



DESIGN-LED SUSTAINABILITY



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

CONTENTS



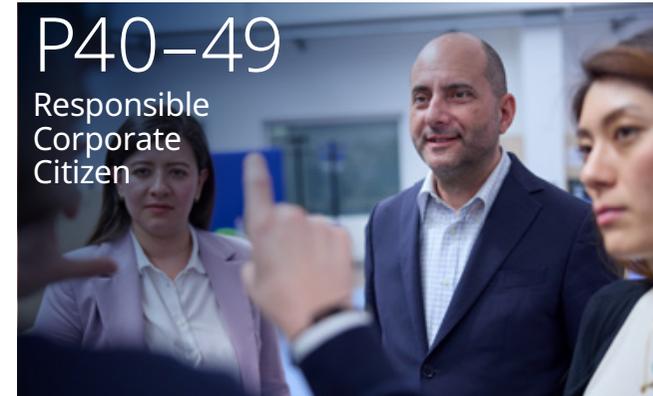
P50-67
Marelli People



P16-25
Advanced Mobility
and Innovation



P26-39
Environmental
Management



P40-49
Responsible
Corporate
Citizen

ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality:	
- A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

ENVIRONMENTAL MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39
RESPONSIBLE CORPORATE CITIZEN	
Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent Practitioner's Assurance Report	100
Independent Practitioner's Assurance Report on Marelli's Greenhouse Gas (GHG) Statement	102

INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through	
Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14



For the latest news, visit our website: marelli.com



INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
– Our Technology	06
– Co-Creation and Partnerships	08
– Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

INTRODUCTION

Our purpose

Let's push beyond boundaries together. We aspire to shape future mobility dreams and turn them into reality.

→ For more information visit: www.marelli.com/company-profile/

DESIGN-LED SUSTAINABILITY THROUGH

P06-07

Our Technology



P08-09

Co-Creation & Partnerships



P10

Our ESG Approach



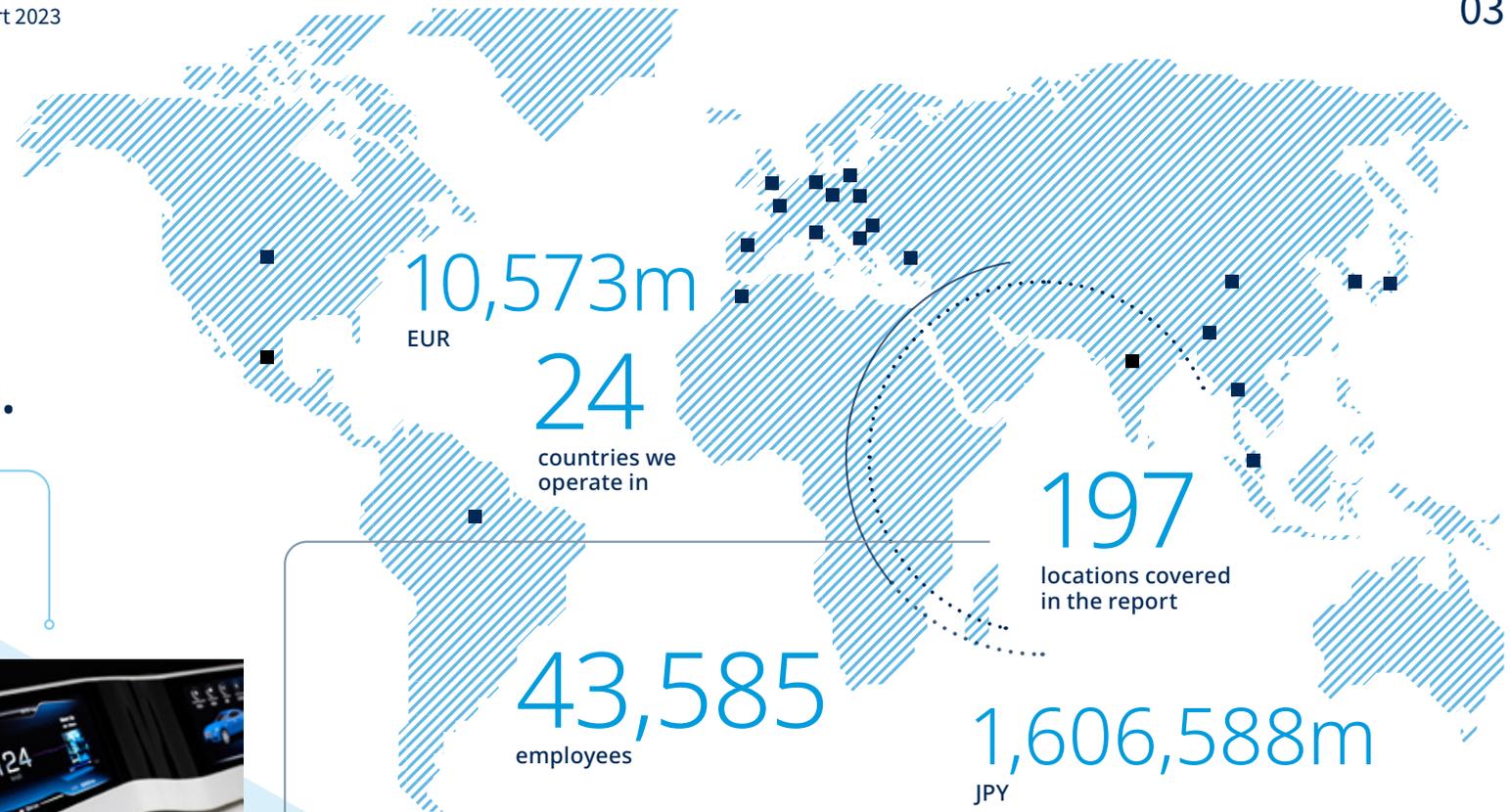
For the latest news, visit our website: marelli.com

INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

INTRODUCTION CONTINUED

Marelli is a strong, independent technology partner to OEMs worldwide.



WHO WE ARE

Marelli is innovating the future of mobility through co-creation with our customers and partners. Our technology drives differentiated vehicle personality and sustainable vehicle performance, with a focus on tools that enable the software-defined vehicle. We are driven by a multi-cultural mentality, fueled by the talent and creativity of 43,585 employees across Asia, Europe, Africa and the Americas. In 2023, Marelli generated revenues of JPY 1,606,588m (EUR 10,573m).

WHAT WE DO

Marelli supplies most major automotive manufacturers in Asia, Europe, and the Americas. Our businesses include automotive lighting and sensing, electronic systems, interior experience, propulsion solutions, ride dynamics, green technology solutions, and aftermarket. Through Marelli Motorsport, we catalyze innovation that can transition from race to road, with a focus on enabling safer, more sustainable mobility.

THE FUTURE OF MOBILITY

The future of mobility is being accelerated by a number of global trends. While electrification is evolving further, the shift towards the software-defined vehicle is the next revolution transforming vehicle architectures. Future vehicles need to offer a revolutionary experience in terms of personalization, new services, safety, and cutting-edge technologies, while ensuring that these solutions are sustainable and can protect customer privacy.

ENABLING A SUSTAINABLE FUTURE

As we continue to transform and grow, sustainability and resiliency remain at the heart of our business strategy. This is evidenced by our comprehensive "Design for Sustainability" principles, which inform every step in our value chain, ensuring we are designing and co-creating a sustainable mobility future.

Today, 37% of our innovation projects implement Design for Sustainability criteria, with a goal of reaching 100% by 2025.

→ Read more about the megatrends driving the industry see page 17



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

MESSAGE FROM THE CEO

DRIVING SUSTAINABILITY @ SPEED



Our efforts last year brought us closer to achieving our short-term targets for 2025, which are fundamental to reaching our mid-term goal of decarbonizing our operations by 2030, and our long-term goal of ensuring net zero emissions, including our supply chain, by no later than 2045. I'd especially like to see an acceleration of the latter as I firmly believe that we can be faster.

David Slump,
President and CEO



2023 was about making Marelli fit for the future. A guiding question for us is how do we become sustainable in the broadest sense – not only from an environmental, social and governance perspective, but also from a business and financial perspective. I am proud of the huge progress we have made in becoming a resilient, profitable and future-ready company thanks to the dedication and hard work of our people. Together, the entire Marelli team has unlocked the potential of a new culture defined by agility and speed.

Some of our key accomplishments last year: we optimized our organization, making it fit for purpose and empowering our people. We simplified our processes by leveraging digitalization and the huge potential of artificial intelligence. We also brought innovation to a new level by focusing on solutions for the software-defined vehicle, vehicle personality and vehicle performance.

And we really started co-creating with our customers and partners by engaging early in the design process of new vehicles to drive future developments and collaborating on new solutions. This new approach, as well as our latest innovations, are really resonating with vehicle makers worldwide.

Our new Marelli speed is also reflected in the progress we've made on our sustainability journey. We are continuously pushing ourselves and it is this mindset that has enabled us to make rapid strides. Just two years ago we were lagging behind our competitors – and in April 2024 we received an EcoVadis Gold Medal. This is a great recognition of what we have achieved in a very short time. It positions us among the top 5% of all companies included in the rating conducted by EcoVadis, the worldwide leading provider of business sustainability ratings.

Our efforts last year brought us closer to achieving our short-term targets for 2025, which are fundamental to reaching our mid-term goal of decarbonizing our operations by 2030, and our long-term goal of ensuring net zero emissions, including our supply chain, by no later than 2045. I'd especially like to see an acceleration of the latter as I firmly believe that we can be faster.

Sustainability is about working towards tangible, comparable goals. We committed in 2023 to the UN Global Compact and to the near-term and net-zero goals of the Science-Based Targets initiative, where we are currently finalizing our first submission. Our sustainability efforts are focused on four core areas:

PRODUCTS AND TECHNOLOGIES: SUSTAINABLE BY DESIGN

We strongly believe that sustainable solutions also pay off economically. We committed to integrating sustainability into every aspect of Design-Led Innovation, which gives vehicle makers the flexibility to efficiently create driving experiences that resonate with vehicle users. Key to our Design for Sustainability approach is a holistic view on materials selection, energy efficiency, waste reduction, and recyclability. Close to 40% of our innovation projects last year already met Design for Sustainability criteria and we are well on our way to extend these to 100% of our projects next year.

OPERATIONS: ACCELERATING PROGRESS ON OUR SUSTAINABILITY GOALS

Our operations play a crucial role in our sustainability efforts and impact. Looking at our results for 2023, we exceeded our water intensity and energy efficiency targets. We also completed our self-assessment for the Social Accountability Standard (SA8000) for all our sites and conducted a climate risk assessment, which provided valuable data and helped us refine our strategic approach. Speed, discipline and multi-tasking are essential to effectively drive sustainability in operations, as we need to pay the same level of attention to many things in parallel – e.g. climate resilience, energy efficiency, health and safety, labor conditions and human rights.



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
– Our Technology	06
– Co-Creation and Partnerships	08
– Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

MESSAGE FROM THE CEO CONTINUED

SUPPLY CHAIN: MAKING SUSTAINABILITY A SOURCING PRIORITY

Sustainability requirements are now a core element of our sourcing process. We are challenging our partners along the supply chain to provide tangible data and to accelerate their sustainability efforts. In 2023 we started conducting a comprehensive ESG assessment for newly nominated suppliers. While we have developed a process to collect accurate data from our suppliers for Scope 3 emissions, it became evident that availability and consistency of data is still a challenge. I can assure you that we keep pushing to accelerate the progress in our supply chain.

PEOPLE: PROMOTING AN ENGAGING AND INCLUSIVE WORKPLACE

After implementing the necessary measures to align our workforce with the company's long-term goals, our objective in 2023 was to establish an inclusive workplace that drives growth and engagement while prioritizing the safety and well-being of our people. We have significantly expanded our offering for training and development in 2023 and further driven diversity and inclusion – for example through establishing new employee resource groups.

Another important achievement is that 91% of our sites have obtained a certification according to the ISO45001 occupational health and safety standard. In 2024, we continue to work on people-related goals – for example equitable compensation frameworks, transparent job classifications and further building our culture by addressing the valuable feedback in our last employee survey.

Our people are the driving force behind the success of our sustainability initiatives and a motivating and encouraging company culture is essential to achieving our goals. That's why we have included energy efficiency and emissions reduction targets in our incentive program. We want our employees to be actively involved and fairly rewarded for their efforts to drive sustainability across all aspects of our business.

WE ARE ALL IN

I am proud of the progress we have made in 2023 and of the Marelli team's determination and passion. We are all in. Transformative, impactful sustainability is a team effort – and we can only achieve it together. I encourage our suppliers and partners to join us – all people @ Marelli – on our fast-paced journey towards achieving measurable goals. And I'd like to assure our customers of our strong dedication to co-creating solutions following Design for Sustainability principles, as well as continuously driving the sustainability of our operations and supply chain further. Let's progress together.

Yours sincerely,

DAVID SLUMP
President & CEO, Marelli

100%

of our active production plants completing SA8000 self-assessment

Top 5%

EcoVadis Gold Medal, among top 5% companies in the rating

37%

of ongoing projects achieve Design for Sustainability criteria



Our people are the driving force behind the success of our sustainability initiatives and a motivating and encouraging company culture is essential to achieving our goals.



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

OUR TECHNOLOGY

DESIGN-LED SUSTAINABILITY ...THROUGH



62
new patents

zero
recalls

zero
product safety
and quality issues

zero
data security
breaches

26
active security certifications,
of which 24 TISAX

Sustainable innovation that protects the privacy and safety of our customers is at the center of everything we do. Marelli is advancing the technology needed to support the growing demand for electric vehicles by fostering innovation projects related to electric powertrain solutions and Battery Management Systems (BMS).



We also provide Green Technology Solutions (GTS) to improve both Internal Combustion Engine (ICE), and EV performance. **In addition, we are pioneering the use of more sustainable materials, particularly from renewable sources, and lightweighting solutions for our products to reduce waste and curb emissions.**

→ Read more in Data Responsibility & Cybersecurity see pages 45-46



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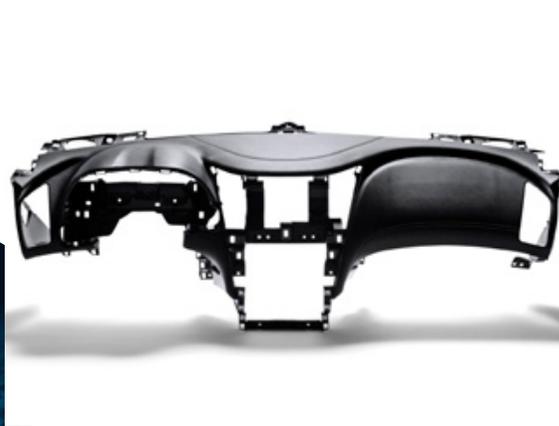
INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

DESIGN-LED SUSTAINABILITY THROUGH OUR TECHNOLOGY CONTINUED

CASE STUDY

Lightweight Urethane for Interior Products



Marelli has developed a lightweight polyurethane foam that can be applied to all foam-in-place (FIP) applications. We are targeting the main dashboard panel as the primary use case for the foam, which reduces overall component weight by up to 40%, decreases foam thickness by 50%, and reduces raw material costs by 20%, as compared to standard foams in use. The new foam also reduces the environmental impact of automotive production, through its reduced material usage per part, lower density, and 80% reduction in volatile organic compounds (VOCs).

Considering plastic parts, like dashboard panels, are an area where it is difficult to save weight without sacrificing strength, durability, or function, the sustainability benefits the foam provides are paramount. The application of this new foam, as for any FIP product, will not require changes to the shop floor and will immediately provide a lighter-weight product. This presents a significant opportunity for the automotive industry to improve the performance and efficiency of production vehicles, including EVs.

20%
raw material cost reduction

80%
reduction in VOCs

40%
weight reduction

50%
decrease in foam thickness

CASE STUDY

Marelli named Top Innovator



The CLEPA Innovation Awards named us a "Top Innovator" in 2023 for our HorizonView* technology, which is lighter and more energy efficient than a traditional head-up display.

* formerly Diorama Display.



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14



For the latest news, visit our website: marelli.com



CO-CREATION AND PARTNERSHIPS

DESIGN-LED SUSTAINABILITY

...THROUGH



We are co-creating the future of mobility with our customers, suppliers, partners, and through our 31 association memberships.

Software-defined vehicles, alternative powertrains, advanced connectivity, and autonomous driving are rapidly reshaping needs, designs, and architectures for next-generation vehicles.

We are developing flexible, modular, competitive, and sustainable solutions that enable differentiation and are customizable by the vehicle owner.



INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

DESIGN-LED SUSTAINABILITY THROUGH CO-CREATION AND PARTNERSHIPS CONTINUED

CASE STUDY

Active suspension innovation recovers energy and needs no oil



We were granted the “Commendable” honor for our Fully Active Electromechanical Suspension System at the Digital Engineering Awards in 2023, in the “Engineering Product of the Year” category.

Our advanced system autonomously adjusts each wheel’s suspension to optimize vehicle comfort, improving safety and handling by swiftly reacting to various driving and road conditions.

The technology can be applied to EVs and vehicles with internal combustion engines (ICE). The suspension system is completely oil-free and delivers up to 80% energy efficiency, as compared to passive or semi-active systems, and is therefore able to harvest energy. It also occupies less volume than other available technologies, providing greater freedom in vehicle interior design.

CASE STUDY

Our strategy for resins: A successful outcome from collaboration with our suppliers



Resins are an important contributor to our upstream scope 3 emissions, which is why we have devoted time and effort to finding more sustainable alternatives for them that will also improve product recyclability. **Working closely with our supply chain, including running workshops with suppliers in Italy and Japan, we have developed innovative solutions to improve the sustainable credentials of the resins we use achieving 12% of mass for new projects in 2023, exceeding our target of 10%.** The output of this work is a new strategy that applies throughout the company and ensures that the resins specified in our designs are as sustainable as they can be.

Our resins workshops are a good example of our collaboration with partners, suppliers, and customers in pursuit of opportunities for reuse and recycling of components.

In our quest to strengthen Marelli’s sustainability profile throughout our supply chain, we defined a company-wide strategy for the use of resins in products. **In 2023, we introduced a new resins strategy, meticulously curated in collaboration with our suppliers. In line with our dedication to refining materials sourcing, this initiative is aimed at replacing high-emission resins with lower carbon alternatives without increasing costs for our customers.**



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
- Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

Gold & Silver

Silver medal (67/100) in 2023 and Gold medal (73/100) in 2024 from EcoVadis

91%

of Marelli production sites certified according to ISO 45001

94%

of Marelli manufacturing sites certified according to ISO 14001 standard

51%

of energy consumption occurred at plants covered according to ISO 50001

96%

of targeted employees were trained on the principles of our Code of Conduct

39%

renewable electricity

12%

recycled resins

B Score

from CDP for Climate Change and Water Security Report in 2023

DESIGN-LED SUSTAINABILITY ...THROUGH OUR ESG APPROACH

90%

participation rate in our Great Place to Work survey

66%

of new nominated suppliers covered by ESG assessment in 2023

Through our Innovation Management Process (IMP), we ensure our teams can integrate sustainability and ESG parameters at the earliest phases of product innovation projects. For instance, in 2023 we released dedicated carbon reduction KPIs to target emissions reductions from the concept creation phase.

We also completed our self-assessment for all our active production sites against the Social Accountability Standard (SA8000). This generated insights to help us bridge our gaps against ESG standards. This involved enacting enhanced policies, procedures, and actions across diverse areas like human rights, labor standards, environmental practices, climate action, ethical business conduct, and procurement. We succeeded in addressing 50% of the previously recognized gaps against ESG standards. Furthermore, this advancement contributed to an improved EcoVadis rating, earning Marelli a Gold Medal and a score of 73/100 in April 2024, based on actions put in place in 2023.

➔ Read more about our innovation strategy see pages 18-22



For the latest news, visit our website: marelli.com



INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

OUR SUSTAINABILITY STRATEGY = EPS + ESG

Marelli's sustainability strategy aims to secure **Efficient Profitable Sustainability (EPS)** by ensuring that sustainable innovation and responsible business practices are at the heart of all our activities, and by adhering to comprehensive ESG compliance and performance monitoring.

EPS encapsulates resource optimization, cost-effective compliance, and customer alignment, driving growth while fostering a sustainable and resilient business model that upholds environmental stewardship for the brand's enduring market value.

Our sustainability drivers



Climate change



Circular economy



Social impact

Our focus areas

Sustainability of our operations



Setting ambitious targets for sustainable use of resources; embedding ethical conduct and compliance with human rights and safety standards.

Product innovation



Developing innovative technologies for safe and environmentally-friendly mobility.

Supply chain



Co-creating innovative and sustainable solutions for the future with suppliers while ensuring they adhere to strict ethical, labor, and health and safety standards.

How we do it

Innovation + Responsible business practices

All measured against international ESG standards such as GRI, SASB, TCFD, GHG Protocol, CDP, UNGC, EcoVadis, etc.¹

¹ Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures, Greenhouse gases, Carbon Disclosure Project, United Nations Global Compact.



For the latest news, visit our website: marelli.com



INTRODUCTION

- Contents 01
- Introduction 02
- Message from the CEO 04
- Design-Led Sustainability Through:
 - Our Technology 06
 - Co-Creation and Partnerships 08
 - Our ESG Approach 10
- Our Sustainability Strategy = EPS + ESG 11
- Design-Led Sustainability Through Our ESG Approach 12
- Materiality Assessment 13
- Stakeholder Engagement 14

DESIGN-LED SUSTAINABILITY THROUGH OUR ESG APPROACH

At Marelli, our strategy merges sustainability with innovation for real impact. We've set clear 2025 targets in three key areas:

Climate Change: We're aiming for carbon neutrality in our operations by 2030 and net-zero carbon emissions across our supply chain by 2045.

Circular Economy: Our goal is to reduce waste and use more recycled materials. We're redesigning products to cut emissions and boost reuse and recycling.

Social Impact: We're enhancing workplace safety and ethical practices, aiming for ISO 45001 and SA8000 certifications. We're working towards equal female representation in leadership roles and ensuring our suppliers meet strict ESG standards.

- 1 The initial target was upgraded from -14% to -25% in January 2024 after we overachieved the 2023 results.
- 2 Targets were verified by a third party.
- 3 Starting point 2023.
- 4 Directors and above.
- 5 Boundary is 99 production sites compared to report boundary of 111 sites; sites combined or closed in 2023 due to footprint optimization are excluded.
- 6 Boundary is the same covered in this report for Health and Safety.
- 7 Target included on the dashboard in early 2024.

The remaining targets follow the same boundary of this report.

Results 2023: ● Target not achieved ● Target achieved or over-achieved

CLIMATE CHANGE		Start point 2021/2022	Progress 2023	2023 Target	2024 Target	2025 Target
   <p>We are focused on reducing our carbon footprint through energy efficiency, renewables and water conservation, aligning with global climate initiatives.</p>	Emissions	4,782 kton CO ₂ eq	4,605 -3.7%	-9%	-17%	-30%
	Scopes 1 & 2 ^{2,5}	415 kton CO ₂ eq	386 -7%	-10%	-35%	-60%
	Scope 3.1 (Direct Materials)	4,002 kton CO ₂ eq	3,908 -2.3%	-5%	-15%	-25%
	Scope 3.4 (Logistics)	365 kton CO ₂ eq	311	-7 -15%	-18%	-25%
	Energy intensity ^{2,5}	66 MJ/WH	62.2	-4.4% -5.7%	-8.5%	-10%
	Renewable electricity ^{2,5}	15%		30% 39%	55%	80%
	Water intensity ^{1,2,5}	32 L/WH	25.6	12% 20%	-23%	-25%

CIRCULAR ECONOMY						
 <p>We aim to reduce waste and increase the use of recycled materials, focusing on sustainable design and development to support responsible production and consumption.</p>	Less waste ^{2,5}	85,102 tons	-0.9% 84,322	-3.2%	-6%	-10%
	Recycled/sustainable content for resin – all products nominated from 2024	0		10% 12%	17%	>20%
	Innovation projects – Design for Sustainability	0		25% 37%	70%	100%
	Product development projects – Design for Sustainability	0		20% 37%	55%	75%

SOCIAL IMPACT						
      <p>We strive for health and safety, and ethical labor conditions via ISO 45001 and SA8000 certifications, gender parity in leadership, and ESG-compliant supply chains.</p>	Production sites certified ISO 45001 (OH&S) ^{2,6}	32%		68% 91%	95%	>90%
	SA8000 certified (in critical countries) ³	0		116 plants self-assessed 100%	16 plants certified	44 plants certified
	Women in leadership positions ^{2,4}	11%		15% 18%	22%	25%
	Suppliers covered by ESG assessment	26%		50% 66%	70%	80%
	Suppliers' plants nominated with ISO 14001	22%		40% 71%	75%	75%
	Suppliers with no critical resiliency risk	98.7%		99% 99.96%	99.96%	100%

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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14



For the latest news, visit our website: marelli.com



MATERIALITY ASSESSMENT

In the last 24 months, we have been fully focused on accelerating our efforts with regard to sustainability integration at Marelli. In 2022, we updated our 2019 materiality assessment, to align with evolving ESG standards.

The 2022 process included the integration of the principles of a double materiality approach in relation to our business “enterprise value”, as well as the impact on our stakeholders.

The 2022 assessment updated and regrouped existing topics to reflect our findings and also added three new topics: Material Sourcing, Waste Management, and Competitive Behavior – emphasizing their importance alongside 15 previously identified material issues.

The assessment included surveys with top customers, consultation with the European Association of Automotive Suppliers (CLEPA), interviews with our shareholders, and comparison with competitors’ materiality assessments. Following the identification of the issues, the CEO and members of our Sustainability Council evaluated the potential impact of each topic on enterprise value, classifying them into low, medium, and high-impact categories.



The consolidated feedback from stakeholders has led to the creation of a new materiality matrix with 18 material topics that inform our strategic focus. This matrix classifies topics into three action groups: first, we are setting targets and defining KPIs for nine key priorities including climate action and diversity; second, we’re expanding our monitoring and policy efforts for five other areas like human rights and data responsibility; and third, for issues such as toxic emissions and biodiversity, we will ensure compliance with existing regulations and laws. The matrix thus guides our corporate efforts to address important environmental, social, and governance (ESG) issues.

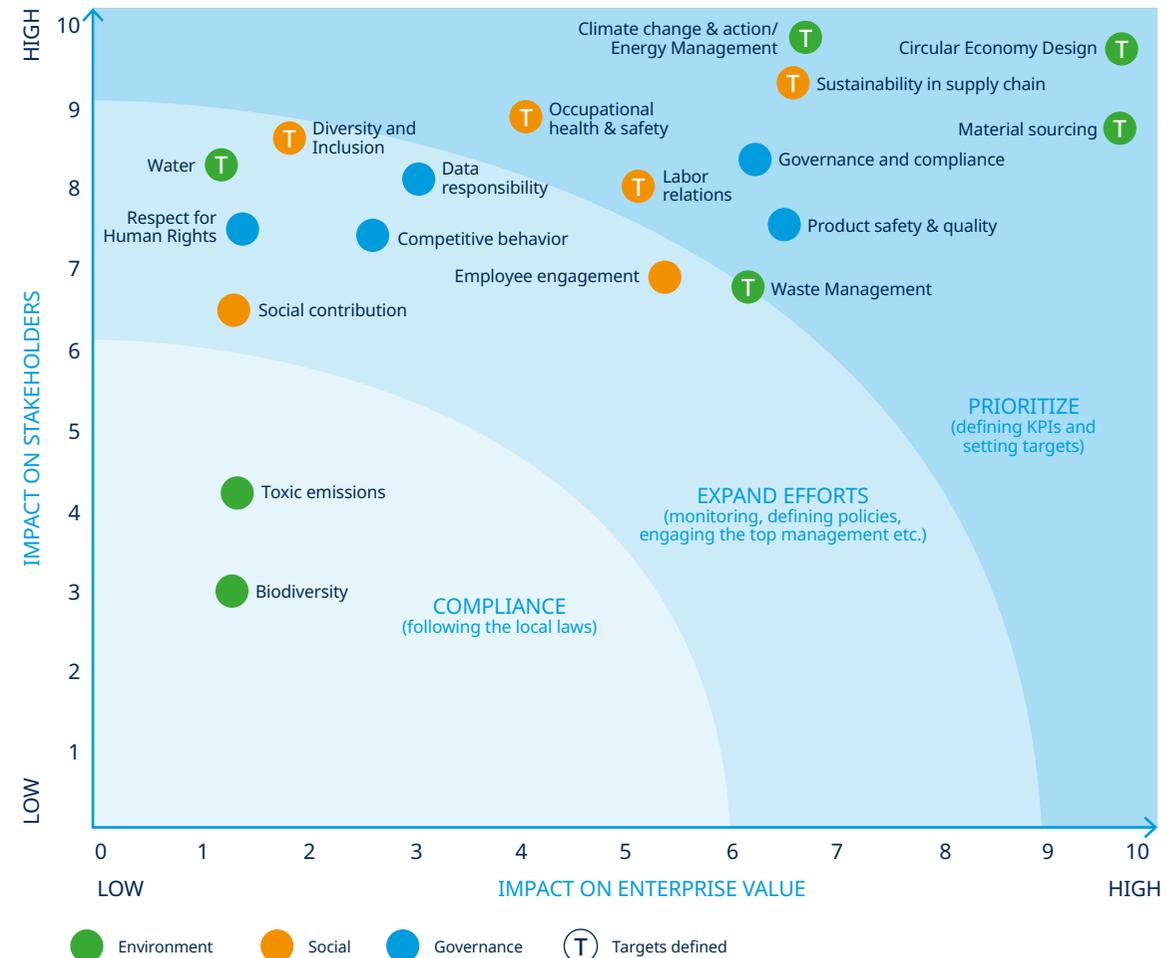
AN ENHANCED 2025 ESG ROADMAP

Following the materiality review, we assigned an executive owner to each topic. We aim to measure the impact of sustainability on Marelli’s business and plan to improve ESG processes and performance moving forward.

The final matrix was approved by the board via the Nomination, Governance and Human Capital Committee. This has guided our 2025 ESG roadmap, enabling us to identify clear actions to be implemented by the end of 2025. This report shows our progress on the material topics which were identified over the course of 2023.

We have grouped these topics into four key areas of focus for the business: Innovation, Environment, Responsible Corporate Citizen and Our people.

MATERIALITY MATRIX



INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through: - Our Technology	06
- Co-Creation and Partnerships	08
- Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

STAKEHOLDER ENGAGEMENT

Our value chain is based on a complex network of relationships with a broad range of stakeholders.

Our stakeholders include suppliers, partners, customers, shareholders, local communities, trade associations, and employees.

We continue to engage with our customers and suppliers, incorporating sustainability as part of our regular conversations.



