

# Independent Compliance Auditor's **Third Report**

Independent Compliance Auditor to FCA US LLC

December 23, 2022



**StoneTurn**

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## I. Preliminary Statement

The Independent Compliance Auditor (“ICA,” “we,” or “our”) is pleased to submit this Third and Final Report (“Report” or “Third Report”) to FCA US LLC (“FCA,” “Stellantis,” or the “Company”), the United States Department of Justice (“DOJ”), and California.<sup>1</sup>

The ICA would be remiss if our Report did not begin with extending appreciation to the Company for its cooperation throughout our three-year term. The ICA engaged with numerous Stellantis personnel, including

[REDACTED]

These individuals demonstrated a commitment to compliance and familiarity with all issues related to our work. The ICA also thanks [REDACTED] for their assistance in facilitating scores of interviews and producing thousands of documents for our review.

Our three annual audits covered the full scope of the Company’s emissions certification and compliance program. The ICA audited Company processes ranging from initial product development, certification activities (e.g., Auxiliary Emission Control Device (“AECD”) disclosure processes), and post-certification changes.

Our team also evaluated and tested many processes and controls related to the Stellantis control environment. For example, we assessed the Company’s tone at the top and culture of compliance by evaluating processes for disseminating compliance and ethics messaging to the organization, encouraging speak up, and investigating reports to the Integrity Helpline.

The Company significantly enhanced its technical compliance, general compliance, and ethics programs since entering the Consent Decree in 2019. Over the past three years, the Company completed [REDACTED] process improvement plans and addressed over 200 ICA findings and hundreds of internal audit findings. And the Company’s improved risk assessment process enables it to identify and mitigate elevated and emerging risks. Because of these enhancements and senior management’s commitment to compliance, the Company sharply reduced the likelihood of implementing a defeat device in vehicle software or otherwise violating U.S. and California vehicle emissions and certification laws.

But, as of October 25, 2022, 38 ICA findings remain open, including six “Critical” and 20 “Moderate” findings.<sup>2</sup> And all six Critical findings relate to disclosing AECDs. More specifically, shortcomings remain in the Company’s processes for ensuring its Part 1 Certification Application (“Part 1 Application”) completely and accurately discloses AECDs.<sup>3</sup>

As discussed below, the Company developed a robust, multi-step internal governance process for reviewing and approving AECDs. But all three of our audits found the Company did not always follow its defined AECD governance review process *before* disclosing AECDs in the Part 1 Application. After our First and Second

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<sup>1</sup> Per Consent Decree ¶8(l), “‘California’ means the People of the State of California, acting by and through the California Attorney General and the California Air Resources Board.”

<sup>2</sup> We rate our open findings as “Critical,” “Moderate,” or “Low.” Critical findings are those related to a non-existent control or major deficiency in controls where a critical risk is not addressed, or where controls do not operate as intended (e.g., a critical process is not followed). Moderate findings relate to instances where controls are in places with some deficiencies (e.g., sometimes unclear or inconsistent documentation). Low findings represent non-significant deficiencies (e.g., documentation gaps that can be explained) or instances where controls operate as intended a majority, but not all of the time. We do not close a Critical or Moderate finding until we assess the effectiveness of the Company’s response.

<sup>3</sup> The Part 1 Application is the initial application for emissions certification. Regulations require manufacturers to submit an update to the Part 1 Application in the Part 2 Application, which is due by January 1<sup>st</sup> of the applicable model year “to incorporate any running changes and/or corrections which occurred after certification.” 40 CFR § 86.1843-01.

Audits, we understood management would address these findings, and it expected to complete the reviews before disclosing AECDs in its Part 1 Applications.

[REDACTED]

[REDACTED]

Section II.6.2 describes additional items management should address to mitigate the risk of incomplete or inaccurate disclosures.

Besides the AECD governance issue described above, the Company must address our Critical and Moderate findings, including processes for identifying, reviewing, and disclosing AECDs associated with supplier-provided software. and complete calibration process enhancements which also lag behind the remainder of the program and must be implemented.<sup>7</sup>

\* \* \*

The Company significantly enhanced its emissions-related ethics and compliance program during our term. However, findings remain open, and this year’s risk assessment identified 36 “High” and “Medium” risks, which the Company is remediating.<sup>8</sup>

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<sup>4</sup> [REDACTED]

<sup>5</sup> [REDACTED] The ICA reviewed numerous versions of the AECD disclosure documents. These documents identify *if* an AECD disclosure has changed since the prior disclosure of the same AECD, but the documents do not identify *what* specifically has changed. The Company also stated that it would provide the Agencies with a line-by-line comparison if they asked for it.

<sup>6</sup> [REDACTED]

<sup>7</sup> [REDACTED]

<sup>8</sup> The high residual risks pertain to resources, AECDs, governance, and vehicles engineered outside the US. The medium residual risks generally pertain to these same issues and calibration processes.

Even an effective compliance program can face heightened risks, have open findings, and undergo ongoing enhancements as an organization implements continuous improvement including to react to emerging risks and changing regulations. Indeed, we view the ability of Stellantis' risk assessments and internal audits to identify improvement areas as a strength of its program. However, some of the incomplete remediation discussed throughout this Report (i.e., enhancements to the AECD disclosure, supplier-related AECD, and calibration processes) is both long outstanding and critical to reducing risks. The Company's program will be effective once it develops, implements, and embeds corrective measures to address these matters.



## II. Executive Summary

### 1. Legal Background

#### 1.1 Civil Consent Decree

Our reports arise from the In Re: Chrysler-Dodge-Jeep EcoDiesel Marketing, Sales Practices and Products Liability Litigation Consent Decree, No. 3:17-MD-02777-EMC (N.D. Cal.), filed January 10, 2019 (“Consent Decree”), which the Court approved and became effective on May 3, 2019 (“Effective Date”). Besides a civil monetary penalty of \$305 million and other injunctive measures, the Consent Decree requires FCA to adhere to various corporate compliance requirements and retain an Independent Compliance Auditor to oversee compliance with such requirements.<sup>9</sup> The Company retained StoneTurn as ICA in September 2019.

The Consent Decree mandates the ICA to (1) verify FCA’s compliance with the Corporate Compliance Requirements in Section VI.C of the Consent Decree; and (2) conduct three annual audits that “assess the effectiveness of Defendant’s processes and controls in promoting compliance with United States and California environmental law governing vehicle emissions and certification.”<sup>10</sup> This Report relates to our Third Audit.<sup>11</sup>

#### 1.2 Criminal Plea Agreement

On June 3, 2022, the Company entered into a plea agreement (“Plea Agreement”) with the DOJ Criminal Division and the U.S. Attorney’s Office, Eastern District of Michigan, regarding the diesel emissions matter. The plea agreement requires the Company to address deficiencies in its internal controls and compliance program and includes compliance reporting requirements for three years. Many plea agreement requirements overlap with areas the ICA assessed during its three audits. The plea agreement also contains requirements not included in the ICA’s mandate such as those related to mergers and acquisitions, enforcement and discipline, third-party relationships, and expanding the scope of the risk assessment to include compliance risks relating to fraud and misrepresentation to U.S. regulators and U.S. customers.<sup>12</sup>

### 2. PSA Merger

On January 17, 2021, FCA and Groupe PSA (“PSA”) merged to form Stellantis.<sup>13</sup> We use the terms FCA, Stellantis, and the Company interchangeably throughout this Report.

As a practical matter, the merger has had a limited impact on the Company’s North America emissions certification and compliance processes. PSA manufactured vehicles under brands such as Peugeot, Citroen, Opel, and Vauxhall. Because the Company currently sells vehicles under the former PSA brands only in markets outside the United States (“U.S.”), the ICA did not audit the emissions certification and compliance processes related to PSA brands. However, the Company may pursue certification of these products in the U.S. in the future. If it does so, the Company must implement processes and controls around the development and certification of these products consistent with those implemented for products already certified in the U.S.

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<sup>9</sup> Consent Decree §§ IV and VI.

<sup>10</sup> Consent Decree ¶64(a).

<sup>11</sup> Consent Decree ¶64(d)(ii) requires the Company to post the ICA’s report on a public website. Any Confidential Business Information or Personally Identifiable Information is redacted by the Company, not the ICA.

<sup>12</sup> USA v. D-4 FCA US LLC, Case No. 19-CR-20626 [<https://www.justice.gov/criminal-vns/file/1522566/download>].

<sup>13</sup> On January 16, 2021, Fiat Chrysler Automobiles N.V. (“FCA N.V.”) completed a 50-50, all-stock merger (the “Merger”) with Peugeot S.A., a French public company (“PSA”), in which PSA merged with and into FCA N.V. FCA N.V. was the surviving entity in the Merger, and the day following the Merger, on January 17, 2021, FCA N.V. changed its name to Stellantis N.V. (“Stellantis”).

### 3. Stellantis' North America Emissions Compliance Program

FCA formed Vehicle Environmental Compliance (“VEC”) in February 2017. VEC designed and implemented enhancements to the Company’s emissions certification and compliance program. In November 2018, the Company finalized an Improvement Plan incorporated into the Consent Decree (“Initial Improvement Plan”).<sup>14</sup> The Initial Improvement Plan consisted of [REDACTED] projects to “further [the Company’s] compliance with environmental laws and regulations concerning vehicle emissions and certification.”<sup>15</sup> During the Third Audit, we assessed the operating effectiveness of the processes implemented through the Initial Improvement Plan and the effectiveness of Stellantis’ response to address findings from our First and Second Audits.

As required by the Consent Decree, the Company conducted three risk assessments to identify and remediate control gaps and weaknesses in its emissions certification and compliance program. The three risk assessments resulted in [REDACTED] additional Improvement Plan projects. [REDACTED]

During the Third Audit and as discussed in this Report in addition to auditing other relevant areas, StoneTurn evaluated the design and implementation of the Improvement Plan projects completed before September 30, 2022.<sup>16</sup>

### 4. ICA’s Third Audit

Our Second Report, issued December 24, 2021, included 117 findings and five recommendations that Stellantis planned to address through various action plans. This Third Report, the final required report under the Consent Decree: (1) addresses potential non-compliance with the Consent Decree Section VI.C Corporate Compliance Requirements; (2) makes recommendations for promoting compliance with Consent Decree Section VI.C and U.S. and California vehicle emissions and certification law (the “Relevant Laws”); and (3) assesses the effectiveness of the Company’s measures in promoting compliance with Relevant Laws, including those implemented in response to our First and Second Audit findings and recommendations.<sup>17</sup>

We executed our Third Audit in three phases and reported to the Company preliminary findings at the end of each phase. During the Third Audit, we reported 27 preliminary findings, which Stellantis has addressed or plans to address.<sup>18</sup>

This Third Report includes 8 recommendations listed in **Appendix 2**. We do not include as recommendations actions the Company has already begun to address our findings (e.g., Improvement Plan projects or other corrective action plans). The Company has reviewed a draft of this Third Report and its recommendations and confirmed it will implement our recommendations, including the recommendation to complete action plans related to our Critical and Moderate findings.

Throughout this Report, we identify instances where our findings led us to conclude some of the Company’s processes and controls were deficient or ineffective. A deficient or ineffective process or control does not

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<sup>14</sup> Consent Decree ¶149(f).

<sup>15</sup> Consent Decree ¶8(zz).

<sup>16</sup> **Appendix 4** lists the Improvement Plan projects still in progress.

<sup>17</sup> Consent Decree ¶64(d).

<sup>18</sup> One of our findings relates to the reporting line of the Chief Audit & Compliance Officer to the Chief Human Resources & Transformation Officer. The Company does not currently plan to change this reporting structure. Refer to **Section VI.4** for further detail. We also include in this Third Report two new findings not previously reported to the Company (See I257 and I258). Because these findings are newly reported, management has not had time to consider action plans. Refer to **Sections VI.9.2 and VI.8.3** for further detail on these new findings.

necessarily indicate the Company has not complied with a law or regulation. Refer to **Section IV** for a description of our audit methodology and approach.

## 5. Potential Non-Compliance with the Consent Decree Section VI.C

The Consent Decree requires us to report potential non-compliance with Section VI.C Corporate Compliance Requirements.<sup>19</sup> We did not identify any instances of potential non-compliance during our Third Audit.

## 6. The Effectiveness of the Company's Emissions Certification and Compliance Program

### 6.1 First and Second Audits

Our First and Second Reports concluded the Company made significant strides toward an effective compliance program but needed further improvements to reduce emissions certification and compliance risks effectively. We explained that the Company would face a heightened risk of non-compliance until it completed the ongoing remediation and consistently followed its new processes.

The Company continued to enhance the program's effectiveness after our December 2021 Second Report. It completed 10 Improvement Plan projects, closed 99 of our First and Second Audit findings, and addressed or started to address our 10 First and Second Audit recommendations.<sup>20</sup> And more enhancements are in progress. As of October 2022, seven Improvement Plan projects are ongoing, and the Company shared plans to address 35 of the ICA's 38 open audit findings. **Appendix 6** lists open ICA findings, and **Appendix 7** lists ICA findings the Company addressed.

### 6.2 Third Audit

Our Third Audit concentrated on five areas that are important to the Company's compliance with the Relevant Laws: (1) AECD processes; (2) control environment; (3) software and calibration change management; (4) risk assessment and monitoring; and (5) emissions compliance governance.<sup>21</sup> As of October 25, 2022, six Critical and 20 Moderate ICA findings remain open. All Critical open findings relate to the AECD processes.

- **Recommendation 11:** Stellantis should remediate all open ICA Critical and Moderate findings by the end of 2023.<sup>22</sup>

#### i. AECD Processes

An AECD is "any element of design which senses temperature, vehicle speed, engine RPM, transmission gear, manifold vacuum, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system." Defeat devices are AECDs that "reduc[e] the effectiveness of the emission control system under conditions which may be reasonably encountered in normal vehicle operation and use" without an acceptable rationale.<sup>23</sup> The Company implemented several Improvement Plans to address shortcomings in the processes for preventing defeat devices and identifying, reviewing, approving, and disclosing AECDs.

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<sup>19</sup> Consent Decree ¶64(d).

<sup>20</sup> **Appendix 3** includes the Company's response to our First & Second Audit recommendations.

<sup>21</sup> Although many of the processes implemented through the Improvement Plans relate to these areas, we also assessed the effectiveness of other processes deemed important to Stellantis' compliance with the Relevant Laws (i.e., other processes implemented through the Improvement Plans).

<sup>22</sup> Open ICA findings are listed in **Appendix 6**. [REDACTED]

<sup>23</sup> There are permitted regulatory rationales for why an AECD that reduces the effectiveness of the emission control system is not a defeat device. 40 CFR § 86.1803-01.

- ***Stellantis' AECD Reviews are Designed Effectively***

The Company established and subsequently enhanced its AECD Internal Approval & Governance Process through various Improvement Plan projects. Our Second Report found these cross-functional governance and technical reviews of new or modified software features effective in confirming the AECD impact and ensuring the features are not defeat devices.<sup>24</sup> When followed, the Company's full governance reviews have proven thorough and designed effectively to mitigate the risks of incomplete or inaccurate disclosures and to protect against implementing a defeat device.

- ***AECD Disclosures Before Completing Reviews***

The ICA regards complete governance reviews as critical for ensuring complete and accurate disclosures and preventing defeat devices. The Company designed its AECD governance reviews and approvals to occur before disclosing the AECDs to the Agencies in the Part 1 Application. One of the Initial Improvement Plans included a project to "establish an appropriate review and approval process for FCA AECDs prior to submission to the agencies" (emphasis added).<sup>25</sup> And the process documentation indicated that all stages of the governance reviews (i.e., reviews by the AECD Working Group, VEC Subcommittee and VEC Steering Committees) should be complete before the Company submits the Part 1 Application.<sup>26</sup>

The Company does not complete the reviews before disclosing some AECDs in the Part 1 Application. In 2021, due to a one-time expected increase in the volume of AECDs needing review, the Company developed an "Alternate Review Process" for pre-disclosure reviews with the intent of completing the reviews required under its enhanced process after disclosure. The Company reviewed at least 194 AECDs under this Alternate Review Process before disclosure.<sup>27</sup> Our Second Report identified several critical shortcomings in the Alternate Review Process.<sup>28</sup>

[REDACTED]

29

[REDACTED]

30

[REDACTED]

31

[REDACTED]

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<sup>24</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 8 and 72-73.

<sup>25</sup> [REDACTED]

<sup>26</sup> [REDACTED]

<sup>27</sup> [REDACTED]

<sup>28</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 9 and 78-80.

<sup>29</sup> [REDACTED]

<sup>30</sup> [REDACTED]

<sup>31</sup> "AECD Request – StoneTurn." Correspondence with Stellantis personnel, TSRC.

[REDACTED]

32

[REDACTED]

33

34

35

The ICA has six Critical open findings related to AECD processes.

[REDACTED]

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

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32

33

[REDACTED]

34

<sup>35</sup> Discussions with Stellantis personnel, TSRC.

- **Recommendation 12:** Stellantis should address the five ICA-identified shortcomings in the current practice for allowing post-disclosure reviews of AECD documents when updating its AECD Internal Approval & Governance Process documentation in response to the A&C October 2022 audit.

- [REDACTED]

[REDACTED]

36

[REDACTED]

37

Management is implementing action plans to address all issues identified in the A&C report.<sup>38</sup> We understand A&C will assess management’s closure of these action plans in a future audit.

## ii. Control Environment

The control environment is “the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization...[and] comprises the integrity and ethical values of the organization.”<sup>39</sup> The control environment encompasses tone at the top, senior management and board oversight, organizational structures and reporting lines, a culture of integrity, speak up, accountability, discipline and rewards, and policies and procedures. The control environment has a pervasive impact across the organization and sets the standards of conduct for all employees.<sup>40</sup> During the Third Audit, we assessed the continuing effectiveness of the Company’s control environment as it relates to the emissions certification and compliance program.

- **Commitment to Compliance**

During the Third Audit, we met with [REDACTED]

[REDACTED]

In August 2021, the Company appointed [REDACTED]

[REDACTED]

[REDACTED] our Second Audit, the Company implemented Compliance Roadmap initiatives, including an

<sup>36</sup> “AECD Request – StoneTurn.” Correspondence with Stellantis personnel, TSRC.

<sup>37</sup> [REDACTED]

[REDACTED] Discussions with Stellantis personnel, Audit & Compliance.

<sup>38</sup> [REDACTED]

<sup>39</sup> [REDACTED]

<sup>40</sup> Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) – Internal Control – Integrated Framework (2013), Chapter 5.

awareness campaign encouraging raising concerns and speaking up (“Always with Integrity”), a new Ethical Culture Survey, and a Compliance Champions program with business and function-aligned compliance representatives to drive compliance to all levels of the organization and provide an avenue for resolving compliance concerns.<sup>41</sup>

The Company’s dedication to compliance is also evident in the significant time and resources it expends to identify and remediate emissions certification and compliance control gaps and weaknesses, including through the annual emissions certification and compliance risk assessment process required by the Consent Decree.

- **Reduced Headcount**

During our Third Audit, we observed some reductions to overall resources and budget.

[REDACTED]

[REDACTED]

- **Recommendation 13:** Stellantis should document its evaluation of the compliance impact of any emissions certification and compliance-related resource reductions before and six months after the reductions. The Company should also conduct a six-month impact evaluation of recent reductions including eliminating the TSRC AECD Technical Fellow role.

- **Exceptions to Documented Processes**

Because some of the emissions certification and compliance processes and controls are still relatively new, management encounters unexpected circumstances that have led to deviations from documented processes. While these deviations may be reasonable in some circumstances, the risk of inappropriate management circumvention of established controls is significant when this occurs. As a result, the use of such deviations should be limited and reviewed by senior management.

- **Recommendation 14:** VEC should present to the VEC Steering Committee any decisions to deviate from documented processes.<sup>45</sup>

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<sup>41</sup> [REDACTED]

<sup>42</sup> [REDACTED]

<sup>43</sup> Discussions with Stellantis personnel, TSRC.

<sup>44</sup> [REDACTED]

<sup>45</sup> Recommendation 14 does not relate to changes made in the normal course of continuous improvement (e.g., changes that result from annual process reviews). The Company currently presents these changes to the VEC [REDACTED]

### iii. Software and Calibration Change Management

Through the Improvement Plans, Stellantis enhanced several processes to ensure it reviews software and calibration changes for emissions and AECD impact. During the Third Audit, we obtained an understanding of the full scope of the Company's software and calibration development processes for compliance-relevant software features, including ongoing remediation efforts.

- *Enhanced Processes for Calibrating Emission-Relevant Software Features*

[REDACTED]

46

47

48

[REDACTED]

49

- *Effective Processes for Initiating, Reviewing, and Validating Software Changes*

[REDACTED]

50

### iv. Risk Assessment and Monitoring

The Consent Decree requires the Company to implement the key elements of an effective risk assessment to: “(1) identify compliance risks relating to emissions and certification processes; (2) assign a risk rating based on probability and significance; (3) link existing policies, processes and controls [the Company] rel[ies] on to

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46 [REDACTED]

47 [REDACTED]

48 Discussions with Stellantis personnel, TSRC. [REDACTED]

49 [REDACTED]

50 [REDACTED]



detect and prevent noncompliance (“risk response”); (4) assess residual risk based on the design and operating effectiveness of [the Company’s] risk response; and (5) develop a plan and reasonable timeline to implement and improve controls to mitigate any unacceptable levels of residual risk.”<sup>51</sup>

During our Third Audit, we assessed the effectiveness of Stellantis’ third annual emissions certification and compliance risk assessment (i.e., 2021 risk assessment), and A&C assessed the effectiveness of the fourth annual emissions compliance risk assessment (i.e., 2022 risk assessment).

- **2022 Emissions Compliance Risk Assessment Quality Assurance Review**

Our Second Audit found shortcomings with the 2020 risk assessment. For example, the risk library was not granular enough to differentiate similar risks, and risk and control ratings were not always accurate. We recommended the Company require another function with risk and control expertise (e.g., A&C, Enterprise Risk Management) perform a quality assurance review over the reasonableness of risk and management effectiveness ratings.<sup>52</sup>

After the 2022 risk assessment, A&C performed a quality assurance review to assess the sufficiency of the risk identification process, accuracy of risk and management effectiveness ratings, linkage of risks to controls and findings, consideration of internal and external audit findings in the assessment, and management reviews of risk assessment results.<sup>53</sup> A&C also assessed the closure of one open Critical and five Moderate ICA findings related to the risk assessment process. A&C found that management sufficiently addressed all of our findings and only noted “Minor” or “Moderate” issues relating to participation in risk identification processes.<sup>54</sup> The ICA concurs with its conclusions.

- **More Robust Risk Identification and Accurate Residual Risk Ratings in 2022 Risk Assessment**

In response to our prior audit findings, the Company conducted a risk workshop, led by VEC and Propulsion Systems, before the 2022 risk assessment to prioritize risks more completely brainstorming risk scenarios.<sup>55</sup> VEC provided participants with thought starter questions to drive the workshop discussion and analysis (e.g., “what could go wrong?”).<sup>56</sup> The risk workshop led to [REDACTED]<sup>57</sup>

The difference between the 2021 and 2022 risk assessments is telling. During the 2021 risk assessment, the Company did not identify any “High” rated residual risks, which we find likely to be inaccurate given the amount of ongoing remediation in key areas (e.g., AECDs, calibration change management) and the severity of open ICA findings.<sup>58</sup>

The 2022 risk assessment, in contrast, identified [REDACTED]  
[REDACTED]  
[REDACTED]<sup>60</sup>

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<sup>51</sup> Consent Decree ¶53.

<sup>52</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 13 and 39.

<sup>53</sup> [REDACTED]  
<sup>54</sup> [REDACTED]  
<sup>55</sup> [REDACTED]  
<sup>56</sup> [REDACTED]  
<sup>57</sup> [REDACTED]  
<sup>58</sup> [REDACTED]  
<sup>59</sup> [REDACTED]  
<sup>60</sup> [REDACTED]

Stellantis should continue to conduct annual emissions certification and compliance risk assessments and we understand the Company is required to do so through at least 2025 under the terms of the Plea Agreement.

- **Recommendation 15:** Stellantis should require a detailed written explanation and VEC Initiatives & Improvements Steering Committee and executive-level approval for any changes that: (1) decrease materially the scope or effectiveness of; or (2) eliminate the annual emissions certification and compliance risk assessment including its requirement to develop and implement action plans to reduce any “High” and “Medium” rated residual risks, such as those identified in the 2022 risk assessment.<sup>61</sup>
- **Improved Emissions Certification and Compliance Audits**

Our First Audit identified weaknesses in A&C audit documentation (e.g., planning memos and testing workpapers) in its emissions certification and compliance audits.<sup>62</sup> Our Second Audit found other improvement areas relating to rating the severity of compliance audit findings and tracking the status of management action plan closure.<sup>63</sup> A&C addressed these issues by improving training on audit documentation, rating compliance audit findings on a scale of “High,” “Medium,” and “Low,” and implementing a tool to track the status of action plan closure.

