



**OUR**  
**SUSTAINABILITY**

## NEW SCENARIOS OF SUSTAINABILITY: HOW THE ROLE OF INDUSTRY IS CHANGING

Magneti Marelli is committed to assisting the process of automotive evolution.

Since 2015, a radical change in the international perception of sustainability has been under way. The last two years have, in fact, represented a turning point, in particular with regards to the debate on the sustainability of development. The Paris agreements on the fight against climate change and the General Assembly of the United Nations approval of the Sustainable Development Goals (SDGs) represent important milestones. For example, themes such as the fight against poverty, the elimination of famine and the fight against climate change, which were once addressed solely by the scientific community, non-profit organisations and a few leaders in the business community, are nowadays important matters on the agendas of international institutions, governments and important financial institutions. In this radical international transformation, the private sector is being called on for an epic change: it is no longer just about making processes and products more efficient, but also about radically re-thinking business models, systems of

### THE VOCATION FOR QUALITY AND EXCELLENCE IS COMBINED WITH ATTENTION TOWARDS INNOVATION AND A VISION FOR A MORE SUSTAINABLE SOCIETY

offer and value chains. The important challenge that the business world has to understand and overcome for long-term success is that of learning to interpret implicit expectations and needs, looking to the future, in such a way as to generate value for its customers and for the community as a whole. The processes of transformation of our society are reflected in the way in which we live our daily experiences - we work, we communicate, we dress, and we eat differently - and they also involve mobility, which now follows rules which were unimaginable until just a few years ago. The car is no longer a status symbol, something to possess, but an instrument which carries out a series of complex functions. It has to take us from one place to another, of course, but it also has to guarantee safety, give and receive information, interact with the external environment, ensure environmentally-compatible performance. The automotive sector is committed to a process of profound transformation, stimulated by macro-trends, some of

which, such as environmental efficiency and safety, have already been clear for some time and are rapidly being joined by the multifunctional nature of the car. The cars of the future will have little in common with those which we see in circulation nowadays: they will have more in common with living and working spaces, and they will take us where we ask them to. The contribution of the driver will be ever less necessary, as the vehicle gradually gains autonomy. With Autonomous Driving, cars which are hyperconnected, sensitive, intelligent, capable of making decisions will reduce

the risks associated with circulation and will allow travellers to free up time to be dedicated to other things. Magneti Marelli, a global player in automotive components, accompanies the development of traditional products with its total commitment to this process of evolution, through investments in research and development which continuously generate new solutions. The vocation for quality and excellence is combined with continuous attention towards innovation, together with a vision for a more sustainable society. The strategic choice of Magneti Marelli

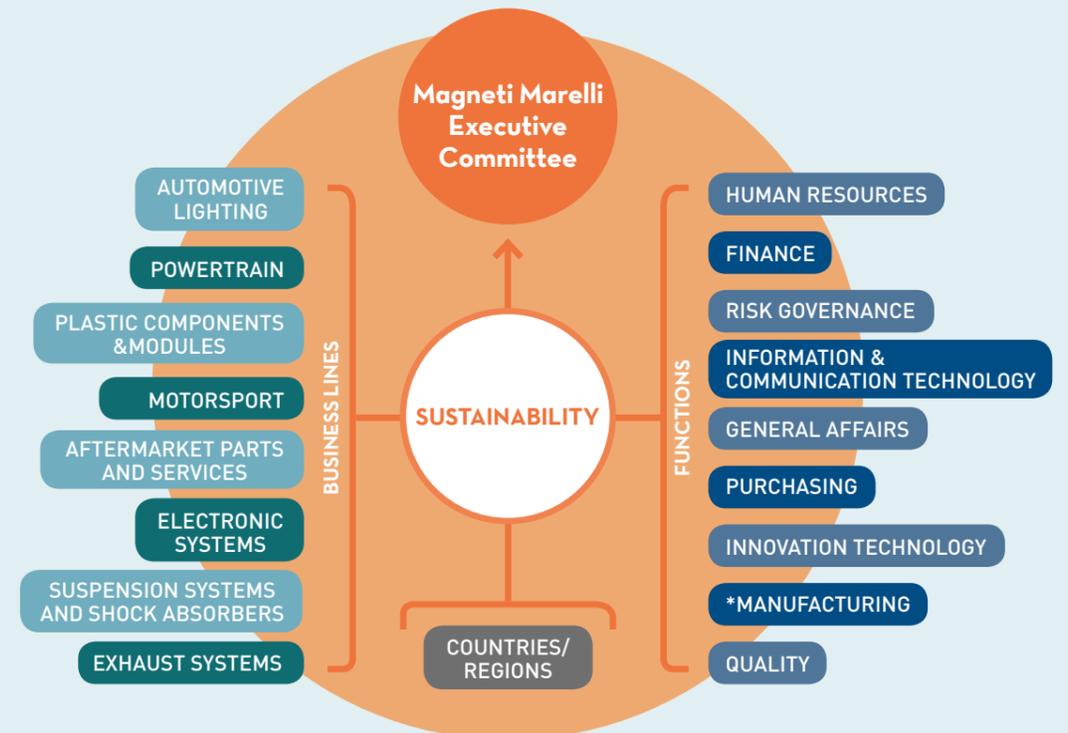
is that of valorising all of the possible synergies between its Business Lines, ever-increasingly integrating the competences present in the Company. A car is no longer simply the sum of various components, inasmuch as it is, and will be ever-increasingly, a kind of complex organism, in which every element interacts with the others, under the coordination of a single "brain". For this reason, the collaboration between the various divisions and upstream (car makers) and downstream (distribution and post-sales assistance) systems is fundamental.



