Fuel Choices Initiative, an Israeli program aimed at reducing the transport industry's dependence on oil. In February 2015, Israel's Prime Minister's Office, through the Israel Fuel Choices Initiative, signed a non-binding Memorandum of Understanding with Fiat Chrysler Automobiles (FCA), Iveco (a brand of CNH Industrial) and Magneti Marelli (FCA Group) for co-operation in the development of natural gas-based technologies.

Israel Fuel Choices Initiative

Market Leadership

GRI: G4-EN7, G4-EN27

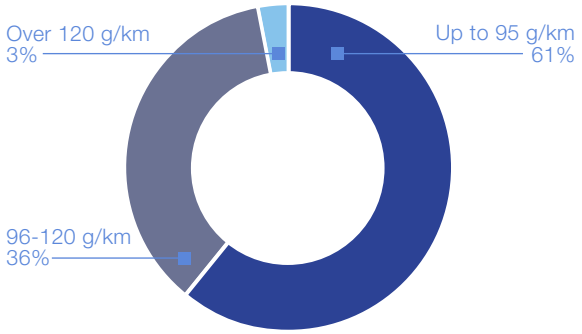
FCA has been Europe's leading producer of Original Equipment Manufacturer (OEM) natural gas vehicles for more than 15 years. The Group continues to invest in this technology and offers a wide range of eco-friendly, bi-fuel (natural gas/gasoline) vehicles that meet the needs of private and commercial consumers.

The range includes the new Doblò and new Ducato 140 Natural Power, both available since early 2015. In 2015, the new Ypsilon was offered with an 80 hp, 0.9 cm^3, bi-fuel (methane and gasoline), TwinAir Turbo version.

Consumer safety and comfort have been taken into account, as the natural gas tanks are designed to be fully integrated into the vehicle's structure. In 2015, FCA's European leadership was reconfirmed, with more than 44,000 natural gas vehicles registered, representing a share of about 50%. Since 1997, the Group has sold more than 690,000 natural gas-powered cars and commercial vehicles.

For the Fiat and Lancia brands, natural gas cars accounted for 10% of their combined 2015 sales in Italy by volume.

Newly Registered Natural Gas Cars by CO_2 Emission Levels
Fiat and Lancia in Europe



In the U.S., FCA remains the only automaker to offer an OEM-built natural gas pickup, the Ram 2500 Heavy Duty CNG. Together with another automaker, the Company is partnering with Argonne National Laboratory on a dual-fuel engine project funded by the U.S. Department of Energy. The key objectives of this two and a half-year investigation into in-cylinder gasoline/compressed natural gas (CNG) blending include improved engine efficiencies over both gasoline and natural gas-only operation; a more than 50% petroleum reduction through efficient CNG combustion and displacement of gasoline; and the ability to operate on gasoline only, CNG only, or a combination of both.

Biomethane: a Renewable Fuel Source

GRI: G4-EN7, G4-EN27

Biomethane, which is produced by upgrading biogas, has the same properties and uses as fossil natural gas. Biogas is derived from organic materials such as manure, crop residues and organic municipal waste. A natural gas vehicle can also run on biomethane and, on a well-to-wheel basis, a vehicle running on biomethane produces roughly the same level of CO_2 emissions as an electric-powered vehicle running on electricity generated from renewable fuel.

During 2015, FCA was engaged in several projects to promote biomethane as a sustainable solution for transportation. Among these initiatives was the Company's participation in the (Bio)Methane, The Road to Sustainable Mobility conference in Brussels in partnership with CNH Industrial, the European Natural Gas Vehicles Association (NGVA) and the European Biogas Association. The event presented the opportunity for the principal representatives of European institutions and industry to come together to explore new developments and the benefits of biomethane.

In addition, during Expo Milano 2015, Fiat Chrysler Automobiles (FCA), together with CNH Industrial and Air Liquide, launched a project to promote the introduction of biomethane throughout Europe's natural gas distribution infrastructure network. To this end, 3.64 GWh of Biomethane Green certificates were bought under the UK GreenGas Certification Scheme. This quantity of biomethane is equivalent to about 340,000 m^3 of natural gas for the Fiat 500L vehicles and Iveco Buses provided at Expo 2015. By using these quantities of biomethane in place of natural gas, 118 tons of CO_2 can be avoided, which is equal to the absorption of a forest composed of 160 trees throughout their life span.

BIOMETHAIR Project

The Biomethair Project, co-funded by the Piedmont Region as part of the Automotive Platform program, was concluded in October 2015. A prototype version of the TwinAir CNG engine was optimized to exploit fuel characteristics, leading to a dedicated configuration with a higher compression ratio. The unit was coupled with a mild hybrid 48V system providing hybrid functionalities such as enhanced Engine Stop-Start and energy recovery during deceleration. A Fiat Panda Natural Power vehicle was used as the base. The project also investigated the fuel production process: through a collaboration with ACEA Pinerolese and Environment Park, a pilot plant was completed that efficiently converts urban residual **biomass waste** into **biomethane and biohydrogen**, demonstrating the potential to locally self-produce a clean and sustainable fuel from waste residues.

Biomethair Project

Biofuels

GRI: G4-DMA, G4-EN7, G4-EN27

In Brazil, FCA has a full range of Flexfuel vehicles that run on varying blends of gasoline and **bioethanol**. FCA's innovation in this field is also exemplified by 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. Brazil has an extensive bioethanol distribution network, supported by long-standing government policies and readily available raw materials.

In 2015, more than 462,000 Flexfuel and TetraFuel vehicles were registered[7] in Brazil, accounting for approximately 96% of vehicles licensed by the Group.

In Europe, all engines sold are compatible with blends of up to 10% bioethanol with gasoline (E10), and up to 7% biodiesel with diesel (B7). In the NAFTA region, FCA produced more than 900,000 2015 model year vehicles capable of running on E85 flexible fuel, which contains 85% ethanol, or biodiesel blends of up to 20% (B20).

[7] *Official data communicated to Brazil's INOVAR-Auto program.*

Design for Efficiency

FCA continually works to identify opportunities to reduce emissions and improve fuel economy. In addition to powertrain and alternative fuel engine innovations, a number of technologies are being integrated into our vehicles to optimize energy demand, including improving aerodynamic efficiency, reducing weight, minimizing tire drag, offering Engine Stop-Start systems and using thermal control technologies.

Magneti Marelli products that are intended to improve energy efficiency (including hybrid systems, Xenon and LED lights, gasoline direct injection systems and automated manual transmissions) contributed €2.1 billion in revenues for 2015.

Improved Aerodynamics

GRI: G4-DMA, G4-EN7, G4-EN27

Fuel economy can be improved by optimizing vehicle aerodynamic performance. FCA strives to reduce the aerodynamic drag of its vehicles, and also uses active aerodynamic technologies that are automatically activated under certain conditions. Depending on the vehicle, these active technologies may include active grille shutters and adjustable height suspension, such as those found on the Ram 1500 pickup.

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. Due to a combination of honed surfacing and aero-enhancing application, the new Fiat Tipo delivers a drag coefficient (Cd) of 0.29. Fiat Tipo was designed without extensive aerodynamic add-ons. This aerodynamic performance was achieved working with the virtual simulation capabilities of FCA's design center, Centro Stile.

The principal parts optimized were:

- front wheel coverings
- A-pillar shaping
- rear windshield angle
- rear trunk shape (particularly the tailgate).

The FCA Wind Tunnel at the Orbassano (Italy) Aerothermal Technical Center, renovated in 2014, was used for the Fiat Tipo project.

The new Chrysler Pacifica, unveiled in January 2016, underwent more than 400 hours of wind tunnel testing and achieves a 0.300 co-efficient of drag (Cd). The vehicle's aerodynamic performance contributes to its fuel efficiency and is the result of a wide range of enhancements, including an active shutter system and aero optimization of the windshield angle, mirrors, front end, sill claddings, placement of belly pans and windshield wipers.

Weight Reduction

GRI: G4-DMA, G4-EN7, G4-EN27

FCA adopts a number of weight reduction solutions in order to manage vehicle energy demand and improve fuel economy. The new Chrysler Pacifica is lighter by approximately 250 pounds on a model-to-model basis than the outgoing model. This result has been achieved through strategic use of aluminum and advanced, hot-stamped/high-strength steels, the application of lightweight structural adhesives where necessary and an intense focus on mass optimization.

For the new Fiat Tipo, through a product/process integrated approach, it was possible to implement lightweight design solutions that offer high performance with minimal weight. These solutions deliver a competitive weight/volume ratio in its market segment.

Vehicle Lightweighting Technologies Research

CRF, the Group's European research center, is a partner in a collaborative research project, called ALIVE,[8] funded by the European Community. ALIVE aims to develop key vehicle lightweighting technologies, based on advanced metal and hybrid materials, such as the latest generation aluminum, alloys and composites.

ALIVE Project

The target is to achieve an average of 45-50% weight reduction of the Body-in-White (BiW) compared with the benchmark vehicle,[9] plus a 25-30% weight saving in the hang-on parts, chassis and main interior subsystems.

Another lightweight research project focused on the application of composite materials in automotive systems is ENLIGHT. CRF is involved in the design of a composite-based solution for central floor and cross car beam, and coordinates the activity on multi-material junctions.

ENLIGHT Project

Minimizing Tire Rolling Resistance

GRI: G4-DMA, G4-EN7, G4-EN27

FCA uses a variety of solutions to reduce rolling resistance, which contribute directly to improvements in fuel efficiency and CO_2 emissions. Low rolling resistance tires, for example, are offered on selected versions of the Ram 1500 pickup, Jeep Grand Cherokee, Fiat 500, Fiat Professional Doblò and Ducato.

[8] EU 7th Framework project "ALIVE: Advanced High Volume Affordable Lightweighting for Future Electric Vehicles."
[9] Compared with EVs benchmark.

Engine Stop-Start (ESS)

FCA has been progressively introducing Engine Stop-Start (ESS) in order to further reduce fuel consumption. ESS technology turns off the engine and fuel flow automatically when the vehicle comes to a halt and re-starts the engine upon acceleration. ESS is being integrated in several models worldwide: in 2015, it was added in the U.S. as standard equipment on the 2015 Jeep Cherokee with the 3.2-liter Pentastar V-6 engine. The feature, along with other technologies, contributed to an improvement in fuel economy of up to 6%.

Fuel Saver Technology

FCA's Fuel Saver Technology helps improve fuel economy on our V-8 5.7- and 6.4-liter HEMI eight-cylinder engines. By means of cylinder deactivation, the system seamlessly alternates between high fuel economy four-cylinder mode when less power is needed and V-8 mode when more power is required. Vehicles with multiple displacement systems automatically shift to accommodate different driving conditions and needs. This technology is found in automatic transmission versions of the Jeep Grand Cherokee; Chrysler 300; Dodge Durango, Charger, and Challenger; and Ram 1500.

LED Lighting

More efficient lighting systems are also being adopted in our vehicles, particularly LED lighting, which decreases electrical power demand, thus reducing the engine power required by the alternator in comparison with conventional lighting. LED lighting, for example, is found on the Chrysler 300, Dodge Charger and Jeep Cherokee, among others.

Air Conditioning System Improvements

Efficient air conditioning systems can contribute to reducing vehicle emissions. Improvements are achieved through technologies that reduce the load on the vehicle's engine when the air conditioning is in operation, such as higher efficiency evaporators and condensers, pulse width modulated fan controls and humidity sensors. FCA has also accelerated introduction into our vehicles of a refrigerant fluid that reduces the Global Warming Potential (GWP) by 99.7% compared with the replaced fluid.

Thermal Control Technologies

FCA also integrates technologies into our designs that help decrease CO_2 emissions by reducing the energy required to obtain the required thermal comfort inside the vehicle. These technologies, including active seat ventilation and passive ventilation controls, reduce power demand of the air conditioning system, thus improving fuel economy.

Active Engine and Transmission Warm-Up

Many FCA vehicles include heat exchangers which speed the warm-up of engine and transmission oils, thereby reducing friction within the engine and transmission. Examples include the Pentastar engine which makes use of both integrated exhaust manifolds and oil heat exchangers.

Connected Mobility

As driver expectations change and mobility scenarios evolve, FCA has devoted resources to research, development and experimentation of innovative technologies, including a **growing number of connectivity and mobility solutions and autonomous-vehicle technology**.

By participating in initiatives like TEAM (Tomorrow's Elastic Adaptive Mobility), CRF - FCA's research and development center in Italy - has joined partners such as telecommunication providers, research institutes and traffic managers to design solutions to connect vehicle drivers, travelers and infrastructure operators. The goal is to connect the vehicles into the mobility network by taking advantage of new communication technologies, e.g., V2X. Developing mobility and connectivity solutions involves not only technology but also understanding vehicle owner habits and trends, and involving them in the process.

TEAM Project

FCA has been engaged in research on future social and technological trends that will affect nearly every aspect of our business - from design to manufacturing, marketing and human resources. In 2015, we initiated the **Global Connected Car of the Future** research project focusing on the consumer experience inside the vehicle, along with emerging consumer trends. The project spanned globally across five countries, focusing on cities where consumer technology is leading edge: Berlin, Germany; Tokyo, Japan; Vancouver, Canada; Stockholm, Sweden and San Francisco, U.S. This worldwide market perspective will inform long-term connected car strategies.

As connectivity and mobility options evolve, so does the attention on autonomous vehicle technology. We continue to demonstrate our commitment to advancing the development of autonomous vehicle technology by offering **Advanced Driver Assistance Systems**. We are progressing from single function automation, such as Adaptive Cruise Control and the more recent Lane Keep Assist, to multi-function automation where two functions work together. As an example, our Full-Speed Forward Collision Warning-Plus system blends radar and camera technologies to identify potential impact scenarios. The system not only detects potential frontal collision conditions - it detects, then confirms before activation occurs. Confirmation occurs when the two technologies - radar and camera - agree that an obstacle is present.

Involving the Customer

FCA believes that an automaker's environmental responsibility should extend beyond the production line to the way customers drive their vehicles. Eco:Drive is a software system that offers personalized tips to drivers based on driving style with the objective of helping them reduce fuel consumption and emissions. In 2015, eco:Drive was extended to the 2016 500L in North America and is available in Europe, Brazil, the U.S. and Canada for most Fiat and Fiat Professional models. 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 2015, more than 102,200 customers, including more than 3,800 new users, had used this software.

eco:Drive

Features are being developed to make eco:Drive more effective and engaging. As an example, the **eco:Drive LIVE** application displays information to help owners monitor their eco-driving performance in real time. Using advanced technologies like those incorporated in the Uconnect LIVE infotainment system on the Fiat 500 and 500X, Jeep Renegade and the new Lancia Ypsilon,[10] the connected car concept of communicating with the world has been expanded. For example, eco:Drive data is automatically uploaded and accessible via the cloud.

eco:Drive LIVE

Uconnect LIVE also includes direct access to the my:Car application. The application gives owners everything they need to manage vehicle maintenance, including maintenance alerts, scheduled service reminders and access to the owner's manual on the system's touch screen display. In addition to these features and functionality, the eco:Drive Mobile application, compatible with Android smartphones and Apple iPhone, is also available. It provides users with immediate, direct feedback using their mobile devices.

UconnectLIVE

Alternative Mobility Solutions

Among the topics discussed during the Group's Stakeholder Engagement activities was the concept of new ways to use vehicles. Vehicles today are more flexible and customized than ever before, and are designed for both city and country driving. Looking toward the future of mobility and the potential response to a changing market environment, FCA has launched various initiatives that illustrate the Group's commitment to meeting these new challenges.

[10] *In the EMEA region.*

Enjoy

GRI: G4-DMA, G4-EN27

FCA has launched a variety of initiatives to respond to customer needs, particularly in the urban environment. Enjoy is a **car-sharing service** that offers a fleet of high efficiency vehicles to urban drivers. It was launched in Milan (Italy) by ENI at the end of 2013,[11] in partnership with FCA which provided more than 1,900 vehicles.

Since the service was launched, approximately 420,000 individuals in Milan, Rome, Florence and Turin have signed up to use it and five million rentals have been logged. The operations, from registration to use, are managed online using special smartphone applications. All cars have a low emission level (less than 120 g CO_2 per km) and are equipped with the latest security technologies and other innovations.

Engaging Students in Sustainable Mobility

GRI: G4-DMA, G4-EN27

In collaboration with the Italian Departments of Education and the Environment, FCA launched the **Fiat Likes U** project in 2012.
The project represents the first time in Europe that an automaker has worked with universities on an initiative to promote environmental awareness and the use of eco-friendly cars through a three-pronged approach: Mobility (free car-sharing service for students), Study (university scholarships and seminars conducted by FCA managers) and Work (paid internships within the Group). In addition to the 10 Italian universities involved, the second phase of the Fiat Likes U project (April 2014-December 2015), was extended to six additional countries,[12] reaching more than 720,000 students. The initiative proved to be very successful with more than 4,000 students using the car-sharing service, which includes a fleet of Fiat Pandas and 500Ls, logging more than 715,000 kilometers.

Fiat Likes U

Fiat Likes U is just one of the projects FCA is pursuing to promote awareness among young people regarding sustainable mobility. In 2015, FCA EMEA promoted an open innovation contest, “Millennials and Cars: the future of the car and the car of the future,” in collaboration with the Second University of Naples (Italy) and the University of Cassino and Southern Lazio (Italy). The goal was to engage young millennials, who are extremely comfortable with social networking and technology, to propose projects that reflect their vision for the car of the future. Proposals included how they would like to spend their time in a car, what innovations they hope manufacturers will introduce, and how the relationship between car and driver can be improved.

[11] *Expanded to Rome and Florence in 2014 and to Turin in 2015.*
[12] *Netherlands, Spain, Poland, Denmark, Romania and Slovenia.*

Expo Milano 2015: FCA Global Partner

FCA, as Official Global Partner of Expo Milano 2015, provided a sustainable fleet[13] of vehicles for the delegations of the 40 countries hosted. Thirty-five natural gas-powered 500Ls equipped with Uconnect systems were offered with the Share&Drive car-sharing service. The success of the initiative can be seen in the numbers: 6,700 rentals with approximately 26,000 hours of use, representing more than 270,000 km traveled.[14] In addition, by incorporating the eco:Drive recommendations for conscious driving, the Expo 2015 delegations were able to reduce fuel consumption and CO_2 emissions.

The **Magneti Marelli Telematic Box**, or TBOX, also contributed to the car-sharing program at Expo 2015 by the telematic box communicating with the service center to locate the vehicle.
The TBOX also enabled functions such as opening and closing the vehicle doors, starting the vehicle only by authorized people who were authenticated via a smartphone application, and reading the on-board system data as well as providing real-time information about the status of the car.

Improving Traffic Management

Traffic flow is a key factor that can be optimized to reduce travel time and traffic congestion, along with the resulting fuel consumption and air pollution. The cutting-edge applications offered by FCA are an expression of our commitment to encourage efficient mobility.

Uconnect LIVE infotainment system features TomTom™ LIVE with voice command interface and connected navigation services. Drivers with the system benefit from a highly accurate traffic service, which receives more than 100 million kilometers of real-time traffic measurements every day, with updates every two minutes. Utilizing superior routing engines and live traffic data, the Uconnect system suggests the smartest route to the selected destination and delivers a reliable estimate of arrival time.

Similarly, on the FCA US Uconnect system, customers of select vehicles receive traffic and travel information services via satellite through SiriusXM. The service provides both safety and convenience to the drivers by including information such as accident, construction and road closure alerts and updated directions to avoid congested roads. In 2015, FCA US launched two new Uconnect features to help customers stay in touch with their vehicles through their smartphones. The Vehicle Finder feature locates the vehicle in a crowded parking lot and will pinpoint the location on a map and provide directions. The Send `n Go to Vehicle feature lets customers search for locations and points of interest on their phones, then send those locations to the Uconnect Touchscreen to get distance estimates and route maps.

Magneti Marelli is also committed to sustainable mobility through telematics and infotainment technologies, including being a charter member of GENIVI.
GENIVI is a nonprofit industry alliance focused on developing In-Vehicle Infotainment (IVI) in a collaborative environment. IVI covers many types of vehicle infotainment applications including navigation and location services, internet services, music, news, etc.

GENIVI

[13] *Including 71 natural gas/biomethane Fiat 500Ls and 10 Fiat 500e electric vehicles.*
[14] *Data is related only to Share&Drive service.*

Research and Innovation

The Group's emphasis on innovation plays a key role in product research and development, including our product strategy.

In 2015, our stakeholders confirmed research and innovation as one of the key material topics for FCA. The global innovation and product development activities are centrally coordinated by the Chief Technology Officer (CTO), Powertrain Coordinator, Product Portfolio Management responsible and Design responsible who are members of the Group Executive Council, an FCA operational decision-making body. In particular, the CTO leads FCA Research & Development (R&D) and is responsible for stimulating opportunities for synergies and technology transfer across the entire enterprise.

At year-end 2015, the Group's research and innovation activities involved approximately 20,000 individuals at 85 locations worldwide. In the EMEA region, the **CRF** in Orbassano, Italy is the primary R&D facility. In the NAFTA region, research and development activities are primarily carried out at the **Chrysler Technology Center i**n Auburn Hills (U.S.), and the **Automotive Research and Development Centre** in Windsor (Canada).

During the year, the Group invested approximately €4.1 billion in R&D,[15] representing around 3.7% of net revenues from Industrial Activities.

The Group's innovation activities have generated a significant intellectual property portfolio over the years and, at year-end 2015, FCA had a total of 8,462 registered patent applications and 4,251 protected product designs.

All innovation activities worldwide are coordinated through a common framework, the FCA Global Innovation Process (GIP). Developed in collaboration with input from the Group's four operating regions, the GIP covers all phases of the innovation process, from idea generation to pre-competitive development, including:

- the Research Agenda, defining medium- to long-term priorities and enabling technologies and relevant action plans at the global and regional level
- the Road Maps, showing the development and vehicle application of innovative systems and components which were upgraded from the regional to the global context.

CRF

CRF, is a focal point for FCA research activities and has the mission to:

- develop and transfer innovative powertrains, vehicle systems and features, materials, processes and methodologies together with innovation expertise in order to improve the competitiveness of FCA products
- represent FCA in European collaborative research programs, joining pre-competitive projects and promoting networking actions
- support FCA in the protection and enhancement of intellectual property.

CRF

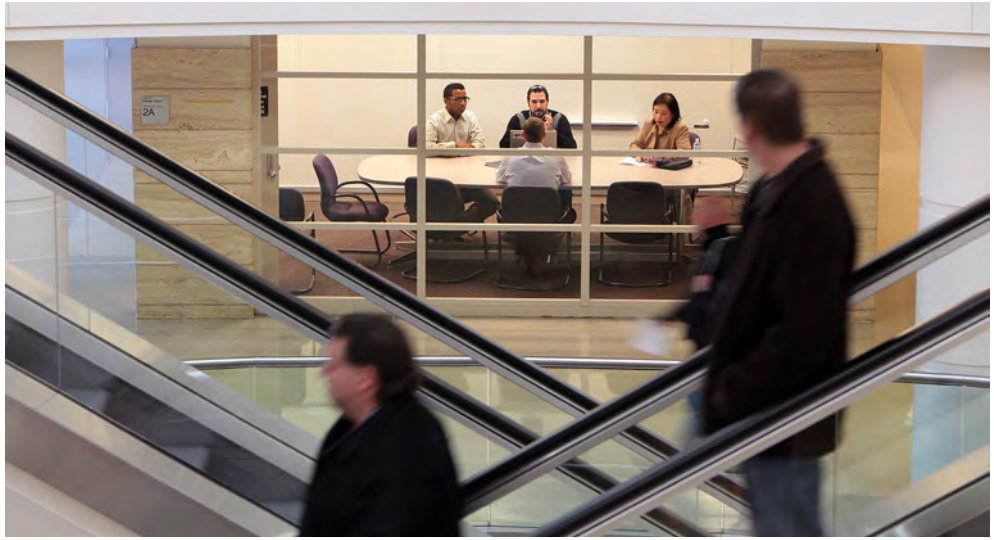
Also cooperating with a pan-European and global industry and academia network, CRF conducts collaborative research initiatives at the national and international levels. The initiatives are in partnership with key public and private stakeholders concerned with sustainable mobility, targeting specifically the industrial exploitation of research.

ARDC

Core to our technology and product advancement efforts is our state-of-the-art Automotive Research and Development Centre (ARDC) located in Windsor, Ontario, Canada. The ARDC is equipped with six road-test simulators and a range of research and development support facilities. Key activities within the ARDC are dedicated to advancing automotive technology, quality and safety (Road Test Simulators, Automotive Coatings Research, Design Group and Steering Column Lab).

[15] *Includes capitalized R&D and R&D charged directly to the income statement (Ferrari included in the scope).*

Innovation and Collaboration



FCA fosters innovation by encouraging creativity among our workforce, as well as through collaboration with external organizations such as universities, research centers and other institutions.

Employee creativity is a key factor in Group innovation. FCA promotes internal projects aimed at collecting suggestions and ideas for product and process improvement. In 2015, the World Class Manufacturing program that promotes employee suggestions to improve processes produced more than 2.2 million suggestions. The best suggestions were implemented and the project owners were recognized for their contributions.

During 2015, the NAFTA region's Innovation Space served as the forum for nearly 100 training and workshop activities, involving over 1,000 employees. The tools and techniques used in the Innovation Space are designed to promote creative alternative thought processes, along with developing advanced strategy, processes, product features and problem solutions. The NAFTA Innovation Team also traveled to the EMEA, APAC and LATAM regions to replicate the innovation techniques and further promote the exchange of innovation within and among the four regions. Internally, the Team worked with NAFTA Manufacturing to train and assist in the development of innovation within the World Class Technology (Manufacturing Engineering) and World Class Manufacturing (WCM Academy) organizations.