During our Third Audit, we observed numerous A&C activities (e.g., process walkthroughs, meetings with management), assessed their workpaper documentation, and reperformed a sample of their work. We found significant improvements in the quality of A&C audits compared to those reviewed in our First Audit. Further, the A&C team’s cooperation and coordination with the ICA team significantly increased the efficiency and effectiveness of our Third Audit. As a result, we relied on A&C’s work product as part of our Third Audit, including its assessment of the AECD processes for internal and supplier controllers and its quality assurance review of the risk assessment process.

- **Recommendation 16:** Stellantis should require a detailed written explanation and VEC Steering Committee, Global Ethics and Compliance Committee, and executive-level approval for any changes that: (1) decrease materially the scope or effectiveness of; or (2) eliminate the emissions certification and compliance process audits.
- **Recommendation 17:** A&C should assess the effectiveness of management’s responses to all open Critical and Moderate ICA Findings and all ICA Recommendations.

## v. Emissions Compliance Governance

The Company implemented formal governance structures to oversee the emissions compliance program and remedial actions implemented through Improvement Plan projects.

- **Senior Management Emissions Compliance Oversight**

The Company established two key governance committees to oversee emissions compliance through the Initial Improvement Plan: (1) [REDACTED]; and (2) [REDACTED]. Separate subcommittees comprised of Director-level individuals support the steering committees by reviewing and approving items before presentation to the steering committees. The steering committees comprise [REDACTED]

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<sup>61</sup> As of October 25, 2022, the Company has [REDACTED] ongoing Improvement Plans (see **Appendix 4**) and [REDACTED] to address residual risks rated “High” and “Medium” in the 2022 emissions certification and compliance risk assessment.

<sup>62</sup> Independent Compliance Auditor’s First Annual Report, December 24, 2020, page 76.

<sup>63</sup> Independent Compliance Auditor’s Second Annual Report, December 23, 2021, page 44.

██████████<sup>64</sup> We found these leaders engaged in emissions compliance topics during our observations of these meetings and interviews with the Steering Committee members. Further, ██████████ ██████████, appears well informed of emissions certification and compliance activities.<sup>65</sup>

## 7. Compliance Program Effectiveness & Sustainability

The Company made significant enhancements to its compliance program since entering into the Consent Decree in 2019. At that time, the Company was in the early stages of implementing the Initial Improvement Plans, developing its first emissions certification and compliance risk assessment, and conducting the first formal Annual Assessments of its ethics and compliance program. As of October 2022, the Company remediated over 200 ICA findings and hundreds of A&C findings and implemented new processes and controls to remediate elevated risks identified in the four annual risk assessments.

Recent compliance program guidance from the DOJ Criminal Division emphasizes the importance of testing the compliance program's effectiveness. Stellantis' obligations under its recent plea agreement with the DOJ Criminal Division further emphasize the need to conduct a periodic risk assessment and testing of compliance codes, policies, and procedures.<sup>66</sup> We understand the Company developed a work plan to meet these plea agreement requirements, which includes continuing the risk assessment and internal audits of the emissions certification and compliance program. The ICA regards the risk assessment process and continuous auditing and monitoring as critical to maintaining a sustainable program.

The conclusions in this Third Report demonstrate that the Company has established the foundational elements of an effective compliance program. Further, the Company's closure of most of our findings demonstrates that most of its key controls are designed and operating effectively. However, some of the incomplete remediation (i.e., enhancements to the AECD disclosure, supplier-related AECD, and calibration processes) is both long outstanding and critical to reducing risks. The Company's program will be effective once it develops, implements, and embeds corrective measures to address these matters.

As we conclude our work, several of our recommendations address the sustainability of the Company's compliance program.

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<sup>64</sup> ██████████

<sup>65</sup> Discussions with Stellantis personnel, TSRC.

<sup>66</sup> USA v. D-4 FCA US LLC, Case No. 19-CR-20626, Attachment C, ¶18.

### III. Report Structure

In addition to the Preliminary Statement (Section I) and Executive Summary (Section II) above, the Third Audit Report consists of three sections:

- ***Audit Planning and Methodology (Section IV)***, which summarizes the ICA's Audit Plan, including its scope, approach, and limitations;
- ***Stellantis' Organizational Structure (Section V)***, which provides an overview of the Company's organizational structure and key functions related to our mandate; and
- ***The Company's Processes and Controls for Promoting Compliance with the Relevant Laws (Section VI)***, which assesses the Company's processes and controls for promoting compliance with the Relevant Laws, and is generally organized around the Consent Decree requirements including Culture of Integrity; Corporate Governance & Organizational Structure; Training/Technical Competence; Risk Assessment; New Product Development and Third-Party Projects; Certification Process; Post-Certification Processes; Auditing & Checking; and Portable Emissions Measurement System ("PEMS") Testing.

## IV. Audit Planning and Methodology

### 1. Audit Plan

1. The Consent Decree required the ICA to submit a draft audit plan (“Audit Plan”), including a checklist of compliance requirements, procedures for exchanging information and documents, and any other terms the ICA deems necessary to perform its duties.<sup>67</sup> The ICA submitted our Draft Third Audit Plan to the Company, DOJ and California and, after receiving comments, submitted a final plan.

### 2. Audit Scope

2. The ICA’s Second Audit assessed the Company’s compliance programs, processes, controls, and initiatives (together, the “Program Components”) designed to promote compliance with the Relevant Laws and implemented before or during 2021.
3. We modified the nature and extent of our testing in the Third Audit based on the First and Second Audit results. For some Program Components found to be robust and effective during the First and Second Audits, we reduced the extent of our testing of those Program Components in the Third Audit. For Program Components not yet implemented during the Third Audit, we performed limited testing procedures to monitor implementation.
4. During the Third Audit, the Company also developed new projects and Improvement Plans to implement and remediate additional Program Components in response to its risk assessment, our Second Audit and preliminary Third Audit findings and to otherwise promote compliance with the Relevant Laws. Our Third Audit assessed the design and operating effectiveness of new processes, projects, and Improvement Plans to the extent the Company implemented them at the time of our audit.

#### 2.1 Improvement Plans

5. The Company’s Improvement Plans consist of [REDACTED] projects designed to develop and implement processes and controls to promote compliance with Relevant Laws. The Company organized the projects into eight categories: (1) [REDACTED]; (2) [REDACTED]; (3) [REDACTED]; (4) [REDACTED]; (5) [REDACTED]; (6) [REDACTED]; (7) [REDACTED]; and (8) [REDACTED].<sup>68</sup>
6. The Improvement Plans describe each project, implementation activities, and a project completion date. The Consent Decree generally required the Company to implement the Initial Improvement Plan enhancements by the completion dates in those plans. While the Consent Decree does not reference Improvement Plans beyond the initial one, it does require the Company to implement action plans to address gaps identified in its annual assessment, risk assessment, and in response to ICA findings.

#### 2.2 Other Processes & Controls to Promote Compliance

7. The Company designed and implemented new and enhanced processes and controls through the Improvement Plans to promote compliance with the Relevant Laws. Other processes exist outside the Improvement Plans that also promote compliance. These include processes required under the Consent Decree for which there is not an Improvement Plan project (e.g., risk assessment, Code of Conduct) or are otherwise significant to the Company’s compliance with the Relevant Laws (e.g., control environment, Advanced AECD Training). We assessed these processes and controls in addition to those implemented through the Improvement Plans.

<sup>67</sup> Consent Decree ¶64(b).

<sup>68</sup> [REDACTED]

### 2.3 Time Period

8. We conducted our testing primarily from January through September 2022. We organized our work into three phases after which we reported interim findings and observations to the Company.
9. The Third Audit considers information received through October 24, 2022, unless otherwise noted.<sup>69</sup> We assessed the design and operating effectiveness of Program Components implemented at the time of our procedures.

### 3. Audit Approach

10. Consistent with Consent Decree ¶64(a), the ICA's procedures included: (1) document review; (2) on-site observation of selected systems and procedures; (3) meetings and interviews; and (4) analyses, studies, and testing of the Company's compliance program and associated processes.<sup>70</sup>
11. In conducting our work, we considered guidance from: (1) the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") regarding the establishment and maintenance of an internal control framework; (2) U.S. DOJ Criminal Division's "Evaluation of Corporate Compliance Programs" regarding its framework for evaluating a corporate compliance program; and (3) the American Institute of Certified Public Accountants ("AICPA") and the Public Company Accounting Oversight Board ("PCAOB") regarding auditing standards.
12. Many of our procedures involved assessing the design, implementation, and operating effectiveness of compliance processes and controls. Applying the COSO Framework, we assessed control design by reviewing documentation describing "the who, what, when, where, and why of internal control execution" to determine if the control is designed effectively to achieve its objective.<sup>71</sup> And we heeded the PCAOB guidance that auditors should assess design effectiveness "by determining whether the company's controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the company's control objectives and can effectively prevent or detect error or fraud."<sup>72</sup> As part of our design testing, we inspected Company documents and conducted walkthroughs to confirm the control design and implementation.<sup>73</sup>
13. Auditors assess operating effectiveness "by determining whether the control is operating as designed and whether the person performing the control possesses the necessary authority and competence to perform the control effectively."<sup>74</sup> Our operating effectiveness testing included inquiries of personnel, observation of Company processes, inspection of documents, and control reperformance.
14. We rated our findings considering the Company's Global Enterprise Risk Management ("ERM") Control Effectiveness guidance, whether the finding relates to a specific Consent Decree requirement, and the inherent risk rating from the VEC risk assessment for the relevant risks.<sup>75</sup> We define our ratings as:

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<sup>69</sup> Because the Third Audit is based on information received through October 24, 2022, this Third Report refers to some actions the Company expected to complete between October 2022 and December 2022 as plans because we did not confirm the Company completed these actions.

<sup>70</sup> The Consent Decree includes "on-site" observation in its list of ICA procedures. Because the Company's compliance-related workforce largely worked remotely during the time of our testing, much of our observation was also conducted remotely.

<sup>71</sup> COSO Internal Control Framework, Chapter 4.

<sup>72</sup> PCAOB Auditing Standard No. 13.

<sup>73</sup> The ICA did not consider a control that was designed, but had not yet operated, as "implemented."

<sup>74</sup> PCAOB Auditing Standard No. 13.

<sup>75</sup> [REDACTED]

- **Critical** - Non-existent control or major deficiency in controls where critical risk is not addressed; controls do not operate as intended (e.g., critical process is not followed);
  - **Moderate** - Controls in place with some deficiencies (e.g., sometimes unclear or inconsistent documentation); and
  - **Low** - Non-significant deficiencies (e.g., documentation gaps that can be explained); controls operating as intended a majority of the time.
15. Refer to **Appendix 6** for a list of open ICA findings and associated ratings.
16. In the Third Audit, we relied on the work of Stellantis A&C related to its audits of AECD processes for internal and supplier controllers and its quality assurance review of the 2022 VEC risk assessment. Consistent with AICPA Auditing Standard 2605 – Consideration of the Internal Audit Function, we assessed the competency and objectivity of A&C (see **Section VI.4** of this Report), and supervised, reviewed, evaluated and tested their work on a sample basis. For example, we observed numerous meetings between the audit team and management, reviewed all of their testing workpapers related to these audits, and reperformed a sample of their control tests.

#### 4. Limitations

17. The Consent Decree requires the ICA to provide three annual audit reports. Our Third Audit included a review of the processes and controls implemented at the time of the audit and an assessment of the effectiveness of remedial actions implemented to address the First and Second Audit findings.<sup>76</sup>
18. We base the comments and conclusions in this Third Report on the information we received and procedures we performed as part of the Third Audit. We planned and performed the Third Audit to form a reasonable basis for our conclusions, and believe our audit provides a reasonable basis for our conclusions. Our findings and observations in this Third Report are subject to change. We reserve the right to revise our conclusions if new information becomes available.

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<sup>76</sup> Consent Decree ¶64(d).

## V. Stellantis' Organizational Structure

19. Stellantis is a global automaker headquartered in the Netherlands with over 300,000 employees, industrial operations in nearly 30 countries, and a commercial presence in over 130 markets.<sup>77</sup>

### 1. Governance

20. The Board of Directors is responsible for the management and strategic direction of the Company.<sup>78</sup> Stellantis is governed by a "Top Executive Team" consisting of over 40 executives and nine dedicated committees overseeing Company-wide performance and strategy. The Top Executive Team includes executives from functions such as regional chief operating officers, vehicle brand CEOs, and the heads of Human Resources, Finance, Engineering, and Legal. The nine committees include the Strategy Council, Business Review, Global Program Committee, Industrial Committee, Allocations Committee, Region Committee, Brand Committee, Styling Review, and Brand Review.<sup>79</sup>

### 2. Structure and Locations

21. The Company's five regional vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas including: (1) North America; (2) South America; (3) Enlarged Europe; (4) Middle East & Africa; and (5) China and India & Pacific. Maserati is reported as a separate segment.<sup>80</sup>

### 3. Compliance and Engineering Organizations

22. Particularly important to the ICA's mandate are the compliance and engineering organizations.<sup>81</sup> Stellantis separates responsibility for technical compliance and non-technical compliance.

[REDACTED] <sup>82</sup>  
[REDACTED] <sup>83</sup>

23. [REDACTED] <sup>84</sup>  
[REDACTED] <sup>85</sup>

<sup>77</sup> About Us [<https://www.stellantis.com/en/group/about-us>]. Contacts [<https://www.stellantis.com/en/contacts>].

<sup>78</sup> Leadership [<https://www.stellantis.com/en/group/governance/leadership>].

<sup>79</sup> Appointment of the Top Executive Team to steer Stellantis, January 19, 2021, pages 1-3 [<https://www.stellantis.com/en/news/press-releases/2021/january/appointment-of-the-top-executive-team-to-ster-stellantis>].

<sup>80</sup> Stellantis Semi-Annual Report as of and for the six months ended June 30, 2021, page 99 [[https://www.stellantis.com/content/dam/stellantis-corporate/investors/financial-reports/Stellantis\\_NV\\_20210630\\_Semi-Annual\\_Report.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/investors/financial-reports/Stellantis_NV_20210630_Semi-Annual_Report.pdf)].

<sup>81</sup> The Company uses the terms "Engineering" and "Product Development" interchangeably. We use Product Development to refer to this organization throughout the Second Report. Propulsion Systems is a group within Product Development.

<sup>82</sup> [REDACTED]  
<sup>83</sup> [REDACTED]  
<sup>84</sup> [REDACTED]  
<sup>85</sup> [REDACTED]



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[REDACTED]

<sup>87</sup>

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[REDACTED]

<sup>87</sup> Bly, Michael (Micky) Head of Global Propulsion Systems, Fiat Chrysler Automobiles N.V., January 21, 2021 [<https://media.stellantisnorthamerica.com/newsrelease.do?id=20780&mid=>].

## VI. Assessment of the Company's Processes and Controls for Promoting Compliance with Relevant Laws

25. The Company implemented many processes and controls for promoting compliance with the Relevant Laws through the Improvement Plans.
26. This section addresses the Improvement Plan projects and other processes required by the Consent Decree (risk assessment, Code of Conduct) that are otherwise significant to the Company's compliance with the Relevant Laws.<sup>88</sup> We include our assessment and recommendations and note where the Company already addressed or started to address our findings.<sup>89</sup>
27. We generally organize this section around the Consent Decree Corporate Compliance Requirements. Our assessment also includes the effectiveness of the Company's response to our First and Second Audit findings.

### 1. Control Environment

#### 1) Background

28. The control environment includes the set of standards, processes, and structures that provide the basis for internal controls across the organization. It has a pervasive impact on the overall system of internal control. The control environment includes governance and cultural principles, such as how a company defines desired culture, demonstrates commitment to core values, and attracts, develops, and retains capable individuals. COSO states a company's integrity and ethical values are critical to its control environment.<sup>90</sup>

#### 1.1 Code of Conduct

##### 1) Background

29. Stellantis implemented the current version of the Code of Conduct, "Always with Integrity" (the "Stellantis Code" or the "Code") in March 2021.<sup>91</sup> It applies to Stellantis Board of Directors members and its officers, full-time and part-time employees, and temporary and contract workers. Stellantis also expects its other stakeholders, including suppliers, dealers, distributors, and joint venture partners, to

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<sup>88</sup> Consent Decree ¶64(a) requires the ICA to: (1) "monitor implementation to verify [FCA's] compliance" with the Corporate Compliance Requirements; and (2) "assess the effectiveness of [FCA's] processes and controls in promoting compliance with United States and California environmental law concerning vehicle emissions and certification."

<sup>89</sup> Consent Decree ¶64(d).

<sup>90</sup> COSO Internal Control – Integrated Framework, Executive Summary, May 2013, page 4. The COSO Enterprise Risk Management ("ERM") Framework is "used by risk and other professionals to identify and mitigate a variety of organizational risks, including compliance risks." The Compliance Risk Management guidance applies the COSO ERM Framework "to the identification, assessment, and management of compliance risks by aligning it with the [compliance and ethics] program framework." Compliance Risk Management: Applying the COSO ERM Framework, November 2020, pages 1 and 6. Committee of Sponsoring Organizations of the Treadway Commission ("COSO") – Internal Control – Integrated Framework (2013), Chapter 5.

<sup>91</sup> Consent Decree ¶57 states that, "In consultation with DOJ and California [the Company] (1) may make reasonable revisions to their Code of Conduct..."

Code of Conduct [<https://www.stellantis.com/en/group/governance/code-of-conduct>].

act with integrity and in accordance with the Stellantis Code.<sup>92</sup>

30. The Stellantis Code generally follows legacy FCA's previous Code of Conduct and focuses on four main areas:

- “The protection of the Stellantis workforce, including a commitment to diversity, fairness, and health and safety, and to the United Nations declaration on human rights and the International Labour Organization’s declaration on fundamental principles and rights at work;
- The way that Stellantis conducts business, engaging in sustainable practices that promote vehicle safety, quality, data privacy and environmental protection, and that comply with other applicable laws and regulations, such as anti-bribery, anti-money laundering, insider trading and others;
- The interaction with external parties, including the avoidance of conflicts of interest and the support of our communities; and
- The protection of Stellantis’ assets and information.”<sup>93</sup>

31. The Stellantis Code:

- Emphasizes Stellantis’ commitment to comply with the Code and applicable laws, including vehicle emissions laws and regulations;
- Requires workforce members to report suspected or potential violations of the Code, including emissions issues;
- Prohibits retaliation against any person who makes a report in good faith; and
- Instructs supervisors to “set a tone of integrity in the objectives and operations of their teams, ensuring that their teams understand the Code” and to “actively listen to the concerns of their team members, providing support and encouraging any violations of the Code to be reported.”<sup>94</sup>

32. Before the merger, the Company conducted

[REDACTED]

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## 2) Consent Decree Requirements

33. Consent Decree ¶50(b) requires the Company to “continue to implement and maintain [its] Code of Conduct; require all salaried employees and all new bargaining unit employees to certify they reviewed and understand the Code of Conduct; require all employees covered by [REDACTED] of the [Initial] Improvement Plan also to certify they are in compliance with the Code of Conduct; and, at least

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<sup>92</sup> Stellantis Code of Conduct, March 2021, page 4.

<sup>93</sup> Code of Conduct [<https://www.stellantis.com/en/group/governance/code-of-conduct>].

<sup>94</sup> Stellantis Code of Conduct, March 2021, pages 1, 5-7, and 15.

<sup>95</sup>

<sup>96</sup>

annually, conduct training related to the Code of Conduct for all salaried employees.”<sup>97</sup>

3) Second Audit Remedial Actions

34. Our Second Audit found that the Company could improve the Code and related trainings with more examples and scenarios, including those related to lessons learned from other Stellantis events (e.g., emissions, UAW). We also found the Company did not obtain certifications from most new bargaining unit employees.<sup>98</sup>

***Stellantis Included More Examples and Scenarios in the 2021 Code Training and Communicated Real Company Stories***

35. Our Second Audit found that the Stellantis Code was clear and understandable, but the Company could have improved the Code with more examples. The Company addressed this finding through its 2021 Code training, which was interactive and included examples and scenarios. Participants could also read various “cases” to understand and illustrate the concepts in the Code.<sup>99</sup> We also found the Code did not clearly address fraud risks. We understand Stellantis plans to publish a fraud risk policy in Q4 2022 to address this issue.<sup>100</sup>

36. [REDACTED] <sup>101</sup> In Q1 2022, Stellantis communicated the importance of providing accurate and truthful information following a confirmed Integrity Helpline report of alleged data manipulation.<sup>102</sup>

***Stellantis Updated Process for Obtaining New Bargaining Unit Employee Attestations; New Process is Not Always Followed***

37. Our Second Audit found that the Company only obtained certifications from [REDACTED] of new bargaining unit employees.<sup>103</sup> In 2022, Stellantis and bargaining unit representatives agreed to update the hourly bargaining unit onboarding agreements signed as part of the hourly new hire orientation to include an attestation that the employee reviewed and understands the Code.<sup>104</sup> The Company stated that it implemented this new certification process on March 28, 2022.<sup>105</sup>
38. In July 2022, we selected 25 new bargaining unit employees with hire dates after March 28, 2022 to confirm if they attested to reviewing and understanding the Code. We found six of the 25 employees attested to outdated language that did not include certifying that they reviewed and understood the Code.<sup>106</sup>

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<sup>97</sup> This population includes specific employees within, but not limited to, Powertrain, Product Development, and VSRC, identified to receive the annual enhanced AECD and Defeat Device training as part of [REDACTED] of the Improvement Plan. Consent Decree ¶50(b) and 52(a).

<sup>98</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 24 and 131.

<sup>99</sup> [REDACTED]

<sup>100</sup> [REDACTED]

<sup>101</sup> [REDACTED]

<sup>102</sup> [REDACTED]

<sup>103</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 24.

<sup>104</sup> Discussions with Stellantis personnel, Audit & Compliance.

<sup>105</sup> Correspondence with Stellantis personnel, TSRC.

<sup>106</sup> [REDACTED]

4) ICA Third Audit Evaluation

39. To assess the Code and related processes, we reviewed: (1) the 2021 Code training; (2) certification records to verify adherence to the Consent Decree requirements; and (3) Stellantis Code and communication and training plans. We also interviewed individuals from A&C to understand changes to the Code and related policies, procedures, certifications, and trainings, including those related to the ongoing Stellantis convergence activities.

***Stellantis Code Training is Effective; [REDACTED] of Employees Certified***

40. Stellantis provided training for salaried employees on its new Code of Conduct in Q4 2021. The training included [REDACTED]. The training includes short “quick tests” between each module before learners can progress and a certification at the end.<sup>107</sup>
41. The Code training is effective as key topics (i.e., speaking up, reporting serious misconduct, ethical decision-making) are covered, and the training includes practical examples and reminders on the importance of speaking up. However, the ICA also observed the Code training had no controls to confirm training participants viewed the content (e.g., limiting the ability to move forward in training until participants interact with scenarios or content, minimum time requirement in each module). [REDACTED].<sup>108</sup> However, we understand Stellantis required participants to answer all questions correctly (i.e., achieve 100% test result) when progressing between modules.<sup>109</sup>
42. As of April 21, 2022, [REDACTED] of Stellantis employees and [REDACTED] within North America completed the Code training and the related certification.<sup>110</sup>

**1.2 Leave No Doubt/Always With Integrity Campaign**

1) Background

43. In 2017, the Company implemented a communications campaign called “Leave No Doubt” (“LND”) to promote reporting of vehicle safety, emissions, and regulatory compliance issues. TSRC administered the campaign, which included visuals (e.g., videos, posters at Company facilities) and written content (e.g., emails, website).<sup>111</sup> In 2021, the Company rebranded the LND campaign to “Always with Integrity” (“AWI”) and the Ethics Helpline to “Integrity Helpline” as part of the Stellantis merger.<sup>112</sup> The A&C

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<sup>109</sup>

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<sup>111</sup>

<sup>112</sup>

Discussions with Stellantis personnel, TSRC.

Communication and Training Team now administers the AWI campaign.<sup>113</sup>

44. In Q4 2021, Stellantis launched a communication and roll-out plan with the rebranding to AWI. The plan included an email from the Chief Human Resources & Transformation Officer to all employees introducing the Code of Conduct under the AWI branding. Besides the email, the Company included the AWI and Integrity Helpline launch on its intranet news site, created dedicated intranet pages and printable posters, published a dedicated area on the Stellantis intranet site targeted at external stakeholders, and sent a communication to suppliers and dealers and published on the relevant portals AWI messaging.<sup>114</sup> The AWI campaign is broader than the previous LND campaign, which focused more specifically on vehicle safety, emissions, and regulatory compliance issues.

