

SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR VAUXHALL MOTORS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2019.

INTRODUCTION

Vauxhall Motors Limited is part of the Peugeot SA (Groupe PSA) group of companies and follows the processes and principles that Groupe PSA adopts globally. Groupe PSA is a worldwide automobile group, which bases its development on the principles of socially, and environmentally responsible action and conduct in all the countries in which it is established and in its various sectors of activity. We are committed to improving our practises to combat slavery and human trafficking.

SLAVERY AND HUMAN TRAFFICKING RISKS WITHIN OUR ORGANISATION

Groupe PSA formalised its commitments to its stakeholders in a detailed and public manner in signing the PSA Global Framework Agreement on Social Responsibility on 7 March 2017 ("the Framework"). The Framework was made between Groupe PSA and IndustriALL Global Union and IndustriALL European Trade Union and has been adopted and applied across all Groupe PSA companies, including those in the UK. It sets out a framework for companies within Groupe PSA all over the world to apply the ten UN Global Compact Principles ("Global Compact"). It also describes the Groupe's social requirements with respect to partners and suppliers.

The Framework includes the following commitment to the elimination of all forms of forced or compulsory labour: "*Groupe PSA undertakes to respect free choice of employment and condemns forced labour, considering this to occur every time work is imposed by way of a threat (food deprivation, confiscation of land, non-payment of salary, physical violence, sexual abuse, prison labour etc.)*".

Groupe PSA is pursuing a process of continuous improvement in its social policy, based on a continuous assessment of its approach and the involvement of Trade Unions and employee representatives. Groupe PSA restates its commitment to applying the Framework and to continuously monitor, assess its application and process any claims. The Framework requires all Groupe PSA companies to exercise due diligence with respect to the suppliers making up the supply chain.

Code of Ethics

At the same time, Groupe PSA's Code of Ethics (which applies to all Groupe PSA employees) formally sets out 16 rules of ethical conduct, including the following –

- *"All Groupe employees must comply with the laws and regulations of the country in which they work. Employees are expected to be familiar with laws and regulations covering their specific area of operation.*
- *All employees contribute to the Groupe's commitments with regard to fundamental human rights. In particular, they undertake to prohibit child labour and forced labour and to respect freedom of association and the right to representation. Employees are expected to respect these rights in their areas of responsibility and require the same level of respect from their partners and suppliers.*
- *The Groupe prohibits any and all types of discrimination on the basis of age, gender, nationality, marital status, sexual orientation, lifestyle, genetic characteristics, real or*

supposed belonging to an ethnic group, nation or race, physical appearance, pre-existing health conditions or disability, pregnancy, name, political opinion, religious conviction or union activities.

Employee Awareness Programmes and Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in the Groupe's business activities and the supply chain, awareness programmes and training are provided to employees. The Framework is translated into 14 languages to ensure that all employees can easily read and understand its requirements. The principles and good practises linked to its application are communicated to all employees to raise awareness.

Evolving Approach to the Effectiveness of Combating Slavery and Human Trafficking

The Groupe's policies relating to the protection of human rights are clear and widely implemented. However, there is always a possibility that some risks cannot be prevented. In 2019, 28,048 Groupe employees undertook dedicated training in human rights policies and procedures. This included guards and security staff. When these activities are outsourced, specialist contractors are selected and must comply with the Framework on social responsibility requirements.

SLAVERY AND HUMAN TRAFFICKING RISKS WITHIN GROUPE PSA'S SUPPLY CHAIN

Groupe PSA has direct contractual relationships with more than 8000 suppliers (Tier 1) which are required to comply with CSR commitments. These are formalised in the "Groupe PSA General Purchasing Terms and Conditions" that reinforce the Groupe PSA commitments and requirements in CSR matters, as well as in the document "Groupe PSA Responsible Purchasing Policy" ("Commitments").

The Document "Groupe PSA General Purchasing Terms and Conditions" includes the statement "*Seller further represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under the Contract*". The Commitments is available online on the Groupe PSA website at <https://www.groupe-psa.com/en/document/charte-rse-fournisseur/>. This includes the statement "*The Supplier recognises the principle of the freedom of choice of employment. The Supplier must not, under any circumstances, resort to forced or compulsory labour. Labour is deemed forced or compulsory when it is imposed by means of a threat (withholding of food, confiscation of land, non-payment of salary, physical violence, sexual abuse or non-voluntary prison labour, etc.) (ILO Conventions nos. 29 and 105)*". By signing the Commitments, our Tier 1 suppliers commit themselves to selecting their subcontractors (Tier 2 suppliers for Groupe PSA) on the same CSR criteria. These CSR criteria therefore apply throughout the Groupe PSA supply chain as part of the direct contractual relationship between Groupe PSA as the purchaser and our suppliers.

Due Diligence Processes for Slavery and Human Trafficking

In line with its longstanding commitment to the Global Compact and building on the Framework Agreement and the Commitments, Groupe PSA identifies the regions and areas that are the most likely to present risks of human rights violations, particularly in relation to modern slavery. In the event that any supplier fails to respect these rights and principles, the supplier must implement corrective action plans. Moreover, Groupe PSA's Purchasing department reserves the right to impose penalties leading up to the exclusion of the supplier from the Groupe's panel of suppliers if it should emerge that it was directly or indirectly involved in these types of practises.

Groupe PSA has furthered its commitment to identifying and taking action against modern day slavery and human trafficking by implementing a whistle-blowing system, Speak4Compliance, whereby employees are encouraged to report under certain conditions unethical or illegal conduct which they observe or become aware of. The whistleblowing system is a voluntary web-based reporting system operated by an independent service provider for all Groupe PSA entities and is intended to deal with, among other issues, human rights. Groupe PSA prohibits retaliation in any form against an employee who reports a problem or concern in a good faith and is acting in the public interest.

Supplier Adherence to Our Values and Ethics

Groupe PSA has a zero tolerance approach to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a strong supply chain compliance programme. This consists of a four-step supplier evaluation process undertaken by the Purchasing department that is responsible for each supplier:

- Signature of the document "Groupe PSA Responsible Purchasing Policy": all suppliers are asked to mark their commitment to these principles by signing this document, which requires elimination of any forms of forced or compulsory labour and a commitment to promoting the same principles to their own suppliers and subcontractors.
- IATF audit certification: all suppliers wishing to take part in a tender process for automotive parts must be compliant with the IATF 16 949 standard as well as the Groupe PSA specific requirements.
- Assessment by a third party service provider EcoVadis: this assessment is mandatory and is to be performed for all suppliers. The results of these assessments are taken into account during the tender process before awarding new business to any supplier.
- Audits on site conducted by a third party: for suppliers identified as "at risk", these audits provide a summary of how the supplier is performing in terms of Groupe PSA requirements and the local statutes and regulations.

Supplier Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our suppliers through e-learning and information during the supplier meetings, details of which are set out in the Groupe's annual CSR report.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for the financial year ending on 31 December 2019 for Vauxhall Motors Limited and its subsidiaries.

Approved by the Board



STEPHEN NORMAN
Groupe PSA SVP & Managing Director
Vauxhall Motors Limited

Date: 20 April 2020