

Edition no. 1 - Year 2011/2012

Start

Magneti Marelli • Sustainability engine



How we see sustainability



**What we have done
for sustainability**



Our best stories

**MAGNETI
MARELLI**

Magneti Marelli and sustainability: ideas and ongoing best practices



SUSTAINABILITY CONTACT POINT

FOR ADDITIONAL INFORMATION ON SUSTAINABILITY ISSUES AT MAGNETI MARELLI, CONTACT THE SUSTAINABILITY AREA: sustainability@magnetimarelli.com

Guide to the reading

The publication you are holding aims at illustrating Magneti Marelli's commitment on the sustainability front throughout the world, through numbers, topics and best practices. An overview of company policies and case histories, which can be used to take stock of the situation, but above all to stimulate a greater and greater involvement by all the subjects concerned to build an increasingly sustainable future.

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A part of the world

Environmental, economic and social sustainability. For Magneti Marelli, integrating these three dimensions into its strategic approach is not just a final goal but, above all, a daily practice. We are part of a larger system, together with our customers, suppliers,

employees, local communities, governments and institutions: by behaving properly towards our stakeholders, we improve ourselves and trigger a virtuous cycle. We will illustrate our 2011 through figures, ideas and implemented actions.

Top programs

Energy efficiency, waste reduction and technological innovation for a more rational use of resources, focus on training and talents, and community relations are some of

the areas where we implement our good practices for **the sustainability of 2011**. Let's discover them together.

Excellences

Sustainability, safety, connected vehicles and affordable mobility. **Four pillars** that represent the foundations of Magneti Marelli's energies, interests and invest-

ments. Four pillars to take on the technological challenges of the automobile and of the mobility of the future. In pursuit of **Green Engagement**.



The technology of the future in the pursuit of sustainability

Interview with Eugenio Razelli, CEO of Magneti Marelli.

> Eugenio Razelli, President and CEO of Magneti Marelli S.p.A: Sustainability is a crucial word for the future of the planet, and consequently for all companies that are concerned about our future. What is the vision that Magneti Marelli has of this word?

It is a vision that can be summarized with the formula “green engagement”, which is crucial for us. Which means, in line with the approach of technological innovation that has always been our distinguishing trait, developing intelligent systems and solutions that contribute to the evolution of mobility,

in the sense of environmental sustainability as well as of safety, connection to communication networks and of economic affordability. But to Magneti Marelli, sustainability should be understood in a wider sense: environmental but also social and economic sustainability, with significant investments in people, such as employees and collaborators, but also in the community in which the company operates.

> Automotive and sustainability: can these two words go together? How do you see the future of this

“ Intelligent systems and solutions for tomorrow’s mobility ”

sector in the next few years in connection with sustainability?

Not only it is possible but in a certain way it is obligatory, also in view of increasingly strict environmental regulations throughout the world. The sector shall be inevitably required to dedicate more and more resources and energies to environmental friendly innovation. Magneti Marelli was significantly engaged in it, by launching on the market solutions aimed at combining the best possible technologies with the lowest environmental impact.

Our efforts were concentrated on

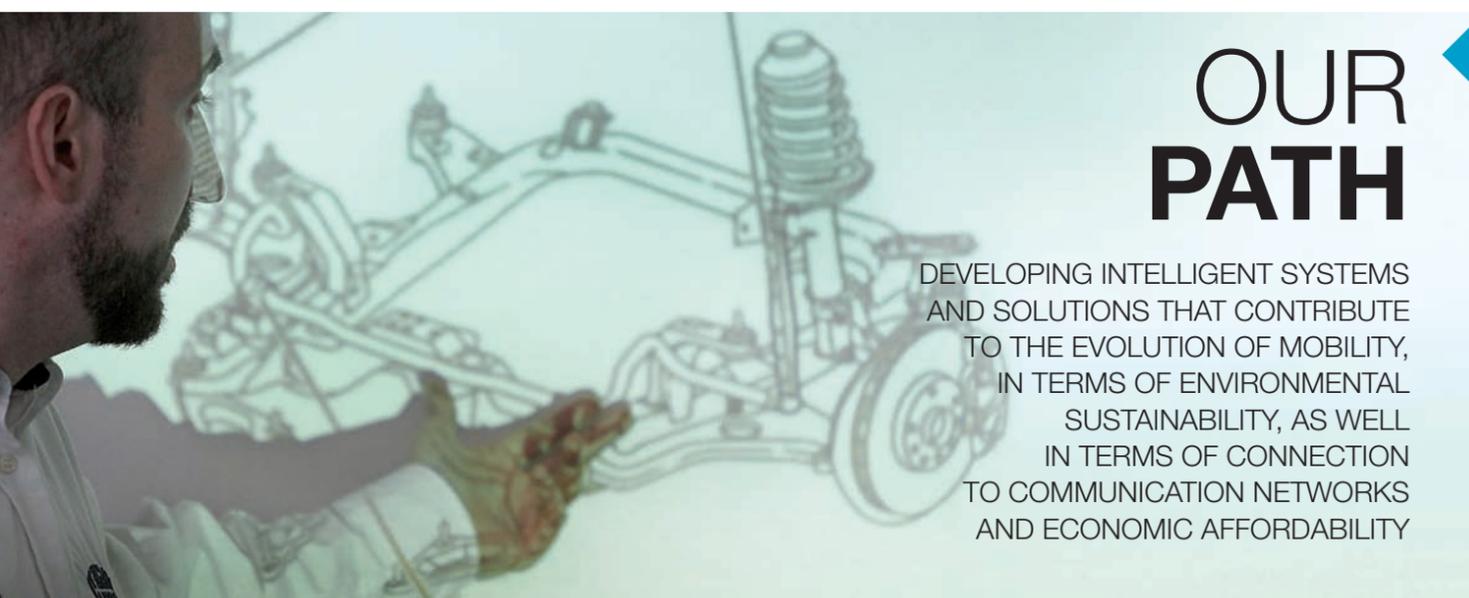
technologies in the “powertrain” sector (direct injection, stop-and-start, transmissions, multi-fuel systems and hybrid/electrical engines), and exhaust systems, as well as on the issue of intelligent traffic management through navigation instruments, and on infotainment.

> How can Magneti Marelli become a true sustainability engine? What are the objectives of Magneti Marelli’s Sustainability program?

The Magneti Marelli Sustainability Program, which was launched in June 2012, aims at building a structured management in the area

of sustainability with the establishment of the Operating Committee (see page 28). Our goal is to monitor and implement sustainability, on an even larger scale, in the Magneti Marelli processes and products, through the mapping of best practices, internal “cross-fertilization” systems, integration and sharing of information and initiatives on sustainability and a prompt answer to the stakeholders’ questions and needs.

