



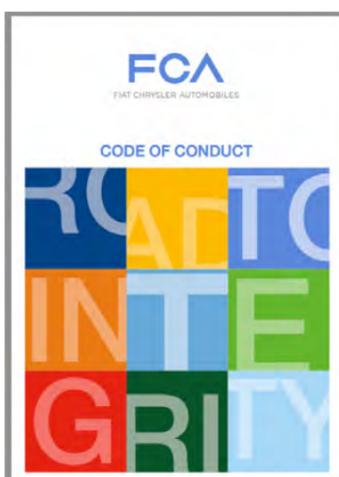
STAKEHOLDERS

THE VALUE OF SHARING IN NEW CHALLENGES

Collaboration and the exchange of experiences as an essential factor for the creation of value.

In the upcoming phases of evolution in the automotive industry, innovation, whether for products or processes, will increasingly prove to be a watershed. One of the key points of this trend is that these new challenges cannot be won alone. It is ever more necessary to create synergy within the Company, between Business Lines, and to collaborate with the various players which orbit around the business and with which the Company creates value. This allows for exchange and for the bringing together of all the stimuli present both inside and out of the Company, taking on knowledge and experience, and growing according to a shared approach.

OUR PRINCIPLES



The relationship that Magneti Marelli has with its stakeholders is governed by the FCA Code of Conduct, a reference framework for the management of all of the activities carried out. The Code of Conduct indicates the principles, practices and procedures that every subject, as representative of the Company, is obliged to respect.

The reference principles are:

- Safeguard our people
- Behaviour in the affairs
- Manage external relationships
- Manage our resources and information

STAKEHOLDER MAP



EMPLOYEES AS MAIN PLAYERS: THE TRUE DRIVING FORCE OF MAGNETI MARELLI

Development of people and trust in the company: this is the key to the growth of the Company.

Magneti Marelli's growth is founded on the growth of its people, and in order to make sure that this happens, it is necessary that they can work in a favourable working environment, fertile ground for their development, in which know-how and knowledge can be stimulated, a place in which the Company can be experienced in an "active" manner, and in which one can be made

to feel part of a wider project. This is why Magneti Marelli creates a range of initiatives orientated not only to a personal improvement but also to the entire system. Among these job opportunities, selections open to Company personnel with recruiting processes specifically reserved for employees, which renders the organisation less static and enriches it with a range of experience, ability and know-how, allowing the people themselves to play an active role in their own professional growth. Another very important element for Magneti Marelli in the management of people is the creation of channels of communication with its employees, allowing them to voice their opinions and feelings. One of these is the Made by People Survey, a climate survey carried out every two years, with the support of the Great Place to Work Institute, which examines the feelings of all of the employees, highlighting any areas of improvement on which to work.

The last survey, carried out in 2015, resulted in the inclusion among the 25 certified Great Places to Work and

revealed a level of trust which had increased of 5 percentage points since the previous edition. But the survey is not an end in itself. The results, divided by Business Line and geographic area, are shared with the employees, in order to offer them feedback on the contribution resulting from their participation and in order to inform them of the result. The most important moment, however, is that in which the improvement pro-

DIMENSIONS



Credibility



Respect



Equity and Fairness



Pride



Camaraderie

grammes are translated into concrete actions, defined for each area of the survey: Credibility, Respect, Equity and Fairness, Pride and Camaraderie. In order to identify them, over the course of 2016, 250 voluntary work groups were organised locally and involved in collective activities. Each team focused its attention on the creation of projects which have a positive impact on the five areas of the survey.

The workgroup therefore becomes an instrument for the creation of reciprocal added value: if on the one hand, the outcome of the activity leads to an improvement in the company working environment, on the other, it is the workers themselves who benefit from the sharing of experience, ideas and know-how, which are fundamental aspects for their personal growth. Collaboration

with colleagues also stimulates people, who feel an integral part of a team, working in a coordinated manner towards a common goal, reinforcing the sense of belonging within the company.

