

# **SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FIAT CHRYSLER AUTOMOBILES UK LTD FOR FINANCIAL YEAR 2020**

## **OPENING STATEMENT FROM SENIOR MANAGEMENT**

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 by Fiat Chrysler Automobiles UK Ltd ("FCA UK"). FCA UK is a company within the Stellantis N.V. group of companies.

On 16 January 2021, a merger between Peugeot S.A. and Fiat Chrysler Automobiles N.V. was completed and on 17 January 2021 changed its name to Stellantis N.V. and closed its UK branch office.

As this statement relates to the financial year 2020, commencing 1 January 2020 and ending 31 December 2020, reference will be made to the policies of Fiat Chrysler Automobiles N.V. ("FCA" or "We") existing prior to the merger with Peugeot S.A.

FCA was committed to adopting, maintaining and improving systems and processes designed to eliminate slavery and human trafficking from our supply chains or in any part of our business. The following statement set out the steps which we took to combat slavery and human trafficking.

## **STRUCTURE OF THE ORGANISATION**

FCA was a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through over a hundred manufacturing facilities and over forty research and development centers. On December 31, 2020 FCA had operations in 40 countries and sold its vehicles directly or through distributors and dealers in more than 130 countries. We designed, engineered, manufactured, distributed and sold vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. FCA UK promotes the Abarth, Alfa Romeo, Fiat, Fiat Professional and Jeep brands in the UK.

For our mass-market vehicle brands, we centralized design, engineering, development and manufacturing operations, which allowed us to efficiently operate on a global scale. We historically supported our vehicle shipments with the sale of related service parts and accessories, as well as service contracts, worldwide under the Mopar brand name for mass-market vehicles.

In addition, we designed, engineered, manufactured, distributed and sold luxury vehicles under the Maserati brand. We made available retail and dealer financing, leasing and rental services through our subsidiaries, joint ventures and commercial arrangements with third party financial institutions. In addition, we historically operated in the components and production systems sectors under the Teksid and Comau brands.

## **POLICIES**

### FCA Code of Conduct

During the year ended December 31, 2020, FCA and all of its subsidiaries referred to the principles contained in the [FCA Code of Conduct](#) ("FCA Code of Conduct"), as approved by the Board of Directors on April 29, 2015 and updated in January 2017<sup>1</sup>.

The foundation of FCA's governance model was the Code of Conduct and a collection of supporting statements that reflected its commitment to a culture dedicated to integrity, responsibility and ethical behaviour.

The Code of Conduct provided a pillar of the integrity system which regulated the decision-making processes and operating approach of the FCA Group and its employees in the interests of stakeholders. The Code of Conduct amplified aspects of conduct related to the economic, social and environmental dimensions, underscoring the importance of dialog with stakeholders.

Explicit reference was made to the UN's Universal Declaration on Human Rights, the principal Conventions of the International Labour Organisation ("ILO"), the OECD Guidelines for Multinational Enterprises, the U.S. Foreign Corrupt Practices Act ("FCPA") and United Kingdom Bribery Act ("UKBA").

The Code of Conduct was supplemented by Practices aimed to provide specific guidance to all workforce members, on how to effectively apply the Principles under the FCA Code of Conduct in relation to various topics such as the Environment, Health and Safety, Anti-corruption, Suppliers, Respect of Human Rights, Conflicts of Interest, Data Privacy, Information Assets Protection, Antitrust and Export controls.

Moreover FCA Group has published on the FCA Website an updated version of the Company Sustainability Guidelines to cover specific business matters detailing the FCA's accountability and commitment to a culture of responsibility and integrity.

FCA endeavours to ensure that the Code of Conduct 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.

### FCA Sustainability Guidelines for Suppliers

Supplier Sustainability Guidelines available on the [FCA corporate website](#) and on the FCA Supplier Portal require that Group suppliers adhere, at a minimum, to the following principles:

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<sup>1</sup> Following completion of the merger, the former FCA and PSA businesses initially continued to apply their own existing codes of conduct, up to the adoption by the Stellantis Board of Directors of the new code of conduct for Stellantis (the "Stellantis Code of Conduct") at its meeting on March 2, 2021.

### *Human rights and working conditions*

- Rejection of the use of forced or child labour 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

### *Supplier General Terms & Conditions*

The Company's General Terms and Conditions require any new purchase order with suppliers to align with the principles set forth by FCA's policies, including the FCA Code of Conduct, compliance with the Modern Slavery Act 2015 and the FCA Sustainability Guidelines for Suppliers. If a supplier fails to meet these standards, a corrective action plan, jointly developed with FCA, is required.