Universities and Research Centers

GRI: G4-DMA, G4-EN27

The Group engages in long-standing collaborations with universities and research centers through research groups and joint projects. These close ties with the academic world are instrumental to encouraging creative thinking and rewarding talent in young people. Collaboration is promoted in many different ways by the individual companies and across the Group.

The collaboration in the EMEA and NAFTA regions with Politecnico of Turin (Italy) and the University of Windsor (Canada) continues to demonstrate our commitment to strengthen common research and internationalization, primarily through the availability of the International Dual Master Degree (IDMD) Program. Specific activities were also carried out to involve a larger number of students at U.S. and Canadian universities to extend the IDMD Program. Also, the memorandum of understanding was extended until 2018 between FCA and Politecnico of Turin.

In the NAFTA region, FCA is cooperating on a number of initiatives with many universities, including, among others, Massachusetts Institute of Technology, Michigan State University, University of Wisconsin, The Ohio State University and Oakland University. FCA's collaboration continued in 2015 with McMaster University, a public research university in Hamilton (Canada). This project is working on the development of next-generation, energy-efficient, high-performance electrified powertrains and powertrain components.

USCAR

FCA US is a member of the United States Council for Automotive Research (USCAR), the collaborative technology organization aimed at strengthening the technology base of the U.S. auto industry through cooperative research and development. Participation in USCAR provides the Company with access to nearly 445 projects with national laboratories, research centers, industry and universities in conjunction with USDRIVE, a consortium of the U.S. Department of Energy and Transportation, energy and utility companies. USCAR is also involved, through collaboration with the United States Advanced Battery Consortium (USABC), with 13 advanced battery technology programs with a total cost shared value of over $33 million. The USCAR/USABC/DOE collaboration allows for a total of $12 million of cost shared funding over a five-year period for the advancement of battery technology.

CAMP

FCA US is a member of the Crash Avoidance Metrics Partnership (CAMP) under the U.S. Federal Highway Administration (FHWA) Vehicle to Infrastructure (V2I) Collaboration Agreement. CAMP provides an auto manufacturer-oriented organization under which stakeholders can collaborate on pre-competitive research projects of mutual interest. The CAMP V2I Consortium is focused on developing safety, mobility, and environmental applications for vehicles that are enabled through information provided by roadside infrastructure components of the Connected Vehicle Environment.

Collaborative Research Projects

GRI: G4-DMA, G4-EN27

CRF, the Group's European research center, joins collaborative research activities with academic and research institutions at the national and European level.

During 2015, CRF was involved in 122 collaborative research projects. For many years, CRF has also played an active role in various European Technology Platforms and other stakeholder organizations that support the European Commission in defining research priorities and guidelines in the mobility/transport sector. The principal organizations CRF is involved in are:

European Research Organizations in which CRF is Actively Involved

European Technology Platforms	ERTRAC: Road transport
	EPoSS: Smart system integration
	EuMaT: Advanced engineering materials and technologies
	MANUFUTURE: Manufacturing and production processes
	NANOfutures: initiative for sustainable development by Nanotechnologies
Public-private partnerships	Green Cars Initiative
	Factories of the Future
	ECSEL (Components and electronic systems)
Research and development organizations	EUCAR: European Council for Automotive R&D
	ERTICO-ITS Europe: network of Intelligent Transport Systems and Services
	EIT ICT Labs: Knowledge & Information Community on ICT
	Human Factors and Ergonomics Society - Europe Chapter

Innovations for Real World Driving

Alfa Romeo Giulia

On June 24, 2015, the 105th anniversary of the Alfa Romeo brand, the Giulia was unveiled in a world preview at the Museo Storico Alfa Romeo. The Alfa Romeo Giulia offers a wide range of gasoline and diesel engines combined with manual or automatic transmissions from 6 to 8 speed. All the engines, conceived in the Alfa Romeo technical center in Modena with core modules manufactured in dedicated Alfa Romeo areas at Group plants in Italy, combine superior performance with efficiency, delivering at the same time improved fuel economy and reduced environmental impact.

Distinctive Italian Design & Aerodynamics Performance

State-of-the-art, Engines

Innovative Materials and Perfect 50/50 Weight Distribution

Unique Technical Solutions: the vehicle's electronic "Brain"

Distinctive Italian Design & Aerodynamics Performance

An Alfa Romeo springs from the perfect balance of heritage, speed and beauty.

It is the expression of Italian style in the automotive world. The aerodynamic performance of the Giulia contributes to the Cx result of 0.25 obtained by employing advanced engineering techniques, merging experiments and simulations.

State-of-the-art, Engines

Three innovative aluminum engines for the Alfa Romeo Giulia.

The new 2.9-liter V-6 BiTurbo gasoline engine dedicated to the Quadrifoglio flagship version is the top performing engine fully developed by Alfa Romeo Powertrain Engineering. Its power density of 175 CV/l with cylinder deactivation system provides a next-level customer experience combined with significant fuel efficiency performance.

The Alfa Romeo new 2.0-liter gasoline engine is designed to reach competitive levels in terms of performance and fuel economy thanks to the implementation of technological content such as the MultiAir electrohydraulic Variable Valve Actuation system.

The Alfa Romeo 2.2-liter diesel engine is the first to feature an aluminum block. Efficiency is maximized as a result of a wide range of friction reduction measures and an improved thermal management strategy.

Innovative Materials and Perfect 50/50 Weight Distribution

A characteristic of the new Giulia is the management of weights and materials to obtain a 50/50 distribution across the two axles. Ultra-light materials are used such as carbon fiber, aluminum, aluminum composite and plastic materials. Many technical solutions are distinctive and unique, such as the innovative front suspension architecture.

Unique Technical Solutions: the vehicle's electronic "Brain"

The Alfa Chassis Domain Control (CDC) is the "supervisor" of the vehicle's dynamics: hardware and software manage the vertical and longitudinal dynamics, chassis control, safety devices and all the active systems of the car. The CDC on the Giulia Quadrifoglio also manages the Active Aero Splitter on the front end of the car, which actively controls the negative lift, allowing for better grip and performance, even at high speeds.

Related content

Alfa Romeo Giulia >

Design for Vehicle Life

FCA's design approach places emphasis on the environmental footprint of products throughout their life cycle. This approach provides the opportunity to reduce that footprint through the use of eco-compatible materials and through design choices that maximize recovery and recycling for end-of-life vehicles.

The Group monitors the **recyclability** and **recoverability** of its products leveraging the competencies of CRF's Group Materials Labs, based in Italy and the Automotive Research and Development Centre (ARDC) in Canada.

In Europe, all type-approved vehicles sold are monitored in terms of recyclability and recoverability according to the standard set by the European Union.[16] In 2015, all Group vehicles sold in Europe were 95% recoverable and 85% recyclable by weight, in compliance with the **EU's Reusability, Recyclability, Recoverability directive (Directive 2005/64 EC)**, which establishes minimum levels for both recoverability and recyclability. Recycled materials accounted for an average of 40%[17] of the weight of Group vehicles type-approved in Europe in 2015; while the average weight of renewable materials was 8.4 kg. This was achieved in part through participation in several international projects researching innovative uses for recycled materials and biomaterials, such as testing the behavior of recycled carbon fibers - technology originating from the aeronautics industry.

Most material innovation and development is conducted by CRF's Group Materials Labs (GML), which monitor changes in legislation and assess potential implications on the Group's products and processes. They are also responsible for FCA compliance in such areas as the REACH regulation in Europe.[18] This regulation restricts the use of certain substances, regularly publishing a Candidate List that contains Substances of Very High Concern (SVHC) that may be subject to authorization or restrictions in the future.

Information on the composition of suppliers' products can be entered in the **International Material Data System** (IMDS) directly by FCA suppliers. In all four operating regions, the Group uses IMDS data to track and monitor the composition of suppliers' products. This data is used by the FELIS system, another tool that FCA uses to monitor product content, including the presence of SVHCs. Both IMDS and FELIS are crucial for tracking vehicle recyclability and recoverability, as well as monitoring substances of concern included on the **Global Automotive Declarable Substance List (GADSL)**.

Material Data System

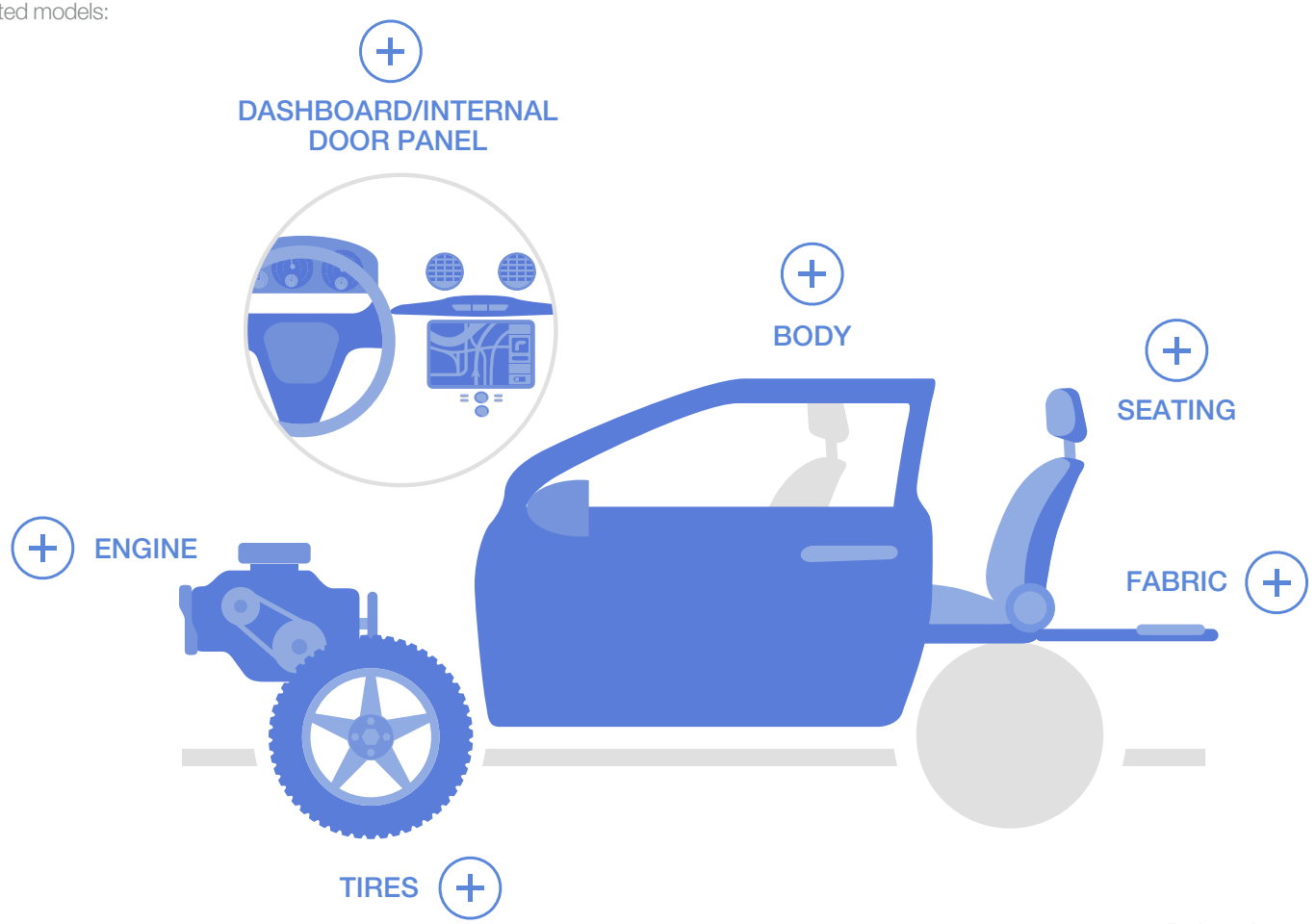
GADSL

The composition of vehicle components is also monitored for minerals such as rare-earth elements used in permanent magnets. Due to growing global demand, these elements may present supply chain challenges in the future as well as concerns around unsustainable mining practices. CRF is engaged in the EU's **Horizon 2020** research and innovation program and is a partner of the Novamag project aimed at developing permanent magnets with low rare-earth content.

This year, the FCA US Organic Materials Engineering organization approved an additional 10 materials that contain recycled content, lower density or low emission polymers as sustainable material options for various components. These materials have been added to the internal index that tracks specific grades of plastic materials approved for use in various FCA US programs.

[16] *Directive 2005/64/EC of the European Parliament and of the Council of October 26, 2005.*
[17] *Estimated figures according to the Company's best knowledge refer to the average weight of type-approved vehicles in 2015 in Europe, according to Directive 2005/64/EC.*
[18] *http://ec.europa.eu/environment/chemicals/reach/reach_en.htm*

The following list represents a selection of ongoing research activities and/or innovative solutions already available for selected models:



Related content

Material used >

Remanufactured Parts

GRI: G4-EN2

FCA has developed specific product lines of remanufactured parts to support the after-market needs of customers. These parts simultaneously reduce the cost of vehicle ownership for customers and decrease the volume of salvageable materials heading to landfills. This also helps the recovery of materials and saves energy during the production process due to the employment of used parts (i.e., cores) or components which can be remanufactured and sourced from the service network.

In the EMEA region, the remanufactured product lines account for more than 1,000 unique product codes - a list that is continuously expanding. To date, the program covers 25 product types that include engines, turbochargers, injectors, injection pumps, air flow meters, gearboxes, flywheels, air compressors, starters and alternators.

In the NAFTA region, the Group is also expanding its offerings of high-quality remanufactured parts. The selection includes more than 4,300 unique parts, 220 of which were added in 2015, and includes remanufactured brake calipers, starters and alternators, electronic control modules, steering and suspensions, and air compressors, as well as engine and transmission product categories.

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

Sustainable Materials

GRI: G4-DMA, G4-EN1, G4-EN2, G4-EN27, G4-PR1, G4-PR3

The primary mission of CRF's Group Materials Labs is to ensure regulatory compliance while contributing to continuous reductions in FCA's environmental footprint. In 2015, the Labs' main activities were related to the development of **biomaterials applications**, the assessment of material recycling and solutions for weight reduction.

Natural fibers and biologically-derived polymers derived from renewable sources have significant potential for the vehicles of the future. CRF has partnerships with companies specializing in the application of these materials for automobiles and works with several major research institutes to monitor scientific developments and potential applications for biomaterials.

One example is the partnership with **BRIGIT**, a European project whose objective is to develop a cost-competitive and environmentally-sustainable process to produce bio-based composites (biopolymers in combination with natural fibers). The composites properties may include durability, strength and fire resistance that will enable them to be used in place of existing petroleum-based materials on passenger cars and commercial vehicles.

In 2015, CRF began work with the **GreenLight Project**, which is funded by the European Commission as part of the Horizon 2020 program. The purpose of this five-year project is to demonstrate the applicability of an affordable **bio-based carbon fiber** developed from waste polymers found in the paper industry. The fiber may be used in reinforced composites that deliver enough strength properties for large-volume automotive applications.

GreenLight Project **BRIGIT**

Monitoring Substances of Concern

GRI: G4-DMA, G4-PR1, G4-PR3

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

We use the International Material Data System (IMDS) to track the composition of individual materials and components in our vehicles. Data from IMDS is then fed into the FELIS system, which is used internally to monitor the content of all vehicles and identify the presence of SOCs.

FCA's global standard of restricted and prohibited SOCs provides uniform worldwide requirements that minimize market-specific uncertainty or interpretation, while increasing transparency and clarity. This allows us to apply a global standard to our products, regardless of where the products are ultimately sold or marketed.

Great attention is given by FCA to substances identified in globally regulated substance restrictions such as the **REACH** regulation (article 56) that includes phthalates, DecaBDE and Borates. This level of awareness and commitment to compliance is also critical to FCA suppliers. The majority of FCA suppliers confirmed that these phthalates had already been removed.

Some REACH aspects are currently under revision. To address these issues, FCA conducted a two-day workshop in Turin (Italy) that involved worldwide automotive industry representatives and REACH Competent Authorities.

Application of Life Cycle Assessment

Companies are being challenged to assess the environmental impacts of their products more rapidly and effectively. Life Cycle Assessment (LCA) is the methodology adopted as a voluntary measure to evaluate the **environmental impact of materials**, **components and production processes**. Factors taken into account by this methodology relate to energy and other resources consumed in production; use and recycling; and waste generation, according to the principles of the **ISO 14040/44** standard. Paying specific attention to both the overall performance of each vehicle and the environmental performance in any life cycle stage, vehicle LCAs continue to make a significant contribution to the development of new, more **environmentally-friendly products**.

In 2015, FCA completed Life Cycle Assessments for:

- Jeep Cherokee
- new Chrysler Pacifica vs Chrysler Town & Country
- Fiat 500e electric vs Fiat 500 gasoline.

All vehicle studies were submitted for a **critical review** by a third-party certification firm for compliance verification with ISO 14040/44.

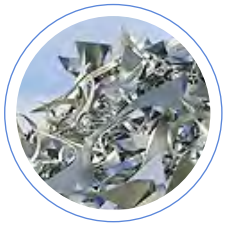
Teams of experts with the technical knowledge to perform LCA analysis are spread across FCA regions, close to production and engineering sites. Collaborations with universities aim to improve LCA methodology deployment. In 2015, a collaboration with the Politecnico of Turin was launched to develop an advanced parameter model on the LCA software to extend its applicability on all FCA vehicles in the near future. Collaborative LCA applications are also in place within several international funded projects related to materials, processes and functionalized surface treatments.
Significant results have been achieved in the NANOPIGMY EU-funded project, the DRAPO' Regional project, and the MATRECO project in Italy.

NANOPIGMY Project

DRAPO' Project

CHEROKEE

Cherokee 3.2 Gasoline



RAW MATERIAL

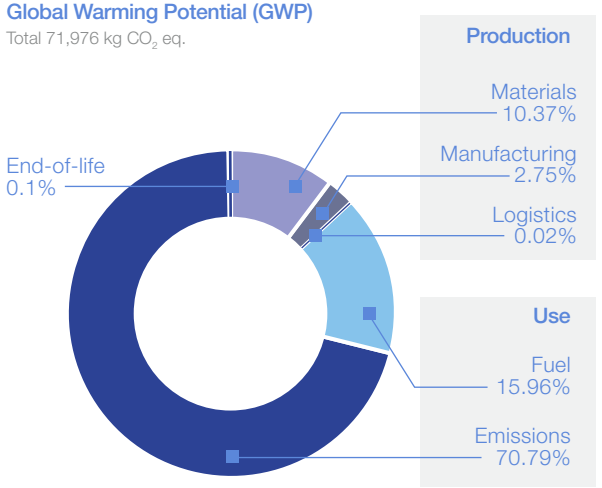
MANUFACTURING[19]

USE (200,000 km)

END-OF-LIFE

Global Warming Potential (GWP)

Total 71,976 kg CO_2 eq.



Data refers to LCA performed on 1 vehicle (Functional Unit = 1).

[19] *Includes assembly operations and transmission and engine manufacturing.*

Magneti Marelli LCA Analysis

GRI: G4-DMA, G4-EN27

In 2015, Magneti Marelli extended the scope of its LCA activities to new areas. Three additional projects were completed during the year. The purpose of these projects is to compare existing and new technologies relative to:

- traditional throttle body vs an innovative lighter version
- dashboard with different filler for the plastic support
- steel crossbar compared with different innovative scenarios.

These assessments confirmed that during a component's life cycle the highest impacts come from raw materials and the use phases. In 2015, specific attention was given to the end-of-life phase to better understand the impact of disposed materials. As key partners in the effective implementation of LCA, suppliers have been highly involved in these projects in both data collection and collaboration toward a common LCA approach.

Vehicle End-of-Life Management

Vehicles that reach the end-of-life stage and are not suitable for continued use generate millions of tons of waste. As an example, every year, end-of-life vehicle (ELVs) generate more than 16 million tons of steel and other materials in the United States that can be reused and recycled (source: www.autoalliance.org).

To minimize the environmental impact and to guarantee the correct use of discharge materials and improve energy efficiency, the European Union defines how vehicles should be designed and how to manage the waste generated.

The focus on components' reuse, material recycling and recovery as part of end-of-life vehicle (ELV) management is also referenced in the **Circular Economy** package introduced by the European Commission in 2015. The emphasis FCA places on its approach to ELV management plays a significant part in achieving the targets set by the European Union and other countries for minimizing the environmental impacts of end-of-life vehicles.

FCA plays a role in the NAFTA region by providing recyclability and recoverability information on vehicles they export to countries with end-of-life vehicle regulations.

Circular Economy package

Also in the NAFTA region, the Vehicle Recycling Laboratory at the ARDC plays an important role to support vehicle end-of-life research and development. The laboratory is equipped with material identification equipment, vehicle fluid removal equipment, unique vehicle dismantling equipment, and advanced data analysis equipment. The ARDC performs vehicle teardowns to satisfy International Dismantling Information System requirements.

In 2015, the Group continued to work with Company-owned dealerships to monitor independent dealerships within the FCA network and to analyze the environmental performance of the dismantler network.

In the U.S., the Group commitment to the recycling and recovery of end-of-life vehicles resulted in the establishment of the End-of-Life Vehicle Solutions Corporation (ELVS). Collectively, this industry collaboration continues to promote the industry's environmental efforts in recyclability, education and outreach on issues such as disposal of elemental mercury from automotive switches and end-of-life high voltage batteries from electric and hybrid vehicles.

Research Projects

GRI: G4-DMA, G4-EN4, G4-EN17, G4-PR3

Extensive research on material recovery from end-of-life vehicles and automotive shredder residue (ASR), or "fluff," has led to the development and testing of new compounds derived from ELVs. In one example, CRF worked with the Tyrec4Life project, funded under the European Union's LIFE+ program, which developed innovative technologies using rubber from end-of-life tires (ELT) in road paving. Several roads in the Piedmont area (Italy) have now been treated with recycled ELT rubber and demonstrate that this technical solution is suitable for asphalt applications. The next step will examine ELT applications as a surface for new road construction. CRF was also involved in several European R&D projects (e.g., ALIVE, Enlight) analyzing various end-of-life scenarios for innovative lightweight materials to optimize the entire cradle-to-grave environmental footprint.

Tyrec4Life Project

Finally, FCA measures CO_2 emissions and the associated energy consumption resulting from end-of-life vehicle treatment. In 2015, CO_2 emissions amounted to approximately 210 kg of CO_2eq per vehicle, while energy consumption was 1,616 MJ (PED - Primary Energy Demand per vehicle).[20]

ALIVE Project

ENLIGHT Project

[20] *Life Cycle Assessment according to ISO 14040-14044; performed with Gabi 7 software, using CML 2001 method (updated April 2015) in order to calculate the Global Warming Potential (GWP) of the end-of-life of an average FCA vehicle. This result was multiplied for the number of vehicles sold worldwide during 2015. The results take into account the environmental debits due to the following ELV management activities: depollution (oil, fluids), dismantling for component reuse and material recycling, shredding activities, 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.*

Vehicle Safety

At FCA, our dedication to vehicle safety is consistent with our commitment to being a good corporate citizen, one that judges itself not only on its ability to grow as a global enterprise but also by its ability to make a positive, lasting impact on our communities and on society as a whole. In 2015, FCA US continued to focus efforts on refining recall processes and procedures and entered into a consent order with the National Highway Traffic Safety Administration (NHTSA) to undertake specific actions to improve its recall execution. The Company also engaged an independent third-party consultant to conduct a comprehensive review and evaluation of existing processes and procedures for compliance with the Safety Act and regulations thereunder and to assist in the development of best practices. In addition, as a public safety advocate, we committed our efforts to support industry and consumer outreach and education.

In early 2016, FCA US further reaffirmed its commitment to vehicle safety by signing an agreement, the **Proactive Safety Principles**, along with 18 other automakers, to leverage their knowledge and collaborate to enhance safety of the traveling public. The Principles include Enhance and Facilitate Proactive Safety; Enhance Analysis and Examination of Early Warning Reporting Data; Maximize Safety Recall Participation Rates; and Enhance Automotive Cybersecurity.

The FCA US Vehicle Safety and Regulatory Compliance organization made important moves in 2015 to amplify our commitment to safety, more than doubling the number of assigned professionals. Among the organization's primary activities is a substantial investment in the use of predictive analytics as a tool to more quickly identify potential vehicle safety issues. The organization is led by a vice president who reports directly to the CEO of FCA US, ensuring a high level of information flow and accountability. This structure establishes a focal point for working with consumers, regulatory agencies and other partners to enhance real-world vehicle safety. Another important move in 2015 was the announcement of the newly established position of Safety Advocate. The Safety Advocate role is responsible for promoting greater awareness of vehicle safety - both internally with FCA US employees, and externally with regulators, industry observers and trade associations. In addition to highlighting the Company's vehicle safety engineering achievements, the Safety Advocate will share insights about proposed legislation and the evolution of the vehicle safety landscape.

From a global perspective, the safety organizations in the four FCA regions continuously share information and best practices in order to harmonize design guidelines and processes where possible, given the regulatory environment. Safety design concepts are implemented from the early phases of every new model through the release of detailed design specifications to all the providers of subsystems for the vehicle. Our approach recognizes that safer highways, improved traffic management and driver education all have a role to play in enhancing safety on the road. That is why we strive to connect our safety efforts to a collective goal we share with our employees, customers, dealers, suppliers, law enforcement, regulators, researchers, educators and others who have a stake in driver, passenger and pedestrian safety. All share a collective responsibility to make our roads safer.

FCA's commitment to transportation safety includes engineering active and passive features for diverse drivers and vehicle segments. In some cases, such as restraint systems, global regulations are very similar and we have developed a worldwide restraint system standardization plan. In other instances, government regulations and third-party ratings standards vary from region to region. Even with this variance, our safety centers continuously collaborate with suppliers to meet internal safety standards designed to address quality and reliability goals.