In short, a confirmation and tangible implementation of our constant commitment on this front. ●



OUR PATH

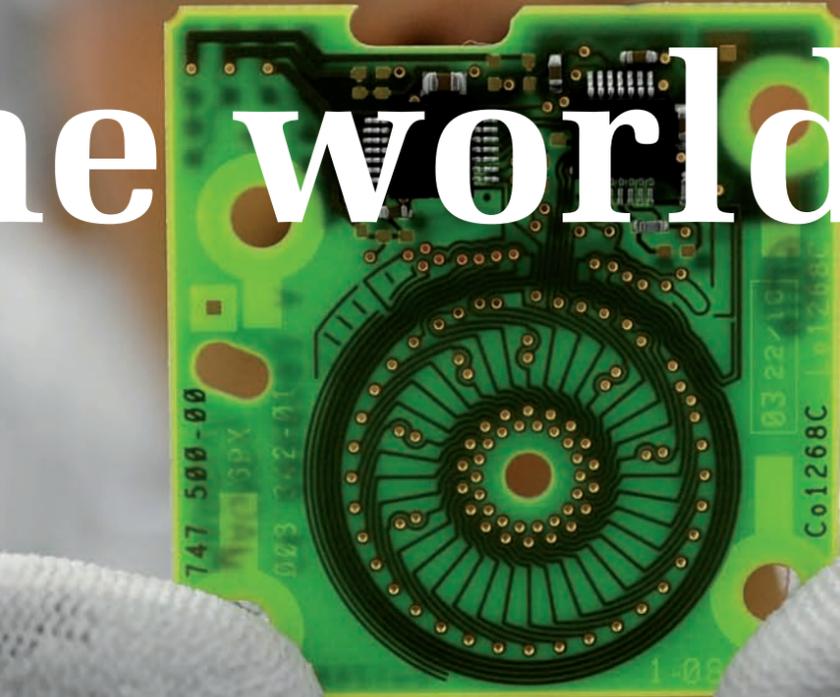
DEVELOPING INTELLIGENT SYSTEMS AND SOLUTIONS THAT CONTRIBUTE TO THE EVOLUTION OF MOBILITY, IN TERMS OF ENVIRONMENTAL SUSTAINABILITY, AS WELL IN TERMS OF CONNECTION TO COMMUNICATION NETWORKS AND ECONOMIC AFFORDABILITY



A part of the world



Companies are part of a larger system. Integrating sustainability in all of its dimensions - economic, environmental, and social - into a company's strategic approach is not only a final goal but, above all, a daily practice.



KEY WORD: INTEGRATION

Magneti Marelli aims at combining quality and competitive offers, technology and flexibility, in order to make key technologies available to the final user at competitive costs. Thus, to Magneti Marelli "Integration" is an important word, one of the key terms that represents its nature and vocation. Magneti Marelli aspires to become a player and an enabling factor in order to

encourage optimal integration of the "automobile-system" in connection with the parts of such system, the industrial process that creates it, the people who "enable" it and the world that surrounds it, basing itself on the four strategic areas and pillars for the evolution of mobility - sustainability, connectivity, safety and affordable mobility (see page 18).

Sustainability.

For Magneti Marelli, sustainability means listening to the needs and expectations of its stakeholders and adopting self-regulation criteria that have an impact on the company's business model, organization and processes, combining results and responsibility. This is why the final goal is to integrate sustainability in all its dimensions - **environmental, economic and social** - in daily practice.

Integration is the key word that distinguishes Magneti Marelli, its activity and role in the world. In the belief of being part of a larger system, together with customers suppliers, employees, local communities, governments and institutions, Magneti Marelli also feels that by behaving properly towards its stakeholders, it will improve itself by contributing to triggering a virtuous circle of evolution.



GREEN ENGAGEMENT

Environmental sustainability, safety, "intelligent" car connected to communication networks, "affordable mobility". It is called **Green Engagement**, and Magneti Marelli's mission is to develop intelligent systems and solutions that contribute to the evolution of mobility. Discover our excellences on page 18.



- ECONOMIC
- ENVIRONMENTAL
- SOCIAL



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A positive trend

In 2011, the automotive market trend suffered from the gradual weakening of the global economy, which is still in a very difficult phase. Despite this context, Magneti Marelli managed to post a positive performance, closing 2011 with an 8.5% increase in revenues compared to 2010.

With a turnover of 5.9 billion euros in 2011, over 34,000 employees, 83 production units, 12 R&D centres and 26 application centres, 333 million euros of total tangible and intangible investments with an indirect impact on sustainability, the Magneti Marelli group operates in 18 countries and supplies all the

major carmakers in Europe, North and South America and Asia. The 2011, revenues were sustained by the positive trend of the German, Brazilian and Chinese markets, as well as by the recovery of the North American market. ●



KEY WORD: PARTNERSHIP

In 2011, Magneti Marelli entered into important agreements with other companies for the development of innovative products in the area of reference components. Here are some examples:

WITH WIND RIVER: creation of the first in-vehicle infotainment solution compliant with the international standards set forth by the GENIVI consortium.

WITH MOPAR (Chrysler Group's Aftermarket Division): the agreement will make available to the MOPAR distribution network the range of Magneti Marelli products and the relevant know-how, aimed at service and complete assistance for vehicles of all brands.

WITH WANXIANG QUINCHAO COMPANY (China's largest automotive components manufacturer): cre-