Stakeholders	Engagement activities
 Customers	- Face-to-face meetings - Co-creation workshops - Fairs and exhibitions
 Shareholders	- Periodic meetings - Surveys
 Suppliers	- One-to-one meetings - Site visits - Contracts - Self-assessments, audits, and qualifications
 Local communities and nonprofits	- Donations and gifts - Scholarships - Volunteering - Charity and fundraising - Awareness campaigns
 Media	- Face-to-face meetings - Media and tech events - Media briefings
 Employees	- Training - Internal communications - Career reviews - Development plans - Performance reviews - Townhalls
 Trade associations	- Memberships - Partnerships - Continuous dialogue
 Public administration and regulatory authorities	- Consultations - Continuous dialogue and periodic meetings - Compliance with local requirements



In 2024, we plan to expand our assessments to non-controlled joint ventures, reinforce our alignment with the United Nations Sustainable Development Goals when creating or updating our policies and procedures, extend audits at our suppliers' plants, and invest in artificial intelligence to actively monitor 100% of active suppliers, both for risk resilience and ESG performance.

Denise Lana, Global Head of Sustainability



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INTRODUCTION

Contents	01
Introduction	02
Message from the CEO	04
Design-Led Sustainability Through:	
– Our Technology	06
– Co-Creation and Partnerships	08
– Our ESG Approach	10
Our Sustainability Strategy = EPS + ESG	11
Design-Led Sustainability Through Our ESG Approach	12
Materiality Assessment	13
Stakeholder Engagement	14

STAKEHOLDER ENGAGEMENT CONTINUED

MARELLI COLLABORATIONS

Marelli actively participates in industry collaborations in several regions. In 2023, we joined Drive+, a platform where automotive Tier-1 suppliers, OEMs and

supplier associations can engage in a systematic dialogue about common sustainability challenges to meet OEM expectations and cascade them into their own supply chains.

UNITED NATIONS GLOBAL COMPACT

We proudly support the Ten Principles of the United Nations Global Compact concerning human rights, labor, environment, and anti-corruption.

By endorsing the UN Global Compact in early 2023, we have further aligned our efforts with the global agenda, embedding these principles into our company's strategy, culture, and daily activities. **In 2023, we started to embed relevant Sustainable Development Goals (SDGs) into our 2025 roadmap for all material topics mapped.**

We are also committed to ensuring that nominated suppliers will follow our commitments, thanks to the launch of our new **Supplier Code of Conduct** in 2023.

MARELLI PARTICIPATES IN 31 ASSOCIATIONS ACROSS EUROPE, THE UK, USA, BRAZIL AND JAPAN:

JAPAN

- Japan Auto Parts Industries Association (JAPIA)
- JAPIA Future Mobility Study Group (MOBIKEN)
- Japan Society of Automotive Engineers (JSAE)
- Automobile Business Association of Japan (ABA-J)
- AICE (Research Association of Automotive Internal Combustion Engines)
- Nippon Keidanren (Japan Business Federation)
- Japan External Trade Organization (JETRO)
- Saitama University, Industry-Academia-Government Collaboration Council
- Tokyo University of Science
- Saitama Employers' Association
- Saitama Keizai Doyukai
- Saitama Chamber of Commerce and Industry
- Sai no Kuni Land Study Group
- Saitama Industrial Club
- Saitama Nikkei Newspaper Meeting
- Kanagawa Employers' Association
- Waseda University Mobility Study Group
- Thermal Management Materials and Technology Research Association (TherMAT)

USA

- Motor Equipment Manufacturers Association (MEMA)
- Carnegie Mellon Next Manufacturing Consortium



EUROPEAN UNION & UK

- Cluster Lombardo della Mobilità (CLM)
- European Association of Automotive Suppliers (CLEPA)
- CSR Europe (Drive+)
- Italian Association of the Automobile Industry (ANFIA)
- German Association of the Automobile Industry (VDA)
- Fédération Internationale de l'Automobile Industry Working Group (FIA IWG)
- North East Automotive Alliance (NEAA)
- Plug and Play – Motor Valley Accelerator (MVA) corporate anchor partner



BRAZIL

- National Association of Brazilian Auto Parts Manufacturers (Sindipeças)
- Automotive Engineering Association (AEA)
- National Association of Auto Parts Distributors (Andap)



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02

ADVANCED MOBILITY AND INNOVATION

ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: – A Proactive and Preventative Strategy	24
– Elevating Standards and Enhancing Performance	25

“Innovation fuels our journey at Marelli, sustainability and safety are the key drivers shaping the future of mobility. Together, we co-create tomorrow.”

Joachim Fetzer,
Chief Technology and
Innovation Officer

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Examples of Design for Sustainability in action	23
Product Safety and Quality: A Proactive and Preventative Strategy	24
Product Safety and Quality: Elevating Standards and Enhancing Performance	25



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ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

BATTLEFIELDS

At Marelli, we've aligned our technology and innovation roadmaps with what we like to call "battlefields," areas of current and future industry disruption where we have significant opportunities to compete and win. All products within our broad portfolio support one or more battlefields:



**BATTLEFIELD #1
- POWERTRAIN**

We support the transition to hybrid and electric vehicles with technology from our propulsion solutions and green technology solutions business units, including our domain control unit, battery management, and thermal management systems.

- ELECTRIFICATION



**BATTLEFIELD #2
- SENSING & SOFTWARE**

Technology from our automotive lighting and sensing, electronic systems, and interior experience businesses play here, driving differentiated vehicle personality, while supporting connectivity, autonomy, and advanced safety.

- SOFTWARE-DEFINED VEHICLE
- CYBERSECURITY
- SENSOR INTEGRATION



**BATTLEFIELD #3
- VEHICLE ARCHITECTURE**

We support the transition to simplified, customizable vehicle E/E architectures with our Core central computing and Zone control units, our Digital Twin, and decoupled software and hardware, giving OEMs design flexibility while increasing speed to market.

- E/E EVOLUTION
- ADVANCED COMFORT
- CONNECTIVITY
- PERSONALIZATION
- SAFETY
- AUTONOMY



**BATTLEFIELD #4
- ESG**

We're developing new products and platforms across all domains with a focus on sustainability. Our Lean hardware development platform includes products with 70% pre-configured content, fewer components, reduced emissions, and reduced weight, compared to traditional products.

- DECARBONIZATION
- ECO & NATURAL MATERIALS
- LIGHTWEIGHT SOLUTIONS
- REPAIRABILITY
- INTELLIGENT EFFICIENCY
- CIRCULAR ECONOMY

LEAN PLATFORM DRIVES COST & SUSTAINABILITY BENEFITS

Affordability ranks among the top decision-making factors for automakers today*. Cost control becomes critical as OEMs strive to be more competitive while meeting consumer demand for increased features in new cars. Marelli addresses these challenges through our platform strategy, emphasizing cost-effectiveness, simplicity, and efficiency.

In 2023, we introduced three hardware development platforms – Lean, Pro, and Elite, each tailored to distinct market segments. Platform products include 70% pre-defined content while offering customization to meet OEM requirements. **Technologies on the Lean platform include fewer parts and lighter materials than traditional products, driving reduced weight and emissions at a lower cost.**

Pro encompasses our most scalable offerings and targets mid-range vehicles, while Elite caters to premium and luxury segments with industry-leading features.

* Independent, primary research conducted by Marelli.



LeanDisplay



LeanLight



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ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

INNOVATION STRATEGY

PROGRESS IN 2023

We know that embracing market trends is crucial to driving our innovation strategy forward.

To this end, we appointed a new China Chief Technology and Innovation Officer (CTIO) in 2023. Fully aware of the pivotal role China's flourishing EV sector plays in reshaping global automotive dynamics, Marelli is poised to leverage this vital market's growth, reinforcing our global presence. Regarding product safety, we are continuously striving for excellence to enhance resource utilization. This involves tapping into our competitive environment to boost resource efficiency in China.



At Marelli, we encourage a culture of innovation through a common framework to ensure that it is managed consistently across all business units; where employees are empowered to generate new concepts and find innovative solutions to address new and future industry trends.

In 2023, we sharpened our focus on sustainable innovation, securing 62 patents and integrating

sustainability across all business units from the onset of product development.

Our new focus on sustainability as a value driver is enshrined in our new Design for Sustainability policy launched in April 2023.

OUR INNOVATION MANAGEMENT PROCESS

Global Technology and Innovation (T&I) activities are coordinated centrally by our Chief Technology and Innovation Officer who oversees the implementation of, and compliance with, the framework through the business units' heads of R&D.

Our innovation framework employs a comprehensive approach to product development, engaging all essential functions right from the outset.

The Innovation Council convenes four times each year to discuss,

with the CEO, technological and product-related topics of strategic importance. Attendees are invited from the business unit presidents, their direct reports, and C-suite executives, depending on the subject discussed. The Council is further advised by the External Advisory Board (EAB), which plays a crucial role in supporting and guiding our leadership team.

As was the case in 2022, in 2023 we dedicated one of our four annual Innovation Council meetings to Environmental Sustainability.

Last year, the Innovation Council focused on the response to the risks identified in our water and climate change risk assessment. It also reviewed the progress of all our business units in design innovations to integrate better sustainability criteria. As an outcome, we focused on pilot projects in all business units to identify viable technical solutions to phase out fossil fuels from productive processes. In addition, the Council evaluated the technological evolution needed to reach our sustainability targets both in the short term and beyond.

DESIGN FOR SUSTAINABILITY

Marelli launched a new Design for Sustainability (DfS) policy in April 2023.

DfS is applied throughout the entire product innovation and development process and prescribes making design choices that can reduce carbon emissions in any of the three Scopes. It reflects our commitment to a circular economy and reducing the environmental impact of our products through product and process design, sourcing, and manufacturing.

INNOVATION MEETS SUSTAINABILITY

Within the criteria for innovation and product development projects, we are ensuring that our project teams consistently incorporate sustainability considerations. **Supported by our Design for Sustainability approach, our innovation management process (IMP) embeds sustainability into every design phase, setting stringent review gates to ensure consistent adherence to our sustainability approach.**



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ADVANCED MOBILITY
AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: – A Proactive and Preventative Strategy	24
– Elevating Standards and Enhancing Performance	25

INNOVATION STRATEGY CONTINUED

INNOVATION MEETS SUSTAINABILITY CONTINUED

By specifying the sustainability elements of design at Marelli, the Design for Sustainability guidelines enable our designers to work across multiple regions and business units while at the same time adhering to the sustainability principles we have established, which are as follows:

- Improve the energy efficiency of our products and the efficiency of our plants when manufacturing them
- Increase the proportion of sustainable raw materials and components
- Increase energy efficiency and use energy from renewable sources
- Apply modular designs so that products' constituent parts are easily separated and either re-used, remanufactured, or recycled at their end of life
- Design packaging that reduces the use of natural resources and can be reused or recycled
- Reduce the use of natural resources and GHG emissions from transport and other logistic activities
- Eliminate, whenever technically possible, the use of chemical substances that can cause harm to human health
- Create sustainable supply chains and implement responsible procurement practices
- Specify and source locally, whenever feasible

As our understanding grows, we are improving our measurement of the impacts of Design for Sustainability. This will help us address global impacts by standardizing our approach and reconciling diverse sourcing strategies, while honoring and embracing our cultural differences. We are also unifying our digital systems for enhanced global integration.

Each of our business units is equipped with dedicated resources capable of performing carbon footprint calculations, monitored as part of Marelli's Product Lifecycle (PLC) governance model. This integration allows us to anticipate the carbon footprint of our bill of materials, production processes and incorporate life cycle assessment (LCA) considerations during the product development phase, fostering more sustainable designs and production processes.

Through continued learning and consistent reviews, we are implementing LCA into the very fabric of our operations, and working with our engineers to strengthen LCA-focused design capabilities. This results in credible commitments to sustainability and a substantial reduction in environmental impacts. Our Ride Dynamics offering is already best in class in terms of LCA, and while challenges such as regional differences and resource allocations exist, we are building training programs and interdepartmental collaborations to tackle them head-on, realizing the full potential of LCA-informed product development.



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ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

INNOVATION STRATEGY CONTINUED

SUSTAINABLE INNOVATION INSIDE OUR GATES

In 2021, we launched the Marelli Inventors Awards to encourage and celebrate our engineering and product development excellence.

Since 2022, sustainability is one of the award categories. As part of this award, we select the best patents, and in our final list for 2023, three of the four best ideas provided a sustainability benefit.

In 2023, the best Sustainability Patent of the Year was awarded to the Green Technology Solutions team in Japan for its pioneering work to patent a Built-in Oil Cooler. The team applied innovative engineering to the product's design in a way that significantly contributes to CO₂ reduction by using less aluminum while maintaining the product's functionality.

The Patent of the Year was given to our Ride Dynamics team for its innovative, oil-free suspension damping system. Those innovations are aligned with our net zero ambitions by delivering to our customers lighter, cleaner, and more affordable solutions.

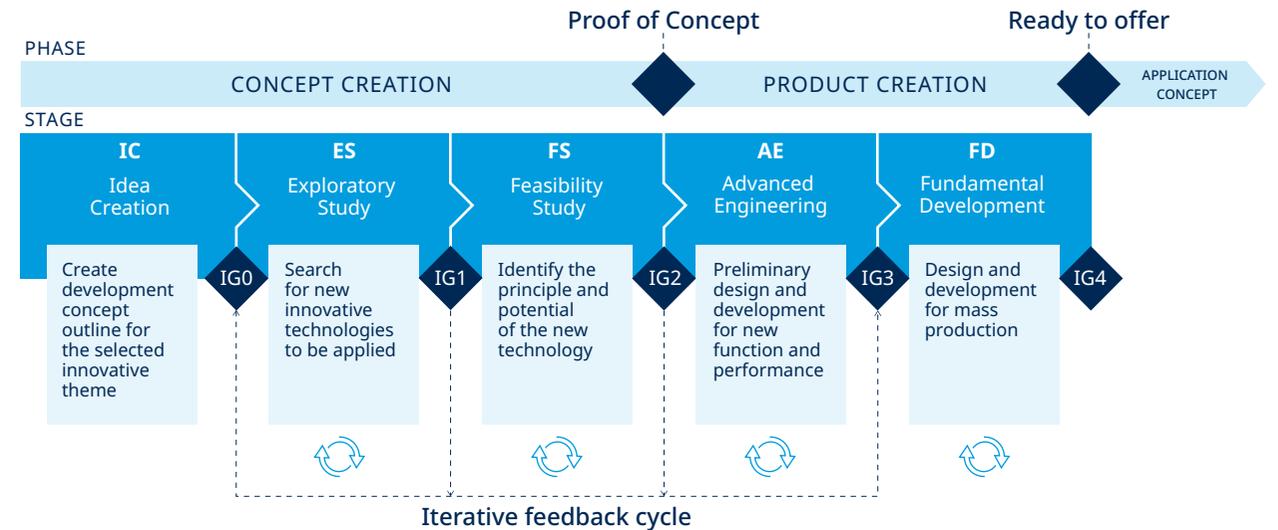
In 2023, we have also presented our groundbreaking hydrogen fuel system, including specific injectors with patented design and an advanced Engine Control Unit, marking a significant leap towards zero-emission hydrogen engines.

➔ Read more about innovations at Marelli in the Design for Sustainability section see page 23



SUSTAINABLE INNOVATION OUTSIDE OUR GATES

Our sustainability targets are ambitious; **by 2025, we aim for 100% of innovation projects to be aligned with Design for Sustainability criteria and 75% of product development projects to implement the same.** By 2023, we have seen 37% of our innovation and product development projects meet these benchmarks, surpassing our initial targets of 20% and reflecting our steadfast commitment.



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ADVANCED MOBILITY
AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: – A Proactive and Preventative Strategy	24
– Elevating Standards and Enhancing Performance	25

INNOVATION STRATEGY CONTINUED

CIRCULAR ECONOMY DESIGN

This year, our collective push towards sustainability and a circular economy is marked by continued learning, steady and promising progress, and a focus on foundational efforts. Yet, we are always mindful that the path ahead is long and complex. As such, we are committed to progressing incrementally, responsibly, and collaboratively, always with an eye on the long-term impact of our actions.

We are also harnessing machine learning to better understand how to create products more efficiently, with fewer resources through innovation projects at Marelli Motorsport.

RESPONDING TO THE
CIRCULARITY CHALLENGE

Current trends are pressuring car manufacturers to take responsibility for reuse and recycling at the end of life (and European regulation is already starting to legislate for this). In response, **Marelli is researching the use of innovative materials that are both lighter (to reduce carbon footprint during use), and recyclable at the end of the vehicle's life.** Successful reuse and disposal of components will require concerted collaboration through the supply chain, from suppliers to customers.

MATERIALS STRATEGY

In 2023, we also refined our materials strategy to help identify active carbon footprint reductions, both in product and their manufacturing process. As part of Design for Sustainability, we have reshaped the criteria for nominated suppliers in line with our commitment to ESG excellence. This also includes an **enhanced focus on being safe by design, for example, by eliminating, whenever technically possible, the use of chemical substances that can cause harm to human health.**

CASE STUDY

Developing lower carbon footprint materials



By calculating the cradle-to-gate carbon footprint of products, we identified significant emission contributions from materials like steel and aluminum. We strive to select materials with the lowest carbon footprint, a decision enabled and informed by using LCA data and coordination with suppliers.

Our Green Technology Solutions business, for instance, is aware that product emissions are predominantly related to aluminum, accounting for approximately 81.6% of emissions.

As we develop products primarily composed of aluminum and plastic—often substantial in size and weight—we have proactively engaged with aluminum suppliers to collect primary regional data to inform our carbon footprint reduction strategy. Our aim is to lighten the weight impact of aluminum, seek out sources of aluminum produced using renewable energy, known as “green aluminum”, and enhance the recyclability factor of the plastic components. These efforts include a meticulous selection of suppliers based on their ability to contribute to a lower product carbon footprint.



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ADVANCED MOBILITY AND INNOVATION

- Battlefields 17
- Innovation Strategy 18
- Design for Sustainability 23
- Product Safety and Quality:
– A Proactive and Preventative Strategy 24
- Elevating Standards and Enhancing Performance 25

INNOVATION STRATEGY CONTINUED



28
Quality awards received from customers

Marelli wins “Best Value Contribution Award”
In August, Marelli China was honored with the “Best Value Contribution Award” at Geely Auto’s 2023 Core Supplier Symposium. This award recognizes Marelli’s outstanding cooperation and professional capabilities. The symposium invited only 30 suppliers. Marelli China’s collaboration with Geely began as early as 2015, initially focusing on electronic systems projects. Over time, the cooperation between both parties has continued to expand and span various fields.

Customer	Award	Country	Business unit	Plant
Geely	2023 Best Quality Award Finalist	Malaysia	AL&S	Penang
GM	Supplier Quality Excellence Award 2022	Brazil	GTS	Amparo
GM	Excellent service award for 9BQB project development quality in 2022	China	AL&S	Changchun
GM	SQ&D Excellent Quality Award 2022	China	AL&S	Wuhu
Hanway	Excellence Supplier Award	China	PS	Hefei
Honda	Best Quality Supplier	China	AL&S	Foshan
ISUZU	IEMT QD Score 100 Points 3Y	Thailand	GTS	SCAL
Jatco	QCDS supplier Award	China	GTS	Wuxi
JLR	JLR Quality Awards	India	RD	Marelli Talbros JV – Pune plant
Mazda	2023 Top Supplier Award (Quality, Cost and Delivery)	Thailand	ELS	Chonburi
Mitsubishi	Award of Quality 2022 (Quality Target Achievement)	Thailand	GTS	Chonburi
NIO	NIO Quality Premium Partner (NPQP)	China	AL&S	Wuhu
Nissan	Best Quality Performance Award	China	GTS	Guangzhou
Nissan	Nissan Quality Award	China	GTS	Guangzhou
Nissan	2023 Best Quality Performance	China	IE	Dalian
Nissan	2023 Best Supplier	China	IE	Xiangyang
Nissan	PZ1A Development Quality Award	China	IE	Wuhan
Nissan	2023 Best Supplier	China	GTS	Wuxi
Nissan	Nissan Regional Quality Award – ASEAN Regional Quality Award (Electric category)	Thailand	ELS	Chonburi
Nissan	ASEAN Regional Quality Award Finalist (Body category)	Thailand	GTS	Samutprakarn
Piaggio	Excellence Supplier Award	China	PS	Hefei
Stellantis	QUALITY ZERO DEFECT RECOGNITION	Brazil	GTS	Cabo de Santo Agostinho
Stellantis	5 years 0 DEFECT (March/18 to March/23)	Brazil	RD	Goiana
Stellantis	Excellent quality performance recognition	Brazil	RD	Goiana
Stellantis	Quality Excellence Award	China	ELS	Guangzhou
SUZUKI	Overall Vendor System Rating – Superior Performance	India	PS	Manesar
Voyah	Excellent Quality Award	China	AL&S	Xiaogan
VW	Quality Excellent Cooperation Supplier Award 2022	China	AL&S	Changchun

AL&S: Automotive Lighting & Sensing IE: Interior Experience PS: Propulsion Solutions
ELS: Electronic Systems GTS: Green Technology Solutions RD: Ride Dynamics

Title	Award	To
2023 Wards 10 Best Interiors & UX	Haptic dashboard in Nissan Ariya	Marelli
Three Stars of the FIA Environmental Accreditation Programme	Best practices and continuous improvement through the implementation of an effective environmental management system	Motorsport
Prêmio Autodata 2023	Best company in the “System Engineering” category	Marelli Brazil
Top Innovator 2023	HorizonView technology at CLEPA Innovation Awards 2023	Marelli

Title	Award	To
Best Value Contribution Award 2023	Geely Auto “2023 Core Supplier Symposium” recognizes Marelli’s outstanding cooperation and professional capabilities, providing Geely efficient and innovative solutions	Marelli China
2023 Enlighten Award	Lightweight Urethane for Interior Products in the category of Future of Lightweighting by Altair and the Center for Automotive Research (CAR)	Marelli
“Commendable” honor, Digital Engineering Awards 2023	Fully Active Electromechanic Suspension System	Marelli



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ADVANCED MOBILITY
AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

DESIGN FOR SUSTAINABILITY

EXAMPLES OF DESIGN FOR SUSTAINABILITY IN ACTION:

CASE STUDY

Oil cooler design cuts CO₂ emissions by 17%

The Marelli Inventors Awards 2023 recognized the Marelli team for their innovative oil cooler design, which garnered the “Best Sustainability Patent of the Year”.

This patented oil cooler is a testament to the team’s collaborative effort, effectively utilizing “V-dimples” (turbulence-inducing features) to enhance heat exchange performance without increasing resistance. The application of this technology significantly contributes to environmental sustainability by cutting CO₂ emissions by 17%.

CASE STUDY

LeanLight is fit for purpose, sustainable, and launch-ready



At CES 2024 Marelli launched its Lean platform, targeting entry-level vehicles, brands, and trim levels, with technology designed to appeal to budget-oriented consumers and fleet buyers. Our LeanLight headlamp and rear lamp concepts feature up to 20% fewer components, a 20% reduction in weight, and a 6kg reduction in CO₂ emissions compared to traditional

lamps. The introduction of a new injection molding process contributes to the lighter weight and reduced energy consumption, while a newly developed surface treatment solution eliminates the need for a chemical coating, further contributing to the sustainability benefits.



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ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

PRODUCT SAFETY AND QUALITY: A PROACTIVE AND PREVENTATIVE STRATEGY

Our comprehensive approach to product safety and quality encompasses a broad spectrum of proactive measures, ensuring that our products meet and exceed the stringent standards set forth by regulatory bodies and our own internal benchmarks. In terms of end user safety, our products such as automotive lighting are always improving to provide drivers, especially at night, with the safest journey possible.



DATA POINTS



SUSTAINABLE AND SAFE INNOVATIONS

In our pursuit of product safety, Marelli has charted progressive paths, including the utilization of alternative, less hazardous substances in our operations, reducing generation, and ensuring full traceability in the International Material Data System (IMDS). Our vigilant oversight of product recalls and comprehensive assessments of the health and safety impacts of our products are indicative of our dedication to transparency and accountability.

With the introduction of the Design for Sustainability procedure in 2023, Marelli has embedded mandatory product safety requirements for new or enhanced products. **One of our Design for Sustainability 2025 targets is to ensure that our products are "Safe by Design" and free of critical substances harmful to our personnel and the environment. To achieve this, we aim to implement a risk management procedure on critical materials that present a significant risk to its operations.**

Safety also includes the health impact of our products. **Accordingly, our project teams are required to conduct studies aiming to eliminate or substitute carcinogenic and mutagenic substances in our**

products, helping us stay ahead of legislation, especially in the EU.

This includes ensuring product compliance regarding materials such as Asbestos Containing Materials, Conflict Minerals, substances restricted under RoHS identified on the Global Automotive Declarable Substance List (GADSL), substances outlined in Proposition 65 of the California EPA, EU REACH Restricted Substances, or substances on the Candidate List of Substances of Very High Concern (SVHC). Our project teams meticulously complete a dedicated compliance checklist, which serves as a comprehensive record of the measures taken to ensure full adherence to both local and international legal mandates pertaining to these key substances.

In line with product integrity and adherence to regulatory standards, we consistently work within the frameworks and guidelines set by regulatory agencies as a standard part of our operations.

When we receive notifications of product recalls from these bodies, we take the necessary steps to address them. In 2023, we didn't receive any recall notices. Keeping our commitment to product integrity and compliance, we continue our engagement with regulatory bodies as part of routine industry oversight.

In 2023, we responded to four quality concerns through internal assessments and external regulatory reviews. Although not directly linked to consumer safety, we addressed and rectified identified issues in certain products. Some aspects of our compliance and product quality initiatives are currently maintained confidential, as these matters are subject to ongoing review processes. At the time this report is published, we find ourselves in active negotiations with our partners, with a focus on reaching equitable solutions.

During 2023, we responded to four quality concerns brought to our attention by our OEM customers. For each concern, we conducted a thorough root cause analysis and worked closely with those involved to determine and execute the appropriate corrective actions. Among these, we were identified as responsible for one matter related to marking our products that generated inconsistency with homologation documents and we actively engaged in resolving the issue.

While these concerns were not directly associated with consumer safety, they were nonetheless taken seriously, and corrective action was promptly implemented across the affected products. We recognize the importance of maintaining the confidentiality of our compliance processes and product quality initiatives. This is especially relevant when matters are under ongoing evaluation, where discussions are still in progress. At the time of publishing this report, we are engaged in active dialogue with our customers in order to achieve fair outcomes related to the three quality concerns remaining. These conversations do not include service campaign disclosures.



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ADVANCED MOBILITY AND INNOVATION

Battlefields	17
Innovation Strategy	18
Design for Sustainability	23
Product Safety and Quality: - A Proactive and Preventative Strategy	24
- Elevating Standards and Enhancing Performance	25

PRODUCT SAFETY AND QUALITY: ELEVATING STANDARDS AND ENHANCING PERFORMANCE



Marelli's "Cost of Quality" contest honors our continuous improvement culture, showcasing the creative solutions Marelli teams across the globe have implemented to address challenges within their domains. This initiative is a testament to Marelli's ingrained problem-solving culture and our resolve to maintain quality as a core tenet of our daily operations.

In 2023, the **Global Champion of the competition was awarded to the Marelli Foshan Plant. The winning project focused on reducing defects and scrap rates in the production of some specific headlamp outer lenses.** This achievement also underscores the importance of continuous improvement and cross-functional teamwork in achieving operational excellence.

TESTED, TRACEABLE AND TRANSPARENT

Our product quality procedure incorporates customer needs, adhering to standards and regulations related to product design and validation. **Our final products have gone through a vigorous process of quality assurance through the Bill of Materials (BoM), with multiple tests, culminating in a data matrix code for traceability and testing history.** The code signifies compliance with our procedures and is visible to both our customers and their end users.

ENSURING QUALITY EXCELLENCE

In 2023, Marelli made significant strides in enhancing problem-solving capabilities among employees, which is crucial for driving down the cost of poor quality and re-work. **Our global training program spans four levels, from basic to advanced problem solving, ensuring a comprehensive understanding and application of crucial methodologies.** Local language instruction and the mentorship of Subject Matter Experts ensure that our workforce is well-equipped to meet and exceed customer expectations while fostering a resolution culture.

DATA POINTS

97

Plants in scope for this program benefitted from the initiative in 2023

The focus on plants with suboptimal customer scores during pilot implementation underscores our commitment to quality and customer satisfaction.

886

Employees completed Level 1 training in 2023

166

Local experts involved

3,340

Total training hours were logged

100

Coaching sessions further solidified the learnings

Looking forward, Marelli is set to launch Problem Solving Training - Level 2 in 2024, expanding our scope of quality-focused education to all Marelli plants.



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03 ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39



Environmental management at Marelli encompasses many of our material topics. We are fully committed to improving our sustainability impact across these topics and have set targets to enable us to reduce our environmental footprint.

Driving sustainability in business, we commit to boosting energy efficiency, embracing renewables at no extra cost, slashing waste, and responsibly stewarding water in stressed areas.

Arturo Alvarez, Global Executive Operations

Climate Change Action	27
Climate change and transition to net zero	27
Progress in 2023	27
Climate change risk assessment	29
Commitments for the future	29
Energy Management	30
Progress in 2023	30
Renewable energy roadmap	30
Case study – Photovoltaic insulation, Simpang Ampat, Malaysia	31
Case study – China, independent energy solutions	31
Energy efficiency	32
Commitments for the future	32
Waste Management	33
A long-term challenge	34
Progress in 2023	34
Focus on packaging	34
Commitments for the future	34
Water Conservation	35
Our Water Policy	35
Progress in 2023	35
Commitments for the future	36
Toxic Emissions	38
Hazardous substances management	38
Environmental risk assessment	38
Biodiversity	39



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

CLIMATE CHANGE ACTION

CLIMATE CHANGE AND TRANSITION TO NET ZERO

Climate change and energy management is one of Marelli's most material issues. According to McKinsey, tailpipe emissions from cars, trucks, and other road vehicles account for around 75% of all carbon emissions from mobility – approximately six gigatons of CO₂ per year.

We recognize the role that our business has to play in reducing these emissions by developing innovative and sustainable solutions that can tackle climate change and help accelerate the mobility transition to electrification.

OUR APPROACH

We understand that our products must help our customers achieve their net zero goals. To make this a reality, we have set ambitious targets for our own emissions. **Marelli is committed to achieving net zero carbon emissions by 2045 and we have set out a roadmap, with milestones in 2025 and 2030, showing how we will achieve this ambitious target.**

To achieve our commitment to this long-term target we know we have a lot to do, especially around supplier engagement and this is a focus for Marelli in the coming years.

