



PRODUCT DEVELOPMENT

REDUCING POLLUTING AND CO₂ EMISSIONS

Commitment: Continue to reduce polluting emissions, fuel consumption, and CO₂ emissions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	<ul style="list-style-type: none"> ▶ Early implementation of regulations for the reduction of polluting emissions (e.g., NO_x, particulates) through the development and introduction of new technology solutions 	<ul style="list-style-type: none"> ■ Construction Equipment: <ul style="list-style-type: none"> ▶ development of Tier 4B/Stage IV models completed 	<ul style="list-style-type: none"> ▶ Construction Equipment <ul style="list-style-type: none"> 2014: introduction of Tier 4B/Stage IV models
Trucks & Commercial Vehicles	<ul style="list-style-type: none"> ▶ Compliance with Euro 6 for light vehicles, and Euro VI standard for medium and heavy commercial vehicles 	<ul style="list-style-type: none"> ▲ Trucks & Commercial Vehicles: <ul style="list-style-type: none"> ▶ Euro 6 compliance achieved for light vehicles ▶ Euro VI compliance achieved for medium and heavy commercial vehicles, through SCR and Hi-eSCR 	
Agricultural & Construction Equipment	<ul style="list-style-type: none"> ▶ Further reduction in Agricultural & Construction Equipment fuel consumption vs existing versions 	<ul style="list-style-type: none"> ■ Construction Equipment: <ul style="list-style-type: none"> ▶ Wheel Loader projects being developed for all models ▶ Skid Steer Loader T4A compliance achieved on several models ▶ Dozer T4A compliance achieved on all M-Series models ■ Agricultural Equipment: <ul style="list-style-type: none"> ▶ - 10% in fuel consumption achieved through SCR Only technology 	<ul style="list-style-type: none"> ▶ Construction Equipment <ul style="list-style-type: none"> 2014: introduction of new Tier 4B/Stage IV models for Skid Steer Loaders, Tractor Loader Backhoes, Dozers and other products ▶ Agricultural Equipment <ul style="list-style-type: none"> 2014: launch of first Tier 4B/stage IV products 2014: definition of total cost of ownership (TCO) targets for all agricultural products
Trucks & Commercial Vehicles	<ul style="list-style-type: none"> ▶ Reduction of CO₂ emissions through fuel consumption optimization 	<ul style="list-style-type: none"> ■ Heavy range: <ul style="list-style-type: none"> ▶ - 2.33% in fuel consumption achieved on New Stralis Hi-Way Euro VI vs Euro V 	<ul style="list-style-type: none"> ▶ Heavy range <ul style="list-style-type: none"> 2016: -10% in fuel consumption on new heavy vehicles ▶ Light range <ul style="list-style-type: none"> 2014: -5% in fuel consumption on new light vehicles
	<ul style="list-style-type: none"> ▶ Collaboration with the European Automobile Manufacturers' Association (ACEA) to develop a methodology for the measurement of CO₂ emissions from heavy commercial vehicles 	<ul style="list-style-type: none"> ■ Trucks & Commercial Vehicles: <ul style="list-style-type: none"> ▶ pilot test conducted to verify performance of new methodology. Test performed on schedule 	<ul style="list-style-type: none"> ▶ Trucks & Commercial Vehicles <ul style="list-style-type: none"> 2014: elaboration and validation of the Eurocargo test within first quarter. Execution of additional test on Stralis model by the end of the year
	<ul style="list-style-type: none"> ▶ Promotion of use of longer vehicles to increase goods transport capacity 	<ul style="list-style-type: none"> ▲ Trucks & Commercial Vehicles: <ul style="list-style-type: none"> ▶ over 1.04 million km covered in road testing of trailers under the <i>DICIOTTO</i> project, reaching a total of 6.8 million km covered from May 2009 to June 2013 	
	<ul style="list-style-type: none"> ▶ Introduction and development of technology solutions to address impact of driver and driving style on vehicle emissions 	<ul style="list-style-type: none"> ■ Trucks & Commercial Vehicles: <ul style="list-style-type: none"> ▶ engineering study carried out for system extension to different vehicle architectures/missions and for enhanced effectiveness 	
Trucks & Commercial Vehicles, Powertrain	<ul style="list-style-type: none"> ▶ Development of a carbon footprint assessment methodology 	<ul style="list-style-type: none"> ▲ Trucks & Commercial Vehicles: <ul style="list-style-type: none"> ▶ methodology tested on a light and a heavy vehicle pivot configuration ▶ methodology tested on a specific LPT fleet ■ Powertrain: <ul style="list-style-type: none"> ▶ cradle-to-gate carbon footprint calculated (i.e., from resource extraction to factory gate before delivery to the client) 	<ul style="list-style-type: none"> ▶ Trucks & Commercial Vehicles <ul style="list-style-type: none"> 2014: carbon footprint calculator available via web according to corporate road map and priorities ▶ Powertrain <ul style="list-style-type: none"> 2014: completion of carbon footprint analysis (from cradle to grave) and LCA on F1 engine

