



SUPPLIER CODE OF CONDUCT

Second Edition

(Dec. 2023)

CONTENTS

INTRODUCTION	3
HUMAN RIGHTS.....	3
HEALTH & SAFETY.....	5
ENVIRONMENT & ENERGY CONSUMPTION	6
RESPONSIBLE SOURCING OF RAW MATERIALS	9
BUSINESS ETHICS & COMPLIANCE.....	9
SUPPLIER RESPONSIBILITY	11
DOCUMENT HISTORY	13

INTRODUCTION

Marelli Holdings Co., Ltd. and its controlled subsidiaries (“Marelli”) recognizes that a code of conduct establishes the values and fundamental principles that a company must uphold and act by in conducting its business. Therefore, Marelli puts forth this Supplier Code of Conduct (“Code”) to set the behavioral expectations of our suppliers (“Suppliers”).

Marelli establishes this Code on responsible and sustainable values for products and business and in alignment with the following standards: the United Nations Global Compact (of which Marelli is a signatory), the United Nations (UN) Guiding Principles on Business and Human Rights, and the Global Automotive Sustainability Guiding Principles. Marelli expects that Suppliers will understand and act consistently with Marelli’s approach to human rights, health and safety, environment and energy consumption, responsible sourcing of raw materials, business ethics and compliance, and supplier responsibility. Marelli requires its Suppliers to cascade similar standards and expectations throughout their own supply chains, and to demonstrate their compliance with these requirements upon request.

This Code aims to ensure that Suppliers act with the highest level of integrity, comply with all laws applicable to the Supplier's business and the automotive industry (“Applicable Laws”) and build a better future for our Suppliers, Marelli, and the communities where we do business. If the Applicable Laws fall below the standards required of this Code, Suppliers must comply with the higher standards contained in this Code. Marelli expects that all of its Suppliers shall operate consistently with the principles, values and alignment of this Code. Suppliers must stay up to date, and comply with, national and regional legislation as well as relevant and applicable international regulations and conventions related to the areas in this Code.

HUMAN RIGHTS

Suppliers shall respect the human rights of workers, local communities, and other relevant stakeholders, and prevent and address adverse human rights impacts linked to their business activities, in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights.

Freedom of Employment and Modern Slavery: Suppliers shall recognize the principle of freedom of choice of employment. Suppliers shall prohibit any forms of forced, bonded or compulsory labor, including human trafficking (International Labor Organization (ILO) Conventions 29 and 105). Employees of Suppliers must be free to leave employment without danger of penalty. Suppliers must not hold/retain government-issued identification, passports or work permits of their employees as a condition of employment.

Freedom of Movement: Suppliers will abide by the following worker’s rights:

- The worker’s right of movement and freedom to choose his/her residence,
- The worker’s right to leave any country, including his/her own, and
- The worker’s right to enter his/her own country

The worker's rights shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order, public health, public morals, or the rights and freedoms of others.

Child Labor and Young Workers: Suppliers shall observe the minimum employment age in their business activities and throughout their supply chain in accordance with the ILO Conventions No 138 on Minimum Age and No. 182 on the Prohibition of Worst Forms of Child Labor and shall ensure that child labor is not tolerated in any form. If any situation is found that violates child labor standards, the Supplier will take immediate and reasonable actions to remedy its alignment with the ILO child labor standards.

Working Hours: Suppliers shall comply with Applicable Laws and collective bargaining agreements (where applicable) regarding working hours, or at least comply with the ILO Standards on Working Time in case the relevant Applicable Laws have lower standards.

Right to Participate in Cultural Life: Suppliers shall respect employees' right to freely participate in the cultural life of the community, to enjoy the arts and to share scientific advancement and its benefits. Suppliers should respect and safeguard local community's cultural heritage, diversity of cultural expression and artistic freedom. Suppliers should acknowledge that everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which one is the author. Suppliers should ensure the respect of people's right to participate in cultural life along their supply chain.

