

**FIR**

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Subject

Answer to your letter dated March 31st, 2021

Amsterdam, May 13, 2021

Dear Sirs,

We thank you warmly for your questions and your interest in Stellantis. Following the oral answers provided during the AGM, we are pleased to send you the corresponding written answers.

Environnement

1. To be in line with the Paris Agreement, what are the CAPEX amounts by 2025? How will these CAPEX be distributed across the entire value chain between maintenance CAPEX and growth CAPEX? What is the geographical distribution?

Stellantis is targeting a level of R&D and Capex spend <8% of revenues at steady state. Now investment is mostly directed to electrification, software and autonomous vehicle. We do not intend to invest more in ICE apart from regulatory requirements, so we are using the existing assets of the company. Logically, geographical distribution of spending is more or less in line with geographical distribution of revenues over time.

2. How do you limit the impact of biodiversity loss on your future income? Specify the indicators and means put in place?

FCA and Groupe PSA merged on January 16, 2021.

Teams are now working on the alignment of their practices and definition of Stellantis Policy regarding all environmental impacts, including biodiversity, in consistency with previous stewardship.

Regarding the impact on biodiversity in particular, Stellantis already defined an approach towards biodiversity using an indicator developed by the University of Paris I to evaluate the existing biodiversity on its sites and thus ensure the preservation, or even identify areas for enhancing biodiversity (e.g. soft mowing by sheep, nesting boxes for protected bird species, flora and fauna censuses, etc.). Some of these activities are then taken further to build a dedicated biodiversity project guided by qualified biodiversity professionals to ensure its quality. In addition, some sites have obtained Wildlife Habitat Council Organization certifications for their biodiversity projects. The combination of evaluating the biodiversity of its sites and conducting specific biodiversity projects has been company practice for several years in both former companies and will be continued under Stellantis with a common approach. Additionally, environmental impact studies assessing the sensitivity of the natural environments located in the immediate vicinity of the sites, and in particular the proximity of protected areas (areas of flora and fauna), are carried out in preparation of site developments (extension, new installations etc..).

3. How do you anticipate the scarcity of certain natural resources and the difficulties of procurement of your strategic resources? How does this affect your economic models and how do you secure your supply chains?

The potential of shortage or scarcity for any raw material worldwide, whatever it could be worldwide issue or located in some countries or region, are part of Stellantis risks matrix. If any difficulties show up, Stellantis will work on alternative sourcing in other countries and/or alternative materials, of course without any compromise on the safety and the quality of the products. We also promote actively the materials coming from recycling supply chains, which are usually the best compromise on sustainability and price.

Electrification of vehicles brings new materials and new challenges into the list of critical materials (Lithium, Cobalt, Nickel, Rare earths, etc...). Due to the growing needs, these materials are mostly coming from mine extraction (Cobalt, lithium, conflict minerals for example) from a limited number of countries. So, we first ensure that the raw material that will be used in Stellantis vehicles is coming from sustainable supply chain. Stellantis is currently relying on independent and reliable third-party to audit and report on these supply chain:

- RCS Global for lithium and cobalt,
- Conflict Minerals Report Template (CMRT) and smelter or refiner audits through Responsible Mineral Initiative (RMI) for conflict minerals.

Even though we do not have any direct contracts with miners on this kind of raw materials, we regularly discuss with these companies on new mines projects and the tonnage related to these new projects.

On a mid-term basis, we also work with the suppliers to modify the content of some raw material in the key components of the electrified cars. On mid-term basis too, the use of recycled materials will increase as a source of raw materials in the supply chain.

Social

4. Solidarity between economic players, large and small businesses, seems necessary to limit the negative impacts of the current crisis. How is your group adapting, nationally and internationally, its buying or selling practices to support its suppliers or customers who are affected by the crisis? Do you apply differentiated policies for VSEs and SMEs? Has the crisis prompted you to structurally change your policies in this area?

Stellantis will develop long-term relationships with its suppliers in a win-win logic, which has shown its efficiency for both former FCA and PSA companies who have seen many of their partners grow with them.

The current crisis challenges all companies, Stellantis itself, but also its suppliers of all size.