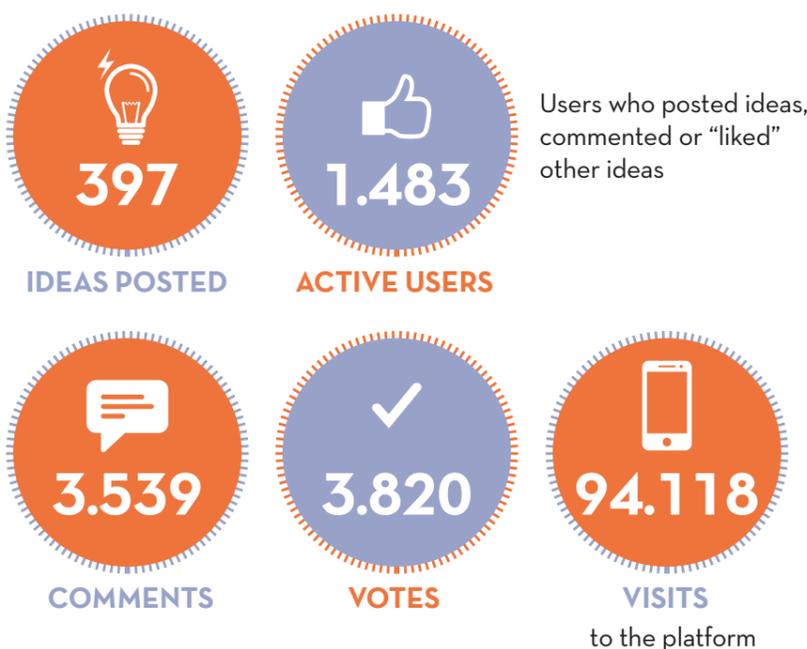
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“CHE IDEA!”: A VOICE FOR INDIVIDUALS

An idea management initiative which brings out collective company intelligence. The account of those involved.

For a number of years, Magneti Marelli has been working to strengthen and accelerate the capacity for innovation through external contamination, principally through partnerships with research centres and universities, but also with the involvement of those who work on a daily basis in the Company and who are holders and carriers of specific knowledge, ability and experience: the employees. In line with this idea, in 2016 Magneti Marelli promoted the “Che Idea!” initiative, a project for the generation of ideas, created with the aim of developing among employees the culture of innovation, using collective intelligence as leverage.

The more than 9,000 Italian employees were called on to take part in the project through innovative ideas regarding internal processes, products and services in four specific categories: sustainable mobility, connectivity, safety and open space. For each category, one or more Challenges were provided for; Calls to action, which were aimed at focusing on more specific themes. The ideas, which were uploaded by participants onto an online platform, were assessed by an internal jury, which decreed a winner for each category. The project also included an award for the most active user and for the contributors involved in creating the winning idea for each of the four categories.



SUSTAINABLE MOBILITY

Challenge «I travel and recharge!» Goal

Recover the energy from the vehicle which would otherwise be lost and therefore go unused.

“TRAVELLING IN THE SLIPSTREAM HELPS ME TO SAVE AND RECHARGE”

by Renato Bellini, Transmission Control Product Line System Validation Specialist

Idea

The solution consists in an innovative management system for automatic speed regulation, thanks to which the vehicle ahead can communicate with the one behind, regulating speed and braking, and consequently reducing consumption.

«About ten years ago, while I was driving along the motorway, I received a telephone call: I slowed down and found myself travelling behind a truck. I noticed that the closer I got to the truck, the lower the rate of fuel consumption of my car was, and I wondered if it would be possible to take advantage of this phenomenon in order to reduce the general level of fuel consumption in cars».

OPEN SPACE

Challenge «Out of core business» Goal

Think out of the box: we are looking for the next innovative idea.

“Data logger for sports competitions”

by Stefano Monti, Product Development Application Software Designer Manager

SAFETY

Challenge 1 «Tell me where you’re going» Goal

Improve the safety of our products.