2) Consent Decree Requirements

45. Consent Decree ¶50(d) requires the Company to “continue to implement and maintain, or refresh annually” the Leave No Doubt campaign “or a similar initiative to encourage employees, contractors, suppliers, and dealers to report issues concerning vehicle, safety, emissions, or regulatory compliance through the Ethics Helpline.”<sup>115</sup>

3) Second Audit Remedial Actions

46. During our Second Audit, the Company conducted its 2021 LND Annual Assessment and found eight opportunities for improvement mainly related to shortcomings in waterfall communications from middle managers and communications at the plant-level and in new hire orientation materials.<sup>116</sup>

***Stellantis Addressed Prior LND Annual Assessment Findings***

47. As part of the 2022 LND/AWI Annual Assessment, the Company addressed then open issues by

[REDACTED]

<sup>117</sup>

4) ICA Third Audit Evaluation

48. As part of the Third Audit, we reviewed the Annual Assessment related to LND/AWI and campaign materials and communications and assessed the Company’s response to our prior audit findings.

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<sup>113</sup> Discussions with Stellantis personnel, Audit & Compliance. [REDACTED]

<sup>114</sup> [REDACTED]

<sup>115</sup> Consent Decree ¶50(d).

<sup>116</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 26.

<sup>117</sup> [REDACTED]

**The 2022 Annual Assessment Rated AWI Processes “Satisfactory”**

- 49. A&C’s 2022 Annual Assessment report on AWI processes was rated “Satisfactory.” One “Low” rated opportunity for improvement related to obtaining Ethics and Compliance Committee (“ECC”) approval for the AWI campaign budget, which the Company subsequently obtained.<sup>118</sup>
- 50. Compared to prior year LND campaigns, AWI included a formal communication plan, new means of communication (e.g., virtual t-shirt campaign), and videos to reiterate AWI messaging.<sup>119</sup> Based on our review, this process improved the communication of AWI concepts to employees. We understand Stellantis plans to further communicate AWI and the Integrity Helpline to suppliers and dealers with video tutorials in Q4 2022.<sup>120</sup>

**1.3 Tone from the Top/Speak Up**

1) Background

- 51. An effective speak up culture provides organizations with an early warning system against isolated misconduct. The objective is to create an open communication environment where employees are comfortable raising concerns without fear of negative consequences and are confident the Company will respond appropriately.
- 52. DOJ guidance states evaluation of a compliance program should consider whether “the company’s complaint handling process includes proactive measures to create a workplace atmosphere without fear of retaliation.”<sup>121</sup>
- 53. Stellantis has formal and informal methods for communicating the tone from the top and encouraging speaking up. As noted in **Section VI.1.2** above, the AWI messaging is widely disseminated and raises awareness of the Integrity Helpline as a tool for raising concerns. Informal methods of communication include discussing the importance of raising concerns and speaking up during department-level town halls and smaller team meetings.<sup>122</sup>
- 54. In Q4 2021, Stellantis launched [REDACTED]

<sup>123</sup>

<sup>118</sup>

<sup>119</sup>

<sup>120</sup>

<sup>121</sup> DOJ Evaluation of Corporate Compliance Programs, June 2020, page 6 [<https://www.justice.gov/criminal-fraud/page/file/937501/download>].

<sup>122</sup>

<sup>123</sup>

2) Second Audit Remedial Actions

55. During our Second Audit, we found that the Company did not have an ongoing program to involve middle management in culture initiatives.<sup>124</sup>

**Program is an Effective Way to Cascade Tone from the Top Speak Up Messaging**

56. During the Third Audit, we assessed the [REDACTED]  
[REDACTED]  
[REDACTED]<sup>125</sup>
57. Through our discussions with [REDACTED], we found that they each had their own methods of communicating with employees in their areas of responsibility (e.g., email reminders, group meetings), but all acted as a resource to resolve compliance questions.<sup>126</sup> Further, [REDACTED] [REDACTED] have regular meetings and a group chat to discuss current issues and employee questions to identify thematic issues that may require a broader response.<sup>127</sup>

3) ICA Third Audit Evaluation

58. To assess the Company's tone from the top and middle and speak up culture, we interviewed senior management, Product Development, and TSRC employees to assess their awareness of speak up processes and reviewed Company communications regarding speaking up. We also evaluated the Company's "Compliance Champions" program and reviewed the results of the 2022 Culture Survey.

**Management Demonstrates Commitment to Speak Up Culture**

59. During the Third Audit, we interviewed Stellantis senior management across the functional areas related to our mandate, including [REDACTED]  
[REDACTED] During those discussions, senior management demonstrated a commitment to compliance and encouraging a speak up culture. The senior executives consistently described the CEO's focus on a culture of integrity. For example, one senior executive spoke about the opportunity during the Stellantis merger to further develop the compliance program beyond minimum requirements to become one of Ethisphere's "World's Most Ethical Companies."<sup>128</sup>
60. We also interviewed a sample of TSRC and Propulsion Systems managers and discussed how they encourage speaking up within their teams. All of the managers described encouraging employees to report concerns to them or to go to the Integrity Helpline. Many of the managers stated that they consistently talk about speaking up in team meetings and were generally aware of the Code and related processes.<sup>129</sup>

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<sup>124</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 140.

<sup>125</sup> We interviewed a sample of five managers in TSRC and Propulsion Systems. None of the managers interviewed were aware of the Compliance Champions program, which may be due to its recent rollout. Discussions with Stellantis personnel, TSRC and Propulsion Systems.

<sup>126</sup> Discussions with Stellantis personnel, Finance, Stellantis Owned Retail, Enlarged Europe, Parts & Services, and Audit & Compliance.

<sup>127</sup> [REDACTED] Discussions with Stellantis personnel, Audit & Compliance.

<sup>128</sup> Discussions with Stellantis personnel, Planning and HR & Transformation.

<sup>129</sup> Discussions with Stellantis personnel, TSRC and Propulsion Systems.



61. The Company also continued to maintain a video series on its intranet site regarding compliance topics and speaking up. [REDACTED]

[REDACTED] 130  
[REDACTED] 131

- [REDACTED] 132
- [REDACTED] 133

**Culture Survey Indicates [REDACTED] of Employees Willing to Speak Up**

62. To further understand and assess employees' willingness to speak up, we reviewed the results of the 2022 Culture Survey. [REDACTED] of employees expressed a willingness to report concerns, with most favoring reporting through the Integrity Helpline. [REDACTED]

[REDACTED] 134

63. We understand the Company has implemented or plans to implement actions in Q4 2022 and 2023 to further encourage speaking up, including:

- [REDACTED]
- [REDACTED]
- [REDACTED] 135

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130 [REDACTED]  
131 [REDACTED]  
132 [REDACTED]  
133 [REDACTED]  
134 [REDACTED]  
135 [REDACTED]

## 1.4 Employee Lifecycle

### 1) Background

64. Hiring individuals who respect compliance and ethically make business decisions is vital to managing compliance risks. The COSO ERM framework indicates that performance evaluation and appropriate incentives are two essential ingredients for managing compliance risks.<sup>136</sup> The employee lifecycle is a broad process that includes hiring, onboarding, performance management, consequence management, and offboarding.

### 2) Second Audit Remedial Actions

65. During our Second Audit, we found that the Company had not yet developed processes to consider ethics, integrity, and compliance through the employee lifecycle and it lacked formal incentives for compliance.<sup>137</sup>

#### ***Stellantis Recently Implemented Some, but Not All, Compliance Roadmap Actions Related to the Employee Lifecycle***

66. The Company added certain [REDACTED]  
[REDACTED]  
[REDACTED]<sup>138</sup>
67. During the Third Audit, we assessed implementation of these initiatives. In October 2022, North America added a question about [REDACTED]<sup>139</sup>  
[REDACTED]  
[REDACTED]<sup>140</sup>  
[REDACTED]<sup>141</sup> The ICA does not regard these actions as sufficiently “incorporating ethics and compliance elements into performance evaluations” because the actions do not clearly direct reviewers to consider ethics and compliance when evaluating performance.<sup>142</sup>
68. The Company has not yet implemented a process to ensure the [REDACTED] have proper input into the vetting at hiring and promotion of personnel with a key ethics and compliance role. We understand further action is expected on this item by the end of 2022.<sup>143</sup>

<sup>136</sup> Compliance Risk Management: Applying the COSO ERM Framework, November 2020, page 10.

<sup>137</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 29.

<sup>138</sup>

<sup>139</sup>

<sup>140</sup>

<sup>141</sup>

<sup>142</sup>

<sup>143</sup>

***The Company Recognized Organizations with High Culture Survey Response Rates***

69. Our Second Report found shortcomings in the Company's use of incentives for compliance.<sup>144</sup> To improve on this in 2022, the Company recognized the top ten organizations with the highest percentage of employees who responded to the Culture Survey by providing customized videoconference backgrounds, photo badges, and email signatures.<sup>145</sup> Stellantis plans to implement additional incentives for ethical behavior at the individual level by March 2023.<sup>146</sup>

3) ICA Third Audit Evaluation

70. In the Third Audit, we assessed the Company's Compliance Roadmap initiatives related to the employee lifecycle and evaluated the consistency of discipline for a sample of Integrity Helpline investigations.

***Stellantis Consistently Disciplined Employees***

71. The Company uses the [REDACTED] process, which is "generally recommended," but not required, following an investigation with confirmed policy violations, to review discipline and consequence management.<sup>147</sup> During the Third Audit, we assessed a sample of cases reviewed in the In-Re process and found disciplinary actions were generally consistent and reasonable given the nature of the issues.

## 1.5 Metrics

1) Background

72. Compliance metrics should address and measure how well the compliance and ethics program works in practice, and act as a measure of overall effectiveness. COSO's Compliance Risk Management guidance includes potential performance metrics the compliance function should develop and monitor. Examples include:

- Training completion rates;
- Timeliness of responding to issues, investigations, and implementing corrective action;
- Plans, volume, frequency, and types of issues reported through the organizations' reporting mechanisms;
- Culture survey responses over time; and
- Metrics from monitoring various internal compliance controls such as vendor payments in high-risk operating locations.<sup>148</sup>

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<sup>144</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 29.

<sup>145</sup> Discussions with Stellantis personnel, Audit & Compliance. [REDACTED]

<sup>146</sup> [REDACTED]

<sup>147</sup> [REDACTED]

<sup>148</sup> Compliance Risk Management: Applying the COSO ERM Framework, November 2020, page 14.

73. [REDACTED] 149  
[REDACTED] 150  
[REDACTED] 151  
[REDACTED] 152

2) Second Audit Remedial Actions & ICA Third Audit Evaluation

74. In our Second Audit, we found that the Company did not conduct a Culture Survey in 2021 but planned to in 2022 and that additional ECC metrics were under development.<sup>153</sup> Our Third Audit procedures included reviewing changes to metrics related to the culture of integrity and compliance and assessing the 2022 Culture Survey results.

***Stellantis Conducted a Culture Survey in 2022***

75. The legacy FCA organization conducted a Culture Survey in 2020.<sup>154</sup> [REDACTED]  
[REDACTED] 155

76. The 2022 Ethical Culture Survey received an overall [REDACTED] response rate and found:

- [REDACTED]
- [REDACTED]
- [REDACTED] 156

77. To address the survey results, Stellantis plans to launch a new video series regarding use of the Integrity Helpline and a new Code of Conduct and Ethics area on the Stellantis intranet. Stellantis also plans to implement new compliance policies and procedures and related e-learning.<sup>157</sup> We discuss other results and actions related to speak up culture in **Section VI.1.3**.

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149 [REDACTED]  
150 [REDACTED]  
151 [REDACTED]  
152 [REDACTED]  
153 [REDACTED]  
154 [REDACTED]  
155 [REDACTED]  
156 [REDACTED]  
157 [REDACTED]

**Stellantis Identified Additional Metrics to Report to the Global ECC**

78. [REDACTED] <sup>158</sup>
- [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED] <sup>159</sup>
79. Stellantis presented a progress update, including some of these metrics, to the Global ECC in September 2022.<sup>160</sup> We understand Stellantis plans to continue to refine and update these metrics based on available data.<sup>161</sup>

**1.6 Annual Assessment**

1) Background

80. The Consent Decree requires the Company to annually assess the effectiveness of its Code, Ethics Helpline, LND Campaign, and associated trainings.<sup>162</sup> The Company separately assessed each component in 2020, 2021, and 2022. To evaluate the effectiveness of its Code, the Company used an annual benchmarking survey facilitated by a third-party, Ethisphere (“Ethisphere Survey”). The Ethisphere Survey requires the Company to answer questions designed to benchmark its ethics and compliance program against other survey participants. The Company relied on the 2022 Ethisphere Survey to satisfy the Consent Decree requirements for an Annual Assessment of the Code.<sup>163</sup>
81. Stellantis A&C assessed the Ethics Helpline and LND/AWI Campaign. To conduct the assessments, A&C developed and measured the Company against criteria representative of effective compliance programs. A&C developed the criteria based on guidance from the Association of Certified Fraud Examiner, Gartner, AICPA, and NAVEX.<sup>164</sup>

2) Consent Decree Requirements

82. Consent Decree ¶50(e) requires the Company to “annually assess the effectiveness of the Code of Conduct, Ethics Helpline, Leave No Doubt Campaign, associated training, and [its] other efforts to instill a culture of integrity and compliance.” The Company is also required to “develop and implement an action plan to implement improvements or additional measures [it] determine[s] necessary to improve

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<sup>158</sup> Observation of Stellantis meetings, Audit & Compliance.

<sup>159</sup> [REDACTED]

<sup>160</sup> Observation of Stellantis meetings, Audit & Compliance.

<sup>161</sup> Discussions with Stellantis personnel, Audit & Compliance.

<sup>162</sup> Consent Decree ¶50(e).

<sup>163</sup> [REDACTED]

<sup>164</sup> [REDACTED]

the culture of integrity and compliance.”<sup>165</sup>

3) Second Audit Remedial Actions

83. We had no findings related to the Annual Assessment in our Second Audit.

4) ICA Third Audit Evaluation

84. In the Third Audit, we assessed whether the Annual Assessments performed by A&C and Ethisphere met the Consent Decree requirements and if the Company addressed “opportunities for improvement” with reasonable action plans.

***Annual Assessments Remain Effective***

85. The Ethics Helpline, LND/AWI, and Code of Conduct assessments were effective and met the Consent Decree requirements for an Annual Assessment. The criteria used to conduct the assessments were generally complete, and the Company’s methodology for assessing these programs was effective. Further, the exceptions noted in the assessments were consistent with our prior audit observations, and the Company has reasonable action plans to address identified issues.<sup>166</sup>

***Stellantis Integrated New Opportunities for Improvement into the Compliance Roadmap***

86. [REDACTED] <sup>167</sup>

**2. Integrity Helpline and Investigations**

1) Background

87. The Integrity Helpline allows employees, contractors, suppliers, and dealers to anonymously report concerns about possible legal, regulatory, or Company policy violations. The Integrity Helpline also allows reporting technical compliance concerns about safety and emission-related issues. [REDACTED] <sup>168</sup>

88. As noted in the Leave No Doubt discussion above, the Company launched an integrated Integrity Helpline and the AWI awareness campaign in Q4 2021. The new helpline and related investigations process largely mirror legacy FCA processes.

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<sup>165</sup> Consent Decree ¶50(e).

<sup>166</sup> Stellantis addresses all findings from A&C’s annual assessments of the Ethics Helpline and LND/AWI, and analyzes the results of the Ethisphere Code of Conduct annual assessment to identify which opportunities for improvements are most relevant for the Company to address.

<sup>167</sup> [REDACTED]

<sup>168</sup> [REDACTED]

89. [REDACTED] 169  
[REDACTED] 170

90. [REDACTED]

2) Consent Decree Requirements

91. Consent Decree ¶50(c) requires the Company to “continue to implement and maintain the Ethics Helpline and its associated procedures.”<sup>171</sup>

3) Second Audit Remedial Actions

92. Our Second Audit found the Investigations Manual and related training required enhancement. There was no formal review or criteria to determine if BPO should report any “unconfirmed” cases to the ECC. We also noted shortcomings in coordination between BPO and TSRC when investigating different components of the same matter.<sup>172</sup>

***Stellantis Enhanced its Investigations Manual and Training***

93. Our Second Audit identified shortcomings with the [REDACTED] and related training. To address this issue, the ICA recommended that Stellantis develop its investigative key principles and requirements document by March 31, 2022, and provide related training to investigators by June 30, 2022.<sup>173</sup> We assessed the key principles and requirements document during the Third Audit and found it sufficient.

94. We reviewed the 2022 investigations training and found the training covered the key aspects of the Integrity Helpline process manual, including [REDACTED] 174

***Stellantis Implemented a Formal Review of “Unconfirmed” Cases***

95. In our Second Audit, we found the ECC did not review the results of “unconfirmed” cases. We also found there was no [REDACTED]

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169 [REDACTED]  
170 [REDACTED]

<sup>171</sup> Consent Decree ¶50.

<sup>172</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 34-36.

<sup>173</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 35-36.

174 [REDACTED]

[REDACTED] 175

**BPO Now Reviews Cases Reported to TSRC Helpline to Assess Code of Conduct Issues**

96. Our Second Audit found shortcomings in case identification and coordination between [REDACTED]  
[REDACTED]  
[REDACTED] 176 [REDACTED] 177

97. We reviewed a sample of cases investigated by both BPO and TSRC and found improved coordination and related documentation between TSRC and BPO.

4) ICA Third Audit Evaluation

98. To assess the Integrity Helpline and related processes, we: (1) reviewed the updated investigations key principles, and requirements document and related training; (2) assessed the effectiveness of coordination between BPO and TSRC for a sample of cases they both investigated; (3) assessed the effectiveness of the investigations process for a sample of BPO and TSRC cases; and (4) inspected reporting to the ECC and TCC related to Integrity Helpline investigations.

**Stellantis Adequately Investigated Data Manipulation Matter**

99. During the Third Audit, the ICA performed a detailed assessment of the Company's [REDACTED]  
[REDACTED]  
[REDACTED] We found that the  
investigative procedures were reasonable, and the subsequent audits further identified the full scope of  
the relevant issues and ensured the Company implemented remedial actions to reduce the risk of  
recurrence.

**Remedial Action and Disciplinary Trackers are Incomplete**

100. In response to a 2021 Annual Assessment finding, [REDACTED]  
[REDACTED] 178 [REDACTED] 179

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175 [REDACTED]. Observation of  
Stellantis meetings, Audit & Compliance.

176 [REDACTED]  
177 [REDACTED]  
178 [REDACTED]  
179 [REDACTED]



[REDACTED] 180

101. In response to a separate 2021 Annual Assessment finding, BPO developed [REDACTED]  
[REDACTED] 181  
[REDACTED] 182

*BPO Case Alert Level Based on Risk Type; Limited Guidance on How to Upgrade or Downgrade Case Level*

102. [REDACTED] 183

*BPO Could Enhance Investigation Documentation*

103. During the Third Audit, we reviewed 17 BPO investigations and found five had incomplete or unclear documentation, which is inconsistent with BPO investigation process requirements.<sup>184</sup>

- [REDACTED] 185
- [REDACTED] 186
- [REDACTED] 187

[REDACTED]

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<sup>180</sup> Discussions with Stellantis personnel, Audit & Compliance.

<sup>181</sup> [REDACTED]  
<sup>182</sup> [REDACTED]  
<sup>183</sup> [REDACTED]  
<sup>184</sup> [REDACTED]  
<sup>185</sup> [REDACTED]  
<sup>186</sup> [REDACTED]  
<sup>187</sup> [REDACTED]

- [REDACTED] 188
- [REDACTED] 189

104. We understand Stellantis plans to develop action plans to address these issues by December 31, 2022.<sup>190</sup>

### 3. Risk Assessment

#### 3.1 VEC Risk Assessments

##### 1) Background

105. Before 2019, the Company did not perform an emissions certification and compliance risk assessment. To meet the Consent Decree risk assessment requirements, VEC developed a new process implemented in October 2019. Based on feedback from the ICA and Stellantis A&C, TSRC improved the risk assessments in 2020 and 2021 by [REDACTED]
106. The VEC Initiatives and Improvements Subcommittee and Steering Committee reviewed and validated the third risk assessment results in July 2021.<sup>191</sup> The Company added [REDACTED] more Improvement Plan projects and developed [REDACTED] corrective action plans to address residual risks rated “Medium” or higher or were otherwise “outliers.”<sup>192</sup>
107. Although no longer required by the Consent Decree, the Company conducted its fourth risk assessment and reported results in August 2022.<sup>193</sup> We met with the Company in February 2022 to share our preliminary observations regarding the 2021 risk assessment. The Company was receptive to our preliminary feedback and implemented enhancements to the process before conducting the 2022 risk assessment.

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188 [REDACTED]

189 [REDACTED]

190 [REDACTED]

191 [REDACTED]

192 [REDACTED]

193 [REDACTED]

2) Consent Decree Requirements

108. Consent Decree ¶53 requires the Company to “establish and maintain a Risk Assessment Process, which is led by [TSRC], that, at least annually, shall: (1) identify compliance risks relating to emissions and certification processes; (2) assign a risk rating based on probability and significance; (3) link existing policies, processes, and controls [FCA] rel[ies] on to detect and prevent non-compliance (“risk response”); (4) assess residual risk based on the design and operating effectiveness of [FCA’s] risk response; and (5) develop a plan and reasonable timeline to implement and improve controls to mitigate any unacceptable levels of residual risk.”<sup>194</sup>

3) Second Audit Remedial Actions

109. In our Second Audit, we found shortcomings in the 2020 VEC risk assessment: (1) the Company did not design the risk identification processes to identify granular risks or consider external events; (2) some risk assessment documentation was insufficient (i.e., risk descriptions, support for final residual risk ratings); (3) inadequate linkage of internal and external audit findings to risks and controls; and (4) insufficient consideration and input from control owners into control effectiveness ratings.<sup>195</sup>

110. To ensure the Company continued to improve the VEC risk assessment, we recommended in our Second Report the Company require another function with risk and control expertise to perform a quality assurance review over the reasonableness of the risk and management effectiveness ratings.<sup>196</sup>

***A&C Performed a Quality Assurance Review Over the 2022 VEC Risk Assessment; Only Minor Issues Noted***

111. To address our Second Report recommendation, A&C performed [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]<sup>197</sup>

112. A&C issued its final report in late October and identified one Moderate and one Minor issue related to participation in the risk identification process and alignment of risk ratings to supporting risk assessor feedback.<sup>198</sup>

113. VEC had two main processes for identifying risks. [REDACTED]

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<sup>194</sup> Consent Decree ¶53.

<sup>195</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 39-40 and 132.

<sup>196</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 13.

<sup>197</sup> [REDACTED]

<sup>198</sup> [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

114. In February 2022, VEC hosted a risk workshop to gain consensus on prioritizing high-impact emissions certification and compliance risks.<sup>200</sup> [REDACTED]  
[REDACTED]<sup>201</sup> In future risk assessments, we suggest the Company take additional steps to obtain better participation in risk identification processes (e.g., escalation processes to obtain better risk questionnaire completion).

115. [REDACTED]  
[REDACTED]<sup>202</sup>  
[REDACTED]<sup>203</sup>

***A&C Confirmed Closure of Open ICA Risk Assessment Findings***

116. As of July 2022, the ICA had one open Critical and five Moderate findings related to the VEC risk assessment. As part of the quality assurance review, A&C assessed the effectiveness of the Company's remedial actions and found that the Company addressed all issues.<sup>204</sup> These findings related to assessing risk response at the individual control level, considering internal and external audit findings in risk and control ratings, improving risk descriptions, and evaluating external events.

***VEC Developed New Improvement Plan Projects to Address Key Risks Identified in 2022 Risk Assessment***

117. During the 2022 risk assessment workshop, the Company identified elevated risks relating to: [REDACTED]  
[REDACTED]

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<sup>199</sup> [REDACTED]

<sup>200</sup> [REDACTED]

<sup>201</sup> [REDACTED]

<sup>202</sup> [REDACTED]

<sup>203</sup> [REDACTED]

<sup>204</sup> The ICA reperfomed A&C's testing on a sample basis and came to the same conclusion on one of these findings.

[REDACTED] 205

- [REDACTED] 206

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED] 207

- [REDACTED] 208

- [REDACTED]

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205 [REDACTED] Correspondence  
with Stellantis personnel, TSRC.