Stellantis purchasing practices, based of Stellantis Code of conduct, support business and operational continuity. Stellantis systematically monitors the financial health of its suppliers. Where appropriate, it can then provide support to suppliers to preserve their sustainability (cash support, reduction of payment terms, price increase, etc...) while taking the necessary measures to protect the Group. Stellantis favors solutions adapted to each supplier and works in close collaboration with the public authorities to define the most appropriate means of intervention, if necessary.

5. How do you manage, at the group level, the social impacts associated with the massive development of teleworking since the start of the pandemic? In particular

in terms of psychosocial risk management, cost sharing, employee satisfaction survey, reverse of the choice made by employees, proportion of employees teleworking, etc...

The approach of FCA and PSA to implement remote working during the pandemic were quite similar through a massive implementation for protecting as much as possible the employees.

Beyond the pandemic time, Stellantis has a clear vision for the future through the “New Era of Agility” project.

Group PSA launched “New Era of Agility” project in May 2020, an innovative concept of working based on an efficient operational balance with 70% of remote work and 30% on site presence. This project was launched with the ambition of an accelerated worldwide deployment and the mobilization of all stakeholders to achieve a revolution in working methods, behaviors and mindset. The Group had anticipated these evolutions since it has already extensively experimented with teleworking since 2014, as well as dynamic workspaces, and had further developed remote working with the signing in January 2020 of the collective agreement on motivation and well-being.

We have learnt a great deal from the crisis and it is an opportunity to accelerate the Group’s transformation. At the heart of this project is the search for benefits for individual and collective efficiency: benefits for the health and safety of employees, improvement of their work-life balance, motivation and well-being and economic and environmental performance.

The “New era of agility” project launched a major survey of 40,000 employees worldwide on their experiences and aspirations. Participation in this survey reached 50% of responses, demonstrating success. 79% of employees expressed support for this new way of working.

As a direct result of COVID-19, FCA accelerated the deployment of working remotely and provided tools and resources to support employees. Many of FCA support organizations, such as ICT, worked to transition large portions of workforce to working remotely. Across our regions, a variety of programs are in place in FCA to enable work-life integration.

Within both former companies, PSA and FCA, and within Stellantis now, several training programs have been provided to managers and employees to support them in this phase of transition to a new way of working.

As a result of the success of those activities, initiatives are under way to provide more opportunities for flexible work arrangements to employees around the world.

6. Do you have a definition of “living wage” that is not limited to the local legal minimum wage? If yes which one? How does your company ensure that its employees, but also the employees of its suppliers, receive a living wage?

Stellantis promotes a unified remuneration policy which promotes equal employment opportunity and diversity, where everyone is valued for their contributions to the Company. Both Groups had already similar approaches beforehand. Both PSA and FCA Salary policies aimed to ensure objective, fair and transparent rules relating to remuneration. For Stellantis, the goal is to design a comprehensive reward policy based on three main rules: respect for the interests of employees and social dialogue, respect for fair treatment of employees allowing equivalent remuneration for comparable responsibilities and respect for sustainable collective performance consistent with good market practices. With this remuneration policy we enable our employees and their family to have decent living conditions.

As mentioned in our code of conduct, Stellantis also encourages the adoption and sharing of sustainable practices among our business partners, suppliers and dealers. Stellantis is committed to sustainable practices in its procurement activity. The selection of suppliers is based not only on the quality and on competitiveness of their products and services, but also on their adherence to social, ethical and environmental principles, maintaining the highest standards of quality, and taking care of the communities in which we do business. We endorse, among other declarations, the United Nations (“UN”) declaration on human rights and the International Labor Organization declaration on fundamental principles and rights at work. We expect our workforce to be respectful in all their professional interactions with co-workers, customers, visitors and other business partners.

7. Within the framework of the profit-sharing agreement formula from which your employees benefit in France, do you take environmental and social criteria into account? If yes :
 - What are these criteria ? Have they changed since April 1, 2020?
 - What is the proportion of these criteria in the profit-sharing formula? Has it changed over the past year?
 - What is the share of the employees concerned?

In France 2020, the Group's profit-sharing arrangements were based on financial and quality criteria. Criteria based on quality results were added in 2020. 100% of PSA Automobile France employees were included.

Behind these main criteria, all the environmental standards and commitments of the Group are implemented to support the achievement of financial and quality objectives. Co-constructive social dialogue is as well at the heart of the Corporate HR policy, taking into account social items for achieving operational objectives.