Within FCA, responsibility for safety is not limited to the designated safety organizations, but cuts across many departments. Numerous individuals at FCA, as well as at our dealerships and within our supply chain, are engaged in tracking and understanding how vehicles perform on a day-to-day basis on the road. This work includes examining accident data in order to understand factors that may need closer investigation and understanding. Within our organization, many centers of expertise contribute to the technological advancement on safety issues by cooperating with public institutions, suppliers, universities and other organizations on research and development into innovative solutions.

Safety Research

FCA actively participates in national and international organizations that develop new and improved safety standards and examine real-world results. For example, the EMEA safety organization is a member of IGLAD (Initiative for the Global Harmonization of Accident Data), a consortium of auto manufacturers that collects and analyzes traffic accident data to improve road and vehicle safety. In the U.S., FCA collaborates with other automakers to identify technical issues and conduct research related to vehicle safety through the U.S. Council for Automotive Research (USCAR).

In Europe, FCA has continued the activities in the Harmonization Group on Prospective Effectiveness Assessment for Road Safety (PEARS). The objective of the group is to provide an open platform to discuss methodologies to evaluate the real-world effectiveness of advanced driver assistance systems in potentially hazardous traffic scenarios through virtual simulation. This cooperative research and development initiative involves major automakers, universities and automotive research institutes in Europe. We use these types of collaborations and research projects as tools to advance our vehicle safety efforts.

Group Safety Centers

A team of specialized engineers located in Orbassano and Pomigliano in Italy, and in Auburn Hills and at the Chelsea Proving Grounds in the U.S. develops and assesses effective safety systems, concentrating on various aspects including safety levels in front, rear and side collisions for vehicles from different segments; protection of vulnerable road users; and integration of active and passive safety systems. These efforts result in the continual implementation of upgrades to our testing equipment and methodology. In 2015, the Orbassano Safety Center launched new impact simulators that simulate vehicle pitching in frontal impact and real intrusion in side impact. In addition, new benches test health and safety impacts for our vehicle models before launch.

Our advanced engineering organization at the Pomigliano Technical Center applies upfront virtual reality methods and innovative technological solutions for virtual and physical tests. By analyzing the performance of vehicle safety systems in real-world collisions, we are able to develop future active and passive safety systems. In 2015, more than 1,000 real accidents were reviewed to support vehicle safety.

Regulatory Compliance

FCA stands behind the quality and safety of our products. When potential vehicle safety issues arise, we promptly investigate and take effective corrective action, including initiating recall campaigns when appropriate. Because we are diligent about vehicle safety performance, our safety recalls are self-initiated and tend to be early in the product cycle. By quickly initiating appropriate safety recalls, we address safety issues more quickly and inconvenience fewer customers. In 2015, there were 102 safety and regulatory compliance campaigns involving 19,165,638 vehicles in our four regions (EMEA, NAFTA, LATAM and APAC).

Focusing on communication during every interaction, the FCA US Customer Contact Center agents proactively notify customers of incomplete recalls affecting each caller's vehicle, and have been empowered to assist with parts procurement and scheduling of appointments for recall repair completion. In addition, FCA US recently launched "Recall Central," a new internet portal consolidating safety recall campaign information so dealers may better assist customers - a key variable in the recall-completion equation. We also bolstered our mobile, social media and web self-service experiences for our customers affected by safety recalls. Every safety recall launched by FCA US is also communicated through a statement posted on the media site since these campaigns can have implications for vehicles outside the NAFTA region. The Company continues to work - along with NHTSA and the industry - to increase recall completion rates and improve the overall customer experience.
In EMEA, recall campaigns are managed by informing customers through written communication. The entire process is designed to minimize inconvenience to the customer and vehicle downtime. Moreover, a customer can obtain additional information on the work to be carried out, the location of service centers and other services that may be available, by contacting the **FCA Customer Contact Center** (CCC) at any time. The CCC can be contacted through one of the available channels including brand-specific toll-free numbers, emails, links on websites and social networks, as well as more traditional means of contact such as letters and faxes.

Independent Safety Ratings

Independent agencies rate the comparative safety of vehicles across the industry in different regions. While the specific criteria vary, these ratings are generally based on some form of evaluating the level of safety provided for occupants during a crash as well as a vehicle's ability to avoid a crash through the use of technology. A number of FCA vehicles have earned top ratings based on performance during assessments. These ratings help validate our continuing efforts to deliver the latest advancements in both passive and active safety technologies.

In the U.S., the 2016 Dodge Challenger earned 5-star overall safety ratings in the U.S. NCAP conducted by the National Highway Traffic Safety Administration (NHTSA). The Insurance Institute for Highway Safety (IIHS), which recently upgraded its protocol, named the 2016 Fiat 500X and 2016 Chrysler 200 a Top Safety Pick+ rating. Front Crash Prevention systems are a prerequisite to achieve IIHS Top Safety Pick+ status.

In the APAC region, the Jeep Grand Cherokee was awarded a 5-star rating by the Australian NCAP. In Latin America, the locally manufactured Jeep Renegade gained a 5-star Latin NCAP rating for adult and child protection in 2015.

Product Enhancements

Addressing the challenge of distracted drivers is one of the major safety issues facing all vehicle safety stakeholders today. Consumers are accustomed to connectivity in their everyday lives - sending text messages, talking on the phone, participating in social media or accessing the vast amount of content available on the internet. The task for auto manufacturers is to account for these consumer expectations in a way that enables drivers to maintain their focus on the task of driving.

FCA currently makes use of a number of technologies such as **Full-speed Forward Collision Warning-Plus, Lane Departure Warning, and Adaptive Cruise Control** that are designed to alert distracted drivers. In addition, voice-recognition technology enables hands-free phone calls, text-message dictation and navigation-system inputs. We are focused on improving the user experience and merging the mobile world with the mobility world, an effort that includes continuing work on the development of specific devices that help to warn distracted drivers.

In terms of passive safety advancements, we are continually working to optimize protection for vehicle occupants of all ages and abilities. For example, FCA, through CRF and Magneti Marelli, continues to be actively involved in several research activities for vehicle-to-vehicle and vehicle-to-infrastructure communication (V2X) technologies and systems. In the field of **tertiary safety** in the EMEA region, in 2015, the Group continued to deliver emergency rescue sheets[21] which provide information to rescue teams or first responders on special design elements and the position of components to be considered when assisting the occupants of vehicles involved in an accident.

Better understanding of driver behavior helps us focus on the most relevant factors to improve vehicle safety on the road. Like some other automotive concepts, the definition of vehicle safety is evolving with consumers. Vehicle safety was traditionally defined as a degree of protection from injury during crashes. Over time, vehicle reliability grew in importance. More recently, features related to autonomy levels have become a part of the consumer perception of vehicle safety. As consumers evaluate advanced technology products, they rely on trusted brands to make purchase decisions. In 2015, FCA conducted research in the U.S. to understand the link between vehicle safety perceptions and trusted brands.

To minimize distracted driving and enhance the customer experience, the Group's Human Machine Interface efforts focus on new connectivity features using the on-board equipment to incorporate interfaces for vehicle safety communications.
The Group has enhanced the voice command recognition which enables hands-free operation of phones and media players. As an example, two **Uconnect** features were introduced on FCA US vehicles to allow customers to stay connected to the information they want and need while remaining focused on the road. The Siri Eyes Free feature allows drivers to speak natural language voice commands to send text messages, play music, set reminders, place phone calls and access turn-by-turn directions. The Do Not Disturb feature routes all incoming mobile calls to voicemail and suppresses text messages. If the driver enables the Do Not Disturb feature, they also have the ability to send a default or customized response when a call or text message is received.

[21] *ISO 17840 part 1, part 3 and part 4.*

Active Safety

Active safety systems help drivers avoid crashes by assisting them to control their vehicles or alerting them to potentially hazardous situations. These systems monitor surroundings, the status of the vehicle and driver behavior. They include **semi-automated technologies** that provide assistance to drivers in certain instances, with the driver retaining control as needed. There is a growing list of active safety features available on FCA vehicles.
The features and options listed here are available depending on models and markets:

Full-speed Forward Collision Warning-Plus

Radar and camera technology combine to determine if frontal impact with another vehicle appears imminent; if so, system pre-fills brakes, then transmits audible and visual warnings for driver to intervene; no driver response triggers brief brake application as tactile alert; if driver remains unresponsive and frontal collision risk remains, brakes are applied to slow vehicle before impact; system may bring vehicle to full stop if imminent frontal collision detected at speeds below 25 mph.

Lane-Departure Warning with Lane-Keep Assist

Lane-Departure Warning with Lane-Keep Assist alerts and assists the driver by leveraging electric power steering to deliver subtle steering-wheel input when the system detects a need for course correction.

Blind-spot Monitoring

Blind-spot Monitoring uses dual radar sensors to aid the driver when changing lanes, passing or being passed. The presence of a vehicle in the blind spot is signaled by illuminated icons in side-view mirrors and a driver selected audible chime.

Adaptive Cruise Control-Plus with Full Stop

Adaptive Cruise Control-Plus with Full Stop helps maintain distance from the vehicle ahead. Under certain traffic conditions, it can briefly bring a vehicle to a full stop without driver intervention.

Rear Cross Path Detection

Rear Cross Path Detection warns drivers of lateral traffic when backing out of parking spaces. It automatically activates any time a vehicle is in reverse gear; the driver is alerted of an approaching vehicle via illuminated icons on side-view mirrors and a driver-selected audible chime.

ParkSense and ParkView

ParkSense park assist systems with stop and release use ultrasonic sensors to detect stationary objects while driving in reverse at low speeds. If a collision is imminent, it provides a momentary, autonomous brake pulse, and at speeds below seven kilometers per hour, it will bring a vehicle to a stop before releasing. ParkView rear backup camera provides a wide-angle view of the area immediately behind the vehicle when the transmission is shifted into reverse.

Electronic Park Brake with SafeHold

Electronic Park Brake with SafeHold automatically activates the parking brake if the driver's seatbelt is unlatched and the driver's door is open while forward or reverse gears are engaged.

Surround View Camera

Expected to be available on the new Chrysler Pacifica in 2016, this feature uses four cameras positioned around the vehicle to provide a bird's-eye perspective of the vehicle and its immediate surroundings. Driver can also select other views, including front or rear cross path views.

Passive Safety

Passive safety systems help mitigate the effects of a crash. These include occupant restraint technology and the use of more advanced materials that enable us to improve crash energy management. There is a growing list of passive safety features available on FCA vehicles. The features and options listed here available depending on models and markets:

Active Head Restraints

Active head restraints deploy during a collision to help reduce injuries by minimizing the gap between an occupant's head and the head restraint.

Advanced Multistage Airbags

Advanced multistage driver and front-passenger airbags inflate with force appropriate to the severity of the impact and meet advanced airbag requirements for smaller, out-of-position occupants.

Occupant Restraint Controller

Occupant restraint controller detects changes in vehicle velocity during crashes and determines if an airbag should be deployed and to what degree.

Energy-absorbing Steering Column

Energy-absorbing steering column helps manage energy during an impact. The manual-adjust steering column features two hydroformed coaxial tubes that move relative to each other to allow for enhanced energy absorption. The power-adjust steering column uses a calibrated bending element that deforms during impact for optimal energy management.

Crumple Zones

Front and rear crumple zones are specially formed structural members that crumple and absorb energy in a collision, helping protect the occupant cabin.

Safety Cage Body Structure

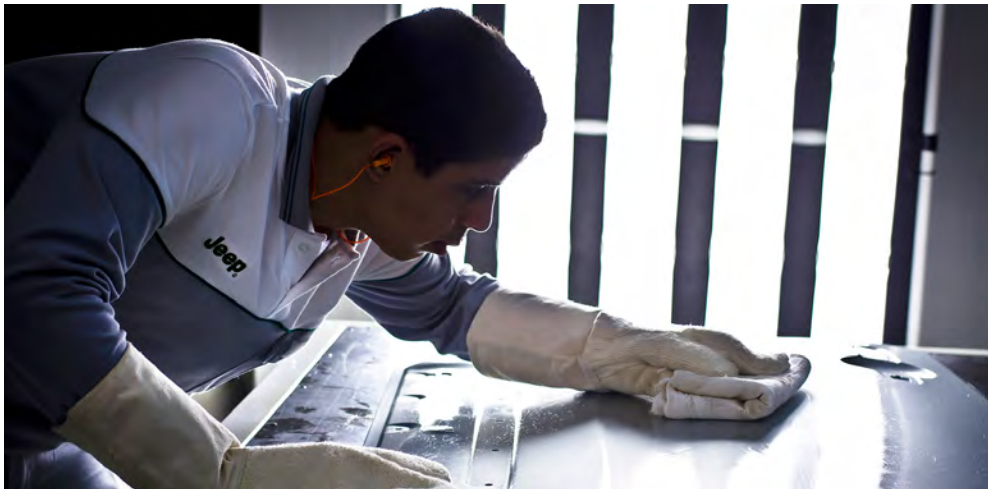
Safety cage body structure helps protect occupants by managing and controlling energy in the event of an impact.

Compatible Front End[22]

Three front load paths designed from high-strength steel help maintain structural integrity.

[22] Feature referred to as "Energy Management System" for FCA US vehicles.

Vehicle Quality



Producing high quality vehicles is central to FCA's goal of earning and maintaining the trust and loyalty of customers.

At the earliest stages of vehicle creation, before designers' sketches have evolved into clay models, research is conducted to collect, analyze and integrate the voice of the customer into a new vehicle concept. A **"customer first" approach** to quality keeps the customers' needs at the forefront of decision-making and planning through all stages of vehicle development.

Thousands of people "touch" some aspect of every vehicle, from raw material production to final delivery. High priority is given to sharing our quality vision and targets with everyone in the extended organization, which includes not only employees, but also our suppliers, dealers and other business partners.

Consistent with the critical importance of the role, the Head of Quality reports directly to the Group CEO and is also a member of the Group Executive Council, the highest decision-making body outside of the Board of Directors. He is responsible for ensuring **consistency** and **rigor** across the four FCA operating regions (EMEA, NAFTA, LATAM and APAC). The quality departments for each region report to both the Head of Quality and the respective regional Chief Operating Officer.

As part of our commitment to vehicle quality, FCA has set a target of a**chieving top quartile placement for the vehicle portfolio by 2020**, based on the relevant competitive benchmark for each geographic region. This includes vehicle reliability as measured by rate of repair and survey results related to vehicle functionality and design. In 2015, the rate of repair in the first 90 days of ownership improved on average by 15% globally. Things Gone Wrong (TGW) is an internal and external survey process which evaluates customer needs and behaviors related to vehicle functionality and design issues. In 2015, TGW at 90 days of ownership improved in two regions and globally remained stable.

By enhancing our processes we have improved vehicle quality across the regions, including a 25% better-than-target result for the Jeep Renegade, based on initial customer feedback in the LATAM region. In J.D. Power's 2015 U.S. Initial Quality Study (IQS), 13 out of 16 FCA products in the survey improved their respective IQS scores, while in India, FCA vehicles improved for the second consecutive year in the region's J.D. Power's IQS.

Quality Processes

For every vehicle we make, quality considerations from customer expectations to functional requirements are addressed from the earliest stages of design.
The validation process begins with **virtual simulations** that not only enable optimization of the design earlier in the development, but also significantly reduce development time and cost. This is followed by validation of physical prototypes and manufacturing, which is another crucial element in the quality process.

Some of the most punishing vehicle tests involve the **Road Test Simulator** (RTS). It recreates the abuse vehicles endure at the hands of a 95th percentile customer – meaning a customer who drives the vehicle in more severe conditions than 95% of all drivers. The RTS mimics a wide range of on-road and off-road driving surfaces and puts a lifetime of wear and tear on a vehicle in only one month's time. The thousands of simulated and laboratory tests conducted set the foundation for the regimented reliability, capability and durability testing that continues at FCA's proving grounds around the world.

In addition to the extensive testing facilities at the proving grounds in Chelsea (U.S.) and Balocco (Italy), the Group also conducts extreme weather testing at FCA's Arizona Proving Grounds (U.S.) and the Arjeplog (Sweden) Proving Grounds within the Arctic Circle. At the Florida Evaluation Center (U.S.), vehicles undergo coast-down testing to assess overall frictional drag, aerodynamics and tire rolling resistance. Engineering and Quality teams also study how vehicles perform in less predictable environments. Reliability test fleet vehicles are driven day and night on public road surfaces, at high and low altitudes and through blizzard conditions, as well as dry, desert heat and hot, humid locations all over the globe.

Inside an assembly plant's Quality Assurance Center, randomly selected vehicles undergo audits and detailed technical measurements on more than 400 vehicle functions, such as heating, cooling, emissions, and fit-and-finish. FCA assembly plants also employ state-of-the-art metrology centers, a high-tech laboratory with a clean-room environment. The metrology labs use **laser scanners** and a complex set of fixtures that mimic the body shop's process so that engineers and technicians can find the root cause of any build variations even when components appear perfect to the naked eye. All these tools are used to find and resolve any issues before vehicles are shipped to dealers. In addition, all Group plants have adopted a **Quality Management System** that is ISO 9001:2008 certified and all powertrain plants in Europe are also ISO/TS 16949:2009 certified.

Along with monitoring at specific points throughout the product development process, two other quality assurance programs are conducted before and after product launch to rapidly identify and resolve any potential issues with new models and ensure customer satisfaction from the first day of ownership. The first is an internal process known as "fleet fast feedback" in which **employees are asked to evaluate and comment on pre-launch vehicles**, which helps assess customer reaction. The second involves **monitoring performance** of a sample of customer vehicles by a cross-functional team for the first several months after a new model launch.

Across the globe, customer expectations vary significantly from market to market due to differences in driving experience (fuel prices, speed limits, road surfaces, etc.) and/or local preferences such as vehicle size, fuel type, automatic vs manual transmission, seat position and switch controls, etc. When differences in regulatory requirements or customer expectations have an impact on quality standards, we normally apply the **most stringent specifications for all markets**. These market-based differences add complexity and make close cooperation across regions an essential part of the process. To support global quality collaboration, the Global Issue Management (GIM) system was launched in 2015. GIM is a single repository that is available in five languages to help expedite issue resolution across functional groups and regions. By replacing multiple systems with one global system, not only is awareness of issues improved but a more consistent resolution is achieved. Benefits of the GIM system extend beyond our internal resources by providing our supply chain access to view and address supplier-related issues.

Plants

Environmental Protection

FCA believes that a robust commitment to manage environmental aspects rests on the combination of efforts toward sustainable products and processes. In its production facilities, FCA strives to minimize the environmental impact of its manufacturing processes. Efforts at the plant level include reducing CO_2 emissions, water consumption and waste generation. Achieving strong employee engagement and continuous improvements in environmental performance at the plant level is an essential part of FCA's strategy and ability to generate sustainable, long-term value for stakeholders.

Environmental protection at FCA is managed through its Environment, Health and Safety (EHS) and Energy organizations. EHS and Energy managers at each company within the Group are responsible for overseeing facility environmental activities and directing capital investments dedicated to specific action plans. They monitor developments with national and local laws and regulations related to the environment. They ensure that senior management and plant environmental professionals understand the potential impact of new or revised policies on their operations, and they conduct periodic compliance audits.

As an integral part of FCA management of industrial processes, the Company is committed to implementing and maintaining its **Environmental Management System (EMS)** at its production plants, compliant with the ISO 14001 standard. At the end of 2015, 146 Group plants, representing 100% of industrial revenues and 97% of manufacturing employees, 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.

With respect to the **Energy Management System (EnMS)**, as of December 31, 2015, the vast majority of Group plants were **ISO 50001** certified, representing approximately 94% of the Group's total energy consumption.

ISO certifications

GRI: G4-DMA, G4-EN19, G4-EN24, G4-EN31

The Group EMS and EnMS are certified by accredited third parties. Together with **World Class Manufacturing (WCM)** methodologies and tools, they contribute to steady and continuous reduction in the impact of manufacturing processes, as well as to the achievement of environmental objectives.

In place for more than 10 years, WCM is a structured, rigorous and integrated methodology that covers every aspect of the production process: from workplace safety to environmental protection, from maintenance to logistics and quality, from people development to process innovation. 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 2015, a total of 135 FCA plants have implemented WCM, which now covers 97%[1] of our plants: 50 have achieved a bronze level of implementation and performance, 15 silver and five gold.

97% of FCA plants apply **WCM**

4,300
Environmental Projects in 2015

€65M
saved in 2015

[1] *Percentage based on the total manufacturing cost base.*

The projects developed within WCM are designed to achieve the broadest engagement of employees and to systematically reduce losses and waste, aiming to ultimately reach **zero accidents, zero waste, zero breakdowns** and **zero inventories**.

The WCM system combines the ultimate goal of process efficiencies and excellence standards with the respect for the environment and attention to other sustainability aspects. The WCM Environment pillar, for instance, is an integral part of the Group's EMS and EnMS. In 2015, about 3,300 specific energy projects were implemented, resulting in approximately 315,000 fewer tons of CO_2 emissions. The roughly 4,300 environmental projects started during the year resulted in cost savings of €65 million.

To manage and **minimize environmental and safety risks**, a preventive and proactive approach is employed. In the event of an incident, WCM calls for a rigorous analysis of the causes and application of the most appropriate procedures to reduce the risk of recurrence.

The success of WCM is highly dependent on the participation of employees, who are involved in targeted training programs in order to properly apply WCM methods. All Group plant employees worldwide are encouraged to make suggestions, each of which is assessed for potential application. In 2015, FCA plant employees submitted a total of more than 2.2 million suggestions for improving processes, representing an average of 14.3 proposals per employee.

Extending the most effective processes to all plants is enabled by sharing innovative **best practice projects**, with more than 14,000 approved and disseminated across the Group's plants through 2015.

WCM tools and methods are also applied to business processes other than production. FCA is transferring WCM principles and best practices into its Logistics, Manufacturing Engineering, design activities, Dealers and Suppliers as well, to integrate this approach in other areas of the Company. By involving suppliers in the application of WCM principles, we minimize the environmental footprint along our entire value chain while spreading a sustainability culture.

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 2015, expenditures and investments for the environment amounted to almost €94 million,[2] demonstrating the Group's commitment to environmental protection. This commitment is illustrated by the fact that **no significant spills** were reported for the Group in 2015.

Data reported as a measure of FCA's impact on the environment consists of both absolute values, directly correlated to production volumes and reporting boundaries, and normalized values.

Normalized environmental performance indicators are presented in order to ensure data comparability from year to year and enable operational trends to be evaluated. Due to the significant variation in types of production lines (vehicles, engines, components, etc.), it is not possible to present normalized data at the Group level. Even within certain companies, such as Teksid, normalized data is calculated differently for different production lines.

The only normalized data presented in this chapter are for energy, air emissions, water and waste for the Mass-Market Brand assembly and stamping facilities (which account for more than half of total impacts).

The year 2010 is used as the baseline to measure progress to our environmental goals because this was the first year FCA US (formerly known as Chrysler Group) was included in the scope of the Group.

For information on the performance and targets of each Group company, see the Facts & Figures section.

Related content

WCM Suppliers >

[2] *€93.9 million, of which 72.6% for waste disposal, emissions treatment, and remediation costs, and 27.4% for prevention and environmental management costs.*

GRI: G4-DMA, G4-EN19, G4-EN24, G4-EN31

New Plant Landscape

FCA believes that innovation plays a crucial role in creating value for the business through the execution of new ideas in both products and processes. The identification of emerging technologies, trends and opportunities, while targeting those with the greatest potential, is embedded within the organization at various levels.

In the manufacturing area, for example, great effort recently led to the development of a new Information and Communication Technology (ICT) infrastructure deployed in major plant renovations and in greenfield projects. This infrastructure, called New Plant Landscape, is leading to a number of innovative changes.

NPL brings the most advanced ICT solutions to the Group plant landscape in order to achieve high manufacturing assembly and quality standards. New technology impacts manufacturing quality; vehicle tracking and traceability to the supplier who manufactured the parts; workplace safety; and material management, while introducing a technologically modern environment.

This new infrastructure, developed together with major global providers of hardware and software, has already been adopted in the following plants: AGAP, Cassino, Mirafiori, Melfi (Italy), Pernambuco (Brazil) and Guangzhou (China) and will be further deployed over the next few years to other Group plants. Updates and new, innovative features are already under development to continue enhancing our production processes.

NPL is one example among many through which the ICT function guides and supports the other business areas to foster an innovation culture by leveraging both internal resources and an external network of sources that includes universities and research centers, start-ups and providers.

Energy Consumption

Consuming energy responsibly is the basis of FCA's commitment to **reduce energy demand** and to employ energy solutions with an ever-decreasing impact on the environment. This commitment is embodied in the World Class Manufacturing (WCM) Energy sub-pillar which focuses on identifying and implementing energy reduction and efficiency measures.
Our efforts to reduce energy consumption (and related CO_2 emissions) resulted in a year-over-year decrease in the amount of energy consumed in 2015. This reduction was achieved despite stable vehicle production volumes globally.

During the year, the Group implemented several initiatives to improve the energy efficiency of systems and equipment, including overhauls or upgrades to existing equipment that contributed savings of approximately 1,100 TJ in energy and 95,000 tons in CO_2 emissions.