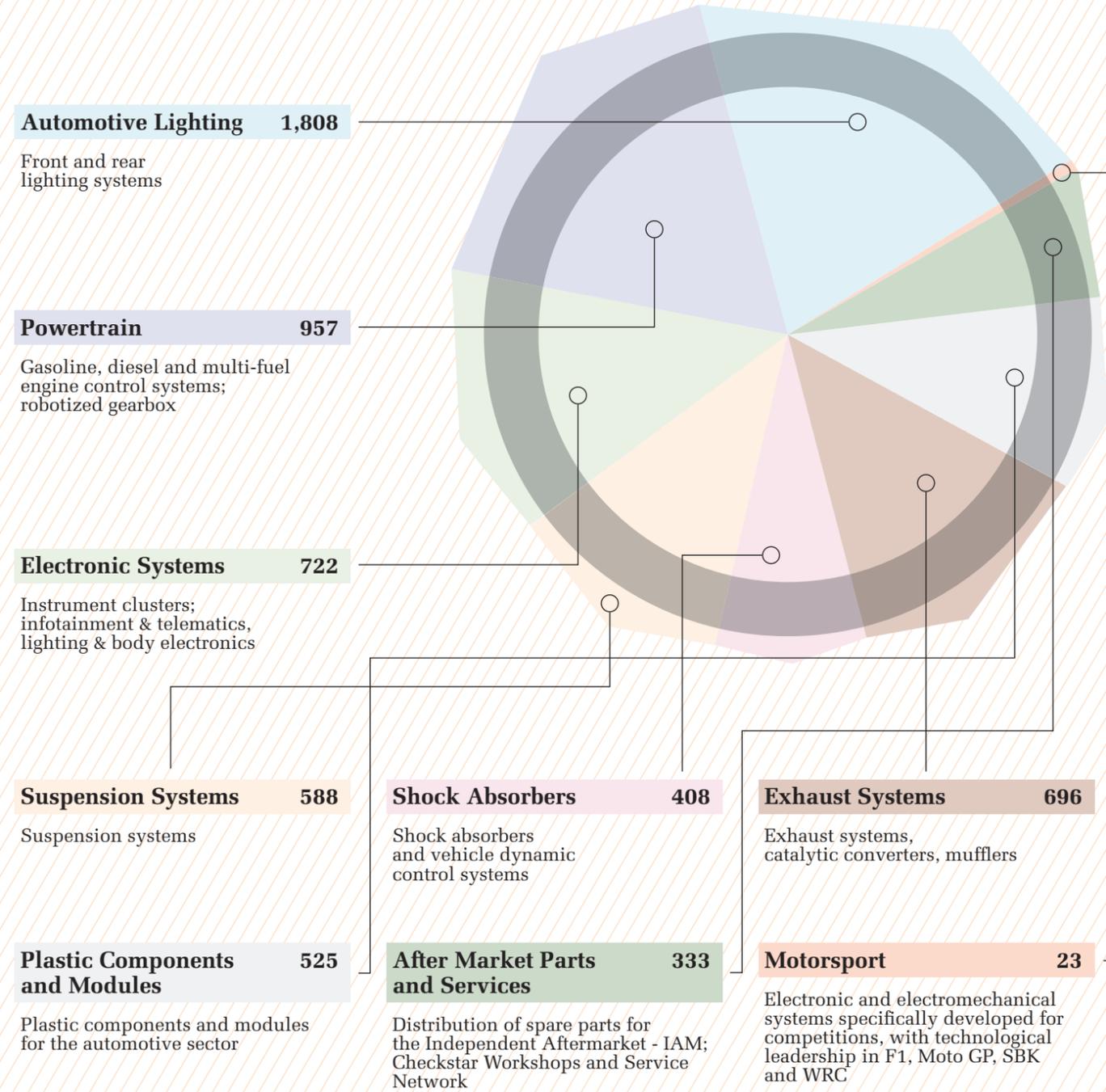
ation of a 50/50 joint venture in China for the production of shock absorbers.

MAGNETI MARELLI (Plastic C&M business line) purchased a 50% equity interest in the joint venture with JCI called JCMM automotive D.O.O. Beograd: production of dashboards and "fuel systems" for the new FIAT automobile made in Serbia.

WITH TALBROS AUTOMOTIVE COMPONENTS (the main Indian producer of technical gaskets for the automotive sector): 50/50 joint venture in the area of suspension systems and modules

Business lines

2011 total revenues per business line (millions of euros)



CLICK ON: www.magnetimarelli.com/it/focus-on-racing
An open window on global motor competitions. All the season's events and stars. Drivers and teams. Calendars and rankings. News in real time.



Committed to the environment

A sustainable development for environmental protection. Magneti Marelli deeply engaged in making its activities increasingly eco-friendly.

The measures undertaken through the years have led to a total of 64 certified plants according to international standard ISO 14001. In 2011, Magneti Marelli also kicked off an implementation process for Energy Management Systems, obtaining the first certification in compliance with standards EN 16001:2009 e ISO 50001:2011 at the Suspension Systems plant of Sulmona, which represented the pilot plant for this certification. Magneti Marelli constantly monitors its environmental performance through a set of standard indicators on: production and waste

recycling, water consumption, air emissions into the atmosphere and energy consumption of its plants.

Here are some of the main results that have been achieved:

- Improved water management (reduction in waste), through priority action measures identified in relation to water use availability and use for the different geographic areas: **as the data shows, water consumption went from 4.7 million cubic metres in 2009 to 2.9 in 2011.**
- Limited waste dump use for the disposal of waste (**less than**



10% of the total waste) through actions aimed at encouraging recycling and alternative waste disposal methods.

- Lower energy consumption and CO₂ emissions, in line with the 2009-2014 five-year plan (**from 406,329 tons of CO₂ in 2010 to 386,261 tons in 2011**)
- The complete elimination of equipment containing Polychlorobiphenyls (PCBs).

In order to enhance its employees' awareness of environmental and energy issues, in recent years Magneti Marelli has also organized

interactive training sessions at an international level (Workshop Environment & Energy - Europe and Brazil section) on sustainability topics, for a capillary distribution of its culture and to allow the sharing of best practices among the various plants. ●



ACKNOWLEDGEMENTS

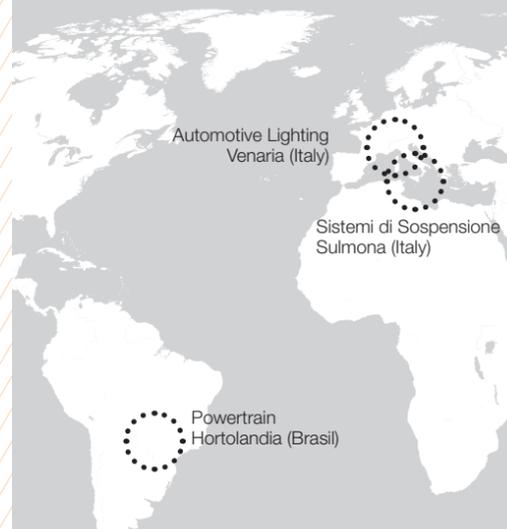
AUTOMOTIVE LIGHTING received the Ferdinand Porsche award from the University of Vienna for its crucial role in the sustainable development of the automobile, obtained through the application of LED technology.

BRAZIL'S VEHICLE EMISSION LABORATORY studies the reduction of vehicle emissions, was certified by INMETRO (Institute of Metrology, Quality and Technology) with ISO/IEC accreditation no. 17025.