8. In the context of employee savings, which funds actually benefit from a responsible label (CIES, Finansol, Greenfin, ISR)? For each proposed fund, what is the name of the label (s), what is its share as a percentage of outstanding employee savings, to what proportion of employees is it offered? Moreover, what is the share of the group's employees, in France and abroad, having access to other forms of savings subscribed on a professional level, in particular in terms of retirement? What proportion of the assets corresponding to this savings are managed in a socially responsible manner and have "quality marks"? Which?

Our responsibility as a company is to create sustainable and shared value for our people, also inspired by the previous experience at former PSA and former FCA.

Concerning former PSA employees:

- **Employee savings:**
 - A fund « ISR Impact rendement solidaire » (ISR label).
 - Assets: 2.4% of total employee savings outstanding assets (France and international)
 - Offered to 100% of French employees (internationally, only employee share ownership, no diversified savings plan)
- **Supplementary retirement plans:**
 - In France: 43% of employees
 - Since January 1, 2021, employees have been offered a fund "AXA Génération tempéré solidaire" (ISR fund). We are currently in the transition phase between Article 83 and the PERO.
 - Accessible to employees switching to free fund management from May 2021
 - On retirement plans outside France, no ESR funds in the UK or in Germany.

Concerning former FCA employees:

- **Supplementary retirement plans:**
 - 74% of employees eligible for a supplementary retirement plan
 - Approx. 76% of these employees participated in this type of plan, representing roughly 57% of the total employee base
 - Supplementary retirement plans provided by FCA fall into two categories: defined contribution plans and defined benefit plans

Governance

9. Do you apply the GRI 207 standard for your public tax reporting?

If yes: does this reporting cover all the elements indicated in this standard and if not, which elements have you chosen not to publish and why?

If you are not using this standard: what are the reasons and do you plan to apply it in the near future (1 to 2 years)?

What other measures do you have or do you plan to implement to meet the growing demand for tax transparency from your stakeholders?

Conducting our business with sustainable business practices is a core value at Stellantis and our governance model reflects our commitment to a culture dedicated to integrity, responsibility and ethical behavior in all areas of our activity.

As mentioned in our Code of Conduct, Stellantis requires the entire workforce to respect international and local requirements including among others tax regulations.

The Audit Committee is responsible for assisting and advising the Board of Directors with respect to the Company's policy on tax planning.

Both Groups had already similar approaches previously:

The former PSA's tax policy complied with rules of transparency and responsibility. It was guided by relevant international standards (for example OECD guidelines). The Group addressed all tax matters with integrity and transparency and strived to maintain constructive partnerships with the tax authorities.

The former FCA Tax Strategy was guided by the primary consideration that all material tax positions taken by the Group had to comply with applicable laws and regulations and with the core principles defining the relationships with main

stakeholders and governing business activities. The Group's policy was to maintain an open, honest and transparent relationship in all dealings with tax authorities and other relevant government bodies in the jurisdictions in which it operated.

Since FCA and Groupe PSA merged on January 16, 2021, teams are now working on the alignment of their practices and policies definition.

Please note that the concerned GRI Standard is effective for reports or other materials published on or after 1 January 2021.

10. What is the scope taken into account for the equity ratios that you publish? What is your analysis of the evolution of these ratios? Did this analysis lead you to adapt your remuneration policies? If yes, how?

Stellantis will calculate and publish the equity ratio in 2022 regarding FY 2021.

Regarding the equity ratio previously published by PSA Group:

In accordance with the AFEP-MEDEF Code, the calculation of the ratios presented in the URD published in 2020 includes all employees of Peugeot S.A. and PSA Automobiles S.A., in order to have a representative scope of the PSA Group's business in France.

The French law refers to the employees of the listed company that prepares the corporate governance report, in this case Peugeot S.A. In the case of a holding company with no or very few employees, such as Peugeot S.A., the law authorizes the scope to be extended to PSA Automobiles S.A. This scope appears to be the most relevant in terms of the number of employees in France and the spirit of the law.

The ratios have been calculated on the basis of the gross fixed and variable compensation paid during the years 2015 - 2019 and the number of performance shares granted during the same periods and valued at their fair value. In order to allow comparability of ratios over time and of the constituent elements, only recurring remuneration elements (fixed remuneration, benefits in kind, annual variable remuneration and performance shares) have been taken into account in the calculation basis. Periods of expatriation and supplementary pension plans are excluded. In this respect, the exceptional bonus paid to the Chairman of the Executive Board in connection with the Opel acquisition, which is not recurring, has not been taken into account, nor have all bonuses paid to employees, in order to allow comparability of ratios over time.

