

FCE Bank Plc - Slavery and Human Trafficking Statement for the Financial Years 2016 and 2017

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps the Company has taken to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

Supply Chain Overview

Our core business is automotive financing, which we provide through a variety of retail, leasing and wholesale finance plans. We use suppliers at each stage of our business, from the point of sale, to the management, administration and sourcing of automotive finance. Respecting human rights and environmental issues in our supply chain is ultimately our supplier's responsibility. As customers, however, we play an active role in supplier development and have adopted various means to clearly communicate our expectations to our suppliers.

As a provider of financial services, we are authorised to conduct a range of regulated activities in the UK and through a branch network in ten other European Countries.

FCE Bank plc. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Firm Reference Number 204469. You can confirm our registration on the Financial Services Register www.fsa.gov.uk/register/home.do or by contacting the FCA on 0800 111 6768, in addition we are subject to consolidated supervision through various EU directives. As a result, our business practices and the business practices of our suppliers are under additional scrutiny.

Supply Chain Standards

In our standard procurement process, we issue purchase orders that incorporate our Global Terms and Conditions (GT&Cs). The GT&Cs are further supplemented by our web-guides, which expand on our expectations and suppliers' obligations on specific topics. For example, our Social Responsibility and Anti-Corruption Web-Guide outlines our prohibition of child labour, forced labour (including human trafficking), physical disciplinary abuse and any infraction of the law. Our Environmental Web-Guide sets out environmental requirements, including the elimination of materials of concern and increasing the use of sustainable materials whenever technically and economically feasible.

Internally, we have adopted Policy Letter 24, our Code of Human Rights, Basic Working Conditions and Corporate Responsibility, to address workplace issues such as working hours, child labour, forced labour, nondiscrimination, freedom of association, health and safety and the environment. This policy applies to our own operations, and we encourage businesses throughout our supply chain to adopt and enforce similar policies in their own operations. Furthermore, we seek to identify and do business with companies that have aligned standards consistent with Policy Letter

24, including working to cascade these expectations throughout their own supply chain.

Slavery and Human Trafficking

Slavery and forced labour can take many forms, including human trafficking or child labour. Ford's [Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility](#), clearly states that we will not tolerate forced labour (including human trafficking) or child labour in our operations. Our processes include actions to safeguard against human rights abuses (including forced labour and human trafficking) in our supply chain, including:

- Our Global Terms and Conditions (GT&Cs) forbid the use of forced labour, child labour and physically abusive disciplinary practices. Our definition of forced labour includes human trafficking as outlined in our Policy Letter 24. Purchase orders require suppliers to certify compliance with local laws and the GT&Cs that govern the purchase of goods and services.
- We maintain internal accountability, holding all Ford employees and suppliers accountable to the standards on human trafficking set out in Policy Letter 24. Employees and suppliers have multiple avenues through which to register complaints or grievances related to human rights and human trafficking, including a dedicated email inbox and a company hotline
- We regularly assess risk related to human trafficking and forced labour associated with our supply base. Our preliminary assessment is based upon geography, the commodity purchased, supplier quality performance and the nature of the business transaction. Ford performs this risk assessment with input from external stakeholders.
- We conduct training and build capability. We regularly conduct internal training on our Policy Letter 24 and Supply Chain Sustainability Program with our Global Purchasing staff. We also require suppliers in high-risk countries to attend training to raise awareness of Ford's requirements and legal obligations, including those related to forced labour and child labour.
- We regularly conduct social responsibility audits of at-risk Tier 1 supplier factories*. These audits evaluate supplier compliance with both local law and Ford's human rights expectations as communicated in Policy Letter 24. These are independent and can be either announced or unannounced, and decisions about which facilities to audit are based upon our risk assessment.

* at-risk Tier 1 supplier factories are those suppliers located in countries that pose the highest risk for substandard working conditions. To make this determination, information such as the commodities being purchased, the supplier's location, annual spend, and training and audit history within Ford's Supply Chain Sustainability program are analysed.

This statement was approved by the Board of Directors at a board meeting held on 23rd March 2017

FCE Bank Plc