Our short-term targets from 2023 to 2025 are aligned to a 1.5-degree scenario. **The next milestone is the carbon neutrality of our operations by 2030, which will be submitted to the Science Based Targets initiative (SBTi) for approval, along with our net zero targets for 2045.** We committed to SBTi in October 2023, and we are working towards verification* of our carbon inventories to submit our targets for approval by SBTi within the 24-month deadline.

PROGRESS IN 2023

In 2023, Marelli has achieved a **B score from CDP for our Climate Change Report**. This score reflects that there are still opportunities to improve our actions on climate. We have made enormous progress in 2023, working at speed to make significant changes across our operations and developing the skills required to meet our targets.

In Scope 1 and 2, we reduced our emissions by 12% compared to the initial 2021 baseline. However, when submitting our commitment to the Science Based Targets initiative, we decided to follow the recommendation to use a 2022 baseline for our GHG emissions. This was to avoid the outlier effects of COVID-19. Against the new 2022 baseline, our emissions decreased by 8%***, which can be recovered by 2025 thanks to the acceleration of our renewable energy roadmap and establishing stretch targets to reduce energy intensity in our plants.

➔ For more details on progress against our renewable energy roadmap and energy efficiency measures, see energy management see pages 30–32

12%

reduction in Scope 1 and Scope 2 in 2023 vs 2021 baseline

8%

reduction in Scope 1 and Scope 2 in 2023 vs 2022 baseline



Scope 1 GHG emissions (tCO₂e/year)

2023	59,961
2022	59,527

increase vs 2022: 0.7%

Scope 2 GHG emissions (market-based) (tCO₂e/year)

2023	334,812
2022	369,343

reduction vs 2022: -9.3%

Scope 1 and Scope 2 GHG emissions (tCO₂e/year)

2023	394,773
2022	428,871

reduction vs 2022: -8.0%

Scope 1 and Scope 2 (market-based) GHG emissions intensity ratio (tCO₂e/revenue (m euros))

2023	37.34
2022	44.21

reduction vs 2022: -15.5%

* Our Scope 1 and 2 emissions presented in this report are verified by a third party. Marelli Scope 3 is under verification at the time this report is published. The calculation of category 1 is done by subject matter expert through peer-review analysis in the industry.

** Considering the boundary covered on this report.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

CLIMATE CHANGE ACTION CONTINUED

PROGRESS IN 2023 CONTINUED



In 2023, Marelli faced a challenge in measuring Scope 3 emissions, as our spend-based methodology did not accurately reflect our work to reduce high-emission materials. In addition, Marelli worked with around 600 suppliers to collect primary data, which accounted for only 7% of our total Controlled Purchased Value and much of the data provided was incomplete and not verified by third parties.

This led Marelli to move from a spend-based to a hybrid volume-based methodology, which more accurately reflected our efforts to reduce upstream emissions. In addition, following the Science Based Targets initiative recommendation to avoid baselines impacted by COVID-19, Marelli reset the baseline for measuring our emissions to 2022 from 2021.

The company also refined calculations of relevant Scope 3 emissions, and extended the scope to include additional data in categories including logistics and employee commuting. We adopted a new methodology defined by Kearney for calculating Scope 3 Category 1 (direct materials) emissions – the most significant in our inventories. The process, which is now automated and updated monthly, combines volumes

procured, supplier publicly available data on the Carbon Disclosure Project (CDP), and spending for the remaining data. The results are under third party verification at the time of this report's release but preliminary results show a reduction of 2.3% in 2023 compared to the 2022 baseline. We also observed a decrease in Scope 3 Category 4 emissions (transportation) of approximately 15% in 2023 compared to the 2022 baseline. Marelli is working to confirm all figures to be reported to the CDP later in 2024 and to submit their carbon inventories, verified by third parties (all scopes), to the Science Based Targets initiative also in 2024. In 2024 the company will also start work on measuring downstream Scope 3 emissions.

We continue to embed a culture that reduces the environmental impact of our products across their entire life cycle using Design for Sustainability criteria. For more information, see page 18.

Within the Design for Sustainability guidelines for innovation projects and products in development, our businesses have started to include the requirement to estimate and reduce the product's carbon footprint throughout the design phases at a procedure level, according to ISO 14040/44 standards. Although we have not yet embedded the measurement of these reductions in each gate review during the project development, Marelli is working to do this in the future.

We will continue to learn from ours and our suppliers' data, striving for steady progress, moving at speed, and aiming for the ambitious target of a 25% reduction in Scope 3 by 2025 compared to the new 2022 baseline.

DATA POINTS

25%

Scope 3 emission reduction target by 2025*

* 2022 baseline.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

CLIMATE CHANGE ACTION CONTINUED

CLIMATE CHANGE RISK ASSESSMENT

The year 2023 saw Marelli's first climate change risk assessment (CRA), based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and covering both physical and transitional risks.

In the past, we confined ourselves to physical risk assessments, looking at the threats relating to our buildings and mechanical infrastructure. To understand the process, we worked with our insurance department on assessing and covering climate risk on the physical aspects of our sites. **This assessment covered 20 of our most impactful manufacturing sites, and we are working to include our remaining sites in a climate physical risk assessment in 2024.**

Transitional risks assessed included increasing operational costs relating to greener electricity and raw materials and increased customer demand for lower carbon products that are in many cases more expensive to produce. Opportunities include potential revenue growth thanks to electrification and the proper balance of the businesses serving internal combustion engines (ICEs). **The purpose of the CRA is to quantify these risks and opportunities and give us insights to action, so business units can understand and put strategies in place to manage the relevant risks and opportunities.** We are aware that, for example, greener steel will remain more expensive in the coming years. The business units intense in steel are combining design strategies to reduce materials with supplier engagement to accelerate their decarbonization plans with limited cost increase to our customers.

Following the results of the CRA, we have put an action plan in place to manage and mitigate our risks. This, along with the eco-innovation workshops we conducted, have also allowed us to better understand how to manage the additional costs associated with greener products, and to find ways to mitigate these risks. More broadly, **climate risks are now also embedded in our Enterprise Risk Management (ERM) program and are reviewed in the regular course of business.**

➔ For more information, see Sustainability Governance see pages 41-42

COMMITMENTS FOR THE FUTURE

In 2023, we received a "B" on the CDP Climate Change assessment. According to the feedback, we performed well in the areas of Risk and Governance; however, it is clear that we must better engage our value chain. We also have opportunities for improvement in enhancing the accuracy of our emissions-related data. We are addressing these issues during the preparation of this report and aim to have our Scope 3 emissions verified by a third party.

CASE STUDY

Optimizing transportation to reduce emissions



To decrease transportation carbon emissions between Slovakia and Strasbourg, our packaging design, warehouse operations, and freight coordination teams successfully re-engineered the product pallet configuration. This strategic redesign enabled us to lower the pallet height, optimize

the truckload capacity, and increase the quantity of product transported per journey. Through this cross-functional project, we have reduced the number of trucks making the journey in a year from 60 to 40, which resulted in a savings of 46,184 kg of CO₂ over the year.

Lastly, the feedback from the CDP report indicated the need to align our targets with science-based standards, an effort that is currently underway. **We plan to submit our targets to the Science Based Targets initiative by the first half of 2024.**

Our continued focus in 2024 is on increasing the quality and scope of the data that we collect—internally and from our suppliers—to improve our decision-making in the future. Internally, we will add energy data of our offices and start to survey our non-controlled joint ventures.

We continue to engage with our suppliers to collect data via CDP and to agree on decarbonization plans and targets.

CAPEX INVESTMENT FOCUS

One gap identified in 2023 was identifying and tracking the CAPEX investment required to transition to net zero. For instance, the Task Force on Climate-Related Financial Disclosures (TCFD), aims to ensure companies are moving expenditure to cleaner and greener activities. These include ensuring investments align with climate targets, and disclosing, monitoring and verifying these annually. **Marelli's CAPEX plans should therefore be consistent with broader net zero strategies and avoid investments inconsistent with the company's science-based short-, medium- and long-term net zero targets.**

We recognize the need to improve our internal systems to measure and report this investment more

effectively and are working on this challenge, although **we have secured 3% of our investments for sustainability actions, including decarbonization, waste reduction, and health & safety.** An example of the difficulty of tracking our investments is identifying indirect benefits for energy efficiency, such as when paying a premium for more efficient equipment. A further challenge is that our climate transition roadmap requires long-term investment to reach our net zero target, but we are currently working on a three-year cycle for our sustainability targets.

We are working to find solutions to these challenges. We are a nimble business that can respond quickly, and we are clear about our ultimate destination.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

ENERGY MANAGEMENT

As an energy-intensive manufacturer, we recognize the importance of reducing our energy consumption and improving the energy efficiency of our operations.



PROGRESS IN 2023

To achieve carbon neutrality in our operations by 2030 requires fast and steady progress on Scopes 1 and 2 emission reductions. **This progress is anchored in executing on our renewable energy roadmap, pursuing high energy efficiency at our plants, all aligned with plans to decrease our Scope 1 emissions by replacing fuels used in manufacturing processes.**

OUR APPROACH

Since 2022, we have committed to increasing investments in energy efficiency projects and increasing the share of renewable energy consumption to support us in achieving our energy intensity and renewable electricity targets. We track and measure our progress on these targets monthly at a plant level and report to our C-suite and board of Directors on a quarterly basis in a highly disciplined way.

RENEWABLE ENERGY ROADMAP

Our renewable energy roadmap commits us to increasing our share of renewable electricity consumption to over 80% by 2025 and 100% by 2030, to achieve significant CO₂ reductions. To attain this goal, we combine different strategies, such as renewable energy certificates (RECs, GOs, etc.), that consider the decarbonization pace of the countries where we operate, and use power purchase agreements wherever available and affordable.

51%

energy consumption occurred at plants covered by ISO 50001 in 2023

39%

renewable electricity in our operations in 2023

Total electricity (GJ/year)

2023	3,867,824
2022	3,801,750

increase vs 2022: 1.7%

Total energy consumption (GJ/year)

2023	5,025,600
2022	4,975,028

increase vs 2022: 1%

Energy intensity (MJ/WH)

2023	61.08
2022	62.83

reduction vs 2022: -2.8%

Renewable electricity (GJ/year)

2023	1,516,293
2022	1,031,842

increase vs 2022: 47%

Direct energy consumption (GJ/year)

2023	1,141,172
2022	1,137,563

increase vs 2022: 0.3%

Renewable electricity %

2023	39%
2022	27%

increase vs 2022: 12%

Non-renewable electricity (GJ/year)

2023	2,351,531
2022	2,769,908

reduction vs 2022: -15%

Indirect energy consumption (GJ/year)

2023	3,884,428
2022	3,837,464

increase vs 2022: 1%

Renewable energy (GJ/year)

2023	1,519,673
2022	1,035,526

increase vs 2022: 47%

Non-renewable energy (GJ/year)

2023	3,505,927
2022	3,939,501

reduction vs 2022: -11%

MARELLI RENEWABLE ELECTRICITY ROADMAP

	2021	2022	2023	2024	2025
Marelli	14%	27%	39%	55%	80%

Our purchases include a plant-by-plant breakdown of renewable electricity implementation. Each business unit has a separate target, and business units and plants can source renewable electricity that is either certified or self-produced.

We are supplementing our energy procurement by embarking on projects that contribute to our self-generation in renewable electricity production.

Just to mention some of our notable efforts include the installation of solar panel systems in Malaysia, China, and Italy and implementing a Power Purchasing Agreement (PPA) with third-party suppliers, which enables us to use 100% of the electricity generated by photovoltaic installations.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

ENERGY MANAGEMENT CONTINUED

The progress of these projects hinges on the synergy of our cross-functional teams, which include experts from energy, finance, purchasing, real estate, and risk management. These teams have been instrumental in bringing our renewable energy to life at various plants, contributing to a greener energy mix within the company.

We update the renewable energy roadmap twice a year to ensure ongoing alignment with our customers' expectations and our decarbonization targets. This dynamic allows us to stay on track with our performance targets and strategically plan for and budget future projects.

CASE STUDY



Photovoltaic Insulation, Simpang Ampat, Malaysia

In August 2023, we opened a new photovoltaic installation at our manufacturing plant in Simpang Ampat, Penang, Malaysia.

The installation consists of 3.1 megawatt peak solar photovoltaic panels and building-integrated panels on the plant's roof and car park. The system will generate 4.4 GWh of clean energy a year, saving well over 2,000 tons of CO₂ each year.

The project, accomplished in collaboration with Penang Development Corporation and clean energy expert Solarvest Holdings Berhad, is one of several measures that will contribute to our renewable electricity roadmap, in line with our sustainability commitments.

CASE STUDY

China, independent energy solutions



6 MW rooftop photovoltaic power station in Wuxi, China



5,970 MWh/year

Annual electricity production



5,953 tCO₂/year

Annual reduction of CO₂ emission



10,886

Individual panels



Solar panels on the roof of Automotive Lighting & Sensing in Wuhu, China



3,650 MWh/year

Annual electricity production



3,657 tCO₂/year

Annual reduction of CO₂ emission

32%

Electricity price discount vs market price

10.5%

Covering of electricity demand

20 years

Long-term PPA contract

0 kJPY

CAPEX demand



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

ENERGY MANAGEMENT CONTINUED

ENERGY EFFICIENCY

We have made significant strides in reaching our 2025 goal of curtailing energy intensity by 6% from the 2021 baseline (measured in megajoules per working hour), having realized a 3% reduction in 2023 versus 2022. Our progress has been underpinned by the consistent application of our Marelli Manufacturing System (MMS) diagnosis, an internal analysis tool which is part of our overall Lean production system that provides a checklist of best practices for energy efficiency.

Every year, we ask all our plants to conduct an energy diagnosis via MMS which systematically evaluates our plants' levels of maturity and awareness on energy topics. This is reviewed at group level and allows each plant to understand its internal energy management and to identify and bridge its gaps through a roadmap shared with the business unit Energy Manager.

Beyond these initial steps, **at the end of 2023 we started to explore opportunities to substitute LPG with more sustainable alternatives wherever feasible. In 2024, we will escalate our commitment to energy efficiency, aligning our efforts with the aim of achieving our 2025 energy intensity reduction target in advance.**

To bolster this objective, **we have integrated the energy intensity target¹ into our corporate performance metrics.** This crucial sustainability goal now stands alongside key financial indicators as a determinant of the short-term incentive bonus, applying to both group level and our diverse business units.

ENERGY HIGHLIGHTS

In 2023, each business unit was tasked with developing a pilot project to identify an opportunity in their operations to replace conventional fuel sources with an alternative renewable source. These pilots will run until 2025, when we will have sufficient data to decide where to focus our efforts. Our Scope 1 emissions account for 15% of total Scopes 1 & 2.

3.0 tCO₂/year

At Kechnec Propulsion Solutions plant in Slovakia, starting in June 2023, using waste heat for water heating has enabled a carbon emissions reduction of 3.0 tCO₂/annum.

239.8 tCO₂/year

At Electronic Systems Japan, starting in July 2023, lighting replacements in Fukushima have enabled carbon emissions reductions of 239.8 tCO₂/year.

279 tCO₂/year

At our Automotive Lighting & Sensing plant in Sosnowiec, Poland, by reducing the temperature set-point for offices and shop floors starting in January 2023, this has enabled carbon emissions reductions of 279 tCO₂/year, and natural gas savings of 18.035 kJPY/year. Furthermore, the cost of implementation was zero kJPY.

458.4 MWh/year

Starting in July 2023, lighting replacements in our Electronic Systems Fukushima plant have enabled a reduction in annual electricity consumption by 458.4 MWh/year. This has enabled a simple pay-back time (SPBT) on the investment of 1.67 years.

COMMITMENTS FOR THE FUTURE

Our commitment is to enhance energy efficiency through the modernization of technology and equipment, as well as by investing in and creating renewable energy sources. We are on a path to substitute traditional fuels with eco-friendly alternatives and exploit waste heat recovery systems together with combined heat and power units. Concurrently, employee training on executing effective energy-saving measures and climate initiatives at our plants will remain a priority. Moreover, the scope of our energy data collection will expand to encompass our offices.

¹ The boundary for our targets include active sites in the current year, for example, 2024 targets consider all productive active sites, whereas the data disclosed in this report consider all sites active in 2023.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

WASTE MANAGEMENT

At Marelli, we recognize waste as a critical issue due to potential negative impacts on people’s health, the environment through the depletion of raw materials, and economic costs from waste management. To combat this, Marelli adheres to strict waste management procedures, vows to comply with environmental laws, and aims to reduce waste generation by encouraging reuse and recycling. Our Environment, Health and Safety (EHS) Policy underscores this commitment.

Waste management performance is tracked using key performance indicators (KPIs) which cover the amount generated, recovery rates, and landfill usage, mapping of waste streams, qualitative information including the type of waste (packaging/non-packaging) and methods of disposal. Data is comprehensively collected and monitored across all sites via digital platform, custom made for Marelli EHS and energy data collection.

We record detailed information on waste generation, including distinctions between hazardous and non-hazardous materials and their respective handling processes. These figures are then scrutinized using the tool to identify trends, to assess adherence to established targets, and to track progress. If there’s a gap between our actual performance and our KPIs, we conduct thorough assessments and either provide explanations or implement adjustments to get back on track.

Our waste targets ensure that waste management procedures are properly followed in accordance with environmental protection and legal compliance. All projects required to reduce waste are registered and validated through the Environmental Projects Monitoring (EPM) tool. Plant managers play a crucial role in achieving these targets by implementing various waste reduction projects within their respective facilities.

OUR APPROACH

In our operations, waste is primarily generated in production areas, warehouses, offices, canteens, General Services and Infirmary. About 92.3% of this waste is non-hazardous, while 7.7% is hazardous. Packaging makes up 30.3% of the waste. In 2023, we performed a deep analysis to define a concrete action plan to reduce packaging waste intercompany, in partnership with our suppliers, starting with those located in China.

We also undertook efforts on scrap and material overheads reduction. We are seeing definite changes in our culture, and this is beginning to turn the tide towards improved processes for identifying and reducing waste.

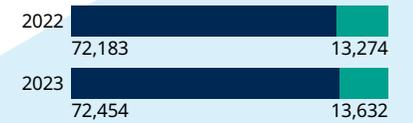
We aim to minimize waste sent to landfills, currently at 2.7%, by prioritizing recycling and waste-to-energy processes. With a vision of “Zero Waste to Landfill,” we have set specific reduction targets, especially for high waste-producing sites. Notably, in 2023, our Slovakian site, Kechnec, reduced landfill waste from 1.25% to 0%, redirecting waste to energy recovery.

Total amount of waste generated (Mt)



■ Total amount of hazardous waste generated
■ Total amount of non-hazardous waste generated

Total amount of waste diverted from and directed to disposal (Mt)



■ Total amount of waste diverted from disposal by recycling
■ Total amount of waste directed to disposal

Total waste (Mt)



increase vs 2022: 0.7%

CASE STUDY

Wastewater reduction through oil filter installation

At our Amata plant in Thailand we have minimized wastewater by installing oil filtration equipment. This initiative has led to a remarkable decrease in wastewater disposal by approximately 5.6 tons annually.



8.14

waste intensity 2023
tons/revenue
million euros



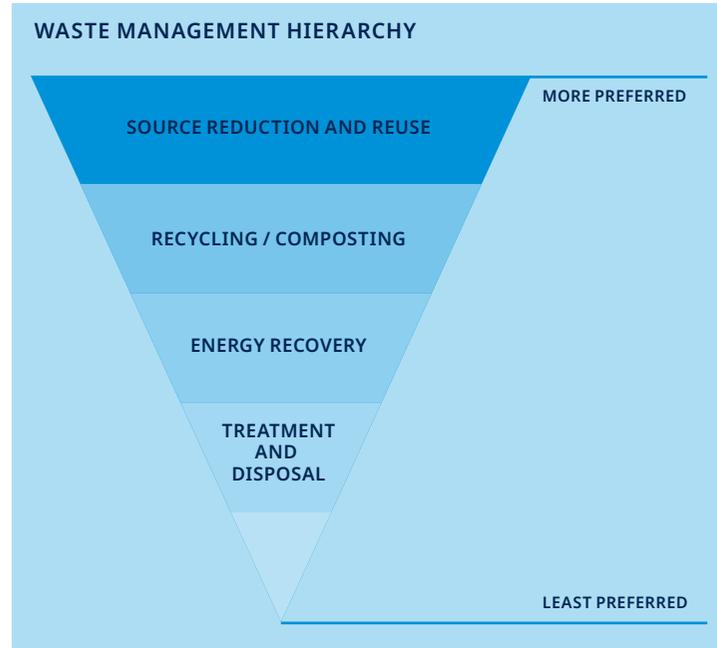
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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

WASTE MANAGEMENT CONTINUED



WASTE MANAGEMENT HIERARCHY

To support a circular economy, at Marelli we have reused large quantities of materials, such as metals, plastics, wood, and paper, avoiding the creation of 12,342.1 metric tons of waste in 2023.

- 3,616 Metric Tons of Metal
- 5,053 Metric Tons of Plastic
- 2,057 Metric Tons of Wood
- 1,616 Metric Tons of Paper and Cardboard

To ensure responsible waste management, we mandate all waste handlers abide by contractual and legislative obligations, confirmed through our standard Marelli Purchase Agreement. This process includes rigorous authorization verifications with specialized software

and compliance checks using both internal and independently conducted ISO 14001 audits, guaranteeing that all third parties manage waste appropriately.

In 2022, we have set targets for waste reduction related to production levels for the first time. This decoupling of waste volumes from production volumes represents a significant shift in our industry approach.

A LONG-TERM CHALLENGE

Based on 2023, we are not on course to meet our target of a 10% reduction by 2025. Nevertheless our efforts and due to our increased production levels, our waste generated increased by 0.7% over the year. Aware of how challenging this target is due to the nature of our manufacturing process, we see progress as we begin to move in the right direction.

CASE STUDY

Best practice on packaging reduction

At our Tolmezzo AL&S (Italy) site, we achieved a reduction of 70 metric tons of wooden pallets, through the reuse of wooden packaging. To reduce waste generation, the site signed a contract with a supplier specialized in wooden pallets management to buy pallets from the plant and reuse them. Also, to maximise reuse, the site started to separate damaged pallets from the intact ones. This has been a great way to engage our employees on waste reduction, helping them see tangible results on site.

Recognizing the importance of continuous improvement, we are proactively addressing these challenges through the implementation of a comprehensive environmental training program. This initiative emphasizes communication and awareness-raising throughout our operations, aiming to equip our workforce with the knowledge and tools necessary to enhance our environmental performance. In 2023, 20 plant managers from 10 countries were involved in this training.

➔ Read more about our training and development see page 58



PROGRESS IN 2023

FOCUS ON PACKAGING

Starting in 2023 and continuing into 2024 and beyond, we are focusing on optimizing our packaging. Packaging is a significant source of waste in many of our business units and we are working closely with suppliers to improve packaging sustainability by increasing the use of returnable packaging. We are also reviewing the use of the plastic protection material we include in our packaging, looking for ways to reduce or replace it.

As part of Design for Sustainability, we have introduced a set of guidelines for product proposals that includes a step to make sure that designers consider the sustainability implications of the packaging required for any new product in development. In 2024, we plan the rollout of global packaging guidelines to be followed by our plants, logistics and suppliers.

SAFER SUSPENSION, OIL FREE

Waste reduction is not limited to our operations. In 2023, we began developing a new approach to vehicle suspension.

The new system is oil free and delivers up to 80% energy efficiency, as compared to passive or semi-active systems, and is therefore able to harvest energy, in line with a sustainable approach. It also occupies less volume than other available technologies, providing greater freedom in vehicle interior design.

COMMITMENTS FOR THE FUTURE

Data gathering is a vital part of measuring and reducing waste. In 2023, we developed a process that allows site management to track and capture detailed information about waste at the plant level, following the GRI recommendations. In the year under review, this process was in the data-capturing phase. Next year, we will have the information to enable reporting on "extraordinary waste." We are currently reviewing our definitions to include all waste streams on our monitoring in alignment with GRI (Global Reporting Initiative) to avoid internal definitions and metrics. The extraordinary waste is 9.8% of Marelli's total waste. As part of efforts to engage our employees to tackle waste, we plan to launch an internal campaign to ban single-use plastics from our sites, fully led by our employees.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

WATER CONSERVATION

Access to water and sanitation are human rights as well as critical challenges for sustainability. As we use water for production processes, careful use of water, both in terms of the volume our operations consume and the effect we have on its quality, is a high priority for Marelli. This is particularly the case for our operations in water-stressed regions.

We are also committed to helping improve water quality at our locations, with mandatory parameters checked annually. We will provide data on this in the coming years.

OUR APPROACH

At Marelli, we focus on water management practices emphasizing conservation, efficient use, and legal compliance in water management across the company's manufacturing sites. The key elements of our strategy include:

- Reducing water withdrawal intensity through targeted initiatives, improving the efficiency of water use, and minimizing water usage in operational processes.
- Encouraging the recycling and reuse of water within manufacturing processes to lessen the demand for fresh water and reduce the environmental impact of operations.
- Ensuring proper wastewater management by treating water before it is discharged or reused.

In 2023, our Melfi plant, in Italy, launched a project to reduce the water usage in the painting process (cataphoresis), by recovering water used in the first washing cycle avoiding additional water withdrawal.

Wastewater quality assessments are also undertaken to ensure discharge complies with environmental standards. In July 2023, we launched a digital EHS tool that tracks water use and pollutants. At the close of 2023, the tool was in use at all of our production sites.

OUR WATER POLICY

To date, only 1.2% of water on earth is available for human use, and the pressure on this resource will increase as competing demands for clean fresh water (agriculture, households, energy generation, industrial use, ecosystems) grows. In addition, the effects of climate change put more pressure on water quality and availability.

Aware of the impacts of water scarcity, water stress, and water risks arising from climate change on businesses and communities, Marelli established a Water Policy in 2022 that applies to all Marelli operations worldwide.

The policy's primary concern is managing water-related risks and opportunities identified through tier risk assessment by focusing on water consumption. **As part of our design process, when proposing new or improved products, our designers are required to identify and include production processes that avoid water withdrawal.**

We also aim to cascade targets at the project level, and within innovation projects, to ensure our current and future production will be more water efficient, in line with our Water Policy.

PROGRESS IN 2023

In 2022, we set targets to reduce our water intensity by 14% by 2025 and 20% by 2030. We are pleased to report that we had already exceeded these targets by the end of 2023 thanks for significant improvements in water monitoring and management. Therefore, in early 2024, Marelli Sustainability Council decided to upgrade our targets to reduce water intensity by 25% by 2025 and by 30% by 2030 comparing to the 2021 baseline.

In line with requirements of both the CDP and EcoVadis, **in 2023 we have enhanced our internal digital platform, custom-made for Marelli EHS and energy data collection, to help us report water discharge in more detail.**

Our EHS tool helps us in identifying the volume of wastewater that has been treated at each level from primary to tertiary.

In 2023, we had two environmental occurrences at our facilities. This account encompasses instances where regulatory thresholds for wastewater discharge were surpassed, resulting in monetary penalties. All corrective actions were concluded by the end of 2023.

Although the associated fines did not surpass our materiality thresholds¹, we continuously investigate the root causes of these incidents and always address them, regardless of the economic impact.

¹ Marelli defines significant instances as instances that generate an impact greater than JPY 443 million (EUR 3 million) from a free cash flow (FCF) perspective or JPY 590 million (EUR 4 million) in terms of EBIT.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

WATER CONSERVATION CONTINUED

WATER MANAGEMENT

We conducted water risk assessments at all our plants in 2023. Using the World Resources Institute's Aqueduct platform, we were able to gather data to help us understand our water usage and its impact on our business and the areas where we operate.

The Aqueduct platform helped us identify those sites that are in water-stressed areas as well as those that are predicted to become so in the near future. **We identified 33¹ sites in these water-stressed areas with 31.6% of our water withdrawal concentrated in these locations.** These sites were required to prepare a response plan that outlines specific actions and strategies to address identified risks and vulnerabilities related to water resources. At the business level, business units were requested to propose innovations in products and processes to reduce the water withdrawal in the sites mapped in water-scarce areas.

For example, the Propulsion Solutions site in Modugno, Italy started a project to replace the old pipeline to avoid leakages. Starting in 2022, the site collects rainwater and uses it in the production process, avoiding usage from other sources.

IMPROVING DATA ACCURACY

Much of our focus in 2023 was on improving our data accuracy about water usage, through a range of audits, tracking systems and third-party assessments, all of which have helped focus our remedial activities. Water flow meters installed at plants gave us more complete information on when and where we were using water in our operations in terms of location, manufacturing processes, and timing. Still, we recognize that further improvements are needed to access this data, which will give us the detailed information that we need to manage and control our water use. Our goal is to have tools in place that will alert us to leaks of which we are unaware, and which we will be able to quickly address.



Marelli's 2023 CDP Water Security evaluation, which took all our manufacturing plants into account, showed a strong performance across the board, achieving an overall score of B. We scored A on water risk assessment, water-related opportunities as well as on our water policies and accounting. However, we must improve on our value chain engagement, targets, governance of water-related issues, and how they could impact our business.

COMMITMENTS FOR THE FUTURE

We will continue to refine and improve our data accuracy in relation to water usage. Based on this improved data, we aim to expand the range of measures deployed to improve our water usage performance.

Sites where this is indicated will be required to set out a risk response to enable the plant to continue to operate sustainably in relation to its water use. This will include the use of closed loop systems which recover, treat and reuse water from our operations.

Having achieved our existing targets, we have set new targets for reductions in water intensity from baseline year 2021.

-25%

Water intensity target 2025 (Liters/worked hours)

-30%

Water intensity target 2030 (Liters/worked hours)



1 33 of our sites are in extremely high water stress areas, as revealed by the analyses of the latest Aqueduct 4.0.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

WATER CONSERVATION CONTINUED

DATA POINTS



WATER DISCHARGE (ML)

Surface water (total)



decrease vs 2022: -7.7%

Groundwater (total)



Third-party water (total)



increase vs 2022: 20.0%

Total water discharge



increase vs 2022: 18.2%

TOTAL WATER WITHDRAWAL (ML)

Surface water (total)



decrease vs 2022: -5.7%

Groundwater (total)



decrease vs 2022: -8.0%

Third-party water (total)



decrease vs 2022: -5.2%

Total water withdrawal



decrease vs 2022: -5.7%



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

TOXIC EMISSIONS

We recognize our responsibility to develop and implement strategies that mitigate our impact on the environment, especially concerning air pollution and toxic emissions.

As outlined in our Environmental Health & Safety Policy, we strive to reduce emissions of any pollutants and avoid the release of toxic substances, ensuring compliance with environmental regulations.