11. With regard to the implementation of your group's gender equality policy, could you tell us:
- (i) The agenda and the quantified objectives - achieved or to be achieved - concerning the subjects relating to this policy (career, training, remuneration, distribution of private life / professional life, etc.) at all levels of responsibility.
 - (ii) If the application of this equality policy is applied in all group companies, both in France and internationally. If not why ?
 - (iii) If so, what specific means are you deploying to promote equality between women and men in your countries of operation where this concept is having difficulty establishing itself?

In 2021, the Stellantis teams will start converging operations and monitoring tools. The Stellantis KPIs and targets will result from this roadmap. These objectives will cover all employees. Stellantis aims to include more women based on a recruitment policy developing attractiveness and equal treatment.

As mentioned in the Stellantis Code of Conduct, we are committed to diversity, a fundamental strength. (i) We are also committed to maintaining a fair, and inclusive workplace, free from favoritism, violence, harassment, or any kind of discrimination including based on age, race, gender, sexual orientation, or religion. (ii) Stellantis gender equality policy applies globally and comes from the PSA and FCA commitments on gender diversity. (iii) Stellantis promotes equal employment opportunity and diversity, where everyone is valued for their contributions to the Company. We endorse, among other declarations, the United Nations (“UN”) declaration on human rights and the International Labor Organization declaration on fundamental principles and rights at work.

This was already embedded in the former FCA and PSA approaches.

12. How are your lobbying practices formalized and how do they fit into your group's CSR strategy? Can you describe your company's chain of responsibility for lobbying or institutional relations? In which cases can or should your group's supervisory body (board of directors, supervisory board) be contacted? What elements relating to your lobbying practices do you publish (public positions, allocated budgets, etc.), for each of your global markets?

Stellantis' lobbying practices are formalized within the Company's Code of Conduct, which states notably that "Any Stellantis participation in the development of future regulations and standards applicable to the entire automotive industry is conducted in a manner that guarantees transparency and compliance with the law. No Company funds or assets may be used for contributions to any political party or candidate." Conducting our business with sustainable business practices is a core value at Stellantis, which is reflected in our lobbying practices. We seek to meet business demands while minimizing any adverse impact on current and future generations' communities and resources.

Stellantis lobbying activities are overseen by the Office of the General Counsel.

13. How, in concrete terms, do you associate the social partners, at group level and locally, to engage your company in a fair transition? Do you intend to publish their opinion concerning your vigilance plan? Do you intend to publish their opinion on your extra-financial performance document?

When engaging in negotiations with representatives, Stellantis actions and behavior seek a constructive approach and relationship. As confirmation of the importance the Group places on social dialogue, trade union representatives from Group companies are involved through specific meetings on strategic business operations (e.g., business plan).

At the European level, regulations require that all community-scale undertakings establish a European Works Council (EWC), which ensures workers the right to information and consultation.

Example of Social Dialog of energy transition anticipation and employment impact mitigation at PSA Groupe:

This dialogue has been part of a strategic orientation for investment in Europe aimed at supporting the industrial transition of existing facilities and at ensuring these plants produce components designed for future low-emission vehicles according to a vertical integration model. Following the creation of two JVs on French territory, with Nidec for the production of electric motors and with Punch Powertrain for the production of gearboxes for electrified vehicles, the main outcome of this strategy in 2020 is the creation of a JV between PSA-Opel and Total-Saft, "Automotive Cells Company", a future world-class player in the development and manufacture of high-performance batteries for the automotive industry.

Production is planned to be launched in two “gigafactories”, in Douvrin (France) and Kaiserslautern (Germany), offering these mechanical plants of Groupe PSA the opportunity for a sustainable industrial diversification.

Each year during the Global Works Council meeting the status regarding the Groupe’s vigilance plan is communicated.

FCA has not published a vigilance plan as is not applicable to the company. However, to confirm the importance the FCA attaches to social dialogue, union representatives from group companies are involved, for example through specific meetings on strategic business processes. They were invited to attend the all-day event when the FCA unveiled the final business plan.

We remain at your disposal if necessary.

Best regards.

Giorgio Fossati
General Counsel