## Integrated responsibility

In response to the ever-increasingly important global challenge regarding sustainability, in line with commitments made by the FCA Group, Magneti Marelli has applied new systems at all levels of the organisation, with a view to increasingly-integrated management in this field as well. In particular, each Business Line has a sustainability contact who is charged with bringing

in line projects and initiatives created, in order to see that the experiences and knowledge from the various Business Lines become common assets on an international level. The sustainability team serves as a liaison with MMEC, the Company Board, which is presented with news regarding progress made in terms of sustainability.



# GLOBAL AMBITIONS, SOLID MEASURES

The United Nations Sustainable Development Goals and Magneti Marelli's contribution to reaching them.

The Sustainable Development Goals set out by the United Nations serve as a call for action addressed to all entities which can make a contribution to their accomplishment, beginning with governments, businesses, civil society organisations, right down to individual citizens. Magneti Marelli has identified six themes on which its activities have significant impact on sustainability, and it undertakes to act in a concrete manner in regard to these. Specifically, the six themes on which Magneti Marelli can have an impact are:

- 8.** Ensure the highest standards of health and safety and protection of human rights in all of its manufacturing sites.
- 9.** Valorise its own capacities for innovation not only for efficiency

and profitability, but also to improve the quality of life for the citizens and communities.

- 11.** Work towards a form of mobility which renders cities safer and better to live in, and contribute to the economic and social development of all of the countries in which it operates.
- 12.** Render its manufacturing processes ever more efficient and environmentally compatible, and supply products which render vehicles less polluting and safer.
- 13.** Promote the reduction of both direct and indirect climate-altering gas emissions.
- 17.** Share - with governments, private sectors and society - visions, principles, values and objectives that place people and the planet at the centre of attention.

The implementation of the SDGs in business activity is a long and articulated process. How can the global ambitions be translated into concrete measures? How can we identify the themes on which to concentrate? An attempt to answer these questions is made by the analysis of materiality, a series of assessments which the Company began to carry out last year and which allows for the selection of the aspects of the life of a company which are truly important, in order to render it more sustainable. This is a process which Magneti Marelli has again defined this year, also taking into account the point of view of the stakeholders.