Challenge 2 «Safe driving at night» Goal

Find innovative lighting solutions to reduce the number of accidents.

“DETECTION OF RESCUE VEHICLES IN THE VICINITY”

by Flavio Giaccaria, R&D Interiors & Exteriors Designer Senior Specialist

Idea

An application, integrated into the vehicle’s infotainment system, which advises the driver when a rescue vehicle, such as an ambulance or police car, is in the area.

«The involvement of people is always a positive thing and can be advantageous for both the Company, with more motivated staff and potentially valid ideas to develop, and for the employees themselves, who have the opportunity to express themselves, bringing their ideas to the general attention of all».

CONNECTIVITY

Challenge 1 «Fast to market» Goal

Get new products to the manufacturing stage more quickly than currently occurs.

Challenge 2 «What you need you get» Goal

Find new services of connectivity which can be installed on-board vehicles.

“NAVIGATION SIMULATOR FOR ASSESSMENT PROCESSES”

by Felice Abramo, Infotainment & Telematics Preventive Quality Continuous Monitoring Specialist

Idea

The system proposes to test and validate, in the laboratory, the software used in the development stage for infotainment systems, without the need to use a test vehicle.

«My know-how helped a great deal: knowing the applications, the development environment and the parts of the simulator allowed me to move with ease and develop my idea in a clear and precise manner».

«I regularly follow broadcasts of various sports events, including Formula 1 and MotoGP, where Magneti Marelli technology is often cited. I noticed that various information regarding the performance of teams and individual athletes is often broadcast. I therefore thought that some telemetry systems similar to those supplied by Magneti Marelli to the Formula 1 and MotoGP teams were already being used by technical staff and athletic trainers, and that our significant experience in this sector could also easily be applied to other sports».

THE STRATEGIC ROLE OF SUPPLIERS

Implementing sustainability practices within the organisation means taking decisions which take into consideration the potential long-term impact not only on the profitability of the Company, but also in all of the stakeholders both within and beyond the Company's boundaries. In this sense, the supply chain plays a fundamental role as strategic partner, as it is part of the Company's core processes. Since 2012, the Company

has focused on this area with regards to sustainability. First of all with a pilot program, which has over time evolved into a veritable program - the Supplier Sustainability Program - which allows Magneti Marelli to evaluate the level of sustainability of suppliers. The objective for the next few years is to extend the Program to 100% of direct suppliers, as well as creating dedicated instruments for dialogue and awareness-building.

Since 2012, sustainability has been a byword with suppliers.

INVOLVEMENT OF SUPPLIERS IN RELATION TO TURNOVER



VALORISE THE STEPS

Provide the supplier with a self-assessment form.

AREAS OF EVALUATION



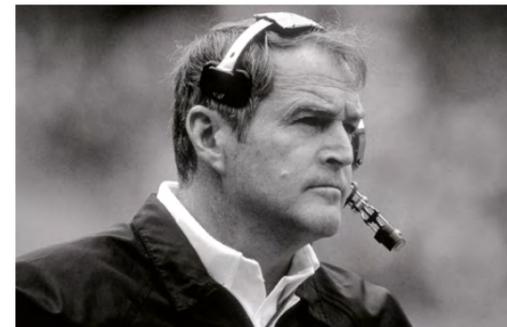
1° STEP

2° STEP

3° STEP

On-site inspections if necessary, according to the analysis of the self-assessment documentation received, conducted either by the Company itself or in collaboration with a third-party organisation, in order to verify and analyse the accuracy of the answers provided by the supplier to the questionnaire.

Analysis and final revision of results in order to define programs and plans for improvement together.



An American Football player and coach. He won 4 Super Bowls while coaching the Pittsburgh Steelers. In 1993 he entered the Pro Football Hall of Fame.

Being specialised in mathematics, I believed that everything was equal to the sum of its parts, until I began working with teams. Then, when I became a coach, I understood that a whole is never the sum of its parts - it is more, or less, according to how its members manage to work together.

Charles Henry "Chuck" Noll