

SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR MARELLI AUTOMOTIVE SYSTEMS EUROPE PLC AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31ST DECEMBER 2022

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (the “Act”) by Marelli Automotive Systems Europe plc on behalf of all subsidiaries to which Section 54 of the Act applies (“Subsidiaries”).

This Statement sets out the steps that Marelli has taken to address the risks of slavery and human trafficking being present within its operations and supply chain, and has been adopted by the Subsidiaries as their respective slavery and human trafficking statement for the financial year ending 31st December 2022.

OUR ORGANISATION & SUPPLY CHAIN

Marelli is one of the world’s leading global independent suppliers to the automotive sector.

We oppose modern slavery in all its forms, including human trafficking, forced or compulsory labour, bonded labour, servitude and child labour.

We unequivocally support the human rights of our workforce and also the workforce of our global suppliers, and believe that everyone deserves a life free from slavery.

We recognise the role that businesses can play in combatting these exploitative crimes. We are committed to being a socially responsible corporate citizen, and to conduct ourselves in a way that considers and promotes our social and ethical responsibilities. We will continuously seek to implement and improve our policies and procedures to ensure that all forms of slavery are not present within our operations or supply chain.

Our Organisational Structure

Marelli Automotive Systems Europe plc and its subsidiaries are part of a wider group of companies belonging to Marelli Holdings Co., Ltd, headquartered in Japan (“Marelli”).

With around 50,000 employees worldwide, the Marelli group footprint includes 142 manufacturing sites and 27 non-productive sites across Asia, the Americas, Europe and Africa as at the end of 2022.

Marelli Holdings Co, Ltd is the highest decision making body for the whole Marelli Group. Throughout 2022, , Marelli has continued to introduce standardised global policies and procedures that apply to all subsidiary companies within the group, including Marelli Automotive Systems Europe plc and its subsidiaries.

Our Supply Chain

Marelli is a purchaser of parts, assemblies, components, raw materials, tooling, and equipment. The supply chain within the automotive industry is highly complex and our supply chain typically consists of many layers between the goods that we sell and the raw materials that enter the manufacturing process.

The majority of Marelli purchases are from 3rd party suppliers, however we also conduct inter-company purchases from within the group, and we might also be supplied with parts from 3rd parties who have been selected directly by our customers.

Marelli is also a purchaser of services, including outsourced services which are labour dependant.

POLICIES & PROCEDURES

Our internal policies, procedures and controls ensure that we make grounded business decisions that consider the broader impact of our corporate actions on our wider community.

Our internal compliance framework covers three main areas; to comply with (i) legal and regulatory requirements, (ii) company policies, regulations and procedures and (iii) social norms, ethical and moral standards.

Code of Conduct

Our compliance framework is supported by our Code of Conduct (the “**Code**”) which represents our core values. The Code is available in 19 languages, applies to all stakeholders and offers a clear framework around how we interact with customer, suppliers, communities, governments and employees. It aims to ensure that all members of Marelli’s workforce act with the highest level of integrity, comply with applicable laws and build a better future for our company and the communities where we run our business.

Marelli endorses the United Nations Universal Declaration on Human Rights and the International Labour Organization (“ILO”), and accordingly, the Code is intended to be consistent with such guidelines. The Code includes an obligation to comply with employment laws, and to respect the human rights of all human beings.

The Code is shared with all stakeholders, and its acceptance from suppliers is also tracked.

In 2022, 87% of active suppliers accepted our Code of Conduct.

Human Rights Policy

At Marelli, upholding the highest standards of human rights is a fundamental value that we consider non-negotiable. To underscore our commitment to this critical issue, we reflect

these values in our Code of Conduct and our Human Rights Policy.. The Human Rights Policy aims to manage and reduce potential risks of human rights violations in our operations and our supply chain.

Employee Representation

Under our Human Rights Policy, we recognize the right of our employees to freely form or take part in trade unions or other organizations aimed at defending and promoting their interests, aligning with local laws. Collective agreements cover topics such as employees' health and safety (the provision of protective clothing, compensation in case of injury, etc.), working conditions (wages, working time, flexibility schemes, vacation days, etc.), and training (training opportunities, the availability of funds for training, etc.), as well as discrimination and harassment. As of December 31, 2022, collective bargaining agreements covered 78% of Marelli's employees,.

Purchasing Values

Marelli aims to conduct itself as an accountable and responsible business across our full value chain. Marelli is committed to developing and implementing sustainable purchasing activities, and "Sustainability" is one of our 8 core Purchasing Values. To create long-term value for our stakeholders, we demand that our partners and suppliers comply with a set of requirements for conducting business with our Company.

Appointment of Suppliers

Our global suppliers are requested to sign the Marelli Purchase Agreement, which regulates the business relationship's framework and contains environmental and social clauses that cover conflict minerals, ethics and compliance. We proactively engage our suppliers in sustainability initiatives through our Supplier Sustainability Program. On-site audits are conducted at selected suppliers to identify any non-conformance to the mandatory corporate social responsibility (CSR) requirements.