	2011	2010	2009
PLANTS	69	68	67
WASTE (tons)			
Generated waste	91976	91563	95526
(of which) waste disposed of	21%	19%	29%
(of which) recovered waste	79%	81%	71%
WATER (thousands of m ³)			
Consumption	2924	3472	4666
Discharge	1570	2109	2648
ENERGY (GJ) direct and indirect consumptions	4386411	4583552	4321245
% renewable energies	18%	17,10%	16,30%
EMISSIONS (t of CO ₂)	386261	406329	388686

PILOT MAPPING



A recognition on the sustainability of Magneti Marelli's world was recently conducted through **a pilot mapping of three of the Group's plants**, two in the Group's home country (Italy) and one in the country where sustainability projects are at a more advanced level (Brazil): **Powertrain Hortolandia (Brazil), Automotive Lighting Venaria (Italy), and Suspension Systems Sulmona (Italy)**. The investigation was carried out using the Core GRI indicators. Although the mapping was done with a small sample compared to the Group's total number of units, it was possible to put together the first general picture of Magneti

Marelli's current positioning with respect to the concept of sustainability, revealing certain important points, such as - always on the front of environmental performances - lower water consumption and discharge, **reduced emission of greenhouse gases proportional to the growth in production and the increase in recycled waste**. The results of the pilot mapping were then used to initiate a policy and an internal management system of the sustainability of the entire Magneti Marelli Group, which included, among other things, the establishment of an Operating Committee for Sustainability (see page 28).



Committed to the people

The employees' motivation is crucial for the company's success.

Magneti Marelli is committed to offering its employees opportunities for growth in a safe environment, where everyone's differences are respected and made the most of, and where teamwork and the culture of doing are an essential asset for success at the global level. Training is one of the key elements of this approach: in 2011, more than 4 million Euros were spent on training, for a total of 612,000 hours

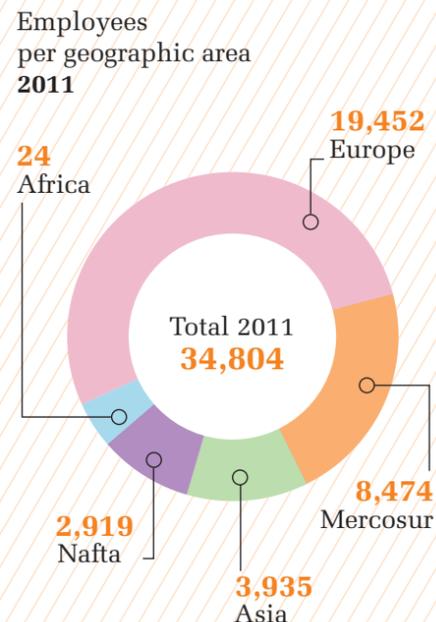
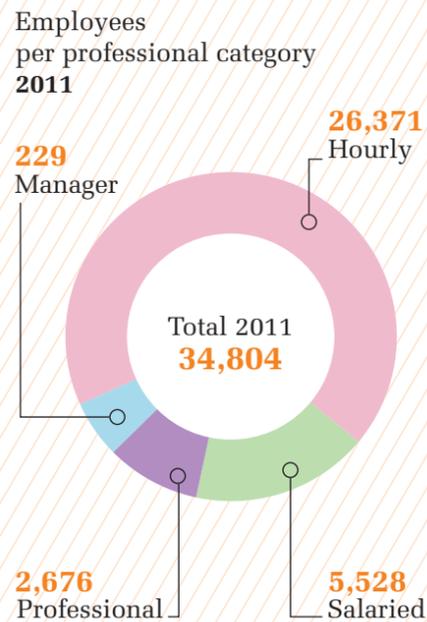
and 27,000 employees involved. Another crucial issue: workplace safety. The data show a significant reduction in the accident-related indicators between 2010 and 2011: from 633 down to 386 accidents (38% reduction in the frequency index) and from 11,188 down to 5,758 lost workdays (45% reduction in the gravity index), also thanks to the Health Management System and Workplace Safety.



The adoption of a certified system (see box) and application of the World Class Manufacturing Safety pillar tools, together with the people's active participation, with the acquired knowledge and with the Company's financial commitment have allowed, through the years, to improve the employee's work conditions and to attain important results. Guaranteeing the same rights and

opportunities to both men and women on the workplace is one of the main principles that inspires people management at Magneti Marelli, with a female presence of 26.6%. Economic well-being is one of the ways with which an organization invests in its employees. This is why offering wages higher than the local minimum wages can be a factor for building strong bonds with the community:

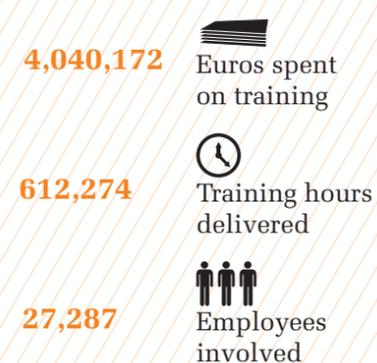
in all countries monitored by Magneti Marelli, starting salaries are equal to, if not higher than, the minimum salary required by the law or by extra-company collective agreements. Lastly, an important component of the social performance is represented by the amounts invested directly in the community, for example through donations and social projects (1.2 million euro in 2011). ●



Distribution per gender of the workforce:



Training 2011



Health and safety: achievable objectives



In 2008, a project was launched for the gradual adoption in all Magneti Marelli plants of a **Management system for Workplace Health and Safety** according to standard OHSAS 18001:2007. Magneti Marelli's constant commitment to this area has led to an increase in the number of certified plants, from 9 in 2009 to 59 in 2011. In Italy, 100% of the plants that have undertaken this journey have reached their objective, while in the rest of the world the objective was reached by 80% of the plants. This important acknowledgement, result of the various

activities undertaken, also significant contribution of **the Safety pillar of World Class Manufacturing**, confirms the Organization's growing awareness, at all levels, for the reduction of risks and for a management aimed at prevention and continuous improvement. **Training on workplace safety is the basic tool for ensuring awareness and responsibility on the part of all workers.** From 2008 until 2011, Magneti Marelli delivered more than 150,000 hours of training on average per year to its employees on Health & Safety issues.

KEY WORD: COMMUNITY

The organization's social impacts are also associated with the interactions with market structures and with the institutions that make up the social environment within which the various groups of stakeholders interact. For this reason, **corruption** is another aspect with a considerable impact on the Company's relationship with the community. At Magneti Marelli, 100% of the plants are analyzed for risks tied to corruption. The Organization, Management and Control Model as the Italian Leg. Decree 231/01 adopted by Italian Companies is the main prevention tool, while foreign companies are periodically analyzed in order to prevent such risks.