Ensure Access to Water and Sanitation for Employees: Access to safe water for consumption (such as for drinking water), as well as hygienically safe sanitation is a basic human right. Suppliers should ensure within their own operations and promote within their supply chain continuous and proper water supply for each employee, sufficient for drinking water, personal sanitation, food preparation, and personal hygiene. Likewise, Suppliers should ensure the availability of an appropriate number of sanitation facilities for employees. Services and sanitation facilities must be culturally acceptable and might require gender-specific facilities, constructed in a way that ensures privacy, safety and dignity.

Wages and Benefits: Suppliers shall provide their workers with remuneration in accordance with Applicable Laws and prevailing industry practices; such remuneration shall be adequate to cover basic needs and enable a decent standard of living for the workers and their families, which includes respecting minimum wages, overtime compensation, medical leave and government-mandated benefits. Additionally, Suppliers will align with Article 7 of the International Covenant on Economic, Social and Cultural Rights.

Non-Discrimination/Non-Harassment and Humane Treatment: Suppliers shall not tolerate any form of discrimination or harassment in respect of employment and occupation and shall provide equal employment opportunities regardless of worker or applicant characteristics such as age, gender, sexual orientation, gender identity, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status or any other basis prohibited by law. Suppliers shall foster a work environment free of harassment and discrimination. Suppliers will not take part in any form of inhumane treatment including but not limited to, sexual harassment, bullying, physical or psychological violence, gender-based violence, sexual abuse, physical punishment, public shaming, or verbal abuse. Suppliers will not tolerate any such threat of the above inhumane treatment and will have appropriate discipline for workers engaging in any inhumane treatment.

Ethical Recruitment: Suppliers shall not mislead or defraud potential workers about the nature of the work, ask workers to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to worker passports and other government-issued identity documents. Workers shall receive a written contract or employment notification at the start of their recruitment in a language that is understood by them, stating in a truthful, clear manner their rights and responsibilities. Suppliers will only use employment agencies and brokers that comply with all recruitment laws.

Freedom of Association and Collective Bargaining: Suppliers shall allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Suppliers shall respect worker rights to associate freely, to join or not join labor unions, bargain collectively, seek representation and join workers' councils. When freedom of association and the right to collective bargaining are restricted by law, Suppliers must seek alternative ways to best respect the principles of ILO Conventions No. 87 and No. 98. Suppliers will comply with employees' right to peacefully assemble, associate and express their rights without threats, intimidation, physical harm or legal attacks.

Women's Rights: Suppliers shall provide equal opportunity in employment and commit to equal pay for equal work.

Diversity, Equity, and Inclusion: Suppliers shall develop and promote inclusive cultures where diversity is valued and celebrated, and everyone is able to contribute fully and reach their full potential. Suppliers shall encourage diversity in all levels of their workforce and leadership, including boards of directors.

Rights of Minorities and Indigenous Peoples: Suppliers shall respect the rights of indigenous peoples and local communities, promoted and protected throughout the supply chain in accordance with the 'UN Declaration on the Rights of Indigenous Peoples'. Suppliers are required not to engage in land grabbing, to obtain Free Prior and Informed Consent (FPIC) from existing land users and to promote adequate compensation where land use has been granted to the Supplier.

Rights of Refugees and Migrants: Suppliers shall not discriminate, exploit and marginalize migrants and refugees by taking advantage of their irregular situation and vulnerability. Suppliers should ensure that human rights violations against refugees and migrants do not occur in their supply chain.

Private or Public Security Forces: Suppliers shall not commission or use private or public security forces to protect the business project if, due to a lack of training or control on the part of the Supplier, the deployment of the security forces may lead to violations of human rights.

HEALTH & SAFETY

International Standards: Suppliers shall operate an effective and certified health and safety management system according to ISO 45001, or similar, to continuously minimize health and safety risks and improve working conditions for the workforce including sub-contractors working on site.

Health & Safety Laws: Suppliers shall provide a working environment that meets or exceeds Applicable Laws regarding safety, occupational health, and fire safety, in addition to encouraging remote workers to understand and apply best practices.