By incorporating advanced filters and scrubbers into our manufacturing processes, we effectively trap and neutralize harmful pollutants before they can enter the atmosphere. These systems are meticulously maintained and upgraded to leverage the latest advancements in emission-reducing technology.

DATA POINT

94%

of Marelli manufacturing sites certified according to ISO 14001 standard

At present, 11 out of 17 sites in Automotive Lighting business equipped with painting facilities are operating systems that are highly efficient at reducing VOCs (volatile organic compounds). **The system called RTOs (regenerative thermal oxidizers) can not only guarantee a reduction of VOC emissions up to 99% but also a thermal recovery up to 97% that results in reduced fuel consumption.** Three sites (out of 17) are equipped with thermal oxidizers (TOs) up to 99% VOC reduction with thermal recovery up to 70%.

HAZARDOUS SUBSTANCES
MANAGEMENT

Marelli's commitment to environmental sustainability extends to the rigorous management of hazardous substances used in our operations. **To control the use of hazardous substances, we have established a meticulous inventory tracking system. This enables us to monitor the volume and types of hazardous materials that come through our facilities and ensure proper storage and handling in compliance with safety regulations.** We continuously seek to reduce our reliance on hazardous substances by exploring safer and more eco-friendly alternatives. **Whenever possible, we replace hazardous chemicals with less harmful options.**

Marelli's waste management procedures underscore our efforts to diminish toxic emissions. By treating and disposing of hazardous waste in accordance with the highest environmental protection standards, we aim to avoid any adverse impact on local ecosystems.

NOISE POLLUTION
MITIGATION

At Marelli, we recognize that noise pollution can affect the well-being of both our employees and the surrounding communities. Our approach to noise pollution involves a combination of periodic monitoring and preventive maintenance of machinery to ensure they operate within the permissible noise levels. **We adopt best practices, in line with local regulations and context, for noise reduction by installing sound-dampening materials and designing noise barriers where applicable.** We are also dedicated to implementing noise-abating technologies. For example, our production lines are equipped with devices designed to operate quietly. As a result of one of the noise pollution preventions, at our Electronics Systems Corbetta plant, in Italy, we were suggested to substitute a compressor to avoid significant noise due to wear and tear of the machinery.

ENVIRONMENTAL RISK
ASSESSMENT

Since 2021, we defined a common approach to evaluating the environmental aspects of risks and opportunities using an internal procedure. The procedure document establishes a systematic approach to assess the environmental impacts of activities, products, and services from a life cycle perspective, identifying significant impacts, and outlining risks and opportunities.

The procedure applies criteria to determine severity, relevance, compliance, and operational control of environmental aspects during normal and emergency conditions. **Marelli ensures the implementation of this procedure across all manufacturing and non-manufacturing sites certified by ISO 14001,** emphasizing the importance of continuously updating the environmental management system, maintaining clear communication, and fulfilling responsibilities at both Marelli Group and plant levels, to safeguard environmental integrity.



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ENVIRONMENTAL
MANAGEMENT

Climate Change Action	27
Energy Management	30
Waste Management	33
Water Conservation	35
Toxic Emissions	38
Biodiversity	39

BIODIVERSITY

To enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities, the Taskforce on Nature-Related Financial Disclosures (TNFD) recently developed a set of disclosure recommendations and guidance. Using the TNFD framework, we are evaluating how our operations impact and depend on natural ecosystems.

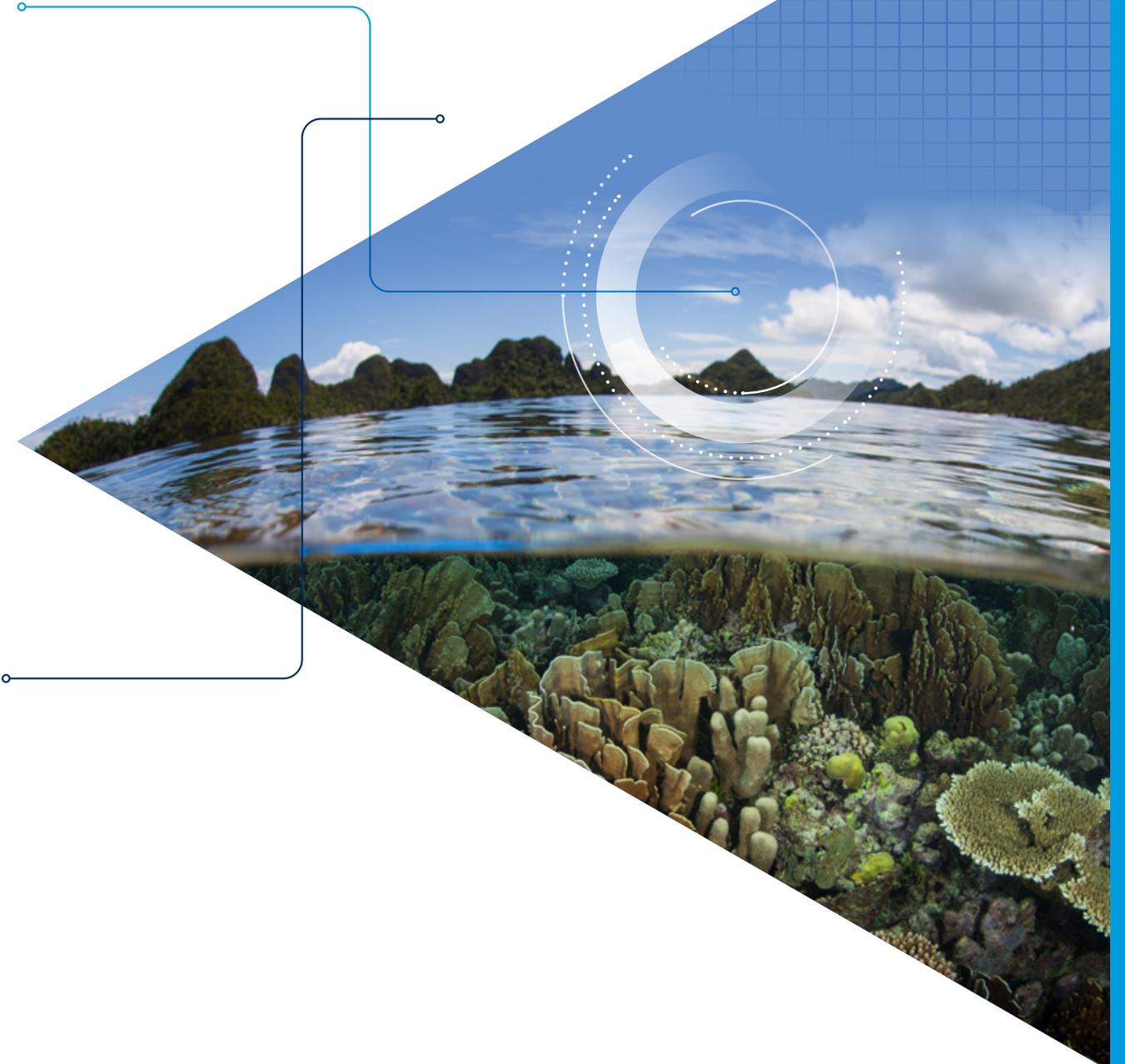
As planned, in 2023 we performed our first extensive Nature & Biodiversity Assessment at our global manufacturing locations. This has been backed up by our use of ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), a tool for measuring natural capital, risks, impacts and drivers.

We also use Swiss Re's BES tool, which has given us a comprehensive view of the state of terrestrial ecosystem services globally, with maps covering ten different services, including biodiversity intactness, pollination, air quality, water security, water quality, soil fertility, erosion control, coastal protection, food provision, and timber provision. For each service, specific indicators are used to assess its status. These indicators include measures such as the proportion of nitrogen retained, annual net primary production, and habitat intactness index. The tool enables Marelli to evaluate the status of such indexes in the locations of its own manufacturing sites and the risks related to how the business depends on ecosystem services and what potential impact it has on them.

Combining these assessments has pinpointed sites that significantly rely on nature, especially water resources, and those located in more biodiverse environments, where our activities may have more significant effects if the impacts are not properly managed. Notably, we have recognized the importance of water usage and quality. In particular, a few of our facilities are facing high water stress, aligned to the findings in our water risk assessment (see page 36). Baseline water stress measures the ratio of total water demand to available renewable surface and groundwater supplies. To protect our business and water reserves we are implementing measures at these sites to enhance water resilience.

Although none of our plants are situated in regions of high biodiversity intactness, in line with GRI 101 standards, we are voluntarily reviewing our natural environment interactions and crafting a Marelli Group-level Policy for Biodiversity. With this initial understanding, we are developing a more robust biodiversity strategy, which will be integrated into our environmental goals and communicated through forthcoming Sustainability Reports.

→ Read more about our approach to water see pages 35-37



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RESPONSIBLE
CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

04 RESPONSIBLE CORPORATE CITIZEN



At Marelli, integrity is one of the core values that guides us every day - we entrench ethical practices and compliance into our day-to-day dealings with all our stakeholders. ESG considerations are also a cornerstone of our strategic agenda, which is reviewed with our board.

Marisa Iasenza, Chief Legal Officer

Sustainability Governance	41	Data Responsibility and Cybersecurity	45
Commitments for the future	41	Safeguarding against cyber threats	45
Respect for Human Rights	42	Progress in 2023	45
Our approach	42	Artificial Intelligence	46
Progress in 2023	42	Commitments for the future	46
Supplier audits	43	Sustainability in the Supply Chain	47
Whistleblowing hotline	43	Our approach	47
Commitments for the future	44	Progress in 2023	47
		Supplier Code of Conduct	47
		Identifying supply chain risk	48
		ESG criteria for supplier nomination	48
		Conflict minerals	48
		Commitments for the future	49



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RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

SUSTAINABILITY GOVERNANCE

Through our new Design-led Sustainability approach, we are building a new culture at Marelli, where responsible business becomes the norm, and sustainability is always front and center of decision-making.

To ensure we meet the expectations of every stakeholder, we are committed to embedding ESG considerations across our core governance structures and have made great strides during 2023 in developing our approach.

ESG OVERSIGHT

In 2023, we formalized sustainability oversight by making it a standard item on the board agenda. **Our highest decision-making body, the Marelli Holdings board of Directors, is composed of ten members and the sustainability strategy, targets and roadmap are all reviewed and approved by the board (for more information see page 70).** They are supported by five members of the Nomination, Governance, and Human Capital Committee (NGHCC). The Committee reviews progress on Marelli's sustainability targets quarterly.

To ensure that internal sustainability targets are effectively monitored and managed, we have established a sustainability structure at a business unit level that allows for rigorous management and tracking of sustainability performance across the business units.

SUSTAINABILITY COUNCIL

To ensure informed decisions in our board meetings, the Marelli Sustainability Council conducts an in-depth analysis of our progress toward our sustainability goals, and is responsible for setting sustainability-related targets and milestones to ensure we realize our 2025 ESG roadmap.

The Council is composed of eight members of the Group Executive Committee (GEC) and is chaired by the CEO. The Council is responsible for monitoring and reviewing progress, prioritizing investments and aligning the decision-making process to advance Marelli's sustainability goals.

SUSTAINABILITY COMMITTEE

Each ESG target has an executive owner and a champion who works with the sustainability team to monitor the execution of the ESG strategy and support the business units to achieve the targets. **All business units and functions have appointed teams, culminating in a collective of over 100 committed individuals who make up the Marelli Sustainability Committee.** This comprehensive Committee interfaces directly with the group sustainability team to meet the targets and milestones set by the Sustainability Council. Together, they collaborate to monitor and drive the necessary initiatives to address all topics identified in our double materiality matrix and respond and prepare for regulations, reporting, and requests from our partners. **The Committee and the Council are aided by other functions such as the Innovation Council and Diversity, Equity, and Inclusion Council in cascading action plans to all our businesses.**

INCENTIVIZING SUSTAINABILITY FOR OUR PEOPLE

To further illustrate how embedded sustainability is in the governance of Marelli, ESG targets are now incorporated into the performance and evaluation objectives of all teams, all the way from the executive sustainability sponsor to all plant managers. Energy efficiency targets form part of the remuneration of the employees eligible for the short-term incentive plan. In 2023, enhancing energy efficiency was an integral part of the short-term incentive plan's corporate goals. Approximately 3,000 Marelli employees saw their bonuses impacted by the achievement of these ESG targets, which accounted for 5% of their total bonus amount. **In 2024, this will increase to 10% and will include Scope 1 and 2 emissions reduction targets in addition to energy efficiency¹.**

MANAGING ESG RISKS

In 2023, we began the preliminary integration of ESG risks into our Enterprise Risk Management (ERM) framework, aligned with the international standard "ISO 31000: Risk Management". **This integration will be substantially enhanced with the deployment of our new ERM tool, scheduled for the second half of 2024, advancing our alignment with global risk management practices.** Our CEO and board will be supported by the Audit and Risk Committee who will oversee critical sustainability factors alongside other organizational risks, such as assessing suppliers' ESG



compliance as part of the sourcing risk. ESG and compliance risks are two of the enterprise risks we assess our business against.

COMMITMENTS FOR THE FUTURE

In 2023, we started to embed the Sustainable Development Goals (SDGs) into our roadmaps, policies, and targets. **In 2024, we will monitor the progress against the SDGs mapped and adopt a more proactive approach to educate our teams on the expected efforts to contribute to the goals by 2030.**

The board's involvement in and commitment to sustainability will only increase in the coming years. **In 2024, the plan is to increase the coverage of verified data, as we include emissions reduction as a target in our compensation programs. We will also be focusing on updating our Human Rights Policy in 2024 to better reflect the needs of all our diverse stakeholders.**

Corporate resilience is an important feature of a sustainable organization. Following a focus at the highest level of the company, **Marelli will launch a comprehensive crisis response system in 2024 that will centralize and coordinate our crisis management across all facilities.**

¹ The boundary for our targets include active sites in the current year, for example, 2024 targets consider all productive active sites, whereas the data disclosed in this report consider all sites active in 2023.



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RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

RESPECT FOR HUMAN RIGHTS

Protecting human rights is essential for ensuring a resilient value chain. We require our partners and suppliers to match our high commitment to compliance and human rights.

In 2023, we launched a Supplier Code of Conduct which includes our Human Rights Policy. In addition to the Code of Conduct, we have a range of global policies and procedures covering topics as diverse as Anti-Boycott Laws, Insider Trading, Privacy and information security, among many others¹. **In 2024, Marelli is set to introduce a comprehensive gifts and hospitality framework, complete with a dedicated tool and procedure. This will provide clear guidance to our employees regarding the acceptable practices for giving and receiving gifts and entertainment, ensuring alignment with our company's Code of Conduct.**

→ You can read our business policies here: www.marelli.com/en/sustainability/policies-ethics-compliance.html

A NEW CODE OF CONDUCT

In 2023, we began developing a new Marelli Code of Conduct which includes a totally new look and feel. **The initial draft is under review by internal stakeholders, and we plan to release it by the second half of 2024.**

Some of the major differences from our previous Code of Conduct is the inclusion of specific sections to ensure we comply with or exceed emerging legal and customer requirements. **These include such topics as (i) Choosing Suppliers with Integrity, (ii) Collaborating Responsibly with Third Parties, (iii) Community Involvement and Corporate Citizenship, and (iv) Protecting the Environment and Building a Sustainable World.**

OUR APPROACH

To ensure we are taking real action to protect human rights and conduct business in a way that is fair and decent, we pledge to have all our sites located in EIRIS A and B list countries² certified as SA8000 compliant by 2025, following self-assessments performed in 100% of our active production plants in 2023. SA8000 (Social Accountability 8000) is an international auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace. For a global manufacturing company such as Marelli, with operations

in 24 countries around the world, ensuring alignment with this standard is paramount. We strive for freely chosen employment, elimination of child labor, assurance of health and safety standards, respect of freedom of association, no discrimination, compliance with laws and industry standards on working hours and payment of a living wage, among others.

PROGRESS IN 2023

As a first step towards our 2025 target, we have performed SA8000 self-assessments at all our active manufacturing sites. Based on their results, we are creating a road map of certification for each site. We will tackle these areas in a prioritized sequence, attending to each according to its significance and time-sensitivity.

Beside the SA8000 self-assessment, three of our plants in China, located in Changchun, Foshan, and Guangzhou, successfully concluded the Responsible Business Alliance (RBA) Validated Audit Process (VAP) audit in 2023.



COMPLIANCE AND HUMAN RIGHTS

100%

of our active production plants completing SA8000 self-assessment in 2023

100%

critical sites (44 sites) to be certified according to SA8000 by 2025

We conduct extensive training on subjects relating to compliance and human rights to make sure that our employees understand and are aligned with the company's standards. In 2023, we provided 17,668 hours of compliance training (Code of Conduct, Human Rights, Business Ethics, Diversity, Equity & Inclusion, and Discrimination). 96% of targeted employees were trained on the principles of our Code of Conduct in 2023.

Training	Total hours in 2023		
	Female	Male	Grand Total
Business Ethics and Compliance	325	875	1,200
Diversity, Discrimination and Harassment	606	860	1,466
Human rights	3,652	11,350	15,002

Mandatory compliance training for all employees is conducted on a periodical basis. The main topics to be covered in 2024 are the following:

- Code of Conduct
- Human Rights
- Conflict of Interest
- Anti-bribery
- Harassment

We have also planned additional training on environmental compliance for the following roles once a year:

- Engineering
- Product Management
- EHS
- Plant managers
- Purchasing

1 Other Policies include: Marelli Ethics and Compliance Charter, Conflicts of Interest Policy, Export, Import and Anti-Boycott Laws Compliance Policy, Anti-Trust and Insider Trading Policies, Anti-Bribery and Anti-Corruption Policy, Meeting with Competitors including Business Associations, Privacy Policy, Information Security Policy, Financial Account Management Policy and Basic Policy Against Anti-Social Forces, also covering money laundering and fraudulent activities, among others.
 2 Sites located in China, India, Turkey, Morocco and Thailand as defined by the Human Rights toolkit form UNEP available on <https://www.unepfi.org/humanrightstoolkit/geographic.php>.



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RESPONSIBLE
CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

RESPECT FOR HUMAN RIGHTS CONTINUED



THIRD-PARTY PERSPECTIVE
ON OUR STANDARDS

We asked Ethisphere, a company that collects, analyses and measures data relating to business ethics, to assess the maturity of our compliance program in 2023. Our intention in commissioning this assessment is to help us define and measure our corporate standards; we are working to keep improving in line with Ethisphere's recommendations and advice. We are doing this to ensure that our policies and programs are robust and able to support our aspiration to meet the highest ethical standards.

SUPPLIER AUDITS

We undertook several proactive measures in our supply chain to ensure rights related to freedom of association and collective bargaining are respected, and to prevent the use of child and forced labor. **Following EIRIS' criteria used by UNEP in its human rights toolkit, we prioritize but did not limit the supplier audits to countries A/B.**

Supplier audits, carried out by a third-party expert on our behalf, examine suppliers' performance in relation to human rights, labor conditions, health & safety, ethics, and compliance, as well as emissions and environmental topics.

We are increasing year by year the number of audits, planning to achieve 50 in 2024. For instance, in 2023 we received the commitment from an audited supplier to become certified according to SA8000. This was agreed based on the audit identifying critical gaps regarding social sustainability assurance.

We also use Resilinc², a leading cloud provider of supply chain risk monitoring, resilience intelligence and analytics, to proactively monitor risk in our supply chain for over 5,000 of our suppliers. **We can report that almost all suppliers have no critical resiliency risk.** For those in high-risk locations, Marelli is implementing preventative and corrective actions, as well as starting to request evidence of robust "Business Continuity Plans." We monitor critical resiliency risk on a weekly basis.

ANTI-CORRUPTION
PRACTICES

In 2023, we demonstrated strict adherence to anti-corruption compliance, reporting no significant non-compliance instances with anti-corruption laws. However, we identified and promptly addressed two instances of corruption: one involved in commercial bribery and the other involved in a supplier's corrupt endeavor. The incidents resulted in disciplinary actions, including employee dismissals and the termination of a contract with a business partner. **We maintained a clean legal record with no public corruption cases, underscoring our unwavering commitment to ethical operations and transparent corporate governance.**

WHISTLEBLOWING HOTLINE

To ensure adherence to ethical business principles described in our policies mentioned previously, we have an Integrity Hotline³, run independently by a third-party specialist provider, Navex. This anonymous and confidential whistleblowing system is accessible in all countries⁴ and in 18 languages. The hotline allows employees and third parties to report possible breaches of our Code of Conduct or any irregular activity that may be inconsistent with the principles that drive Marelli.

In 2023, we received a total of 293 concerns; remediation was provided for all substantiated (57) and closed cases. **None of these raised concerns were deemed to be significant and no government fines have been levied.** The rest of the cases are either still under investigation or have not been substantiated. Among the substantiated cases we have found one case of corruption, notified via an employee walk-in and which resulted in disciplinary action of the employees involved. The other case of corruption incident was reported via anonymous email and was substantiated in 2024.



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1 EIRIS A and B list countries: Sites located in China, India, Turkey, Morocco and Thailand as defined by the Human Rights toolkit form UNEP available on <https://www.unepfi.org/humanrightstoolkit/geographic.php>.
 2 Resilinc is an AI platform applied worldwide – collecting information on economic, geopolitical, bribery, corruption, and sustainability claims. Risks are quantified and a resiliency risk score is assigned. 100% of our active suppliers are monitored through the platform that has a network of more than 108 million publicly available sources. It collects information on news and events in key risk topics (e.g., geopolitical, bribery, corruption, investigations, and sustainability claims). It operates in over 50 languages. Whenever risks emerge, Marelli is notified and given 24/7 updates on how suppliers are being impacted.
 3 <https://secure.ethicspoint.eu/domain/media/en/gui/105365/index.html> This anonymous and confidential whistleblowing system is accessible in all countries (except for Morocco, Korea, and Russia due to legal constraints) and in 18 languages. It includes the following categories of reporting: Anti-Boycott, Anti-competitive Behavior, Bribery and Corruption, Conflict of Interest, Discrimination, EHS, Export Controls, Financial/Accounting, Fraud, Harassment, Threats and Assaults, Information Security, Internal Working Environment, Money Laundering, Product Regulatory & Safety, Retaliation, Safeguarding of Assets, and Others.
 4 Except for Morocco, Korea and Russia due to legal constraints.



RESPONSIBLE
CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

RESPECT FOR HUMAN RIGHTS CONTINUED

CASES BY CONCERN CATEGORY

Category	nr.	% on total
HR, Diversity and Workplace Respect	175	59.8
Business Integrity	59	20.1
Misuse, Misappropriation of Corporate Assets	10	3.4
Environment, Health & Safety	6	2.0
Accounting, Auditing & Financial Reporting	2	0.7
Others	41	14.0
Total	293	100.0

ACTION TAKEN ON CLOSED CASES

Action	nr.	% on total
Advice/Assistance Provided	23	37.7
Discipline	19	31.1
Termination	9	14.8
Policy/Process Review	7	11.5
Training	2	3.3
Remediation	1	1.6
Total	61	100.0

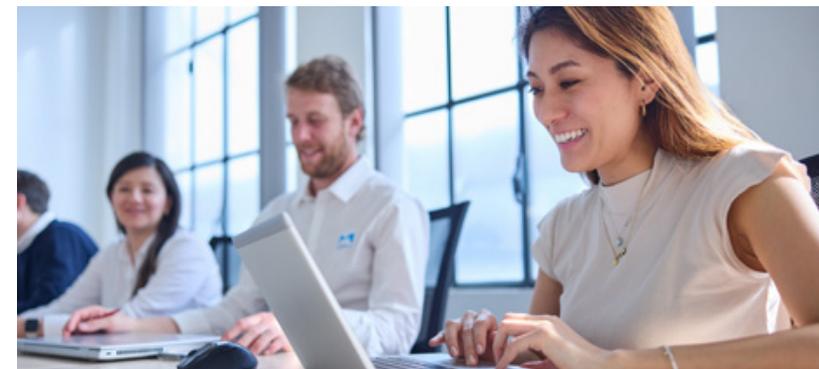
SUBSTANTIATED CASES PER CATEGORY

Action	nr.
Harassment, Threats and Assault	22
Internal Working Environment	17
Conflict of Interest	5
Others ¹	5
Bribery and Corruption	2
Fraud	2
Discrimination	1
Environment, Health & Safety	1
Retaliation	1
Safeguarding of Assets	1

¹ The category of "Others" covers Fraud, Product Regulatory and Safety, Anti-Competitive Behavior, Bribery and Corruption, Conflict of Interest, Money Laundering, Export Controls, Anti-Boycott.

We conducted a benchmarking exercise of the Marelli hotline alongside similar-sized global companies. The exercise showed that our reporting rates are relatively low; among our peer group the median number of reports per 100 employees is 0.98, whereas at Marelli it is 0.48. **While we observed that 66% of Marelli employees felt confident that they could report a compliance concern to their manager or the Compliance Hotline, we recognize the necessity to improve this statistic to ensure an environment of complete trust and openness in line with the best practices of a Great Place to Work.** We have, therefore, taken various actions in 2023 to address this concern directly. We are looking at the responses to this question and will report back on the results of that analysis in next year's report, but we nevertheless took action in 2023 to begin to address the concern.

In 2023, 6,795 employees were trained on how to raise concerns without fear of retaliation. The campaign also focused on managers' responsibility to create a culture of compliance. Accordingly, 666 managers in Brazil, Japan, Italy, China, Mexico, Thailand, Spain, UK, US and Turkey were involved in face-to-face trainings. As part of the awareness campaign to incentivize employees to speak out, a QR code to facilitate the mobile intake of complaints has been published in many plants starting in late November 2023.



In 2023, with the entry into force of the "European Directive 2019/1937" on whistleblowing and related national transposition laws, we have increased our focus on protecting whistleblowers, allowing the choice to report at central or local level, defining a retention policy to regulate the storage of a complainant's personal data, and drafting a transparent complaint management procedure.

COMMITMENTS
FOR THE FUTURE

In 2024 and beyond, we will establish a Compliance Champion network, for which we have already begun a pilot program in Turkey. With feedback from this we aim to learn how to expand this to other sites, potentially starting in Eastern Europe. Compliance Champions will be actively supported by the Global Compliance Program Leader and connected to each other via regular communications through a variety of channels (e.g., newsletters, meetings, etc.). The goal of the Compliance Champion network is to share resources and lessons learned with core responsibilities on:

- Supporting the compliance team with implementation of compliance initiatives locally.
- Cascading compliance training through a train-the-trainer approach.
- Localizing policies, procedures, and communications based on risks and local particularities.

This will help to build a culture of business compliance, which is high on everyone's agenda. **It will complement the extensive training and awareness raising program that we are rolling out in 2024.**

Our Human Rights Policy is an integral part of our Code of Conduct. In 2024, the Group Executive Committee (GEC) will discuss and approve changes to our Human Rights Policy to include the rights of Indigenous peoples, refugees, and other groups that warrant particular protection. While our new Code of Conduct for employees will include topics such as biodiversity, deforestation, and the use of Artificial Intelligence (AI), demonstrating our holistic approach to protecting people and the environment.



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RESPONSIBLE
CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

DATA RESPONSIBILITY AND CYBERSECURITY

Protecting our business and customers against data breaches of any kind is a very important focus at Marelli. As vehicles are increasingly software dependent, data integrity is a crucial topic on our agenda as we help develop the “software-defined vehicle.”

To do this securely, it’s vital that we handle, process, store and share the data we hold responsibly and properly, as well as protecting it and the systems that contain it.

Data responsibility at Marelli encompasses a range of policies and actions designed to protect the confidentiality, integrity, and availability of data. **These include our Information Security Policy, Information Classification Policy, and Product Cybersecurity Policy, among others.** This extends beyond mere compliance with legal requirements, pursuing best practices that align with international standards and ethical considerations.

SAFEGUARDING AGAINST
CYBER THREATS

Marelli’s data responsibility and cybersecurity are fully integrated throughout the company. Our comprehensive security measures protect our business from threats within our supply chain. We report on cybersecurity to our board regularly, emphasizing both system resilience and the critical role of our employees in safeguarding against cyber threats.

PROGRESS IN 2023

SYSTEMS PROTECTION

Marelli is adopting a new data loss prevention strategy to reinforce the security of sensitive data, such as intellectual property and personal information.

We aim to classify and monitor data to prevent unauthorized sharing or data leakage. This will enhance security while ensuring compliance with data protection laws and mitigating the risks of data breaches. We aim to build on current deployment of the strategy, to cover all our countries within the first half of 2024.

We have increased overall security, with state-of-the-art technology and AI-based solutions filtering spam and malicious emails. **In the last quarter of 2023, we received 98.6 million malicious emails, of which 75.3 million were blocked. The remaining 23.3 million were classed by Marelli as legitimate emails.** To monitor and stay ahead of phishing attacks, our anti-phishing service has shown us that approximately two out of every two million emails we received in 2023 constituted a threat. These threats are carefully and constantly monitored by our security operations center.

The center on average responds to 700 events per day, and manages an average of 230 cyber-attacks per month. To do more, we continue to train our employees to be cautious, helping them identify threats, but we are pleased to report that the number of emails posing a threat to Marelli is very low.

THE HUMAN ELEMENT

Through a comprehensive cybersecurity training program in 2023, **we have actively upskilled our workforce in recognizing and mitigating cyber threats, achieving a notable reduction in susceptibility to phishing attacks from 13% to 9% over the year.** The implementation of regular phishing awareness tests on a quarterly basis, **along with the completion of mandatory general security training by 81% of the employees, ensures that cybersecurity awareness remains high among staff.** Moreover, zero data breaches in 2023 attest to the effective assimilation of training content and adherence to best practices. The deployment and targeted utilization of advanced, extended detection and response (XDR) tools, have further enhanced the protection of sensitive corporate data, aligning with the ongoing commitment to robust and responsive cybersecurity strategies.

IRP AND CRISIS
RESPONSE PLAN

Following a comprehensive tabletop simulation of a cyber crisis involving Marelli’s top management, we created a handbook offering an accessible guide for prompt and effective actions to take in such an event.

23,924
hours of cybersecurity and data privacy training in 2023

81%
of employees completed mandatory cybersecurity training in 2023

Our goal for the upcoming year is to finalize a detailed incident response plan, complete with all the necessary tools and agreements to navigate the complexities of cyber incidents swiftly and with precision. This proactive approach is instrumental in maintaining business continuity and safeguarding against potential operational, financial, or reputational impacts resulting from cyber threats.



