



Modern Slavery Statement 2020

This Modern Slavery Statement (Statement) is made for the purposes of reporting under the Australian *Modern Slavery Act 2018* (Cth)

1 Introduction

- 1.1 This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (“**Act**”) by FCA Australia Pty Ltd (ABN 23 125 956 505) (“**FCA Australia**”, “**we**”, “**us**” and “**our**”) in respect of the actions taken to assess and address modern slavery risks.
- 1.2 FCA Australia recognises the collective efforts of governments, civil society organisations, companies and consumers to eradicate modern slavery. As part of a global company operating in the motor vehicle manufacturing and sales industry, we have a role to play in these efforts and we are pleased to provide insight into the actions we have taken to better understand and manage the risks of modern slavery in our operations and supply chain.
- 1.3 The FCA Group acts in compliance with social, environmental and ethical principles such as those identified in the International Labour Organisation (**ILO**) Conventions, the Organisation for Economic Co-operation and Development (**OECD**), OECD Guiding Principles for multinational enterprises, the 2030 UN Sustainable Development Goals (**SDGs**), Universal Declaration of Human Rights (**UDHR**), the Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights (**UNGP**) and the United Nations Convention against Corruption to our suppliers and the UN Global Compact among others.
- 1.4 This Statement sets out the actions taken by the FCA Australia to assess and address modern slavery risks within our business for our 2020 financial year, which commenced on 1 January 2020 and ended on 31 December 2020 (**Reporting Period**), and actions taken to address those risks.

2 Our structure and operations

Structure

- 2.1 Our parent company is Fiat Chrysler Automobiles N.V. (Netherlands), a company incorporated as a public limited liability company under the laws of the Netherlands (**FCA Group**). FCA Group is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide.
- 2.2 FCA Australia has no owned or controlled entities.

Operations

- 2.3 FCA Australia’s principal activities during the course of the year ended 31 December 2020 were the importation, marketing and distribution of passenger motor vehicles, light commercial vehicles and their component parts. FCA Australia makes sales by importing and distributing Jeep, Chrysler, Fiat, Abarth, Fiat Professional, and Alfa Romeo vehicles to dealers.



- 2.4 In the APAC region, FCA Group sold vehicles through 100 percent owned subsidiaries, through our joint ventures or independent distributors to local independent dealers. During 2020, we operated as a national sales company in Australia.
- 2.5 At 31 December 2020, FCA Australia had a total of 124 employees, with 35 females and 89 males located in Western Australia, New South Wales, ACT, Queensland and Victoria. Some of these employees are seconded to the Asian region. Of these employees, 82 are permanent employees and 14 are on a fixed-term contract.

3 Our supply chain

Global supply chain

- 3.1 Our most important suppliers are our related entities that supply us with the vehicles and parts that we import.
- 3.2 FCA Group vehicles are manufactured in various locations across the globe. During 2020, FCA Australia imported vehicles from Italy, India, USA, Poland, Canada.
- 3.3 In 2020, FCA Group sourced raw materials globally, including a wide variety of raw materials, parts and tyres, supplies, transportation, insurance policies and other goods and services.

FCA Australia's local supply chain

- 3.4 During the Reporting Period, FCA Australia had 202 non-related suppliers primarily supplying goods and services in the following categories (in addition to vehicles and vehicle parts):
- (1) **Vehicles accessories and parts** – including batteries, special tool products, oils, lubricants, preparation, distribution;
 - (2) **Information Technology and Telecommunications** – including internet, landline and mobile provider
 - (3) **Indirect products** – office supplies, merchandise management, cardboard packaging
 - (4) **Facilities and Utilities** – includes facilities and utilities, including cleaning and maintenance
 - (5) **Corporate Administrative Services** - logistics, shipping, storage, transportation and customs
 - (6) **Professional Services** – including recruitment, legal and accounting services
- 3.5 With the exception of vehicles and parts, the majority of FCA Australia's direct suppliers are based in Australia. Many of these suppliers, however, provide goods that originate from other jurisdictions.

4 Modern slavery risks in our operations and supply chains

Operational risks

- 4.1 We consider that there is a low risk of modern slavery in our operations for the following reasons:



- (1) based on the roles of the FCA Australia's staff;
- (2) our compliance with Australia's comprehensive workplace relations laws, which includes paying all our staff in excess of minimum wage; and
- (3) the policies and procedures we have in place to protect our workers.