Personal Protective Equipment: Where applicable, Suppliers shall provide their workforce with necessary Personal Protective Equipment (PPE) and ensure they understand how and when it needs to be applied.

Emergency preparedness and readiness: Suppliers shall reduce the risk of occupational hazards and develop an emergency preparedness and effective response plan.

Incident and Accident Management: Suppliers shall implement:

- (i) hazard and risk analysis systems to minimize the potential for incidents or accidents at the workplace,
- (ii) an investigation system to determine the root cause of incidents or accidents, and
- (iii) a corrective action system to ensure all permanent measures have been taken to minimize the chance of a recurrence.

Contractors: Suppliers shall properly manage the health and safety of contractors as part of a Supplier's extended supply chain. Suppliers shall coordinate their procurement processes to identify hazards and to assess and control risks arising from the contractor's business activity with the Supplier, and the Supplier's business activity that impacts the contractors' workers.

ENVIRONMENT & ENERGY CONSUMPTION

Suppliers shall develop, implement, and support a proactive approach to environmental responsibility through environmental protection practices, conserving natural resources and reducing overall environmental footprint of production, goods and services throughout their life cycle.

International Standards: Suppliers shall operate an effective and certified Environmental Management System according to ISO 14001 or Eco-Management and Audit Scheme (EMAS).

Marelli Environmental Initiatives & Targets: Suppliers shall work cooperatively with Marelli to achieve our environmental sustainability targets. Suppliers shall monitor and provide requested data from their own operations as well as from their upstream activities, develop feasible and effective action plans, and participate in third party sustainability assessments.

Carbon Neutrality: Suppliers shall strive to prioritize energy efficiency across operations and its entire supply chain via renewable energy objectives and science-based targets to reduce the overall carbon emissions, with the aim to achieve a net-zero trajectory that doesn't allow carbon offsets by no later than 2045. Suppliers are strongly recommended to be endorsed by the Science-Based Targets Initiative (SBTi) in defining targets and objectives to limit global temperatures rising by 1.5°C compared to pre-industrial levels. Marelli reserves the right of request as a binding condition the SBTi endorsement.

CO2 emission reporting: Suppliers shall provide information related to CO2 emissions, such as the carbon footprint of the materials and parts they deliver to Marelli, their weight, their energy consumption during the production process and -in case of equipment- the energy consumed. For emissions, suppliers are requested to disclose the emission factors used in calculations, LCA (Life Cycle Assessment) results, etc. Such information may be shared further with OEMs. Suppliers are strongly encouraged to annually report their emissions data via reliable platforms such as the CDP (Carbon Disclosure Project) climate change questionnaire.

De-carbonization plan: Suppliers shall promote society's de-carbonization and provide evidence of a structured roadmap to reach net-zero by no later than 2045.

Water Usage & Security: Suppliers shall improve their water conservation efforts by tracking and monitoring water consumption. Suppliers shall implement recycling practices to enable circular economy, effectively reuse and recycle water with responsible treatment of wastewater discharges and prevent potential impacts from extreme weather events such as droughts and flooding, as required by and in accordance with Applicable Laws. Suppliers shall prohibit the use of chemicals and materials that can be particularly detrimental to water quality if improperly disposed.

Water Usage & Security Reporting: Suppliers shall provide information related to water used in the process of manufacturing parts/products supplied to Marelli – and in the case of equipment, their expected water usage. Suppliers are strongly encouraged to annually report data regarding their water usage via the CDP water security questionnaire. Upon request, Marelli may formally request that Suppliers respond to and share their CDP water security questionnaire.

Air Quality: Suppliers shall routinely monitor and disclose, appropriately control, minimize, and to the extent possible, eliminate emissions contributing to air pollution, as required by and in accordance with Applicable Laws. Suppliers shall assess cumulative impacts of pollution sources at their facilities and mitigate their pollution levels accordingly.

