



This statement is made pursuant to Section 51(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

The Company is a public company with limited liability, incorporated and organized under the laws of the Netherlands. The Company's common shares are listed on the New York Stock Exchange and on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A.





Sustainable mobility

Our Business

162
manufacturing
facilities

87
research and
development
centers

£36 million
annual
turnover

Fiat Chrysler Automobiles (FCA), designs, engineers, manufactures and sells passenger cars, light commercial vehicles, components and production systems worldwide through 162 manufacturing facilities and 87 research and development centers. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati, in addition to the SRT performance vehicle designation and Mopar, the parts and service brand.

The Group's businesses also include Comau (production systems), Magneti Marelli (components) and Teksid (iron and castings).

In addition, the Group provides retail and dealer finance, leasing and rental services in support of the car business through subsidiaries, joint ventures and commercial agreements with specialized financing services providers. 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 FCA Fleet Services UK Ltd.

FCA operates through companies located in more than 40 countries and has commercial relationships with customers in more than 140 countries. The Company has an annual turnover in excess of £36 million.

Our
Supply
Chain

more than
75% of the
components
provided by
suppliers

FCA suppliers provide more than 75% of the components used in our vehicles. Suppliers are selected based on the quality and competitiveness of their products and services, as well as on their compliance with social, ethical and environmental standards. 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 it can play in preventing human rights violations and promoting sound working conditions.

More details about FCA Supply Chain are available on the **FCA Sustainability Report**.