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RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

DATA RESPONSIBILITY AND CYBERSECURITY CONTINUED

DATA PRIVACY

Marelli addresses data privacy complaints through dedicated channels. **We have a specific email for general data protection claims, accessible on our website "Privacy Policy" page. We also offer OEM customers dedicated channels for product-related issues, through Sales and Account channels.** These channels are reviewed by the Data Protection Officer (DPO), in collaboration with cybersecurity experts. Our approach to customer data privacy is governed by policies, including the Information Security Policy and Data Classification Policy. **To protect customer data, a specialized cybersecurity team, led by the Chief Information Security Officer (CISO), ensures security-by-design and strict data management controls, aligned with the TISAX framework. Furthermore, our Information Security Management System is aligned with the ISO 27001 framework.**

CERTIFICATION

Our product development processes are aligned to the international ISO 21434 standard. This standard defines requirements for cybersecurity risk management in road vehicles, and in 2023 we obtained ISO 21434 certification for our Automotive Lighting and Sensing business.

With regard to information security, in 2023 we were conferred 26 active security certifications. 24 of those 26 information security certifications were awarded by the Trusted Information Security Assessment Exchange (TISAX), which is a widely recognized international standard for information security in the automotive industry. The need for certifications is set to continue to increase as this is becoming a standard requirement of OEMs.

CYBER-SECURE SUPPLIERS

In December 2023, we launched the Supplier Code of Conduct that demands the same level of rigor from our suppliers regarding data responsibility and cybersecurity as we do from ourselves. **The new code includes data security, cybersecurity, data integrity and AI-related requirements for suppliers.**

We require suppliers to establish end-to-end cybersecurity measures; a comprehensive cybersecurity strategy, governed by best practices and modern key technologies, are prerequisites to ensure adequate information security.

ARTIFICIAL INTELLIGENCE

Maya, our own Marelli Generative AI chatbot, based on OpenAI technology, was launched in October 2023, and progressively extended to all our employees. Maya supports employees in their daily work, helping them to increase their productivity and solving many tasks. **Maya operates in a Marelli-owned private Microsoft Azure tenant, and inquiries and results are not shared with any third party, including Microsoft. Further implementations will be actioned in the first half of 2024 to enhance data security and the privacy of internal communications with Maya.**

DATA POINTS



COMMITMENTS FOR THE FUTURE

Marelli is committed to the relentless improvement of our cybersecurity measures. **In 2024, we will complete a sophisticated Incident Response Plan and enhance our training to fortify our protection against emerging threats.** Our focus on advancing our Data Loss

Prevention strategy and meeting industry requirements will further reinforce our secure operating environment. By concentrating on these areas, Marelli aims to exemplify best practices in cybersecurity management and resilience.



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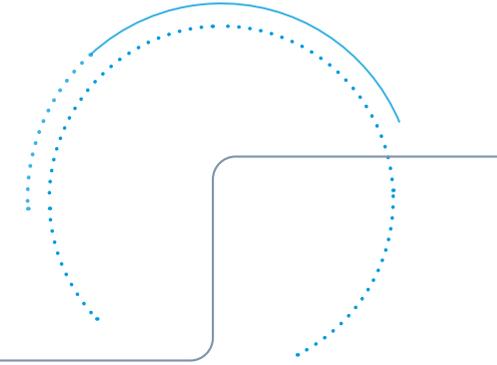


RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

SUSTAINABILITY IN THE SUPPLY CHAIN

Sustainability in the supply chain and material sourcing is becoming increasingly important to our industry and has emerged as a highly important topic in our double materiality assessment in 2022. As environmental concerns grow, so does the industry's need to reduce its carbon footprint and adopt eco-friendly practices. This shift extends to every stage of the supply chain.



OUR APPROACH

As reflected in our Design for Sustainability approach, we are focused on responsibly sourcing materials, protecting human rights, incorporating recycled or renewable resources, and optimizing production methods to minimize waste.

We assert the significance placed on collaborative efforts with our suppliers and adherence to defined objectives to jointly champion growth and impact sustainability positively. **We expect that our suppliers will integrate the interwoven elements of sustainability, compliance, and innovation into their operations.**

PROGRESS IN 2023

SUPPLIER CODE OF CONDUCT

In March 2023, we launched our Supplier Code of Conduct, which sets out in detail what we require from our suppliers. We supported the launch with an extensive engagement and communication program. We are currently working on an effective training program for suppliers with actionable insights to help them implement our Supplier Code of Conduct to support our sustainability strategy.

The introduction of the Supplier Code of Conduct is part of the profound culture shift that has taken place at Marelli and in our supply chain in recent years. Similarly, our suppliers' attitudes toward sustainability are transforming from unawareness to readiness, with a newfound commitment to reaching sustainability goals. This is also catalyzed by end user customer interest in improving the impact on their own value chains.

At the highest level, the purpose of our Supplier Code of Conduct is to ensure that our suppliers understand and act in accordance with our own approach to cybersecurity, human rights, health and safety, environment and energy consumption, responsible sourcing of raw materials, business ethics and compliance and supplier responsibility. In 2023, we began training our buyers and suppliers on social impact and climate change.

To ensure the knowledge of, and compliance with, any applicable law, act, directive, or regulation we also engage suppliers through our Purchasing target letter which outlines Marelli's commitments to ESG. In the letter we communicate legislative drivers such as the German Act on Corporate Due Diligence Obligations in Supply Chains, the French Duty of Vigilance, or the Uyghur Forced Labour Prevention Act.

We expect our suppliers to make their maximum contribution towards the United Nations 2030 Sustainable Development Goals. We also expect our suppliers to make the same demands of their own suppliers, so we can be assured of the sustainability of the entire supply chain. Though this is a difficult task, it is one we are committed to championing.

In our 2023 Purchasing target letter we outlined specific quantitative CO₂ reduction targets to our suppliers: **to measure their carbon footprint (Scope 1, 2, and 3 emissions), and develop plans targeting at least a 25% emissions reduction by 2025, with annual progress reporting. We require our suppliers to increase the use of renewable energy and recycled materials.** They are also encouraged to proactively explore avenues for product innovation that include new applications of recycled materials, to aim for water utilization reductions in production processes, and to minimize waste at manufacturing sites.

I want to acknowledge the efforts of our 600+ suppliers last year responding to our queries on Scope 3 emissions. Despite encountering challenges in data availability and consistency we now have a clear roadmap of priority suppliers to engage. Moreover, our priorities to all our active suppliers are ensuring human rights and labor conditions are monitored and mitigated at our suppliers' premises, and collaboration to promoting circularity and increasing recycled contents without cost escalation.

Andy Koehler, Chief Purchasing Officer



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RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

SUSTAINABILITY IN THE SUPPLY CHAIN CONTINUED

Although we aim to engage suppliers, monitor their performance, raise awareness, minimize negative impacts, and promote positive initiatives throughout the supply chain, we acknowledge this is a long journey and we are just at the beginning. One initial challenge we face is the comparability and reliability of emissions data collected from our suppliers. Supplier emissions are therefore still a developing metric for Marelli.

However, when it comes to the ESG assessment and ISO 14001 required as a criteria for nomination of new suppliers, we observed results that overachieved the targets for 2023.

As we progress, our next objectives involve deepening collaboration with our suppliers to explore and implement alternative materials and strategies for decarbonization. These concerted efforts aim to drive meaningful change and align with our vision of sustainability.

→ Read more about how we are tackling Scope 3 emissions see page 28

IDENTIFYING SUPPLY CHAIN RISK

As well as committing to the Supplier Code of Conduct, risk relating to direct and indirect suppliers are monitored via a risk management platform. **We map all our active suppliers on Resilinc, which rates them in terms of supply chain resilience. In case a critical resiliency risk is detected, Marelli requests that the supplier provide a consistent Business Continuity Plan to mitigate the risk itself.**

As is to be expected with increased scrutiny our new, vigilant levels of monitoring have uncovered a small number of areas of concern. You can read about our response to these instances later in this section under Conflict Minerals, and again in our compliance and human rights section on page 42. The highlighting of these concerns is evidence that our monitoring is working. In the cases we found, we took remedial actions to ensure that our supply chain is up to our standards.

→ Read about our approach to supplier audits see page 43

ESG CRITERIA FOR SUPPLIER NOMINATION

Alongside the Supplier Code of Conduct, we introduced a new process for nominating suppliers for upcoming projects to ensure objectivity. **Suppliers are requested to complete the ESG self-assessment, have their plants producing for Marelli certified by ISO 14001, and have a not significant overall resiliency risk.**

Two measures demonstrate the progress we are making with regards to supplier nomination: **in our baseline year 2021, 26% of suppliers completed ESG self-assessments while in 2023, this is up to 66%; in 2021 around 22% of those suppliers were ISO 14001 certified and now the figure stands at 71%.**

MATERIAL SOURCING

Sourcing materials responsibly is a crucial part of enabling Design-Led Sustainability, and for ensuring the resiliency and integrity of our value chain. **In line with our Innovation Strategy, we have strict controls in place to ensure ESG factors are considered when sourcing materials, and we engage our suppliers, especially those deemed to be higher risk, to ensure sustainability-related compliance and best practice.** For instance, we require our suppliers to increase the use of renewable energy and recycled materials to further improve our impact.

→ Read more about our approach to supply chain sustainability see pages 47-49



A SIMPLIFIED MATERIALS CATALOG

In 2023, we introduced a new materials catalog to streamline our supply chain. For instance, this has reduced the number of resins listed for purchase by 97%. This action carries indirect benefit to our sustainability efforts, allowing us to make lower carbon intensity choices. Refer to page 23 for more details on our Design for Sustainability.

CONFLICT MINERALS

Supplier compliance with conflict minerals regulations is a must-have condition for Marelli. This involves providing detailed declarations about sourcing practices and creating actionable plans to rectify any instances of non-compliance within the suppliers' supply chain. Suppliers are required to complete the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT), or to provide a formal declaration of non-use of conflict minerals. We monitor and track the responses to and compliance with these requests.

Target 2025

Achievement 2023

80% of nominated suppliers covered by ESG assessment

66%

75% of direct materials suppliers' plants nominated with ISO 14001

71%

100% of suppliers with no critical resiliency risk

99.96%



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RESPONSIBLE CORPORATE CITIZEN

Sustainability Governance	41
Respect for Human Rights	42
Data Responsibility and Cybersecurity	45
Sustainability in the Supply Chain	47

SUSTAINABILITY IN THE SUPPLY CHAIN CONTINUED

As mentioned previously, our constant supply chain risk monitoring through Resilinc revealed a compliance breach, related to our Marelli Code of Conduct, at an international smelting company that was not a direct supplier of Marelli but was part of our supply chain. We took action to inform those suppliers using the concerned smelter to replace it. Failure to replace the smelter could have an impact on the supplier eligibility to new businesses. We are following up on a regular basis with our suppliers, receiving many positive responses, indicating that they had replaced the source of the supply or were in the process of doing so.

In 2023, we became members of the Responsible Mineral Initiative (RMI). After a year of membership, however, we concluded that we do not intend to renew our affiliation for 2024, as we consider we now have a robust process and reliable

tools in place to better monitor our supply chain compliance with conflict minerals regulations.

COMMITMENTS FOR THE FUTURE

Going forward in 2024 and beyond, we plan to undertake supplier ESG due diligence at three levels:

1. Mapped ESG risk of our suppliers at country level using AI solutions.
2. If any risk is identified, we will require ESG risk evaluation through a third-party supplier risk assessment portal.
3. Dedicated ESG audit at high-risk suppliers.

As we anticipate further deregulation in Europe, with the Corporate Sustainability Due Diligence Directive coming into force, we believe that approach will prepare Marelli to work constructively with suppliers to the benefit of all concerned.

DATA POINTS

- Minimum requirements to be eligible for nomination at Marelli (supplier nomination)
- Supplier ESG self-assessment
- Supplier production plants certified by ISO 14001
- Supplier with no significant overall resiliency risk
- Target: 80% of all suppliers nominated to respond to ESG assessment by 2025
- Target: 75% of direct suppliers' plants to be ISO 14001 certified by 2025
- Target: 100% of suppliers monitored on resiliency by 2025

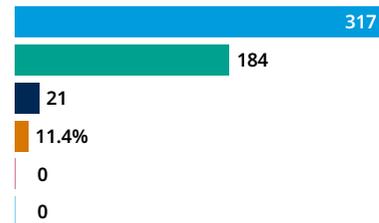
All people within our Purchasing function have sustainability objectives incorporated in their professional objectives.

From last year: actual and potential negative impacts: 11.4% for environmental impacts and 32.8% for social impacts.

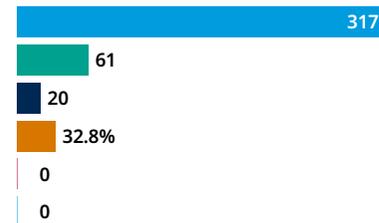
NUMBER OF SUPPLIER AUDITS



NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

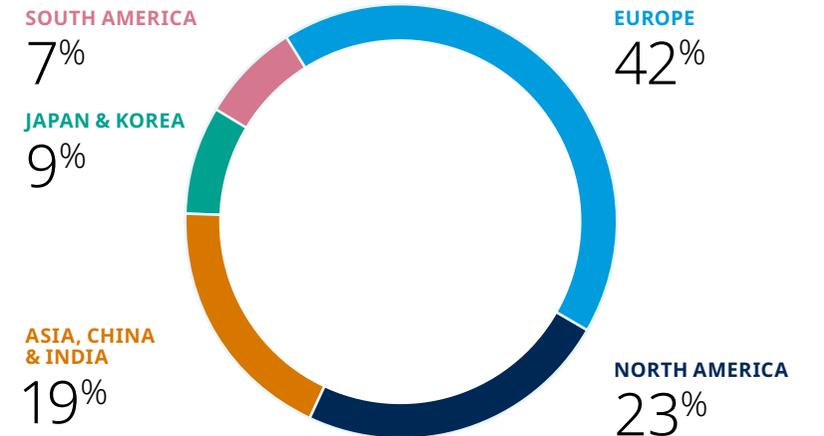


NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN



- Suppliers assessed for social impact
- Suppliers with significant actual and potential social impacts
- Suppliers with significant actual and potential social impacts that have agreed improvements following assessment
- % of suppliers with significant actual and potential social impacts that have agreed improvements following assessment
- Number of suppliers with significant actual and potential social impacts where relationship was terminated following assessment
- % of suppliers with significant actual and potential social impacts where relationship was terminated following assessment

2023 PROCUREMENT BUDGET SPENT ON SUPPLIERS



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

05 MARELLI PEOPLE



“Talent and dedication of our employees make Marelli thrive at speed. We prioritize their development. Despite the challenges of restructuring, we have moved ahead with confidence, fully committed to employee engagement, labor relations, diversity and inclusion, and ensuring human rights in all our operations.”

Sherry Vasa,
Chief Human Resources Officer

Employee Engagement and Well-Being	51	Occupational Health and Safety	62
Our approach	51	Our approach	62
Progress in 2023	52	Progress in 2023	62
Prioritizing Employee Well-Being	55	Commitments for the future	63
Training and Development	57	Labor Relations	64
Our approach	57	Our approach	64
Commitments for the future	58	Progress in 2023	64
Diversity and Inclusion	59	European Works Council	64
Our approach	59	Social Contribution	66
Progress in 2023	59	Our approach	66
Commitments for the future	61	Progress in 2023	66



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MARELLI PEOPLE

- Employee Engagement and Well-Being 51
- Prioritizing Employee Well-Being 55
- Training and Development 57
- Diversity and Inclusion 59
- Occupational Health and Safety 62
- Labor Relations 64
- Social Contribution 66

EMPLOYEE ENGAGEMENT AND WELL-BEING

It is our employees that make Marelli the company it is. We prioritize their development, recognizing that our collective potential is enhanced through support and growth. The last couple of years have been challenging, as we have undergone the difficult process of restructuring Marelli to ensure it is fit for the future. We believe that we are now prepared to move forward with confidence.

OUR APPROACH

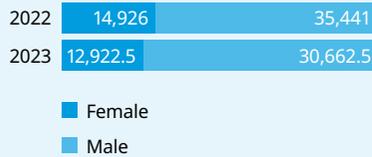
A cornerstone of Marelli's employee engagement strategy is the emphasis on providing a seamless and positive onboarding experience for new hires through our optimized Recruitment and Onboarding Model. For new hires we adopt a "Glocal" approach, using our internal digital tools to fully engage our employees. Our processes ensure that employees start their Marelli journey with a strong sense of belonging and understanding of the company culture, values, and expectations.

As we emerge from the restructuring of the last two years, we are working hard to create a sense of camaraderie among our employees. **We strive to be a fair and decent employer and we also have a number of Employee Resource Groups (ERGs), to support our diverse workforce. Our commitment to finding and nurturing the best, diverse talent drives our recruitment process, so we can build a workforce that is aligned to our values and culture.**

➔ Read more about diversity, equity & inclusion see page 59

➔ Read more about training & development see page 57

Number of employees¹



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¹ Management has decided to report 0.5 headcount each for 2 UK employees. These employees are part time employees who work only for 50% of standard hours.



MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED



DATA POINTS

78%

of employees think they are treated fairly regardless of race or ethnic origin

77%

of employees think that they are treated fairly regardless of their sexual orientation

76%

believe Marelli is a physically safe place to work

PROGRESS IN 2023

GENERATION M

Marelli is committed to nurturing the next generation of leaders by engaging with our high-potential employees across various regions and business units. **The Generation M program empowers these individuals to partner with our executive leadership on key strategic projects, fostering innovation and offering extensive personal development opportunities and mentorship from and to the Global Executive Committee (GEC).** Participants gain significant exposure within Marelli and work on special assignments. In 2023, a team of 17 people were selected to refine Marelli's purpose while in 2024, the focus will shift to evaluating Marelli's Employer Value Proposition. A key aspect of the program is reverse mentoring, offering senior management fresh perspectives from the new generation of our team members.

A GREAT PLACE TO WORK

We aim to become a certified Great Place to Work, and we still have work to do to achieve that, including conducting a cultural audit. However, we took an important first step towards this goal in 2023: **We teamed up with the Great Place to Work organization and conducted a survey that, for the first time, was sent to all our employees, with a participation rate of 90%.** The survey showed that Marelli is an inclusive and welcoming workplace that prioritizes health and safety, and that people are proud to work for us, with 78% of employees saying they felt fairly treated regardless of their race or ethnic origin.

The survey also revealed important areas for our action. **Improvement areas are "recognition opportunities" and "compensation structures." Additionally, the perception of management's involvement in decisions demands improvement.** Both findings underline the importance of strengthening our leadership practices and fostering a culture of trust and transparency.

Top 10 statements	Marelli 2023	Bottom 10 statements	Marelli 2023
1 People here are treated fairly regardless of their race or ethnic origin.	78%	1 I feel I receive a fair share of the profits made by this organization.	40%
2 People here are treated fairly regardless of their sexual orientation.	77%	2 Promotions go to those who best deserve them.	40%
3 This is a physically safe place to work.	76%	3 Everyone has an opportunity to get special recognition.	44%
4 People here are treated fairly regardless of their gender.	73%	4 Management involves people in decisions that affect their jobs or work environment.	44%
5 I feel I can bring my whole self to work without any fear of discrimination.	72%	5 Management delivers on its promises.	45%
6 I understand and embrace Marelli's Attributes.	70%	6 This is a psychologically and emotionally healthy place to work.	46%
7 When I look at what we accomplish, I feel a sense of pride.	70%	7 People here are paid fairly for the work they do.	46%
8 When you join the organization, you are made to feel welcome.	68%	8 Managers avoid playing favorites.	46%
9 I am able to take time off from work when I think it's necessary.	68%	9 Management hires people who fit in well here.	46%
10 I feel confident that I can report a compliance concern to my manager or the Compliance Hotline.	66%	10 People look forward to coming to work here.	46%



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66



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EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED

CELEBRATE MARELLI

To reinforce peer-to-peer recognition, in 2023 we launched Celebrate @ Marelli. The program offers monetary and non-monetary recognition. **While Marelli Kudos allows all employees to acknowledge and celebrate their colleagues, sending them a virtual recognition whenever they feel appropriate. Marelli WOW enables managers (and above) to nominate team members or co-workers for achieving outstanding results offering monetary recognition.** Since its launch in July 2023, the program saw a total of 2,084 monetary awards (WOW) and 5,262 non-monetary recognitions (Kudos), totaling 7,346 instances of employee recognition. A diverse group of 3,130 unique recipients were honored, with the highest engagement in India, Italy, Brazil, China, and Japan.

EMPLOYEE REMUNERATION

Marelli's compensation philosophy considers a policy framework that facilitates systematic decision-making in employee compensation matters. The remuneration policies are crafted to balance fixed and variable pay components in alignment with corporate objectives and individual performance.

The remuneration of the CEO and his direct reports is approved by the board of Directors and the Nomination, Governance, and Human Capital Committee (NGHCC), as applicable.

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)

46.44 to 1¹

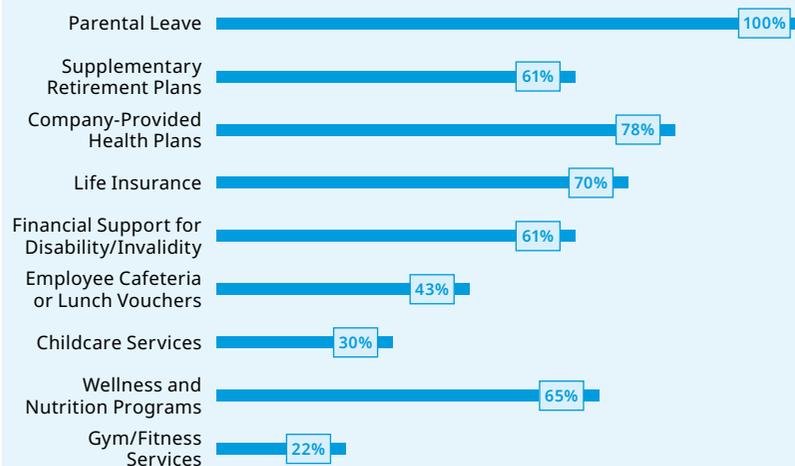
Percentage increase in annual total compensation for the organization's highest-paid individual

0%

Median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)

7%

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES



The management is tasked with establishing remuneration frameworks for the workforce and updating the NGHCC accordingly. Termination payments and retirement benefits are disbursed in accordance with individual employment contracts and local legal stipulations. In 2023 the compensation ratio (the ratio between the highest paid individual and all employees) at Marelli was 46.44. For comparison the average ratio between CEOs in the Automotive sector and their employees is 300 according to a recent Wall Street Journal review.

In a significant move for 2023, remuneration for senior executives incorporates an ESG metric focusing on our energy efficiency efforts, integrating them into the variable pay performance metrics, thus reinforcing the emphasis on ESG considerations within the company's strategic focus and accountability framework.

COMPETITIVE COMPENSATION AND LIVING WAGE

As outlined also in our Human Capital Management Policy, Marelli is dedicated to providing its employees with competitive compensation packages that are market-aligned and designed to drive motivation and peak performance. Tying employee pay to performance, skill, and adherence to company values ensures that remuneration is both equitable, and reflective of individual contributions. Marelli's regular reviews of its compensation offerings further support this commitment to objective and equitable pay practices. **By 2025, we aim to conduct a living wage assessment to analyze our employees' wage levels against a living wage benchmark. We aim to ensure Marelli compensates its employees based on market standards, reinforcing our commitment to social equity and staff well-being.**



¹ A lower ratio suggests more equitable pay distribution within the company, while a higher ratio indicates a larger pay gap between the highest-paid person and the rest of the employees. As a reference, in 2023 the median CEO-to-employee compensation ratio across the S&P 500 was 187-to-1. Source: S&P Global <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/live-nation-reports-largest-2022-ceo-to-median-employee-pay-ratio-among-s-p-500-77039057>

MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED

INCENTIVES

In 2023, we introduced a Marelli Group-level Short-Term Incentive Plan (STI). A performance-based compensation system promotes a high-performance culture by connecting bonuses to specific business targets and individual accomplishments. The STI plan has several advantages:

- It boosts performance by tying rewards directly to the fulfillment of company and personal objectives.
- It helps attract and retain industry-leading talent through a competitive pay framework.
- It aligns employee motivation with shareholder interests and ESG objectives, ensuring a focus on sustainability.
- It fosters employee participation in Marelli's prosperity, enhancing engagement and a sense of ownership.
- It strategically concentrates employee efforts on areas critical to Marelli's competitive edge and fiscal health.
- It accommodates mid-year role changes, promoting fairness and adaptability to workforce dynamics.

Ultimately, Marelli's STI policy is to provide mutually beneficial outcomes—motivating employees to excel while propelling the company's growth and sustainability.

PRIORITIZING EMPLOYEE WELL-BEING

At Marelli, we prioritize our employees' well-being by ensuring access to competitive and tailored benefits in each location. Recognizing the role of such benefits in attracting and retaining skilled talent, we regularly review and adapt our offerings to reflect industry standards, legal requirements, and the unique needs of our workforce. Our commitment goes beyond financial rewards, aiming to holistically support our employees through comprehensive packages that maintain a high standard of care and support for all team members while varying by region and employment status. Currently, non-occupational medical and healthcare services are offered only in countries where it is negotiated through collective bargaining agreements. For instance, in Italy Marelli facilitates hourly and salaried employees' access to non-occupational medical and healthcare services through Supplementary Agreements.

Until 1 June 2023, hourly and salaried employees were covered by the FASIF¹ and FISDAF² Supplementary Healthcare Fund. With the transition to the Metalworkers' National Collective Bargaining Agreement, starting from 1 June 2023 the Supplementary Health Fund for the hourly and salaried Marelli employees in Italy became Metasalute³.

To ensure employees' well-being in all the countries where we operate, we have a number of initiatives to engage our people on a variety of important topics. These include our work on building employee awareness about menopause, engaging schools, and community-driven well-being walks such as in Brazil.



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1 <https://www.fasif.it/>.
 2 <https://www.fisdaf.it/Pages/HomePage.aspx>.
 3 <https://www.fondometasalute.it/>.



MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

PRIORITIZING EMPLOYEE WELL-BEING

BRAINS AND HEARTS

Marelli has established the Brains & Hearts @Marelli Employee Resource Group. This initiative is centered on creating a workplace culture where everyone feels safe, emotionally supported, and encouraged to bring their whole selves to their roles.

Our focus is on promoting the importance of mental health and heart-brain integration, ensuring a balance between work and personal life. Our first objective with this group is to enhance understanding and awareness regarding mental health. On 10 October, employees from across the globe demonstrated solidarity for mental health awareness by donning green attire and sharing their photos. This act of unity was a powerful illustration of Marelli's engagement in mental well-being and our commitment to fostering an inclusive, healthy work environment for all employees.

The abundance of photographs received from various locations highlighted our collective dedication to normalizing conversations around mental health and advocating for it.

MENOPAUSE AWARENESS

In our commitment to employee health and well-being, we hosted Menopause Awareness Sessions at our Llanelli site on 16 and 17 January. These sessions, led by expert Sharon MacArthur, alias Miss Menopause, highlighted our proactive approach to fostering a supportive work environment. Attendees gained insights into the effects of menopause, breaking down associated taboos and learning practical workplace strategies to accommodate those experiencing this natural life transition.

The initiative garnered exceptional feedback, underscoring its importance in enhancing the quality of work life.

MARELLI AWARDS FOR BEST SCHOOL RESULTS

On 24 November, Marelli upheld its tradition of acknowledging academic excellence through the Marelli Education Awards held in Sosnowiec, Poland, celebrating for the fourth consecutive year the above-average school and academic results of our employees' children across various educational levels.

This event, which was attended by family members and Marelli staff, underlines our commitment to educational development and community engagement. Following this, in December 2023, Marelli Brazil conducted its own Education Award ceremony, recognizing 18 exceptional young scholars (13 High School and five University students) for their stellar educational achievements.



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MARELLI PEOPLE

- Employee Engagement and Well-Being 51
- Prioritizing Employee Well-Being 55
- Training and Development 57
- Diversity and Inclusion 59
- Occupational Health and Safety 62
- Labor Relations 64
- Social Contribution 66

PRIORITIZING EMPLOYEE WELL-BEING CONTINUED

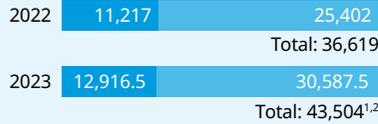
MARELLI WALK IN HORTOLÂNDIA

In our commitment to promoting health and community engagement, Marelli Hortolândia in Brazil organized the “Marelli Walk” on 23 September 2023. This initiative focused on encouraging a healthy lifestyle among employees and fostering family integration. Complementing the walk, a food donation campaign was conducted to support a local community institution and demonstrate our dedication to social responsibility. The event provided employees and their families with a platform to connect in a relaxed setting.

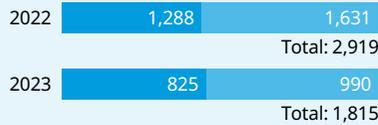
SOUTHFIELD CELEBRATES EARTH DAY

On 20 April 2023, ahead of the global Earth Day celebrations, a dedicated group of employees volunteered their time to enhance the environmental conditions of their workplace. This industrious team took to the outdoors, where they revitalized the site’s neglected patio area. Their efforts included weeding flowerbeds, removing litter, and planting new flowers, all of which significantly improved the aesthetics and functionality of the space.

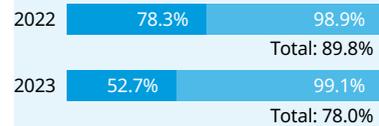
Total number of employees that were entitled to parental leave



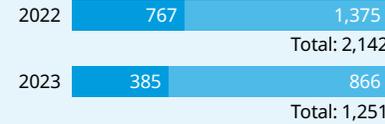
Total number of employees that took parental leave



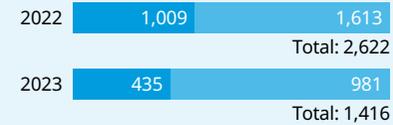
Return to work rate



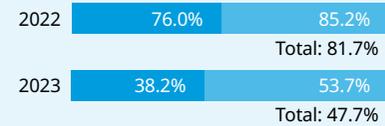
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work



Total number of employees that returned to work in the reporting period after parental leave ended



Retention rate



1 Parental leaves includes both full-time employees as well as part-time employees.
 2 Marelli has operations in Korea where employees are not entitled to parental leave.

■ Female
 ■ Male

LOOKING AHEAD

To build on our 2023 commitment to gender equality and related priorities, in 2024 we will focus on pay equity and plan to launch our “Global Framework project”, designed to provide a standardized framework for job classification, ensuring clarity, consistency and a full understanding of the purpose of each role within our company. In this way, we will intrinsically support pay equity, as jobs will be classified according to the nature and level of work, regardless of individual characteristics such as gender.



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MARELLI PEOPLE

- Employee Engagement and Well-Being 51
- Prioritizing Employee Well-Being 55
- Training and Development 57
- Diversity and Inclusion 59
- Occupational Health and Safety 62
- Labor Relations 64
- Social Contribution 66

TRAINING AND DEVELOPMENT

Training is an important way in which we ensure that our employees understand what Marelli stands for. In the past year, we have undergone a profound culture change, and we are bringing our people with us with a far-reaching program of training and engagement.