Responsible Chemical Management: Suppliers will identify, label, store, and manage chemicals, waste, and other materials posing a hazard to human health or the environment and will use safe handling, movement, storage, use, recycling or reuse, and disposal methods in compliance with Marelli requirements and international, national, and local laws. Suppliers should identify, minimize or eliminate the use of restricted substances in finished products and their manufacturing processes, and actively investigate suitable substitutes to maintain product and environmental stewardship. Suppliers must monitor and adhere to local laws that establish bans on use of toxic substances.

Restrictions of Substances and Materials: Suppliers will adhere to all Applicable Laws, regulations and Marelli requirements regarding restrictions and prohibitions of specific substances in products and manufacturing including those related to labeling and disposal. As required by Applicable Law, Suppliers shall provide to Marelli information or reports of the composition of all substances or materials supplied to Marelli, plus any other relevant information, in the International Material Data System (“IMDS”) or other designated method, and Suppliers shall promptly communicate any changes into IMDS.

Solid Waste Management: Suppliers will comply with all Applicable Laws regarding solid waste management and shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (hazardous and non-hazardous).

Animal Welfare: Suppliers shall respect the five animal freedoms formalized by the World Organization for Animal Health (OIE) concerning animal welfare. No animal shall be raised and killed for the single purpose of being used in an automotive product.

Circularity: Suppliers shall promote internal and external closed loop systems by reducing waste generation, promoting the reuse of resources (e.g. remanufacturing) and the use of more sustainable materials including recycled ones. Suppliers shall apply modular designs as much as possible, so

products' constituent parts can be easily separated and either re-used without further processing, or easily recycled near the point of disposal.

Circularity Reporting: Suppliers shall submit information about the recycled content of the materials and parts they deliver to Marelli via the International Material Data System (IMDS), for IMDS reporting. In order to comply with recycling legislations and customer requirements, Suppliers shall provide material composition data (e.g. identification and weight of composing materials), and the guarantee of origin of the source of energy used to recycle those materials.

Biodiversity, Deforestation, land, forest and water rights and forced eviction: Suppliers have a responsibility to protect ecosystems, including key biodiversity areas, and avoid illegal deforestation in accordance with international biodiversity regulations, including the International Union for Conservation of Nature (IUCN) Resolutions and Recommendations on Biodiversity. Marelli relies on suppliers who actively implement deforestation-free supply chains and achieve tangible results through reliable initiatives and local agreements. Additionally, suppliers should respect land, forest, and water rights and avoid forced eviction. They should not deprive communities of these resources during acquisition, development, or any other use.

Soil Quality: Where appropriate, Suppliers shall monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination.

Noise Emissions: Where appropriate, Suppliers shall monitor and control the levels of industrial noise to avoid noise pollution.

RESPONSIBLE SOURCING OF RAW MATERIALS

Suppliers shall not use raw materials that directly or indirectly contribute to human rights abuses, health and safety issues, environmental pollution, or compliance breaches of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals Standard such as use of tin, tungsten, tantalum and gold (3TG) originating from or transported through conflict-affected and high-risk areas (CAHRAs) like the Democratic Republic of the Congo (DRC) and its nine adjoining countries, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia, as well as other raw materials, such as cobalt, mica, lithium, and copper.

Suppliers shall obtain raw materials from smelters and refineries that have been audited using independent, third-party assurance, such as the Standard for Responsible Mining from the 'Initiative for Responsible Mining Assurance' (IRMA).

Suppliers shall maintain (and disclose) records regarding their supply chain including information on the origin of the material, e.g., via the 'Responsible Minerals Assurance Process' (RMAP) by the RMI.

Suppliers shall provide annually, within the assigned deadline, the "Conflict Minerals Reporting Template" (CMRT) and the "Extended Minerals Reporting Template" (EMRT).

BUSINESS ETHICS & COMPLIANCE

Anti-Corruption/Anti-Bribery: Suppliers shall strive to forge transparent and fair relations. Suppliers shall not offer or accept bribes, or facilitation payments. Suppliers shall ensure that political contributions and donations are in accordance with Applicable Laws. Suppliers shall not accept or provide gifts, services or hospitality intended to influence a business relationship or induce improper conduct.