Top programs

SPAIN

JOB = INTEGRATION



TURKEY

FIRE PREVENTION



INDIA

ROOM FOR NEW TALENTS
SUPPORTING CESVI



CHINA

FRIDAY'S CLASSES



ITALY

WITH UNIVERSITIES FOR INNOVATION
A GREEN DRIVING LICENSE
EARTHQUAKES, THE RISKS MAP
IN MELFI TRIGENERATION IS A REALITY
SAVE THE BEETLE
SULMONA OBTAINS ITS CERTIFICATION



BRAZIL

TRAINING VOLUNTEERS
PICO ECO CUTS EMISSIONS



OVER THE NEXT PAGES, WE WILL TELL YOU ABOUT SOME OF OUR BEST PRACTICES SHOWN ON THIS MAP.

TO FIND OUT ABOUT OR REPORT OTHER PRACTICES:
sustainability@magnetimarelli.com



Employees involvement



Building a better and better workplace, together. With this goal, Magneti Marelli turned to the Great Place to Work Institute to prepare a people satisfaction survey that, at the end of 2011 involved 28,259 workers and office clerks (more than 85% of employees) from all 12 business lines in 19 countries, with a response rate of 65%. The

results were communicated locally and analyzed to identify strengths and areas for improvement within the Company, on which to work in teams with dedicated action plans. As for communications to the employees, on the other hand, in 2011 MMTV, Magneti Marelli's corporate television founded in 2006, consolidated its broadcasting process in Italian plants, involving people in collective events such as the "World Environment Day" or MMTV's 5th birthday.

Room for new talents

200 students enrolled in the selection process



India

Selecting young talents, working closely with local universities, strengthening the company's image and involving all the joint ventures in India. With these goals, Magneti Marelli launched a pilot program aimed at attracting young engineering students through a

partnership with some of the best schools in the country. The "Hiring of Professionals Trainees Program" selected nine students, who then participated in a training program at Magneti Marelli that included a period of international experience.

Job = integration

5 new jobs



Spain

Since 2007 the Barbera del Valles plant of Automotive Lighting Spain has been collaborating with the township of Sabell and the "Diputacio de Barcelona" (administrative body of the Catalunya government) to help differently-abled

Friday's classes



China

Once again in 2011, for "Teacher's Day", Magneti Marelli's employees who taught during the internal training courses held at the Shanghai plant were rewarded for their efforts. The Company started this training program at the Asian plant in 2008.

The lessons are usually held on Friday afternoon: this is why they are called "Friday's Classes". In 2011, a total of 37 teachers and 180 participants were involved for approximately 74 hours of training on issues such as safety, finance, management and Magneti Marelli products.

people, and specifically those with mental health problems, become members of society and enter the job. Since the start of the project, five people have been hired by the plant.



Brazil

4,172 hours of volunteer work

Training volunteers

Magneti Marelli implements actions that support volunteer work during work hours. In Brazil, it has been involved for several years in community projects. During 2011, 379 employees provided their skills collaborating with two social projects, for a total of 4,172 volunteer hours.

Since 2004 the Formare School in Brazil has allowed more than 600 youngsters to receive professional training and do internships at the Magneti Marelli plants. During the courses held within the Company and approved by the Ministry of Public Education, youngsters study technical disciplines as well as communication, health and safety, IT, business and the English language.

The 338 teachers, all volunteers, are Magneti Marelli employees who teach during work hours.

Supporting CESVI



India

In 2011, for the third year in a row, Magneti Marelli continues its commitment to Cesvi in support of the Houses of Smiles in Tamil Nadu, India, which take in outcaste children and provide them with schooling and vocational training. The two previous years, Magneti Marelli these supported these social projects in Peru and Brazil.



With universities for innovation



Italy

J-RAUM (Joint Research Area University Marelli, also known as RAUM, the German word used to for the concept of "space") is a model of collaboration between Industry and the academic world successfully implemented by Magneti Marelli at its Bologna, Venaria (TO) and Amaro (UD) plants in Italy, and which comes from the belief that cooperation between university and industry is crucial for developing competitive solutions for mobility and the automotive market. Its goal is to localize cooperation between company and university in a innovation, training

a new generation of technicians in the automotive field. The J-RAUM offers various ways for involving students, with or without a degree, such as, for example, theses and internships.

In 2011, the Automotive Lighting J-RAUM laboratory was inaugurated at the Agemont Centre for Technological Innovation in Amaro (Udine), a complex of research and innovation for automotive lighting.

Fire prevention



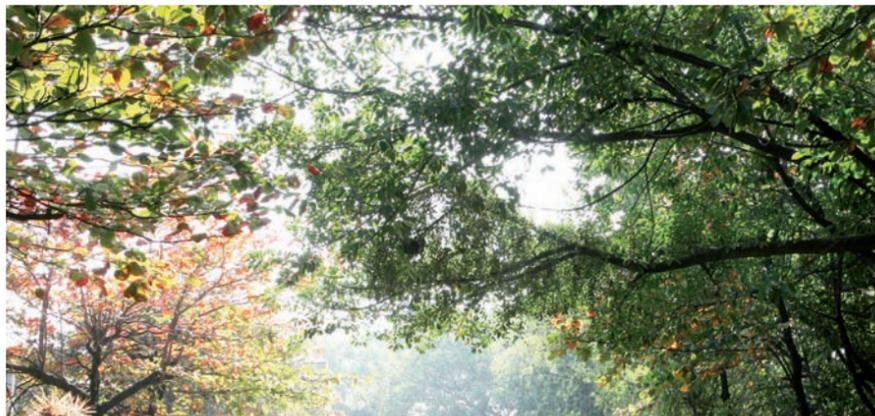
Turkey

At the end of November 2011 the Automotive Lighting plant in Bursa Mako, Turkey, obtained the HPR (Highly Protected Risk) certificate following the industrial fire risk prevention audit by the Risk Engi-

neering Department of AXA Corporate Solutions. The plant launched an action plan that required a total investment of approximately 1.3 million euros.

1.3 millions euros investment

Environmental Performance



In Melfi trigereneration is a reality

A valid alternative for the production of electricity for indoor use is represented by cogeneration and trigereneration system capable of producing electricity, heat and cooled water for production and air-conditioning. At its Melfi plant,

Magneti Marelli has implemented a trigereneration system owned by EDF-Fenice, which runs on methane and has an electrical output of 5.2 MWe and a cooling output of 3.8 MWf.) and satisfied all of the plant's energy needs.



Italy

5.2 MWe of electrical output

Earthquakes: the risk map

Natural risks are managed by Risk Management S.p.A., a company responsible for all management phases, from the identification, quantification, analysis and treatment of said risks. In 2001, the Risk Management laboratory conducted many research initiatives and activities for the development



Italy



of innovative measures. In one of them, Magneti Marelli played the starring role with a pilot project implemented in 22 Italian plants. A new methodology was defined for providing greater information on the actual seismic risk, along with a priority scale.