Conflict Minerals Policy

Conflict minerals are natural resources of tin, tungsten, tantalum, and gold (3TG) extracted in conflict zones, which may be linked to human rights abuses and armed groups.

Marelli is a signatory of the Responsible Minerals Initiative.

Our suppliers are required to respect the Organization for Economic Co-operation and Development (OECD)/ RMI guidelines. Our commitment is reflected in our Code of Conduct and in coherence with it, we implemented the following activities to identify, assess, and mitigate conflict mineral risks in our supply chain:

- Make the use of conflict minerals key performance indicator (KPI) a criteria for the supplier selection process.
- We monitor supplier declarations of tin, tungsten, tantalum, gold, cobalt and mica. We also monitor rare earth materials gallium and germanium due to new restrictions in China.
- We require selected suppliers to fill out the Conflict Minerals Reporting Template (CMRT) or formally state their non-use of any conflict minerals.
- Track and be attentive to the suppliers' answers.
- Inform suppliers about conflict mineral issues through written communication and request a corrective action plan.

Annually, we require our suppliers to disclose the source(s) of any conflict minerals used in their products and comply with applicable laws and regulations including the European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Furthermore, we request the availability of related International Material Data System (IMDS) documentation for each component.

Dedicated email accounts have been created to track our communication with suppliers and customers.

Integrity Hotline

We have established an Integrity Hotline, which allows employees and third parties to report possible violations of the Code, company policies or procedures, or laws and regulations. The channel is available 24/7 and in 19 local languages. This system fosters a culture of integrity and ethical decision-making, in alignment with our company values.

In FY22, all concerns raised were addressed. For the substantiated cases, disciplinary actions were taken (including termination). We also implemented remediation plans like feedback, interviews, training and guidance. No concerns regarding forced labour, trafficking or other human rights breaches were raised in any of the operations of Marelli Automotive System Europe plc and its subsidiaries.

DUE DILIGENCE PROCESSES

Recruitment

We conduct right to work checks on all direct employees of Marelli Automotive Systems Europe plc and its subsidiaries; this includes checking that our employees are of an appropriate age to work and that, where applicable, the employee has a valid work visa.

3rd party due diligence

The primary risk exposure for our business lies in our supply chain so building a responsible and resilient supply chain is a top priority for Marelli.

Within Marelli's supply chain structure,

a dedicated Purchasing Department engages with local and global partners to ensure all our products and services suppliers comply with the terms and conditions set out in our standard Marelli Purchase Agreement, which mandates compliance with the UN Principles for International Human Rights Protection and Environmental Stewardship.

Supply chain risks are identified through our external AI platform provider, Resilinc, which predicts potential disruptions periodically by mapping and monitoring the ESG, macro-economic, geo-political, and natural disaster risks that all direct and indirect suppliers are facing.

On-site audits are conducted at selected suppliers to identify any non-conformance to our mandatory corporate social responsibility (CSR) requirements.

RISK ASSESSMENT & MANAGEMENT

As part of our Corporate Governance, Marelli revised its integrated Risk Management System, through an Enterprise Risk Management (ERM) process, including environmental, social and governance (ESG) risks, based on the ISO 31000 standard. The goal of this updated system is to create and improve performance, encourage innovation, and support the achievement of business and ESG objectives. The assessment methodology relies upon improved assessment criteria consisting of a revised enterprise-wide Risk Model organized in two main areas: (i) strategy setting and execution risks, and (ii) operational risks. It also introduces enhanced metrics (earnings before interest and taxes (EBIT), free cash flow (FCF), reputational, operational, ESG and likelihood, to support our business operations with a more effective methodology for risk assessment and opportunities to achieve our sustainable goals.

In 2022, Marelli assessed our supplier base by identifying critical suppliers and collecting primary data. Marelli began the process to obtain four third party audits on human rights, labour conditions, ethics and environmental managed at three Chinese and one Mexican plants. These audits will be finished in mid-2023.

TRAINING

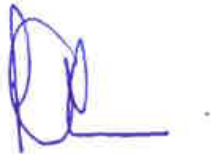
In 2022, 4.8 hours of human rights training was provided per employee. . This included (i) training on "Labour and Employment: A Global Perspective" to increase awareness of human rights principles, which achieved a 99% completion rate, and (ii) training on sustainable procurement that was delivered to the entire purchasing department (1,019 employees).

EVOLVING APPROACH TO SLAVERY AND HUMAN TRAFFICKING RISKS

Marelli is a company committed to ongoing improvement and we will continue to implement an ongoing programme to improve and strengthen our compliance activities. In accordance with the requirements of the Act, this statement will be reviewed, updated and published annually.

BOARD APPROVAL

This statement has been made on behalf of Marelli Automotive Systems Europe plc on behalf of its subsidiaries. It has been approved by Marelli Automotive Systems Europe plc and all of its UK registered trading subsidiary companies pursuant to board of director approval held on the 14th September 2023. A full list of such companies is held at Marelli Automotive Systems Europe plc's registered office in accordance with the Act. The board of Directors of each company has delegated authority to Mr. Paul Paton to sign this statement on their behalf.



Paul Paton

Director

Marelli Automotive Systems Europe plc