Anti-Money Laundering: Suppliers shall not facilitate or support money laundering and shall prevent any types of fraud. Suppliers shall report any suspicious transactions and be alert for signs of money laundering.

Data Protection and Data Security: Suppliers shall only collect personal and/or confidential information about customers, third parties and employees through legitimate methods and in compliance with Applicable Laws. Suppliers shall rigorously control and protect this information and only use, process, disseminate or retain it for its legitimate purpose, and at all times in accordance with Applicable Laws.

Financial Responsibility/Accurate Records: Suppliers shall perform their business dealings in a transparent manner and accurately reflect them in the Supplier's own financial reports and filings. Suppliers shall ensure that an adequate financial reporting control system is in place.

Disclosure of Information: Suppliers shall disclose financial and non-financial information ("Confidential Information") in accordance with Applicable Laws, agreements and prevailing industry practices. In no event shall Suppliers disclose Marelli's Confidential Information without Marelli's prior written approval.

Inside Information and Securities Trading: Suppliers shall not trade based on inside information about Marelli or about our customers, vendors, subcontractors, business partners, or competitors.

Conflicts of Interest: Suppliers shall ensure that their employees avoid situations where their financial or other interests conflict with job responsibilities, or situations giving any appearance of impropriety.

Counterfeit Parts: Suppliers shall minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.

Intellectual Property: Suppliers shall respect valid intellectual property rights and protect them. Suppliers shall not obtain third-party intellectual property by unlawful means nor make improper use of it.

Import/Export Controls, Trade, and Economic Sanctions: Suppliers shall comply with all Applicable Laws on the import/export or re-import/re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or individuals.

Remediation: Suppliers shall provide for, or cooperate in remediation through legitimate processes, when their business activities cause or contribute to adverse environmental or social impacts.

Non-retaliation: Suppliers shall avoid any form of threats, intimidation, and physical or legal attacks against stakeholders, including those exercising their legal rights to freedom of expression, association, peaceful assembly and protest against their business activities.

Anti-Competition/Anti-Monopoly/Anti-Trust/Fair Trade Laws: Suppliers shall determine and implement independent business decisions. Suppliers shall not engage in practices that distort competition such as illegal monopolies (e.g., cartels, bid rigging, allocations of customers, products, markets or capacities), improper trade restrictions, unfair business practices, abuse of dominant positions or the sharing of sensitive business information with competitors.

Preventing and eliminating criminal relations: Suppliers shall prevent and eliminate any relationship and/or any business transaction with criminal organizations or any members thereof (such as organized criminals, corporate racketeers, etc.).

Cyber Security: Suppliers should establish end-to-end cybersecurity measurements to protect critical systems and sensitive information from digital attacks. A comprehensive cybersecurity strategy, governed by best practices and modern key technologies like automation, digitalization, advanced analytics, artificial intelligence (AI) and machine learning are required prerequisites to ensure adequate information security by preventing, detecting, and responding to attacks in an efficient way.

Artificial Intelligence (AI): Suppliers should develop and establish a solid and reliable AI governance framework consisting of processes, methods, controls and supporting tools to drive greater confidence and transparency in the end-to-end lifecycle of AI. To ensure traceability of the system's operation, it is recommended that automatic event logging capabilities be implemented throughout the entire life cycle.

Data Integrity: Suppliers should ensure that products are designed, manufactured, tested and suitable for use based on data that is accurate, reliable, and complete. Product quality is of the highest priority, and data integrity is a fundamental aspect of a Supplier's Quality Management System.

Fair Business, Advertising and Competition: Standards of fair business, advertising, and competition are to be upheld.

SUPPLIER RESPONSIBILITY

Supplier Commitment

The provisions set forth in this Supplier Code of Conduct define the basis for a Supplier's collaboration with Marelli. The requirements set forth herein form an integral part of any agreement between Marelli and a Supplier. All Suppliers are requested to accept this Supplier Code of Conduct by:

- Accepting the Marelli Purchase Agreement or General Terms and Conditions; and/or
- Acknowledging the Supplier Code of Conduct in the Request for Quotation dedicated form.