The themes in which Magneti Marelli is particularly active can be grouped into three main areas:

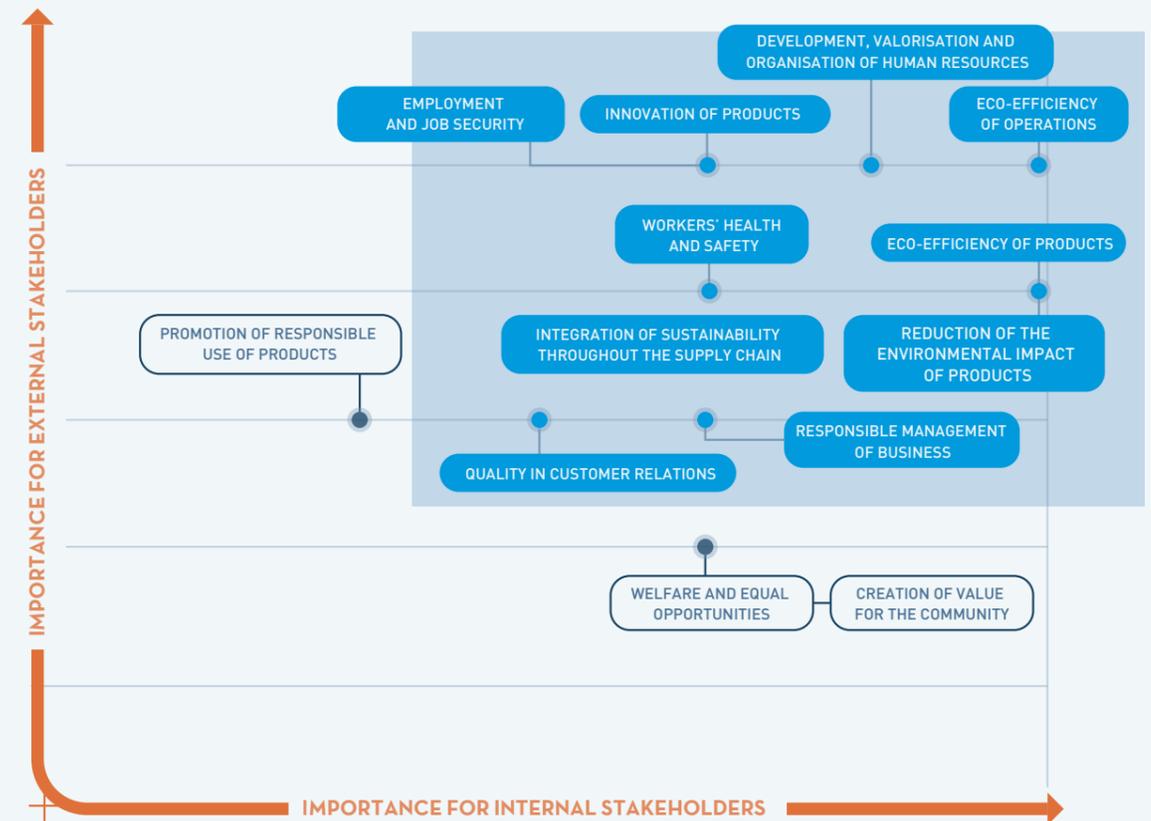
- products, which must be designed, created and used in an ever more environmentally and socially responsible manner;
- company governance, in order to ensure that business is carried out according to rules of legality and correctness, with respect for the declared principles and values;
- research and innovation, in order to ensure that the patrimony of knowledge and instruments that the Company can put into action are oriented towards bringing all-round improvements to society.

## SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) are the objectives contained in the 2030 Agenda for Sustainable Development, and represent the United Nation's global plan of action for the undermining of poverty, the protection of the planet and the guaranteeing of prosperity for all. Never before has such a wide-ranging level of agreement been reached on a global level with regards to environmental, social and economic sustainability. Laid out via 169 specific objectives, the SDGs officially came into force on 1 January 2016.