206 [REDACTED]

207 Discussions with Stellantis personnel, OGC and TSRC.

208 [REDACTED]

[REDACTED] 209

**Stellantis Identified [REDACTED] "High" Rated Risks in 2022 vs. None in 2021**

118. The Company did not identify any "High" rated risks in the 2021 VEC risk assessment.<sup>210</sup> The ICA found this likely inaccurate, given the ongoing remediation in key areas (e.g., AECs, calibration change management) and the severity of open ICA findings. In the 2022 risk assessment, the Company identified [REDACTED]

[REDACTED] 211 [REDACTED] 212

4) ICA Third Audit Evaluation

119. As noted above, A&C's review focused on the 2022 risk assessment process. Our Third Audit procedures focused on the 2021 risk assessment and included: (1) reviewing risk assessment documentation; (2) interviewing the North America Diesel Settlement Program Manager to confirm process changes; and (3) for a sample of risks, confirming the completeness of information considered and accuracy of the risk assessment ratings.

**VEC Enhanced the 2021 Risk Assessment Process Based on ICA Feedback**

120. After the 2020 VEC risk assessment, the ICA provided feedback on improvement areas relating to risk identification, review and challenge of risk and control ratings, and risk and control rating accuracy. In our Third Audit, we confirmed management addressed several of these issues by:

- [REDACTED]
- [REDACTED]
- [REDACTED] 213

**VEC Risk Library Improved to Include Risk Descriptions**

121. With the addition of a significant number of new risks in the 2021 risk assessment, the differences and boundaries between risks became less clear in some cases. For example, some risk descriptions appeared duplicative, and risk assessors commented about other duplicative risks.<sup>214</sup> The ICA

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209 [REDACTED]  
210 [REDACTED] Discussions with Stellantis personnel, TSRC.  
211 [REDACTED]  
212 [REDACTED]  
213 [REDACTED]  
214 [REDACTED]

suggested that VEC develop detailed risk descriptions to differentiate between similar risk types. A&C found that VEC improved risk descriptions in the 2022 assessment.<sup>215</sup>

### ***Quality Assurance Review Process Implemented***

122. As noted above, VEC enhanced the 2021 risk assessment by [REDACTED]

216

[REDACTED] Stellantis addressed this issue through its response to our Second Audit recommendation to implement the A&C quality assurance review process.

## **3.2 Issue Tracking**

### 1) Background

123. During our First Audit, we found that VEC did not have a formal mechanism for escalating, tracking, and remediating issues in the internal control structure.<sup>217</sup> In response to this finding, VEC created Second Improvement Plan Project [REDACTED]

124. The North America Diesel Settlement Program Manager manages the [REDACTED]

218

219

### 2) Second Audit Remedial Actions

125. In our Second Audit, we found the Issue Tracker only tracked risks related to VEC processes, and the tracker did not adequately link risks and controls.<sup>220</sup>

### ***Stellantis Recently Developed Process to Track Compliance Issues within Propulsion Systems***

126. In our Second Audit, we noted that risk issues related to emissions certification and compliance might materialize within Propulsion Systems processes. For example, Propulsion Systems is responsible for identifying AECs. However, the Issue Tracker primarily captures risk issues identified within VEC. Our Second Report recommended that Stellantis require Propulsion Systems to track and periodically report to VEC risk issues related to emissions compliance (e.g., control deficiencies, results of quality assurance reviews).<sup>221</sup>

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<sup>215</sup> [REDACTED]

<sup>216</sup> [REDACTED]

<sup>217</sup> Independent Compliance Auditor's First Annual Report, December 24, 2020, page 31.

<sup>218</sup> Discussions with Stellantis personnel, TSRC.

<sup>219</sup> [REDACTED]

<sup>220</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 42.

<sup>221</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 42.

127. We understand the Company recently developed but has not fully implemented a [REDACTED]

[REDACTED]<sup>222</sup>

[REDACTED]<sup>223</sup>

***VEC Issue Tracking Process Better Links Issues to Risks and Controls***

128. Our Second Audit also found that the linkage between issues and risks was not always clear from the Issue Tracker documentation. Further, the Issue Tracker did not link risk issues to controls.<sup>224</sup> In the Third Audit, we reviewed a sample of issues on the Issue Tracker. We found the issues mapped to individual processes and controls and sufficiently granular risks from the VEC risk library.

3) ICA Third Audit Evaluation

129. In the Third Audit, we assessed whether VEC linked Issue Tracker risk events to the risk library, accurately linked risks to relevant controls, periodically monitored new and open issues, and provided effective oversight over outstanding issues at the VEC staff meeting. Further, we evaluated the Issue Tracker integration into the 2022 VEC risk assessment process.

***VEC Issue Tracking Processes Effective at Identifying and Remediating Internal Control Issues***

130. During the Third Audit, we reviewed a sample of issues on the Issue Tracker and found them accurately linked to risks in the VEC risk library and individual controls. We also observed the VEC staff meeting where management assessed the sufficiency of remediation and found management performed a detailed review of issues presented for closure.<sup>225</sup>

**4. Internal Audit**

1) Background

131. Consent Decree ¶58 required the Company to “complete an internal audit to assess implementation of internal procedures relating to the corporate compliance requirements” described in Section VI.C of the Consent Decree.<sup>226</sup> The Company implemented Initial Improvement Plan Project [REDACTED] to conduct these audits, and it published the ¶58 audit in March 2020.<sup>227</sup> Stellantis’ internal audit function continues to audit emissions certification and compliance processes.<sup>228</sup>

132. [REDACTED]

[REDACTED]<sup>229</sup>

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<sup>222</sup> [REDACTED]

<sup>223</sup> Discussions with Stellantis personnel, TSRC. [REDACTED]

<sup>224</sup> Independent Compliance Auditor’s Second Annual Report, December 23, 2021, page 42.

<sup>225</sup> Observation of Stellantis meetings, TSRC.

<sup>226</sup> Consent Decree ¶58.

<sup>227</sup> [REDACTED]

<sup>228</sup> [REDACTED]

<sup>229</sup> [REDACTED]



management, security, insurance, and compliance training and communications.<sup>230</sup>

133. [REDACTED] <sup>231</sup>  
[REDACTED] <sup>232</sup>  
[REDACTED] <sup>233</sup>

2) Second Audit Remedial Actions

134. In our Second Audit, we found that A&C did not rate the severity of TSRC audit findings, and A&C's findings and action closure tracking system did not capture all relevant statuses (e.g., closed by management, partially implemented, risk accepted).<sup>234</sup>

***A&C Now Rates TSRC Audit Findings and Enhanced its Findings and Action Closure Tracking Tool***

135. In response to our Second Audit findings, [REDACTED] <sup>235</sup>

136. [REDACTED] <sup>236</sup>

3) ICA Third Audit Evaluation

137. In our Third Audit, we continued to assess the effectiveness of A&C's TSRC audits by reviewing A&C workpapers and shadowing A&C-led audits.<sup>237</sup>

***A&C Continues to Demonstrate Improved Audit Quality***

138. During 2022, A&C performed [REDACTED]  
[REDACTED]  
• [REDACTED]

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<sup>230</sup> [REDACTED]  
<sup>231</sup> [REDACTED]  
<sup>232</sup> [REDACTED]  
<sup>233</sup> [REDACTED]  
<sup>234</sup> [REDACTED] 4.  
<sup>235</sup> [REDACTED]  
<sup>236</sup> [REDACTED]

<sup>236</sup> Discussions with Stellantis personnel, Audit & Compliance.

<sup>237</sup> This procedure was performed as part of our assessment of the individual Program Components.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

139. During the Third Audit, we relied on A&C testing of [REDACTED]  
[REDACTED]

140. We found the audit team appropriately documented its workpapers, and A&C had a reasonable audit approach consistent with IIA standards and the Company’s A&C Charter and Manual. When A&C identified exceptions, it took reasonable steps to obtain the information necessary to support its conclusions.

141. We also confirmed the auditors assigned to these audits were sufficiently competent and objective in accordance with relevant auditing standards for relying on the work of others.<sup>238</sup> In assessing competence, we considered the professional education and experience of the auditors, the quality of audit procedures and documentation, supervision and review of internal auditors’ activities, and A&C’s overall performance. We also considered A&C’s objectivity and independence based on the policies within its audit charter and identified no concerns.<sup>239</sup>

**5. Emissions Compliance Governance & Organizational Structure**

1) Background

142. The Company established VEC [REDACTED]  
[REDACTED] The Consent Decree and Initial Improvement Plan projects relate to VEC and other organizations within Stellantis (e.g., Propulsion Systems).

**5.1 Corporate Governance**

1) Background

143. The Initial Improvement Plan included [REDACTED] projects related to Corporate Governance. The Company designed Initial Improvement Plan Project [REDACTED] to create emissions compliance governance structures upon forming the VEC organization. The Company designed project

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<sup>238</sup> AICPA Auditing Standard 2605 – Consideration of the Internal Audit Function, states that when assessing the internal auditor’s competence, the auditor should obtain information such as education level and professional experience, professional certification and continuing education, audit policies, programs, and procedures.

<sup>239</sup> [REDACTED]

Corporate Governance [REDACTED]  
[REDACTED] and Training/Technical Competence [REDACTED]

144. The Company designed these projects [REDACTED]  
[REDACTED] <sup>240</sup>  
[REDACTED] <sup>241</sup>

2) Consent Decree Requirements

145. Consent Decree ¶51(b) requires the Company to “implement and maintain the revised governance structure, including providing personnel performing the certification, testing, and monitoring functions access to technical expertise independent from product development personnel.” The Company implemented CG1 and CG2 to meet these requirements.<sup>242</sup>

a. Emissions Compliance Governance Structures

1) Background

146. The Company governs its emissions certification and compliance program with various steering and subcommittees supported by topic-specific working groups which oversee compliance activities within its area of responsibility. [REDACTED]  
[REDACTED] <sup>243</sup>

147. [REDACTED]  
[REDACTED] <sup>244</sup>

148. The emissions compliance governance structure includes these committees and working groups:<sup>245</sup>

- [REDACTED] <sup>246</sup>

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<sup>240</sup> [REDACTED]

<sup>241</sup> Discussions with Stellantis personnel, TSRC.

<sup>242</sup> Consent Decree ¶51(b).

<sup>243</sup> [REDACTED]

<sup>244</sup> Discussions with Stellantis personnel, TSRC.

<sup>245</sup> [REDACTED]

<sup>246</sup> [REDACTED]

- [REDACTED] 247
- [REDACTED] 248
- [REDACTED] 249
- [REDACTED] 250
- [REDACTED] 251
- [REDACTED] 252
- [REDACTED] 253
- [REDACTED] 254
- [REDACTED] 255

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247 [REDACTED]

248 [REDACTED]

249 [REDACTED]

250 [REDACTED]

251 [REDACTED]

252 [REDACTED]

253 [REDACTED] IUVF [REDACTED]

254 [REDACTED]

255 [REDACTED]

- [REDACTED] <sup>256</sup>
- [REDACTED] <sup>257</sup>
- [REDACTED] <sup>258</sup>

2) Second Audit Remedial Actions

149. During the Second Audit, we found TSRC did not require meeting material distribution in advance of committee and working group meetings, which could impact the decision-making ability of meeting participants.<sup>259</sup>

***Meeting Materials Provided in Advance of VEC and Initiatives & Improvements Committee Meetings***

150. In response to our Second Audit finding, the Company [REDACTED] We selected a sample of meetings and confirmed the meeting organizers provided materials in advance.<sup>260</sup>

151. The Company decided [REDACTED] <sup>261</sup> The ICA found this explanation consistent with our observations of the working group meetings.

3) ICA Third Audit Evaluation

152. As part of our Third Audit procedures, we: (1) observed a sample of emissions compliance committee, subcommittee, and working group meetings to assess continuing effectiveness; (2) confirmed TSRC provided materials in advance for a sample of Subcommittee and Steering Committee meetings; (3) assessed the sufficiency of meeting minutes for a sample of meetings; and (4) evaluated updates to

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<sup>256</sup> [REDACTED]  
<sup>257</sup> [REDACTED]

<sup>258</sup> [REDACTED]

<sup>259</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 49.

<sup>260</sup> [REDACTED]

<sup>261</sup> Correspondence with Stellantis personnel, TSRC.



[REDACTED] 266

2) Second Audit Remedial Actions

159. During the Second Audit, we found that there was no requirement to periodically notify TSRC of new or revised processes and that the VEC Process Matrix was incomplete because it did not include all VEC processes.<sup>267</sup>

***VEC Updated the Process Matrix to Reflect Changes and Communicated Updates to TSRC and Propulsion Systems***

160. During the Third Audit, we reviewed 13 process updates included in the Q4 2021 [REDACTED] presentation to the Initiatives & Improvements committees.<sup>268</sup> We verified the Company included all updates in the Q4 2021 VEC Process Matrix update communicated to TSRC and Propulsion Systems.<sup>269</sup>

3) ICA Third Audit Evaluation

161. As part of our Third Audit, we: (1) reviewed the completeness and accuracy of the [REDACTED]; (2) discussed with VEC personnel any updates to [REDACTED] or related communication; and (3) confirmed Stellantis communicated new and updated processes to TSRC and Propulsion Systems personnel. We also assessed awareness of new or enhanced processes through our reviews of the other Program Components.

***Process for Updating and Communicating Process Changes is Effective***

162. The North America Diesel Settlement Program Manager meets with the TSRC Process, Methods, and Training team quarterly to review the status of in-progress Improvement Plans and process updates. Separately, the TSRC Process, Methods, and Training team become aware of updates to existing processes through their annual review of process documentation.<sup>270</sup> To assess effectiveness, we confirmed the Q4 2021 process updates presented to the Initiatives & Improvements committees were included in the Q4 2021 VEC Process Matrix update and in communications to TSRC and Propulsion Systems.<sup>271</sup>

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266 [REDACTED]  
[REDACTED] Discussions with Stellantis personnel, TSRC.

267 [REDACTED]  
268 [REDACTED]  
269 [REDACTED]

270 Discussions with Stellantis personnel, TSRC.

271 [REDACTED]

## 5.2 Organizational Structure

### 1) Background

163. The Initial Improvement Plan includes [REDACTED] projects related to Organizational Structure. These projects address: [REDACTED]

164. The Second Improvement Plan included an Organizational Structure [REDACTED]

[REDACTED]<sup>272</sup>

#### a. Segregation of Duties

### 1) Background

165. Before February 2017, individuals within the Powertrain and Product Development organizations performed certain emissions and OBD certification activities. The Company implemented project Organizational Structure [REDACTED]

[REDACTED]<sup>273</sup>

### 2) Second Audit Remedial Actions

166. In our Second Audit, we found TSRC's new hire training materials did not directly address the purpose of segregation of duties, and the Company did not document its assessment of the 2020 Product Development reorganization on segregation of duties in North America.<sup>274</sup>

167. Since there were no Product Development reorganizations in 2021 or 2022, we could not assess whether the Company improved its impact assessment of a reorganization on the segregation of duties between Product Development and TSRC.

### 3) ICA Third Audit Evaluation

168. In our Third Audit, we confirmed Stellantis continues to maintain segregation of duties between TSRC and Propulsion Systems and reviewed new hire training materials to assess whether TSRC communicates the purpose of segregation of duties.<sup>275</sup>

#### ***New Hire Training Materials Now Address the Purpose of Segregation of Duties***

169. The Company requires new hires in TSRC and Product Development to take the TC3 [REDACTED] Training. The Company does not provide other training related to [REDACTED]. During the Third Audit, we confirmed that TSRC modified the [REDACTED]

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<sup>272</sup> [REDACTED]

<sup>273</sup> [REDACTED]

<sup>274</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 51-52.

<sup>275</sup> [REDACTED]



[REDACTED]<sup>276</sup> We did not identify any other concerns regarding segregation of duties through our other audit activities.

*b. Vehicle Environmental Compliance Supporting Resources*

1) Background

170. Through Initial Improvement Plan Project [REDACTED], VEC added [REDACTED] as part of the Initial Improvement Plan:

- [REDACTED]
- [REDACTED]
- [REDACTED]<sup>277</sup>

171. The Company also assigned supporting resources from its Information, Communication, and Technology (“ICT”) group to assess IT programs within the Initial Improvement Plan projects and implement a more robust control structure.<sup>278</sup>

2) Second Audit Remedial Actions

172. We had no findings related to [REDACTED] during the First Audit.

3) ICA Third Audit Evaluation

173. In the Third Audit, we continued to evaluate the sufficiency and sustainability of resources supporting the Company’s emissions certification and compliance program.

***Stellantis Required VEC and Propulsion Systems to Reduce Headcount; Controls Implemented to Assess Resource Requests***

174. In 2022, Stellantis required VEC to reduce its headcount [REDACTED]<sup>279</sup> [REDACTED]<sup>280</sup>

175. To mitigate the risk that VEC does not have the necessary resources to execute compliance activities, the Company developed a [REDACTED]

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<sup>276</sup> Discussions with Stellantis personnel, TSRC. [REDACTED]

<sup>277</sup> [REDACTED]

<sup>278</sup> [REDACTED]  
<sup>279</sup> [REDACTED] Discussions with Stellantis personnel, TSRC.

<sup>280</sup> Correspondence with Stellantis personnel, TSRC.

[REDACTED] <sup>281</sup>  
[REDACTED] <sup>282</sup> Therefore, the ICA could not confirm its effectiveness.

176. We are unaware of a specific process within VEC or Propulsion Systems to assess the impact of resource reductions on the Company's ability to comply with the Relevant Laws.

- **Recommendation 13:** Stellantis should document its evaluation of the compliance impact of any emissions certification and compliance-related resource reductions before and six months after the reductions. The Company should also conduct a six-month impact evaluation of recent reductions including the elimination of the TSRC AECD Technical Fellow role.

*Recent Changes to OGC Impacted Resources Assigned to North America VEC Activities*

177. [REDACTED] <sup>283</sup>  
[REDACTED] <sup>284</sup>

*c. Vehicle Environmental Compliance Organizational Capabilities*

1) Background

178. The Company created Initial Improvement Plan Project [REDACTED] <sup>285</sup>

2) Second Audit Remedial Actions

179. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

180. As part of our Third Audit, we assessed whether management continues to provide sufficient resources to execute emissions compliance activities, including staffing the Technical Fellow roles and completing succession planning for all critical roles.

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<sup>281</sup> [REDACTED]

<sup>282</sup> Correspondence with Stellantis personnel, TSRC.

<sup>283</sup> Discussions with Stellantis personnel, TSRC.

<sup>284</sup> Discussions with Stellantis personnel, OGC.

<sup>285</sup> [REDACTED]

*VEC Eliminated the AECD Technical Fellow Role*

181. [REDACTED] <sup>286</sup> [REDACTED] <sup>287</sup> [REDACTED] <sup>288</sup> [REDACTED]

*VEC Maintains Succession Plans for Critical Roles*

182. [REDACTED] <sup>290</sup> [REDACTED]

*d. Availability of Technical Expertise*

1) Background

183. The Company created Second Improvement Plan Project [REDACTED] to [REDACTED] [REDACTED] <sup>291</sup> [REDACTED]

2) Second Audit Remedial Actions

184. We had no findings related to [REDACTED] during the Second Audit.

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<sup>286</sup> [REDACTED]

<sup>287</sup> Correspondence with Stellantis personnel, TSRC.

<sup>288</sup> Discussions with Stellantis personnel, TSRC.

<sup>289</sup> [REDACTED]

<sup>290</sup> Discussions with Stellantis personnel, TSRC.

<sup>291</sup> [REDACTED]



the required personnel by March 31, 2019, and the required personnel had to complete it by May 31, 2019.

190. Separately, Consent Decree ¶52(b) requires the Company to develop an annual Emissions Certification and Compliance Training [REDACTED] for applicable Product Development and TSRC employees “to improve and test their knowledge of emissions certification regulations and processes.” The Company had to make the initial training available to the required personnel by October 31, 2019, and the required personnel had it complete it by January 31, 2020.

191. The Consent Decree does not include required completion dates for the [REDACTED] annual refresher trainings.

### 6.1 AECD and Defeat Device Training

#### 1) Background

192. [REDACTED] 301  
[REDACTED] 302

193. [REDACTED] 303  
[REDACTED] 304  
[REDACTED] 305

194. [REDACTED]

#### 2) Second Audit Remedial Actions

195. In our Second Audit, we found shortcomings in the Company’s processes for granting exemptions for the [REDACTED] 306

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[REDACTED]

301 [REDACTED]  
302 [REDACTED]  
303 [REDACTED]  
304 Discussions with Stellantis personnel, OCG and TSRC.  
305 [REDACTED]  
306 [REDACTED]



[REDACTED]

316

3) ICA Third Audit Evaluation

202. Our Third Audit evaluation focused on reviewing the [REDACTED] audience identification and course content and the processes for tracking [REDACTED] training completion for the [REDACTED].

***The Company Accurately Identified the AECD Awareness and Advanced Training Audiences and Maintains and Effective Process for Tracking Completion***

203. The Company followed the same enhanced processes for tracking employee training completion as it used in 2020.<sup>317</sup> We reperformed the Company's reconciliation of HR records to the Learning Management System and confirmed it included all in-scope employees in [REDACTED] training populations. We found the process effective in identifying training audiences and tracking completion.

**6.2 Emissions Certification and Compliance Training**

1) Background

204. Personnel from TSRC, Propulsion Systems, and OGC developed the [REDACTED]  
[REDACTED] 318  
[REDACTED] 319

205. The 2021 training population included all employees, purchased service personnel, and contract employees in Propulsion Systems, Product Development, and TSRC, and [REDACTED]  
[REDACTED] 320  
[REDACTED] 321

2) Second Audit Remedial Actions

206. In our Second Audit, we found minor design and operating effectiveness issues with the exemption form and tracking process.<sup>322</sup> During the Third Audit, we confirmed the Company remediated these issues by

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<sup>316</sup> Discussions with Stellantis personnel, Audit & Compliance.

<sup>317</sup> [REDACTED]  
<sup>318</sup> [REDACTED]

<sup>319</sup> [REDACTED]  
<sup>320</sup> [REDACTED]  
<sup>321</sup> [REDACTED]

<sup>322</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 57, and 137-138.

enhancing the exemption process to require an employee's Director or Manager to email the training group with an exemption request directly.

3) ICA Third Audit Evaluation

207. In the Third Audit, we evaluated the effectiveness of the 2021 [REDACTED]

***Emissions Certification and Compliance Training Content Remains Effective***

208. The [REDACTED] content is thorough and well-designed to meet the course objectives. Further, the training sufficiently covered all relevant regulatory requirements and topics (e.g., emissions standards, Company processes for meeting emissions requirements, running change and field fix processes, in-use emissions testing).<sup>323</sup>

***Stellantis Followed the Enhanced Processes for Tracking Employee Training Completion***

209. The Company followed the same enhanced processes for tracking employee training completion as it used in 2020.<sup>324</sup> We reperformed the Company's reconciliation of HR records to the Learning Management System and confirmed it included all in-scope employees in the training population. We also assessed the revised exemption tracking process and observed minor operating effectiveness issues (e.g., an exemption request came from an employee's direct report rather than their manager, the rationale for an exemption was insufficiently documented) that we understand the Company plans to address in the next training.

**6.3 TSRC Roles and Responsibilities**

1) Background

210. The Company designed Initial Improvement Plan Project [REDACTED] to ensure VEC roles and responsibilities are defined and capability gaps managed. VEC created this process to supplement Company-wide performance management processes.<sup>325</sup>

211. [REDACTED]

<sup>326</sup>

212. [REDACTED]

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323  
324  
325  
326



[REDACTED] <sup>327</sup>

2) Second Audit Remedial Actions

213. During the Second Audit, we found that the [REDACTED] did not accurately reflect the required skills of specific roles, which could lead to inaccurate identification of capability gaps.<sup>328</sup>

***VEC Updated the Skills Matrix to More Accurately Identify Capability Gaps***

214. [REDACTED] <sup>S.329</sup>

3) ICA Third Audit Evaluation

215. During the Third Audit, we reviewed [REDACTED] to assess capability gaps and the linkage of gaps to identified action plans, training, and individual development plans.

***VEC Continues to Identify Capability Gaps and Provide Training to Address Common Themes***

216. During the Third Audit, we confirmed that VEC continued to identify skill gaps and provide training for capabilities that are lacking across the broader organization. We also verified that management considered the VEC Skills Assessment as an input to the Company-wide Individual Development Plan process for a sample of employees. Based on this, we concluded the process remains effective in identifying and mitigating capability gaps within VEC.<sup>330</sup>

## 7. Product Development

1) Background

217. The Improvement Plans include several projects related to Product Development. The Company designed these projects to enhance processes related to emission-related parts, emissions robustness, late software and calibration change management, and AECDs. This section includes our assessment of several of these projects. We include in **Section VI.8** our evaluation of software and calibration change management and in **Section VI.9** our assessment of AECD processes.