TOTAL HOURS OF TRAINING PER CATEGORY IN 2023

	Female	Male	Grand Total	Hours of training per employee
Business Ethics and Compliance	325	875	1,200	
Cybersecurity and Data Privacy	6,786	17,137	23,924	
Diversity, Discrimination and Harassment	606	860	1,466	
Health and Safety	26,104	116,942	143,046	
Human Rights	3,652	11,350	15,002	
Manufacturing Management System	2,920	13,636	16,555	
Others	38,726	176,856	215,582	
Total	79,120	337,656	416,776	10.24

We aim to attract the best and brightest people to come on the journey with us and we want to motivate and develop them, so they will choose to build their careers with us. Our culture is increasingly reflecting our commitment to sustainability. **Our stance on sustainability issues, such as environmental impact, human rights, health and safety, and indeed the whole gamut of sustainability factors, is instilled in our employees through a rigorous and wide-ranging program of training courses, on-the-job training, engagement and individual mentoring.** These are delivered at both a global and local level depending on the topic.

OUR APPROACH

In 2023, we revisited our global learning initiatives to address the evolving demands of our business. These programs were rolled out in concert with the strategic directions set by our CEO and CHRO, targeting both newly onboarded and existing staff. This encompassed all organizational tiers, from hourly to salaried employees, and spanned various business units and functions. **Our comprehensive global training curriculum tackled various subjects, including Compliance, Culture, Leadership, Business Skills, Technology, and Process.**

Our approach capitalizes upon the creation and development of internal training by Marelli's own experts, who have an intimate knowledge of the company's operations. Additionally, we partner with external experts to facilitate pivotal programs in areas such as leadership, change management, and soft skills, supplemented by access to a vast array of online e-learning resources.

Total training hours		2022	2023
Average training hours: Executives (Directors and above)	hours/employee	4.4	11.0
Average training hours: (Manager)	hours/employee	10.7	25.8
Average training hours: (Salaried)	hours/employee	15.06	8.39
Average training hours: (Hourly)	hours/employee	5.8	9.3



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66



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TRAINING AND DEVELOPMENT CONTINUED

RESOURCES FOR LEADERSHIP

In February 2023, we launched "My e-learning library." This is an on-demand e-learning platform offering exciting learning opportunities on useful topics relevant to people's roles. It features premium content from sources such as Harvard Business Publishing, TED, Grovo, and Skills Hub. Topics include professional skills, leadership, and management training, along with technology-related subjects such as emerging technology and IT processes. The material is available in a range of formats and multiple languages.

At the end of 2023, we conducted a specialized 3-hour training session for plant managers, focusing on environmental issues. The primary subject matter was Marelli's Environmental, Health, and Safety Policy, covering our commitments concerning environmental protection, occupational health and safety, as well as energy efficiency, waste and water management. A comprehensive coverage was provided to the 20 participants from ten countries on the implications of these commitments, including actionable items, reporting mandates, procedural protocols, and the deployment of relevant tools.

The training highlighted the integral link between these EHS topics and Marelli's overarching sustainability strategy, asserting the material significance of these issues to the company's responsible business operations and long-term objectives.

TRAINING FOR CAREER AGILITY

We are keen to promote from within when we can and encourage employees to change direction if that supports an individual's ambitions and the needs of the business.

For example, following Marelli's restructuring in 2022 and 2023, the business facilitated retraining and redeployment of employees, particularly in the research and development field.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

The Marelli Performance Evaluation Process is a critical exercise aimed at reinforcing high performance aligned with the company's values. Its goals are to facilitate discussions on goal progress between employees and managers, identify obstacles to performance, highlight areas for skills development, and foster a feedback-rich culture. It also serves to recognize and celebrate employee achievements. In 2023, 60.4% of employees were receiving regular performance and career development reviews for employee grade (illustrated to the right).

COMMITMENTS FOR THE FUTURE

In 2024, we will continue on our employee development path adding new training initiatives to those already imparted in 2023. We are planning a Plant Learning Strategy aiming to define a standard development path covering all employees in the plants.

Among the trainings planned for 2024 are a Business English course, a Compensation & Benefit Essentials course as well as EHS, energy management and sustainability training around new project launches. We also aim to run the following courses: Finance for Non-Finance (Level 2), Problem Solving (Level 2), and Project Life Cycle 2.0.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Employee grade	Gender	Number of employees receiving regular evaluation	% of employees receiving regular evaluation
Executives (Directors and above)	Male	381	97.4
	Female	69	100.0
	Total	450	97.8
Managers	Male	2,389	97.2
	Female	468	96.7
	Total	2,857	97.1
Salaried	Male	6,289	86.1
	Female	2,245	85.0
	Total	8,534	85.8
Hourly	Male	10,213	49.8
	Female	4,279	44.0
	Total	14,492	47.9
Total employees	Male	19,272	62.9
	Female	7,061	54.6
	Total	26,333	60.4

GLOBAL LEARNING AND DEVELOPMENT PROGRAMS

Leadership Essentials at Marelli (LEM)	Leadership Accelerator Program at Marelli (LEAP)	DDI Pinpoint Platform
This program is for first time managers, and newly promoted ones, consisting of four 4-hour sessions over one month. In 2023, we had 32 participants in two cohorts. In 2024, we aim to reach 80 participants over four cohorts.	LEAP is our leadership development program for middle management. Eligible participants include Plant Managers, Plant HR, and Plant Controllers. Training is delivered over three months, plus a 12-month Action Learning Project. In 2023, we had 32 participants in two cohorts. In 2024, we are aiming for 80 in four cohorts covering all the job families.	This platform is our e-learning for leadership, organized through our HR community. The platform runs for the full 12 months. In 2023, we approved 35 licenses, up to July 2024. Our 2024 goals are yet to be decided.



MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

DIVERSITY AND INCLUSION

At Marelli, diversity, equity, and inclusion (DE&I) is deeply woven into our company culture, which is integral to operating a responsible business while being key to our success. We channel our global workforce’s diverse talents and perspectives to achieve solid business outcomes.

Diversity not only strengthens our teams but is crucial for maintaining a respectful and inclusive workspace. **Following our commitment to the United Nations Global Compact (UNGC), we uphold a strict no-tolerance policy towards discrimination or harassment, underpinned by our Code of Conduct. Issues can be securely reported through Marelli’s Integrity Hotline.**

OUR APPROACH

The global nature of Marelli’s business, with operations in 24 countries around the world, makes cultural diversity a particular factor for us to address. The challenge of building a corporate culture that respects local traditions and laws requires a strong ethos combined with flexibility and sensitivity. In 2023, we undertook a more explicitly global approach to job evaluation, actively working to combat discrimination in career advancement and ensure that our recruitment and promotion processes are equitable. **We focus on avoiding unconscious bias and inconsistency, using local research and survey data to evaluate and benchmark the salaries of the roles we advertise.**

We are embedding DE&I in our culture through a combination of training, engagement, and human resources processes. **Inclusivity is one of Marelli’s attributes and every employee is evaluated on this attribute during the annual performance review process.** The attributes are also an inherent element in discussions about how employees can progress their career in the company.



DATA POINTS

Total number of women employed



Total number of female senior leaders (Directors and above)



PROGRESS IN 2023

WOMEN AT MARELLI

As an engineering-based industry that has traditionally been male-dominated, we know that we are not going to change our business overnight, yet we are fully committed to building a culture in which women can succeed and thrive. **We are aiming to increase the proportion of women employees throughout the company proposing a target of 40% by 2025.** In 2023, we achieved 30%.

It is also our ambition to increase the number of women in leadership positions. In 2020, women accounted for around 8% of our senior leaders (Directors and above) and this has increased gradually over the past several years to 15% in 2023. **Our target for 2025 is to reach 25% of women in leadership roles.**



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

DIVERSITY AND INCLUSION CONTINUED

CASE STUDY



Salary alignment

In 2023, we identified some of our operations where gender played a decisive role in salary definition; the prevailing culture and legal framework poses challenges to gender equality in some countries. As part of our unwavering dedication to fostering a globally inclusive culture that supports women's advancement, we engaged closely with the local teams and unions.

Our efforts were focused on ensuring that recruitment for positions was based on the role's requirements and responsibilities, irrespective of the potential candidate's gender. This initiative was about aligning with our organizational values and ensuring fair and equitable remuneration for every employee.

In 2023, we began introducing gender-neutral job descriptions, with the intention of encouraging more women to apply for roles with Marelli. We hide the gender information when preparing the offer letter for newcomers.

EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) are bottom-up, employee-driven groups that are an important part of our determination to build a diverse workforce that offers equal opportunities to all employees. **The first of these groups, Marelli Women, was launched at the beginning of 2022 and in 2023 quickly spread wide and deep within Marelli.** The ERGs operate on a network basis, with a responsible person at each site feeding into the country champion who in turn consolidates the input from that country and shares it with the global leader. It is the ERG's global leader who is responsible for implementation. **Following this model, three new ERGs were launched in 2023: Rainbow, championing the LGBTQ+ community of employees; Brains & Hearts, which focuses on mental health; and All Cultures, which celebrates the range and diversity of cultures represented at Marelli.**



Diversity of governance bodies

Top Management (Directors and above)

Gender	2022	2023
Men	499	391
Women	72	69
Total	571	460
% Men	87.4%	85.0%
% Women	12.6%	15.0%
% Total	100%	100%

Diversity of governance bodies - other employee grades (2023)

Employee grade	<30		30-50		>50	
	Men	Women	Men	Women	Men	Women
Managers	5	2	1,470	375	982	107
Salaried	964	478	4,740	1,822	1,597	342
Hourly	4,024	1,909	11,973	5,668	4,517	2,151

2022

	<30		30-50		>50	
	Men	Women	Men	Women	Men	Women
Managers	27	7	1,874	474	1,146	104
Salaried	1,881	1,017	5,851	2,417	1,705	349
Hourly	5,224	2,364	13,243	6,211	3,991	1,911



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MARELLI PEOPLE

- Employee Engagement and Well-Being 51
- Prioritizing Employee Well-Being 55
- Training and Development 57
- Diversity and Inclusion 59
- Occupational Health and Safety 62
- Labor Relations 64
- Social Contribution 66

DIVERSITY AND INCLUSION CONTINUED

COMMITMENTS FOR THE FUTURE

As a global company, we face the complex task of nurturing a universal culture while respecting regional differences. Our commitment is to foster diversity, inclusivity, and equal opportunity, yet we also prioritize honoring local norms and customs. **Heading into 2024, we will refine our Human Rights Policy to better serve vulnerable populations such as migrants, refugees, and people with disabilities.**

To enforce the culture of inclusivity we will involve all of our employees in global training programs on human rights, discrimination, harassment and the ethical principles of our Code of Conduct. Our dedication to being a diverse and inclusive organization is unwavering, and we're tackling these challenges systematically and resolutely.



EMPLOYEES BELONGING TO VULNERABLE GROUPS AND/OR MINORITY GROUPS (E.G. EMPLOYEES WITH DISABILITIES)

Number (headcount)	2022	2023
Management	14	11
Salaried	68	53
Hourly	321	323
Total	403	387



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66



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OCCUPATIONAL HEALTH AND SAFETY

At Marelli, we are devoted to ensuring the utmost standards of occupational health and safety within our operations and through our business relationships. Recognizing the intrinsic link between employee well-being and human rights, we have instigated rigorous procedures to prevent and mitigate any significant negative impacts on health and safety.

OUR APPROACH

Our approach to Occupational Health and Safety centers on the proactive identification and management of hazards and risks that could arise from our operations, products, or services. For instance, within our operations since 2021, we introduced new measures and procedures to prevent injuries resulting from the unexpected activation of machinery or release of hazardous energies. 2023 was a year free of fatalities in our workforce. We also invest in extensive hours of health and safety training and awareness raising, to ensure our people are as knowledgeable and well prepared as possible to avoid any threat to their health and safety in the course of their work.

Our commitment to ensuring the highest standard of organizational health and safety extends to our network of business relationships, including suppliers, contractors, and partners. We require adherence to strict health and safety protocols, reflecting high international standards and the guidelines enshrined in our EHS Policy.

You can read more about our requirements for suppliers in the “sustainability in our supply chain” section of this report, on page 47.

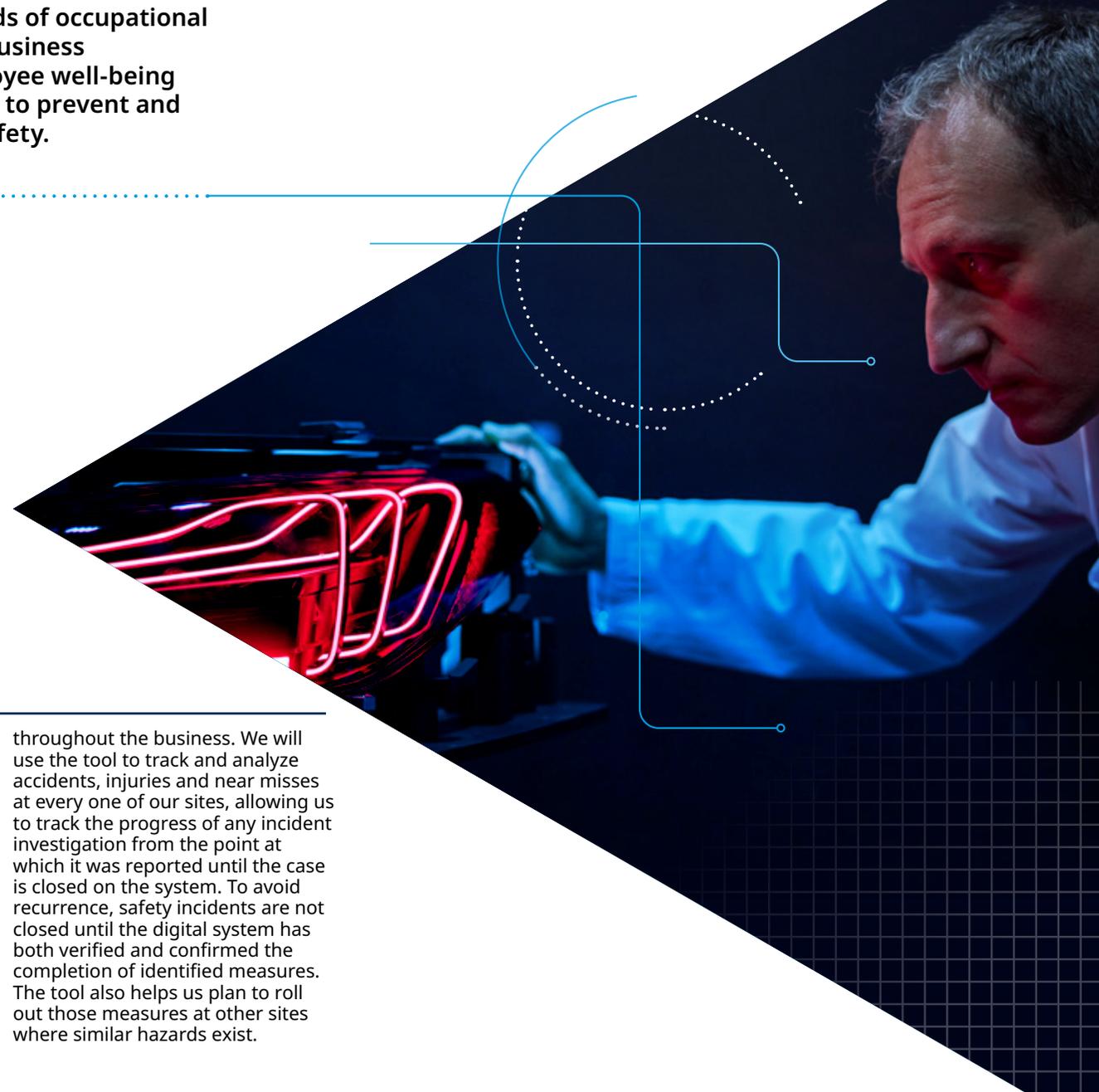
With hierarchy of control measures, we aim to eliminate risks at the source, substituting less hazardous processes wherever possible, and engineering controls to mitigate risks. Through these steps, at Marelli we enforce a culture of prevention and maintain the highest level of vigilance in all business interactions to protect the health and safety of all stakeholders affected by our business dealings. Our aim is to ensure these parties’ health and safety expectations are met or exceeded, thereby maintaining high standards for all associated with its operations.

PROGRESS IN 2023

DIGITAL TOOL TO TRACK AND MANAGE OH&S INCIDENTS

All of our sites are required to report injury data to management through our EHS and energy digital data collection platform. **As well as reviewing our safety practices, to do more we launched a new tool in 2023 which will digitize our injury analysis.** The main goal of the tool is to promote a standard approach to injury analysis, and implementation is still ongoing. The rollout, when complete, will ensure better local management and clear oversight of all safety incidents

throughout the business. We will use the tool to track and analyze accidents, injuries and near misses at every one of our sites, allowing us to track the progress of any incident investigation from the point at which it was reported until the case is closed on the system. To avoid recurrence, safety incidents are not closed until the digital system has both verified and confirmed the completion of identified measures. The tool also helps us plan to roll out those measures at other sites where similar hazards exist.



MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

OCCUPATIONAL HEALTH AND SAFETY CONTINUED

OH&S TRAINING PROGRAM

Rigorous and extensive health and safety training programs are managed at a site level in accordance with local regulation and specific local risk assessments. We also provide awareness training to ensure that employees understand the nature of the potential dangers they face and the best way to prevent accidents.

WORK-RELATED ILL-HEALTH

We also track and report occupational illnesses among our workforce to make sure that we have a clear picture of any trends relating to industrial illnesses such as hearing loss. We have voluntarily aligned with the ISO 45001 Health & Safety management standard. In 2023, we have already achieved our 2025 goal to certify 90% of our production sites. Thanks primarily to the enthusiastic and speedy response from the sites to the request to begin the self-assessment process, we were able to cover the workplaces of more than 45,000 workers¹ with ISO 45001 certification. In 2023, our sites went through 126 external and 543 internal health and safety audits².

PROJECT TO ELIMINATE CMR SUBSTANCES

As part of our innovation strategy, and in line with our updated material topics, toxic emissions is a key focus at Marelli, and we also aim to eliminate toxic substances from our products wherever possible. In 2022, we initiated a global project designed to reduce and eventually eliminate carcinogenic, mutagenic or reprotoxic (CMR) substances from our production. These highly concerning chemicals are used in many industries including ours and we are determined to remove them altogether from our supply chain. This is a complex and multi-dimensional project that brings together many functions of the business in all geographic regions.

- 1 Marelli defines workers to include employees, agency workers and contractors.
- 2 Currently, non-occupational medical and healthcare services are offered by Marelli only in countries where it is negotiated through collective bargaining agreements.

In 2022, the team established a dedicated workflow to ensure CMR substances are not present in any new products. Building on this initial work, in 2023 our EHS team turned its attention to begin forming guidelines that can help us manage CMR substances with a common approach across all countries, even among jurisdictions with higher levels of worker protection.

COMMITMENTS FOR THE FUTURE

Our current OH&S data covers all our manufacturing sites and testing centers; **in 2024, we will start the data collection of remaining offices and R&D centers to onboard all sites on the same metrics and prevention measures.** We will continue to monitor and communicate all new OH&S legal requirements and other relevant requirements across the company in line with our OH&S procedure.

543

internal audits

126

external audits

Health and safety audits in 2023

97%

of our production sites certified under ISO 45001 by 2025

91%

of our production sites certified under ISO 45001 in 2023

143,046

hours of training for OH&S in 2023



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

LABOR RELATIONS

The year 2022 was a tough year for many businesses, including ours, and during 2023 the automotive industry continued to face market instability and drops in volumes. Market conditions as well as global economic challenges meant it was vital that we restructure the business in a way that would put us in the best shape to make the most of the opportunities the market presented.

OUR APPROACH

We are committed to guaranteeing fair labor conditions for all our employees and fostering constructive relationships with trade unions and other employee bodies through open dialogue and engagement. In order to build a streamlined, fit-for-purpose company, we have had to take difficult decisions that led to a reduced workforce. We did our best to treat everyone fairly and with respect. **We are now a stable, thriving business and are working hard to support our 43,585 employees so they can share in Marelli's success.**

PROGRESS IN 2023

FIT FOR THE FUTURE

In 2023, we undertook a thorough organizational analysis of our business. **The resulting restructuring program focused on increasing efficiency and optimizing our resources, decentralizing our structure as much as possible.** This led to Marelli starting a process to close six plants across Germany, Italy and France in September 2023. We consulted widely with unions and other employee representative bodies to ensure we minimized social and economic impacts and, in most cases, we came to agreements to achieve our headcount reduction through only voluntary arrangements. In some countries this is mandated by law, but we did so in many other countries where that is not the case. **We employed a range of measures, including the redeployment of employees to new roles or locations, early retirement arrangements and outplacement support.** In this way, we reduced headcount by around 5,000 in 2023 without any major disputes or disruption to our business.

COLLECTIVE BARGAINING

In the second half of 2023, despite being in the throes of the second phase of our restructuring, **we were able to renew our most important collective bargaining agreement in Europe. Salary negotiations have been successfully carried out also in Mexico and Brazil.** We kept pay increases in line with inflation and within budget while avoiding conflict or strikes. We also introduced a range of flexible benefits that are helping us to remain an attractive employer and, in many cases, to reduce employee turnover.

➔ [Read more about our approach to benefits see page 53](#)

EUROPEAN WORKS COUNCIL

In 2023, Marelli agreed to the formation of a European Works Council (EWC). This is a body that represents employees throughout Europe; it meets at least twice a year, more if warranted. The first meeting will be held in first half 2024. The Council must be informed and consulted by Marelli's management about significant decisions on transnational matters made at a European level that could affect employment or working conditions as per the agreement signed in January 2023. We hope that the EWC may offer us the opportunity to discuss sustainability in a European context.

The EWC is a body that facilitates the information and consultation of employees with a focus on transnational issues. It is not a negotiating body and does not have the right of veto over decisions, however we are happy to inform and consult with them, as we are required to do so by EU Directive. We took the decision to include our UK-based operations in the EWC.

78%

employees covered by collective bargaining agreements at the end of 2023

28

Number of members of the European Works Council



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

LABOR RELATIONS CONTINUED

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

Minimum number of weeks' notice provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them varies from country to country.¹

In countries where collective bargaining agreements (CBAs) are in place, these agreements define specific notice periods and consultation requirements for Marelli. When not governed by CBAs, local legislation tends to dictate the minimum notice period requirements for operational changes.²

SA8000 CERTIFICATION

As a business, we want to be recognized as a decent, fair employer.

CASE STUDY

The SA8000 standard is the world's leading social certification program. It provides a framework to certify that an organization conducts its business in a way that is fair and decent for workers and demonstrates its adherence to the highest social standards. It covers labor conditions, human rights, and health and safety issues. The first step towards this certification is to complete a self-assessment. We received completed responses within two months after sending a request to all of our active production sites, covering 125 plants.

The initial self-assessment returns showed that we had no significant concerns in human rights topics such as child labor, forced or compulsory labor, freedom of association and right to collective bargaining, discrimination, remuneration, and disciplinary practices. However, it has identified some areas for improvement related to working conditions and health and safety but overall, the response was very positive.



1 Our country specific requirements are the following: Within the EU Directive 2001/23/EC, notice must be given "reasonably in advance" of a transfer due to merger or legal transfer. In the UK, employees should be given notice in advance about a TUPE transfer, but there is no statutory notice period since the contract is not ending. In the US, the WARN Act requires at least 60 days' notice for certain job losses. In Mexico, there is no explicit notice period, however in the case of plant closures, authorities must be notified prior to the closure or request for termination of collective relations. In Brazil, there is no specific deadline, but the notice must be reasonable. In China, changes must be filed and approved by the Labor Bureau 30 days prior to any notifications or actions. In India, a 21-day notice period is required before implementing any change. For Italy, a minimum notice period ranging from 20 to 25 days is required depending on the nature of the transfer. In France, a three-month notice period is required when restructuring involves a social plan.

2 In relation to collective bargaining the following are some examples of CBAs defining the necessary procedures for significant operational changes in some countries where Marelli operates:

- In Japan, the collective bargaining agreements applied in Marelli companies require the company and the union to reach an agreement on the transfer of the company and on post-transfer working conditions before communicating the transfer of business to the employees.
- In Malaysia, the collective bargaining agreement applicable to Marelli specifies that either party may serve on the other three months' written notice to negotiate on new terms and conditions of employment and other related matters.
- In the United States, at unionized sites, the notice periods and consultation procedures with trade unions are normally defined by the Collective Labor Agreements (CLA) signed between the company and the trade union and are applicable at the plant level.
- In Korea, the collective bargaining agreement applied to Marelli contains provisions for prior consultation with the trade unions regarding the plan for transfer/merger.



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

SOCIAL CONTRIBUTION

Social contribution by companies such as Marelli is addressing not only economic aspects but also social, cultural, and environmental dimensions for sustainable development. By contributing to social causes, we can create a virtuous circle of social sustainability in areas that need it the most.

OUR APPROACH

As a responsible corporate citizen, Marelli is committed to being part of the communities where we operate and making a positive contribution to them. Our employees live and work in those communities and we want them to be proud to be part of Marelli and the role we play in their neighborhood. **We actively participate in CSR projects that prioritize education, skill development, and disaster response initiatives.** These include The Marelli Society, our school engagement program, our apprenticeship programs, and our support of events that champion women’s rights and equity.



PROGRESS IN 2023

Below is a selection of some of our community-related work in 2023:

WORLDWIDE: MARELLI SUPPORTING FAMILIES THROUGH DISASTERS

Donations from over 500 Marelli colleagues, supplemented by the company, donated enough money in March 2023 to feed over 1,000 families of five for a month. The donations went directly to the International Committee of the Red Cross, supporting people in urgent need.

MEXICO: THE MARELLI SOCIETY

The Marelli Society, a group initiated by Toluca, Mexico’s HR and administrative staff, focuses on supporting those in need via community outreach. With 30 members actively participating since its formation in February 2023, the society has visited and provided gifts to seniors at CATAM, a local retirement home. More recently, they extended their generosity to Casa Hogar Alegria, supporting nearly 100 underprivileged girls with donations and time. Samuel Garduno highlighted the joy and hope derived from the staff’s selfless contributions to these efforts.

UK: FOSTERING FUTURE TALENT

We are committed to fostering future talent with local school engagement programs. At Marelli North-East (UK), we engaged with local school students, providing week-long work experience programs at their facilities to offer insights into various careers. This initiative helps shape students’ career choices and allows Marelli staff to mentor the next generation of talent.

INDIA: BRINGING INDUSTRY AND ACADEMIA TOGETHER

Marelli India has formed a partnership with the highly regarded National Institute of Technology in Karnataka (NITK) in the state of Karnataka in India. The partnership provides an upskilling program that makes students industry-ready.

BRAZIL: INCREASING APPRENTICESHIPS

Following Brazilian Law 10,097/2000, Marelli has implemented a robust apprenticeship program for young individuals aged 14–24, ensuring a blend of theoretical and hands-on training that adheres to legal work conditions. In 2023, the number of contracts counted across various company business units was 162. This work aligned with Marelli’s commitment to nurturing future talent while upholding our organizational values and culture.



ITALY: RAISING AWARENESS ABOUT DOMESTIC VIOLENCE

Marelli honored the International Day for the Elimination of Violence against Women on 25 November with various initiatives across their Italian sites aimed at combating domestic and gender-based violence. Collaborating with HR, the Marelli Women Network, and local partners, these activities represent Marelli’s ongoing commitment to upholding women’s dignity.



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MARELLI PEOPLE

Employee Engagement and Well-Being	51
Prioritizing Employee Well-Being	55
Training and Development	57
Diversity and Inclusion	59
Occupational Health and Safety	62
Labor Relations	64
Social Contribution	66

SOCIAL CONTRIBUTION CONTINUED

CASE STUDY

Project Gurugram



Project Gurugram was started by Marelli India following the PPP (Public Private Partnership) approach. We partnered with SEEDS (Sustainable Environment and Ecological Development Society) and GMDA (Gurugram Metropolitan Development Authority) for lake rejuvenation in Jharsa Village, Gurugram, restoring its biodiversity.

The program aims to help develop the overall flora and fauna around the lake, helping to improve biodiversity. The specific objectives of the program are to:

- Promote public spaces and routes that are attractive, safe, uncluttered, and work effectively for all in society, including disabled and elderly people
- Improve biodiversity
- Increase knowledge and commitment in the community towards environment
- Promote actions to actively support nature conservation

CASE STUDY

Don Bosco Technical Institute, Solar Panels



As part of our CSR program, we inaugurated an important renewable energy project in India, comprising the installation of solar panels at the Don Bosco Technical Institute, a placement-driven and skills training institute in New Delhi.

This 100kW hybrid solar plant will provide electricity to the entire building, reducing energy consumption by 90%. The project is Marelli India's latest CSR initiative focusing on environmental issues and reinforcing our support to the Don Bosco Technical Institute, started in 2016.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

05 MARELLI APPENDIX



About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

ABOUT THIS REPORT

REPORTING PERIOD AND SCOPE

This document is the fourth edition of the Marelli Sustainability Report ("this report"). This report covers the period from January 1, 2023, to December 31, 2023 (the "reporting period"). It captures Marelli's sustainability achievements in the reporting period.

REPORTING BOUNDARY:

1. Environment: The environmental data is presented for 111 sites. This excludes all on-site customer premises, third-party warehouses and non-manufacturing sites. On-site customer premises have been excluded because the OEM does not provide individual energy data for our sites; instead, costs are divided based on the rules of each site.
2. Safety: Safety data covers 167 sites, which include sites where Marelli has control over the employees. This may involve on-site customer plants or joint ventures as defined by contractual agreements.

3. HR: The HR-related data encompasses 197 locations, split into 370 units. This data includes instances where the same site is divided into multiple units, as employees may be assigned to different business units and functions within the same building. For instance, there are cases where a single plant address is divided into different areas for HR allocation purposes.

All data in this report refer to sites in operation during 2023.

Marelli has disclosed the information in the 2023 Sustainability Report in accordance with the Universal GRI Standards 2021.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements considered relevant and in progress during the elaboration of the document Q1/2024. Please be aware that actual results may differ due to various factors. Publication Date: May 2024.

For further information, contact us at sustainability@marelli.com

CONCLUSIONS

In the past year, Marelli's sustainability strategy has gained substantial momentum by exceeding ten of our predefined goals and achieving recognition with a Gold Medal from Ecovadis, placing us in the top 5% of assessed companies. Preparing to fulfill our ambitious 2025 targets, we have also committed to major international initiatives, including the UN Global Compact and the Science Based Targets initiative. Our roadmap includes decarbonizing operations by 2030 and influencing our supply chain to do the same by 2045.

