

2023 ANNUAL REPORT



Making a
difference

+ Chairman and
CEO's statement

*"We are transforming the world,
we are making a difference"*

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Chairman and CEO's statement



Antón Pradera
Chairman



Jesús Mª Herrera
Chief Executive Officer

We are transforming the world, we are making a difference

Dear friends of CIE Automotive:

It is our pleasure to introduce CIE Automotive's Annual Report for 2023, a year in which we feel like we made a real difference and helped transform the world through our work. The following pages explain how we took decisions and how we embarked on pathways that not only served to consolidate our financial success but also impacted the people and organisations around us and will ultimately benefit society and the planet in the long term.

We are living in challenging times: the sector is faced with making heavy investments to decarbonise vehicles and increase their connectivity and comfort; it is being drawn into a price war in the electric vehicle segment; and inflation and higher costs are putting pressure on our earnings. There are also, however, encouraging signs that we are on the cusp of a new automotive cycle. Ageing vehicle fleets around the world, low penetration in emerging economies, and growing sensitivity around more environmentally-friendly cars are some of the most promising factors.

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In 2023 we once again marked new records in revenue, profitability and cash generation.

We posted a net profit of €320.2 million, growth of 6.7% from 2022

Despite this uncertain climate, with its highlights and lowlights, in 2023 we once again marked new records in revenue, profitability and cash generation. We posted a net profit of €320.2 million, growth of 6.7% from 2022. Our bottom line was driven by topline growth of 3.1% to €3.96 billion and a stronger performance across all our markets, lifting the group's EBITDA to €713.2 million, implying a margin of 18.0%. We converted €447.4 million of that EBITDA into cash flow and brought our net debt down to €1.13 billion. In parallel, we paid our shareholders over €100 million, so delivering our commitment to paying out one-third of our net profit in dividends.

As you can see, these are truly extraordinary numbers, especially considering the environment, which is why we want to thank and congratulate the entire CIE Automotive team for making them possible.

We are optimistic about the future. We are ready to take advantage of the opportunities thrown up by the current market trends to surmount the challenges looming and continue to generate value for our shareholders, both through dividend payments and share price gains, as we have been doing for over 25 years.

To do that, we have a unique business model, which has proven its worth in very tough times, articulated around six pillars: multiple locations, customer diversification, a multi-technology approach, disciplined investing, decentralised management and embedded sustainability standards. A model that will allow us to meet the ambitious targets set down in our 2025 Strategic Plan, which position us among the three most profitable automotive parts makers.

With that in mind, in 2023 we redirected our financial and managerial resources to the businesses and markets offering most growth potential and highest returns. We acquired Iber-Oleff Brasil in a transaction that has reinforced our position in a growth market and allowed us to diversify our local customer base, and we sold our German forging factories specialised in the European truck market.

Financial returns are not, however, our only ambition. Throughout last year we met all our compliance requirements and continued to engage all our professionals in the task of embedding ESG matters into our day-to-day operations. As signatories of the United Nations Global Compact, we aspire to contribute to delivery of the Sustainable Development Goals contemplated in the Agenda 2030 to end poverty, protect the planet and ensure that everyone can live in peace and prosperity. We are well aware that with 10 R&D centers and 108 plants in 17 countries, we are in a privileged position to do that.

Our responsible doings have a domino effect on the supply chain: In 2023, **we renewed our ISO 20400 Sustainable Procurement certification and rolled out our Supply Chain Race 2 Zero programme**

Chairman and CEO's statement



Our 25,274 employees at year-end 2023 are both architects and beneficiaries of our transformation process. It is thanks to their dedication that we were able to continue to grow in 2023, generate wealth and mobilise other people so that they too become agents of change. In exchange, we provided them with €35 million worth of support measures (health insurance, food, transportation, etc.) and offered them as safe, stimulating and fair a place to work as possible, regardless of where they carry out their work.

We lifted the percentage of women in our workforce by two points and by year-end had completed diversity and inclusion assessments at 93% of our factories, generating action plans for including people of different cultures, genders, generations and abilities. This is a particularly important milestone in countries whose populations are not sensitive to these matters and where there is no legislation around them.

Our responsible doings have a domino effect on our supply chain. In 2023, we renewed our ISO 20400 Sustainable Procurement certification and rolled out Supply Chain Race 2 Zero, our project for rallying our worldwide suppliers around our goal of being net zero by no later than 2050, offering them resources, guidance and environmental training. This initiative is part of our new environmental roadmap which echoes and expands on the targets set in our 2025 Strategic Plan and establishes new steps towards climate neutrality.