Direct and Indirect Energy Consumption
FCA worldwide (TJ)

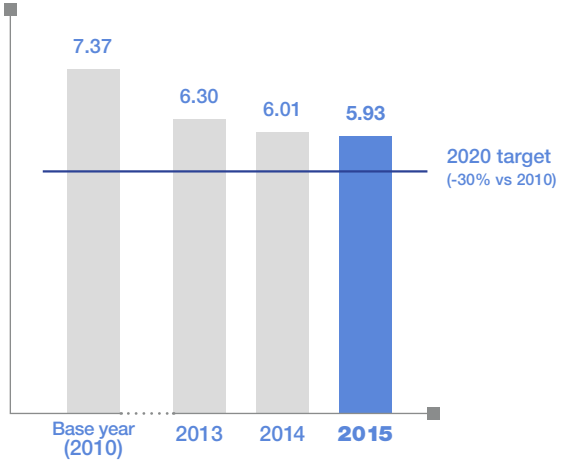
	2015	2014	2013
Plants	*147*	*145*	*142*
Electricity	**21,742**	21,615	21,272
Natural gas	**19,993**	21,260	20,957
Other fuels	**924**	1,133	1,234
Other energy sources	**5,786**	4,636	4,860
Total energy consumption	**48,444**	48,645	48,322

Organizational measures such as process redesign and optimization of plant capacity, also had a major impact, generating energy savings of around 2,200 TJ and avoiding some 190,000 tons in carbon emissions.
In addition, initiatives to increase energy awareness among employees led to actions that resulted in a further 400 TJ in energy savings and 30,000 tons of CO_2 emissions avoided.

At Mass-Market Brand assembly and stamping plants, the **energy consumption per vehicle produced** showed a decrease of 1.3% compared with last year, from 6.01 GJ in 2014 to 5.93 GJ, and by 19.5% compared with 2010 (from 7.37 to 5.93 GJ).

-19.5%
energy consumed

Direct and Indirect Energy Consumption per Unit of Production
Mass-Market Brand assembly and stamping plants worldwide
(GJ per vehicle produced)



Related content

Energy consumption by Group segment >
Reduction in energy consumption – dealerships >
Reduction in energy consumption – warehouses >

GRI: G4-DMA, G4-EN3, G4-EN5, G4-EN6, G4-EN19

CO_2 Emissions

FCA's engagement in the **fight against climate change** is demonstrated by the general downward trend in CO_2 emissions from our production processes compared with the 2010 baseline.

In 2015, total CO_2 emissions were well below the amount reported in previous years, aided by the 3,300 energy projects that were launched in 2015, which saved €57 million.[3]

€57 M saved

Emissions of CO_2 per vehicle produced at Mass-Market Brand assembly and stamping plants decreased 23.4% in the last five years, falling from 0.616 tons per vehicle produced in 2010 to 0.472 tons per vehicle produced.

-23.4% CO_2 emitted

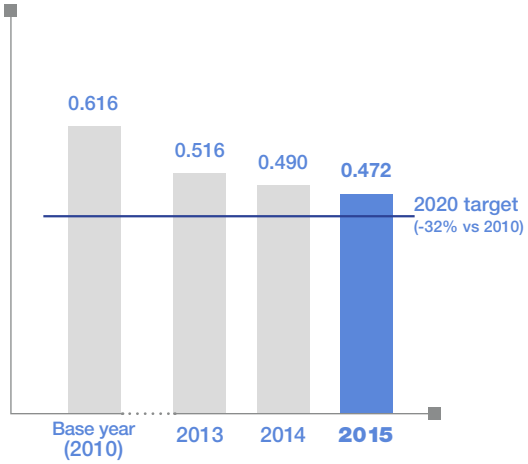
Direct and Indirect CO_2 Emissions

FCA worldwide (thousands of tons of CO_2)

	2015	2014	2013
Plants	*147*	*145*	*142*
Direct emissions	**1,121**	1,203	1,198
Indirect emissions	**2,962**	3,079	2,980
Total CO_2 emissions	**4,084**	**4,283**	**4,178**

Direct and Indirect CO_2 Emissions per Unit of Production

Mass-Market Brand assembly and stamping plants worldwide (tons of CO_2 per vehicle produced)



In 2015, FCA continued to make considerable use of **energy from renewable sources**. In Europe, the vast majority of renewable energy purchased for consumption by the Group is certified by the supplier, covering 100% of Italian plants' electricity. In Brazil, South America's major market, electricity purchased for consumption is certified as originating almost entirely from hydroelectric sources. In addition, several Group plants use solar power for electricity and/or heating.

Energy from renewable sources used in Group production processes covered 21.9% of the total electricity consumption in 2015.

21.9% from renewables

One example of FCA's commitment to **renewable energy** is our operations in India where over the past four years **wind-generated power** has been used to meet 26.6% of our electricity needs at FCA joint venture plants. This reduced CO_2 emissions by more than 40,000 tons and generated savings in excess of €600,000.

Related content

CO_2 emissions by Group segment >
Dealership CO_2 emissions >
Logistics CO_2 emissions >
Warehouse CO_2 emissions >
Vehicle CO_2 emissions >

[3] *Data is prorated to also include carry-over from projects launched in 2014.*

GRI: G4-DMA, G4-EN15, G4-EN16, G4-EN18, G4-EN19

Water Management

Water scarcity is one of the primary challenges facing governments, communities, businesses and individuals in many parts of the world. Because water scarcity also exposes companies to business risk, it is a factor that needs to be managed promptly and effectively.

FCA sees water as one of the most important natural resources to be protected. Internal policies and procedures provide the principles for sustainable management of the entire water cycle and emphasize reducing consumption, especially in water-stressed regions where availability is critical to the surrounding environment and population.

FCA periodically maps the availability of water resources around the world, correlating the quantity of water available with the quantity consumed in each region.

This risk assessment identified 12 plants located in areas where water is considered a limited resource.[4]

Accordingly, these plants took appropriate measures to improve water reuse and recycling.

As a result of **improvements in water cycle management** and measures taken to reuse water in industrial processes, in 2015 FCA reduced overall water consumption by 1.4% compared with 2014 (from 25.3 to 24.9 million m^3) and by 27.1% compared with 2010 (from 34.2 to 24.9 million m^3). Projects to cut the quantity of water consumed led to an overall savings of about €2.7 million in 2015.

Water Withdrawal and Discharge

FCA worldwide (millions of m^3)

	2015	2014	2013
Plants	*147*	*145*	*142*
Total water withdrawal[5]	**24.9**	25.3	24.9
Total water discharge[5]	**19.6**	16.7	16.2

Water recycling resulted in 2.3 billion m^3 of water saved, equivalent to the amount of water that flows over Niagara Falls during a two week period.

Water Recycling Index

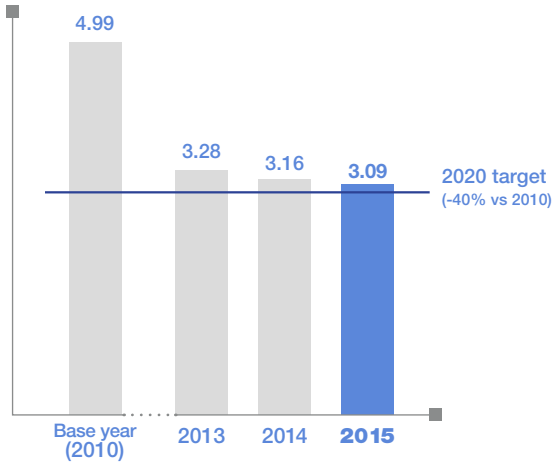
FCA worldwide (millions of m^3)

	2015	2014	2013
Total water requirement	**2,361.6**	3,291.2	2,155.6
of which covered by recycling	**2,336.7**	3,266.5	2,130.6
of which water withdrawal	**24.9**	24.7	24.9
Recycling index[6]	**98.9%**	99.3%	98.8%

[4] Water availability <1,700 m^3/(person per year). Source: Food and Agriculture Organization's (FAO) global information system.
[5] Data restated for 2014 due to a miscalculation.
[6] The recycling index is calculated on the basis of total water requirement, which is the sum of water withdrawn and water recirculated in the plants.

Water Withdrawal per Unit of Production

Mass-Market Brand assembly and stamping plants worldwide (m^3 per vehicle produced)



In 2015, Mass-Market Brand assembly and stamping plants reduced **water consumption per vehicle produced** by 2.2% compared with the previous year (a 38.1% reduction compared with 2010).

-38.1%
water consumed

The Group pairs reducing consumption of water resources with **optimizing wastewater treatment processes** and constant monitoring of relevant parameters. In 2015, analysis conducted on water discharged from FCA plants worldwide revealed levels of Biochemical Oxygen Demand (BOD) up to 96% below regulatory requirements, while levels of Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) were up to 89% and 97% below required limits, respectively.

In addition to any legal requirements, FCA regularly measures and analyzes the presence in its wastewater of certain heavy metals such as nickel (Ni), zinc (Zn), lead (Pb), cadmium (Cd) and copper (Cu). These analyses provide a comprehensive view of FCA's overall impact on water quality to maintain levels well below legal limits.

Of 147 total plants active in 2015, 145 (which generate 99.97% of FCA's wastewater) were serviced by either an internal or external wastewater treatment system. The manufacturing activities of the remaining two plants generate wastewater classifiable as domestic and/or not requiring treatment.

Related content

Water consumption by Group segment >
Reduction in water consumption – warehouses >

GRI: G4-DMA, G4-EN8, G4-EN10, G4-EN22

Waste Management

FCA has long been committed to reducing waste generation in its production activities according to the concept of the circular economy. **Reusing and recovering materials** is widely practiced throughout the Group. We strive to recycle what cannot be reused. If neither reuse nor recovery is possible, waste is disposed of using the method available that has the least environmental impact (waste-to-energy conversion or treatment) with landfills used only as a last resort.

Actions to improve this important environmental factor resulted in a 15.3% reduction in waste generated in 2015 compared with 2014. In the past two years, the amount of waste generated has decreased by 18.3%. Projects to cut the quantity of waste generated led to savings of about €4 million and revenues of about €17 million in 2015.

The Group also carefully manages the level of waste defined as hazardous which is generated during manufacturing processes, in accordance with the applicable regulations in each jurisdiction. Particular importance is given to reducing the generation of such waste, since by its very nature it is often less suitable for recovery. Through appropriate environmental practices, hazardous waste decreased by 4.0% in the last year and by 41.3% compared with 2010 levels.

Waste Generation and Management

FCA worldwide (tons)

	2015	2014	2013
Plants	*147*	*145*	*142*
Waste generated			
Non-hazardous waste	1,441,983	1,706,542	1,770,029
Hazardous waste	36,241	37,766	39,069
Total waste generated	**1,478,223**	**1,744,308**	**1,809,098**
of which packaging	119,219	94,655	121,837
Waste disposed			
Treatment	42,017	42,888	31,055
Sent to landfill	220,169	295,358	438,741
Total waste disposed	**262,186**	**338,246**	**469,796**
Waste recovered			
Waste-to-energy conversion	19,170	18,361	23,750
Waste recovered	1,196,868	1,387,701	1,315,552
Total waste recovered	**1,216,038**	**1,406,062**	**1,339,302**

In Mass-Market Brand assembly and stamping plants, the quantity of **waste generated per vehicle produced** in 2015 decreased by 15.8% compared with the prior year (from 203.4 to 171.3 kg/vehicle produced), and by 21.1% compared with 2010 (from 217.2 to 171.3 kg/vehicle produced). **Hazardous waste per vehicle produced** decreased 17.2% compared with 2014 (from 2.9 to 2.4 kg/vehicle produced) and 70.7% compared with 2010 (from 8.2 to 2.4 kg/vehicle produced).

In 2015, the **waste recovery rate** in Mass-Market Brand assembly and stamping plants was 96.7% (compared with the FCA average of 82.3%) and the percentage of **waste sent to landfill** was 1.4% (compared with the FCA average of 14.9%).

-21.1%
waste generated

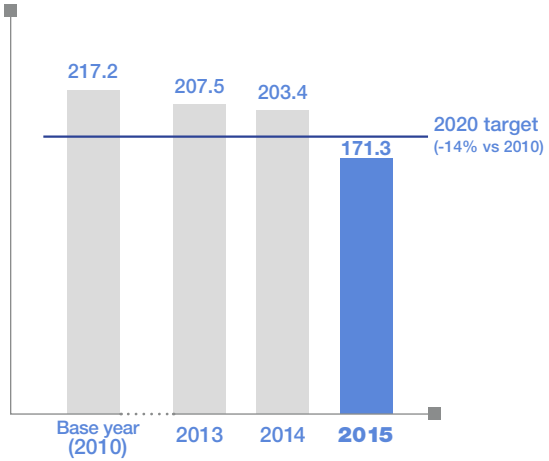
-70.7%
hazardous waste

96.7%
waste recovered

GRI: G4-DMA, G4-EN23, G4-EN25

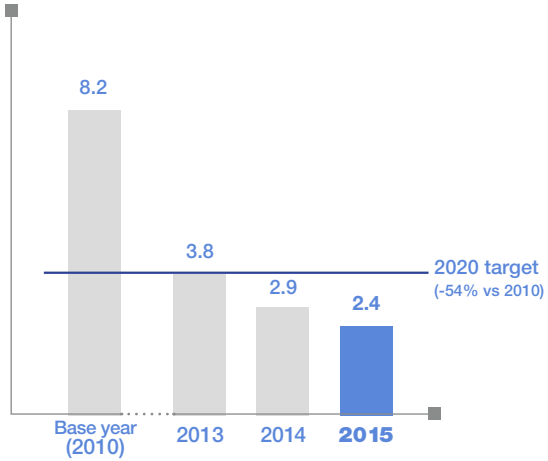
Waste Generated per Unit of Production

Mass-Market Brand assembly and stamping plants worldwide
(kg per vehicle produced)



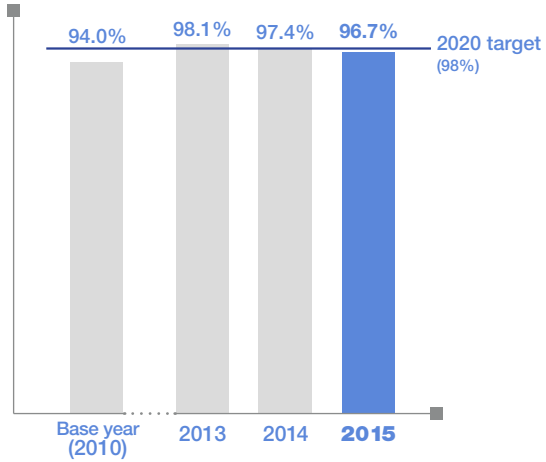
Hazardous Waste Generated per Unit of Production

Mass-Market Brand assembly and stamping plants worldwide
(kg per vehicle produced)



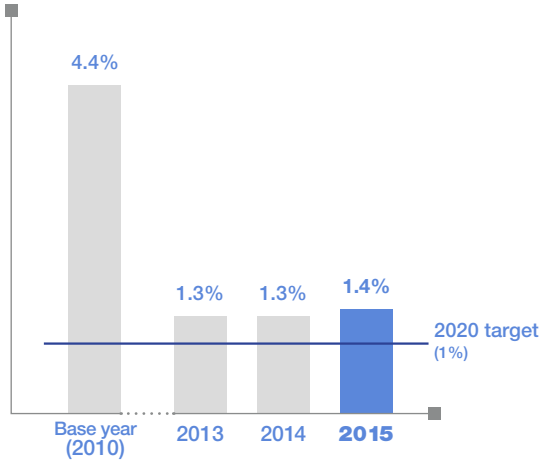
Waste Recovery Rate

Mass-Market Brand assembly and stamping plants worldwide



Waste Sent to Landfill

Mass-Market Brand assembly and stamping plants worldwide



The quantity of waste sent to landfills by the Group is significantly influenced by a single type of waste: Teksid's inert industrial process sand, which must be sent to landfill at the present time due to technological constraints. However, Teksid has several specific projects in progress aimed at optimizing the management of this type of waste.

In alignment with the terms of the **Basel Convention**, 64 tons of hazardous waste were exported from Canada to the United States for recycling (paint shop-related waste), representing 0.004% of all waste generated by FCA.

Related content

Waste generation by Group segment >
Reduction in waste generation – logistics >
Reduction in waste generation – warehouses >

GRI: G4-DMA, G4-EN23, G4-EN25

Logistics

Transport Flow Management

Every year, FCA manages the movement of millions of automotive parts, materials and vehicles around the world. The Group is focused on two main areas of intervention:

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

The FCA Global Supply Chain Management acts as a bridge between Group plants, the supplier network and dealers managing transports among all parties involved. Processes are continuously being improved through the re-engineering of material flows and the application of just-in-time methodology. Immediate benefits are the reduction of stock and material handling and the delivery of only what is needed, where it is needed, at the right time. In addition, World Class Logistics (WCL) is the program used to define logistics processes at plants and warehouses. Through its extensive approach, WCL helps to meet safety, ergonomics and eco-compatibility requirements as well as transport flow optimization.

Logistics Flows

GRI: G4-DMA

The movement of vehicles, materials and parts are handled by a variety of internal and external operators, depending on the origin and destination of the goods.

Component and material delivery to Group plants (upstream transport) and spare parts transport to Mopar warehouses and distribution centers are generally handled either by external transport providers engaged by the Company or managed directly by the material suppliers themselves. External logistics operators handle the shipment of spare parts to dealers.

In addition to external operators, the U.S. and Canada operations utilize the Company-owned fleet, FCA Transport, for moving materials to select plants.

Finished vehicle distribution from plants to dealers (downstream transport) is handled by external transport providers contracted by the Company or by the Group-owned fleets, i-FAST Automotive Logistics in the EMEA region, and Auto Transport Services (ATS) in NAFTA.

In every region, FCA strives to use the most environmental and cost-efficient fleet possible, both with respect to the Company-owned fleet and those of our external providers.

Environmental Impacts

To maximize efficiency and minimize the environmental impact of our logistics operations, FCA has adopted Green Logistics Principles that summarize the Group commitment to reduce the environmental impact of Logistics globally while delivering on-time goods to and from plants and finished vehicles to markets.

FCA monitors logistics performance to detect areas of improvement and actions needed, and communicates transparently its environmental and social impacts to stakeholders. In 2015, the scope of this monitoring was further expanded to include operations across Brazil, the main country of presence within the LATAM region. The increase in reporting scope enabled a more thorough analysis, both from the regional and global perspectives.

In 2015, volumes transported in relation to vehicle production and delivery increased by 21% and total emissions only by 14%. This was possible due to a decrease of 6% in the emissions per vehicle.

Related content

CO_2 emissions in logistics processes >
Emissions reduction in plants >
Environmental impact reduction in dealerships >

GRI: G4-EN17, G4-EN18, G4-EN30

Low-Emission Transport

FCA Transport is the NAFTA Group-owned trucking fleet composed of 325 tractors and almost 1,300 trailers servicing plants located in Michigan and Ohio (U.S.), and Ontario (Canada). In 2015, FCA Transport launched its new fleet in Detroit (U.S.) of 179 tractors to operate on **Compressed Natural Gas** (CNG) rather than traditional diesel fuel. This transition reflects the balance of profitability, social responsibility and community development, as well as environmental stewardship. The fleet conversion provided a solid business case, clear environmental benefits and an opportunity to invest in the FCA Transport facility and workforce.

FCA invested €1.6 million to enable its maintenance facility to handle the new CNG-powered fleet. The on-site fueling station is the largest private CNG station in North America. 2015 was a transition year of building the CNG fleet. The upstream carbon emissions for the FCA Transport fleet have shown an improvement of approximately 5% due to the launch of CNG. In 2016, there will be a full-year impact of carbon reduction.

In EMEA, FCA's internal fleet of trucks delivering finished vehicles by road is composed of 91% (compared to 88% in 2014) Euro V- or Euro VI-compliant trucks following the Group's purchase of 16 new Euro VI trucks in 2015. Continued investment in more efficient trucks is expected for 2016.

Auto Transport Services (ATS) predominantly services the Windsor (Canada) and Detroit (U.S.) plant cross-border finished vehicle distribution. ATS continuously investigates processes and technologies that reduce carbon emissions, improve efficiency, and promote overall sustainability, and has already implemented Autostart Systems on trucks to avoid running the engines while adjusting decks during loading and unloading. Additionally, the fluid heater system allows trucks to start in sub-freezing temperatures and reduces idling to keep the engine and cab warm. These initiatives contribute to saving approximately 140,000 liters of diesel fuel per year.

Access to European plants is prohibited for vehicles with emission levels that do not meet the Euro III standard. To further help reduce the environmental impact of Group-managed transport in EMEA, **contractual clauses** continued to be progressively introduced in 2015, requiring that at least 50% of supplier fleets consist of vehicles compliant with Euro V or stricter standards. This makes it possible to extend the same standards required for Group-managed transportation to supplier fleets as well. In 2015, external providers were asked to complete a **Sustainability Self-Assessment**, which provided an added method to evaluate the upstream and downstream carriers. Data collected allows us to rank carriers within the different means of transport.

FCA is a partner with the U.S. and Mexican government agencies through SmartWay and Transporte Limpio respectively. All U.S. and Canadian inbound carriers participate in SmartWay reporting. The SmartWay partnership is a collaboration between the U.S. Environmental Protection Agency and the freight industry designed to help companies reduce the carbon footprint of their transport operations. In 2015, FCA US queried its carriers to understand gaps and opportunities as well as to identify success stories within the carrier base. Of the carriers contacted, 87% responded with initiatives for reducing carbon emissions. As a standard practice, FCA US issues a questionnaire to all new carriers which seeks information on the availability of **alternative fuel equipment** in their fleets.

Related content

FCA's compressed natural gas vehicles >
Emissions reduction in plants >
Environmental impact reduction in dealerships >

GRI: G4-EN19, G4-EN32

Warehouse WCL

The Group's commitment to reducing the impact of its transport operations also extends to avoiding the waste of resources used in our logistics processes. World Class Logistics (WCL) helps to significantly reduce the environmental footprint of logistics activities at Mopar warehouses or Parts Distribution Centers (PDCs), while at the same time exhibiting a productive and efficient high-volume flow of goods and materials.

In 2015, EMEA Central Parts Distribution Centers in None and Volvera (Italy) - which are at the heart of the regional network of 19 other PDCs - were awarded the **World Class Logistics Bronze Level**.
This achievement comes from the daily efforts of the 650 people working in the complex. The priorities aimed at continuous improvement encompass process productivity, environmental stewardship, service quality and health and safety in the workplace.

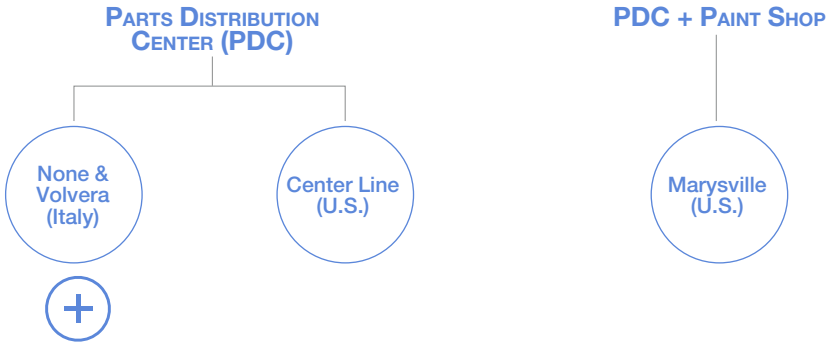
All Mopar Parts Distribution Centers located in the U.S., Canada and Mexico are ISO 14001 certified, with five of those sending zero process waste to landfill.

Environmental performance of the Group Parts Distribution Centers is monitored on a monthly basis. Results are communicated and shared among employees to increase their level of awareness and encourage direct involvement in initiatives aimed at improving sustainability performances.

Related content

Emissions reduction in plants >
Environmental impact reduction in dealerships >
World Class Manufacturing >
Supplier World Class Manufacturing >

Enviromental Results for Global Source Warehouses that have implemented WCL (2015 vs 2011)



Transport Modes

In order to reduce traffic congestion and CO_2 emissions, the Group explores alternative solutions to road transport for both material and vehicle distribution through a variety of options such as rail and ocean, especially for long distance shipments. FCA continues to evaluate its network for potential new rail and sea routes on an ongoing basis. Depending on plant and dealer locations, as well as existing infrastructure, movements may require a significant percentage of road transport.

Efforts were made in 2015 to implement new **intermodal solutions** or extend existing ones.

The expansion of the rail routes to deliver materials from Poland to the plants in southern Italy, as well as the vehicle distribution from the Melfi plant to the Civitavecchia port, are two examples of intermodal solutions where **rail transportation** replaced road transport. This led to important savings from both the economic and environmental perspective, with approximately 7,200 tons of CO_2 emissions avoided in 2015.

As a result of these projects and others in 2015, FCA rail transport kilometers traveled in the EMEA region increased by 28% versus 2014, while sea transport kilometers traveled increased by 39%.

In the NAFTA region, the total rail transportation accounted for 64% while truck transport share was 36% of the total kilometers. This represents an increase of over 3% in rail and a corresponding decrease in truck transportation from the prior year.

At the Brampton Assembly Plant (Canada), a new rail ramp has been implemented. The ramp and associated tunnel were needed to avoid disruption of current inbound traffic at the plant. This ramp allows increased utilization of rail transport and requires fewer shuttles to an off-site yard, resulting in less traffic congestion due to fewer trucks on the road around the plant and in the Toronto area. In 2015,185 tons of CO_2 emissions were eliminated because of the new ramp.

Related content

Emissions reduction in plants >

Environmental impact reduction in dealerships >

Transport Capacity

Optimization of transport capacity is another way the Group reduces the environmental impact of logistics operations while simultaneously containing shipping costs.

In the NAFTA region, FCA optimizes the management of **returnable containers** through a Regional Container Pool Center for upstream freight. This process directs containers efficiently where needed, resulting in a reduction in transportation costs, travel time for containers, handling costs, and possible double handling. In 2015, the Regional Container Pooling Initiative avoided approximately 1,200 tons of CO_2 emissions.

For finished vehicles, a **smart-loading** method is also used to increase the number of units on rail cars by combining vehicles of various dimensions to fully utilize rail capacity. This process of optimizing the loads reduces the number of rail cars necessary and thereby, increases efficiency and reduces cost as well as carbon emissions. In 2015, optimizing the rail loading process at several plants in NAFTA reduced the total amount of rail car CO_2 emissions by 2,900 tons.