Our supply chain and modern slavery risks

- 4.2 FCA Group have a global network of approximately 2,000 suppliers that include both direct material suppliers that produce the parts and components that make up our vehicles, as well as indirect suppliers, who provide the goods and services needed to run our operations.
- 4.3 One of our most salient supply chain risks relates to the procurement and use of raw materials in the manufacture of FCA Group cars and parts. These types of raw materials used in the manufacturing of good and services for the automotive industry may lead to human rights impacts in our extended supply chain. This risk is predominantly driven by the jurisdiction, or region, in which the parts are manufactured. Traceability and mapping of raw materials are essential to more efficiently and pre-emptively mitigate unethical practices that threaten the future for the communities where the raw materials are sourced. The responsible procurement of raw materials for our vehicles is vital. Although the source of any raw material may be several tiers removed in the supply chain, FCA Group recognises its importance in our sourcing process. In support of this, FCA Group interacts with many stakeholders and launched the Responsible Sourcing project to facilitate the development of new tools and resources that can better evaluate materials that require risk mitigation.
- 4.4 FCA Group's responsible sourcing journey aims to ensure adherence to common, globally-embraced, environmental and social principles by focusing on our supply base sustainability development while enhancing transparency regarding raw material origin and human rights.
- 4.5 Raw material risks in our extended supply chain include natural rubber, leather, cobalt, mica, bauxite, aluminium, nickel, and lithium used to manufacture car battery chemicals. The tyre industry consumes around 70% of the world's natural rubber. Most of the world's rubber today comes from Southeast Asia.
- 4.6 Many of the advanced technologies in vehicles require the use of 3TG minerals (e.g. tin, tantalum, tungsten and gold) that are commonly mined in conflict affected and high-risk areas. These particular metals are commonly referred to as conflict minerals and may originate from the Democratic Republic of Congo. In some cases, illegal rebel groups control mines and the trade and movement of conflict minerals to finance their operations. This may also represent a risk for incidents of child, forced or compulsory labour in our sub-tier supply chain.
- 4.7 We are aware of the inherent risks in the shipping industry and that, given that the vehicles imported by FCA Australia arrive by ship, this risk forms part of our overall supply chain risk. Like most entities, we also have modern slavery risk in the technology and telecommunications hardware we use for our business, cleaners and uniforms.
- 4.8 More details are available in the [FCA Group Sustainability Report 2020](#).



5 Addressing modern slavery risks

In our operations

Code of Conduct

- 5.1 The Code of Conduct (the “**Code of Conduct**”) applies to the members of the Stellantis Board of Directors, its officers, full-time and part-time employees, temporary and contract workers, including subsidiaries like FCA Australia. FCA Group also expects its stakeholders, including suppliers, dealers, distributors, and joint venture partners, to act with integrity and in accordance with the Code. The Code amplifies aspects of conduct related to the economic, social and environmental dimensions, underscoring the importance of dialogue with stakeholders.
- 5.2 The Code of Conduct is a pillar of our integrity system, regulating the decision-making processes and operating approach of FCA Group and its employees. The Code guides the FCA Group and its workforce ensuring compliance with laws, regulations and best practices.
- 5.3 The Code of Conduct focuses on these primary elements:
- (1) principles that captured the FCA Group's commitment to core ethical values in business and personal conduct;
 - (2) practices that were the basic rules that guided our daily behaviours to achieve our overarching principles;
 - (3) procedures that further articulated the FCA Group's specific operational approach to achieving compliance with the Code of Conduct, and that may have specific application limited to certain geographical regions and/or businesses as appropriate; and
 - (4) statements that covered specific issues to emphasise the FCA Group's accountability and commitment to a culture of responsibility and integrity. These covered, among others, matters related to human rights, competition, sustainability for suppliers, environmental management, responsible taxation, advertising and marketing communication, and conflict minerals.
- 5.4 All employees, suppliers, dealers, consumers and other stakeholders can, and should, report any concerns of alleged situations, events, or actions that may have been inconsistent with the Code.
- 5.5 Violations of the Code of Conduct were identified through:
- (1) reports received through the Ethics Helpline;
 - (2) reports made to management or Human Resources;
 - (3) periodic activities carried out by the Audit and Compliance department;
 - (4) checks performed as part of the standard operating procedures.

Human Rights Guidelines

- 5.6 The Human Rights Guidelines covered the rights we sought to ensure for, and with, FCA Group's major stakeholders:



- (1) **Employees:** FCA Group prohibits the use of child and forced labour and seeks to provide a diverse and inclusive workplace, free from discrimination and harassment. FCA Group recognises and respects workforce members' freedom of association and were committed to providing employment conditions that were competitive and compliant with all applicable employment, wage and working hour laws. It conducts all of our worldwide operations with the highest regard for the health and safety of our workforce in accordance with applicable laws and was dedicated to consistently improving health and safety measures to help ensure that the potential for injury in the workplace was minimised.
- (2) **Customers:** FCA Group is committed to offering safe, reliable, high-quality vehicles to our customers.
- (3) **Communities:** FCA Group is committed to socially responsible engagement with the communities where we had operations.
- (4) **Business partners and suppliers:** FCA Group expects its suppliers, contractors and other business partners, to adhere to our human rights standards. Suppliers and business partners are required to comply with all applicable occupational health and safety related rules and regulations, and to adopt measures and standards that contribute to an overall improvement in occupational health and safety performance throughout the value chain.

5.7 Alleged human rights violations were reported through the same channels as other types of potential violations, including the FCA Group Ethics Helpline and the worldwide contact list.