Additional actions may be adopted by FCA in case of non-compliance, including and up to termination of the business relationship.

### **DUE DILIGENCE**

FCA's due diligence processes included actions to safeguard against human rights abuses in its business and in its supply chain.

As part of our initiative to internally identify and mitigate any related risks, the following tools were developed:

#### Annual survey

This survey was aimed at detecting any case of child and forced labour at worldwide FCA companies, including those located in countries that have not ratified ILO Conventions on these issues. In 2020, no incidents of child labour or forced and compulsory labour were reported in any of the companies mapped.

#### Human Rights survey

This was a survey performed by the Audit & Compliance department as part of the standard internal audit process, in order to cover due diligence requirements of the United Nations Guiding Principles on Business and Human Rights ("Ruggie Framework"). Checks were also performed in those countries with a high risk based on the annual Audit Plan. The checklist used by FCA included risk items related to child labour and young workers, forced labour, non-discrimination, conditions of employment, security and supply chain management. The human rights self-assessment compliance checklist was performed by individual legal entities and reviewed by FCA's Audit & Compliance organization, with a coverage of 75% of the FCA workforce worldwide.

Suppliers play a key role in the continuity of our activities and can have a significant impact on the external perception of our social and environmental responsibility. FCA regularly monitored risks related to human rights in our supply chain through two main monitoring tools:

### *Sustainability Assessment Questionnaire*

This survey covered labour practice, human rights, ethics, diversity, and health and safety aspects, among others.

During 2020, FCA moved to a new sustainability-focused assessment in order to strengthen the former process which evaluates the sustainability profile of suppliers. For the first time, suppliers were asked to submit information and evidence through the Sustainability Assessment Questionnaire, which was developed by Drive Sustainability and hosted by a service provider. The results of the sustainability assessment and other criteria were used to create a risk map to identify suppliers that may be at risk, and that require further investigation through focused engagement.

### *Evidence evaluation*

These activities included virtual reviews or on-site audits conducted at high-risk supplier plants by either internal Supplier Quality Engineers or third-party auditors.

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

FCA has been committed to responsible sourcing and avoid knowingly using minerals that may be linked to human rights abuses, including human trafficking, slavery, forced labour, child labour, torture and war crimes. Due to the complexity of our supply chain, FCA has been dependent upon our suppliers to provide the information necessary to correctly identify the smelters and refiners that furnish the tin, tantalum, tungsten, and gold (referred to as Conflict Minerals or "3TG") in its products and take appropriate action to determine that these smelters and refiners source responsibly. FCA did not typically have a direct relationship with 3TG smelters or refiners and did not perform or direct audits of these entities within our supply chain.

In accordance with OECD Guidance, FCA implemented an internal management system by establishing an internal oversight committee, joining industry associations, and working to increase supplier engagement.

FCA's Conflict Minerals Policy affirms that we make reasonable efforts: a) to know, and to require FCA suppliers to disclose to the Company, the sources of Conflict Minerals used in our products; and b) to eliminate procurement, as soon as commercially practicable, of products containing Conflict Minerals obtained from sources that fund or support inhumane treatment that originate in conflict-affected and high risk areas. This policy was not intended to ban procurement of Conflict Minerals or other products that originate in conflict-affected and high risk areas, but to promote sourcing from responsible sources within those regions.

In addition to a Conflict Minerals compliance program led by our Purchasing department, we formed a cross-functional Conflict Minerals Oversight Committee to provide expertise and feedback. A Conflict Minerals champion led the Conflict Minerals Oversight Committee and

each region and affiliate of FCA designated a Conflict Minerals Team Lead to ensure engagement. Our Conflict Minerals working group included representatives from Supplier Relations, Materials Engineering, Legal, Sustainability, Communications, and Purchasing departments.

In 2020, FCA moved to using a new service provider as its platform to gather information in connection with the Conflict Minerals Reporting Template. In-scope direct material suppliers were requested to report their use of 3TG, the processing smelter or refiner, and the country and mine of origin. The OECD Guidance, the internationally recognized standard upon which FCA's system was based, outlines the importance of performing due diligence activities on the data submitted. Accordingly, FCA supported the Responsible Mineral Initiative, an industry initiative that audits smelters' and refiners' due diligence activities. In addition, FCA used its internal systems to cross-check supplier responses to determine what materials were contained in a supplier's products and identify response discrepancies that may require additional follow-up with the supplier. If a supplier's response indicates that its products do not include 3TG, the supplier is asked to certify this information.