2) Consent Decree Requirements

218. Consent Decree ¶54(b) requires the Company implement the Initial Improvement Plan projects related to Product Development no later than August 31, 2019.<sup>331</sup>

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<sup>327</sup> [REDACTED]  
<sup>328</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 59-60.

<sup>329</sup> [REDACTED]  
<sup>330</sup> [REDACTED].

<sup>331</sup> Consent Decree ¶54(b).

## 7.1 Emission-Related Parts

### 1) Background

219. Regulations include various requirements related to emission-related parts. Stellantis maintains an Emission-Related Parts list (“ERP List”) to:

[REDACTED] 332

220. The Company created Initial Improvement Plan Project

[REDACTED] 333

221.

[REDACTED] 334

222.

[REDACTED] 335  
[REDACTED] 336

223.

[REDACTED] 337

224.

[REDACTED] 338

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332

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334

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338

[REDACTED] 339

225. [REDACTED] 340 [REDACTED] 341

2) Second Audit Remedial Actions

226. During our Second Audit, we found shortcomings in the [REDACTED] process related to [REDACTED] [REDACTED] 342

*Compensating Controls Reduce Risks Related to the Quarterly ERP Distribution Frequency*

227. [REDACTED] In our Second Audit, we observed that real-time publication of changes could limit timing differences and the risk that ERP List users rely on outdated information.<sup>343</sup>

228. During the Third Audit, we assessed other methods in which the Company communicates changes to the ERP List between quarterly publications. We selected a sample of ERP List changes between quarters and found that TSRC emailed the relevant DREs to make them aware of the changes in real-time, therefore, mitigating the risk relating to quarterly rather than real-time publication.

*Parts Flag Training More Thoroughly Cover [REDACTED]*

229. [REDACTED] 344

*EPWG Meeting Minutes Improved*

230. [REDACTED] 345

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339 [REDACTED]

340 [REDACTED]

341 [REDACTED]

342 Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 63-64.

343 Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 63-64.

344 [REDACTED]

345 Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 137.

3) ICA Third Audit Evaluation

231. Besides the remediation testing described above, we also assessed the effectiveness of the Company's controls for ensuring the completeness and accuracy of the ERP List and reviewed management's response to a 2021 A&C internal audit report.

***Stellantis Follows ERP Maintenance Processes***

232. We reviewed a sample of EPWG meeting materials and minutes and the [REDACTED]

***Management Implemented, but A&C Has Not Yet Tested Action Plans to Address 2021 A&C Audit***

233. In July 2021, A&C published an internal audit report related to the [REDACTED] processes. The report included five findings:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

346

234. Stellantis developed [REDACTED], including:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

346



2) Second Audit Remedial Actions

241. Our Second Audit found that the [REDACTED] process documentation did not define the process steps [REDACTED]  
[REDACTED]  
[REDACTED] <sup>355</sup> During our Third Audit, we found that the Company updated  
the [REDACTED] process documentation to [REDACTED]  
[REDACTED] <sup>356</sup>

3) ICA Third Audit Evaluation

242. In our Third Audit, we assessed whether the Company updated process documentation to define steps related to carryover programs and, on a sample basis, verified the Company completely and accurately executed the relevant Quality Gate reviews.

***Stellantis Accurately Identified Worst-Case Configurations***

243. We assessed four carryover and three non-carryover programs and verified the Company completed and presented [REDACTED]  
[REDACTED]

***Quality Assurance Process Implemented to Ensure Completeness of Quality Gate Documentation***

244. To help ensure all required information is presented at the Quality Gate milestones, the Company implemented a quality assurance review. We reviewed the quality assurance guide on how [REDACTED]  
[REDACTED] <sup>357</sup>  
[REDACTED] <sup>358</sup> On a sample basis, we confirmed the Company added to the  
Global Issues and Audit Tracking Template past-due Quality Gate deliverables in accordance with the  
process design.

***b. Enhance In-Use Emissions Robustness***

1) Background

245. The Company created Initial Improvement Plan Project [REDACTED]  
[REDACTED] <sup>359</sup>

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<sup>355</sup> [REDACTED]  
<sup>356</sup> [REDACTED]  
<sup>357</sup> [REDACTED]  
<sup>358</sup> [REDACTED]  
<sup>359</sup> [REDACTED]



[REDACTED] 364

253. [REDACTED] 365

2) Second Audit Remedial Actions

254. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

255. During the Third Audit, we performed procedures to confirm the Company continued to utilize the [REDACTED] processes and tools for a sample of vehicle programs.

***PD9 Processes Are Operating Effectively***

256. All 15 of the sampled 2024 Model Year vehicle programs utilized the process and analyses developed [REDACTED] 366

**8. Software and Calibration Change Management**

1) Background

257. Stellantis has several processes for ensuring the Company reviews [REDACTED]

258. During the Third Audit, we expanded our review to include an assessment of the Company's broader software and calibration change management processes.

**8.1 Internally Developed Software Change Management**

1) Background

259. Stellantis internally develops software [REDACTED]

260. [REDACTED]

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364 [REDACTED]  
365 [REDACTED]  
366 Discussions with Stellantis personnel, TSRC.



- [REDACTED] 367
- [REDACTED] 368
261. [REDACTED] 369
262. [REDACTED] 370
263. [REDACTED] 371
- [REDACTED] 372
264. [REDACTED] 373

2) ICA Third Audit Evaluation

265. During the Third Audit, we interviewed employees to confirm our understanding of the Company's end-to-end process for developing and implementing in production vehicles new or modified software features and selected a sample of software changes across [REDACTED] to confirm adherence to the defined processes for initiating, reviewing, approving, implementing, and validating the changes in production vehicles.<sup>374</sup>

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367 [REDACTED]

368 [REDACTED]

369 [REDACTED]

370 [REDACTED]

371 [REDACTED] Discussions with Stellantis personnel, TSRC.

372 [REDACTED] Discussions with Stellantis personnel, TSRC.

373 [REDACTED]. Discussions with Stellantis personnel, TSRC.

374 [REDACTED]



269. [REDACTED] 380

270. [REDACTED] 381

271. [REDACTED] 382

2) ICA Third Audit Evaluation

272. During the Third Audit, we interviewed employees to understand the Company's current processes and controls for ensuring emissions-relevant calibrations meet compliance requirements and evaluated the results from the [REDACTED] pilots.<sup>383</sup>

*Stellantis Defined Calibration Rulesets for Most AECD-Relevant Calibrations*

273. [REDACTED] 384  
[REDACTED] 385  
[REDACTED] 386

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<sup>380</sup> Discussions with Stellantis personnel, TSRC.

<sup>381</sup> Discussions with Stellantis personnel, TSRC. [REDACTED]

<sup>382</sup> Discussions with Stellantis personnel, TSRC.

<sup>383</sup> Discussions with Stellantis personnel, Propulsion Systems and TSRC.

<sup>384</sup> [REDACTED]

<sup>385</sup> [REDACTED]

<sup>386</sup> [REDACTED]

274.

[REDACTED]

387

388

***Compensating Controls Implemented to Reduce Compliance Risks for AECD-Relevant Calibrations***

275. Although the Company has not fully implemented [REDACTED] it has a compensating control to ensure calibration strategy and guidelines provide consistent and accurate AECD assessments across applications to reduce the risk that the Company calibrates a software feature to be a defeat device.

[REDACTED]

389

***The Company Has Not Yet Demonstrated it Can Execute the [REDACTED] Process at Scale***

276. To date, the Company has only executed the PD12 process for the two pilots. [REDACTED]

[REDACTED]

390

***Post-Merger Convergence Activities May Impact [REDACTED] Implementation***

277.

[REDACTED]

391

***Stellantis Recently Completed an Improvement Plan Project to Integrate Working-Level Calibrators into AECD Process***

278. During the 2022 VEC risk assessment workshop, the Company identified two new risks related to integrating calibrators in [REDACTED] process and calibrators' potential lack of complete knowledge, awareness, and understanding of [REDACTED] processes for [REDACTED]. To mitigate these risks, the Company developed Improvement Plan project [REDACTED], which included three implementation steps:

387

388

389

390 Discussions with Stellantis personnel, TSRC.

391 Discussions with Stellantis personnel, TSRC.

- [REDACTED]
- [REDACTED]
- [REDACTED],<sup>392</sup>

279. The Company confirmed that it plans to provide AECD guidance for calibrators and assess existing processes and tools through the ongoing project [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]<sup>393</sup>  
[REDACTED]<sup>394</sup>

280.

[REDACTED]<sup>395</sup>  
[REDACTED]

### 8.3 Software and Calibration Changes Late in Product Development

#### 1) Background

281.

[REDACTED]<sup>396</sup>  
[REDACTED]<sup>397</sup> The Company developed Second  
Improvement Plan Project  
[REDACTED]<sup>398</sup>

282.

[REDACTED]<sup>399</sup>

---

<sup>392</sup> [REDACTED]

<sup>393</sup> [REDACTED]

<sup>394</sup> Discussions with Stellantis personnel, TSRC.

<sup>395</sup> Discussions with Stellantis personnel, TSRC.

<sup>396</sup> [REDACTED]

<sup>397</sup> [REDACTED]

<sup>398</sup> [REDACTED]

<sup>399</sup> [REDACTED]

283. The Company also enhanced its process for reviewing late calibration changes. The calibration reviews do not occur in a formal LCAB meeting but instead involve reviewing [REDACTED]

[REDACTED]  
400

2) Second Audit Remedial Actions

284. Our Second Audit found that the [REDACTED] process did not include procedures [REDACTED]

[REDACTED]  
401

*Effective Process to Validate Late Software and Calibration Changes*

285. During our Second Audit, we found the [REDACTED] process did not include procedures [REDACTED]

[REDACTED]  
402

286. [REDACTED]

[REDACTED]  
403

287. As part of our [REDACTED] testing, we selected a sample [REDACTED]

*Late Calibration Changes Included Required Documentation*

288. All late calibration changes required a problem statement, root cause, data, detailed description of the change, and solutions. In our Second Audit, we found information was missing for two of the 15 selected late calibration changes.<sup>404</sup> During the Third Audit, we reviewed a sample of late calibration changes and confirmed the updated required documentation was all included: [REDACTED]

[REDACTED]  
405

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<sup>400</sup> Correspondence with Stellantis personnel, TSRC.

<sup>401</sup> Independent Compliance Auditor Second Annual Report, December 23, 2021, pages 68-70.

<sup>402</sup> [REDACTED]

<sup>403</sup> [REDACTED] Discussions with Stellantis personnel, TSRC.

<sup>404</sup> [REDACTED]

<sup>405</sup> [REDACTED]



a. Software/Calibration Running Change/Field Fix Certification Review Process

1) Background

295. Stellantis enhanced the [REDACTED] review process through Improvement Plan projects [REDACTED].

296. [REDACTED] 409 [REDACTED] 410

297. [REDACTED] 411 [REDACTED] 412

2) Second Audit Remedial Actions & ICA Third Audit Evaluation

298. Our Second Audit found that some running changes and field fixes lacked adequate support for the emissions equivalency statement, and supporting documentation for some changes did not demonstrate a robust review.<sup>413</sup>

***Documentation to Support Engineering Judgment for Emissions Equivalency Not Included in RCT***

299. Our Second Audit found that some running change templates lacked support for the emissions equivalency statement. In the Third Audit, we reviewed a sample of running changes and field fixes to evaluate the support for the emissions equivalency statement. The Company relied on [REDACTED]

---

409 [REDACTED]  
410 [REDACTED]  
411 [REDACTED]  
412 [REDACTED]

<sup>413</sup> Independent Compliance Auditor Second Annual Report, December 23, 2021, page 94-96.

<sup>414</sup> [REDACTED]

<sup>415</sup> Correspondence with Stellantis personnel, TSRC.



[REDACTED] 416

***Stellantis Did Not Implement Planned Enhancements to Propulsion Systems' Running Change/Field Fix Reviews***

300. In response to our First Audit findings, the Company created [REDACTED] to enhance review documentation. As noted in our Second Report, the template requires the change requestor to [REDACTED]

[REDACTED] 417  
[REDACTED] 418

***b. Hardware Running Change/Field Fix Certification Review Process***

1) Background

301. [REDACTED] 419

302. [REDACTED] 420

303. [REDACTED]

- [REDACTED]

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416 [REDACTED]

417 [REDACTED]

418 Correspondence with Stellantis personnel, TSRC.

419 [REDACTED]  
420 [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED].<sup>421</sup>

2) ICA Third Audit Evaluation

304. As part of our Third Audit, we interviewed employees and reviewed documentation to assess the [REDACTED]  
[REDACTED]<sup>422</sup>

*Effective Process to Assess Emissions Impact of Hardware-Only Changes*

305. We found the [REDACTED] process designed effectively to ensure sufficient review of hardware-only changes. Further, we selected a sample of three hardware-only running changes and two hardware-only field fixes and found the Company followed the process design. We understand the Company plans to make minor updates to the [REDACTED]  
[REDACTED] based on ICA feedback.<sup>423</sup>

306. We also reviewed [REDACTED]  
[REDACTED]<sup>424</sup>

**9. AECD Processes**

1) Background

307. The Company implemented several Improvement Plan projects to enhance processes to: [REDACTED]  
[REDACTED]

308. The AECD process begins [REDACTED]  
[REDACTED]

309. During the Third Audit, Stellantis A&C performed three AECD-related audits. [REDACTED]  
[REDACTED]

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<sup>421</sup> [REDACTED]

<sup>422</sup> Discussions with Stellantis personnel, TSRC.

<sup>423</sup> Discussions with Stellantis personnel, TSRC.

<sup>424</sup> [REDACTED]  
[REDACTED]

[REDACTED]<sup>425</sup> As part of our review, we met with A&C to discuss and provide input on scoping, identified gaps in coverage between our Third Audit Plan and A&C's scope, reperformed a sample of A&C testing to ensure agreement, and assessed the impact of A&C's audit results on our open findings.<sup>426</sup> We discuss the results of A&C's testing and supplemental procedures we performed throughout this section.

## 9.1 AECD Processes in Product Development

### 1) Background

310. [REDACTED]  
[REDACTED]  
[REDACTED]<sup>427</sup>  
[REDACTED]

311. [REDACTED]  
[REDACTED]<sup>428</sup>  
[REDACTED]<sup>429</sup>

312. We include in this section our evaluation of processes related to [REDACTED]  
[REDACTED]

313. The Initial Improvement Plan included [REDACTED] projects related to [REDACTED]  
[REDACTED]

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<sup>425</sup> The Consent Decree permits the ICA to "rely on the product of [the Company's] processes...as well as [the Company's] internal resources (e.g., legal, compliance, and internal audit)...which can assist the Auditor in carrying out the audit through increased efficiency and [Company]-specific expertise." Consent Decree ¶64(a).

<sup>426</sup> Consistent with AICPA Auditing Standard 2605 – Consideration of the Internal Audit Function, we assessed the competency and objectivity of A&C (see **Section VI.4** of this Report), and supervised, reviewed, evaluated and tested their work on a sample basis. For example, we observed 42 meetings between the audit team and management, reviewed all of their testing workpapers related to these audits, and reperformed a sample of their control tests.

<sup>427</sup> [REDACTED]  
[REDACTED]

<sup>428</sup> [REDACTED]  
<sup>429</sup> [REDACTED]

- [REDACTED] 430
- [REDACTED] 431
- [REDACTED] 432

2) Second Audit Remedial Actions

314. During the Second Audit, we found the Company: (1) had not yet implemented [REDACTED]; (2) had not implemented the [REDACTED] to improve the [REDACTED] workflow; (3) some reviews lacked formal guidelines or approval requirements [REDACTED]; and (4) training did not cover all [REDACTED] process.<sup>433</sup>

***Stellantis Implemented Calibration and OBD Reviews***

315. Our Second Audit found that the Company had not yet implemented [REDACTED]. In the Third Audit, A&C confirmed the Company implemented these reviews.<sup>434</sup>

316. Our Second Audit also found that the Company had not implemented [REDACTED].<sup>435</sup> During the Third Audit, the Company completed two Improvement Plan projects [REDACTED] to implement these reviews. We assessed the design of these reviews and concluded [REDACTED] review was effective. We found that Stellantis was not performing a complete review of all diagnostic inputs for the diesel review.<sup>436</sup> The Company has since completed these reviews and plans to continue reviewing all inputs going forward.<sup>437</sup> A&C tested the operating effectiveness of both reviews and concluded they were effective.

***Stellantis Inconsistently Uses [REDACTED] Tool***

317. Our Second Report noted that the AECD Champions for each domain [REDACTED] were responsible for tracking AECD-relevant software change requests from creation through [REDACTED]

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430 [REDACTED]  
431 [REDACTED]  
432 [REDACTED]

<sup>433</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 75-76.

434 [REDACTED]

<sup>435</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 74.

436 [REDACTED]  
437 [REDACTED]

governance reviews. The [REDACTED] then tracked the AECDs through governance to disclosure.<sup>438</sup>

318. The Initial Improvement Plan includes a step to implement [REDACTED]<sup>439</sup>  
[REDACTED] Our Second Audit found the Company had not yet implemented this tool.<sup>440</sup> During our Third Audit, A&C found the Company planned to switch to another tool [REDACTED] to review and disclose AECDs. [REDACTED]  
[REDACTED]<sup>441</sup>

319. As a result of the [REDACTED], the Company developed Improvement Plan project [REDACTED] intended to [REDACTED]  
[REDACTED]<sup>442</sup> Due to implementation timing, the ICA has not assessed DNG's implementation.

***COE and Calibration Review Guidelines Formalized; Transmission CCB Still Does Not Have Documented Guidelines***

320. Our Second Audit found that the [REDACTED] reviews lacked formal guidelines for how the reviewer should perform the control, and the [REDACTED] Review did not have voting members or formal approval requirements.<sup>443</sup> [REDACTED]  
[REDACTED]<sup>444</sup> [REDACTED]<sup>445</sup> We understand the Company plans to [REDACTED]  
[REDACTED]<sup>446</sup>

***AECD Process Training More Completely Covers the Governance Process and AECD Documentation Requirements***

321. After implementing AECD process changes [REDACTED]  
[REDACTED]<sup>447</sup>

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<sup>438</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 73, ¶280.

<sup>439</sup> [REDACTED]  
<sup>440</sup> [REDACTED]  
<sup>441</sup> [REDACTED]  
<sup>442</sup> [REDACTED]  
<sup>443</sup> [REDACTED]  
<sup>444</sup> [REDACTED]  
<sup>445</sup> [REDACTED]  
<sup>446</sup> [REDACTED]  
<sup>447</sup> [REDACTED]



326. [REDACTED] 452

327. [REDACTED] 453

*No Formal Process for Ensuring AECDs Are Added to AECD Champion Trackers to Ensure Governance Reviews Occur*

328. [REDACTED] 454

*Product Development AECD Process Documentation Not Always Accurate*

329. [REDACTED] 455

*Insufficient Supporting Documentation for A&I, CCB, and COE Reviews*

330. [REDACTED] 456 457

331. [REDACTED]

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452 [REDACTED]  
453 [REDACTED]  
454 [REDACTED]  
455 [REDACTED]  
456 [REDACTED]  
457 [REDACTED]

[REDACTED] 458

*Inconsistent Calibration Review Documentation Regarding Emissions Impact*

332. A&C reported a Moderate finding that [REDACTED]  
[REDACTED]  
[REDACTED] 459

333. In our Second Audit, we reported for two AECDs, the Company used [REDACTED]  
[REDACTED] to fulfill the [REDACTED] 460  
[REDACTED] 461

**9.2 AECD Governance**

1) Background

334. [REDACTED] 462

335. [REDACTED] 463

---

458 [REDACTED]  
459 [REDACTED]  
460 [REDACTED]  
461 [REDACTED]  
462 [REDACTED]  
463 [REDACTED]



[REDACTED] 464

336. [REDACTED] 465

337. The Initial Improvement Plan included [REDACTED] projects related to enhancing AECD governance processes:

- [REDACTED] 466
- [REDACTED] 467

2) Second Audit Remedial Actions

338. Our First and Second Audits found the Company was not following the complete AECD governance process as originally designed because it completed some governance reviews after disclosure to the Agencies.<sup>468</sup> We also observed shortcomings with the [REDACTED] meeting minutes.<sup>469</sup>

***Stellantis Does Not Complete All AECD Governance Reviews Before Disclosure***

339. [REDACTED] 470

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464 [REDACTED]  
465 [REDACTED]  
466 [REDACTED]  
467 [REDACTED]  
468 [REDACTED]

<sup>469</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 79-80.

470 [REDACTED]

340. During the Second Audit, we found that the Company could not complete some of the 2022 Model Year

[REDACTED] 471  
[REDACTED]  
[REDACTED] 472

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] 473

341. [REDACTED] 474

342. [REDACTED] 475  
[REDACTED] 476

343. [REDACTED]  
• [REDACTED]

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471 [REDACTED]  
[REDACTED]  
472 [REDACTED]  
473 [REDACTED]  
474 [REDACTED]  
475 [REDACTED]  
476 [REDACTED]

- [REDACTED]
- [REDACTED]

344. [REDACTED] 477 [REDACTED] 478 [REDACTED]

345. [REDACTED] 479 [REDACTED] 480 [REDACTED] 481 [REDACTED]

346. [REDACTED] 482 [REDACTED]

347. [REDACTED]

***Stellantis Implemented New Process to Improve [REDACTED] Meeting Minutes***

348. Our Second Audit found that [REDACTED] meeting minutes sometimes did not include information on key issues raised during the meeting and agreed-upon follow-up actions. [REDACTED]

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<sup>477</sup> Audit & Compliance Auxiliary Emissions Control Device Process, October 6, 2022, page 3.

<sup>478</sup> Discussions with Stellantis personnel, TSRC.

<sup>479</sup> Discussions with Stellantis personnel, TSRC.

<sup>480</sup> The Company represents that it shared this document with the Agencies. The ICA was not present at the meeting and cannot verify management's representation. "AECD Governance Review." [FCA-ICA-Rev. F0000032863].

<sup>481</sup> Discussions with Stellantis personnel, TSRC.

<sup>482</sup> "AECD Request – StoneTurn." Correspondence with Stellantis personnel, TSRC.



[REDACTED]

### 9.3 AECD Guidance

#### 1) Background

353. Stellantis created [REDACTED] Improvement Plan projects to provide guidance regarding [REDACTED]  
[REDACTED]

#### a. AECD Guidance on Defeat Devices

#### 1) Background

354. [REDACTED]  
[REDACTED]<sup>489</sup>

355. A defeat device is “an AECD that reduces the effectiveness of the emissions control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless:

- Such conditions are substantially included in the Federal emission test procedure (“FTP”);
- The need for the AECD is justified in terms of protecting the vehicle against damage or accident;
- The AECD does not go beyond the requirements of engine starting; or
- The AECD only applies for emergency vehicles and the need is justified in terms of preventing the vehicle from losing speed, torque, or power due to abnormal conditions of the emission control system, or in terms of preventing such abnormal conditions from occurring, during operation related to emergency response.”<sup>490</sup>

356. Stellantis’ AECD governance process requires [REDACTED]  
[REDACTED]

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<sup>489</sup> [REDACTED]

<sup>490</sup> 40 CFR § 86.1803-01.



- [REDACTED]
- [REDACTED]

361. The Company piloted the [REDACTED] <sup>497</sup> [REDACTED] <sup>498</sup> The ICA reviewed the pilot and identified shortcomings in the approach that management should consider when implementing the process:

- There is no sampling methodology to determine the appropriate number of AECDs to review.
- The Company only requires data and supporting documentation for the AECDs selected for quality assurance review. This information is only presented to the governance reviewers if the quality assurance review determines the support does not substantiate the rationale.
- The Emissions COE performs the quality assurance review. The Emissions COE is already involved in reviewing emissions impacting AECDs as part of the AECD Internal Approval & Governance Process. Therefore, the individuals performing the quality assurance review are involved in reviewing the original determination of emissions impact and justifications.<sup>499</sup>

3) ICA Third Audit Evaluation

362. Although the Company had not yet implemented the [REDACTED], we selected a sample of emissions-reducing AECDs and assessed the sufficiency of supporting documentation for the use of the regulatory rationales.