Last year we accompanied our customers with their efforts to decarbonise transport by investing in technology projects aimed at reducing the weight of our parts and improving material circularity. We also participated in a number of research programmes related with the electrification of transport, including Basquevolt, the Basque alliance for the creation of solid-state lithium batteries.

All these activities favour progress in society and development in our business communities, which we supported in 2023 by contributing €497 million of tax and participating in community projects that benefitted over 41,500 people, projects we are certain will have a multiplier effect in the long term.

In 2023 we demonstrated that the future is not preordained, that it is our actions that mark the difference. We know that much remains to be done to create the fair, prosperous and sustainable world we all long for but we are convinced that we are taking steps in the right direction and that is something we are proud of.

Thanks to all for your support,

Antón Pradera
Chairman

Jesús M^a Herrera
Chief Executive Officer

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At CIE Automotive we aspire to be a benchmark in the transformation of the automotive parts sector. Aware that sustainability is essentially a continuous journey towards excellence, in 2023 we worked hard to continue to mark new growth and profitability records, to widen our social impact and to accelerate the decarbonisation of our activities, remaining firmly on the roadmap set in our 2025 Strategic Plan.

Our achievements in figures

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EBITDA

713.2 M€

12.6% VS. 2022 18% MARGIN

NET
PROFIT

320.2 M€

6.7% VS. 2022 8% MARGIN

CASH FLOW FROM
OPERATIONS

447.4 M€

65% OF EBITDA

NET
DEBT

1,126.5 M€

-11% VS. 2022 1.56X ND/EBITDA

REVENUE

€3.96 billion

+3.1%* VS. 2022

(*) 9.1%, at constant exchange rate and including 3 adjustment points for the effect of raw material transfer. This growth is very similar to that of the market, 9.4%, calculated using light vehicles production S&P IHS February 2024 (12 months 2023) (growth % in units). Global market and Indian market weighted with CIE Automotive segment mix in India (PV, 2W, MHCV, tractor).

Shared achievements



SHAREHOLDERS

€100.6 MILLION
PAID OUT
IN DIVIDENDS

MEETINGS WITH
**+400 ANALISTS
AND INVESTORS**



CUSTOMERS

92 FACTORIES
WITH TRIPLE CERTIFICATION

≈2% OF REVENUE
EARMARKED TO R&D
PROJECTS

41% OF NEW ORDERS
FOR ELECTRIFIED VEHICLES
(NEV - NEW ENERGY VEHICLES)



SOCIETY

€84.2 MILLION
PAID IN TAX

OVER €1 MILLION
INVESTED IN
COMMUNITY WORK

MORE THAN **41,500**
BENEFICIARIES

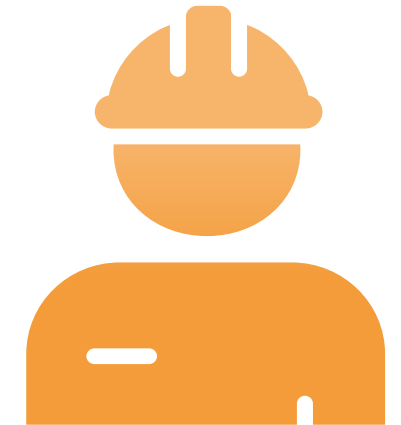


SUPPLIERS

€2.95 BILLION SPENT
ON PROCUREMENTS

92.2% OF SUPPLIERS
ARE LOCAL

**698 QUALITY
AND ESG AUDITS**



EMPLOYEES

25,294 EMPLOYEES
IN 19 COUNTRIES

807,806 HOURS
OF TRAINING

20% OF EMPLOYEES
ARE FEMALE (+2%)

9% REDUCTION
IN THE INJURY FREQUENCY
RATE AND
16% REDUCTION
IN THE INJURY SEVERITY
RATE

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Progress on environmental commitments

ROLLOUT OF A NEW ENVIRONMENTAL ROADMAP for the medium and long term

SUPPLY CHAIN RACE 2 ZERO decarbonisation programme

ENVIRONMENTAL FOOTPRINT MEASURED in all geographies

IMPROVING INDICATORS *

EMISSIONS



-20.54%
VS 2022

337,937 T CO₂e

WATER CONSUMPTION



-1.93%
VS 2022

1,625,246.7 M³

WASTE



+11.21%
VS 2022

380,071.23 MT

(*) Data on environmental consumption and emissions includes emissions from discontinued German forging companies until June 30, 2023, and do not includes data from Salgglas, which represents less than 0.3% of the group's sales.