Highlights

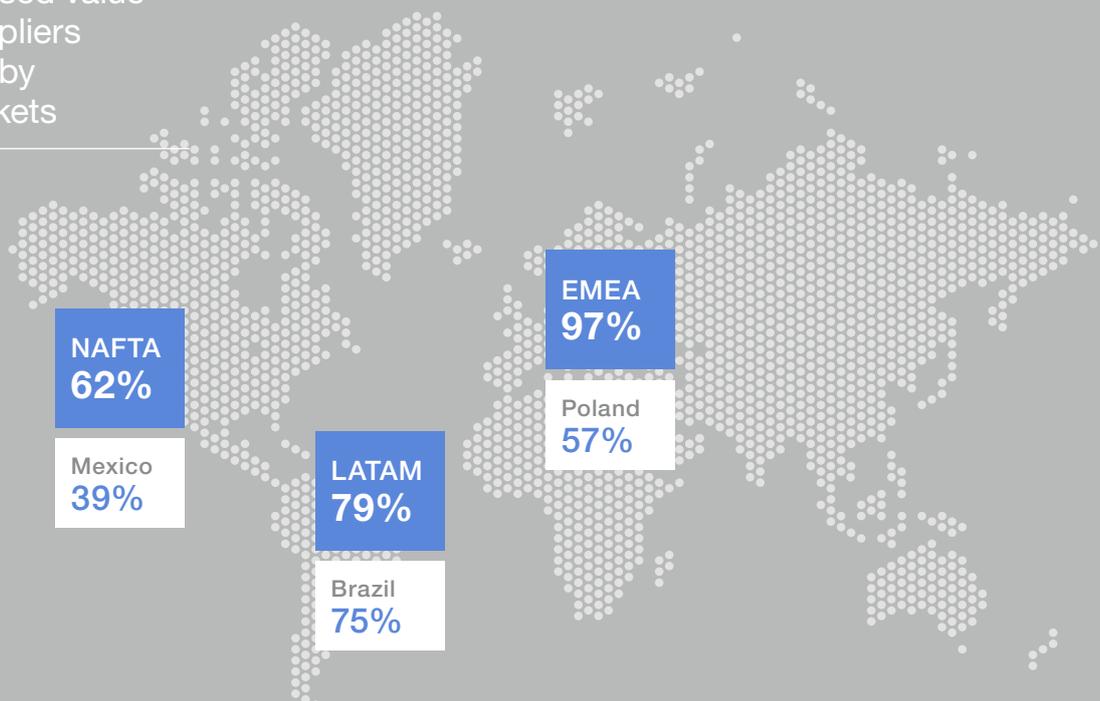
FCA Purchasing Worldwide

2016

Direct and indirect material purchases managed by FCA Purchasing (% of total FCA purchases) ⁽⁶⁾	100
Direct material suppliers (no.)	2,567
Concentration of direct material purchases (% of purchases from top 142 suppliers)	61.3
Value of purchases from direct material suppliers (€ billion) ⁽⁹⁾	58.3
Value of purchases from indirect material suppliers (€ billion) ⁽¹⁰⁾	17.6

Concentration of FCA
annual purchased value
from local suppliers
by region and by
emerging markets

■ By region
■ By emerging markets



2. Our Policies on Slavery and Human Trafficking

FCA Code of Conduct



At the FCA Group, one way we develop an environment that embodies the highest ethical standards in business conduct is through our Code of Conduct (the “**Code**”). The Code aims to ensure that all members of the FCA Group’s workforce act with the highest level of integrity, comply with all applicable laws, and build a better future for our Company and the communities in which we do business. The FCA Group endorses the United Nations (“**UN**”) Declaration on Human Rights and the International Labor Organization (“**ILO**”) Conventions.

Moreover since 2009, FCA Group has adopted a comprehensive set of Guidelines to address, among the others, workplace issues such as child and forced labor working hours, non-discrimination, freedom of association, health and safety and the environment. FCA Guidelines on “Human Rights” reflect our commitment to acting ethically and with integrity in our business relationships.

Recently, FCA adopted a new set of Practices, which will be communicated during 2017, including the new Practice on “Protecting Our Workforce and “Child and Forced Labor Prohibited” which includes also the prohibition of trafficking and other forms of slavery.

The FCA Group endeavours to ensure that the Code is regarded as a best practice of business conduct and observed by those third parties with whom FCA 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 contractual clauses

In order to address, prevent, and mitigate any potential impacts, contractual clauses have been progressively introduced since 2009, and FCA's General Terms and Conditions require any new purchase orders with 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.



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;
- **a Human Rights survey**
performed by the Internal Audit 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”). This survey gauges local supplier conditions and checks are performed in those countries with a high risk based on the yearly Audit Plan.



Direct material suppliers play a key role in the continuity of our operations and FCA recognizes that they can have a significant impact on external perceptions of our social responsibility. Accordingly, we believe that sustainability is a value to be spread and shared across the value chain; and, we regularly monitor risks related to human rights through two main monitoring tools:

- **the FCA Supplier Sustainability Self-Assessment (“SSSA”)**
covering labor practice, human rights, ethics, diversity, and health and safety aspects
- **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. More details are available on the **FCA Sustainability Report**.

4. FCA Ethics Helpline



To encourage the reporting of concerns and ensure the protection of whistleblowers, FCA has established dedicated channels, in order to provide a worldwide, common and independent intake.

The new **FCA Ethics Helpline** was implemented in 2015 as an essential element of the Ethics Helpline 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, in 19 languages.

The FCA Ethics Helpline 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), as well as reporting any concerns of alleged situations, events, or actions that they may be inconsistent with our Code. FCA has adopted a comprehensive awareness program to communicate the process which also includes a link to the Ethics Helpline published on the supplier portal.

5. Training



FCA disseminates the Principles established in the Code of Conduct and the values of good governance to all employees. Employees worldwide regularly receive training in ethics and compliance, with particular focus on the Code of Conduct.

Additional in-depth training on responsible working conditions is offered to suppliers in partnership with Automotive Industry Action Group (“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.

FCA is also committed to establishing a strong safety culture applying a broader approach in which employee health and safety is considered more broadly in terms of the workers’ well-being. Employees are involved in this process through training and initiatives designed to increase safety 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. on May 22, 2017.





FIAT CHRYSLER AUTOMOBILES

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