Leveraging World Class Logistics methods, Mopar implemented improved trailer loading standards in late 2015 to improve cube utilization for dealer referral order lanes. A reduction of about 45,000 kilometers per month on transportation of referral loads has been registered. The Group also continued efforts to reduce CO_2 emissions by continuing the use of **shared services** on transport. By engaging other automakers and non-automotive companies to combine delivery services and share the transportation costs among all parties, CO_2 emissions are reduced for all participants.

In the EMEA region, projects to increase **material transportation capacity** led to savings of approximately 1,500 tons of CO_2. The Collapsible Container project, developed together with i-Fast Container Logistics - an FCA company - substituted metal boxes with collapsible plastic containers. This has led to a reduction in total weight on each round trip and an increase in the quantity of empty containers per trip, thus reducing the number of trips needed. In addition, the Container Optimization program replaces disposable packaging with collapsible and returnable containers, optimized to increase capacity.

An additional tool used by FCA to improve transport capacity is the design process to increase the **density** of special racks for specific parts of new vehicle models. For example, the average part density per rack for a new model in the startup phase in 2015 in the EMEA region was improved by over 40% compared with similar models in previous years.

Related content

Emissions reduction in plants >
Environmental impact reduction in dealerships >

Packaging and Protective Materials

FCA strives to minimize packaging and protective materials and increase reusable containers, while meeting quality requirements. Where reusable containers are not the optimal solution, the Group ensures that recovery processes are applied.

Even for international shipments of materials and parts, the Group continues to optimize the packaging process. In 2015, disposable wood boxes were replaced with **returnable wooden crates** for parts shipped from Italy to the FCA plant in Saltillo, Mexico. Where the substitution was possible, a 48% reduction in the use of wood per cubic meter of material shipped was recorded.
The Group also minimized the consumption of **plastic protective materials** on the same route. Utilization of polythene film material was reduced by approximately 27,000 tons during the year.

In the NAFTA region, the amount of **cardboard** arriving at assembly plants in 2015 was reduced to 6.89 kg per vehicle as a result of a large investment in standard containers. As production volumes increase year-over-year, the additional containers allow for greater flexibility in scheduling and reduce cardboard quantity. The amount of cardboard arriving at assembly plants in the EMEA region totaled 8.29 kg per vehicle with an increase in the scope of plants monitored compared with the previous year.

The Manufacturing Logistics Management (MLM) group in NAFTA engaged in a collaborative effort in 2015 that collected more than 7,000 returnable containers from the Company's manufacturing facilities. These containers, valued at €1.35 million, were placed back in circulation, helping to reduce the need for alternative disposable packaging. Container Awareness Week was intended to not only capture misused or lost containers, but to educate plant staff on the importance of correct use of these assets as well as the impact of improper management.

MLM staff also did container assessments at 365 supplier locations, resulting in the recovery and proper allocation of over 125,000 returnable containers, further reducing the need for expendable cardboard packaging. This initiative will be expanded in 2016 to include more supplier locations throughout the NAFTA region.

In EMEA, Mopar continues to enhance packaging materials for inbound and outbound inter-depot flows. Mopar increased the number of plastic returnable containers in use, and where this solution is not possible, converted from wood containers to cardboard packaging. The ratio between the weight of disposable packaging used compared with the shipped net tons decreased by 7.7%. This allowed a reduction in the consumption of auxiliary material (cardboard and wood) used for packing and shipping, saving approximately 145 tons of materials compared with 2014 despite an increase of 5.6% in operations.

FCA's commitment to measure, report and communicate in a transparent way its impacts and results is shown also by participation in the CDP Forest initiative which assesses a company's management and prevention of the deforestation risk. In 2015, FCA was recognized with a "notable mention and ahead of others in its sector."[1]

Related contents

Environmental impact reduction in plants >
Environmental impact reduction in dealerships >

[1] *CDP Global Forest Report 2015.*

Facts & Figures

Details by Product

Details by Workforce

Details by Suppliers

Details by Processes

Details by Product

Investments and Patents

Public Funding for Research and Development
FCA worldwide (€ million)

	2015	2014
Grants	36	36
Loans	496	6
of which subsidized loans	8	6
of which EIB[1] loans	488	-

Patents
FCA worldwide

Total patents registered at December 31, 2015	8,462
of which: registered in 2015	704
Patents pending at December 31, 2015	3,316
of which: new patent applications filed in 2015	434

Designs
FCA worldwide

Design rights registered at December 31, 2015	4,251
of which: registered in 2015	664

Materials Used

Materials Used in Type-approved Vehicles in Europe[2]

	Average Weight of Materials Used (kg)	Average Composition of Vehicles by Material (%)	Average Weight of Recycled Materials Used (kg)	Average Percentage of Recycled Materials Used (%)
Steel	761.7	54.7	299.3	39.3
Cast iron	94.0	6.7	84.8	90.2
Light alloys	108.9	7.8	88.2	81.0
Other metals	35.0	2.5	32.3	92.3
Polymers	178.2	12.8	62.2	34.9
of which thermoplastics	154.6	11.1	62.2	40.2
of which thermosettings	23.6	1.7	-	-
Elastomers	54.6	3.9	-	-
Glass	36.8	2.6	1.3	3.4
Fluids	79.9	5.7	-	-
Other	43.7	3.1	15.3	35.1
Total	**1,392.6**	**100.0**	**583.4**	**41.9**

[1] *European Investment Bank.*
[2] *Average for 2015 existing range of type-approved vehicles in Europe, based on Directive 2005/64/EC.*

Details by Processes[1]

Energy

Direct Energy Consumption by Source
FCA worldwide (GJ)

		Mass-Market Brands				Luxury Brands		Components		
2015	**FCA**	Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Non-renewable sources										
Natural gas	**19,992,801**	14,670,476	1,479,625	782,570	418,695	297,620	318,626	806,821	1,104,191	114,176
Coal	**754,949**	-	-	-	-	-	-	-	754,949	-
Diesel	**62,671**	2,716	-	-	-	110	-	4,526	53,761	1,558
LPG	**105,958**	55,729	442	-	-	-	-	48,074	-	1,712
Other (HS and LS fuel oil)	**97**	-	-	-	-	-	-	97	-	-
Total non-renewable sources	**20,916,475**	**14,728,921**	**1,480,067**	**782,570**	**418,695**	**297,730**	**318,626**	**859,518**	**1,912,901**	**117,446**
Renewable sources										
Biomass	**-**	-	-	-	-	-	-	-	-	-
Photovoltaic	**4,873**	-	3,890	-	-	-	983	-	-	-
Solar-thermal	**638**	-	638	-	-	-	-	-	-	-
Total renewable sources	**5,510**	**-**	**4,527**	**-**	**-**	**-**	**983**	**-**	**-**	**-**
Total direct energy consumption	**20,921,985**	**14,728,921**	**1,484,594**	**782,570**	**418,695**	**297,730**	**319,609**	**859,518**	**1,912,901**	**117,446**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Non-renewable sources										
Natural gas	21,259,513	15,739,635	1,696,702	746,509	379,968	348,918	421,382	747,228	1,038,679	140,491
Coal	952,258	-	-	-	-	-	-	-	952,258	-
Diesel	73,237	4,729	-	-	-	139	-	4,807	62,119	1,443
LPG	107,525	69,368	457	-	-	-	-	34,860	-	2,840
Other (HS and LS fuel oil)	132	-	-	-	-	-	-	132	-	-
Total non-renewable sources	**22,392,665**	**15,813,732**	**1,697,159**	**746,509**	**379,968**	**349,057**	**421,382**	**787,028**	**2,053,056**	**144,774**
Renewable sources										
Biomass	-	-	-	-	-	-	-	-	-	-
Photovoltaic	2,070	-	1,221	-	-	-	849	-	-	-
Solar-thermal	-	-	-	-	-	-	-	-	-	-
Total renewable sources	**2,070**	**-**	**1,221**	**-**	**-**	**-**	**849**	**-**	**-**	**-**
Total direct energy consumption	**22,394,735**	**15,813,732**	**1,698,380**	**746,509**	**379,968**	**349,057**	**422,231**	**787,028**	**2,053,056**	**144,774**
2013										
Plants	*142*	*33*	*18*	*2*	*4*	*2*	*2*	*61*	*6*	*14*
Non-renewable sources										
Natural gas	20,956,720	15,546,304	1,708,396	736,521	443,501	280,846	350,297	792,492	950,348	148,015
Coal	1,109,418	-	-	-	-	-	-	-	1,109,418	-
Diesel	79,234	6,854	-	-	-	280	-	4,692	66,223	1,185
LPG	44,942	126	-	-	-	-	-	43,261	-	1,554
Other (HS and LS fuel oil)	117	-	-	-	-	-	-	117	-	-
Total non-renewable sources	**22,190,431**	**15,553,284**	**1,708,396**	**736,521**	**443,501**	**281,126**	**350,297**	**840,562**	**2,125,988**	**150,755**
Renewable sources										
Biomass	-	-	-	-	-	-	-	-	-	-
Photovoltaic	1,564	-	776	-	-	-	788	-	-	-
Solar-thermal	-	-	-	-	-	-	-	-	-	-
Total renewable sources	**1,564**	**-**	**776**	**-**	**-**	**-**	**788**	**-**	**-**	**-**
Total direct energy consumption	**22,191,995**	**15,553,284**	**1,709,172**	**736,521**	**443,501**	**281,126**	**351,085**	**840,562**	**2,125,988**	**150,755**

[1] In this section, the data relative to 2011 includes FCA US (formerly known as Chrysler Group) for the full year. The data relative to 2010 has been restated to include FCA US (formerly known as Chrysler Group) and to exclude companies demerged into CNH Industrial S.p.A. The per unit data has been recalculated on the basis of reporting scope applicable for 2015.

Details by Processes

Indirect Energy Consumption by Source

FCA worldwide (GJ)

2015	FCA	Mass-Market Brands: Assembly and Stamping	Mass-Market Brands: Engines and Transmissions	Mass-Market Brands: Casting	Mass-Market Brands: Others	Luxury Brands: Maserati	Luxury Brands: Ferrari	Components: Magneti Marelli	Components: Teksid	Components: Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Electricity										
Non-renewable sources	**16,991,042**	8,273,649	4,008,955	587,058	431,789	6,282	409,545	2,151,834	1,014,751	107,179
Renewable sources	**4,748,383**	1,604,553	1,209,858	-	147,265	89,371	63,871	783,386	836,389	13,690
Total electricity	**21,739,425**	**9,878,202**	**5,218,813**	**587,058**	**579,054**	**95,653**	**473,416**	**2,935,219**	**1,851,140**	**120,869**
Thermal energy										
Non-renewable sources	**4,514,783**	3,637,849	325,056	-	34,639	62,393	121,536	90,385	242,925	-
Renewable sources	**3,663**	-	-	-	-	-	-	3,660	-	3
Total thermal energy	**4,518,446**	**3,637,849**	**325,056**	**-**	**34,639**	**62,393**	**121,536**	**94,045**	**242,925**	**3**
Other energy sources										
Non-renewable sources	**1,264,617**	899,028	203,414	-	68,239	-	83,257	10,679	-	-
Renewable sources	**-**	-	-	-	-	-	-	-	-	-
Total other energy sources	**1,264,617**	**899,028**	**203,414**	**-**	**68,239**	**-**	**83,257**	**10,679**	**-**	**-**
Total indirect energy consumption	**27,522,487**	**14,415,079**	**5,747,283**	**587,058**	**681,932**	**158,046**	**678,209**	**3,039,943**	**2,094,064**	**120,872**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Electricity										
Non-renewable sources	17,204,725	8,224,424	4,306,059	580,048	391,390	58,333	390,229	2,179,235	965,943	109,064
Renewable sources	4,409,051	1,748,094	818,601	-	117,055	43,665	61,290	676,174	930,477	13,695
Total electricity	**21,613,777**	**9,972,518**	**5,124,660**	**580,048**	**508,445**	**101,998**	**451,519**	**2,855,409**	**1,896,420**	**122,759**
Thermal energy										
Non-renewable sources	3,830,196	3,166,909	302,769	-	12,636	49,368	-	104,341	194,173	-
Renewable sources	4,690	-	873	-	-	-	-	3,813	-	4
Total thermal energy	**3,834,886**	**3,166,909**	**303,642**	**-**	**12,636**	**49,368**	**-**	**108,154**	**194,173**	**4**
Other energy sources										
Non-renewable sources	801,462	604,030	143,115	-	35,653	396	-	18,269	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
Total other energy sources	**801,462**	**604,030**	**143,115**	**-**	**35,653**	**396**	**-**	**18,269**	**-**	**-**
Total indirect energy consumption	**26,250,125**	**13,743,457**	**5,571,417**	**580,048**	**556,734**	**151,762**	**451,519**	**2,981,832**	**2,090,593**	**122,763**
2013										
Plants	*142*	*33*	*18*	*2*	*4*	*2*	*2*	*61*	*6*	*14*
Electricity										
Non-renewable sources	16,632,997	7,989,155	3,830,463	530,803	332,601	152,819	357,378	2,166,039	1,165,730	108,008
Renewable sources	4,637,829	1,802,108	835,678	-	-	7,200	101,925	695,909	1,181,261	13,748
Total electricity	**21,270,826**	**9,791,263**	**4,666,141**	**530,803**	**332,601**	**160,019**	**459,303**	**2,861,949**	**2,346,991**	**121,757**
Thermal energy										
Non-renewable sources	4,035,758	3,174,584	381,320	-	-	111,922	-	128,349	239,583	-
Renewable sources	5,223	-	-	-	-	-	-	5,219		4
Total thermal energy	**4,040,981**	**3,174,584**	**381,320**	**-**	**-**	**111,922**	**-**	**133,567**	**239,583**	**4**
Other energy sources										
Non-renewable sources	818,530	619,038	145,104	-	-	3,049	-	51,340	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
Total other energy sources	**818,530**	**619,038**	**145,104**	**-**	**-**	**3,049**	**-**	**51,340**	**-**	**-**
Total indirect energy consumption	**26,130,337**	**13,584,885**	**5,192,565**	**530,803**	**332,601**	**274,990**	**459,303**	**3,046,856**	**2,586,574**	**121,761**

Details by Processes

Direct and Indirect Energy Consumption
FCA Worldwide (GJ)

2015	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Electricity	**21,741,662**	9,878,202	5,220,067	587,058	579,054	95,653	474,399	2,935,219	1,851,140	120,869
Natural gas	**19,992,801**	14,670,476	1,479,625	782,570	418,695	297,620	318,626	806,821	1,104,191	114,176
Other fuels	**923,674**	58,445	442	-	-	110	-	52,697	808,709	3,270
Other energy sources	**5,786,335**	4,536,877	531,743	-	102,878	62,393	204,793	104,724	242,925	3
Total energy consumption	**48,444,473**	**29,144,000**	**7,231,878**	**1,369,629**	**1,100,627**	**455,776**	**997,818**	**3,899,461**	**4,006,965**	**238,318**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Electricity	21,615,847	9,972,518	5,125,881	580,048	508,445	101,998	452,368	2,855,409	1,896,420	122,759
Natural gas	21,259,513	15,739,635	1,696,703	746,509	379,968	348,918	421,382	747,228	1,038,679	140,491
Other fuels	1,133,152	74,097	457	-	-	139	-	39,800	1,014,377	4,283
Other energy sources	4,636,348	3,770,939	446,756		48,289	49,764	-	126,423	194,173	4
Total energy consumption	**48,644,859**	**29,557,189**	**7,269,797**	**1,326,557**	**936,702**	**500,819**	**873,750**	**3,768,860**	**4,143,648**	**267,537**
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**

Details by Processes

Direct and Indirect Energy Consumption per Unit of Production FCA worldwide (GJ/unit of production)	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)	Unit of Measurement
Mass-Market Brand assembly and stamping	-30%	**5.93**	6.01	6.30	7.37	GJ/vehicle produced
Mass-Market Brand engines and transmissions	n.a.	**0.81**	0.81	0.80	0.90	GJ/unit produced
Mass-Market Brand casting	-40%	**6.65**	6.87	7.84	10.92	GJ/unit produced
Mass-Market Brand others[2]	-40%	**0.19**	0.19	0.22	0.34	GJ/hour of production
Maserati	-3%	**0.06**	0.09	0.17	0.19	GJ/hour of production
Ferrari	n.a.	**n.a.**	n.a	0.14	0.13	GJ/hour of production
Magneti Marelli	-21%	**0.12**	0.12	0.13	0.15	GJ/hour of production
Teksid (cast iron)	-0%	**9.85**	9.92	9.72	9.68	GJ/ton produced
Teksid (aluminum)	-15%	**35.69**	37.29	41.79	51.52	GJ/ton produced
Comau	-30%	**0.017**	0.019	0.022	0.028	GJ/hour of production
FCA	**up to -40%**					

[2] *Refers to NAFTA region plants.*

Details by Processes

CO_2 Emissions

Direct and Indirect CO_2 Emissions
FCA worldwide (tons)

		Mass-Market Brands				Luxury Brands		Components		
2015	**FCA**	Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Direct emissions	**1,121,480**	757,748	76,412	38,982	21,066	16,792	17,875	48,639	137,347	6,619
Indirect emissions	**2,962,094**	1,563,657	740,707	83,222	59,025	7,697	56,288	289,657	149,009	12,831
Total CO_2 emissions	**4,083,574**	**2,321,405**	**817,119**	**122,204**	**80,091**	**24,489**	**74,163**	**338,296**	**286,356**	**19,451**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Direct emissions	**1,203,290**	810,943	87,290	37,191	19,037	19,585	23,640	44,486	152,956	8,163
Indirect emissions	**3,079,279**	1,597,295	843,477	90,340	27,270	10,549	52,884	293,687	150,611	13,165
Total CO_2 emissions	**4,282,568**	**2,408,238**	**930,767**	**127,531**	**46,307**	**30,134**	**76,524**	**338,173**	**303,567**	**21,328**
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 CO_2 emissions	**4,178,320**	**2,370,792**	**826,897**	**119,576**	**67,368**	**41,921**	**68,084**	**346,746**	**315,141**	**21,795**

Details by Processes

Direct and Indirect CO_2 Emissions per Unit of Production

FCA worldwide (tons of CO_2/unit of production)

	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)	Unit of Measurement
Mass-Market Brand assembly and stamping	-32%	**0.472**	0.490	0.516	0.616	tons of CO_2/vehicle produced
Mass-Market Brand engines and transmissions	n.a.	**0.091**	0.104	0.097	0.115	tons of CO_2/unit produced
Mass-Market Brand casting	-35%	**0.593**	0.660	0.740	0.992	tons of CO_2/ton produced
Mass-Market Brand others[3]	-35%	**0.015**	0.012	0.019	0.030	tons of CO_2/hour of production
Maserati	-2%	**0.005**	0.006	0.013	0.014	tons of CO_2/hour of production
Ferrari	n.a.	**n.a**	n.a	0.011	0.014	tons of CO_2/hour of production
Magneti Marelli	-24%	**0.011**	0.011	0.012	0.014	tons of CO_2/hour of production
Teksid (cast iron)	-0%	**0.767**	0.757	0.710	0.690	tons of CO_2/ton produced
Teksid (aluminum)	-15%	**1.911**	2.320	2.622	3.350	tons of CO_2/ton produced
Comau	-40%	**0.0014**	0.0016	0.0017	0.0027	tons of CO_2/hour of production
FCA	**up to -40%**					

Electricity from Renewable Sources

FCA worldwide

	2015	2014	2013	2010
Mass-Market Brand assembly and stamping	**16.2%**	17.5%	18.4%	17.9%
Mass-Market Brand engines and transmissions	**23.2%**	16.0%	17.9%	9.3%
Mass-Market Brand casting	**-**	-	-	-
Mass-Market Brand others	**25.4%**	23.0%	-	-
Maserati	**93.4%**	42.8%	4.5%	-
Ferrari	**13.7%**	13.6%	22.2%	-
Magneti Marelli	**26.7%**	23.7%	24.3%	23.8%
Teksid	**45.2%**	49.1%	50.3%	53.9%
Comau	**11.3%**	11.2%	11.3%	0.9%
Average FCA	**21.9%**	20.4%	21.8%	20.1%
Average excluding FCA US	**43.3%**	41.2%	42.7%	35.8%

[3] *Refers to NAFTA region plants.*

Details by Processes

Other Emissions and Impacts

Presence of Ozone-Depleting Substances in Equipment

FCA worldwide (Kg)

		Mass-Market Brands				Luxury Brands		Components		
2015	**FCA**	Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
CFCs	**2,847**	1,910	918	-	19	-	-	-	-	-
HCFCs	**50,973**	40,363	6,496	454	2,289	-	-	1,111	-	260
Halons	**-**	-	-	-	-	-	-	-	-	-
Methyl bromide	**-**	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	**1,550**	612	-	-	938	-	-	-	-	-
Total	**55,370**	**42,885**	**7,414**	**454**	**3,246**	**-**	**-**	**1,111**	**-**	**260**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
CFCs	1,320	1,100	56	121	41	-	-	1	-	-
HCFCs	66,499	51,248	9,162	1,405	2,240	-	180	1,949	-	315
Halons	-	-	-	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-	-
Total	**67,819**	**52,349**	**9,218**	**1,526**	**2,282**	**-**	**180**	**1,950**	**-**	**315**
2013										
Plants	*142*	*33*	*18*	*2*	*4*	*2*	*2*	*61*	*6*	*14*
CFCs	1,250	1,094	85	13	20	-	-	38	-	-
HCFCs	77,459	65,661	2,614	928	2,157	20	2,012	3,571	42	454
Halons	56	-	-	22	-	-	-	34	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	1	-	-	-	-	-	-	1	-	-
Total	**78,766**	**66,755**	**2,699**	**963**	**2,177**	**20**	**2,012**	**3,644**	**42**	**454**

Details by Processes

Emission of Nitrogen Oxides (NO_x)[4]
FCA worldwide (tons)

	2015	2014	2013
Mass-Market Brand assembly and stamping	**855**	900	894
Mass-Market Brand engines and transmissions	**90**	98	99
Mass-Market Brand casting	**34**	32	32
Mass-Market Brand others	**20**	18	19
Maserati	**35**	41	31
Ferrari	**38**	50	41
Magneti Marelli	**100**	92	98
Teksid	**184**	179	163
Comau	**14**	17	18
Total	**1,370**	**1,428**	**1,396**

Emission of Sulfur Oxides (SO_x)[4]
FCA worldwide (tons)

	2015	2014	2013
Mass-Market Brand assembly and stamping	**3**	4	4
Mass-Market Brand engines and transmissions	**-**	-	-
Mass-Market Brand casting	**-**	-	-
Mass-Market Brand others	**-**	-	-
Maserati	**-**	-	-
Ferrari	**-**	-	-
Magneti Marelli	**1**	1	1
Teksid	**116**	143	166
Comau	**-**	-	-
Total	**121**	**149**	**172**

Emission of Dust[4]
FCA worldwide (tons)

	2015	2014	2013
Mass-Market Brand assembly and stamping	**37.9**	41.3	40.6
Mass-Market Brand engines and transmissions	**3.6**	4.3	4.4
Mass-Market Brand casting	**2.5**	2.4	2.4
Mass-Market Brand others	**1.3**	1.2	1.4
Maserati	**-**	-	-
Ferrari	**-**	-	-
Magneti Marelli	**0.1**	0.1	0.1
Teksid	**17.4**	21.7	25.2
Comau	**-**	-	-
Total	**62.7**	**70.9**	**74.1**

Emission of Volatile Organic Compounds (VOC)
FCA worldwide (g/m^2)

	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)
Mass-Market Brand assembly and stamping	-25%	**24.7**	25.8	28.3	32.4
Mass-Market Brand engines and transmissions[5]	n.a.	**n.a.**	n.a.	n.a.	n.a.
Mass-Market Brand casting[5]	n.a.	**n.a.**	n.a.	n.a.	n.a.
Mass-Market Brand others[5]	n.a.	**n.a.**	n.a.	n.a.	n.a.
Maserati	-19%	**32.4**	33.9	55.3	55.3
Ferrari	n.a.	**39.3**	35.3	35.1	35.1
Magneti Marelli	-10%	**29.0**	41.2	48.3	48.1
Teksid	-68%	**48.4**	89.2	50.5	198.5
Comau	-0%	**12.6**	12.2	12.6	14.1
Total	**up to -68%**	**24.9**	**26.3**	**28.8**	**33.2**

[4] Estimated emissions based on direct fuel consumption.
[5] Mass-Market Brand engines and transmissions, Mass-Market Brand casting and Mass-Market Brand others are not equipped with paint shops.

Details by Processes

Water

Water Withdrawal and Discharge

FCA worldwide (thousands of m³)

2015	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli[6]	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Withdrawal										
Groundwater	**7,065**	2,983	806	198	-	185	459	535	1,854	44
Municipal water supply	**17,180**	11,875	2,771	127	388	37	125	1,553	257	46
Surface water	**684**	339	-	-	8	-	-	216	117	4
Other	**-**	-	-	-	-	-	-	-	-	-
Total water withdrawal	**24,929**	**15,197**	**3,577**	**325**	**396**	**222**	**585**	**2,304**	**2,229**	**94**
Discharge										
Surface water	**5,353**	1,798	1,563	-	15	-	-	177	1,795	5
Public sewer systems	**12,375**	8,797	1,478	134	160	136	226	1,334	61	49
Other destinations	**1,838**	1,283	362	12	93	-	-	74	-	13
Total water discharge	**19,566**	**11,878**	**3,404**	**146**	**268**	**136**	**226**	**1,585**	**1,855**	**67**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Withdrawal										
Groundwater	5,979	2,138	733	194	18	247	446	647	1,515	41
Municipal water supply	18,508	13,003	2,932	125	315	61	105	1,546	361	60
Surface water	774	412	1	-	-	-	-	241	119	1
Other	12	9	-	-	-	-	-	3	-	-
Total water withdrawal	**25,273**	**15,562**	**3,665**	**319**	**333**	**308**	**551**	**2,437**	**1,995**	**102**
Discharge										
Surface water	4,400	1,106	1,587	-	1	-	-	138	1,561	7
Public sewer systems	10,624	7,598	1,327	132	115	142	264	901	83	62
Other destinations	1,702	1,162	373	15	30	-	30	83	-	9
Total water discharge	**16,726**	**9,866**	**3,288**	**147**	**146**	**142**	**294**	**1,122**	**1,644**	**78**
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**

[6] Data restated for 2014 due to a miscalculation.