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Progress on social commitments

CORPORATE DIVERSITY
PLAN: Assessment
complete at 93% of our
factories

ULYSSES PROGRAMME:
17 students, 4 countries
and +10 factories

CERTIFICATION: 94%
of factories are ISO
45001-certified

ESG TRAINING:
97% of our plant
Management
Committee members
are trained in ESG



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Progress on governance

New PLATFORM for the
Whistleblowing Channel

Rollout of CRIMINAL RISK
MAP in Italy, Romania and
Slovakia

Monitoring of 79 ESG
INDICATORS within the 2025
Strategic Plan

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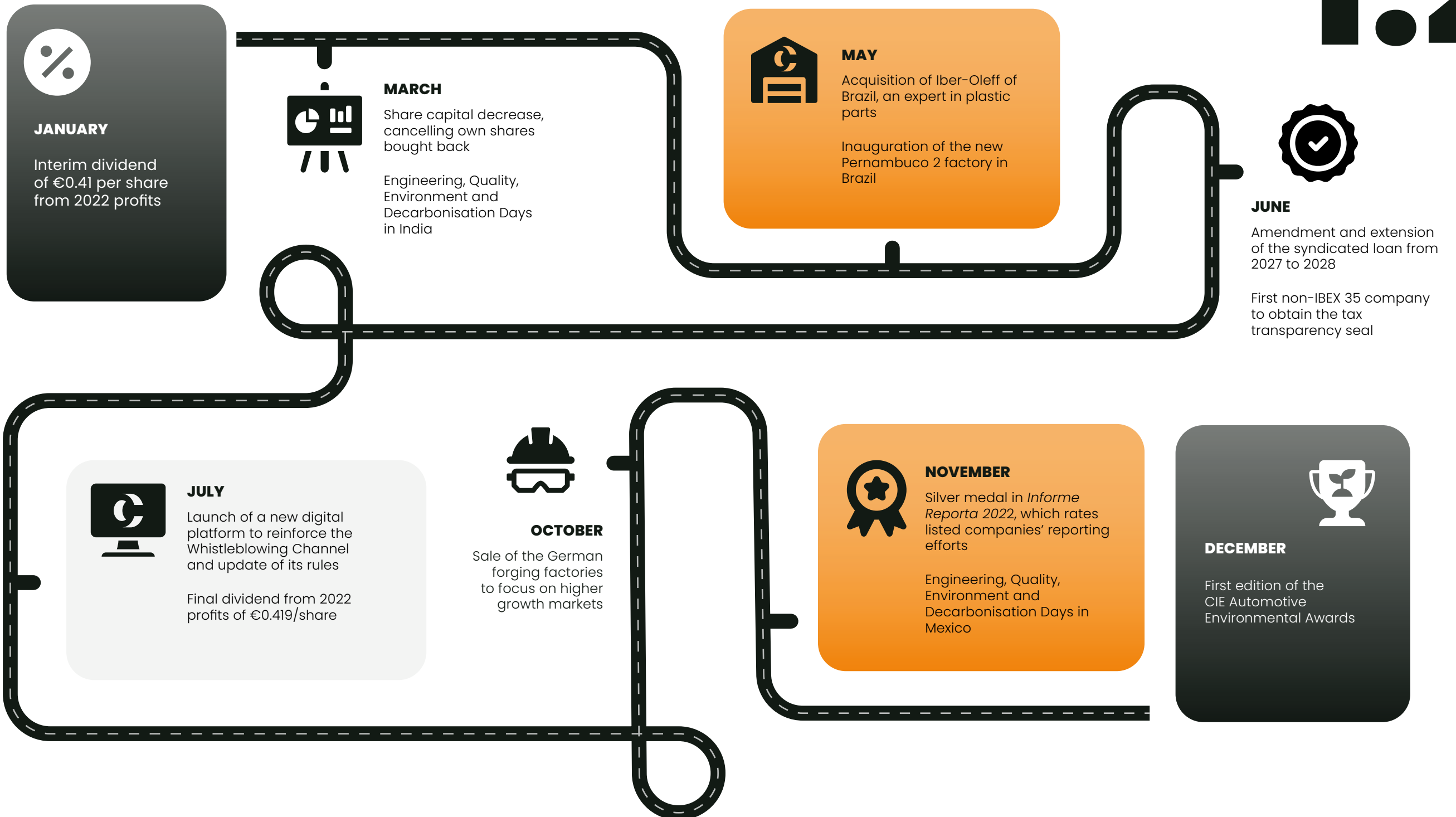
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- CIE USA
- CIE Newcor RGI Clifford
- CIE Newcor MTG
- CIE Somaschini North America
- Golde Auburn Hills