Italy

Sulmona obtains its certification

ISO 50001:2011

First among the Magneti Marelli plants, the Suspension Systems plant in Sulmona obtained the certification for Environment and Energy Management system, in compliance with standards EN 16001:2009 and ISO 50001:2011 concerning the management of energy issues. The audit involved

Sustainable water? Yes, thank you

-38.3% water consumption between 2009 and 2011



In 2011, the Water Management Guidelines were formulated and distributed. These Guidelines contain valuable information on how to save water, in line with the company's commitment to safeguard future generations. Specifically, they establish rules for sustainable management of the entire water cycle, and they define the technologies and the actions to be adopted in order to maximize water recirculation and reuse and cut down to a minimum the discharge of polluting agents. The company thus went from 4.7 million cubic meters of used water in 2009 to 2.9 in 2011 (-38.3%).

plant personnel in all phases of the production processes, making it possible to verify the methods and practices that guarantee a gradual and constant reduction in the use of energy resources. Other units will be subjected to the ISO 50001 certification.

TOP PROGRAMS

Pico Eco cuts emissions



Brazil

With Pico Eco
- 3% consumption
- 20% emissions

In July 2011, Magneti Marelli inaugurated a new production line - an investment of 10 million euros - at the Hortolândia plant in San Paolo, with the goal of doubling the production capacity of the Pico Eco injectors. Starting from that month, the plant has reached the important target of 6.5 million injectors made per year. The Pico

Eco injectors were specifically developed for application in bi-fuel engines. They provide improved spraying of the fuel at the moment of injection and contribute to a 3% reduction in fuel consumption and a 20% reduction in vehicle emissions.

A "green" driving licence

Enhancing youngsters' awareness of topics such as the environment and sustainable mobility, and spreading information on the proper use of the automobile and of all those devices that contribute to reducing fuel consumptions and emissions. This is the goal of the

Ecopatente project sponsored by Legambiente, in which Magneti Marelli participates for the third year in a row. The initiative has involved 5,900 driving schools throughout Italy, with a total of 25,00 green driving licenses already issued.



Italy

Save the beetle

In Italy, Magneti Marelli works with the Politecnico of Turin and with the La Mandria Regional Park of Venaria Reale for the protection of an important ecosystem. The Park is home to the priority species on a European level, *Osmoderma eremita*, a beetle whose protection

makes it possible to preserve an especially rare habitat, with which many other plant and animal species of interest are associated. Magneti Marelli, operating in the area with two plants, supports the initiative with a financial, technological and scientific contribution.

To the company, this initiative represents the natural follow-up to 2010 study for the definition of the "Biodiversity Value Index", which is used to evaluate the state of the existing biodiversity as well as the impact and influence deriving from external factors.



Italy



Top performances with the WCM

The World Class Manufacturing (WCM) is a structured and integrated production system that encompasses all plant processes, from safety to the environment, from maintenance to logistics and to quality. The goal is to constantly improve the production performances, in

pursuit of a gradual elimination of waste. At the end of December 2011, a total of 47 plants were involved in the program, representing about 78% of conversion costs. Of these plants, 3 obtained the bronze level (about 13% of the conversion cost of the plants involved in the WCM).

47 plants involved



Excellences

Sustainability, safety, connected car and affordable mobility.

Four pillars that support Magneti Marelli's energies, interests and investments.

Four pillars to deal with the technological challenges of the automobile and of tomorrow's mobility.

Environmental sustainability



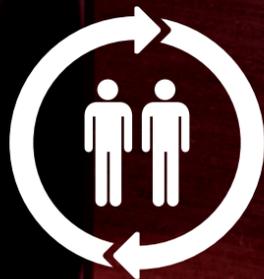
The evolution of mobility requires a reduction in CO2 emissions. Efforts have focused on technologies in the areas of powertrain, transmissions and exhaust systems, for reduced consumptions and emissions, but also for dealing with the problem of intelligent traffic management, through intelligent info-telematic and navigation devices. Today's new frontier is represented by hybrid and electric engines.

Safety



The evolution towards new road safety parameters can only be sped up through a close union of technology, individual responsibility and education. Magneti Marelli specifically focuses on the areas of lighting, predictive vision and intelligent navigation.

Connectivity



Thanks to telematic technologies, and the integration of electronic systems, the car becomes an interconnected sensor, a system capable of improving in-vehicle quality and the surrounding environment. The aim is to make available navigation and infotainment systems and to merge, within the car, the world of the Internet and of telephony and the display of information with added value for the motorist.

Affordable mobility



In this area, the goal is to win the challenge presented by the growing complexity of automotive systems, the request for more and more functions, and the need to contain costs in order to encourage a greater diffusion of these technologies.

CONTINUOUS INNOVATION

MAGNETI MARELLI HAS SET UP INTERNAL R&D CENTRES WITHIN EACH INDIVIDUAL BUSINESS AREA



Technologies

The goal towards excellence becomes increasingly “green”.

In recent years, Magneti Marelli's commitment in the area of eco-friendly technologies has increased significantly. Efforts have focused on technologies in the areas of powertrain, transmissions and exhaust systems, for the reduction of fuel consumption and emissions, but also for dealing with the major problem of intelligent traffic management,

through intelligent navigation and infotелеmatic instruments. Today's new frontier is represented by hybrid and electric engines, for which Magneti Marelli aims to become a key supplier of strategic components and systems. The sections below describe some of the “feathers in the cap” of innovation under the green sign. ●

SAFETY



Adaptive full Led front lighting
Adaptive Lighting systems (AFS = Advanced Frontlighting System) by Automotive Lighting – today also developed with Led technology – allow for safer and more comfortable driving at night and under adverse atmospheric conditions.

e-Call Platform
The e-Call Box comes from the experience gained by Magneti Marelli in the area of telematics used for safety purposes. In case of accident of vehicle overturning, detected thanks to inte-

The driver can rely on effective lighting of the road, of the roadside, of bends and of dark corners. Automotive Lighting also makes Dynamic Curve Light, Cornering Light and Motorway Light systems: proper lighting of all driving situations.

gration with the in-vehicle network (CAN), the e-call allows an automatic emergency call to be made. The motorist can also make an emergency call in case the vehicle breaks down.

CONNECTIVITY



Open source Genivi compliant
Aiming at the goal of the “connected car”, Magneti Marelli has developed the first “open” platform for in-vehicle information and entertainment. Based on Linux, it includes the basic structure (which allows connectivity

to electronic devices, display of Internet contents, wireless connections, reproduction of high-definition multimedia contents, radio and digital audio management) and the installation and update of new applications.