GRI: G4-EN8, G4-EN22

Details by Processes

Water Withdrawal per Unit of Production

FCA worldwide (m^3/unit of production)

	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)	Unit of Measurement
Mass-Market Brand assembly and stamping	-40%	**3.09**	3.16	3.28	4.99	m^3/vehicle produced
Mass-Market Brand engines and transmissions	-52%	**0.40**	0.40	0.42	0.67	m^3/unit produced
Mass-Market Brand casting	-15%	**1.58**	1.65	1.82	2.07	m^3/ton produced
Mass-Market Brand others[7]	-50%	**0.05**	0.05	0.05	0.10	m^3/hour of production
Maserati	-15%	**6.76**	7.34	15.24	14.68	m^3/vehicle produced
Ferrari	n.a.	**0.18**	0.17	0.21	0.15	m^3/hour of production
Magneti Marelli	-50%	**0.07**	0.08	0.08	0.12	m^3/hour of production
Teksid (cast iron)	-11%	**2.29**	2.68	2.99	3.15	m^3/ton produced
Teksid (aluminum)	-77%	**53.67**	45.92	61.56	154.27	m^3/ton produced
Comau	-50%	**0.007**	0.008	0.010	0.010	m^3/hour of production
FCA	**up to -77%**					

Water Recycling Index

FCA worldwide (thousands of m^3)

		Mass-Market Brands				Luxury Brands		Components		
2015	**FCA**	Assembly and Stamping	Engines and Transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Total water requirement	**2,361,596**	1,602,384	597,044	94,604	21,186	12,822	585	30,276	2,602	94
of which covered by recycling	2,336,667	1,587,187	593,467	94,279	20,790	12,600	-	27,972	373	-
of which water withdrawal	24,929	15,197	3,577	325	396	222	585	2,304	2,229	94
Recycling Index (%)	**98.9**	**99.1**	**99.4**	**99.7**	**98.1**	**98.3**	**0.0**	**92.4**	**14.3**	**0.0**
2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Total water requirement	**3,291,170**	2,473,364	644,280	114,458	7,953	17,443	550	29,298	3,721	102
of which covered by recycling	3,266,518	2,457,803	640,615	114,139	7,620	17,135	-	27,480	1,726	-
of which water withdrawal	24,653	15,562	3,666	319	333	308	550	1,818	1,995	102
Recycling Index (%)	**99.3**	**99.4**	**99.4**	**99.7**	**95.8**	**98.2**	**0.0**	**93.8**	**46.4**	**0.0**
2013										
Plants	*142*	*33*	*18*	*2*	*4*	*2*	*2*	*61*	*6*	*14*
Total water requirement	**2,155,551**	1,377,112	590,564	113,760	10,271	14,717	674	36,876	11,471	106
of which covered by recycling	2,130,615	1,362,299	587,016	113,467	10,109	14,397	-	34,299	9,028	-
of which water withdrawal	24,936	14,812	3,548	293	162	320	674	2,577	2,443	106
Recycling Index (%)	**98.8**	**98.9**	**99.4**	**99.7**	**98.4**	**97.8**	**0.0**	**93.0**	**78.7**	**0.0**

[7] *Refers to NAFTA region plants.*

Details by Processes

Water Withdrawal in Water-stressed Regions

FCA worldwide (thousands of m^3)

Company and plant location	Base Line Year	Fresh Water Consumption of Base Line Year	Fresh Water Consumption in 2015	Variation	Absolute Variation
FCA Italy - Tychy (Poland)	2009	627	371	-41%	-256
FCA Italy - Tychy Dies Shop (Poland)	2010	6	1	-77%	-5
FCA Italy Engines and Transmissions - Bielsko Biala SDE (Poland)	2009	28	17	-39%	-11
FCA Italy Engines and Transmissions - Bielsko Biala Twin Air (Poland)	2011	7	6	-21%	-1
Magneti Marelli - Sosnowiec Ergom PCMA (Poland)	2009	29	7	-75%	-22
Magneti Marelli - Sosnowiec ER.SI. PCMA (Poland)	2009	47	35	-26%	-12
Magneti Marelli - Sosnowiec AL (Poland)	2009	102	63	-38%	-39
Magneti Marelli - Sosnowiec EXH (Poland)	2009	-	4	n.a.	4
Magneti Marelli - Bielsko Biala ShA (Poland)	2009	6	7	20%	1
Magneti Marelli - Bielsko Biala SS (Poland)	2009	11	9	-20%	-2
Comau - Shikrapur (India)	2009	6	9	65%	4
Teksid - Skoczow (Poland)	2009	195	168	-14%	-28
Total		**1,064**	**697**	**-34%**	**-367**

Water Resources Significantly Affected[8] by Water Withdrawal and/or Discharge at Plants

FCA worldwide

Company and plant location	Water Source (Name and Size in m^3/Year)	Use	Protected Water Body	High Biodiversity Value Water Body[9]	Water Withdrawal[10]	Water Discharges[10]
Teksid Carmagnola (Italy)	Gora del Naviglio River - 3.5 million	Process water effluent	no	no	no	45%

[8] Water sources are regarded as significantly affected by water withdrawals and/or discharges if they are designated protected areas or have high biodiversity value, or if the withdrawals and/or discharges of water represent more than 5% of the average annual volume of the water body concerned. Only surface water has been taken into account. In 2015, none of the water withdrawals at any of the plants significantly affected the resources according to the criteria listed in GRI-G4 EN9 and never exceeded the 5% threshold at any site.
[9] There is no known impact on the aquatic habitat, since the receiving water body does not have protected species and is not included on any list of extremely valuable natural habitats.
[10] Representing more than 5% of average annual volume of the water body concerned.

Details by Processes

BOD

Biochemical Oxygen Demand (BOD)[11]
FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit

	2015	2014	2013
FCA Italy assembly and stamping	**18.4**	16.1	16.4
FCA US assembly and stamping	**19.7**	9.8	12.1
FCA Italy engines and transmissions	**25.2**	17.2	15.5
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**7.8**	8.0	15.8
Ferrari	**4.0**	2.4	11.0
Magneti Marelli	**18.4**	50.0	40.4
Teksid	**16.7**	8.3	6.7
Comau	**n.a.**	4.1	3.0

Biochemical Oxygen Demand (BOD)[11]
FCA worldwide (milligram/liter)

	2015	2014	2013
FCA Italy assembly and stamping	**52.7**	46.9	42.2
FCA US assembly and stamping	**39.3**	19.5	24.2
FCA Italy engines and transmissions	**32.4**	40.2	36.5
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**19.4**	20.0	10.0
Ferrari	**10.0**	6.0	12.3
Magneti Marelli	**47.6**	51.7	38.0
Teksid	**23.4**	24.7	31.8
Comau	**n.a.**	29.5	19.4

COD

Chemical Oxygen Demand (COD)[11]
FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit

	2015	2014	2013
FCA Italy assembly and stamping	**23.3**	17.7	23.5
FCA US assembly and stamping	**n.a.**	n.a.	n.a.
FCA Italy engines and transmissions	**38.0**	23.4	46.3
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**11.0**	10.3	42.9
Ferrari	**23.8**	18.2	20.0
Magneti Marelli	**23.7**	50.8	68.4
Teksid	**77.8**	47.2	27.8
Comau	**n.a.**	34.0	20.2

Chemical Oxygen Demand (COD)[11]
FCA worldwide (milligram/liter)

	2015	2014	2013
FCA Italy assembly and stamping	**129.9**	98.3	117.7
FCA US assembly and stamping	**n.a.**	n.a.	n.a.
FCA Italy engines and transmissions	**115.4**	114.7	201.9
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**55.1**	51.5	214.6
Ferrari	**119.0**	90.9	65.3
Magneti Marelli	**142.4**	170.4	107.6
Teksid	**43.0**	39.3	83.7
Comau	**n.a.**	29.6	31.1

[11] Figures take into account worst level registered for all plants in each company.

Details by Processes

TSS

Total Suspended Solids (TSS)[12] FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit	2015	2014	2013
FCA Italy assembly and stamping	**12.3**	13.3	12.8
FCA US assembly and stamping	**13.4**	7.2	11.8
FCA Italy engines and transmissions	**32.5**	20.2	31.6
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**3.3**	2.8	19.7
Ferrari	**11.5**	42.2	12.0
Magneti Marelli	**4.2**	33.6	35.0
Teksid	**56.3**	38.6	8.6
Comau	**n.a.**	24.8	24.8

Total Suspended Solids (TSS)[12] FCA worldwide (milligram/liter)	2015	2014	2013
FCA Italy assembly and stamping	**38.1**	42.6	35.4
FCA US assembly and stamping	**26.9**	14.3	23.5
FCA Italy engines and transmissions	**42.6**	40.8	64.3
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**6.7**	5.7	39.4
Ferrari	**23.0**	84.3	15.9
Magneti Marelli	**19.3**	25.9	15.0
Teksid	**21.2**	20.8	17.9
Comau	**n.a.**	19.4	15.6

[12] Figures take into account worst level registered for all plants in each company.

Details by Processes

Heavy Metals in Water Discharged

Cadmium (Cd)[13]
FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit

	2015	2014	2013
FCA Italy assembly and stamping	**5.5**	4.0	6.8
FCA US assembly and stamping	**1.4**	18.7	18.7
FCA Italy engines and transmissions	**1.1**	3.0	0.7
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**-**	-	9.9
Ferrari	**5.0**	5.0	5.0
Magneti Marelli	**2.1**	35.0	3.0
Teksid	**15.0**	15.0	15.0
Comau	**n.a.**	n.a.	n.a.

Cadmium (Cd)[13]
FCA worldwide (milligram/liter)

	2015	2014	2013
FCA Italy assembly and stamping	**-**	-	-
FCA US assembly and stamping	**-**	0.1	0.1
FCA Italy engines and transmissions	**-**	-	-
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**-**	-	-
Ferrari	**-**	-	-
Magneti Marelli	**-**	-	-
Teksid	**-**	-	-
Comau	**n.a.**	n.a.	n.a.

Copper (Cu)[13]
FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit

	2015	2014	2013
FCA Italy assembly and stamping	**3.1**	2.7	4.0
FCA US assembly and stamping	**4.2**	4.2	4.2
FCA Italy engines and transmissions	**8.0**	6.2	1.8
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**7.3**	7.5	51.6
Ferrari	**6.5**	13.2	2.0
Magneti Marelli	**1.4**	22.3	25.0
Teksid	**39.0**	39.0	28.0
Comau	**n.a.**	n.a.	n.a.

Copper (Cu)[13]
FCA worldwide (milligram/liter)

	2015	2014	2013
FCA Italy assembly and stamping	**-**	-	-
FCA US assembly and stamping	**0.3**	0.3	0.3
FCA Italy engines and transmissions	**-**	-	-
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**-**	-	0.2
Ferrari	**-**	0.1	-
Magneti Marelli	**0.1**	0.1	-
Teksid	**-**	-	0.1
Comau	**n.a.**	n.a.	n.a.

[13] Figures take into account worst level registered for all plants in each company.

Details by Processes

Heavy Metals in Water Discharged

Lead (Pb)[14] FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit	2015	2014	2013
FCA Italy assembly and stamping	**14.1**	7.6	7.6
FCA US assembly and stamping	**20.0**	20.0	20.0
FCA Italy engines and transmissions	**18.5**	17.7	5.2
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**16.1**	16.7	4.0
Ferrari	**3.3**	3.4	3.0
Magneti Marelli	**-**	97.5	9.7
Teksid	**25.0**	-	25.0
Comau	**n.a.**	n.a.	n.a.

Lead (Pb)[14] FCA worldwide (milligram/liter)	2015	2014	2013
FCA Italy assembly and stamping	**-**	-	-
FCA US assembly and stamping	**0.2**	0.2	0.2
FCA Italy engines and transmissions	**0.1**	0.1	-
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**0.1**	0.1	-
Ferrari	**-**	-	-
Magneti Marelli	**-**	-	-
Teksid	**-**	-	-
Comau	**n.a.**	n.a.	n.a.

Nickel (Ni)[14] FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit	2015	2014	2013
FCA Italy assembly and stamping	**13.1**	11.6	14.2
FCA US assembly and stamping	**6.2**	6.2	6.2
FCA Italy engines and transmissions	**3.4**	4.5	8.4
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**2.4**	2.5	21.4
Ferrari	**1.1**	2.0	4.0
Magneti Marelli	**-**	16.1	10.4
Teksid	**5.0**	5.0	5.0
Comau	**n.a.**	n.a.	n.a.

Nickel (Ni)[14] FCA worldwide (milligram/liter)	2015	2014	2013
FCA Italy assembly and stamping	**0.4**	0.4	0.4
FCA US assembly and stamping	**0.3**	-	0.3
FCA Italy engines and transmissions	**0.1**	0.1	0.3
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**0.1**	0.1	0.9
Ferrari	**-**	0.1	0.1
Magneti Marelli	**0.1**	0.1	-
Teksid	**0.1**	0.1	-
Comau	**n.a.**	n.a.	n.a.

[14] Figures take into account worst level registered for all plants in each company.

Details by Processes

Heavy Metals in Water Discharged

Zinc (Zn)[15] FCA worldwide (maximum level under applicable regulation = 100) percentage of the limit	2015	2014	2013
FCA Italy assembly and stamping	**27.7**	20.8	23.9
FCA US assembly and stamping	**1.3**	1.7	1.4
FCA Italy engines and transmissions	**20.9**	12.4	15.6
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**27.1**	26.0	76.7
Ferrari	**23.0**	64.9	15.0
Magneti Marelli	**-**	11.0	21.0
Teksid	**32.8**	44.0	48.0
Comau	**n.a.**	n.a.	n.a.

Zinc (Zn)[15] FCA worldwide (milligram/liter)	2015	2014	2013
FCA Italy assembly and stamping	**0.4**	0.5	0.5
FCA US assembly and stamping	**0.3**	0.4	0.3
FCA Italy engines and transmissions	**0.2**	0.1	0.5
FCA US engines and transmissions	**n.a.**	n.a.	n.a.
Mass-Market Brand casting	**n.a.**	n.a.	n.a.
Mass-Market Brand others	**n.a.**	n.a.	n.a.
Maserati	**0.3**	0.3	0.8
Ferrari	**0.2**	0.7	0.1
Magneti Marelli	**0.4**	0.1	0.1
Teksid	**0.3**	0.3	0.2
Comau	**n.a.**	n.a.	n.a.

[15] Figures take into account worst level registered for all plants in each company.

Details by Processes

Waste

Waste Generation and Management
FCA worldwide (tons)

2015	FCA	Mass-Market Brands: Assembly and Stamping	Mass-Market Brands: Engines and Transmissions	Mass-Market Brands: Casting	Mass-Market Brands: Others	Luxury Brands: Maserati	Luxury Brands: Ferrari	Components: Magneti Marelli	Components: Teksid	Components: Comau
Plants	*147*	*35*	*22*	*2*	*9*	*2*	*2*	*57*	*5*	*13*
Waste generated										
Non-hazardous waste	**1,441,983**	829,942	147,188	45,993	19,687	2,428	6,943	60,075	326,791	2,936
Hazardous waste	**36,241**	12,002	8,572	10	494	232	5,760	7,770	1,130	271
Total waste generated	**1,478,223**	**841,944**	**155,760**	**46,003**	**20,181**	**2,660**	**12,703**	**67,844**	**327,921**	**3,207**
of which packaging	**119,219**	84,401	11,323	-	2,636	2,161	-	17,761	399	539
Waste disposed										
Waste to landfill	**220,169**	11,733	2,278	38	787	-	-	1,483	203,840	11
Waste to treatment	**42,017**	15,694	12,092	1,576	276	164	8,192	3,541	390	92
Total waste disposed	**262,186**	**27,427**	**14,369**	**1,614**	**1,063**	**164**	**8,192**	**5,024**	**204,229**	**103**
Waste recovered										
Waste-to-energy conversion	**19,170**	11,230	3,393	438	362	-	-	2,535	1,062	150
Waste recovery	**1,196,868**	803,287	137,998	43,951	18,756	2,496	4,511	60,285	122,629	2,954
Total waste recovered	**1,216,037**	**814,517**	**141,391**	**44,389**	**19,118**	**2,496**	**4,511**	**62,820**	**123,692**	**3,104**
waste recovered	**82.3%**	96.7%	90.8%	96.5%	94.7%	93.8%	35.5%	92.6%	37.7%	96.8%
waste sent to landfill	**14.9%**	1.4%	1.5%	0.1%	3.9%	0.0%	0.0%	2.2%	62.2%	0.3%

2014										
Plants	*145*	*35*	*20*	*2*	*7*	*2*	*2*	*58*	*5*	*14*
Waste generated										
Non-hazardous waste	1,706,542	986,993	155,055	61,990	17,603	3,941	8,036	54,636	415,026	3,261
Hazardous waste	37,766	14,072	8,176	-	295	399	4,444	8,351	1,809	221
Total waste generated	**1,744,308**	**1,001,065**	**163,231**	**61,990**	**17,898**	**4,340**	**12,480**	**62,987**	**416,835**	**3,482**
of which packaging	94,655	62,949	10,684	-	1,758	3,514	1,307	13,550	399	**494**
Waste disposed										
Waste to landfill	295,358	12,843	2,400	156	798	-	-	2,073	276,923	165
Waste to treatment	42,888	13,541	15,650	5	204	413	6,759	5,715	520	81
Total waste disposed	**338,246**	**26,384**	**18,050**	**161**	**1,002**	**413**	**6,759**	**7,788**	**277,443**	**246**
Waste recovered										
Waste-to-energy conversion	18,361	11,360	3,247	370	185	-	-	1,377	1,517	305
Waste recovery	1,387,701	963,321	141,933	61,460	16,710	3,927	5,721	53,822	137,875	2,931
Total waste recovered	**1,406,062**	**974,681**	**145,180**	**61,830**	**16,895**	**3,927**	**5,721**	**55,199**	**139,392**	**3,236**
waste recovered	80.6%	97.4%	88.9%	99.7%	94.4%	90.5%	45.8%	87.6%	33.4%	92.9%
waste sent to landfill	16.9%	1.3%	1.5%	0.3%	4.5%	-	-	3.3%	66.4%	4.7%

Details by Processes

Waste Generation and Management
FCA worldwide (tons)

		Mass-Market Brands				Luxury Brands		Components		
2013	**FCA**	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	1,770,028	942,887	145,877	45,574	14,065	2,635	8,224	53,620	554,213	2,932
Hazardous waste	39,070	16,289	6,543	-	-	270	3,003	8,877	3,629	459
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 landfill	438,741	12,050	2,071	123	752	-	-	2,952	420,574	219
Waste to treatment	31,055	3,602	11,455	6	-	246	6,052	7,400	1,962	331
Total waste disposed	**469,796**	**15,653**	**13,526**	**129**	**752**	**246**	**6,052**	**10,352**	**422,536**	**550**
Waste recovered										
Waste-to-energy conversion	23,750	18,762	1,871	340	-	-	-	613	1,863	301
Waste recovery	1,315,552	924,762	137,024	45,105	13,312	2,659	5,175	51,532	133,443	2,540
Total waste recovered	**1,339,302**	**943,523**	**138,895**	**45,445**	**13,312**	**2,659**	**5,175**	**52,145**	**135,306**	**2,841**
waste recovered	74.0%	98.4%	91.1%	99.7%	94.6%	91.5%	46.1%	83.4%	24.3%	83.8%
waste sent to landfill	24.3%	1.3%	1.4%	0.3%	5.3%	-	-	4.7%	75.4%	6.5%

Details by Processes

Waste Generated per Unit of Production

FCA worldwide (kg/unit of production)

	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)	Unit of Measurement
Mass-Market Brand assembly and stamping	-14%	**171.3**	203.4	207.5	217.2	kg/vehicle produced
Mass-Market Brand engines and transmissions	-21%	**17.3**	17.9	18.5	21.3	kg/unit produced
Mass-Market Brand casting	n.a.	**223.4**	320.9	282.1	179.0	kg/ton produced
Mass-Market Brand others[16]	n.a.	**3.7**	4.0	4.0	2.4	kg/hour of production
Maserati	-25%	**80.9**	103.5	138.2	147.2	kg/vehicle produced
Ferrari	n.a.	**3.9**	3.8	3.5	3.0	kg/hour of production
Magneti Marelli	-30%	**2.1**	2.1	2.1	3.1	kg/hour of production
Teksid (cast iron)	-8%	**1,062**	1,244	1,307	1,250	kg/ton produced
Teksid (aluminum)	-12%	**348**	394	432	450	kg/ton produced
Comau	-34%	**0.23**	0.26	0.30	0.40	kg/hour of production
FCA	**up to -34%**					

Hazardous Waste Generated per Unit of Production

FCA worldwide (kg/unit of production)

	Targeted Reduction 2020 vs 2010	2015	2014	2013	Base Year (2010)	Unit of Measurement
Mass-Market Brand assembly and stamping	-54%	**2.4**	2.9	3.8	8.2	kg/vehicle produced
Mass-Market Brand engines and transmissions	-75%	**1.0**	0.9	1.1	2.3	kg/unit produced
Mass-Market Brand casting	-0%	**-**	-	-	-	kg/ton produced
Mass-Market Brand others[16]	-0%	**-**	-	-	-	kg/hour of production
Maserati	-25%	**7.1**	9.5	12.8	14.2	kg/vehicle produced
Ferrari	n.a.	**1.8**	1.4	0.9	1.1	kg/hour of production
Magneti Marelli	-30%	**0.2**	0.3	0.3	0.4	kg/hour of production
Teksid (cast iron)	-17%	**3.0**	4.3	5.3	5.8	kg/ton produced
Teksid (aluminum)	-17%	**8.4**	16.0	72.4	32.7	kg/ton produced
Comau	-57%	**0.02**	0.02	0.10	0.10	kg/hour of production
FCA	**up to -75%**					

[16] Refers to NAFTA region plants.

Details by Processes

Recovery of Waste

FCA worldwide (% waste recovered out of waste generated)

	2020 Target	2015	2014	2013	2010
Mass-Market Brand assembly and stamping	97%	**96.7%**	97.4%	98.1%	94.0%
Mass-Market Brand engines and transmissions	96%	**90.8%**	87.0%	88.7%	83.0%
Mass-Market Brand casting	95%	**96.5%**	99.1%	99.7%	98.9%
Mass-Market Brand others[17]	95%	**94.7%**	94.4%	94.6%	93.2%
Maserati	91%	**93.8%**	90.5%	91.5%	84.6%
Ferrari	50%	**36.0%**	45.8%	46.1%	30.8%
Magneti Marelli	90%	**92.6%**	87.6%	83.4%	82.6%
Teksid	45%	**37.7%**	33.4%	24.3%	19.7%
Comau	95%	**96.8%**	92.9%	83.8%	66.0%
FCA	**up to 98%**				

Waste in Landfill

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

	2020 Target	2015	2014	2013	2010
Mass-Market Brand assembly and stamping	1%	**1.4%**	1.3%	1.3%	4.4%
Mass-Market Brand engines and transmissions	1.4%	**1.5%**	1.5%	1.4%	3.5%
Mass-Market Brand casting	2%	**0.1%**	0.3%	0.3%	4.0%
Mass-Market Brand others[17]	2%	**3.9%**	4.5%	5.3%	6.9%
Maserati	0%	**0.0%**	0.0%	0.0%	0.0%
Ferrari	0%	**0.0%**	0.0%	0.0%	1.5%
Magneti Marelli	3%	**2.2%**	3.3%	4.7%	10.4%
Teksid	70%	**62.2%**	66.4%	75.4%	80.1%
Comau	0%	**0.3%**	4.7%	6.5%	14.7%
FCA	**up to 0%**				

[17] Refers to NAFTA region plants.

Details by Processes

Biodiversity Conservation

Plants Near, Bordering or Within Protected[18] or High Biodiversity Areas

Company and Plant Location	Activity	Surface (M m²)	IUCN Red List Species/National Conservation List Species Present	Investment (€)	Action Taken	Independent Monitoring	Protected Area Relative to Plant
FCA Italy Verrone (Italy)	Production of transmissions and parts	1.8	44 species listed: 0 Critically endangered 2 Endangered 2 Vulnerable 2 Near Threatened 38 Least Concern	10,000	Biophilia activities conducted for elementary school students from surrounding towns. Weed eradication to protect natural habitat	Y	Within plant complex
Magneti Marelli Venaria (Italy)	Production of lighting and exhaust systems	0.2	1 species listed: 1 Near Threatened	–	Work done together with the Park specialists to complete the mapping of old oaks and conduct improvement activities with the possibility to open new paths that had previously been closed to the public. These trees represent not only an important heritage of the Park, but the optimal habitat for Osmoderma Eremita and other umbrella species	N	Within plant complex (IT1110079 “La Mandria”)
Teksid Funfrap (Portugal)	Production of engine blocks, exhaust manifolds, differentials and carter turbines	0.1	n.a.	–	Meeting with local authorities to disclose results of analysis	N	Adjacent to plant (less than 5 km)
FCA Italy Kragujevac (Serbia)	Assembly and stamping	1.2	73 species listed: 2 Near Threatened 71 Least Concern	12,000	Bio Lake Area = 1,230 m² maximum depth = 1.95 m volume = 1,500 m³ (Aquatic flora is used to oxygenate water and eliminate microorganisms. No chlorine or chemical disinfectants should be used to treat water). Koi introduced to help balance ecosystem (e.g., control certain algae). About 30 indigenous trees planted	Y	Adjacent to plant (within 5 km)
FCA Italy Campo Largo (Brasil)	Production of engines	1.2	88 species listed: 2 Critically Endangered 0 Endangered 0 Vulnerable 2 Near Threatened 84 Least Concern	-		N	Adjacent to plant (less than 5 km)

[18] A protected area (site of regional, national and EU importance, special protection zone, oasis, etc.) is a geographically defined area that is designated, regulated or managed to achieve specific conservation objectives. An area of high biodiversity value is an area that is not subject to legal protection, but is recognized by governmental and non-governmental organizations for its significant biodiversity.

