

# Human Rights Guidelines

## Foreword

Magneti Marelli group is committed to the creation of long-term sustainable value for its stakeholders, and is firmly convinced that the respect and support of fundamental human rights is essential for building a better future for our Company and the communities in which we operate. The global presence of the group requires the adoption of generally accepted principles in every geographic area where companies of Magneti Marelli group operate. The group promotes these principles within its sphere of influence, expecting its suppliers, contractors and other business partners, with whom it does business, to adhere to these standards.

These Guidelines are consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights, the United Nations Sustainable Development Goals, United Nation Global Compact ten principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Companies, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights and, ISO 26000.

## Our Employees

### Child Labor and Forced Labor Prohibited

Magneti Marelli does not use or condone child or forced labor in any of our global operations or facilities. Child labor is employment of persons younger than the legally permissible age for work of the location/geography in which the work is carried out, in any case not younger than 15 years of age unless an exception is expressly supported by international conventions, including regulations related to training or apprenticeship programs for students younger than 15. Magneti Marelli takes measures to prevent and eliminate human trafficking and any form of modern slavery. In addition, we do not tolerate any improper worker treatment, such as the exploitation of children, physical punishment, abuse or involuntary labor. No employee should tolerate any form of unacceptable treatment of workers in our operations or facilities.

### Diversity and Inclusion

Magneti Marelli workforce members contribute to Company performance and are vital to the achievement of business targets and results. We are dedicated to fostering a diverse and inclusive workplace. Around the world, we strive to ensure equal employment opportunities for members of our workforce based on merit without regard to race, color, sex, sexual orientation, gender identity, transgender status, age, protected veteran status, marital status, religion, national origin, disability status, genetic information or any other basis protected by local laws, as applicable. This applies to all terms and conditions of employment, including but not limited to hiring, placement, promotion, termination, layoff, recall, transfers, leave of absence, compensation, and training. Those who provide input into

employment decisions should ensure that our workforce members are hired and rewarded based solely on their qualifications, achievements, and capabilities.

Each employee plays a key role in creating equal opportunity for others. It is imperative that we conduct ourselves in a manner that consistently ensures that we demand, share, and reward success in accordance with applicable performance evaluation processes.

### **No Discrimination or Harassment**

Magneti Marelli is committed to providing a workplace free of discrimination and harassment. The Company expects that all persons in the workplace will be treated with dignity, their rights respected, and their privacy maintained.

### **Freedom of Association**

Magneti Marelli respects workforce members' freedom of association. Workforce members are free to choose to join a trade union in accordance with local law and the rules of the various trade union organizations. Magneti Marelli recognizes and respects the right of employees to be represented by trade unions or other representatives established in accordance with the locally applicable legislation and practice. When engaging in negotiations with such representatives, Magneti Marelli's actions and behavior seek a constructive approach and relationship.

### **Employment Conditions**

Magneti Marelli is committed, among others, to:

- observing all applicable employment, wage, and working hours laws;
- honoring our collective labor agreements;
- offering compensation and benefits to all members of our workforce in a fair, objective, and equitable manner.

Applicable laws, as well as our corporate Principles and Practices and collective labor agreements, govern the provisions of compensation and benefits to our employees. We expect that members of our workforce will follow the systems we develop to ensure compliance with those laws. It is the role of every managers to understand the laws, rules, and regulations that apply to the people within their organization.

We provide compensation that complies with relevant laws and collective labor agreements and that will attract, retain, and engage qualified employees with the kind of skills, talents, and experience we need to succeed. We review the applicable compensation and benefits to ensure that we remain competitive with other employers in our industry and related labor markets. Compensation decisions are based on performance, contribution, professional competence, Company rules and labor market practice. Our Company has developed specific tools to evaluate our workforce and promote leadership and management development.

### **Safe Work Environment**

Magneti Marelli conducts all of its worldwide operations with the highest regard for the health and safety of its workforce in accordance with applicable laws. The Company and its management are dedicated to continuously improving health and safety measures to help ensure that the potential for injury in the workplace is minimized, with the ultimate goal of zero accidents. Magneti Marelli strives to avoid incidents, prevent occupational disease and minimize other occupational health and safety related risks by adopting a preventive approach in its operations including in the choice of materials, tools and machinery for production processes.

Magneti Marelli ensures that new investments in production facilities incorporate the appropriate health and safety measures, including ergonomic design, to minimize occupational health and safety risks and further improve our workplace.

A safe work environment means not only preventing injuries and diseases, but also improving the working environment and workplace conditions, including access to adequate and safe water supply, sanitation and hygiene. Continuous improvement in working conditions is ensured through the appropriate identification and assessment of risks, the definition and implementation of preventive and corrective action plans, and continuous occupational health and safety monitoring activities.

Employees are required to know and follow the specific health and safety measures applicable to their facility and their position at the time of hire, upon assignment to a new role, plant, or operation, or when the hazards of their position have changed. The Company may require them to attend training sessions covering health and safety measures.

## **Our Business Partners and Suppliers**

Magneti Marelli expects our suppliers, contractors and other business partners with whom we do business, to adhere to our standards, including, but not limited to, human rights and labor practices complying with all occupational health and safety related rules and regulations, and adopting measures and standards that contribute to an overall improvement in occupational health and safety performance throughout the value chain.

## **Our Communities**

Magneti Marelli plays a significant role in the development and welfare of the communities in which it operates.

Magneti Marelli promotes an open dialogue to ensure that the communities' legitimate expectations are taken into consideration. Our community investment activities reflect our commitment to promote social and economic development. Magneti Marelli employees are asked to behave in a socially responsible manner by respecting the cultures and traditions of indigenous people in each country in which the group operates and by acting with integrity and good faith in order to merit the trust of the community.

## **Governance**

We believe that involving Magneti Marelli's workforce in the implementation of these Guidelines is a critical factor in their success, as responsibility for continuous improvement of working conditions and respect of fundamental rights rests with the entire Magneti Marelli workforce.

## **Due Diligence**

Our due diligence processes include actions to safeguard against human rights abuses in any part of business and in our supply chain through internal and external assessment tools.

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