



FIAT CHRYSLER AUTOMOBILES

MODERN SLAVERY ACT STATEMENT FY 2019





This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (“the MSA”) on behalf of Fiat Chrysler Automobiles N.V. (“the Company”) and behalf of those subsidiaries of the Company to which Section 54 of the MSA applies.



1. Introduction



The Company is 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 sets out the steps which the Company is taking to combat slavery and human trafficking.

The Organization

Fiat Chrysler Automobiles N.V. is a public company with limited liability, incorporated and organized under the laws of the Netherlands. The Company qualifies as a foreign private issuer under the New York Stock Exchange (“NYSE”) listing standards and its common shares are listed on the NYSE and on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A. (“MTA”).





Our Business

100
manufacturing
facilities

40
research and
development
centers

We are 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.

We have operations in more than 40 countries and sell our vehicles directly or through distributors and dealers in more than 130 countries. We design, engineer, manufacture, distribute and sell 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. For our mass-market vehicle brands, we have centralized design, engineering, development and manufacturing operations, which allow us to efficiently operate on a global scale.

We support 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 design, engineer, manufacture, distribute and sell luxury vehicles under the Maserati brand.

We make 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 operate in the components and production systems sectors under the Teksid and Comau brands.

Joint ventures operations include the specialized financial services provided by FCA Bank SpA and its UK subsidiaries; namely, FCA Automotive Services UK Ltd, FCA Dealer Services UK Ltd and Leasys UK Ltd. The Company has an annual turnover in excess of £36 million.

Our
Supply
Chain

Suppliers are 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 labor 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 labor. To help combat these and other relevant supply chain issues, including slavery and human trafficking, we engage 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 [FCA Sustainability Report](#). 

Our operations impact local economies and whenever possible, we utilize 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 our spending at our plants in Brazil has originated from in-country suppliers.



2. Our Policies on Slavery and Human Trafficking

FCA Code of Conduct



The foundation of FCA's governance model is the Code of Conduct and a collection of supporting statements that reflect our commitment to a culture dedicated to integrity, responsibility and ethical behavior.

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

Explicit reference is made to the UN's Universal Declaration on Human Rights, the principal Conventions of the International Labor 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 is supplemented by Practices aimed to provide specific guidance to all workforce members, on how to effectively apply the Principles under the 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 endeavors 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:

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	

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 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.



3. Due diligence for Slavery and Human Trafficking



Our due diligence processes include actions to safeguard against human rights abuses in any part of our business and in our supply chain.

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

- **an annual survey**

aimed at detecting any case of child and forced labor at worldwide FCA companies, including those located in countries that have not ratified ILO Conventions on these issues.

In 2019, no incidents of child labor or forced and compulsory labor were reported in any of the companies mapped; and

- **a Human Rights 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 are also performed in those countries with a high risk based on the yearly Audit Plan. The checklist used by FCA includes risk items related to child labor and young workers, forced labor, 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 72% 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. We regularly monitor risks related to human rights in our supply chain through two main monitoring tools:



- **the FCA Supplier Sustainability Self-Assessment (“SSSA”)**

covering labor practice, human rights, ethics, diversity, and health and safety aspects, among others; and

- **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, labor practices, human rights, and their impact on society.

We are committed to responsible sourcing and avoid knowingly using minerals that may be linked to human rights abuses, including human trafficking, slavery, forced labor, child labor, torture and war crimes. Due to the complexity of our supply chain, we are 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 our products and take appropriate action to determine that these smelters and refiners source responsibly. We do not typically have a direct relationship with 3TG smelters or refiners and do not perform or direct audits of these entities within our supply chain.

In accordance with OECD Guidance, we have 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 is 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 leads the Conflict Minerals Oversight Committee and each region and affiliate of FCA has designated a Conflict Minerals Team Lead to ensure engagement. Our Conflict Minerals working group includes representatives from Supplier Relations, Materials Engineering, Legal, Sustainability, Communications, and Purchasing departments.

We use the iPoint Conflict Minerals Platform (“iPCMP”) and Conflict Minerals Reporting Template (“CMRT”) as the means for our direct material suppliers to report their use of 3TG, the processing smelter or refiner, and the country and mine of origin. If a supplier’s response indicates that its products do not include 3TG, we ask the supplier to certify this information.

As a means of additional due diligence, we use our internal systems to cross-check supplier responses to determine what materials are contained in a supplier’s products and identify response discrepancies that may require additional follow-up with the supplier. As outlined in the OECD Guidance, the internationally recognized standard upon which our system is based, we support the Responsible Mineral Initiative, an industry initiative that audits smelters’ and refiners’ due diligence activities.

During 2019, 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.

Additionally, FCA contributed to the Responsible Business Alliance (RBA) Foundation Upstream Due Diligence Smelter Fund to help enable smelters and refiners to partially offset the costs of on-the-ground due diligence activities.


More details are available on the [FCA Sustainability Report](#). 

4. FCA Ethics Helpline



The Company closely monitors the effectiveness of and compliance with the Code of Conduct.

Unless local law provides otherwise, employees must report violations of law, regulation or Company policy of which they become aware. Any failure in reporting such violations could place the Company at risk, and may be the subject of disciplinary action.

To establish a preferred reporting for the collection and management of concerns from all stakeholders, in 2015 FCA launched the [Ethics Helpline](#) .

The Ethics Helpline offers a worldwide, common and independent intake channel via telephone and web to report any concerns of alleged situations, events, or actions that may be inconsistent with the Code of Conduct. It is managed by an independent provider, available 24 hours a day, seven days a week. Reporting may be anonymous, where permitted by law. FCA's anti-retaliation policy addresses the protection of individuals who raise a concern. FCA has chosen this reporting channel to meet compliance needs and maintain a continuous reporting environment.

In addition, the FCA Ethics Helpline also allows employees, suppliers, dealers, consumers 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).

5. Training



FCA disseminates the Principles, Practices, Procedures and Guidelines to employees. Employees are provided training about ethics and compliance, with particular focus on the Code of Conduct, anti-corruption, corporate governance and human rights, including non-discrimination and harassment prevention.

In-depth training on responsible working conditions continues to be offered to suppliers in partnership with AIAG. Developed in collaboration with other automakers, this training is designed to help protect the rights and dignity of workers as well as reinforce environmental and ethical issues impacting the supply chain. FCA uses 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 our supply base.

FCA is further committed to establishing a strong culture of safety by considering employee health and safety more broadly in terms of worker well-being. Employees are involved in this process through training and initiatives designed to increase occupational safety and health and wellness awareness, and by participating in a comprehensive system for gathering feedback and suggestions.

This statement was adopted by the Board of Directors of Fiat Chrysler Automobiles N.V. for the 2019 financial year.





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