As outlined FCA joined the Responsible Sourcing Blockchain Network (RSBN), an industry collaboration using blockchain technology to support sustainable, responsible sourcing and production practices from mine to market. This project focuses on cobalt and, in 2020, moved into the pilot phase with one of its major EV battery suppliers. The technology to digitally map a supply chain down to the mine is a great step toward improved supply chain transparency. In addition to this new technology, FCA requested the Cobalt Reporting Template be completed by its main EV battery suppliers.

More details are available on the [2020 Stellantis Sustainability Report – FCA N.V Scope](#).

## **RISK AND COMPLIANCE**

Suppliers were selected based on the quality and competitiveness of their products and services, as well as on their respect of social, ethical and environmental principles. Sustainability standards and performance along the value chain also include aspects related to international human rights standards and labour laws.

FCA collaborates with peers, suppliers and other stakeholders on issues related to human rights and working conditions throughout the supply chain.

In addition to Conflict Minerals, this focus includes the mica and cobalt supply chains, which also have risks associated with child and forced labour. To help combat these and other relevant supply chain issues, including slavery and human trafficking, FCA has engaged with automotive industry groups such as the Automotive Industry Action Group ("AIAG") and cross-sector groups like the Responsible Minerals Initiative (formerly "CFSI").

While suppliers carry much of the management responsibility, FCA recognizes the role the Company can play in protecting human rights and promoting working conditions aligned to global standards and responsible sourcing.

More details about FCA Supply Chain are available on the [2020 Stellantis Sustainability Report – FCA N.V Scope](#).

FCA's operations impacted local economies and whenever possible, it utilized local suppliers near major locations of operation. This generates direct and indirect income and employment opportunities in the communities where the business is located while minimizing transport-related environmental impacts. Local suppliers are those with manufacturing operations that supply an FCA plant located in the same country. For example, in recent years more than 75 percent of spending at FCA plants in Brazil has originated from in-country suppliers

### **EFFECTIVENESS AND KPIS**

The following key performance indicators (KPIs) measured for 2020 how successful FCA was in ensuring that slavery and human trafficking was not taking place in any part of its business or supply chain:

- No incidents of child labor or forced and compulsory labor were reported in any of the companies mapped.
- The human rights self-assessment compliance checklist was performed by individual legal entities and reviewed by the Audit and Compliance organization, with a coverage of 75% of the FCA workforce worldwide, involving the following countries: Argentina, Brazil, Canada, China, Italy, Mexico, Romania, Switzerland and the U.S.
- During 2020, FCA invited targeted suppliers to complete the Sustainability Assessment Questionnaire, which covered greater than 95% of its direct annual purchased value. Approximately 48% of invited suppliers responded to the questionnaire, representing 28% completed and 20% in-process of FCA's annual purchased value on both direct and indirect suppliers.

### **TRAINING**

FCA disseminated the Principles, Practices, Procedures and Guidelines to employees. Employees were provided training about ethics and compliance, with particular focus on the Code of Conduct, including anti-corruption, human rights, non-discrimination and harassment prevention, supervisors' responsibilities in the handling of concerns, and insider trading for managers. In 2020, the new Code of Conduct training campaign was globally delivered, reaching approximately 50,000 FCA employees.

In-depth training on responsible working conditions has continued to be offered to suppliers in partnership with AIAG. Developed in collaboration with other automakers, this training was designed to help protect the rights and dignity of workers as well as reinforce environmental and ethical issues impacting the supply chain. FCA has historically used the training, available in several languages, to engage employees worldwide in the Purchasing department on these important concepts and to establish a consistent message with its supply base.

## **FURTHER ACTIONS AND SIGN-OFF**

The creation of Stellantis marks a new chapter powered by the combination of two automakers each contributing a rich heritage; its CSR ambitions will be defined within the release of the Stellantis strategic plan.

With our suppliers, we work in partnership to implement responsible procurement practices, to ensure sustainable progress throughout the entire supply chain, with specific emphasis on respect for human rights.

We take the 2030 United Nations Sustainable Development Goals as a framework for our actions in the transition to a more sustainable future.

The Stellantis teams started converging on operations and monitoring tools. The Stellantis common CSR KPIs and targets resulting from this roadmap will be disclosed in the Stellantis 2021 CSR Report, which is scheduled for publication in Spring 2022.

Approved by the Board of Fiat Chrysler Automobiles UK Ltd on 22<sup>nd</sup> June 2021.

*Arnaud Leclerc*

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Director