***Supporting Documentation for the Use of the Regulatory Rationales Remains Insufficient***

363. In the Third Audit, we selected a sample of emissions impacting AECDs and assessed the support provided to [REDACTED] reviewers for the use of the regulatory rationale regarding why the AECD was not a defeat device. We found the level of detail was consistent with our Second Audit observations. Further, the Company did not clearly document in the meeting minutes for some of our samples the results of the AECD Working Group review. The Company's support for the use of the rationale that the AECD is needed to protect the vehicle against damage or accident included:

- [REDACTED] <sup>500</sup>

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<sup>497</sup> [REDACTED]  
<sup>498</sup> [REDACTED]  
<sup>499</sup> [REDACTED]  
<sup>500</sup> [REDACTED]

- [REDACTED] 501

- [REDACTED] 502

364. None of this supporting information meets the Company's expectations for documentation as described in project CP15. We expect the quality assurance review, particularly if enhanced to address the shortcomings noted above, will improve the robustness of this documentation to ensure it consistently explains how the AECD protects the vehicle from damage or accident and:

[REDACTED] 503

*b. Guidance for Evaluating AECD Emissions Impact & Base Strategies as AECDs*

1) Background

365. Stellantis created [REDACTED] to provide guidance [REDACTED] 504

366. [REDACTED] 505

367. Stellantis created [REDACTED] to provide guidance [REDACTED] 506

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501 [REDACTED]  
502 [REDACTED]  
503 [REDACTED]  
504 [REDACTED]  
505 [REDACTED]  
506 [REDACTED]



2) ICA Third Audit Evaluation

***Stellantis Effectively Communicated Guidance for Evaluating AECD Emissions Impact and Base Strategies as AECDs***

368. In our Third Audit, we assessed the guidance Stellantis developed for evaluating AECD emissions impact and Base Strategies as AECDs. We found the guidance sufficient to provide employees with the information needed to interpret the regulations. Further, we confirmed the Company communicated guidance to the relevant audiences [REDACTED]

**10. On-board Diagnostics (“OBD”)**

1) Background

369. Regulations require that light- and medium-duty vehicles “be equipped with an on-board diagnostic (OBD) system capable of monitoring all emission-related powertrain systems or components during the applicable useful life of the vehicle.”<sup>507</sup>

370. The Company developed several projects to improve processes [REDACTED]

371. [REDACTED]

**10.1 OBD Pre-Certification Processes**

*a. Documentation and Communication of OBD Regulatory Interpretations*

1) Background

372. The Company designed Initial Improvement Plan Project [REDACTED]  
[REDACTED]<sup>508</sup>

373. [REDACTED]

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<sup>507</sup> 40 CFR § 86.1806-05(a)(1).

<sup>508</sup> [REDACTED]

[REDACTED] 509

2) Second Audit Remedial Actions

374. Our Second Audit found that [REDACTED] did not have a formal charter defining meeting membership, purpose, responsibilities, frequency, approval requirements, and escalation paths.<sup>510</sup>

**Stellantis Clarified [REDACTED] Requirements**

375. In response to our Second Audit finding, the Company published an [REDACTED] that [REDACTED] 511

3) ICA Third Audit Evaluation

376. As part of our Third Audit procedures, we inspected the [REDACTED] and confirmed that the Company followed the defined process for identifying, reviewing, and communicating OBD regulatory interpretations.

**[REDACTED] Remain an Effective Forum for Communicating OBD Regulatory Interpretations**

377. We reviewed documentation related to eight regulatory interpretations presented at the [REDACTED] and found the Company appropriately communicated its regulatory interpretation and documented the interpretation per the process design.<sup>512</sup> The [REDACTED] remain an effective forum for discussing and communicating OBD regulatory interpretations.

*b. OBD Monitoring Capability Requirements*

1) Background

378. OBD regulations require manufacturers to implement diagnostics to ensure “robust detection of malfunctions” under “normal urban vehicle operation and use.”<sup>513</sup> The Company created Initial Improvement Plan Project [REDACTED] to [REDACTED]

379. As part of the project, the Company [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED] 514

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509 [REDACTED]

510 Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 83.

511 [REDACTED]

512 [REDACTED]

513 Title 13, California Code Regulations, Section 1968.2(d)(3.1).

514 [REDACTED] “Within each durability group, the vehicle configuration which is expected to generate the highest level

380. [REDACTED] <sup>515</sup>

2) Second Audit Remedial Actions

381. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

382. As part of our Third Audit procedures, we: (1) selected a sample of vehicle programs in various stages of development and confirmed the Company utilized the [REDACTED]; and (2) for a sample of programs that did not meet project timing targets, we confirmed the Company developed remedial actions to bring the program back on time.<sup>516</sup>

***Monitoring Metrics and Updated OBD DDV Checklists Implemented and Consistently Used***

383. In our Third Audit, we selected a sample of vehicle programs and confirmed the Company used the [REDACTED]. We found the Company consistently used both the [REDACTED] <sup>517</sup>

**10.2 OBD Certification Processes**

*a. OBD Durability Data Vehicle Testing*

1) Background

384. The OBD system monitors emissions systems and components and notifies a driver if the system detects a fault. In some cases, OBD monitors must detect a fault before emissions exceed a regulatory-defined emission threshold. For these threshold monitors, manufacturers must perform OBD DDV testing on a subset of products.<sup>518</sup> Stellantis proposes, and CARB approves, vehicle programs each Model Year for which the Company must perform DDV testing.<sup>519</sup> Stellantis also performs similar self-certification testing for all other vehicle programs it determines to have changes affecting OBD which CARB does not select.<sup>520</sup>

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of exhaust emission deterioration on candidate vehicles in use, considering all constituents, shall be selected as the durability data vehicle (“DDV”) configuration. The manufacturer will use good engineering judgment in making this selection.” 40 CFR § 86.1822-01(a).

<sup>515</sup> Discussions with Stellantis personnel, Propulsion Systems.

<sup>516</sup> [REDACTED]

<sup>517</sup> [REDACTED]

<sup>518</sup> California Code Regulations, Section 1968.2(h).

<sup>519</sup> [REDACTED]  
<sup>520</sup> [REDACTED]

385. The Company developed Initial Improvement Plan Project [REDACTED] to [REDACTED]  
[REDACTED] 521 [REDACTED]

386. [REDACTED] 522 [REDACTED]  
[REDACTED] 523 [REDACTED]

2) Second Audit Remedial Actions

387. Our Second Audit found that Stellantis did not provide evidence demonstrating the Daily DDV Testing Team Meeting Review for the selected vehicle programs.<sup>524</sup> During the Third Audit, Stellantis provided documentation to demonstrate that the Company reviewed these programs selected in our Second Audit per the process design.

3) ICA Third Audit Evaluation

388. In the Third Audit, we reviewed a sample of DDV test data to confirm that TSRC continues to perform DDV testing activities and assessed the effectiveness of the DDV Working Group review.

***TSRC Conducts DDV Testing and DDV Reviews and Reporting Remain Effective***

389. We selected a sample of 2022 Model Year DDV programs and verified that TSRC performed the DDV testing. We also confirmed that TSRC and Propulsion Systems Senior Management reviewed and approved the final DDV reports. And, for a sample of [REDACTED], we confirmed the nature of collaboration between the TSRC and Propulsion Systems organizations was appropriate, and TSRC acted in an oversight role by driving the discussion of DDV test results, DDV readiness, and DDV test plans.

***b. Management of FCA Submissions Requiring CARB OBD Staff Approval***

1) Background

390. OBD regulations require CARB Executive Officer approval for certain items outside of normal certification documentation. The Company created project [REDACTED] to [REDACTED]

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521 [REDACTED]  
522 [REDACTED]  
523 [REDACTED]

<sup>524</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 86.

525 [REDACTED] 526

391. [REDACTED] 527 528

392. [REDACTED] 529

2) Second Audit Remedial Actions

393. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

394. In our Third Audit, we assessed whether Stellantis provided CARB the required data per the process requirements.

***Stellantis' Processes for Obtaining CARB EO Approval Remain Effective***

395. We selected a sample of [REDACTED] related to CARB EO requests and found the Company adhered to the defined processes for identifying and reviewing items potentially requiring CARB EO approval. Further, the Company sufficiently documented CARB's approval within the [REDACTED] or had other evidence to demonstrate approval.

c. *OBD Certification Documentation Review Process*

1) Background

396. CARB requires manufacturers to include OBD systems-related information in OBD certification applications. [REDACTED]

397. [REDACTED]

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525 [REDACTED]

526 [REDACTED]

527 [REDACTED]

528 [REDACTED]

529 [REDACTED]

[REDACTED] 530

398. [REDACTED] 531

399. [REDACTED] 532

[REDACTED] 533

[REDACTED] 534

[REDACTED] 535

2) Second Audit Remedial Actions

400. Our Second Audit found OBD Checklist and Summary Table review documents did not include columns to document all required review steps described in the process documentation.<sup>536</sup> During the Third Audit, we confirmed the 23MY Certification Documentation Kickoff Meeting materials: [REDACTED]

[REDACTED] 537 Additionally, we reviewed a sample of Summary Table Review Worksheets and confirmed that the Company added a field for reviewers to document review comments.<sup>538</sup>

***Stellantis Implemented Remedial Actions to Address A&C Findings***

401. Stellantis implemented the [REDACTED] process for 2022 Model Year vehicle certification. [REDACTED]

[REDACTED] 539

- [REDACTED]

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530 [REDACTED]

531 [REDACTED]

532 [REDACTED]

533 Discussions with Stellantis personnel, TSRC.

534 Discussions with Stellantis personnel, TSRC.

535 [REDACTED]

536 [REDACTED]

537 [REDACTED]

538 [REDACTED]

539 [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] 540

402. As part of our Third Audit, we confirmed that Stellantis implemented action plans designed to address a sample of the A&C findings.

3) ICA Third Audit Evaluation

403. In the Third Audit, we: (1) met with Stellantis employees to understand process enhancements implemented in response to the 2021 A&C findings; (2) reviewed updated process documentation, including process flows, narratives, and certification package review documents; and (3) observed the

***OBD Certification Documentation Review Process is Sufficiently Detailed to Ensure Completeness and Accuracy***

404. We selected a sample of OBD certification applications the Company submitted to CARB and reviewed documentation to assess whether the Company performed the process in sufficient detail to ensure the completeness and accuracy of the application. Although the Company carried much of the information forward from the prior year, review comments evidenced a granular review process that identified errors and items requiring correction.<sup>541</sup> Based on this, we found the review process to be performed at a sufficient level of detail to ensure the completeness and accuracy of the information disclosed.

d. [REDACTED]

1) Background

405. Standardization is a set of regulatory requirements for service communication and vehicle operation tracking, communication, and reporting.<sup>542</sup> The regulations reference the SAE J1979 specification for execution. J1979 includes the communication between the vehicle's OBD systems and test equipment implemented across vehicles and is based on a seven-layer structured communication process.<sup>543</sup> The J1699 static test is a scripted test to validate that vehicles can communicate a minimum subset of

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540 [REDACTED]  
541 [REDACTED]  
542 [REDACTED]  
543 E/E Diagnostic Test Modes J1979\_201702 [[https://www.sae.org/standards/content/j1979\\_201702/](https://www.sae.org/standards/content/j1979_201702/)].

information per J1979. The J1699 static test must be run on every module communicating through J1979 as part of compliance testing, with results submitted to CARB.<sup>544</sup>

406.

[REDACTED] 545

2) ICA Third Audit Evaluation

407. As part of the Third Audit, we interviewed employees to understand the role and responsibilities of the J1979 Working Group and monitored [REDACTED] implementation.<sup>546</sup>

***Stellantis Plans to Add Resources to [REDACTED] Processes Designed to Ensure J1979 Compliance***

408. In February 2022, TSRC OBD personnel presented a [REDACTED] update to the [REDACTED]  
[REDACTED] 547 548  
[REDACTED] 549  
[REDACTED] 550

409. Because the Company has not designed or implemented the processes it expects to develop through CP10, the ICA could not assess the effectiveness of the process.

## 11. Certification Processes

1) Background

410. The Initial Improvement Plan includes [REDACTED] projects related to Certification Processes. The Company designed these projects to [REDACTED]  
[REDACTED] 551

411. Before the Company formed VEC in [REDACTED]  
[REDACTED]

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544 [REDACTED]

545 [REDACTED]

546 Discussions with Stellantis personnel, TSRC.

547 [REDACTED]

548 [REDACTED]

549 Discussions with Stellantis personnel, TSRC. Correspondence with Stellantis personnel, TSRC.

550 Discussions with Stellantis personnel, TSRC.

551 Consent Decree ¶55(a).



[REDACTED] 552

2) Consent Decree Requirements

412. Consent Decree ¶55(b) requires the Company to implement the Certification Processes Improvement Plan projects “within the timeline set forth in the Improvement Plan, and no later than December 31, 2019.”<sup>553</sup>

**11.1 Certification Processes: Internal Communications**

1) Background

413. [REDACTED] Improvement Plan projects enhanced processes [REDACTED]  
[REDACTED] 554

*a. Communicate Certification Status Within FCA*

1) Background

414. The Company created [REDACTED] to [REDACTED] [REDACTED] 555

415. [REDACTED] [REDACTED] 556

416. [REDACTED] [REDACTED] 557

417. [REDACTED] [REDACTED] 558

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552 [REDACTED]  
553 Consent Decree ¶55(b).  
554 [REDACTED]  
555 [REDACTED]  
556 [REDACTED]  
557 [REDACTED]  
558 [REDACTED]

2) Second Audit Remedial Actions

418. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

419. In our First Audit, we found that the Company did not send the monthly certification status email from one of three selected months. [REDACTED]<sup>559</sup>  
Although we found the Company remediated this issue during our Second Audit, we performed additional procedures to confirm whether the Company sent the monthly email for a sample of months in 2022.

***VEC Continues to Send the Monthly Certification Status Email***

420. We inspected a sample of four months between September 2021 and February 2022 and found that VEC sent the certification status emails containing the required information (e.g., forecasted certifications, forecasted CARB EO date, emissions certification completion).<sup>560</sup>

***Vehicles Shipped Before Certification; Remedial Action Appears Insufficient to Address the Risk***

421. [REDACTED]  
[REDACTED]<sup>561</sup>

422. [REDACTED]  
[REDACTED]<sup>562</sup>

- **Recommendation 18:** A&C should include in its 2023 Audit Plan a review of the Company's processes and controls for ensuring it does not ship a vehicle before obtaining certification.

***b. Improve Communication About Future and Existing Regulations***

1) Background

423. The Company created [REDACTED] to [REDACTED]  
[REDACTED]

<sup>559</sup> Independent Compliance Auditor's First Annual Report, December 24, 2020, page 58.

<sup>560</sup> [REDACTED]  
[REDACTED]

<sup>561</sup> [REDACTED]  
<sup>562</sup> [REDACTED]

[REDACTED] 563

424. [REDACTED] 564

425. [REDACTED] 565

2) Second Audit Remedial Actions

426. During our Second Audit, we found that meeting minutes were insufficient to demonstrate the Criteria Emissions Working Group’s review of the 2021 Model Year through 2025 Model Year “catch-up” regulatory bulletins.<sup>566</sup>

***Minutes Improved in 2022***

427. The [REDACTED] reviewed five new regulatory bulletins in 2022. We found the minutes for each meeting were sufficiently detailed to evidence the review and documented questions and follow-up actions where appropriate.<sup>567</sup>

3) ICA Third Audit Evaluation

428. As part of our Third Audit, we selected a sample of bulletins related to future regulations to confirm communication to Propulsion Systems and TSRC.

***Stellantis’ Process for Communicating Existing and Future Regulations is Effective***

429. Between [REDACTED], the Company issued [REDACTED] regulatory bulletins related to environmental compliance.<sup>568</sup> We reviewed each bulletin and verified the Company communicated to Propulsion Systems and TSRC personnel through the [REDACTED].<sup>569</sup> We also confirmed that

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563 [REDACTED]  
564 [REDACTED]  
565 [REDACTED]

Discussions with Stellantis personnel, TSRC.

<sup>566</sup> Independent Compliance Auditor’s Second Annual Report, December 23, 2021, page 92.

<sup>567</sup> [REDACTED]

<sup>568</sup> [REDACTED]

<sup>569</sup> [REDACTED]

the [REDACTED] reviewed and approved the bulletins per the process design.<sup>570</sup>

## 11.2 Certification Processes: External Communication

### 1) Background

430. The Company implemented [REDACTED] Improvement Plan projects designed to [REDACTED]  
[REDACTED]  
[REDACTED]<sup>571</sup>

#### a. ICT Tools for Certification

### 1) Background

431. Stellantis developed project [REDACTED] to [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]<sup>572</sup>

432. Since our First Audit, the Company has implemented various [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]<sup>573</sup>

433. [REDACTED]  
[REDACTED]

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<sup>570</sup> [REDACTED]

<sup>571</sup> [REDACTED]

<sup>572</sup> [REDACTED]

<sup>573</sup> [REDACTED] Discussions with Stellantis personnel, ICT.

[REDACTED] 574

2) Second Audit Remedial Actions

434. We had no findings related to [REDACTED] during the Second Audit.

3) ICA Third Audit Evaluation

435. In our Third Audit, we interviewed employees to understand key areas of improvement in emissions compliance processes and tools used to support certification and observed a sample of [REDACTED] [REDACTED] meetings to assess the sufficiency of oversight and prioritization of ICT projects related to emissions certification and compliance.

*Stellantis Continues to Enhance ICT Tools Related to Emissions Certification and Compliance*

436. [REDACTED] 575

*Resource Constraints Changed ICT's Approach to Implementing VEC ICT Enhancements; ICT Review Board Oversees Prioritization*

437. Due to budget constraints, Stellantis reduced [REDACTED] [REDACTED] 576

438. [REDACTED] 577

*b. Collecting and Storing Data in Support of Certain Certification Attestations*

1) Background

439. Regulations require manufacturers to provide supporting data and information for some attestations the Company makes as part of the certification process. [REDACTED]

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574 [REDACTED]

575 [REDACTED]

576 Discussions with Stellantis personnel, ICT and TSRC.

577 Observation of Stellantis meetings, ICT.

[REDACTED] 578

440. The Company created [REDACTED] to [REDACTED]  
[REDACTED] 579

2) ICA Third Audit Evaluation

441. During the Third Audit, we interviewed employees to understand the process design and assessed whether the Company followed the defined process for a sample of 2023 Model Year attestations.<sup>580</sup>

***Stellantis' Self-Identified Issues Related to the Timely Collection of Data to Support Attestations***

442. During the Third Audit, we reviewed a sample of Compliance Procedures, supporting data, and Compliance Reports and found that the Company followed the prescribed procedures for each selection.

[REDACTED] 581

443. [REDACTED] 582

***Stellantis Should Leverage [REDACTED] for Key Internal Attestations***

444. Stellantis would benefit from applying the same rigor it does for regulatory attestations to its internal attestations related to emissions certification and compliance. For example, the Company requires internal attestations for [REDACTED]

[REDACTED]

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578 [REDACTED]

579 [REDACTED]

580 Discussions with Stellantis personnel, TSRC. Discussions with Stellantis personnel, TSRC.

581 [REDACTED]

582 [REDACTED]

c. Evaluate EVAP ETS Process

1) Background

445. [REDACTED] 583

446. [REDACTED] 584

2) ICA Third Audit Evaluation

447. As part of our Third Audit, we assessed the completeness and accuracy of EVAP emissions data transferred from [REDACTED]

***Automated Transfer of EVAP Test Data from [REDACTED] is Effective***

448. We selected a sample of EVAP tests and verified the [REDACTED]. We also reviewed the test log file to ensure it provided reporting on data transfer integrity [REDACTED] 585 Based on this, we concluded the automated transfer of EVAP test data [REDACTED] is effective.

**12. Post-Certification Processes**

1) Background

449. The Initial Improvement Plan includes [REDACTED] projects related to [REDACTED] 586

2) Consent Decree Requirements

450. Consent Decree ¶56(b) requires the Company to implement the enhancements described in the Post-Certifications Processes section of the Initial Improvement Plan “within the timeline set forth in the Improvement Plan, and no later than July 31, 2019.”

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583 [REDACTED]  
584 [REDACTED]  
585 [REDACTED]

586 Consent Decree ¶56(a).

## 12.1 In-Use Testing Processes

### 1) Background

451. Regulations require manufacturers to conduct in-use emissions testing to demonstrate to the Agencies that customer vehicles comply with emissions requirements for the vehicle's Full Useful Life.<sup>587</sup> The Company created [REDACTED] Initial Improvement Plan Project, [REDACTED] to develop [REDACTED]

[REDACTED]  
588

452.

[REDACTED]  
589

453.

[REDACTED] 590

[REDACTED] 591

454.

[REDACTED] 592

[REDACTED] 593

### 2) Second Audit Remedial Actions

455. Our Second Audit found that the Company did not have a recurring process to reconcile the population of IUVP exceedances to those reflected on the Open Issues Tracker, which the Company uses to trigger

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588

[REDACTED] Observation of Stellantis

Meetings, TSRC.

590

591

592

593



[REDACTED] 594 [REDACTED] 595

***Stellantis Improved Processes for Tracking Exceedances and IUVP Investigations***

456. [REDACTED] 596 [REDACTED] 597

457. We reviewed the revised tracker and found it designed effectively to ensure the Company tracks investigations for any exceedances. Further, we observed a sample of [REDACTED] minutes to confirm the [REDACTED] included open issues and investigations as standing agenda items.<sup>598</sup>

***New Process to Ensure Quarterly IUVP Update is Presented at Governance***

458. The Company implemented a monthly review of open IUVP investigations to prepare for [REDACTED] [REDACTED] 599 During the Third Audit, we confirmed that VEC presented a sample of quarterly IUVP updates [REDACTED] 600

3) ICA Third Audit Evaluation

459. In our Third Audit, we assessed the effectiveness of controls over the completeness and accuracy of regulatory notifications for IUVP and IUCP exceedances, confirmed the information presented [REDACTED] [REDACTED] was consistent with underlying test detail and ensured the Company tracked to completion of in-use testing failures.

***Effective Processes for Identifying, Investigating, and Reporting In-Use Exceedances***

460. During the Third Audit, we reviewed a sample of in-use exceedances and confirmed the Company notified the Agencies per the defined timelines (i.e., 72 hours for IUVP and 30 days after testing is completed for the test group for IUCP). We also verified that a sample of IUVP failures were included on [REDACTED] and investigated.<sup>601</sup>

***Stellantis Updated the [REDACTED] Process to Investigate Failures Based on Test Group Results***

461. The original [REDACTED] process [REDACTED] [REDACTED] 602 [REDACTED] The ICA

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<sup>594</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 99.

<sup>595</sup> [REDACTED]  
<sup>596</sup> [REDACTED]  
<sup>597</sup> [REDACTED]  
<sup>598</sup> [REDACTED]  
<sup>599</sup> [REDACTED]  
<sup>600</sup> [REDACTED]

<sup>601</sup> [REDACTED]  
<sup>602</sup> [REDACTED]





470. In our First Audit, we found that the Company's resources were limited such that it could not investigate all claims over its thresholds that are supposed to trigger an investigation.<sup>620</sup> Further, in our Second Audit, we found that the Company did not have a formal or consistent process [REDACTED]

[REDACTED]<sup>621</sup>

471. [REDACTED]<sup>622</sup> However, based on our observation of a sample of meetings, we found the process insufficiently improves the Company's ability to investigate and prioritize open investigations.<sup>623</sup> For example, we identified ten investigations open since 2020 that had increased claims in 2022, but the Company did not prioritize. The Company would benefit from relying on a more analytical approach to prioritizing open investigations [REDACTED] identified and tracked in [REDACTED].<sup>624</sup>

### 3) ICA Third Audit Evaluation

472. During the Third Audit, we reviewed enhancements to the emissions warranty investigation and reporting processes to assess the effectiveness of: [REDACTED]

#### **Effective [REDACTED] Process**

473. During the Third Audit, we selected a sample of emissions defects and assessed the sufficiency of the [REDACTED] review. In all instances, we found evidence of an effective review by the [REDACTED]. Further, the defect determinations appeared reasonable based on the underlying support.

#### **[REDACTED] Reviews Remain Effective**

474. The [REDACTED] review and the [REDACTED] review of [REDACTED] were designed and operating effectively to ensure the Company accurately reports defects and that Stellantis takes action to address known defects. We reviewed a sample of [REDACTED] and determined the [REDACTED] reviews operated per the process design.<sup>625</sup>

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<sup>620</sup> Independent Compliance Auditor's First Annual Report, December 23, 2021, page 67.

<sup>621</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 101-102.