In 2023, Marelli achieved a 5.8% reduction in energy intensity from its 2021 baseline, aiming for a 10% reduction by 2025. We also demonstrated our commitment to sustainability by tying a portion of the short-term incentive payout to over 3,000 employees to achieve our energy efficiency target. This accounted for 5% of bonuses and will increase to 10% to include emissions reductions in 2024.

In 2024, we will strive to exceed our ambitious targets and become an industry leader in sustainability. Marelli is committed to integrating comprehensive supplier ESG due diligence with AI-powered risk mapping and targeted audits, and by expanding its operations to minimize waste and increase recycling, particularly tackling packaging waste with suppliers in China. The company plans to amplify water usage reductions by setting a new target of a 25% reduction against the 2021 baseline by 2025.

Marelli is moving forward with a strong commitment, combining sustainability and innovation to redefine our contribution to the automotive industry. By embedding ESG accountability into every aspect of our operations, we're building a future where caring for the planet and people helps us to thrive in a changing world.



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MARELLI APPENDIX

- About This Report 69
- Conclusions 69
- Board of Directors 70
- Material topics 70
- GRI 71
- Independent practitioner's assurance report 100
- Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement 102

BOARD OF DIRECTORS



DINESH PALIWAL
Executive Chairman,
Chairman of the
Nomination, Governance
and Human Capital
Committee



DAVID SLUMP
President & CEO,
Marelli



BIN HWEE QUEK



**HIROFUMI
HIRANO**



HISAO IIJIMA



KAREN SNOW



**DR. PUNITA
KUMAR SINHA**



SEICHI KAKIZAWA
Chair of the Audit
Committee



**DR. SHELENE
SANTANA**



**NOBORU
YAMAMOTO**

● Audit and Risk Committee ● Nomination, Governance and Human Capital Committee

MATERIAL TOPICS

Material topic	Description
Climate change & action/energy management	Alignment with ESG standards/regulations Measure its greenhouse gas emissions and develop and implement business-relevant decarbonization plans
Sustainability in the supply chain	Sustainable impact of our logistics and supply chain
Materials sourcing	Limit the use of critical materials, secure their sourcing, and develop alternatives to protect from supply disruptions and volatile input prices
Governance & compliance	Evaluates the impact companies' corporate governance and business ethics practices have on all stakeholders. The governance encompasses: Ownership & Control, Board, Pay, Accounting, Business Ethics, and Tax Transparency
Labor relations	The relationship between management and labor, the strength of worker protections
Waste management	Improve operational efficiency by decreasing waste generation and increasing reuse and recycling
Product safety & quality	Through effective management of product safety, auto parts companies can enhance their reputation and drive higher sales over the long term
Occupational H&S	Committed to establishing, maintaining and promoting a healthy and safe work environment for the protection of all workers
Circular economy design	Auto parts manufacturers can design their parts to be easily recyclable and reusable and can apply modularity principles to product design
Diversity and inclusion	Encourage, promote and respect diverse perspectives and cultures across our business, in order to bring fresh thinking and give Marelli a competitive edge
Respect for human rights	Respect and support fundamental international principles concerning human rights, not only for our employees, but also in our supply chain
Water conservation	The water intensity of operations, the water stress in areas of operation and efforts to manage water-related risks and opportunities
Data responsibility	Manage data responsibly, which includes mitigating cybersecurity risks, promoting a culture of cyber awareness, and handling personal or sensitive data responsibly
Social contribution	Contribute to the development of the local society by creating wealth and providing expertise, skills, and technology, etc. for sustainable development of both our company and the local community
Employee engagement	Have a strategy in place for fostering a diverse and highly engaged workforce
Competitive behavior	As a leading producer of auto parts, ensuring business conduct does not create antitrust concerns and avoiding penalties that may have an acute impact on the company's balance sheet and reputation
Biodiversity	The potential impact of operations on biodiversity in areas of operation and efforts to manage the environmental impact of operations
Toxic emissions	The potential environmental contamination and toxic or carcinogenic emissions arising from operations



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 2: GENERAL DISCLOSURES 2021				
THE ORGANIZATION AND ITS REPORTING PRACTICES				
Disclosure 2-1	Organizational details	Chapter: Introduction – Paragraph: Marelli is a strong, independent technology partner to OEM's worldwide. See page 03		
Disclosure 2-2	Entities included in the organization's sustainability reporting	Chapter: Marelli People – Paragraph: About this report See page 70		
Disclosure 2-3	Reporting period, frequency and contact point	Chapter: Marelli People – Paragraph: About this report See page 70		
Disclosure 2-4	Restatements of information	Chapter: Marelli People – Paragraph: About this report See page 70		
Disclosure 2-5	External assurance	Chapter: Marelli People – Paragraph: About this report See page 69		
ACTIVITIES AND WORKERS				
Disclosure 2-6	Activities, value chain and other business relationships	Chapter: Introduction, Stakeholder engagement See pages 03, 14, 15		
Disclosure 2-7	Employees	Chapter: Marelli People – Paragraph: Employee Engagement and Well-being, Labor Relations See pages 52 and 66		
		Unit of measurement	Scope	2022 2023
Total number of employees (directly employed by Marelli)		number (headcount)	Group	50,368 43,585
- of which women ¹		number (headcount)	Group	14,926 12,922.5
- of which men ¹		number (headcount)	Group	35,441 30,662.5
- of which undefined "other"		number (headcount)	companies/countries for which gender information is not available	1 -
Number of permanent employees		number (headcount)	Group	48,355 42,124
- of which women ¹		number (headcount)	Group	14,155 12,408.5
- of which men ¹		number (headcount)	Group	34,199 29,715.5
- of which undefined "other"		number (headcount)	companies/countries for which gender information is not available	1 -
- of which South America (SA)		number (headcount)	companies of the region	4,655 4,705
- of which North America (NA)		number (headcount)	companies of the region	12,937 11,324
- of which EMEA		number (headcount)	companies of the region	18,120 16,328
- of which India		number (headcount)	companies of the region	920 822
- of which ASEAN		number (headcount)	companies of the region	6,186 4,840
- of which China		number (headcount)	companies of the region	5,537 4,105

¹ UK employees who work 50% of standard hours are reported as 0.5 headcount.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
Disclosure 2-7 continued	Employees	Chapter: Marelli People – Paragraph: Employee Engagement and Well-being, Labor Relations See pages 52 and 66			
		Unit of measurement	Scope	2022	2023
Number of temporary employees		number (headcount)	Group	2,013	1,461
– of which women		number (headcount)	Group	771	514
– of which men		number (headcount)	Group	1,242	947
– of which South America (SA)		number (headcount)	companies of the region	300	69
– of which North America (NA)		number (headcount)	companies of the region	378	195
– of which EMEA		number (headcount)	companies of the region	729	709
– of which India		number (headcount)	companies of the region	-	-
– of which ASEAN		number (headcount)	companies of the region	606	488
– of which China		number (headcount)	companies of the region	-	-
Number of full-time employees		number (headcount)	Group	49,981	43,229
– of which women		number (headcount)	Group	14,628	12,646
– of which men		number (headcount)	Group	35,353	30,583
Number of part-time employees		number (headcount)	Group	386	356
– of which women		number (headcount)	Group	298	276.5
– of which men		number (headcount)	Group	88	79.5
Disclosure 2-8¹	Workers who are not employees	Chapter: Marelli People – Paragraph: Labor Relations See page 66			
		Unit of measurement	Scope	2022	2023
Total number of workers who are not employees and whose work is controlled by the organization		number (headcount)	Group	4,855	5,134
GOVERNANCE					
Disclosure 2-9	Governance structure and composition	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42			
Disclosure 2-10	Nomination and selection of the highest governance body	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42			
Disclosure 2-11	Chair of the highest governance body	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42			
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42			



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¹ Agency workers and Contractors.

MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
Disclosure 2-13	Delegation of responsibility for managing impacts	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42
Disclosure 2-14	Role of the highest governance body in sustainability reporting	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42
Disclosure 2-15	Conflicts of interest	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights See pages 43 and 45
Disclosure 2-16	Communication of critical concerns	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42
Disclosure 2-17	Collective knowledge of the highest governance body	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42
Disclosure 2-18	Evaluation of the performance of the highest governance body	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability Governance See page 42
Disclosure 2-19	Remuneration policies	Chapter: Responsible Corporate Citizen Sub-chapter: Employee Engagement and Well-being – Paragraph: Employee Remuneration See page 54
Disclosure 2-20	Process to determine remuneration	Chapter: Responsible Corporate Citizen Sub-chapter: Employee Engagement and Well-being – Paragraph: Employee Remuneration See page 54
STRATEGY, POLICIES AND PRACTICES		
Disclosure 2-21	Annual total compensation ratio	Chapter: Responsible Corporate Citizen Sub-chapter: Employee Engagement and Well-being Paragraph: Employee Remuneration See page 54
Disclosure 2-22	Statement on sustainable development strategy	Chapter: Introduction – Paragraph: Sustainability Strategy See page 11
Disclosure 2-23	Policy commitments	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights See page 43
Disclosure 2-24	Embedding policy commitments	Chapter: Environmental Management, Responsible Corporate Citizen Sub-chapter: Water Conservation, Respect for Human Rights, Data Responsibility and Cybersecurity – Paragraph: Our Water Policy See pages 36 and 43–47
Disclosure 2-25	Processes to remediate negative impacts	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain See page 49
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights – Paragraph: Whistleblowing Hotline See pages 44–45
Disclosure 2-27	Compliance with laws and regulations	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights See pages 43–45
Disclosure 2-28	Membership associations	Chapter: Stakeholder Engagement – Paragraph: Marelli collaborations See page 15



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
STAKEHOLDER ENGAGEMENT					
Disclosure 2-29	Approach to stakeholder engagement	Chapter: Stakeholder Engagement – Paragraph: Marelli collaborations See page 14			
Disclosure 2-30	Collective bargaining agreements	Chapter: Marelli People Sub-chapter: Labor Relations – Paragraph: Collective Bargaining See page 66			
		Unit of measurement	Scope	2022	2023
	Number of total employees covered by collective bargaining agreements¹	Number	Group	38,976	33,748



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¹ As of December 31, 2023, collective bargaining agreements covered 78.1% of Marelli employees (survey conducted on 99.1% of Marelli's global headcount). Of the employees not covered by such agreements, almost all benefit from conditions that are supplemental to, or better than the minimum requirements by law.

MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – COMPETITIVE BEHAVIOR

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 3: MATERIAL TOPICS 2021				
Disclosure 3-1	Process to determine material topics	Chapter: Introduction Sub-chapter: Materiality Assessment See page 13		
Disclosure 3-2	List of material topics	Chapter: Introduction Sub-chapter: Materiality Assessment See page 13		
GRI 3: Material topics 2021 Disclosure 3-3				
	Management of material topics	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain See pages 48–50		
GRI 205: Anti-corruption 2016				
Disclosure 205-1 ¹	Operations assessed for risks related to corruption	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights – Paragraph: Anti-Corruption Practices See page 44		
			Unit of measurement	2023
Operations assessed for risks related to corruption ²			number	125
Total of operations			number	197
Percentage of operations assessed for risks related to corruption			number	63%
Significant risks related to corruption identified through the risk assessment			number	0
Disclosure 205-2 ¹	Communication and training about anti-corruption policies and procedures	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights – Paragraph: Anti-Corruption Practices See page 44		
			Unit of measurement	2022 2023
of which are Executives ³			number (headcount)	1 0
of which are Managers			number (headcount)	34 7
of which are Employees			number (headcount)	2,898 1,442
of which are Workers			number (headcount)	7,588 5,933
Disclosure 205-3 ¹	Confirmed incidents of corruption and actions taken	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights – Paragraph: Anti-Corruption Practices See page 44		
			Unit of measurement	2022 2023
Total number of proven corruption incidents			number	0 0
Nature of confirmed incidents of corruption			number	1 2
Total number of proven corruption incidents in which employees have been dismissed or have been the subject of bribery measures			number	1 1
Total number of proven corruption incidents for which contracts with business partners have been resolved or have not been renewed due to corruption-related violations			number	0 0

1 Data not verified as it falls outside the scope of our assurance activities, which excludes GRI economic indicators.

2 Marelli has performed self-assessment for 125 active production sites as defined for our internal target (SA8000 target). This excludes non-production units, non-controlled JVs, plants closed and standby in 2023 – Russia¹. For details – please see page 65.

3 In 2023, 96% of employees have received the training. However, these are salaried employees and Marelli does not have employee break down¹.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – SUSTAINABILITY IN SUPPLY CHAIN

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain See pages 48-50		
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016				
Disclosure 308-1	New suppliers that were screened using environmental criteria	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain – Paragraph: ESG Criteria for New Supplier Nomination See page 49		
		Unit of measurement	2023	Note
		%		Data is not available – New procedure for new supplier evaluation released end of FY2023. This procedure is introducing a screening since the beginning to check suppliers for ESG requirements as condition to be qualified. Marelli will put in place a system of monitoring starting from this year to share info in Report FY2024.
Disclosure 308-2	Negative social impacts in the supply chain and actions taken	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain – Paragraph: Negative Social Impacts in the Supply Chain and Actions taken See page 50		
		Unit of measurement	2022	2023
	Suppliers assessed for environmental impacts	number/year	147	317
	Suppliers identified as having significant actual and potential negative environmental impacts	number/year	32	184
	Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	number/year	5	21
	Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	15.6%	11.4%
	Suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	number/year	0	0
	Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	%	0%	0%



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – SUSTAINABILITY IN SUPPLY CHAIN CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016				
Disclosure 414-1	New suppliers that were screened using environmental criteria	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain – Paragraph: ESG Criteria for New Supplier Nomination See page 49		
		Unit of measurement	Note	
Percentage of new suppliers that were screened using environmental criteria		%	Since 2022, Marelli has set a specific target for newly nominated suppliers already on our approved list for new projects. Please refer to page 48 for further details. As GRI 308-1 clearly states the requirements for supplier approval, this data not available; a new procedure for supplier evaluation was implemented end FY2023. This procedure introduces an initial supplier screening against ESG criteria as a condition of approval. A monitoring system will be in place for FY2024.	
Disclosure 414-2	Negative environmental impacts in the supply chain and actions taken	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain – Paragraph: Negative Social Impacts in the Supply Chain and Actions taken See page 50		
		Unit of measurement	2022	2023
Suppliers assessed for social impacts		number/year	147	317
Suppliers identified as having significant actual and potential negative social impacts		number/year	20	61
Suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment		number/year	6	20
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment (automatically calculated)		%	30.0%	32.8%
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment		number/year	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment (automatically calculated)		%	0.0%	0.0%



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – MATERIAL SOURCING

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights See page 44		
GRI 301: MATERIALS 2016				
Disclosure 301-1	Materials used by weight	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain See page 49		
			Unit of measurement	Scope
				2022
				2023
Total materials used¹			tons	Group
				248,956
- of which resins			tons	Group
				121,926
- of which steel			tons	Group
				106,685
- of which aluminum			tons	Group
				20,345
				12,073
GRI 204: PROCUREMENT PRACTICES 2016				
Disclosure 204-1 ²	Proportion of spending on local suppliers	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain See page 49		
			Unit of measurement	2022
				2023
Procurement budget spent on suppliers of the following locations (direct procurement – service excluded)³				
ASEAN		JPY per year		
China		JPY per year	123,028	136,916,369,516
India		JPY per year		
Japan & Korea		JPY per year	51,048	62,384,494,525
Europe		JPY per year	231,496	310,125,600,194
North America		JPY per year	123,437	172,661,187,264
South America		JPY per year	34,570	53,455,803,427
Percentage of local expenditure ⁴		%	-	81.1%
GRI 301: MATERIALS 2016				
Disclosure 301-2	Recycled input materials used	Chapter: Responsible Corporate Citizen Sub-chapter: Sustainability in the Supply Chain – Paragraph: Material Sourcing See page 49		Note
				Reason for omission – Marelli is in the process of standardising the recycled material definition for suppliers. We will report in 2024 using the standardised definition.

1 These materials are priority for most of our customers, therefore the only ones tracked annually for the reporting.

2 Marelli procurement WW, only direct material.

3 Data not verified as it falls outside the scope of our assurance activities, which excludes GRI economic indicators.

4 Marelli defines local as intra-region – EMEA to EMEA, NAFTA to NAFTA. This is aligned with auto industry general assumptions.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – WASTE MANAGEMENT

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT					
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35					
GRI 306: WASTE 2020							
Disclosure 306-1	Waste generation and significant waste-related impacts	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35					
Disclosure 306-2	Management of significant waste-related impacts	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35					
Disclosure 306-3	Waste generated	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35					
			Unit of measurement	Scope	2021	2022	2023
Total waste generated^{1,2}			tons/year	Group	86,915	85,457	86,086
Total hazardous waste			tons/year	Group	6,250	6,541	6,596
Total non-hazardous waste			tons/year	Group	80,665	78,916	79,490
Waste intensity³			metric tons/million € revenue	Group	-	8.8	8.1
Disclosure 306-5	Waste directed to disposal	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35					
			Unit of measurement	Scope	2021	2022	2023
Total hazardous and non-hazardous waste directed to disposal^{1,4}			tons/year	Group	12,863	13,274	13,632
- of which sent to incineration (with energy recovery)			tons/year	Group	5,919	6,243	6,312
- of which sent to incineration (without energy recovery)			tons/year	Group	1,402	1,477	1,519
Landfilling			tons/year	Group	2,418	2,135	2,332
Other disposal options			tons/year	Group	3,124	3,419	3,468
Total hazardous waste			tons/year	Group	4,488	4,550	4,823
- of which sent to incineration (with energy recovery)			tons/year	Group	2,133	1,897	1,882
- of which sent to incineration (without energy recovery)			tons/year	Group	794	658	903
Landfilling			tons/year	Group	25	22	52
Other disposal options			tons/year	Group	1,537	1,973	1,986
Total non-hazardous waste			tons/year	Group	8,375	8,724	8,809
- of which sent to incineration (with energy recovery)			tons/year	Group	3,787	4,346	4,430
- of which sent to incineration (without energy recovery)			tons/year	Group	608	819	617
Landfilling			tons/year	Group	2,393	2,113	2,280
Other disposal options			tons/year	Group	1,587	1,446	1,483

1 All waste data refers to waste generated by manufacturing activities, which is defined by internal procedure as waste generated from production².

2 2021 & 2022 data has been restated according to the 2023 perimeter Boundary: 111 Manufacturing productive sites controlled by Marelli (included JV>50% under Marelli control).

3 Waste intensity per worked hours equals to 0.00X. In this report we are disclosing numbers with maximum 2 digits after decimals. Hence, waste intensity per revenue is disclosed in the report.

4 All hazardous and non-hazardous waste has been directed to off-site disposal².



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – WASTE MANAGEMENT CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
Disclosure 306-4	Waste diverted from disposal	Chapter: Environmental Management Sub-chapter: Waste Management See pages 34–35				
		Unit of measurement	Scope	2021³	2022³	2023
Total hazardous and non-hazardous waste diverted from disposal¹		tons/year	Group	74,052	72,183	72,454
- of which sent to preparation for reuse		tons/year	Group	-	-	-
- of which sent to recycling		tons/year	Group	74,052	72,183	72,454
- of which sent to other recovery operations		tons/year	Group	-	-	-
Total hazardous waste²		tons/year	Group	1,763	1,991	1,774
- of which sent to preparation for reuse		tons/year	Group	-	-	-
- of which sent to recycling		tons/year	Group	1,763	1,991	1,774
- of which sent to other recovery operations		tons/year	Group	-	-	-
Total non-hazardous waste		tons/year	Group	72,289	70,192	70,681
- of which sent to preparation for reuse		tons/year	Group	-	-	-
- of which sent to recycling		tons/year	Group	72,289	70,192	70,681
- of which sent to other recovery operations		tons/year	Group	-	-	-

1 All waste data refers to waste generated by manufacturing activities, which is defined by internal procedure as waste generated from production 2021 & 2022 data has been restated according to the 2023 perimeter.

2 All hazardous and non-hazardous waste has been directed to off-site disposal³.

3 2021 & 2022 data has been restated according to the 2023 perimeter Boundary: 111 Manufacturing productive sites controlled by Marelli (included JV>50% under Marelli control).



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – CLIMATE CHANGE & ACTION / ENERGY MANAGEMENT

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Environmental Management Sub-chapter: Climate Change Action; Energy Management See pages 27–33				
GRI 302: ENERGY 2016						
Disclosure 302-1 Energy consumption within the organization	Energy consumption within the organization	Chapter: Environmental Management Sub-chapter: Energy Management See pages 30–33				
		Unit of measurement	Scope	2021	2022	2023
Total energy consumption		GJ/Year	Group	5,025,946	4,975,028	5,025,600
Total indirect energy consumption		GJ/Year	Group	3,831,279	3,837,464	3,884,428
- of which electricity consumption from non-renewable sources		GJ/Year	Group	3,241,998	2,764,739	2,347,538
- of which purchased electricity from certified renewable sources		GJ/Year	Group	537,108	1,027,130	1,505,626
- of which electricity from combined heat and power		GJ/Year	Group	-	5,169	3,993
- of which cooling from non-renewable sources		GJ/Year	Group	261	254	230
- of which compressed air from non-renewable sources		GJ/Year	Group	2,208	4,640	5,099
- of which thermal energy from supplier CHP (Combined Heat and Power)		GJ/Year	Group	-	-	7,705
- of which thermal energy from supplier (non-renew)		GJ/Year	Group	44,707	31,849	10,856
- of which thermal energy from supplier (renew)		GJ/Year	Group	4,997	3,684	3,380
Total direct energy consumption		GJ/Year	Group	1,194,667	1,137,563	1,141,172
- of which natural gas		GJ/Year	Group	1,015,982	935,137	895,446
- of which gasoline		GJ/Year	Group	1,095	1,126	1,478
- of which diesel		GJ/Year	Group	3,574	3,391	26,814
- of which LPG		GJ/Year	Group	149,854	172,268	189,781
- of which HSC and LSC oil		GJ/Year	Group	1,305	1,324	1,353
- of which A-type heavy oil		GJ/Year	Group	18,084	19,605	15,633
- of which renewable fuels		GJ/Year	Group	-	-	-
- of which self-produced renewable electricity		GJ/Year	Group	4,773	4,712	10,666
Disclosure 302-3	Energy Intensity	Chapter: Environmental Management Sub-chapter: Energy Management See pages 30–33				
		Unit of measurement	Scope	2021	2022	2023
Energy intensity ¹		MJ/worked hours	Group	64.92	62.83	61.08
		MWh/million € revenue	Group	-	142.5	132.0

¹ Marelli has historically reported intensity based on worked hours. For the first time in 2023, Marelli is reporting intensity based on revenue.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – CLIMATE CHANGE & ACTION / ENERGY MANAGEMENT CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
GRI 305: Emissions 2016					
Disclosure 305-1	Direct Scope 1 GHG emission	Chapter: Environmental Management Sub-chapter: Climate Change Action See pages 27–28			
		Unit of measurement	Scope	2021	2022
	Scope 1 GHG emissions ¹	tCO ₂ e/year	Group	62,388	59,527
					59,961
Disclosure 305-2	Indirect Scope 2 GHG emission	Chapter: Environmental Management Sub-chapter: Climate Change Action See pages 27–28			
		Unit of measurement	Scope	2021	2022
	Scope 2 GHG emissions (market-based) ¹	tCO ₂ e/year	Group	386,674	369,343
	Scope 2 GHG emissions (local-based) ²	tCO ₂ e/year	Group	391,204	406,107
					422,402
Disclosure 305-3³	Other indirect GHG emissions (Scope 3)	Chapter: Environmental Management Sub-chapter: Climate Change Action See pages 27–28			
		Unit of measurement	Scope	2022	2023
	Scope 3 – Category 1 – Purchased goods and services	tCO ₂ e/year	Group	4,002,900	3,908,567
	Scope 3 – Category 2 – CAPEX	tCO ₂ e/year	Group	105,685	100,117
	Scope 3 – Category 3 – Fuel & energy related	tCO ₂ e/year	Group	129,332	131,721
	Scope 3 – Category 4 – Upstream transportation & distribution	tCO ₂ e/year	Group	365,054	311,012
	Scope 3 – Category 5 – Waste generated in operations	tCO ₂ e/year	Group	4,584	5,002
	Scope 3 – Category 6 – Business travel	tCO ₂ e/year	Group	10,308	14,270
	Scope 3 – Category 7 – Employee commuting	tCO ₂ e/year	Group	63,839	55,242

¹ 2021 & 2022 data has been restated according to the 2023 perimeter. Boundary: 111 Manufacturing productive sites controlled by Marelli (included JV>50% under Marelli control).

² Scope 2 emission (market-based) are third party verified emissions.

³ Marelli Scope 3 emissions are under third-party verification. Verified numbers will be disclosed in 2024 CDP assessment.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – CLIMATE CHANGE & ACTION / ENERGY MANAGEMENT CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
Disclosure 305-4	GHG emissions intensity	Chapter: Environmental Management Sub-chapter: Climate Change Action See pages 27–28			
		Unit of measurement	Scope	2022	2023
	Scope 1 and Scope 2 (market-based) GHG emissions intensity ratio ¹	tCO ₂ e/worked hour	Group	0.0054	0.0048
	Scope 1 and Scope 2 (market-based) GHG emissions intensity ratio	tCO ₂ e/revenue (million euros)	Group	44.21	37.34
Disclosure 305-5²	Reduction of GHG emissions	Chapter: Environmental Management Sub-chapter: Climate Change Action – Paragraph: Progress in 2023 See page 27			
Disclosure 305-6		Unit of measurement	Scope	2022	2023
	PM (Dust)	Tons/year	Group	2,827	4,983
	NOx	Tons/year	Group	105,441	131,871
	SOx	Tons/year	Group	10,360	8,409
	Total other significant air emissions	Tons/year	Group	118,629	145,262

¹ Marelli has historically reported intensity based on worked hours. For the first time in 2023, Marelli is reporting intensity based on revenue.

² Link of the reduction emissions as compared to 2022 – See page 27.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – WATER

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT					
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Environmental Management Sub-chapter: Water Conservation See pages 36–38					
GRI 303: WATER AND EFFLUENTS 2018							
Disclosure 303-3 ^{1,2}	Water withdrawal	Chapter: Environmental Management Sub-chapter: Water Conservation – Paragraph: Total Water Withdrawal (ML) See page 38					
			Unit of measurement	Scope	2021	2022	2023
Total water withdrawn			ML /year	Group	2,446	2,237	2,109
Surface water withdrawn			ML/year	Group	105	107	101
– of which from water stress area ²			ML/year	Group		19	17
percentage from water stress area			%	Group		17.8%	17.1%
Groundwater withdrawn			ML/year	Group	406	361	332
– of which from water stress area			ML/year	Group		–	0.01
percentage from water stress area			%	Group		–	0%
Seawater withdrawn			ML/year	Group	–	–	–
– of which from water stress area			ML/year	Group	–	–	–
percentage from water stress area			%	Group	–	–	–
Third party water (e.g. municipal water suppliers and municipal wastewater treatment plants, public or private utilities)			ML/year	Group	1,935	1,769	1,676
– of which from water stress area			ML/year	Group	648	586	650
percentage from water stress area			%	Group	33.5%	33.1%	38.8%
Water intensity			m3/ million € revenue	Group	–	230.6	199.5
Water intensity			ML/ Worked hours	Group	31.60	28.25	25.64

¹ 2021 & 2022 data has been restated according to the 2023 perimeter.

² Boundary: 111 Manufacturing productive sites controlled by Marelli (included JV>50% under Marelli control).



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – WATER CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
Disclosure 303-4	Water discharge	Chapter: Environmental Management Sub-chapter: Water Conservation – Paragraph: Water Discharge (ML) See page 38				
		Unit of measurement	Scope	2021	2022	2023
Total water discharged¹		ML/year	Group	1,435	1,291	1,526
- to surface water		ML/year	Group	98	85	78
- of which from water stress area		ML/year	Group	-	2	-
percentage from water stress area		%	Group	-	2.8%	0.0%
- to groundwater		ML/year	Group	-	-	1
- of which from water stress area		ML/year	Group	-	-	-
percentage from water stress area		%	Group	-	-	-
- to seawater		ML/year	Group	-	-	-
- of which from water stress area		ML/year	Group	-	-	-
percentage from water stress area		%	Group	-	-	-
- to third party water (e.g. municipal water suppliers and municipal wastewater treatment plants, public or private utilities)		ML/year	Group	1,337	1,206	1,447
- of which from water stress area		ML/year	Group	310	278	438
percentage from water stress area		%	Group	23.2%	23.1%	30.3%
Disclosure 303-5	Water consumption	Chapter: Environmental Management Sub-chapter: Water Conservation See pages 36–38				
		Unit of measurement	Scope	2021	2022	2023
Total water consumption¹		ML/year (calculated)	Group	1,011	946	583
- of which from water stress area		ML/year	Group	338	324	229
non-GRI Recycled water index ²		%	Group	92.6%	92.2%	90.9%
Water recycled and reused		ML/year	Group	30,428	26,524	20,974
non-GRI	Energy management systems and Environmental audits	Chapter: Environmental Management, Responsible Corporate Citizen Sub-chapter: Toxic Emissions, Sustainability in the Supply Chain See pages 39, 49–50				
		Unit of measurement	Scope	2022³	2023⁴	
Number of sites with a certified ISO 14001 environmental management system		Number of sites	Group	104	104	
Number of sites with a certified ISO 14001 environmental management system		%	Group	94.0%	94.0%	

1 2021 & 2022 data has been restated according to the 2023 perimeter. Boundary: Manufacturing productive sites controlled by Marelli (included JV>50% under Marelli control): 111.

2 Non-GRI definition: KPI which doesn't fall under GRI requirements. Marelli is reporting non-GRI in accordance with our sustainability strategy.

3 2022 data: 104 sites certified on 111 productive sites.