Key

- ▲ Target exceeded
- Target achieved or in line with plan
- ▣ Target partially achieved
- ▼ Target postponed

Commitment: Promote use of alternative and renewable energy sources

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▶ Promotion of energy independence concept for farms	▲ Agricultural Equipment: ▶ final field tests completed on hydrogen tractor ▶ further field tests performed on Steyr Profi 4135 Natural Power ▶ 2 new Methan Power prototypes built	▶ Agricultural Equipment 2014: extensive prototype testing 2016: launch of Methan Power tractor
Trucks & Commercial Vehicles, Powertrain	▶ Alternative fuels: evaluation, testing and promotion for specific product segments	▲ Heavy range: ▶ 87 new LNG vehicles sold, expanding the fleet of LNG heavy duty vehicles	▶ Heavy range 2014: +50% in sales of LNG Stralis vehicles
		■ Light range: ▶ targeted communication actions implemented to support sales of Daily CNG and Daily electric	▶ Trucks & Commercial Vehicles 2014: implementation of a communication plan (website, brochure, video) supporting the sale of natural gas vehicles
			▶ Trucks & Commercial Vehicles 2014: development of a complete natural gas product range compliant with Euro VI regulation (light, medium, heavy, bus)
			▶ Light and Heavy range 2014: launch of vehicle with new Euro VI NG engine
			▶ Heavy range 2014: European Type Approval for Stralis LNG
Trucks & Commercial Vehicles	▶ Alternative propulsions: evaluation, testing and promotion for specific product segments	■ Powertrain: ▶ new CNG engine class road-tested in non-European countries	
		■ Powertrain: ▶ functional tests with two biodiesel aromatics executed, with indication of critical situation associated with 20% blending ▶ functional tests with Hydrogenated Vegetable Oils and XTLs executed, with indication of good emission and CO ₂ reduction potential	▶ Powertrain 2014: continuation of activity without testing on vehicles
		■ Heavy range: ▶ technological research for electric-diesel extension to heavier commercial haulage range performed	
Trucks & Commercial Vehicles	▶ Evaluation and testing of other sustainable solutions for the future	▲ Light range: ▶ feasibility study performed on plug-in hybrid solution for light commercial vehicle concept	
		▼ Trucks & Commercial Vehicles: ▶ concept study performed on photovoltaic panels solution for on-board electric power generation	

IMPROVING PRODUCT SAFETY

Commitment: Continue to improve safety, ergonomics and comfortable conditions

	ACTIONS	2013 RESULTS	TARGETS
Agricultural & Construction Equipment	▶ Increase in agricultural tractor safety		▶ Agricultural Equipment 2014: definition of new technical solutions for safety on tractors
Trucks & Commercial Vehicles	▶ Offering of a range of preventive safety and collision mitigation systems	<ul style="list-style-type: none"> ■ Heavy range: <ul style="list-style-type: none"> ▶ AEBS introduced across range of heavy commercial vehicles ▲ Medium range: <ul style="list-style-type: none"> ▶ ESC system introduced across medium range vehicles ■ Light range: <ul style="list-style-type: none"> ▶ study performed on application of new technological contents (Electric Parking Brake / enhanced Electric Powered Steering) to Daily Electric 	
Agricultural & Construction Equipment	▶ Reduction of noise level in the operator environment and of operator exposure to vibrations	<ul style="list-style-type: none"> ■ Construction Equipment: <ul style="list-style-type: none"> ▶ Dozer cab completed with operator sound and vibration improvements 	▶ Construction Equipment 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator sound exposure
	▶ Improvement in ergonomics of operator controls to reduce operator stress and enhance comfort	<ul style="list-style-type: none"> ■ Construction Equipment: <ul style="list-style-type: none"> ▶ Skid Steer Loader controllability improvements completed ▶ Wheeled Excavator controls repeatability and reliability completed 	<ul style="list-style-type: none"> ▶ Construction Equipment <ul style="list-style-type: none"> ▶ 2014: development of advanced control features for Skid Steer Loader ▶ 2014: enhancements of Wheeled Excavator controls ▶ 2014: improvement of Wheel Loader, Compact Wheel Loader and Telehandler cabs for operator ergonomics
Trucks & Commercial Vehicles			▶ Light range 2014: introduction of new ergonomic features on new range of light vehicles

MANUFACTURING PROCESSES

INCREASING SUPPLY CHAIN SUSTAINABILITY

Commitment: Promote a culture of sustainability among employees managing supplier relationships

	ACTIONS	2013 RESULTS	TARGETS
Fiat Group Purchasing (FGP) ¹⁾	▶ Incorporation of environmental and social targets in variable compensation system	<ul style="list-style-type: none"> ■ Environmental and social targets (sustainability audits and management of further self-assessment questionnaires for select suppliers) continued to be included in variable compensation system for Supplier Quality Engineer (SQE) Managers and respective team members 	▶ 2014: ongoing application of environmental and social targets to variable compensation system (weight equal to 5%) for SQE Managers and respective team members, Commodity Managers and buyers



¹⁾ A Fiat Group company that also conducts purchasing activities for CNH Industrial.