<sup>622</sup> [REDACTED]  
<sup>623</sup> [REDACTED]

<sup>624</sup> [REDACTED]

<sup>625</sup> 40 CFR § 85.1903 requires manufacturers to file an Emissions Defect Information Report ("EDIR") when: (1) the manufacturer determines in accordance with the procedures established by the manufacturer to identify safety related defects that a specific emission-related defect exists; and (2) that the specific emission-related defect exists in twenty-five or more vehicles or engines of the same model year.

b. Warranty Parts Retention and Coverage

1) Background

475. The Company developed [REDACTED] to [REDACTED]  
[REDACTED]

476. [REDACTED] 626

477. [REDACTED] 627  
[REDACTED] 628

2) Second Audit Remedial Actions

478. [REDACTED]  
[REDACTED] As of our Second Audit, the Company also had not closed an open finding related to GRCS and CHCP integration for 2021 Model Year applications.<sup>629</sup>

**Potential CHCPs Presented to Governance Committees**

479. [REDACTED] 630

**ERP List Now Reflects Approved CHCPs**

480. Our Second Report noted the Company [REDACTED] 631  
[REDACTED] In our Third Audit, we reviewed a

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626 [REDACTED]  
627 CFR § 20.37 Defect Warranty Requirements for 1990 and Subsequent Model Passenger Cars. Discussions with Stellantis personnel, TSRC.

628 [REDACTED]  
629 [REDACTED]  
630 [REDACTED]

631 [REDACTED]  
[REDACTED] Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 104.

sample of parts [REDACTED] determined to be CHCPs and confirmed the Company reflected the parts as such on the ERP List.<sup>632</sup>

***Stellantis Still Has Not Validated the TSO Spreadsheet***

481. As part of [REDACTED] the Company implemented [REDACTED]  
[REDACTED]  
[REDACTED] <sup>633</sup>  
[REDACTED] <sup>634</sup> Without this review, there is a risk that the Company provides dealers with inaccurate or incomplete warranty information.

482. We understand the Company has not prioritized the [REDACTED]  
[REDACTED] <sup>635</sup>

***Stellantis Reviewed and Updated 2021 Model Year Applications to Include All CHCPs***

483. Our First Audit found that because the Company did not enhance its processes until after it submitted some 2021 Model Year certification applications, there was a risk that those applications did not include a complete list of CHCPs.<sup>636</sup> We understand the Company [REDACTED]  
[REDACTED] <sup>637</sup>

3) ICA Third Audit Evaluation

484. We continued to assess the effectiveness of updates to the Company's controls related to its emission-related warranty processes, including the [REDACTED] reviews of ERPs to identify potential CHCPs, the completeness and accuracy of the CHCP list in certification applications, reviews over warranty information including the warranty booklet, and communications with Mopar.

***Sample of 2023 Model Year Certification Applications Included Accurate CHCP List***

485. We selected a sample of 2023 Model Year certification applications submitted as of June 30, 2021 and reconciled the CHCPs in the application to the CHCP list. We found the applications accurately reflected the latest CHCPs. Further, we confirmed for these applications that the Company uploaded the part information to GRCS, which it uses to create the CHCP list.

***Performed Required Reviews***

486. [REDACTED]  
[REDACTED] In the Third Audit, we selected a sample of [REDACTED] ERPs and confirmed the EWWG meeting minutes reflected the CHCP decision and if the part was a potential CHCP that the

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<sup>632</sup> [REDACTED]  
<sup>633</sup> [REDACTED]  
<sup>634</sup> [REDACTED]

<sup>635</sup> Discussions with Stellantis personnel, TSRC.

<sup>636</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 73-74.

<sup>637</sup> Discussions with Stellantis personnel, TSRC.

[REDACTED] reviewed. We also confirmed the Company accurately reflected the final CHCP determination on the ERP List.<sup>638</sup>

c. *Mopar Processes to Provide Warranty Parts Retention and Coverage*

1) Background

487. Our First Audit found that the [REDACTED] scope was limited to [REDACTED]  
[REDACTED]<sup>639</sup> [REDACTED]  
[REDACTED]<sup>640</sup>

488. [REDACTED]  
[REDACTED]<sup>641</sup>

489. [REDACTED]  
[REDACTED]<sup>642</sup>

2) ICA Third Audit Evaluation

490. As part of our Third Audit, we interviewed employees to understand the [REDACTED] process design and assessed the effectiveness of the process for communicating part information to Mopar.<sup>643</sup> We also evaluated the Company's process for [REDACTED]

***Stellantis Has Not Yet Completed Reviews of Part to LOP Mapping Error Reports***

491. During the Third Audit, the Company implemented an automated control to [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

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638 [REDACTED]  
639 [REDACTED]  
640 [REDACTED]  
641 [REDACTED]

[REDACTED] Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 62. Discussions with Stellantis personnel, TSRC.

642 [REDACTED]

643 Discussions with Stellantis personnel, TSRC.

[REDACTED] 644

d. Cummins Emission Warranty Requirements

1) Background

492. Stellantis created project [REDACTED] to [REDACTED]  
[REDACTED] 645

493. [REDACTED]  
[REDACTED] 646

2) ICA Third Audit Evaluation

494. In our Third Audit, we assessed the design of the process for incorporating Cummins emission-specific warranty information in the CHCP process and evaluated the completeness and accuracy of the information input in the CHCP system for Cummins' products.

**Cummins Participates in [REDACTED] and Parts Included on Stellantis ERP and CHCP Lists**

495. During the Third Audit, we observed a sample of [REDACTED] meetings and confirmed a Cummins representative attended.<sup>647</sup> Further, we selected a list of parts from the Cummins ERP list and verified the parts are included on the Stellantis ERP and CHCP lists. Based on this, we found Cummins effectively communicated its part information to Stellantis, and such information was incorporated into the [REDACTED] process (i.e., which ensures communication to Mopar).

**12.3 CALID/CVN Processes**

1) Background

496. CARB requires manufacturers to submit quarterly reports with Calibration Identification Numbers ("CALIDs") and Calibration Verification Numbers ("CVNs") associated with all new vehicles sold in

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644 [REDACTED]

645 [REDACTED] Discussions with Stellantis personnel, TSRC.

646 [REDACTED]

647 [REDACTED]



California.<sup>648</sup> CARB compares CALID/CVN pairs reported by the manufacturer to those reported by customer vehicles at inspection stations to identify instances where customers tampered with powertrain controls. The Company created project [REDACTED] to [REDACTED]

497. Before this project, the Company [REDACTED]  
[REDACTED]<sup>649</sup>  
[REDACTED]<sup>650</sup>

498. [REDACTED]  
[REDACTED]<sup>651</sup>  
[REDACTED]<sup>652</sup>

2) Second Audit Remedial Actions

499. In our Second Audit, we found that the Company's review to ensure CALIDs/CVNs associated with running changes and field fixes are identified and reported was insufficient because the reviewer did not expand the sample size to ensure it identified all errors when the reviewer identified exceptions (i.e., when CALIDs/CVNs associated with running changes and field fixes were not captured in the CARB report).<sup>653</sup>

***Stellantis Plans to Expand the Sample Size Reviewed When Exceptions are Noted***

500. [REDACTED]  
[REDACTED]<sup>654</sup> Due to the timing of when the Company developed this remedial action, the ICA could not verify implementation.

3) ICA Third Audit Evaluation

501. We assessed the effectiveness of the [REDACTED] review of the quarterly report and performed procedures to verify that the information reported to CARB in the CALID/CVN report was complete and accurate.

***Besides the Sample Size Issue Above, CALID/CVN Reporting Processes Are Operating Effectively***

502. We selected one quarterly report (Q3 2021) and assessed the effectiveness of the review. We found that the reviewer completed all review procedures, and there was sufficient documentation to evidence

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<sup>648</sup> [REDACTED]

<sup>649</sup> [REDACTED]

<sup>650</sup> [REDACTED]

<sup>651</sup> [REDACTED]

<sup>652</sup> [REDACTED]

<sup>653</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 104-105.

<sup>654</sup> [REDACTED]

the review. Further, we concluded the review procedures appeared reasonably designed to reduce the risk of errors in the CARB report.

### 13. Supplier Processes

#### 1) Background

503. [REDACTED] The Company created a Second Improvement Plan Project to [REDACTED]

504. The Initial Improvement Plan also included a project to [REDACTED]

#### 2) Consent Decree Requirements

505. Consent Decree ¶54(b) requires the Company to implement the Initial Improvement Plan Project related to Third-Party Processes by no later than August 31, 2019.<sup>655</sup>

#### 3) ICA Third Audit Evaluation

506. In addition to our review of the supplier-related Improvement Plans, we also assessed the Company's responses to our prior findings related to considering compliance risks in supplier due diligence processes.

#### ***Stellantis Plans to Enhance Supplier Due Diligence Processes to Consider Compliance Risk***

507. Our Second Report found the Company considers quality performance metrics, financial risk, sustainability ratings, and commercial performance when selecting suppliers for emission-related services or parts.<sup>656</sup> However, the Company does not formally consider compliance factors such as past enforcement actions or the maturity of supplier compliance processes when deciding whether to engage a new vendor or continue an existing relationship.<sup>657</sup> The Company informed the ICA in September 2022 that it plans [REDACTED]

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<sup>655</sup> [REDACTED] Our First Audit found that this project was completed by the Consent Decree deadline. All other projects related to Third-Party Processes are part of the Second and Third Improvement Plans and are therefore not subject to this Consent Decree deadline.

<sup>656</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 107.

<sup>657</sup> [REDACTED]

[REDACTED]

<sup>658</sup> Due to the implementation timing, the ICA could not assess this process.

### 13.1 Supplier Design Capability Assessment

#### 1) Background

508. The Company created Initial Improvement Plan Project [REDACTED] to [REDACTED]  
[REDACTED]

509. In response to our First Audit findings related to [REDACTED] and risks raised during the 2020 VEC Risk Assessment, the Company created Second Improvement Plan Project [REDACTED]. This project: [REDACTED]  
[REDACTED]

#### 2) Second Audit Remedial Actions

510. Our Second Audit found the [REDACTED] process did not [REDACTED]  
[REDACTED] However, for all samples we reviewed, the Company consulted [REDACTED]  
[REDACTED]

#### 3) ICA Third Audit Evaluation

511. Our Third Audit activities included: (1) inspecting inputs and outputs from AECD assessments completed since our Second Audit to confirm adherence to process design and effectiveness; (2) assessing the supplier AECD process gaps and sufficiency of action plans to address those gaps; and (3) confirming AECD technical expert involvement in the assessment.

#### ***Stellantis Effectively Tracks Supplier Assessment Action Plan Closure***

512. As of our Third Audit testing, Stellantis had not completed any [REDACTED]  
[REDACTED] We reviewed this supplier's [REDACTED]  
[REDACTED]

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<sup>658</sup> Discussions with Stellantis personnel, TSRC. [REDACTED]  
[REDACTED]

## 13.2 Supplier AECD Processes

### a. Enhance Documentation for Outsourced Modules

#### 1) Background

513. [REDACTED] 659  
[REDACTED] 660

514. [REDACTED] 661

#### 2) Second Audit Remedial Actions & ICA Third Audit Evaluation

515. Our Second Audit found a sample of suppliers did not provide Stellantis AECD information in the [REDACTED] developed through [REDACTED] and the Company could not evidence information [REDACTED] 662

516. During the Third Audit, Stellantis A&C audited [REDACTED]. The ICA relied on A&C's testing in this area to increase efficiencies.

#### *Suppliers Did Not Always Follow Stellantis' AECD Requirements*

517. [REDACTED] 663

518. [REDACTED] 664

519. [REDACTED]

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659 Discussions with Stellantis personnel, Propulsion Systems.

660 [REDACTED]

661 [REDACTED]

662 [REDACTED]

[REDACTED] Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 111, ¶223.

663 Discussions with Stellantis personnel, Audit & Compliance.

664 [REDACTED]

[REDACTED]

665

**Key Personnel Not Familiar with Stellantis' Supplier AECD Requirements**

520. When conducting its supplier AECD audit, A&C found [REDACTED]

*b. Supplier AECD Review and Approval*

1) Background

521. The Company created Second Improvement Plan Project [REDACTED] to [REDACTED]

666

522. Project [REDACTED] included [REDACTED] implementation steps:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

667

523. Before developing the [REDACTED] processes, the Company [REDACTED]

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665 Discussions with Stellantis personnel, Audit & Compliance.

666 [REDACTED] Correspondence with Stellantis personnel, TSRC.

667 [REDACTED]



- [REDACTED] 671
  - [REDACTED] 672
  - [REDACTED] 673
526. [REDACTED] 674

### 13.3 Supplier Communications

#### 1) Background

527. Stellantis created Third Improvement Plan Project [REDACTED] to [REDACTED] 675  
[REDACTED] 676
528. [REDACTED] 677
529. [REDACTED] 678  
[REDACTED] 679

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671 [REDACTED]

672 [REDACTED]

673 [REDACTED]

674 [REDACTED]

675 [REDACTED]

676 [REDACTED]

677 [REDACTED]

678 [REDACTED]

679 [REDACTED]

Discussions with Stellantis personnel, Propulsion System.

2) Second Audit Remedial Actions

530. During our Second Audit, we found Stellantis did not communicate [REDACTED] ing requirements to [REDACTED]

[REDACTED] 680

***Stellantis Updated the [REDACTED] Tool to Address Second Audit Findings***

531. In 2022, Stellantis updated the [REDACTED] Tool to include the same language regarding [REDACTED] requirements for [REDACTED]

[REDACTED] 681

532. Stellantis also updated the language in the [REDACTED] Tool that [REDACTED]

[REDACTED] 682

3) ICA Third Audit Evaluation

533. As part of our Third Audit, we planned to confirm on a sample basis whether Stellantis communicated the [REDACTED] language and supplier emissions requirements as part of new supplier contracts. As of our testing date, the Company entered no new contracts with emissions-related software and calibration suppliers. Therefore, we were unable to assess operating effectiveness.

**13.4 Supplier Running Change/Field Fix Process**

1) Background

534. The Company created Third Improvement Plan Project [REDACTED] to [REDACTED]

[REDACTED] 683

535. [REDACTED]

[REDACTED] 684

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<sup>680</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, pages 110-111.

<sup>681</sup> [REDACTED]

<sup>682</sup> [REDACTED]

<sup>683</sup> [REDACTED]

<sup>684</sup> [REDACTED]



[REDACTED]

2) Second Audit Remedial Actions

536. Our Second Audit found the [REDACTED] process documentation did not clearly describe how individual source code changes are: (1) aggregated to the high-level changes that the Company then uses in the [REDACTED] review process; or (2) how the Company reviews those high-level changes for completeness and accuracy.

***Stellantis Revised [REDACTED] Process Documentation to More Accurately Reflect the Current Process***

537. Stellantis revised the [REDACTED] process documentation to address our Second Audit finding. During the Third Audit, we reviewed the updated documentation and found it better described the role of the supplier and the actions taken by the [REDACTED] process. The updates clearly state that the [REDACTED]

[REDACTED]

3) ICA Third Audit Evaluation

538. As part of our Third Audit, we: (1) interviewed personnel and inspected updated process documentation to confirm it accurately reflects supplier involvement in review processes; and (2) assessed the effectiveness of the revised process for a sample of supplier running changes by inspecting supplier release documentation and completed review checklists.

***Stellantis Effectively Reviews Supplier Running Change Documents***

539. We reviewed a sample of supplier running changes and inspected evidence demonstrating [REDACTED] review. For all selections, there was sufficient evidence to demonstrate the review operated per the prescribed process. We also confirmed the supplier provided the required [REDACTED] (if necessary).

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685 [REDACTED]  
686 [REDACTED]

## 14. Portable Emissions Measurement Systems Testing

### 1) Background

540. The Company developed [REDACTED] Initial Improvement Plan projects to [REDACTED]  
[REDACTED]  
[REDACTED] 687

541. [REDACTED]  
[REDACTED]  
[REDACTED] 688

### 2) Consent Decree Requirements

542. Consent Decree ¶59 provides PEMS testing requirements on Model Years 2019, 2020, and 2021 vehicles.<sup>689</sup> The Company had to retain an independent Third-Party Tester to conduct PEMS testing on two vehicles, and the Third-Party Tester had to issue a separate report.<sup>690</sup> The Company had to submit a PEMS Test Plan (“Test Plan”) to EPA and CARB describing how it and Third-Party Tester would perform the testing.<sup>691</sup>

543. The Company and the Third-Party Tester had to conduct additional testing and issue reports for 2019, 2020, and 2021 Model Years.<sup>692</sup> “For 2020 Model Year, FCA had to conduct ¶59(a) testing by December 31, 2020 and submit its report by March 1, 2021.”<sup>693</sup> For 2021 Model Year, the Company had to conduct ¶59(a) testing “no later than September 30 of the calendar year for which the model year is named.” And the Company had to submit its report by “no later than November 30 of the calendar year for which the model year is named.”<sup>694</sup> The Third-Party Tester had to conduct ¶59(b) testing by “December 31 of the calendar year for which the applicable model year is named” and submit its report by “no later than March 1 of the calendar year immediately after the calendar year for which the model year is named.”<sup>695</sup>

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687 [REDACTED]

688 [REDACTED]

689 Consent Decree ¶59(a).

690 Consent Decree ¶59(b).

691 Consent Decree ¶59(d).

692 Consent Decree ¶59(e).

693 Second Stipulation and Agreement Regarding Non-Material Changes to the Consent Decree, filed September 17, 2020, page 5.

694 Consent Decree ¶59(e).

695 Consent Decree ¶59(f).

3) Second Audit Remedial Actions

544. Our Second Audit found that PEMS testing procedures frequently identified [REDACTED]

[REDACTED]<sup>696</sup>

***Stellantis Evaluated its PEMS Testing Process for Improvement Opportunities***

545. [REDACTED]

[REDACTED]<sup>697</sup>

[REDACTED]<sup>698</sup>

4) ICA Third Audit Evaluation

546. In our Third Audit, we performed procedures to: (1) ensure Stellantis and the Third-Party Tester continue to meet the ¶59 requirements; (2) assess the effectiveness of the PEMS testing processes; and (3) observe a sample of [REDACTED] meetings to evaluate its review of transient PEMS testing exceedances. To assess compliance with ¶59, the ICA: (1) confirmed the Company submitted the Test Plan and received EPA and CARB approval; and (2) verified Stellantis and the Third-Party Tester conducted its testing per the approved Test Plan.

***The Company and Its Third-Party Tester Met Consent Decree ¶59 PEMS Testing Requirements***

547. The Company met all Consent Decree requirements related to PEMS testing and submitted its 2021 Model Year report by the November 30, 2021 deadline.<sup>699</sup> Further, the Third-Party Tester published its 2021 Model Year report on February 28, 2022.<sup>700</sup>

***PEMS Testing Procedures Continue to Operate Effectively***

548. In the Third Audit, we reviewed a sample of PEMS transient test exceedances and confirmed the exceedances were: (1) accurately identified; (2) sufficiently investigated to determine the root causes; (3) mapped to the appropriate AECD; and (4) reviewed by the [REDACTED]<sup>701</sup> We also verified that there were no PEMS steady-state exceedances between January 1, 2021, to December 31, 2022.<sup>702</sup>

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<sup>696</sup> Independent Compliance Auditor's Second Annual Report, December 23, 2021, page 114.

<sup>697</sup> [REDACTED]

<sup>698</sup> [REDACTED]

<sup>699</sup> [REDACTED]

<sup>700</sup> Paragraph 59.b Testing Summary Report, February 28, 2022.

<sup>701</sup> [REDACTED]

<sup>702</sup> Correspondence with Stellantis personnel, TSRC.

## 15. Government Reporting

### 1) Background

549. The Company's reporting under Consent Decree Section VI.C consists of: (1) ¶61 Annual Report; (2) ¶60(a) Top 10 DTC report; and (3) ¶60(b) report on Subject Vehicle emissions data.

### 15.1 Stellantis' Annual Report

#### 1) Background

550. The Company submitted its third annual report to DOJ, California, and the ICA on June 3, 2022. The report covered the period from May 1, 2021 to April 30, 2022 and included two sections: (1) summary of the information required by Consent Decree ¶¶ 50(f), 52(c), and 53(b); and (2) description of the measures the Company implemented to promote compliance with Section VI.C and "an assessment of the effectiveness of measures implemented to promote compliance with United States and California environmental law concerning vehicle emissions and certification and any corrective actions Defendants have undertaken to improve their effectiveness."<sup>703</sup>

#### 2) Consent Decree Requirements

551. Consent Decree ¶61 requires the Company to submit annual reports to DOJ, California, and the ICA "concerning the corporate compliance requirements of...Section VI.C." The reports must include:

- A report "regarding case tracking of all concerns relating to violations of United States and California environmental protection laws or regulations raised through the Ethics Helpline and stored in the Case Tracking System" and for concerns raised by other means, "case tracking from the point that the concern is brought to an investigator in the VSRC to be entered into the Case Tracking System;"<sup>704</sup>
- The Consent Decree ¶50(e) Annual Assessment;<sup>705</sup>
- A summary of the Code of Conduct training provided under ¶50(b);<sup>706</sup>
- A summary of the AECD and Defeat Device and Emissions Certification and Compliance trainings provided under Consent Decree ¶52;<sup>707</sup>
- A summary of the results of the Consent Decree ¶53 risk assessment;<sup>708</sup> and
- A description of the measures the Company implemented to promote compliance with Consent Decree Section VI.C, "together with an assessment of the effectiveness of those measures in

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<sup>703</sup> [REDACTED]

<sup>704</sup> Consent Decree ¶50(f). FCA's Case Tracking System is used to manage information related to concerns reported through the Ethics Helpline, or concerns identified by an investigator in the VSRC office, and the investigation and closure of such concerns. Consent Decree ¶8(p).

<sup>705</sup> Consent Decree ¶50(f).

<sup>706</sup> Consent Decree ¶50(f).

<sup>707</sup> Consent Decree ¶52(c).

<sup>708</sup> Consent Decree ¶53(b).

promoting compliance...and any corrective actions [FCA] have undertaken to improve their effectiveness.”<sup>709</sup>

3) Second Audit Remedial Actions

552. We had no findings related to the ¶61 Annual Report during the Second Audit.

4) ICA Third Audit Evaluation

553. We reviewed the Company’s annual report to confirm the reporting was consistent with the information obtained during our audit.

***The Company Continued to Report Information Required by Consent Decree ¶¶ 50(f), 52(c), and 53(b)***

554. The Company included in its third annual report the required information regarding: (1) its case tracking processes; (2) the Annual Assessment; (3) Code of Conduct training; (4) AECD and Defeat Device and Emissions Certification and Compliance trainings; and (5) risk assessment results.<sup>710</sup>

***Some Stellantis Conclusions Inconsistent with ICA Findings***

555. Though Stellantis includes relevant findings within its report, the Company again concluded that all processes are or will be effective for the second year in a row, limiting the usefulness of the annual report as a tool to assess the overall emissions certification and compliance program. The ICA’s assessment of Stellantis’ processes and controls concludes that some processes and controls are ineffective. As of March 31, 2022, the ICA had 125 open findings, including 16 rated Critical and 54 Moderate. Stellantis reported as effective in its June 3, 2022 Annual Report areas for which the ICA had Critical open findings. For example:

- The ICA had a Critical open finding related to the sufficiency of supporting documentation to demonstrate emissions equivalency of running changes and field fixes. The Company’s annual report states that it “believes that the running change and field fix process is operating effectively, starting the second half of 2021, as users became more acclimated to the tool, review requirements, and other changes in process.”<sup>711</sup> As noted in **Section VI.8.4**, the ICA found, and the Company acknowledged that a key template used to document Propulsion Systems’ reviews and support emissions equivalency was not implemented.
- The ICA had a Critical open finding related to the supporting documentation provided to governance reviewers when evaluating the regulatory rationales for why an AECD is not a defeat device. The Company’s response to this finding was to implement a quality assurance review to confirm the sufficiency of supporting documents. The Company still has not implemented this quality assurance review, but its annual report notes that it believes the process is operating effectively, partly attributed “work completed to ensure sufficient support for regulatory rationales...in the second half of 2022.” Since the Company issued its report in June 2022, it is taking credit for a process that was not yet implemented and is still not implemented as of October 2022.<sup>712</sup>

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<sup>709</sup> Consent Decree ¶61(a).