Details by Processes

Transport

CO_2 Emissions in Logistics Processes

FCA[19] (thousands of tons of CO_2)

	2015	2014	2013	2012
Upstream[20] EMEA	92.6	72.1	65.7	74.6
Downstream[21] EMEA	155.4	93.3	96.1	104.7
Total EMEA	**248.0**	**165.4**	**161.8**	**179.3**
Upstream[20] NAFTA	558.7	568.2	462.5	387.9
Downstream[21] NAFTA	559.5	529.8	419.3	416.1
Total NAFTA	**1,118.2**	**1,098.0**	**881.8**	**804.0**
Upstream[20] LATAM	25.7	-	-	-
Downstream[21] LATAM	51.4	-	-	-
Total LATAM	**77.1**	**-**	**-**	**-**
Total global	**1,443.3**	**1,263.4**	**1,043.6**	**983.3**
Vehicle volume monitored compared with previous year	+21%	+12.5%	+3.5%	-
CO_2/vehicle km	-13.5%	-9.5%	-14%	-
Mopar EMEA	7.7	7.7	8.0	8.4
Magneti Marelli EMEA	28.0	24.3	24.6	22.9

CO_2 Emissions from Business Air Travel

FCA worldwide (thousands of tons of CO_2)

	2015	2014	2013
CO_2 emitted	49.7	42.1	39.1

Related content

Environmental impact reduction in logistics processes >

[19] *Ferrari excluded.*
[20] *Upstream: material and parts distribution to plants.*
[21] *Downstream: finished vehicle distribution to markets.*

GRI: G4-EN17, G4-EN18, G4-EN30

Details by Workforce

Employees in Numbers

Gender Distribution by Geographic Area
FCA worldwide

	2015			2014			2013		
	Workforce by Geographic Area (no.)	% Men	% Women	Workforce by Geographic Area (no.)	% Men	% Women	Workforce by Geographic Area (no.)	% Men	% Women
Europe	91,798	78.2	21.8	88,061	78.3	21.7	89,030	78.4	21.6
North America	90,210	76.2	23.8	85,521	76.2	23.8	81,365	77.6	22.4
Latin America	44,199	89.7	10.3	47,232	90.2	9.8	48,306	90.4	9.6
Asia	8,242	72.5	27.5	7,701	71.5	28.5	6,699	70.2	29.8
Rest of world	172	69.8	30.2	175	70.3	29.7	187	72.7	27.3
Total	**234,621**	**79.0**	**21.0**	**228,690**	**79.7**	**20.3**	**225,587**	**80.4**	**19.6**

Gender Distribution by Category
FCA worldwide

	2015			2014			2013		
	Workforce by Category (no.)	% Men	% Women	Workforce by Category (no.)	% Men	% Women	Workforce by Category (no.)	% Men	% Women
Manager	2,488	86.9	13.1	2,426	86.8	13.2	2,409	86.9	13.1
Professional	34,390	80.9	19.1	33,202	81.4	18.6	31,302	81.7	18.3
Salaried	34,689	71.7	28.3	33,931	71.4	28.6	33,047	71.1	28.9
Hourly	163,054	80.6	19.4	159,131	81.1	18.9	158,829	82.0	18.0
Total	**234,621**	**79.4**	**20.6**	**228,690**	**79.7**	**20.3**	**225,587**	**80.4**	**19.6**

Employees by Geographic Area and Category
FCA worldwide (no.)

	2015					2014					2013				
	Total	Hourly	Salaried	Professional	Manager	Total	Hourly	Salaried	Professional	Manager	Total	Hourly	Salaried	Professional	Manager
Europe	91,798	58,194	15,299	17,122	1,183	88,061	55,690	14,737	16,490	1,144	89,030	57,137	14,857	15,857	1,179
North America	90,210	67,720	9,638	11,733	1,119	85,521	63,541	9,371	11,502	1,107	81,365	60,145	9,014	11,151	1,055
Latin America	44,199	34,574	5,966	3,513	146	47,232	37,258	6,352	3,480	142	48,306	38,826	6,242	3,085	153
Asia	8,242	2,562	3,761	1,880	39	7,701	2,636	3,445	1,588	32	6,699	2,696	2,905	1,078	20
Rest of world	172	4	25	142	1	175	6	26	142	1	187	25	29	131	2
Total	**234,621**	**163,054**	**34,689**	**34,390**	**2,488**	**228,690**	**159,131**	**33,931**	**33,202**	**2,426**	**225,587**	**158,829**	**33,047**	**31,302**	**2,409**

Gender Distribution by Operating Segment
FCA worldwide

	2015			2014			2013		
	Workforce by Operating Segment (no.)	% Men	% Women	Workforce by Operating Segment (no.)	% Men	% Women	Workforce by Operating Segment (no.)	% Men	% Women
Mass-Market Brands	162,492	80.9	19.1	158,539	81.1	18.9	154,074	82.0	18.0
Luxury Brands	4,504	85.9	14.1	4,125	86.3	13.7	3,677	87.5	12.5
Components	59,376	78.4	21.6	57,813	79.2	20.8	59,082	79.9	20.1
Others[1]	8,249	54.0	46.0	8,213	53.6	46.4	8,754	53.3	46.7
Total	**234,621**	**79.4**	**20.6**	**228,690**	**79.7**	**20.3**	**225,587**	**80.4**	**19.6**

[1] Others includes companies operating in publishing, communications and services, and other companies.

Details by Workforce

Employees in Numbers

Employees by Country
FCA worldwide (%)

	2015	2014	2013
Italy	27.4	26.8	27.7
United States	26.0	25.9	24.4
Brazil	16.7	18.0	18.5
Mexico	7.4	6.5	6.1
Canada	5.1	4.9	4.9
Poland	3.9	4.0	4.0
China	2.3	2.2	2.0
Argentina	1.8	2.2	2.4
Serbia	1.6	1.7	1.7
Germany	1.2	1.2	1.2
France	0.9	1.0	1.2
Spain	0.7	0.7	0.6
Venezuela	0.4	0.4	0.5
Other countries	4.6	4.4	4.7
Total (no.)	**234,621**	228,690	225,587

Nationality of Managers
FCA worldwide

	2015	
	Managers (no.)	% of Total Managers
Italian	1,015	40.8
American	965	38.8
Brazilian	116	4.7
Canadian	65	2.6
French	65	2.6
Mexican	63	2.5
German	43	1.7
Polish	21	0.8
Chinese	19	0.8
Others	116	4.7
Total	**2,488**	**100.0**

Managers of Local Nationality by Geographic Area
FCA[2] worldwide (%)

	2015
Europe	86.2
North America	96.2
Latin America	100.0
Asia	46.2
Rest of world	100.0

Employees by Principal Ethnic Origin
FCA in North America (%)

	2015
Caucasian	55.3
Hispanic	21.3
African American	20.0
American Indian	0.2
Other	3.2

Employees by Nationality Minority Group
FCA in North America (%)

	2015
Employees belonging to a nationality minority group[3] (no.)	6,408
of which men (%)	79.7
of which women (%)	20.3
Over total workforce (%)	2.7

[2] *Ferrari and La Stampa managers not included in the calculation.*
[3] *Minority group reported in the table consists of employees with nationality different from country of work.*

GRI: G4-9, G4-EC6, G4-LA12

Details by Workforce

Gender Distribution by Contract and Employment Type

FCA worldwide

2015	Unlimited-term				Fixed-term			
	% Men		% Women		% Men		% Women	
Total	**79.8**		**20.2**		**71.8**		**28.2**	
	Part-time		Full-time		Part-time		Full-time	
	% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
Europe	11.8	88.2	79.6	20.4	52.9	47.1	61.4	38.6
North America	5.2	94.8	76.3	23.7	53.6	46.4	95.7	4.3
Latin America	75.0	25.0	89.7	10.3	-	-	82.4	17.6
Asia	-	-	72.3	27.7	66.7	33.3	73.5	26.5
Rest of world	-	-	69.8	30.2	-	-	-	-

Details by Workforce

Gender Distribution by Length of Service
FCA worldwide

	2015			2014			2013		
	Workforce by Length of Service (no.)	% Men	% Women	Workforce by Length of Service (no.)	% Men	% Women	Workforce by Length of Service (no.)	% Men	% Women
Up to 5 years	104,046	75.8	24.2	94,366	76.3	23.7	90,413	77.7	22.3
6 to 10 years	29,478	81.7	18.3	30,305	82.0	18.0	28,797	82.8	17.2
11 to 20 years	48,750	81.6	18.4	55,343	81.3	18.7	59,228	81.4	18.6
21 to 30 years	41,313	84.4	15.6	36,282	85.7	14.3	34,714	85.8	14.2
Over 30 years	11,034	78.6	21.4	12,394	76.0	24.0	12,435	74.8	25.2
Total	**234,621**			**228,690**			**225,587**		

Gender Distribution by Age
FCA worldwide

	2015			2014			2013		
	Workforce by Age (no.)	% Men	% Women	Workforce by Age (no.)	% Men	% Women	Workforce by Age (no.)	% Men	% Women
Up to 30 years	51,673	77.9	22.1	50,503	78.2	21.8	45,024	80.4	19.6
31 to 40 years	61,883	78.6	21.4	59,682	79.2	20.8	61,631	79.6	20.4
41 to 50 years	67,785	80.0	20.0	65,190	80.7	19.3	66,554	81.2	18.8
Over 50 years	53,280	80.9	19.1	53,315	80.7	19.3	52,378	80.5	19.5
Total	**234,621**			**228,690**			**225,587**		

Gender Distribution by Level of Education
FCA worldwide

	2015			2014			2013		
	Workforce by Education (no.)	% Men	% Women	Workforce by Education (no.)	% Men	% Women	Workforce by Education (no.)	% Men	% Women
University degree or equivalent[4]	58,010	75.3	24.7	49,492	75.6	24.4	52,202	76.1	23.9
High school	113,910	80.9	19.1	94,626	81.0	19.0	100,369	82.7	17.3
Elementary/middle school	48,092	79.9	20.1	35,886	87.5	12.5	56,671	81.4	18.6
Not tracked	14,609	82.0	18.0	48,686	75.8	24.2	16,345	76.9	23.1
Total	**234,621**			**228,690**			**225,587**		

[4] Calculation subject to approximation resulting from the comparison of academic qualifications among different countries.

Details by Workforce

Women by Geographic Area
FCA worldwide (%)

	2015	2014	2013
Europe	**21.8**	21.7	21.6
North America	**23.8**	23.7	22.4
Latin America	**10.3**	9.7	9.6
Asia	**27.5**	28.4	29.8
Rest of world	**30.2**	29.7	27.2
Total	**20.6**	**20.2**	**19.2**

Talent Attraction
FCA worldwide

	2015	2014	2013
New graduates recruited (no.)	**2,584**	1,776	1,810
Traineeships (no.)	**3,598**	2,917	2,765
Scholarships[5] (no.)	**2,765**	2,736	2,686
Scholarships (€ million)	**4.2**	3.9	1.9

Employees by Contract and Employment Type
FCA worldwide (no.)

	2015				
		Unlimited-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
Europe	**91,798**	87,706	1,085	2,990	17
North America	**90,210**	82,817	77	3,704	3,612
Latin America	**44,199**	43,656	4	539	-
Asia	**8,242**	6,798	-	1,441	3
Rest of world	**172**	172	-	-	-
Total	**234,621**	221,149	1,166	8,674	3,632

Return to Work After Parental Leave
FCA worldwide (%)

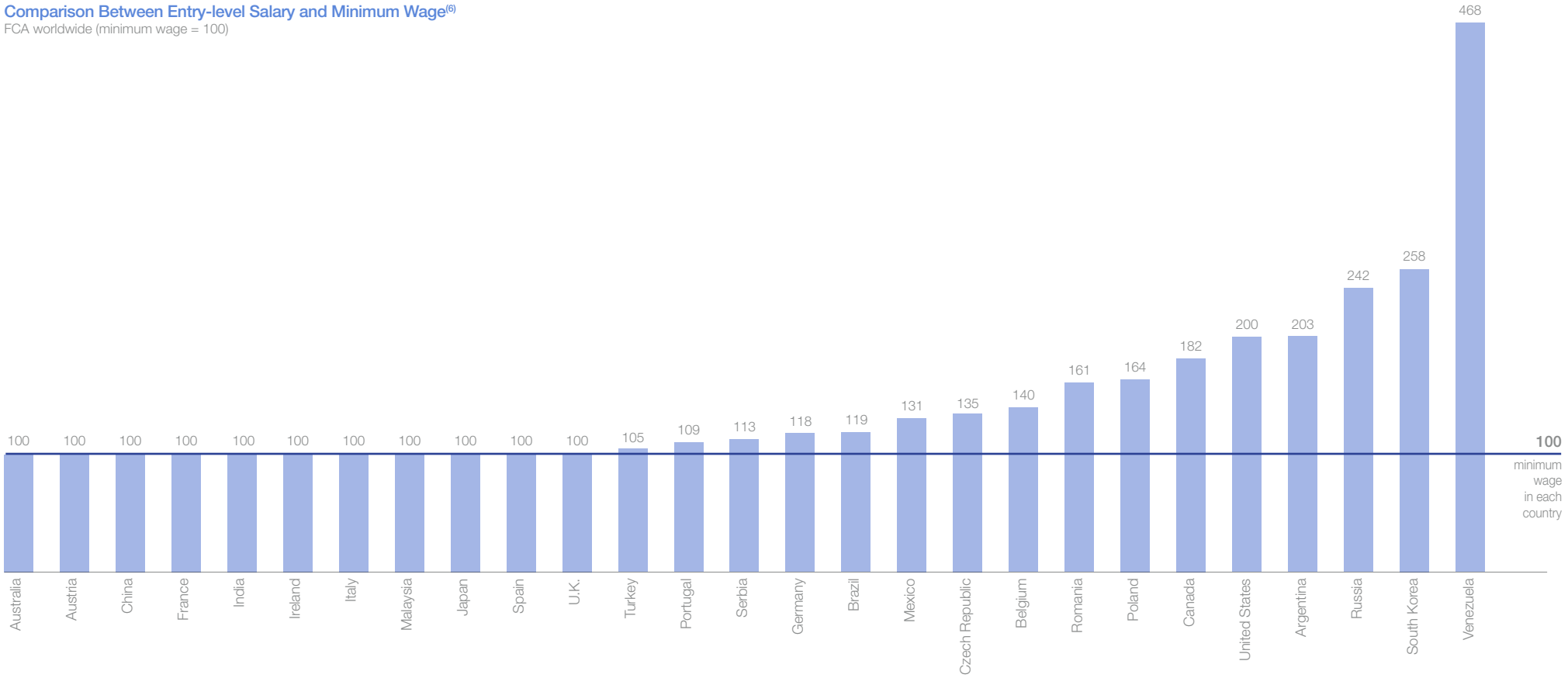
	Men	Women
Employees that took parental leave among the workforce in 2015	2.1	4.6
Employees that took parental leave in 2014 and are still employed	80.0	76.0
Employees that took parental leave in 2013 and are still employed	96.0	73.0

[5] *Includes scholarships granted within the corporate program.*

Details by Workforce

Comparison Between Entry-level Salary and Minimum Wage[6]

FCA worldwide (minimum wage = 100)



[6] 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, unless the number of employees of the company with the lowest ratio represented less than 10% of that country's total headcount. Figures reported are as of 31 October, 2015.
The survey of 27 countries covered about 98% of the Group's total workforce. Workplace equality within the Group is also seen in the comparison between minimum entry-level wages by gender. Considering the countries included in the survey sample, minimum wage levels were found to be identical between men and women.

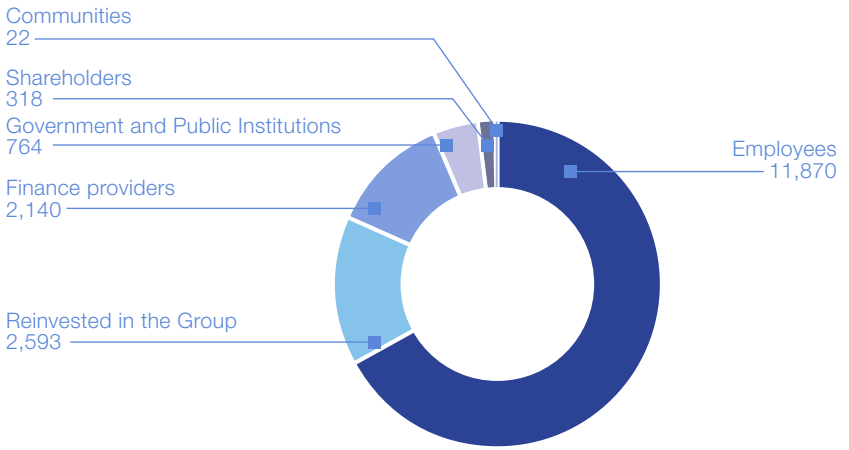
Details by Workforce

Direct Economic Value and Value Added Generated

The value added through the activities of FCA and distributed to its various stakeholders in 2015 totaled €17,707 million (about 16% of revenues).

Direct Economic Value and Value Added Generated FCA worldwide (€ million)	2015
Consolidated 2015 revenues	113,191
Income of financial services companies	(248)
Government grants (current and deferred/capitalized), release of provisions, other income	938
Other income	514
Direct economic value	**114,395**
Cost of materials	(88,027)
Depreciation and amortization	(5,688)
Other expense	(2,973)
Value added	**17,707**

Breakdown of Value Added
FCA worldwide (€ million)



Details by Workforce

Training Expenditures
FCA worldwide

	2015	2014	2013
Spending on training (€ million)	**60.9**	65.6	75.7
% of personnel costs	**0.5**	0.7	0.8

Employees Involved in Training by Gender
FCA worldwide

	Number	Hours	Average Number of Hours[7]
Men	126,601	2,292,518	12.3
Women	32,893	542,773	11.2
Total	**159,494**	**2,835,291**	**12.1**

Employees Involved in Training by Category
FCA worldwide

	% of Employees	Average Number of Hours[7]
Hourly	50.0	8.5
Professional & Salaried	47.3	20.3
Manager	2.7	18.8

Training on Corporate Campaigns[8]
FCA worldwide

	2015	2014	2013
Employees involved (no.)	**115,079**	105,009	53,242
of which managers (%)	2.8	3.7	4.3

Environmental Training
FCA worldwide

	2015	2014	2013
Hours of training	**437,884**	451,638	234,536
Employees involved	**78,447**	107,631	74,123
of which hourly employees	67,673	96,255	65,312

Health and Safety Training
FCA worldwide

	2015	2014	2013
Hours of training	**1,024,672**	1,215,154	1,184,098
Employees involved	**133,782**	170,784	155,227
of which hourly employees	109,328	133,884	116,383

[7] Averages calculated based on total workforce and not exclusively on employees enrolled in training courses.
[8] Training on corporate governance, anti-corruption, human rights, non-discrimination and sustainability.

GRI: G4-EN31, G4-HR2, G4-LA9, G4-LA10, G4-SO4

Details by Workforce

Employee Turnover

Turnover by Geographic Area	Europe	North America	Latin America	Asia	Rest of World	Total Worldwide
Employees at December 31, 2014	88,061	85,521	47,232	7,701	175	228,690
New Hires	7,885	17,177	6,744	2,161	17	33,984
Departures	(4,133)	(12,503)	(10,205)	(1,635)	(17)	(28,493)
Δ scope of operations and transfers	(2)	15	428	2	(3)	440
Employees at December 31, 2015	**91,798**	**90,210**	**44,199**	**8,242**	**172**	**234,621**

Turnover by Category	Hourly	Salaried	Professional	Manager
Employees at December 31, 2014	159,131	33,931	33,202	2,426
New Hires	24,404	6,903	2,569	108
Departures	(20,337)	(5,041)	(2,890)	(225)
Δ scope of operations, transfers and Category change	(144)	(1,104)	1,509	179
Employees at December 31, 2015	**163,054**	**34,689**	**34,390**	**2,488**

Turnover by Category and Geographic Area	Hourly Europe	Hourly North America	Hourly Latin America	Hourly Asia	Hourly Rest of World
Employees at December 31, 2014	55,690	63,541	37,258	2,636	6
New Hires	4,900	13,324	5,542	638	-
Departures	(2,164)	(8,958)	(8,513)	(700)	(2)
Δ scope of operations, transfers and Category change	(232)	(187)	287	(12)	-
Employees at December 31, 2015	**58,194**	**67,720**	**34,574**	**2,562**	**4**

Turnover by Age Group	Up to 30 Years	31 to 40 Years	41 to 50 Years	Over 50 Years
Employees at December 31, 2014	50,503	59,682	65,190	53,315
New Hires	22,024	7,696	3,088	1,176
Departures	(13,414)	(7,108)	(3,592)	(4,379)
Δ scope of operations and transfers	228	127	84	1
Employees at December 31, 2015	**59,341**	**60,397**	**64,770**	**50,113**

Turnover by Gender	Men	Women
Employees at December 31, 2014	182,365	46,325
New Hires	25,590	8,394
Departures	(22,071)	(6,422)
Δ scope of operations and transfers	400	40
Employees at December 31, 2015	**186,244**	**48,377**

GRI: G4-9, G4-10, G4-13, G4-LA1

Details by Workforce

Occupational Health and Safety

Injuries by Geographic Area and Gender

FCA worldwide (no.)

	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	241	199	42	263	203	60	323	251	72
North America	161	133	28	153	123	30	161	126	35
Latin America	100	90	10	212	199	13	259	247	12
Asia	12	12	-	11	10	1	5	5	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**514**	**434**	**80**	**639**	**535**	**104**	**748**	**629**	**119**

Days of Absence[9] by Geographic Area and Gender

FCA worldwide (no.)

	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	7,972	6,372	1,600	9,326	7,006	2,320	10,407	8,174	2,233
North America	7,843	6,374	1,469	7,695	6,371	1,324	8,762	6,176	2,586
Latin America	2,859	2,637	222	3,484	3,279	205	5,378	5,088	290
Asia	193	193	-	463	458	5	72	72	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**18,867**	**15,576**	**3,291**	**20,968**	**17,114**	**3,854**	**24,619**	**19,510**	**5,109**

Frequency Rate by Geographic Area and Gender

FCA worldwide (accidents per 100,000 hours worked)

	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	0.15	0.16	0.13	0.19	0.18	0.22	0.24	0.24	0.26
North America	0.09	0.09	0.06	0.08	0.09	0.07	0.09	0.09	0.10
Latin America	0.13	0.13	0.12	0.24	0.25	0.15	0.28	0.31	0.10
Asia	0.06	0.08	-	0.05	0.06	0.03	0.07	0.10	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**0.12**	**0.12**	**0.09**	**0.15**	**0.15**	**0.13**	**0.19**	**0.19**	**0.15**

Severity Rate by Geographic Area and Gender

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

	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	0.05	0.05	0.05	0.07	0.06	0.09	0.08	0.08	0.08
North America	0.04	0.04	0.03	0.04	0.05	0.03	0.05	0.05	0.07
Latin America	0.04	0.04	0.03	0.04	0.04	0.02	0.06	0.06	0.02
Asia	0.01	0.01	-	0.02	0.03	-	0.01	0.01	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**0.04**	**0.04**	**0.04**	**0.05**	**0.05**	**0.05**	**0.06**	**0.06**	**0.07**

Occupational Illness Cases by Geographic Area and Gender

FCA worldwide (no.)

	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	117	87	30	177	131	46	211	156	55
North America	218	136	82	482	333	149	378	217	161
Latin America	47	47	-	4	3	1	143	140	3
Asia	-	-	-	-	-	-	-	-	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**382**	**270**	**112**	**663**	**467**	**196**	**732**	**513**	**219**

Occupational Illness Frequency Rate by Geographic Area and Gender

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

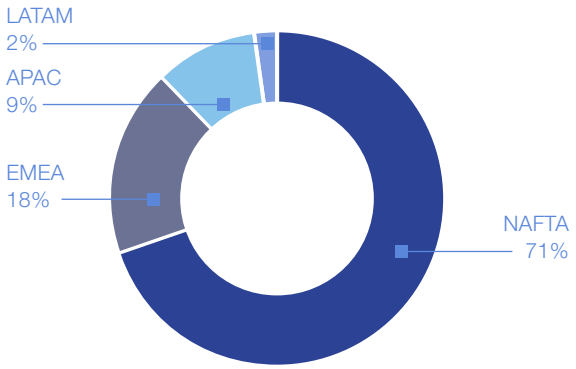
	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Europe	0.07	0.07	0.09	0.13	0.12	0.17	0.16	0.15	0.20
North America	0.12	0.09	0.19	0.26	0.24	0.34	0.22	0.16	0.46
Latin America	0.06	0.07	-	-	-	0.01	0.16	0.18	0.02
Asia	-	-	-	-	-	-	-	-	-
Rest of world	-	-	-	-	-	-	-	-	-
Total	**0.09**	**0.08**	**0.13**	**0.15**	**0.13**	**0.24**	**0.18**	**0.16**	**0.28**

[9] 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.