4 2023 data: 104 sites certified on 111 productive sites. Water recycled/reused also considers rainwater reused/recycled at our sites.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – BIODIVERSITY

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Environmental Management Sub-chapter: Biodiversity See page 40
GRI 304: BIODIVERSITY		
Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapter: Environmental Management Sub-chapter: Biodiversity See page 40

GRI – MATERIAL TOPICS – LABOR RELATIONS

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Marelli People Sub-chapter: Labor Relations See pages 66–67
GRI 401: EMPLOYMENT 2016		
Disclosure 401-1	New employee hires and employee turnover	Chapter: Marelli People Sub-chapter: Labor Relations See pages 66–67
	Unit of measurement	Scope
New hires in reporting year (permanent employees only)	number (headcount)	Group
hiring rate (tot)	%	Group
- of which female	number (headcount)	Group
hiring rate female	%	Group
- of which < 30 years old	number (headcount)	Group
hiring rate <30	%	Group
- of which 30 <= x <= 50	number (headcount)	Group
hiring rate 30<=x<=50	%	Group
- of which > 50 years old	number (headcount)	Group
hiring rate >50	%	Group
- of which male	number (headcount)	Group
hiring rate male	%	Group
- of which < 30 years old	number (headcount)	Group
hiring rate <30	%	Group
- of which 30 <= x <= 50	number (headcount)	Group
hiring rate 30<=x<=50	%	Group



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – LABOR RELATIONS CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
		Unit of measurement	Scope	2022	2023
Disclosure 401-1 continued	New employee hires and employee turnover	Chapter: Marelli People Sub-chapter: Labor Relations See pages 66–67			
– of which > 50 years old hiring rate >50		number (headcount)	Group	295	260
– of which undefined “other”		%	Group	4.3%	3.6%
– of which undefined “other”		number (headcount)	companies/countries for which gender information is not available	1	-
– of which undefined “other”		%	companies/countries for which gender information is not available	100%	-
New hires of which South America (SA)		number (headcount)	SA	523	546
hiring rate South America (SA)		%	SA	11.2%	7.2%
New hires of which North America (NA)		number (headcount)	NA	6,739	5,705
hiring rate North America (NA)		%	NA	52.1%	50.4%
New hires of which EMEA		number (headcount)	EMEA	1,095	905
hiring rate EMEA		%	EMEA	6.0%	5.5%
New hires of which India		number (headcount)	India	360	110
hiring rate India		%	India	39.1%	13.4%
New hires of which ASEAN		number (headcount)	ASEAN	415	136
hiring rate ASEAN		%	ASEAN	6.7%	2.8%
New hires of which China		number (headcount)	China	835	146
hiring rate China		%	China	15.1%	3.6%
Leavers in reporting year (Permanent employees only)		number (headcount)	Group	13,687	14,328
leavers rate (tot)		%	Group	28.3%	34.0%
– of which voluntary leavers		number (headcount)	Group	7,353	6,087
leavers rate		%	Group	15.2%	14.5%
– of which female		number (headcount)	Group	4,535	4,997
leavers rate female		%	Group	32.0%	40.2%
– of which < 30 years old		number (headcount)	Group	1,953	1,703
leavers rate <30		%	Group	64.5%	79.0%
– of which voluntary leavers		number (headcount)	Group	1,287	897
leavers rate voluntary		%	Group	42.5%	41.6%
– of which 30 <= x <= 50		number (headcount)	Group	2,123	2,744
leavers rate 30<=x<=50		%	Group	24.1%	35.7%
– of which voluntary leavers		number (headcount)	Group	1,177	1,161



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – LABOR RELATIONS CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
		Unit of measurement	Scope	2022	2023
Disclosure 401-1 continued	New employee hires and employee turnover	Chapter: Marelli People Sub-chapter: Labor Relations See pages 66–67			
leavers rate voluntary	%	Group	13.4%	15.1%	
– of which > 50 years old	number (headcount)	Group	459	550	
leavers rate >50	%	Group	19.8%	21.2%	
– of which voluntary leavers	number (headcount)	Group	135	192	
leavers rate voluntary	%	Group	5.8%	7.4%	
– of which male	number (headcount)	Group	9,152	9,331	
leaver rate male	%	Group	26.8%	31.4%	
– of which < 30 years old	number (headcount)	Group	3,562	2,707	
leavers rate <30	%	Group	53.7%	58.1%	
– of which voluntary leavers	number (headcount)	Group	2,159	1,366	
leavers rate voluntary	%	Group	32.6%	29.3%	
– of which 30 <= x <= 50	number (headcount)	Group	4,225	4,902	
leavers rate 30<=x<=50	%	Group	20.5%	27.4%	
– of which voluntary leavers	number (headcount)	Group	2,306	2,131	
leavers rate voluntary	%	Group	11.2%	11.9%	
– of which > 50 years old	number (headcount)	Group	1,365	1,722	
leavers rate >50	%	Group	19.7%	24.1%	
– of which voluntary leavers	number (headcount)	Group	289	340	
leavers rate voluntary	%	Group	4.2%	4.8%	
Leavers of which South America (SA)	number (headcount)	SA	598	738	
Leavers rate South America (SA)	%	SA	12.8%	15.7%	
Leavers of which North America (NA)	number (headcount)	NA	7,049	7,534	
Leavers rate North America (NA)	%	NA	54.5%	66.5%	
Leavers of which EMEA	number (headcount)	EMEA	3,218	2,885	
Leavers rate EMEA	%	EMEA	17.8%	17.7%	
Leavers of which India	number (headcount)	India	154	206	
Leavers rate India	%	India	16.7%	25.1%	
Leavers of which ASEAN	number (headcount)	ASEAN	1,555	1,387	
Leavers rate ASEAN	%	ASEAN	25.1%	28.7%	
Leavers of which China	number (headcount)	China	1,113	1,578	
Leavers rate China	%	China	20.1%	38.4%	



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – LABOR RELATIONS CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Chapter: Marelli People Sub-chapter: Employee Engagement and well-being, Prioritizing Employee wellbeing – Paragraph: Benefits provided to full-time employees See pages 54 and 57	Unit of measurement	Scope	2022	2023
Life insurance ¹			number (headcount)	Group	-	70%
Health care ²			number (headcount)	Group	-	78%
Disability and invalidity coverage			number (headcount)	Group	-	61%
Parental leave			number (headcount)	Group	-	100%
Retirement provision			number (headcount)	Group	-	61%
Stock ownership			number (headcount)	Group	-	0%
Other			number (headcount)	Group	-	Employee Cafeteria or Lunch Vouchers = 43% Childcare Services = 30% Wellness and Nutrition Programs = 65% Gym/Fitness Services = 22%
Disclosure 401-3	Parental leave	Chapter: Marelli People Sub-chapter: Prioritizing employee well-being See page 57	Unit of measurement	Scope	2022	2023
Total number of employees that were entitled to parental leave^{3,4}			number (headcount)	Group	36,619	43,504
- of which female			number (headcount)	Group	11,217	12,916.5
- of which male			number (headcount)	Group	25,402	30,587.5
Total number of employees that took parental leave			number (headcount)	Group	2,919	1,815
- of which female			number (headcount)	Group	1,288	825
- of which male			number (headcount)	Group	1,631	990
Total number of employees that returned to work in the reporting period after parental leave ended			number (headcount)	Group	2,622	1,416
- of which female			number (headcount)	Group	1,009	435
- of which male			number (headcount)	Group	1,613	981
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work			number (headcount)	Group	2,142	1,251
- of which female			number (headcount)	Group	767	385
- of which male			number (headcount)	Group	1,375	866

1. Marelli started reporting this indicator in 2023.

2. Parental leaves includes full time employees only³.

3. Parental leaves includes both full-time employees as well as part-time employees.

4. Marelli has operations in Korea where employees are not entitled to parental leave³.

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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102



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GRI – MATERIAL TOPICS – LABOR RELATIONS CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT												
GRI 402: LABOR/MANAGEMENT RELATIONS														
Disclosure 402-1	Minimum notice periods regarding operational changes	Chapter: Marelli People Sub-chapter: Labor Relations – Paragraph: Minimum notice periods regarding operational changes See page 67												
GRI 406: NON-DISCRIMINATION 2016														
Disclosure 406-1	Incidents of discrimination and corrective actions taken	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights – Paragraph: Substantiated Cases per Category See page 45												
		<table border="1"> <thead> <tr> <th>Unit of measurement</th> <th>Scope</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total number of incidents of discrimination¹</td> <td>number (headcount)</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Group</td> <td>-</td> <td>1</td> </tr> </tbody> </table>	Unit of measurement	Scope	2022	2023	Total number of incidents of discrimination ¹	number (headcount)				Group	-	1
Unit of measurement	Scope	2022	2023											
Total number of incidents of discrimination ¹	number (headcount)													
	Group	-	1											
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING														
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Chapter: Responsible Corporate Citizen Sub-chapter: Respect for Human Rights See pages 43–44												

¹ Based on confirmed allegations received through the Integrity Hotline under the category “Discrimination” in 2023 only 1 case was confirmed, and action taken was “Advice /assistant provided” through coaching.



MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – EMPLOYEE ENGAGEMENT

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Marelli People Sub-chapter: Employee Engagement and well-being See pages 52-55		
GRI 404: TRAINING AND EDUCATION 2016				
Disclosure 404-1	Average hours of training per year per employee	Chapter: Advanced Mobility and Innovation, Marelli People Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance, Training and Development See pages 25 and 58-59		
	Unit of measurement	Scope	2022	2023
Total training hours: Executives (Directors and above)	hours/year	Group	2,528	5,063
of which female	hours/year	Group	325	902
of which male	hours/year	Group	2,203	4,160
Average training hours: Executives (Directors and above)	hours/employee	Group	4.4	11.0
of which female	hours/year	Group	4.5	13.1
of which male	hours/year	Group	4.4	10.6
Total training hours: (Manager)	hours/year	Group	38,664	75,755
of which female	hours/year	Group	6,826	15,826
of which male	hours/year	Group	31,838	59,929
Average training hours: (Manager)	hours/employee	Group	10.7	25.8
of which female	hours/year	Group	11.7	32.7
of which male	hours/year	Group	10.5	24.4
Total training hours: (Salaried)	hours/year	Group	199,052	83,452
of which female	hours/year	Group	52,897	24,379
of which male	hours/year	Group	146,141	59,074
Average training hours: (Salaried)	hours/employee	Group	15.06	8.39
of which female	hours/year	Group	14.0	9.2
of which male	hours/year	Group	15.5	8.1
Total training hours: (Hourly)	hours/year	Group	189,454	281,842
of which female	hours/year	Group	36,612	46,748
of which male	hours/year	Group	152,842	235,094
Average training hours: (Hourly)	hours/employee	Group	5.8	9.3
of which female	hours/year	Group	3.5	4.8
of which male	hours/year	Group	6.8	11.5



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – EMPLOYEE ENGAGEMENT

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Chapter: Marelli People Sub-chapter: Training and Development – Paragraph: Global learning and development programs See pages 58–59				
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Chapter: Marelli People Sub-chapter: Training and Development – Paragraph: Percentage of employees receiving regular performance and career development reviews See pages 58–59				
			Unit of measurement	Scope	2022	2023
	Number of employees receiving regular performance and career development reviews		number (headcount)	Group	-	26,333
	<i>Percentage of employees receiving regular performance and career development reviews</i>		%	Group	-	60.4%
	- of which women		number (headcount)	Group	-	7,061
	<i>percentage of women</i>		%	Group	-	54.6%
	- of which men		number (headcount)	Group	-	19,272
	<i>percentage of men</i>		%	Group	-	62.9%
	Executive (Directors and above)		number (headcount)	Group	-	450
	- of which women		number (headcount)	Group	-	69
	<i>percentage of women</i>		%	Group	-	100%
	- of which men		number (headcount)	Group	-	381
	<i>percentage of men</i>		%	Group	-	97.4%
	Manager		number (headcount)	Group	-	2,857
	- of which women		number (headcount)	Group	-	468
	<i>percentage of women</i>		%	Group	-	96.7%
	- of which men		number (headcount)	Group	-	2,389
	<i>percentage of men</i>		%	Group	-	97.2%
	Salaried		number (headcount)	Group	-	8,534
	- of which women		number (headcount)	Group	-	2,245
	<i>percentage of women</i>		%	Group	-	85.0%
	- of which men		number (headcount)	Group	-	6,289
	<i>percentage of men</i>		%	Group	-	86.1%
	Hourly		number (headcount)	Group	-	14,492
	- of which women		number (headcount)	Group	-	4,279
	<i>percentage of women</i>		%	Group	-	44.0%
	- of which men		number (headcount)	Group	-	10,213
	<i>percentage of men</i>		%	Group	-	49.8%



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – OCCUPATIONAL HEALTH AND SAFETY

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Marelli People Sub-chapter: Occupational Health and Safety See page 63–65
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
Disclosure 403-1	Occupational health and safety management system	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Our Approach See page 63
Disclosure 403-6	Promotion of worker health	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Our Approach See page 63
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Our Approach See page 63
Disclosure 403-9	Work-related injuries	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Work-related injuries See page 64–65
Employees	Unit of measurement	Scope
Number of work-related injuries	number/year	Group
– of which number of fatal injuries	number/year	Group
– of which high consequence loss time injuries (LTI) ¹	number/year	Group
– of which LTI ²	number/year	Group
– of which first aid (FA)	number/year	Group
Number of commuting injuries	number/year	Group
Worked hours	number/year	Group
Rate of fatalities as a result of work-related injury	(Fatal injuries/Worked hours) x 1,000,000	Group
Rate of high-consequence work-related injuries (excluding fatalities)	(High consequences LTI/Worked hours) x 1,000,000	Group
Rate of recordable work-related injuries	(Number of work-related injuries/Worked hours) x 1,000,000	Group
Rate of total LTI (included high consequences loss LTI)	(Number of serious LTI+Number of LTI+Number of fatalities/Worked hours) x 1,000,000	Group
		2022
		2023
		497
		449
		1
		–
		18
		16
		66
		63
		412
		370
		157
		208
		90,048,083
		87,117,977
		0.01
		–
		0.2
		0.18
		5.5
		5.2
		0.94
		0.91

¹ High consequence LTI is defined as an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

² LTI is defined as the injury which causes the worker to be absent at least one day not including the day of the injury.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – OCCUPATIONAL HEALTH AND SAFETY CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
Disclosure 403-9 Continued	Work-related injuries	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Work-related injuries See page 64–65			
		Unit of measurement	Scope	2022	2023
Workers who are not employees (AGENCY+EXTERNAL CONTRACTORS)					
	Number of work-related injuries	number/year	Group	38	20
	– of which number of fatal injuries	number/year	Group	–	–
	– of which high consequences loss time injuries (LTI)	number/year	Group	2	5
	– of which LTI	number/year	Group	2	11
	– of which first aid (FA)	number/year	Group	34	4
	Number of commuting injuries	number/year	Group	–	–
	Worked hours	number/year	Group	16,348,977	18,647,017
	Rate of fatalities as a result of work-related injury	(Fatal injuries/Worked hours) x 1,000,000	Group	–	–
	Rate of high-consequence work-related injuries (excluding fatalities)	(High consequences LTI/Worked hours) x 1,000,000	Group	0.1	0.3
	Rate of recordable work-related injuries	(Number of work-related injuries/Worked hours) x 1,000,000	Group	2.3	1.1
	Rate of total LTI (included high consequences loss LTI)	(Number of serious LTI+Number of LTI+Number of fatalities/Worked hours) x 1,000,000	Group	0.2	0.9
Disclosure 403-10	Work-related ill health	Chapter: Marelli People Sub-chapter: Occupational Health and Safety – Paragraph: Work-related ill-health See page 64			
		Unit of measurement	Scope		
Employees					
	Number of work-related ill health ¹	number/year	Group	5	3
Workers who are not employees					
	Number of work-related ill health	number/year	Group	–	–
NON-GRI	Occupational Health and Safety management system	Chapter: Marelli People Sub-chapter: Occupational Health and Safety See page 64			
		Unit of measurement	Scope		
	Number of sites with a certified ISO 45001 health and safety management system ²	% productive sites covered by certification	Group	55.0%	91.0%

¹ 2023: 3 AOI biomedical overload and vibration; cumulative trauma, ergonomic related.

² 2022 data has been restated in alignment with the 2023 perimeter.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – DIVERSITY AND INCLUSION

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT				
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Marelli People Sub-chapter: Diversity and Inclusion See pages 60–62				
GRI 405: Diversity and Equal Opportunity 2016						
Disclosure 405-1 (a)	Diversity of governance bodies and employees	Chapter: Marelli People Sub-chapter: Diversity and Inclusion See page 61				
			Unit of measurement	Scope	2022	2023
Total number of employees in Top Management			number (headcount)	Group	571	460
- of which female			number (headcount)	Group	72	69
- of which female			%	Group	12.6%	15.0%
- of which < 30 years old			number (headcount)	Group	-	-
- of which < 30 years old			%	Group	-	-
- of which 30 <= x <= 50			number (headcount)	Group	47	38
- of which 30 <= x <= 50			%	Group	8.2%	8.3%
- of which > 50 years old			number (headcount)	Group	25	31
- of which > 50 years old			%	Group	4.4%	6.7%
- of which male			number (headcount)	Group	499	391
- of which < 30 years old			number (headcount)	Group	1	-
- of which < 30 years old			%	Group	0.18%	-
- of which 30 <= x <= 50			number (headcount)	Group	191	132
- of which 30 <= x <= 50			%	Group	33.5%	28.7%
- of which > 50 years old			number (headcount)	Group	307	259
- of which > 50 years old			%	Group	53.8%	56.3%
Total number of Manager			number (headcount)	Group	3,632	2,941
- of which female			number (headcount)	Group	585	484
- of which < 30 years old			number (headcount)	Group	7	2
- of which 30 <= x <= 50			number (headcount)	Group	474	375
- of which > 50 years old			number (headcount)	Group	104	107
- of which men			number (headcount)	Group	3,047	2,457
- of which < 30 years old			number (headcount)	Group	27	5
- of which 30 <= x <= 50			number (headcount)	Group	1,874	1,470
- of which > 50 years old			number (headcount)	Group	1,146	982
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities)			number (headcount)	Group	14	11
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities) ¹			%	Group	3.5%	2.8%

¹ Percentage is calculated as total number of employees belonging to vulnerable groups/minority groups (e.g. Employees with disabilities).



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – DIVERSITY AND INCLUSION CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
Disclosure 405-1 (a) Continued	Diversity of governance bodies and employees	Chapter: Marelli People Sub-chapter: Diversity and Inclusion See page 61			
		Unit of measurement	Scope	2022	2023
Total number of Salaried		number (headcount)	Group	13,220	9,942
- of which female		number (headcount)	Group	3,783	2,641.5
- of which < 30 years old		number (headcount)	Group	1,017	478
- of which 30 <= x <= 50		number (headcount)	Group	2,417	1,822
- of which > 50 years old		number (headcount)	Group	349	342
- of which men		number (headcount)	Group	9,437	7,300.5
- of which < 30 years old		number (headcount)	Group	1,881	964
- of which 30 <= x <= 50		number (headcount)	Group	5,851	4,740
- of which > 50 years old		number (headcount)	Group	1,705	1,597
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities)		number (headcount)	Group	68	53
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities) ¹		%	Group	16.5%	13.7%
Total number of Hourly		number (headcount)	Group	32,945	30,242
- of which female		number (headcount)	Group	10,486	9,728
- of which < 30 years old		number (headcount)	Group	2,364	1,909
- of which 30 <= x <= 50		number (headcount)	Group	6,211	5,668
- of which > 50 years old		number (headcount)	Group	1,911	2,151
- of which men		number (headcount)	Group	22,458	20,514
- of which < 30 years old		number (headcount)	Group	5,224	4,024
- of which 30 <= x <= 50		number (headcount)	Group	13,243	11,973
- of which > 50 years old		number (headcount)	Group	3,991	4,517
- of which other		number (headcount)	Group	1	-
- of which < 30 years old		number (headcount)	Group	-	-
- of which 30 <= x <= 50		number (headcount)	Group	1	-
- of which > 50 years old		number (headcount)	Group	-	-
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities)		number (headcount)	Group	321	323
- of which belonging to vulnerable groups and/or minority group (e.g. Employees with disabilities) ¹		%	Group	79.7%	83.5%
Total number of employees belonging to vulnerable groups and minority group (e.g. Employees with disabilities)		number (headcount)	Group	403	387

¹ Percentage is calculated as total number of employees belonging to vulnerable groups/minority groups (e.g. Employees with disabilities).



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – DIVERSITY AND INCLUSION CONTINUED

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT		
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Chapter: Marelli People Sub-chapter: Diversity and Inclusion – Paragraph: Salary Alignment See page 61		
		Unit of measurement	Scope	2022
Total¹		number	Group	2023
				2022
				2023
				-
				1.03

¹ Marelli started reporting this indicator in 2023.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – PRODUCT SAFETY & QUALITY

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT			
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Advanced Mobility and Innovation Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance See pages 24–25			
GRI 416: Customer Health and Safety 2016					
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter: Advanced Mobility and Innovation Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance See page 24			
		Unit of measurement	Scope	2022	2023
Total number of incidents of non-compliance with regulations concerning the health and safety impacts of products and services, resulting in a fine or penalty.		%	Group	-	0
Total number of incidents of non-compliance with voluntary codes, concerning the health and safety impacts of products and services.		%	Group	-	0
GRI 417: Marketing and Labeling					
Disclosure 417-1	Requirements for product and service information and labeling	Chapter: Advanced Mobility and Innovation Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance See pages 24–25			
		Unit of measurement	Scope	2022	2023
Percentage of significant products or categories of services treated or assessed for compliance with internal procedures ¹		%	Group	-	100%
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	Chapter: Advanced Mobility and Innovation Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance See page 24			
		Unit of measurement	Scope	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty ¹		number	Group	-	0
Incidents of non-compliance with regulations resulting in a warning		number	Group	-	0
Incidents of non-compliance with voluntary codes		number	Group	-	0
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	Chapter: Advanced Mobility and Innovation Sub-chapter: Product Safety and Quality: Elevating Standards and Enhancing Performance See page 24			
		Unit of measurement	Scope	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty ¹		number	Group	-	0
Incidents of non-compliance with regulations resulting in a warning		number	Group	-	0
Incidents of non-compliance with voluntary codes		number	Group	-	0

¹ Marelli started reporting this indicator in 2023.



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

GRI – MATERIAL TOPICS – DATA RESPONSIBILITY

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Responsible Corporate Citizen Sub-chapter: Data Responsibility and Cybersecurity See pages 46–47
GRI 418: Customer Privacy		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter: Responsible Corporate Citizen Sub-chapter: Data Responsibility and Cybersecurity See page 47
	Unit of measurement	Scope 2022 2023
Substantiated complaints received from outside parties and substantiated by the organization	number	Group 0 0
Substantiated complaints from regulatory bodies	number	Group 0 0
Total number of identified leaks, thefts, or losses of customer data	number	Group 0 0
A brief statement if the organization has not identified any substantiated complaints	text	Group – In year 2023 we did not receive any substantiated data breach complaint from customers or authorities
Proven violations of events relating to previous years	number	Group 0 0

GRI – MATERIAL TOPICS – RESPECT FOR HUMAN RIGHTS

GRI INDICATOR	DISCLOSURES	LOCATION IN REPORT
GRI 3: Material topics 2021 Disclosure 3-3	Management of material topics	Chapter: Responsible Corporate Citizen, Marelli People Sub-chapter: Respect for Human Rights, Sustainability in the Supply Chain, Labor Relations – Paragraph: SA8000 Certification See pages 43–45, 48–49 and 67



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



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Independent practitioner's assurance report

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Scope

We have been engaged by Marelli Holdings Co., Ltd. (hereafter "Marelli") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Marelli's sustainability Key Performance Indicators (KPIs) (the "Subject Matter") contained in Marelli's (the "Company's") Global Sustainability Report CY 2023 as of 28th May 2024 for the year ended 31st December 2023 for the period from 01st January 2023 to 31st December 2023 as included in Annexure I.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Global Sustainability Report CY 2023, and accordingly, we do not express a conclusion on this information.

Criteria applied by Marelli

In preparing the sustainability KPIs contained in the Global Sustainability Report CY 2023, Marelli applied the GRI Standards (300 series: environmental and 400 series: social) of the Global Reporting Initiative (Criteria). As a result, the subject matter information may not be suitable for another purpose.

Marelli's responsibilities

Marelli's management is responsible for selecting the Criteria, and for presenting the sustainability KPIs contained in the Global Sustainability Report CY 2023 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with Marelli on 12th December 2023 and its subsequent amendment dated 11th May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in

accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Global Sustainability Report CY 2023 and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Checking the standard disclosures regarding the company's material sustainability aspects contained in the Global Sustainability Report CY 2023;
- Checking of consistency of data / information within the Global Sustainability Report CY 2023;
- Carry out assurance including checking of the sample data and information reported at the following plants and corporate headquarter at Corbetta, Italy.



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MARELLI APPENDIX

About This Report 69

Conclusions 69

Board of Directors 70

Material topics 70

GRI 71

Independent practitioner's assurance report 100

Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement 102

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT CONTINUED

1. AL Juarez plant 2 AL Mexico	8. AL Sosnowiec AL Poland
2. SHA Lavras RD Brazil	9. IBU AG Plastics (PIVA) IE Mexico
3. ELS Guangzhou ELS China	10. THS JGP (Gunma Plant) THS Japan
4. ELS Kechnec ELS Slovakia	11. PT Delhi PT India
5. PT Modugno PT Italy	12. EPT Modugno EPT Italy
6. SS Sulmona RD Italy	13. GTS JGP (Gunma Plant) GTS Japan
7. AL Wuhu AL China	

- Execution of audit trail of selected claims and data streams to determine the level of accuracy in collection, transcription and aggregation processes followed;

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period of: 01st January 2023 to 31st December 2023
- Data and information on economic and financial performance of the Company;
- Data, statements and claims already available in the public domain through Global Sustainability Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the sustainability KPIs contained in the Global Sustainability Report CY 2023 as of 28th May 2024, for the period from 01st January 2023 to 31st December 2023 in order for it to be in accordance with the Criteria.

Ernst & Young Associates LLP
28th May 2024
Gurugram, Haryana
India

Annexure I (Subject Matter)

S.No.	GRI	Indicators
1	GRI 301-1	Materials used by weight
2	GRI 303-3	Water withdrawal
3	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
4	GRI 306-1	Waste generation and significant waste-related impacts
5	GRI 306-2	Management of significant waste related impacts
6	GRI 306-4	Waste diverted from disposal
7	GRI 306-5	Waste directed to disposal
8	GRI 308-2	Negative environmental impacts in the supply chain and actions taken
9	GRI 402-1	Minimum notice periods regarding operational changes
10	GRI 405-2	Ratio of basic salary and remuneration of women to men
11	GRI 406-1	Incidents of discrimination and corrective actions taken
12	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
13	GRI 414-2	Negative social impacts in the supply chain and actions taken
14	GRI 417-1	Requirements for product and service information and labeling
15	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling
16	GRI 417-3	Incidents of non-compliance concerning marketing communications
17	GRI 302-1	Energy consumption within the organization
18	GRI 302-3	Energy Intensity
19	GRI 303-4	Water discharge
20	GRI 303-5	Water consumption
21	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
22	GRI 401-1	New employee hires and employee turnover
23	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees
24	GRI 401-3	Parental leave
25	GRI 403-1	Occupational health and safety management system
26	GRI 403-10	Work-related ill health
27	GRI 403-6	Promotion of worker health
28	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
29	GRI 403-9	Work-related injuries
30	GRI 404-1	Average hours of training per year per employee
31	GRI 404-2	Programs for upgrading employee skills and transition assistance programs
32	GRI 404-3	Percentage of employees receiving regular performance and career development reviews
33	GRI 405-1	Diversity of governance bodies and employees
34	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
35	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON MARELLI'S GREENHOUSE GAS (GHG) STATEMENT



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Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement

Marelli Holdings Co., Ltd.
4-19Miyahara-Cho, 2-Chome, Kita-Ku,
Saitama City, Saitama 331-8501
Japan

Scope

We have been engaged by Marelli Holdings Co. Ltd. to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the accompanying GHG statement of Marelli Holdings Co. Ltd. as of 28th May 2024 for the period from 01st January 2023 to 31st December 2023, comprising of GHG emissions related Key Performance Indicators (KPIs) included in the Greenhouse Gas (GHG) Inventory Report (the "Subject Matter") detailed in Annexure I.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Marelli Holdings Co. Ltd.

In preparing GHG Inventory Report CY 2023, Marelli Holdings Co. Ltd. applied the World Business Council for Sustainable Development's (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Criteria). The Criteria were specifically designed by WBCSD for the estimation of GHG emissions related KPIs included in the GHG Inventory Report CY 2023 (detailed in Annexure I); As a result, the subject matter information may not be suitable for another purpose.

Marelli Holdings Co. Ltd.'s responsibilities

Marelli Holdings Co. Ltd.'s management is responsible for selecting the Criteria, and for presenting the GHG emissions related KPIs (as included in Annexure I) in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG statement, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), and the terms of reference for this engagement as agreed with Marelli Holdings Co. Ltd. on 12th December 2023 and its subsequent amendment dated 11th May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that

1

need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the GHG Inventory Report CY 2023 and related information, and applying analytical and other relevant procedures.

Our procedures included:

- Conducted interviews with select personnel and corporate team to understand the process for collecting, collating, and reporting the subject matter as per GHG Protocol Corporate Accounting and Reporting Standard.
- Checking of data for Marelli Holdings Co. Ltd. on a selective test basis for the following locations and through consultations with the plant and corporate sustainability team:

2



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MARELLI APPENDIX

About This Report 69

Conclusions 69

Board of Directors 70

Material topics 70

GRI 71

Independent practitioner's assurance report 100

Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement 102

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON MARELLI'S GREENHOUSE GAS (GHG) STATEMENT CONTINUED

1. AL Juarez plant 2 AL Mexico	8. AL Sosnoweic AL Poland
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6. SS Sulmona RD Italy	13. GTS JGP (Gunma Plant) GTS Japan
7. AL Wuhu AL China	

- Checked calculations and methodologies outlined in the Criteria;
- Undertook analytical procedures to check the reasonableness of the data;
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed.

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period-01st January 2023 to 31st December 2023
- Data and information on the economic and financial performance of the Company;
- Data, statements, and claims already available in the public domain through Global Sustainability Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention;
- The Company's compliance with regulations, acts, and guidelines concerning various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the GHG emissions related KPIs considered in the GHG Inventory Report CY 2023 as of 28th May 2024 for the period from 01st January 2023 to 31st December 2023 in order for it to be in accordance with the Criteria.

Ernst & Young Associates LLP
 28th May 2024
 Gurugram, Haryana
 India

Annexure I (Subject Matter)

S.No.	GRI	Indicators
1	305-1	Direct Scope 1 GHG emission
2	305-2	Indirect Scope 2 GHG emission
3	305-4	GHG emissions intensity
4	305-5	Reduction of GHG emissions



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MARELLI APPENDIX

About This Report	69
Conclusions	69
Board of Directors	70
Material topics	70
GRI	71
Independent practitioner's assurance report	100
Independent practitioner's assurance report on Marelli's Greenhouse Gas (GHG) Statement	102



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