<sup>710</sup>

<sup>711</sup>

<sup>712</sup>

## 15.2 Reporting to EPA

### 1) Background

556. Consent Decree ¶60 requires the Company collect and periodically provide data to EPA and California including: (1) a summary of the top 10 diagnostic trouble codes (“DTCs”) recorded from the Subject Vehicles; and (2) a summary of reported regeneration frequency, tailpipe NOx (in grams/mile), and recorded DTCs from a test fleet of a minimum of 12 customer owned or leased Subject Vehicles.<sup>713</sup>

### 2) Consent Decree Requirements

557. Specifically, Consent Decree ¶60 requires:

- Within 120 days after the Effective Date and continuing on a quarterly basis thereafter as specified in Paragraph 70.c until the quarterly report due 30 days after the third anniversary of the Effective Date, Defendants shall provide to EPA and California a summary of the top 10 diagnostic trouble codes (“DTCs”) recorded from the Subject Vehicles through the SQDF system, i.e., the 10 most frequently occurring DTCs that have resulted in a MIL, reported by model year and vehicle type (Grand Cherokee or Ram).
- Within 120 days after the Effective Date, Defendants shall establish a test fleet comprised of a minimum of 12 customer owned or leased Subject Vehicles instrumented with high speed data recorders. Commencing on the 30th day after the end of the first full quarter following establishment of this test fleet and continuing quarterly thereafter as specified in Paragraph 70.c until the quarterly report due 30 days after the third anniversary of the Effective Date, Defendants shall provide to EPA and California a summary of the vehicles’ reported regeneration frequency, tailpipe NOx (in grams/mile), and recorded DTCs. Defendants shall include a minimum of 12 vehicles in this test fleet and shall seek to include four vehicles from each MY 2014-2016; however, the parties recognize that the exact composition of this fleet may vary as it depends upon consumer willingness to participate and their continued ownership or leasing of Subject Vehicles.<sup>714</sup>

### 3) Second Audit Remedial Actions

558. We had no findings related to ¶60 during the Second Audit.

### 4) ICA Third Audit Evaluation

559. The ICA confirmed the accuracy of the Company’s summary of the top 10 DTCs that resulted in a MIL based on the underlying data.<sup>715</sup> The ICA also confirmed the Company continued to adhere to its

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<sup>713</sup> Consent Decree ¶60. Subject Vehicles means each and every MY 2014 to 2016 Jeep Grand Cherokee and Ram 1500 equipped with a 3.0 liter EcoDiesel engine and sold or offered for sale, or introduced or delivered for introduction into commerce, or registered in the United States or its Territories, or imported into the United States or its Territories, and that was identified by the Company as covered by one of the following test groups: ECRXT03.05PV, FCRXT03.05PV, or GCRXT03.05PV. Consent Decree ¶8(kkkk).

<sup>714</sup> Consent Decree ¶60.

<sup>715</sup>

defined process for collecting, analyzing, and reporting the required data, including data integrity controls that mitigate the risk of test data manipulation, verified the Company maintains a test fleet meeting the requirements described under Paragraph 60.b, and confirmed on a sample basis that the Company's quarterly reporting of test fleet data includes a summary of the vehicles' reported regeneration frequency, tailpipe NOx, and recorded DTCs.<sup>716</sup>

***Consent Decree ¶60 Data Collection Processes Designed and Operating Effectively***

560. Based on procedures performed, the ICA found the Company met ¶60 Consent Decree requirements.

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716



## Appendix 1: Table of Acronyms

Acronym	Full Name
A&C	Audit and Compliance
A&I	Architecture and Intent
AECD	Auxiliary Emission Control Device
AICPA	American Institute of Certified Public Accountants
ALM	Agile Lifecycle Management
AWI	Always with Integrity
BPO	Business Practices Office
CALID	Calibration Identification
CARB	California Air Resources Board
CCB	Change Control Board
CCO	Chief Compliance Officer
CHCP	California High-Cost Parts
CN	Change Notice
COE	Center of Excellence
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CVN	Calibration Verification Number
DAP	Design Assurance Plan
██████	██
DDV	Durability Data Vehicle
DNG	Doors Next Generation
DOJ	Department of Justice
DRE	Design and Release Engineers
DTC	Diagnostic Trouble Code
DVP&R	Design Validation Plan & Report
EBOM	Electronic Bill of Material
ECAT	ePT Control AECD Triage
ECC	Ethics and Compliance Committee
ECM	Engine Control Module
EDIR	Emissions Defect Information Report
EEO	Equal Employment Opportunity
EO	Executive Order
EPA	Environmental Protection Agency
ePT	Electrified Powertrain Controller
██████	██
ERP	Emission-Related Parts
ETS	Emissions Test System
EWAR	Emissions Warranty and Reporting System
██████	██



Acronym	Full Name
EWAR	Emissions Warranty and Reporting System
██████	████████████████████
FCA	Fiat Chrysler Automobiles
FTP	Federal Emission Test Procedure
GPEC	Global Powertrain Engine Controller
GRCS	Global Regulatory Compliance System
HCP	Hybrid Control Processor
HR	Human Resources
ICA	Independent Compliance Auditor
ICT	Information, Communication, and Technology
IIA	Institute of Internal Auditors
IUCP	In-Use Confirmatory Program
IUVP	In-Use Verification Program
LCAB	Late Change Approval Board
LND	Leave No Doubt
LOP	Labor Operation Procedure
MIL	Malfunction Indicator Light
MY	Model Year
NA	North America
██████	████████████████████
OBD	On-Board Diagnostic
OGC	Office of the General Counsel
PCAOB	Public Company Accounting Oversight Board
PCB	Propulsion Change Board
PEMS	Portable Emissions Measurement System
PITS	Powertrain Issues Tracking System
PS	Propulsion Systems
PSA	Groupe PSA
QA	Quality Assurance
RASIC	Responsible, Approve, Support, Informed, and Consulted
RCN	Requirements Change Notice
RGE	Reliability Growth Emissions
RCT	Running Change Template
RRM	Regulatory Review Meeting
RTC	Rational Team Concert
SDCA	Supplier Design Capability Assessment
██████	████████████████████
SQDF	Service & Quality Data Feed
██████	████████████████████
TCC	Technical Compliance Committee

Acronym	Full Name
TSO	Technical Service Operations
TSRC	Technical Safety and Regulatory Compliance
VEC	Vehicle Environmental Compliance
VERR	Vehicle Emissions Recall Reports
VRC	Vehicle Regulatory Committee
VSRC	Vehicle Safety and Regulatory Compliance (i.e., TSRC's predecessor)
WG	Working Group

## Appendix 2: ICA Third Audit Recommendations

Report Section	No.	Recommendation
II.6.2	11 <sup>717</sup>	Stellantis should remediate all open ICA Critical and Moderate findings by the end of 2023. <sup>718</sup>
II.6.2 VI.9.2	12	Stellantis should address the ICA-identified shortcomings in the current practice for allowing post-disclosure reviews of AECD documents when updating its AECD Internal Approval & Governance Process documentation in response to the A&C October 2022 audit.
II.6.2 VI.5.2	13	Stellantis should document its evaluation of the compliance impact of any emissions certification and compliance-related resource reductions before and six months after the reductions. The Company should also conduct a six-month impact evaluation of recent reductions including eliminating the TSRC AECD Technical Fellow role.
II.6.2	14	VEC should present to the VEC Steering Committee any decisions to deviate from documented processes.
II.6.2	15	Stellantis should require a detailed written explanation and Initiatives & Improvements Steering Committee and executive-level approval for any changes that: (1) decrease materially the scope or effectiveness of; or (2) eliminate the annual emissions certification and compliance risk assessment including its requirement to develop and implement action plans to reduce any “High” and “Medium” rated residual risks, such as those identified in the 2022 risk assessment.
II.6.2	16	Stellantis should require a detailed written explanation and VEC Steering Committee, Global Ethics and Compliance Committee, and executive-level approval for any changes that: (1) decrease materially the scope or effectiveness of; or (2) eliminate the emissions certification and compliance process audits.
II.6.2	17	A&C should assess the effectiveness of management’s responses to all open Critical and Moderate ICA Findings and all ICA Recommendations.
VI.11.1	18	A&C should include in its 2023 Audit Plan a review of the Company’s processes and controls for ensuring it does not ship a vehicle before obtaining certification.

<sup>717</sup> We begin with Recommendation 11 because Recommendations 1 through 10, which are listed in **Appendix 3**, were included in our prior Reports.

<sup>718</sup> We understand Finding F228 related to Audit & Compliance reporting lines is an exception to this recommendation because the Company indicated it does not plan to address the finding.

### Appendix 3: Stellantis Response to ICA First & Second Audit Recommendations

Rec. #	ICA Recommendation	Current Status	ICA Third Audit Evaluation
1	FCA should develop implementation timelines for not yet implemented Initial Improvement Plan processes.	Closed	
2	FCA should identify and assess the effectiveness of processes that occur outside of the Improvement Plan projects but impact FCA's ability to comply with the Relevant Laws.	Closed	
3	FCA should review existing processes to identify and implement enhancements (e.g., awareness training, quality assurance reviews) that will help ensure employees follow defined processes and build a culture of compliance.	Closed	

Rec. #	ICA Recommendation	Current Status	ICA Third Audit Evaluation
4	FCA should identify and develop action plans that reasonably address control activity gaps regarding supplier-related risks that affect directly or indirectly compliance with the Relevant Laws.	Closed	
5	FCA should develop a formal action plan with milestones and timelines to address the results of the 2019 and 2020 surveys.	Closed	

Rec. #	ICA Recommendation	Current Status	ICA Third Audit Evaluation
6	If Stellantis continues to use the Alternate Review Process, it should first improve the process to ensure completeness and accuracy of the initial disclosure. This should include: (1) appropriate identification of and input from key stakeholders; and (2) clear and robust documentation of key conclusions.	Superseded	
7	In VEC's future risk assessments, Stellantis should require another function with risk and control expertise (e.g., A&C, Enterprise Risk Management) to perform a quality assurance review over the reasonableness of risk and management effectiveness ratings.	Closed	
8	Stellantis should develop the investigative key principles and requirements document by March 31, 2022 and provide related training to investigators by June 30, 2022.	Closed	
9	Stellantis should require Propulsion Systems to track and periodically report to VEC risk issues related to emissions compliance (e.g., control deficiencies, results of quality assurance reviews).	Open	
10	For all AECDs that reduce the	Open	

Rec. #	ICA Recommendation	Current Status	ICA Third Audit Evaluation
	effectiveness of the emission control system, Stellantis should implement a quality assurance review to confirm there is sufficient support for the use of the regulatory rationales for why the AECD is not a defeat device.		

### Appendix 4: In-Progress Improvement Plan Projects

IP #	Project ID	Project Name	Project Purpose	Estimated Completion Date
2				
2				
3				
4				
5				
5				
5				

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<sup>719</sup> Management represents that it completed this project in November 2022. Due to the timing of our procedures, we did not confirm completion.



## Appendix 5: Mapping of Improvement Plan Projects to Report Sections

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
N/A			1. Control Environment	1.1 Code of Conduct	
N/A			1. Control Environment	1.2 Leave No Doubt Campaign	
N/A			1. Control Environment	1.3 Tone from the Top/Speak Up 1.4 Employee Lifecycle 1.5 Metrics	
N/A			1. Control Environment	1.6 Annual Assessment	
1			2. Integrity Helpline and Investigations		
N/A			3. Risk Assessment	3.1 VEC Risk Assessments	
3			3. Risk Assessment	3.2 Issue Tracking	
1			4. Auditing & Checking		
1			5. Emissions Compliance Governance & Organizational Structure	5.1 Corporate Governance	a. Emissions Compliance Governance Structures
3			5. Emissions Compliance Governance & Organizational Structure	5.1 Corporate Governance	b. Communication of Governance Structure and New Processes
1			5. Emissions Compliance Governance & Organizational Structure	5.1 Corporate Governance	a. Emissions Compliance Governance Structures
1			5. Emissions Compliance Governance & Organizational Structure	5.2 Organizational Structure	a. Segregation of Duties
1			5. Emissions Compliance Governance & Organizational Structure	5.2 Organizational Structure	b. Vehicle Environmental Compliance Supporting Resources
1			5. Emissions Compliance Governance & Organizational Structure	5.2 Organizational Structure	c. Vehicle Environmental Compliance Organizational Capabilities

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
2			5. Emissions Compliance Governance & Organizational Structure	5.2 Organizational Structure	d. Availability of Technical Expertise
1			6. Technical Training	6.1 AECD and Defeat Device Training	
1			6. Technical Training	6.2 Emissions Certification and Compliance Training	
1			6. Technical Training	6.3 TSRC Roles and Responsibilities	
1			7. Product Development	7.1 Emission-Related Parts	
1			7. Product Development	7.2 Emissions Robustness	a. Calibration Process for Emissions Robustness
1			7. Product Development	7.2 Emissions Robustness	b. Enhance In-Use Emissions Robustness
1			7. Product Development	7.2 Emissions Robustness	c. Emissions Robustness Development Process
2			8. Software and Calibration Change Management	8.2 Calibration Change Management	
2			8. Software and Calibration Change Management	8.3 Software and Calibration Changes Late in Product Development	
1			8. Software and Calibration Change Management	8.4 Running Change/Field Fix Process	d. Software/Calibration Running Change/Field Fix Certification Review Process
2			8. Software and Calibration Change Management	8.4 Running Change/Field Fix Process	e. Hardware Running Change/Field Fix Certification Review Process

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
2			8. Software and Calibration Change Management	8.4 Running Change/Field Fix Process	d. Software/Calibration Running Change/Field Fix Certification Review Process
5			8. Software and Calibration Change Management	8.2 Calibration Change Management	
1			9. AECD Processes	9.1 AECD Processes in Product Development	
5			9. AECD Processes	9.1 AECD Processes in Product Development	
3			9. AECD Processes	9.1 AECD Processes in Product Development	
3			9. AECD Processes	9.1 AECD Processes in Product Development	
2			9. AECD Processes	9.1 AECD Processes in Product Development	
1			9. AECD Processes	9.1 AECD Processes in Product Development	
1			9. AECD Processes	9.1 AECD Processes in Product Development	
1			9. AECD Processes	9.2 AECD Governance	
1			9. AECD Processes	9.2 AECD Governance	
2			9. AECD Processes	9.3 AECD Guidance	a. AECD Guidance on Defeat Devices
4			9. AECD Processes	9.3 AECD Guidance	b. Guidance for Evaluating AECD Emissions Impact & Base Strategies as AECDs

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
4			9. AECD Processes	9.3 AECD Guidance	b. Guidance for Evaluating AECD Emissions Impact & Base Strategies as AECDs
1			10. On-Board Diagnostics (“OBD”)	10.1 OBD Pre-Certification Processes	a. Documentation and Communication of OBD Regulatory Interpretations
1			10. On-Board Diagnostics (“OBD”)	10.1 OBD Pre-Certification Processes	b. OBD Monitoring Capability Requirements
1			10. On-Board Diagnostics (“OBD”)	10.2 OBD Certification Processes	a. OBD Durability Data Vehicle Testing
1			10. On-Board Diagnostics (“OBD”)	10.2 OBD Certification Processes	b. Management of FCA Submissions Requiring CARB OBD Staff Approval
1			10. On-Board Diagnostics (“OBD”)	10.2 OBD Certification Processes	c. OBD Certification Documentation Review Processes
2			10. On-Board Diagnostics (“OBD”)	10.2 OBD Certification Processes	d. Implement J1979 Process
2 & 3			11. Certification Process	11.1 Certification Processes: Internal Communications	b. Improve Communication about Future and Existing Regulations
1			11. Certification Process	11.1 Certification Processes: Internal Communications	a. Communicate Certification Status within FCA
1			11. Certification Process	11.2 Certification Processes: External Communications	a. ICT Tools for Certification
2			11. Certification Process	11.2 Certification Processes: External Communications	b. Collecting and Storing Data in Support of Certain Certification Attestations
3			11. Certification Process	11.2 Certification Processes: External Communications	c. Evaluate EVAP ETS processes
1			12. Post-Certification Processes	12.1 In-Use Testing Processes	

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
1			12. Post-Certification Processes	12.2 Warranty Processes	a. Warranty Defect Reporting
1			12. Post-Certification Processes	12.2 Warranty Processes	b. Warranty Parts Retention and Coverage
2			12. Post-Certification Processes	12.2 Warranty Processes	d. Cummins Emission Warranty Requirements
2			12. Post-Certification Processes	12.2 Warranty Processes	c. Mopar Processes to Provide Warranty Parts Retention and Coverage
1			12. Post-Certification Processes	12.3 CALID/CVN Processes	
1			13. Supplier Processes	13.1 Supplier Design Capability Assessment ("SDCA")	
3			13. Supplier Processes	13.1 Supplier Design Capability Assessment ("SDCA")	
2			13. Supplier Processes	13.2 Supplier AECD Processes	b. Supplier AECD Review and Approval
1			13. Supplier Processes	13.2 Supplier AECD Processes	a. Enhance Documentation for Outsourced Modules
3			13. Supplier Processes	13.3 Supplier Communications	
3			13. Supplier Processes	13.4 Supplier Running Change/Field Fix Process	
N/A			14. Portable Emissions Measurement Systems Testing	14. Portable Emissions Measurement Systems Testing	
1			14. Portable Emissions Measurement Systems Testing	14. Portable Emissions Measurement Systems Testing	
1			14. Portable Emissions Measurement Systems Testing	14. Portable Emissions Measurement Systems Testing	

IP #	Project ID	Improvement Plan/Consent Decree Requirement	Report Section	Report Subsection	Report Subsubsection
N/A			15. Government Reporting	15.1 Stellantis' Annual Report	
N/A			15. Government Reporting	15.2 Reporting to EPA	
N/A			15. Government Reporting	15.2 Reporting to EPA	

## Appendix 6: Open ICA Findings<sup>720</sup>

No. <sup>721</sup>	Ref.	ICA Finding	Finding Rating
A25			Low
A3			Moderate
B58			Moderate
B61			Moderate
B63			Moderate
C104			Moderate
C77			Moderate
C84			Critical
C94			Low
D122			Critical
D123			Critical
D125			Critical
D126			Critical
D128			Moderate

<sup>720</sup> The ICA does not consider a Critical or Moderate finding closed until we assess the effectiveness of the Company's response.

<sup>721</sup> Our findings are numbered sequentially from 1 to 258 with a leading letter representing the phase of our Audit in which the finding was initially raised (e.g, Phase A, Phase B).

No. 721	Ref.	ICA Finding	Finding Rating
D135			Moderate
D136			Moderate
D147			Moderate
E153			Low
E156			Low
E169			Moderate
E176			Moderate



No. 721	Ref.	ICA Finding	Finding Rating
E186			Moderate
E197			Low
E198			Moderate
F218			Low
F219			Moderate
F224			Critical
F227			Moderate
F228			Moderate
G232			Low
H248			Low
H249			Low
H250			Low
H251			Moderate

No. 721	Ref.	ICA Finding	Finding Rating
H252			Low
H254			Low
I257			Moderate
I258			Moderate

## Appendix 7: Closed ICA Findings

No. <sup>722</sup>	Ref.	ICA Finding
A1		
A10		
A11		
A12		
A13		
A14		
A15		
A16		
A17		
A18		
A19		
A2		
A20		
A21		
A22		
A23		
A24		

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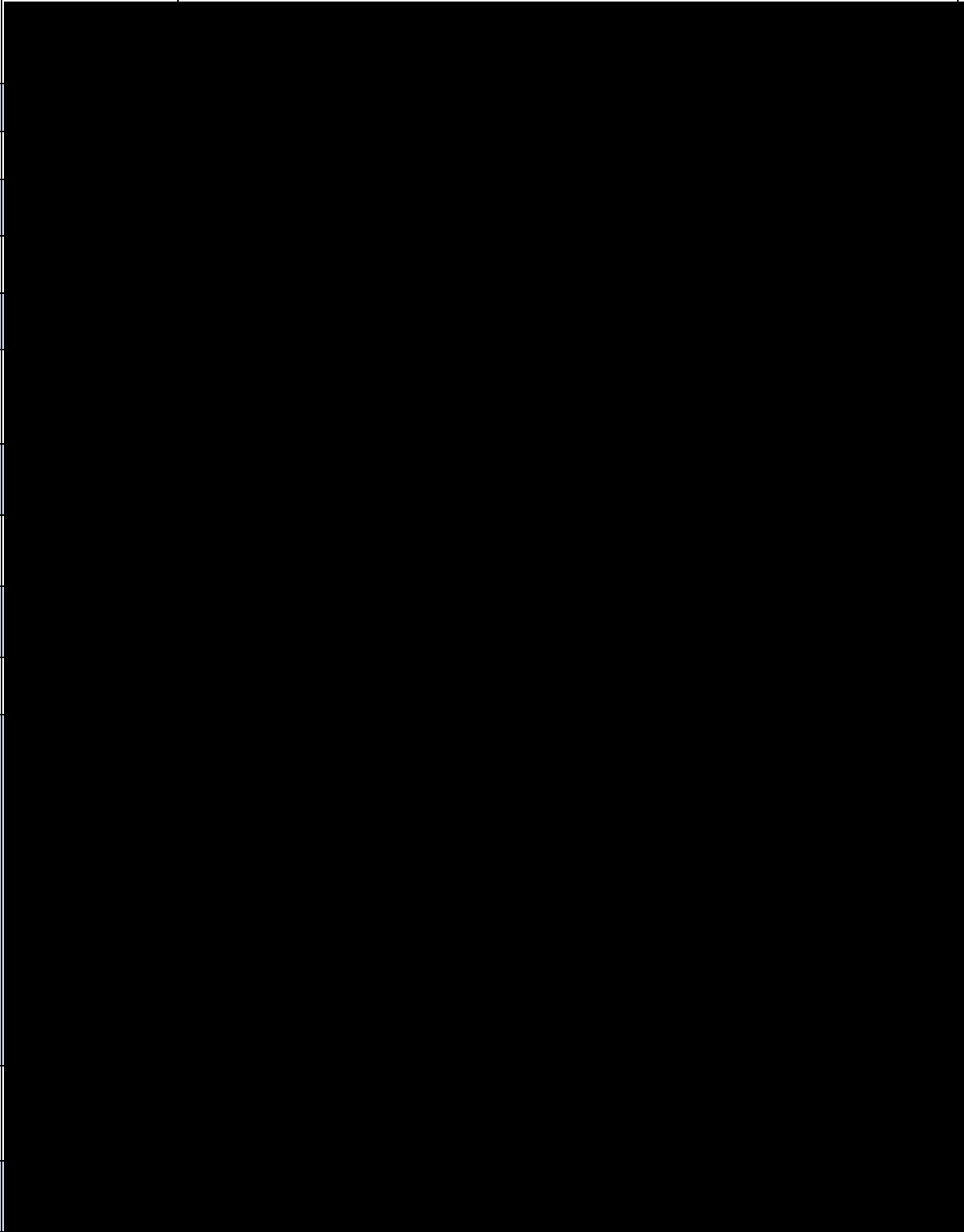
<sup>722</sup> Our findings are numbered sequentially from 1 to 258 with a leading letter representing the phase of our Audit in which the finding was initially raised (e.g, Phase A, Phase B).

No. 722	Ref.	ICA Finding
A26		
A27		
A28		
A29		
A30		
A31		
A32		
A33		
A4		
A5		
A6		
A7		
A8		
A9		
B34		
B35		
B36		
B37		
B38		

No. 722	Ref.	ICA Finding
B39		
B40		
B41		
B42		
B43		
B44		
B45		
B46		
B47		
B48		
B49		
B50		
B51		
B52		
B53		
B54		
B55		
B56		
B57		
B59		
B60		

No. 722	Ref.	ICA Finding
B62		
B64		
B65		
B66		
B67		
B68		
B69		
B70		
B71		
B72		
B73		
B74		
B75		
B76		
C100		
C101		
C102		
C103		
C105		

No. 722	Ref.	ICA Finding
C106		
C107		
C108		
C109		
C78		
C79		
C80		
C81		
C82		
C83		
C85		
C86		
C87		
C88		
C89		
C90		
C91		
C92		
C93		
C95		
C96		
C97		

No. 722	Ref.	ICA Finding
		
C98		
C99		
D110		
D111		
D112		
D113		
D114		
D115		
D116		
D117		
D118		
D119		
D120		



No. 722	Ref.	ICA Finding
D121		
D124		
D127		
D129		
D130		
D131		
D132		
D133		
D134		
D137		
D138		
D139		
D140		
D141		
D142		
D143		
D144		
D145		
D146		
D148		
D149		
D150		

No. 722	Ref.	ICA Finding
D151		
D152		
E154		
E155		
E157		
E158		
E159		
E160		
E161		
E162		
E164		
E165		
E166		
E167		
E168		
E170		
E172		
E173		
E174		

No. 722	Ref.	ICA Finding
E175		
E177		
E178		
E179		
E180		
E181		
E182		
E183		
E184		
E185		
E187		
E188		
E189		
E190		
E191		
E193		
E194		
E196		
E199		
F200		
F201		
F202		

No. 722	Ref.	ICA Finding
F203		
F204		
F205		
F206		
F207		
F208		
F209		
F210		
F211		
F212		
F213		
F214		
F215		
F216		
F217		

No. 722	Ref.	ICA Finding
F221		
F222		
F223		
F225		
F226		
F229		
F230		
F231		
G233		
G234		
G235		
G236		
G237		
G238		
G239		

No. 722	Ref.	ICA Finding
G240		
G241		
G242		
G243		
G244		
G245		
G246		
G247		
H253		
H255		
H256		