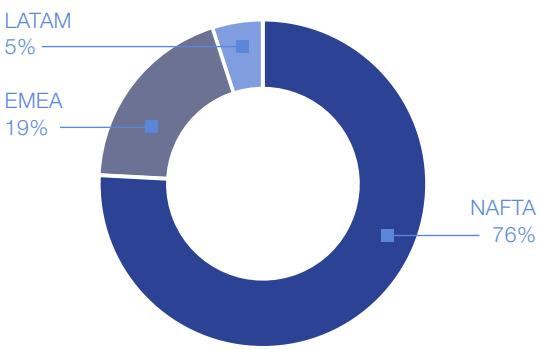
Details by Suppliers

Purchases

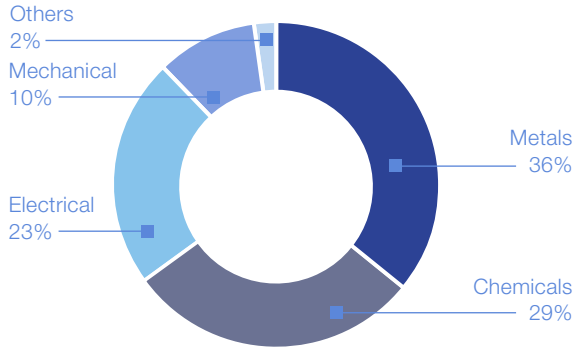
Purchases[1] by Origin
Group Purchasing worldwide



Purchases[1] by Destination
Group Purchasing worldwide



Purchases[1] by Type
Group Purchasing worldwide



[1] *Refers to the monetary value of direct material purchases managed by Group Purchasing.*

Details by Suppliers

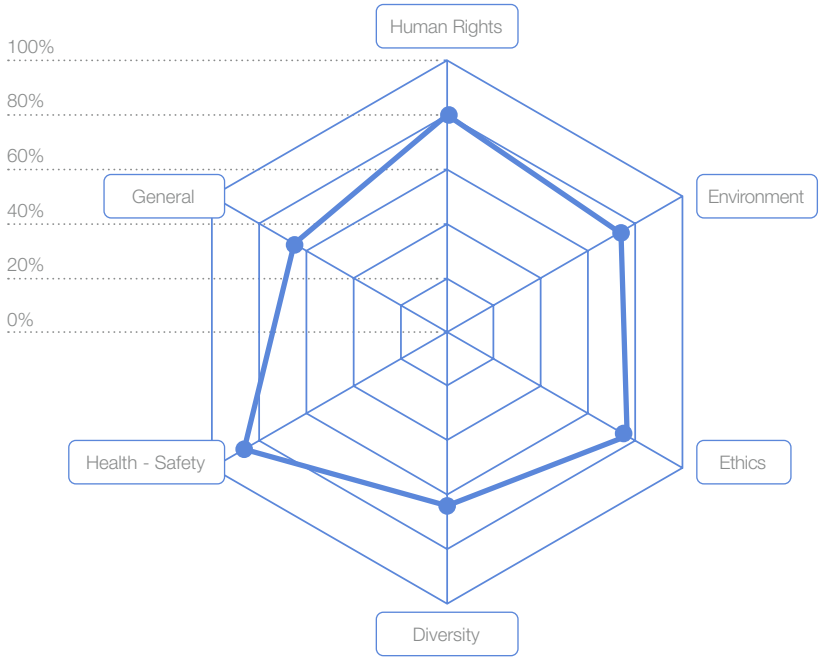
Supplier Sustainability Self-Assessment

Questionnaire Results
Group Purchasing worldwide

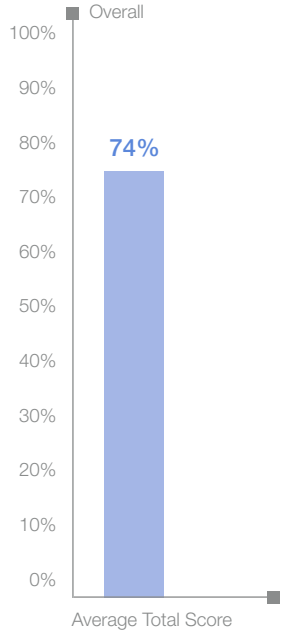
	2015	2014	2013
Suppliers sent self-assessment questionnaires (no.)[2]	**1,497**	1,176	1,088
Suppliers responding to questionnaire (%)	**22**[3]	53	80
Average score	**74/100**	75/100	79/100
Purchases by value covered by questionnaires (%)[4]	**34**	63	43

Dashboard

Average Score by Value



Average Total



[2] Data refers to Top Parent supplier codes (companies' headquarters code). The data related to 2013 have been restated using Top Parent supplier codes.
[3] The NAFTA launch of the online platform in Q4 resulted in many suppliers responding in early 2016, outside the scope of this reporting period.
[4] Value of purchases managed by Group Purchasing.

GRI: G4-EN32, G4-HR10, G4-LA14, G4-SO9

Details by Suppliers

Supplier Audits

Audit Results
Group Purchasing worldwide

	2015	2014	2013
Sustainability audits (no.)	**60**	65	72
Performed by FCA personnel (Supplier Quality Engineers)	27	30	38
Performed by a third party	33	35	34
Purchases by value covered by audits[5]	**5%**	6%	5%

Corrective Action Plans[6]
Group Purchasing worldwide

Aspects	Number of Suppliers with which Improvements were Agreed Upon	Percentage of Audited Suppliers Identified as Having Significant Actual and Potential Negative Impacts, with which Improvements were Agreed Upon[7]	Number of Action Plans	Main Action Plan Topics
Environment	16	27%	48	Environmental performance Environmental management Environmental reporting Environmental Emergency Planning System
Labor practices	45	75%	155	Anti-corruption practice training Diversity Occupational Health & Safety Safety Emergency Planning System Sustainability monitoring in the supply chain Supplier Compliance & Ethics training
Human rights	23	38%	57	Code of conduct: Lack of formal document Code of conduct: Lack of communication Code of Conduct: Lack of references to human rights Supplier contractual requirement on human rights Code of conduct responsibilities Lack of a formal grievance mechanism
Impact on society	21	35%	55	Anti-corruption practice, lack of: -policy -communication -responsibilities -grievance mechanism Supplier Code of Conduct Community development

[5] Value of direct and indirect material purchases managed by Group Purchasing.
[6] In 2015, 315 joint action plans have been initiated for 47 suppliers.
[7] The percentage is calculated based on the 60 suppliers audited.

GRI: G4-EN33, G4-HR4, G4-HR5, G4-HR6, G4-HR11, G4-LA15, G4-SO10

Appendix

Definitions, Methodology and Scope

The FCA N.V. Sustainability Report, now in its 12th edition, is a voluntary document issued by the Group according to GRI-G4 guidelines [1] to provide stakeholders a comprehensive picture of FCA activities, results and commitments in the economic, environmental and social spheres.

This appendix provides a methodology guide.

Unless otherwise specified or required by the context in which they are used:

- the terms "FCA" and "Group" refer to all companies consolidated within Fiat Chrysler Automobiles N.V. for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "Company" refers to the entire Group
- the term "company" is used with reference to a selection among the following entities: FCA Italy (formerly known as Fiat Group Automobiles or FGA), FCA US (formerly known as Chrysler Group or CG), Ferrari, Maserati, Comau, Magneti Marelli, Teksid, Fiat Services and other companies
- the term "FCA US" refers to all companies consolidated within FCA US LLC (formerly known as "Chrysler Group") for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "FCA Italy" (formerly known as "Fiat Group Automobiles") refers to all companies consolidated within FCA Italy S.p.A. for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "operating segment" refers to the segments according to which the Group business is organized. They include: Mass-Market Brands (previously reported as Mass-Market and Premium Brands or FGA, FGA Engines and Transmission and Chrysler Group); Luxury Brands (Ferrari and Maserati); Components (Magneti Marelli, Teksid, Comau); Others (firms operating in publishing, communications and services, and other companies)
- the term "operating region" refers to the distinct areas in which the operations of Mass-Market Brands are carried out, with the boundaries set according to the organizational changes effective September 1, 2011. The operating regions are: EMEA (Europe, Russia, Middle East and Africa), NAFTA (U.S., Canada and Mexico), LATAM (South and Central America) and APAC (Asia and Pacific countries).

Unless otherwise indicated or required by the context, the information and data contained in this Sustainability Report relates to financial year 2015 (January 1, 2015 to December 31, 2015) and to all FCA companies worldwide falling within the scope of consolidation at December 31, 2015.

[1] *The Global Reporting Initiative (GRI) is a multi-stakeholder process for the development and disclosure of Sustainability Reporting Guidelines. The GRI-G4 guidelines were issued in May 2013. These guidelines offer an international reference for the disclosure of governance approach and of the environmental, social and economic performances and impacts of the organizations.*

GRI: G4-6, G4-17, G4-22, G4-23, G4-29, G4-30, G4-33

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 2015 and 2014, data refers to all companies consolidated within FCA N.V. for accounting purposes, for the full year (see subsidiaries consolidated in the Annual Report)
- with respect to year 2012 and 2013, data refers to all companies consolidated within FCA N.V. (formerly Fiat S.p.A.) for accounting purposes, for the full year (see subsidiaries consolidated in the Annual Report)
- with respect to year 2011, although FCA US (formerly Chrysler Group) was consolidated in FCA (formerly Fiat S.p.A.) for accounting purposes as of June 2011, data includes FCA US information for the full year
- with respect to year 2010, data was restated to include FCA US (formerly Chrysler Group) and to exclude companies demerged into CNH Industrial N.V. (formerly Fiat Industrial S.p.A.).

The exclusion of any geographical area, Group company, or specific site from the scope of reporting is attributable to the inability to obtain data of satisfactory quality, or to its immateriality in relation to the Group as a whole, as may be the case for newly-acquired entities or production activities that are not yet fully operational. In some cases, entities that are not consolidated in the financial statements were included in the scope of reporting because of their significant environmental and social impacts.

In particular:

- data on occupational health and safety reported in the "Occupational Health and Safety" section relates to 143 of the 166 plants [2] included in the FCA N.V. Annual Report (covering approximately 94% of plant workers), [3] to office facilities (in total covering approximately 100% of Group employees), and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in the APAC region (two in China and one in India)
- the Group's environmental and energy performance reported in the "Plants" section refers to 143 of the 166 plants [2] included in the FCA N.V. Annual Report (covering approximately 100% of the Group's industrial revenues), [4] and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in the APAC region (two in China and one in India)
- performance indicators per unit of production reported in the "Plants" section have been restated to make data comparable year-over-year.

Data was collected and reported with the aid of existing management control and information systems, where available, in order to ensure reliability of information flows and the correct monitoring of sustainability performance. A dedicated reporting process was established for certain indicators, using electronic databases or files populated directly by the individuals or entities responsible for each aspect worldwide.

Unless otherwise indicated, all data presented in the Report refers to the International System of Units and may be subject to rounding. In some cases, rounding of a very low number may result in a report of zero.

[2] Data was not considered material, and was thus not reported, for two plants dedicated to publishing and communication activities and 21 plants in start-up or closing phase.
[3] 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.
[4] Revenues attributable to activity of plants directly controlled by the Group.

GRI: G4-6, G4-17, G4-22, G4-23, G4-29, G4-30, G4-33

Quality of Information

The quality of the information contained in the Sustainability Report is supported by compliance with the following principles:

- materiality: inclusion of all information deemed to be of interest to internal and external stakeholders due to its economic, environmental or social impact
- completeness: inclusion of all material topics and indicators
- balance: coverage of both positive and negative aspects of the Group's performance
- comparability: ability to compare between time periods and with similar organizations
- accuracy: provision of adequate levels of detail
- reliability: reporting process subject to audit by an independent organization
- timeliness: Sustainability Report presented together with the FCA N.V. Annual Report at the Annual General Meeting of FCA N.V.
- clarity: the language used addresses all stakeholders.

Preparation of the Sustainability Report is part of an annual reporting process subject to audit, analysis and approval by a number of individuals and entities. FCA continues to use its best efforts to ensure the accuracy of the sustainability information contained in this Report. From time to time, however, figures may be updated.

The document is:

- prepared by the FCA Sustainability Team that coordinates and engages Group operating segments and regions and relevant functions
- approved by the Group Executive Council, the highest decision making body headed by the CEO of FCA N.V., consisting of Chief Operating Officers of regions and companies of the Group and various function heads and by subject matter experts
- examined by the Governance and Sustainability Committee, a subcommittee of the Board of Directors of FCA N.V.
- subject to assurance by an external independent audit firm, Deloitte & Touche S.p.A., in accordance with the criteria established in the International Standard on Assurance Engagement 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The statement of assurance describing the activities carried out and the expression of opinion is provided at this link.
- presented together with the Annual Report at the Annual General Meeting of FCA N.V. to provide a complete, current overview of the Group's financial, environmental and social performance
- available for download at no cost from the Sustainability section of the Group's public website (www.fcagroup.com).

The 2014 Sustainability Report was made available at FCA N.V.'s Annual General Meeting on 16 April 2015.

GRI: G4-6, G4-17, G4-22, G4-23, G4-29, G4-30, G4-33

About this Report

Reporting period
Financial year 2015 (January 1, 2015 to December 31, 2015)

Reporting cycle
Annual

Date of publication
April, 2016

Document formats
PDF and interactive versions

Report scope and boundary
- The information and data relate to FCA companies worldwide falling within the scope of consolidation at December 31, 2015
- Financial figures reflect those reported in the 2015 FCA N.V. Annual Report

Report content
The selection of topics for this Report is based on the results of our Corporate priorities, the dialogue with stakeholders, the Global Reporting Initiative G4 requirements and other sustainability ratings and rankings. This Report includes material aspects as well as topics which are not material, but which may be of interest to selected stakeholders. Additional environmental, social and governance indicators are reported in the Facts & Figures section.

Global Reporting Initiative (GRI)
The Report is GRI-G4 in accordance – Comprehensive option.
See page 255 for full set of indicators.

Assurance
- The Report has been submitted to assurance by an external independent audit firm, Deloitte & Touche S.p.A., in accordance with the criteria established in the International Standard on Assurance Engagement 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board for limited assurance engagements.
- Deloitte & Touche S.p.A. is officially authorized to conduct ISAE 3000 assurance audits. The statement of assurance describing the activities carried out and the expression of opinion is provided at this link.

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

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Forward-Looking Statements

This report contains forward-looking statements. These statements may include terms such as “may,” “will,” “expect,” “could,” “should,” “intend,” “estimate,” “anticipate,” “believe,” “remain,” “on track,” “design,” “target,” “objective,” “goal,” “forecast,” “projection,” “outlook,” “prospects,” “plan,” “intend,” or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the Group’s ability to reach certain minimum vehicle sales volumes; developments in global financial markets and general economic and other conditions; changes in demand for automotive products, which is highly cyclical; the Group’s ability to enrich the product portfolio and offer innovative products; the high level of competition in the automotive industry; the Group’s ability to expand certain of the Group’s brands internationally; changes in the Group’s credit ratings; the Group’s ability to realize anticipated benefits from any acquisitions, joint venture arrangements and other strategic alliances; potential shortfalls in the Group’s defined benefit pension plans; the ability of the Group’s dealers and retail customers to obtain adequate access to financing; the Group’s ability to access funding to execute the Group’s business plan and improve the Group’s business, financial condition and results of operations; various types of claims, lawsuits and other contingent obligations against the Group; disruptions arising from political, social and economic instability; material operating expenditures and other effects from and in relation to compliance with environmental, health and safety regulation; developments in labor and industrial relations and developments in applicable labor laws; increases in costs, disruptions of supply or shortages of raw materials; exchange rate fluctuations, interest rate changes, credit risk and other market risks; political and civil unrest; earthquakes or other disasters and other risks and uncertainties.

Any forward-looking statements contained in this document speak only as of the date of this report and the Group undertakes no obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Group’s financial results, are included in the Group’s reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

Independent Auditor's Report

This Sustainability Report has been submitted to assurance by an external independent audit firm, Deloitte & Touche S.p.A. The scope, methodology, limitations and conclusions of the assurance engagement are provided in the following Independent Auditors' Report.

Deloitte.

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INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

To Fiat Chrysler Automobiles N.V.

We have performed a limited assurance engagement on the Sustainability Report of Fiat Chrysler Automobiles ("FCA" or the "Group") as of December 31, 2015.

Sustainability organization's responsibility on the preparation of the Sustainability Report

Group Sustainability organization is responsible for the preparation of the Sustainability Report in accordance with the *"G4 Sustainability Reporting Guidelines"* issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraphs "About this Report" and "Definitions, Methodology and Scope" of the Sustainability Report. The Sustainability organization is supported by several entities within the organization including the Group Executive Council and the Board Governance and Sustainability Committee that is also responsible for, among other things, assisting and advising the Board of Directors with monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally, and reviewing, assessing and making recommendations as to strategic guidelines for sustainability related issues, and reviewing the annual Sustainability Report.

The Group Sustainability organization also support the definition of FCA's objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

Auditors' responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information"* (*"ISAE 3000"*), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. These procedures included inquiries, primary with company personnel responsible for the preparation of the Sustainability Report, analysis of documents and other evidence gathering procedures as appropriate.

The procedures performed on the Sustainability Report consisted in verifying its compliance with the principles for defining report content and quality set out in the *"G4 Sustainability Reporting Guidelines"*, and are summarized as follows:

- comparing the economic and financial data included in the Sustainability Report with those reported in the Group Consolidated Financial Statements as of December 31, 2015, on which another auditor issued the auditors' report, dated February 29th, 2016;
- analysing, through interviews, the governance system and the management process of the matters related to sustainability management and its relationship with the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;

- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
  - interviews and discussions with the management of FCA Sepin S.c.p.A. and the personnel of the Group among the four operating regions to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
  - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph "Sustainability organization's responsibility on the preparation of the Sustainability Report" of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the legal representative of FCA Sepin S.c.p.A., on the compliance of the Sustainability Report with the guidelines identified in the paragraph "Sustainability organization's responsibility on the preparation of the Sustainability Report", as well as the reliability and completeness of the data and information disclosed.

Data and information subject to our limited assurance are reported, as required by the *"G4 Sustainability Reporting Guidelines"*, in the "GRI G4 Content Index" of the Sustainability Report.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of FCA as of December 31, 2015 is not prepared, in all material respects, in accordance with the *"G4 Sustainability Reporting Guidelines"* issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraphs "About this Report" and "Definitions, Methodology and Scope" of the Sustainability Report.

Milan, April 11, 2016

DELOITTE&TOUCHE S.P.A.

Franco Amelio
Partner

GRI G4 Content Index

This Report is prepared according to the GRI-G4 - Comprehensive option.

GRI Materiality Disclosures FCA N.V.

Mar 2016 Service

The following table lists content within the document that relates to specific GRI-G4 indicators. Each indicator references the appropriate pages/links in the 2015 Sustainability Report or the 2015 Group Annual Report.

Page numbers also work as a direct link to the related content in this Report or other source.

Key

AR = Annual Report at December 31, 2015
SR = Sustainability Report at December 31, 2015

Fully disclosed
Not disclosed

General standard disclosures

DMA and Indicators		Publications	Page	Omission and reason
Strategy and analysis				
G4-1	Statement from the Chairman and the CEO	SR	4-5, 31	
G4-2	Key impacts, risks, and opportunities	AR SR	14-27 9, 31, 34, 64-65, 67, 144-145	
Organizational profile				
G4-3	Name of the organization	SR	9	
G4-4	Primary brands, products, and/or services		37-49	
G4-5	Location of the organization's headquarters	SR	252	
G4-6	Countries where the organization operates	AR SR	259-277 9, 249-251	
G4-7	Nature of ownership and legal form	AR	84-85	
G4-8	Markets served	SR	9	
G4-9	Scale of the reporting organization	SR	9, 19-22, 24-30, 79-80, 235-236, 238-239, 243	
G4-10	Workforce characteristic	SR	79-80, 87, 235, 237-239, 243	
G4-11	Employees covered by collective bargaining agreements	SR	128	
G4-12	Organization's supply chain	AR SR	116-117 114-115, 245	
G4-13	Changes in organization's size, structure, ownership or its supply chain	AR SR	116-117 87, 114-115, 243	
G4-14	Precautionary approach to risk management	SR	64-65, 67, 171-172	

DMA and Indicators		Publications	Page	Omission and reason
G4-15	Externally developed charters, principles or initiatives to which the organization subscribes	AR SR	98 58, 61	
G4-16	Membership in associations or organizations	SR	53-54	
Identified material aspects and boundaries				
G4-17	Entities included in the organization reports	AR SR	143-146, 259-277 249-251	
G4-18	Reporting principles for defining report content	SR	77	
G4-19	Material aspects identified in defining report content	SR	77	
G4-20	Material aspects within the organization	SR	77	
G4-21	Material aspects outside the organization	SR	77	
G4-22	Restatements of information provided in earlier reports	SR	249-251	
G4-23	Significant changes from previous reporting periods in scope and aspect boundaries	SR	249-251	
Stakeholder engagement				
G4-24	Stakeholder groups engaged by the organization	SR	73-76	
G4-25	Identification and selection of stakeholders to engage	SR	73-76	
G4-26	Organization's approach to stakeholder engagement	SR	73-76	
G4-27	Key topics collected through stakeholder engagement	SR	73-77	
Report profile				
G4-28	Reporting period	SR	252	
G4-29	Date of the last report	SR	249-251	
G4-30	Reporting cycle	SR	249-252	
G4-31	Contact point for questions regarding the report	SR	252	
G4-32	GRI Content Index	SR	255-264	
G4-33	External assurance	SR	249-251, 254	

DMA and Indicators		Publications	Page	Omission and reason
Governance				
G4-34	Governance structure	AR SR	85-107 32, 53, 55, 57	
G4-35	Delegating authority for economic, environmental and social topics	SR	32, 52	
G4-36	Positions with responsibility for economic, environmental and social topics	AR SR	91 32-34, 52, 55	
G4-37	Consultation between stakeholders and the highest governance bodies on economic, environmental and social topics	AR SR	91, 94-96 32-34, 52, 57	
G4-38	Composition of highest governance bodies and its committees	AR SR	85-107 55-57	
G4-39	Executive powers of the Chairman	AR SR	85 55	
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G4-EC7	Development and impact of infrastructure investments and services supported	AR SR	102, 104-105 20, 26, 65, 67, 144-149	
G4-EC8	Significant indirect economic impacts	SR	11-18, 20, 23, 26, 29, 65, 67, 70, 108, 110-112, 114-117, 119, 122-124, 144-149, 245	
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G4-DMA	Generic Disclosures on Management Approach	SR	199	
G4-EN8	Water withdrawal	SR	24, 199-200, 221-222	
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G4-EN11	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	SR	233	
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G4-DMA	Generic Disclosures on Management Approach	SR	193-195	
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G4-EN34	Grievances about environmental impacts filed, addressed, and resolved	SR	59-60, 122-123	

Social

Labor practices and decent work

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G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	86	
G4-LA3	Return to work and retention rates after parental leave	SR	88, 239	
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G4-DMA	Generic Disclosures on Management Approach	SR	143	
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G4-DMA	Generic Disclosures on Management Approach	SR	92-96	
G4-LA5	Workforce represented in health and safety committees	SR	96	
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	SR	94-95, 244	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	SR	94-96, 244	
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G4-DMA	Generic Disclosures on Management Approach	SR	78, 81-84	
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G4-DMA	Generic Disclosures on Management Approach	SR	55, 90-91	
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	SR	55, 79-80, 90-91, 235-239	
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G4-DMA	Generic Disclosures on Management Approach	SR	85	
G4-LA13	Ratio of basic salary and remuneration of women to men	SR		The full set of data is not reportable; in some countries of presence this information is subject to confidential treatment
Material aspect: supplier assessment for labor practices				
G4-DMA	Generic Disclosures on Management Approach	SR	120-121,127	
G4-LA14	Suppliers screened using labor practices criteria	SR	23, 120-121, 127, 246	
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G4-DMA	Generic Disclosures on Management Approach	SR	59-60, 122-123	
G4-LA16	Grievances about labor practices filed, addressed, and resolved	SR	122-123	

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Material aspect: investment				
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G4-HR2	Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	SR	58, 62, 242	
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G4-DMA	Generic Disclosures on Management Approach	SR	59-60, 62	
G4-HR3	Incidents of discrimination and corrective actions taken	SR	59-60, 62	
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G4-DMA	Generic Disclosures on Management Approach	SR	120-121, 127-128, 134-135, 142	
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	62, 120-121, 127-142, 247	
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G4-DMA	Generic Disclosures on Management Approach	SR	62, 120-121, 127	
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	62, 120-121, 127, 247	
Material aspect: forced or compulsory labor				
G4-DMA	Generic Disclosures on Management Approach	SR	62, 120-121, 127	
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	62, 120-121, 127, 247	
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G4-HR7	Security personnel trained on human rights policies	SR	62	
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G4-DMA	Generic Disclosures on Management Approach	SR	144-146	
G4-HR8	Violations of the rights of indigenous peoples	SR	144-146	
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G4-DMA	Generic Disclosures on Management Approach	SR	59-60, 62	
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G4-HR10	Suppliers screened using human rights criteria	SR	23, 120-121, 127, 246	
G4-HR11	Actual and potential negative human rights impacts in the supply chain and actions taken	SR	120-121, 127, 247	
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G4-DMA	Generic Disclosures on Management Approach	SR	59-60, 122-123	
G4-HR12	Grievances about human rights impacts filed, addressed, and resolved	SR	59-60, 122-123	

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G4-SO2	Operations with significant actual and potential negative impacts on local communities	SR	11-18, 87, 144-149	
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G4-SO6	Value of political contributions	SR	53	
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