Ethics Helpline

- 5.8 During the Reporting Period, FCA Australia used FCA Group's Ethics Helpline, a whistleblowing system that allows for anonymous reporting all types of concerns, including vehicle safety and regulatory concerns.
- 5.9 Reports may be made anonymously unless local law provides otherwise. Reports are investigated as appropriate by trained investigators and subject matter experts, and are tracked until their completion.

In our supply chain

- 5.10 FCA Group has many initiatives that focus on responsible purchasing practices to support its development in host territories. The activities are designed to support local sourcing development while providing measures that mitigate risks from suppliers and subcontractors.
- 5.11 To support the supplier assessment process on Corporate Social Responsibility (CSR) criteria and make it more robust, FCA Group has embarked on an assessment of its Tier 1 supply base using criteria related to the environment, workforce, ethics and subcontracting chain.

Procurement Governance

- 5.12 Through engagement with several multi-stakeholder organisations, both within and outside the automotive industry, FCA Group addresses not only the needs, but the opportunities that exist through ethical and conscientious procurement practices during the mineral extraction, trade and processing stages.

Such engagements for FCA Group include:

- (1) developing strategies to determine whether tantalum, tin, tungsten and gold in their supply chain originated from countries such as Democratic Republic of Congo, and



whether the procurement of those minerals supported the armed conflict in this region;

- (2) election of the co-chair of the [Responsible Minerals Network](#) workgroup which leads auto industry engagement in cobalt, mica and conflict minerals activities and relationships;
- (3) membership with the [Responsible Minerals Initiative](#), which was founded by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, supports cross-industry discussion and development of common tools; and
- (4) membership of [Drive Sustainability](#) to provide additional resources for supplier sustainability development and gather supplier sustainability data.

Materials in the extended supply chain

5.13 FCA Group is conscious of the risks inherent in the extraction of raw materials for use in the manufacturing of good and services in the automotive industry. Dependence on raw materials for parts creates demand on natural resources, a demand that FCA Group strives to reduce by employing circular economy principles. To manage the use of materials used in the vehicles, FCA Group undertook the following measures in 2020:

- (1) engaged a service provider to gather information using a conflict minerals reporting template.
- (2) reviewed the information to feed to FCA Group's in-scope direct material suppliers and seek reporting on their use of 3TG (tantalum, tin, tungsten and gold), the processing smelter or refiner, and the country and mine of origin.
- (3) engaged its internal procedures to cross-check supplier responses about materials contained in products supplied and identifying response discrepancies that may require additional follow-up with the supplier.
- (4) developed specific product lines of remanufactured parts to support the aftermarket needs of customers, simultaneously reducing the cost of vehicle ownership and decreasing the volume of salvageable materials heading to landfills. The remanufactured product lines include starters, alternators, brake callipers, electronic control modules, high voltage battery packs, torque converters, steering and suspensions, as well as engine and transmission product categories. The number of product offerings is more than 3,350 part numbers globally.
- (5) extended its commitment to enhance supplier sustainability by joining Drive Sustainability, an international automotive association focused on responsible sourcing collaboration.
- (6) adopted the [NQC](#) platform which provides additional resources for supplier sustainability development.
- (7) started to perform a cobalt survey to gain greater transparency in the supply chain and support our due diligence activities.

6 Assessing the effectiveness of our actions

6.1 Our modern slavery program is overseen by the procurement department with the responsible officer being the Procurement Manager.

6.2 During the course of the next reporting period as FCA Australia will seek to:



- (1) monitor compliance with our Code of Conduct and the respect for human rights by our partners and subcontractors and by requiring contractual commitments to respect human rights.
- (2) monitor our whistleblowing channels and grievance mechanisms to identify whether any reports reflect modern slavery incidents or risks.
- (3) continue to require our suppliers to our Code of Conduct with the social, compliance, sustainability, training environmental responsibility.
- (4) introduce draft standard modern slavery supplier terms.

7 Other

Approach to COVID-19

- 7.1 The COVID-19 crisis emerging during the Reporting Period highlighted the commitment, the robustness, and the ability of the Health and Safety community to provide the relevant recommendations, based on the best knowledge available, to the leaders and managers to address an unprecedented threat. During the year, due to COVID-19, there were dedicated discussions with employee representatives aimed at ensuring the application of preventive measures by following specific guidelines in the workplace.
- 7.2 Due to the COVID-19 pandemic and restrictions on businesses, FCA Australia implemented stringent health and safety protocols and measures.

8 Consultation and approval

- 8.1 FCA Australia does not have any owned or controlled entities, so did not need to engage in consultation with any such entities.
- 8.2 This Statement was prepared by the human resources, legal and procurement teams, who also liaised with the broader FCA Group to prepare this statement.
- 8.3 This statement was approved by the FCA Australia board of directors.

Signed by:



Kevin Flynn
Managing Director



Annexure A– Reporting Criteria

Reporting Criterion	Page
1 & 2. Identify the reporting entity and describe its structure, operations and supply chains	1 & 2
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	2
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	4
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	6
6. Describe the process of consultation with any entities the reporting entity owns or controls	7
7. Any other relevant information	7