ENVIRONMENTAL SUSTAINABILITY



Direct injection systems

The Magneti Marelli families of GDI injection systems can be supplied with lead-free gasoline as well as ethanol and methanol in various concentrations. An innovative system patented by the Company prevents “post-injections”, minimizes noise, and allows for longer useful life. New generations of injectors are being developed in the laboratories to increase the current working pressures, thanks to a special self-adapting control software (DRE).

Weight reduction for suspensions

In the area of suspensions and shock absorbers, Magneti Marelli's research focuses on the use of lighter yet equally resistant materials, with the aim of reducing the vehicle weight and, consequently,

Telematic box

The telematic box is an electronic control unit capable of simultaneously detecting the vehicle position and operating data and sending/receiving information thanks to the GSM module. This device can carry out several

Solutions for hybrid-electric engines

Magneti Marelli has made the most of its experience in Formula 1 with the KERS (Kinetic Energy Recovery System, a system for the recovery of kinetic energy under braking), in

Multifuel technologies: TetraFuel

Magneti Marelli's TetraFuel System is a technology that allows a motor vehicle to run, without distinction, on four different types of fuel: gasoline, alcohol/gasoline blend, pure alcohol or natural

Full-Led

Magneti Marelli Automotive Lighting was a pioneer in the use of LEDs, since it designed, in 2007, the world's first mass-produced full-LED headlamp. LED technology allows reduced fuel consumptions and emissions: a car that fits LED technologies for all its lighting functions can save up to 2 g of CO₂ emissions per km compared to traditional halogen lighting.

consumption (and emissions). For example, the use of ADI cast iron leads to an 8-kg reduction on the front axle of a light vehicle. Thanks to composite materials technology, the weight of many suspension components can be cut in half.

functions, such as localization, safety and infomobility, and also allows vehicles and drivers to access services tied to intelligent mobility management (traffic, alternative routes, etc.).

systems and components aimed at mass-produced hybrid and electric engines. Electric engines have been developed with popup output from 60 to 180 kilowatt, yet small in size and with reduced weight.

compressed gas. Fuel selection can be manually made by the user or in a completely automatic way by the software: the goal is to limit fuel consumption and reduce polluting emissions.

AFFORDABLE MOBILITY



AMT

Magneti Marelli's Automated Manual Transmission (AMT, also known as Freechoice) is a manual gearbox automation mechanism, also derived from experience in Formula 1, that combines driving comfort and reduced fuel consumption.

It can be applied to any transmission, thus with lower production costs compared to traditional manual gearboxes. Moreover, this technology is perfectly suited to hybrid-electric engines and to the most advanced eco-driving systems.



About us

Today, Magneti Marelli is a multinational group leader in the design and production of hi-tech systems and components for motor vehicles.

With over 34,000 employees, 83 production units, 12 R&D centres 26 application centres, the Group operates directly in 18 countries, and supplies all the major carmakers in Europe, North and South America and Asia. From lighting systems to instru-

ment clusters, from vehicle control systems to assistance services, Magneti Marelli's goal is to offer the final user a complete range of competitive and cutting-edge technologies. Specifically, it aims at making the most of its know-how and cross-sectional skills, through

a process of constant innovation, in order to develop intelligent systems and solutions that contribute to the evolution of mobility according to criteria of environmental sustainability, safety and in-vehicle quality of life. ●

Organization

MAGNETI MARELLI PRESIDENT AND CEO
E. Razelli

Company Functions

Audit & Compliance P. Arrighi	Business Development A. Tanganelli	Finance R. Codecasa	Human Resources G. Quaglia
ICT M. Attrovio	Legal G. Accossato	Manufacturing S. Arosio	Marketing & Communication P. Berardi M. Bellone
Purchasing M. Manavello	Quality F. Bondesan	Technology & Innovation G. Rosso	

Business Areas

After Market Parts & Services P. Berardi	Automotive Lighting E. Razelli COO - E. Ferrari	Electronics P. Toselli
Exhaust Systems J. Simon	Infotainment & Telematics G. Rosso COO - R. Minella	Motorsport R. Dalla
Plastic Components & Modules M. Sabena	Powertrain P. Toselli	Shock Absorbers F. Gussoni
		Suspension Systems M. Sabena

ACKNOWLEDGED SUSTAINABILITY

Here are some of the awards and acknowledgements obtained by Magneti Marelli in 2011, with special reference to awards pertaining to sustainability issues.

Magneti Marelli Suspension Systems Sulmona, certification of compliance with standards EN 16001:2009 and ISO 50001:2011 of its own environment and energy management system

Magneti Marelli Automotive Lighting di Jihlava, Czech Republic, the state health institute (SZU) granted the award "The Health-promoting Enterprise" for results obtained in the areas of workplace health and safety.

Magneti Marelli Brazil, 2011 Autodata award in the category Systems for the production of the Free choice (robotized gearbox) and LED lighting technology.

Magneti Marelli Brazil, "Friends of Nature" award from the city of Contagem for the company's and the employees' commitment to minimizing the impact of production activities on the environment.

Roots and memory

Magneti Marelli was founded on 8th October 1919, with share capital of seven million former Italian Lira subscribed in equal parts by Fiat Torino and Società Anonima Ercole Marelli. The company was founded to satisfy the demand for starter magnets for engines, requested by the motor vehicle and aviation market. The first plant was opened in Sesto San Giovanni (MI). Almost a century of history that today is told in the Magneti Marelli Historical Archive, found at the Corbetta plant in Italy: a collection made up of an image and communication archive (with 20,000 images, 500 videos and over 2,000 documents such as company magazines, brochures, advertising and press reviews), a technical archive (with over 1000 documents, including catalogues, manuals and technical drawings), a personnel archive (personnel books, minutes of shareholders' meetings and financial statements), a selection of products (coils, magnets, ECUs, sparkplugs, lamps, carburetors, etc.) that includes about 80 dashboards and instruments from the 1920s until today.



WRITE TO:
history@magnetimarelli.com



The Stakeholders' map

The term stakeholder means a subject, a community or an organization that affects the actions of one or more companies and that, in turn, suffers the consequences of such actions. These subjects may be internal (e.g., the employees)

or external (e.g., customers, suppliers, shareholders, local communities) and include future generations.