Management System

Suppliers shall establish a robust internal management system to ensure compliance with Applicable Laws and the standards contained in this Code. At a minimum, Suppliers' internal management system should include the following key components:

a) Policies & Procedures

Suppliers shall put in place policies and procedures regarding the key compliance and sustainability topics contained in this Code. Such documents should clearly set out the Suppliers' position and the specific actions that will be taken to ensure compliance with Applicable Laws and the standards contained in this Code.

b) Risk Identification & Action Plans:

Suppliers shall map their supply chain to effectively identify, analyze and prioritize material compliance and sustainability risks and implement effective action plans to address them properly.

c) Due Diligence

Suppliers are expected to choose contractors and sub-contractors that uphold the principles of this Code.

Suppliers shall take steps to ensure that their contractors and sub-contractors are informed of, and are required comply with, the Applicable Laws and standards contained in this Code (such as issuing their own supplier code of conduct or including obligations in their contracts).

Suppliers shall implement a due diligence process to ensure that their contractors and sub-contractors comply with Applicable Laws, as well as the standards set out in this Code.

d) Grievance Mechanism

Suppliers shall establish an operational-level grievance mechanism (OLGM) that allows concerns related to compliance with Applicable Laws, business ethics, human rights, or any other topic to be raised anonymously, confidentially and without retaliation.

Such mechanism should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, based on dialogue and engagement and a source of continuous learning.

Suppliers should cooperate with reporters in good faith.

Reporting and Auditing

Suppliers shall promptly provide Marelli with information to demonstrate its compliance with the standards of this Code and satisfy Marelli's Sustainability reporting duties and targets. Marelli is entitled to inspect and audit the processes established by Supplier.

Suppliers are not authorized to provide any information on behalf of Marelli directly to OEMs without Marelli's prior written consent. If Marelli's customer requests a visit to inspect a Supplier's facilities or operations, Supplier shall promptly inform Marelli and permit a Marelli representative to be present during the visit.

Sustainability Assessment

Marelli shall monitor the sustainability/ESG maturity of its Suppliers on a regular basis, by requesting either the completion of a dedicated sustainability assessment or assessment provided by a third party (for example, SAQ EcoVadis, RBA, etc.), as agreed with OEM's.

Actions in the event of Supplier breaches

Suppliers shall promptly report any actual or potential non-compliance with Applicable Laws or the standards contained in this Code by contacting Marelli Purchasing at the following email: supplier.sustainability@marelli.com.

Marelli is committed to ensuring compliance with this Code by utilizing Artificial Intelligence tools to analyze public information available worldwide to evaluate adherence to the items covered in this Code. In this process, suppliers are not required to wait for notification but are encouraged to proactively demonstrate their commitment to corrective action plans.

Supplier shall promptly develop a corrective action plan and implement improvement activities to ensure compliance.

Marelli shall evaluate the adequacy of the action plan and the effectiveness of the improvement implemented by Supplier and shall determine the eligibility of the Supplier to continue business with Marelli.

The highest escalation level is equivalent to 'New Business Hold' where Supplier shall be excluded from Marelli's sourcing process without any possibility to receive new business.

Marelli Integrity Hotline

Suppliers are encouraged to report any potential or actual non-compliance by directly communicating with the Marelli Purchasing team. However, concerns may also be raised (even anonymously) to Marelli via our Integrity Hotline at www.marelli.ethicspoint.com.

Sustainability Targets

Specific targets can be deployed each year and/or can be included into the Request For Quotation; its acceptance is mandatory condition to be eligible to any new business with Marelli.

Failure to comply with this Supplier Code of Conduct will negatively impact the Supplier's eligibility to continue as a Marelli Supplier or to receive new business from Marelli.

DOCUMENT HISTORY

Date	Edition	Contents
December 2022	First edition	First Marelli Global edition. Newly published as "MARELLI Supplier Sustainability Guidelines".
December 2023	Second edition	<ul style="list-style-type: none">- Document title changed into "Supplier Code of Conduct"- Documents reviewed by Compliance Dept.