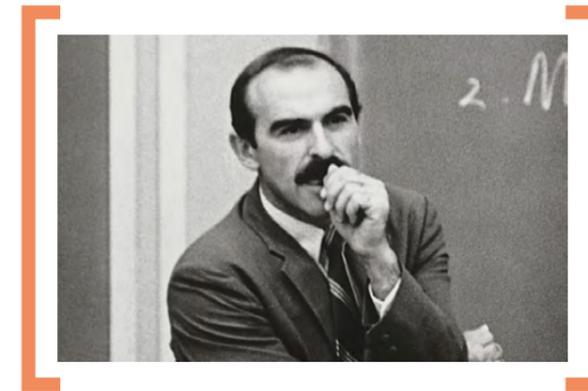
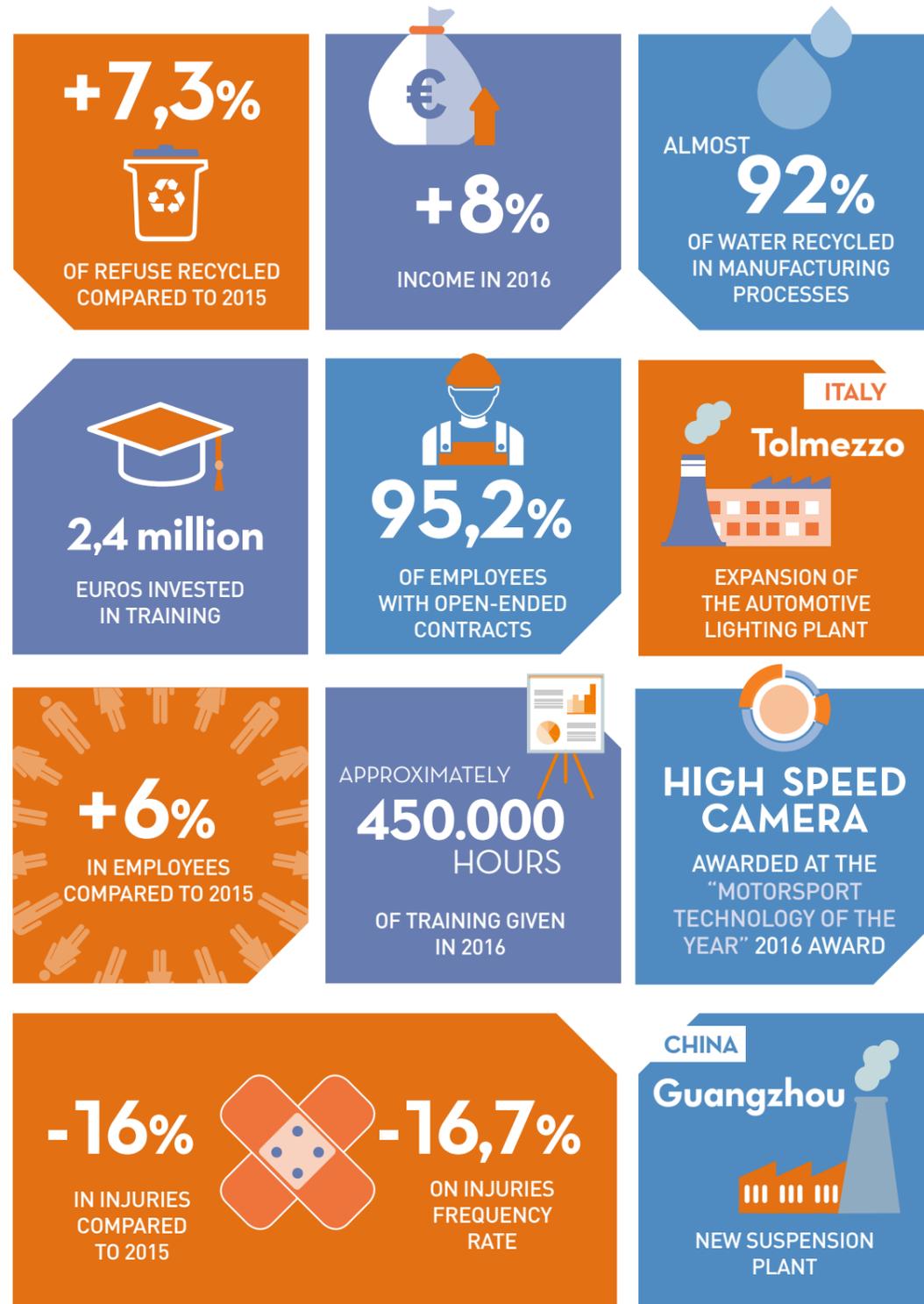


## The materiality matrix



The matrix shows the important themes which have a relevant impact on the Company's activity. The highlighted area contained the so-called "material" aspects, or rather the most important, on which the commitments and the work of the Company is focused.

# 2016 HIGHLIGHTS



An american economist and professor at the Harvard Business School.

Just as energy is the basis of life itself, and ideas the source of innovation, so is innovation the vital spark of all human change, improvement and progress.

Theodore Levitt