What you see in these pages are the stakeholders listed in Magneti Marelli's Code of Conduct. ●



EMPLOYEES

- EMPLOYEES
- TRADE UNIONS
- FAMILIES OF EMPLOYEES
- PROFESSIONAL ORGANIZATIONS AND ASSOCIATIONS



COMMUNITY

- LOCAL COMMUNITIES
- NONPROFIT AND NON-GOVERNMENTAL INSTITUTIONS
- RELIGIOUS, CULTURAL, PROFESSIONAL, SOCIO-POLITICAL, SCIENTIFIC AND TECHNOLOGICAL RESEARCH
- HEALTH SYSTEM
- SCHOOLS AND UNIVERSITIES
- JOURNALISTS AND MEDIA



INSTITUTIONS

- GOVERNMENTS, LOCAL AUTHORITIES AND PUBLIC AGENCIES
- REGULATORY BODIES
- EU INSTITUTIONS
- TRADE ASSOCIATIONS



INVESTORS

- TRADITIONAL INVESTORS
- FINANCIAL COMMUNITY
- SOCIALLY RESPONSIBLE INVESTORS



CUSTOMERS

- BUSINESS-TO-BUSINESS CUSTOMERS
- SERVICE NETWORK
- PRIVATE CUSTOMERS



SUPPLIERS & PARTNERS



ENVIRONMENT

- ENVIRONMENT
- ENVIRONMENTAL INSTITUTIONS/ASSOCIATIONS
- SECTOR GROUPS

SUSTAINABILITY IN PROGRESS

Sustainability is a managerial change process based on making the most of relations and of the company's ability to strategically integrate its social and environmental responsibility in its processes, across all the various functions. Magneti Marelli has initi-

ated a sustainability program starting from an analysis of its commitments, being fully aware of the fact that the company can be a sustainability engine: its actions affect a very large set of players. Because mobility is an issue that concerns everyone.



ARE YOU ONE OF THE SUBJECTS SHOWN IN THE MAP?

IF SO, YOU ARE A STAKEHOLDER. THERE ARE CHANNELS THROUGH WHICH YOU CAN SPEAK UP:

sustainability@magnetimarelli.com

Francesco Perrini

Tenured Professor of Economics and Business Administration at Milan's Bocconi University



What does sustainability mean to a company today?

It is a strategic choice. It concerns reflection on the past in order to make decisions that concern the future, that deal with the role that the company wishes to play in order to stay competitive and create value.

What is the role of stakeholders?

A dissatisfied stakeholder can undertake actions that damage the life of the company. At the same time, the stakeholders' knowledge represents an opportunity for identifying growth possibilities.

How much does innovation count on the subject of sustainability?

Sustainability is a product innovation lever tied to differentiation and competitive-ness advantages. At the same time, being sustainable means stimulating process innovations associated with an effective and efficient use of resources. ●

The guidelines

IN SHORT

THE CODE OF CONDUCT

- HEALTH AND SAFETY GUIDELINES
- SUSTAINABILITY GUIDELINES FOR SUPPLIERS
- HUMAN RIGHTS GUIDELINES
- HUMAN CAPITAL MANAGEMENT GUIDELINES
- BUSINESS ETHICS GUIDELINES
- CONFLICT OF INTERESTS GUIDELINES
- DATA PRIVACY GUIDELINES
- ICT ASSETS GUIDELINES
- COMMUNITY INVESTMENT GUIDELINES
- GREEN LOGISTICS PRINCIPLES

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

The rules of **Magneti Marelli Corporate Governance** are inspired by the ethical and behavioural principles and values contained in the “**Code of Conduct**” of Fiat S.p.A., a Group to which it belongs and in whose Sustainability Report it reports on its own sustainability policies.

Consequently, Magneti Marelli is committed to upholding a fair and unbiased conduct in its business relationships, **based on compliance with the highest integrity and honesty standards**, avoiding any conflict between personal and company interests, and asks that

its employees be likewise committed when performing their job. Magneti Marelli does not initiate or pursue business relationships with consultants, suppliers or other subjects who expressly refuse to uphold the principles of said Code of Conduct. Magneti Marelli has strengthened its own **Corporate Governance** system, adopting an **Organization, Management and Control Model** that establishes rules and procedures that must be observed by all Departments, by the Corporate Bodies and by any other subject acting for and on behalf of Magneti Marelli. ●



CORPORATE GOVERNANCE

Magneti Marelli’s governance approach is rooted in the commitment to make the most of the dialogue with the stakeholders, beyond that which is required by regulations and by the individual ethical principles. In 1993, Magneti Marelli started to observe the Group’s code of ethics, which

was updated in 2003 and made final in 2010 as the Code of Conduct. Said code incorporates the principles ratified on an international level by the U.N.’s universal declaration of human rights, by agreements of the International Labour Organization, by the OCSE guidelines aimed at corpo-

rations and by U.S. laws against the corruption of foreign public officials. It is also in line with the sustainability approaches to managing the environment, worker’s health and safety, and supply-chain relations ratified by specific guidelines. The Group ensures the diffusion of the principles

set forth in the Code of Conduct and of the proper corporate governance values towards all employees, regardless of their level and assigned tasks, through specific periodical training courses and other informative methods.



WANT TO REPORT A VIOLATION? HERE’S HOW

Magneti Marelli implements a Whistle-blowing Procedure for internal or external whistle-blowers concerning alleged violations of ethical principles, equity or financial statement fraud as well as harassment of employees or third parties. The Company is required to manage reports and ensure the anonymity of the reporting individual.

The report, signed or in anonymous form, can be forwarded to the hierarchical superior in the case of employees, to the Supervisory Body of Italian Companies or to the Compliance Officer of Magneti Marelli for foreign companies and for all previous cases.

READ OUR WHISTLE-BLOWING PROCEDURE

ALL DETAILS AT: www.magnetimarelli.com

The Sustainability Committee

PERMANENT MEMBERS



The goal of greater commitment towards sustainability also translated into the establishment, in the summer of 2012, of the Sustainability Committee. The committee is made up of representatives from the main corporate and sector functions, with 17 areas involved between permanent and supporting members.

What does it do?

It suggests and evaluates: The Sustainability Committee has a proposing and evaluating role with regards to Magneti Marelli sustainability initiatives.

It exchanges and shares information: encouraging cross-fertilization between the individual Committee members who share information on sustainability-related

activities insofar as it pertains to them, during meetings and upon specific request. Its members also represent the interests of their own area during meetings of the Committee.

It acts as a testimonial: its members are the first ones to implement a sustainability culture in the activities of their own area.

The Committee implements and coordinates a structured approach to sustainability in all areas. In addition to directing and guiding the management of ongoing initiatives, it furthers the development of new practices and gets the employees involved in order to strengthen a true sustainability culture. ●

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GREEN ENGAGEMENT

Green technologies and sustainable mobility