2. MEXICO *R&D*

- CIE Amaya Mex
- CIE Celaya (multitech.)
- CIE Matic
- CIE Nugar
- CIE PEMSA Celaya
- CIE Plásticos México
- CIE PEMSA Saltillo
- CIE Forjas de Celaya
- Bill Forge de México
- Golde Puebla
- CIE Mapremex

3. BRAZIL *R&D*

- CIE Autoforjas
- CIE Autometal SBC
- CIE Dias D'Ávila
- CIE Autocom
- CIE Jardim Sistemas
- CIE Nakayone
- CIE Durametal
- CIE Taubaté
- CIE Autometal Diadema (multitech.)
- CIE Autometal Pernambuco
- CIE Autometal Minas
- CIE Autometal Salto
- CIE Autometal Pernambuco II

4. SPAIN *R&D*

- CIE Alcasting
- CIE Amaya
- CIE Denat
- CIE Egaña
- CIE Galfor
- CIE Gameko
- CIE Inyectametal
- CIE Legazpi
- CIE Mecasur
- CIE Mecauto
- CIE Norma
- CIE Nova Recycl
- CIE Orbelan
- CIE Recycle
- CIE Recylan
- CIE Recytec
- CIE Udalbide
- CIE Vilanova
- ACS Ibérica

5. PORTUGAL *R&D*

- CIE Stratis
- CIE Plasfil

6. FRANCE *R&D*

- CIE Compiègne
- ACS France

7. ITALY

- Metalcastello Spa
- CIE Somaschini
- CIE Somaschini Automotive

8. MAROCCO

- CIE Maroc

9. GERMANY *R&D*

10. HUNGARY

- CIE Salgglas

11. LITHUANIA

- CIE LT Forge

12. CZECH REPUBLIC

- CIE Zdanice
- CIE Metal CZ
- CIE Plasty
- CIE Unitools Press
- CIE Praga Louny

13. SLOVAKIA *R&D*

- CIE Mar SK
- Golde Lozorno

14. ROMANIA

- CIE Matricon
- ACS Romania
- Golde Oradea

15. RUSSIA

- CIE RUS

16. CHINA *R&D*

- CIE Automotive Parts Shanghai (multitech.)
- Nanjing Automotive Forging
- ACS Shanghai
- ACS Wuhan
- Golde Changchun
- Golde Shanghai
- Golde Tianjin
- Golde Wuhan
- Golde Shandong
- SAMAP Ningde
- SAMAP Shanghai

17. INDIA *R&D*

- CIE India Forgings Pune
- CIE India Gears Pune
- CIE India Gears Rajkot
- CIE India Stampings Rudrapur
- CIE India Stampings Nashik
- CIE India Stampings Kanhe
- CIE India Stampings Kanhe II
- CIE India Stampings Zaheerabad
- CIE India Stampings Pantnagar
- CIE India Stampings Nagpur
- CIE India Composites Division
- CIE India Foundry Division
- CIE India Magnetic Products Division
- Bill Forge Bommasandra
- Bill Forge Jigani (Plant 2)
- Bill Forge Attibele
- Bill Forge Coimbatore
- Bill Forge Haridwar
- Bill Forge Jigani (Plant 6)
- CIE Aluminium Casting Aurangabad HPDC
- CIE Aluminium Casting Aurangabad GDC
- CIE Aluminium Casting Pantnagar
- CIE Aluminium Casting Pune
- CIE Hosur
- Golde Pune

Global footprint

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History

1996

INSEC investor group set up to create a Spanish business group in the automotive services sector and an agreement to make an equity investment in Egaña SA to set up Corporación Industrial Egaña.

1997

Corporación Industrial Egaña embarked on national expansion with the acquisition of Basque SMEs from the sector which brought the group know-how in a range of technologies.

1998

Start of international expansion in Europe with the acquisition of Unitools Press, in the Czech Republic.

1999

Creation of Autokomp Ingeniería, the embryo for the current technology centre, to provide the group companies with R&D support.

2000

Entry into the Brazilian market with the acquisition of 50% of Autometal.

2002

Corporación Industria Egaña merges with Grupo Aforasa to create CIE Automotive.

Inauguration of the company's first greenfield factory in Mexico, in the town of Celaya.

2006

Entry into the Chinese market, CIE Automotive's first Asian stop, with a greenfield project, CIE Automotive Parts Shanghai.

Creation of the CIE Desc joint venture in Mexico, marking a qualitative leap in the ability to service North American customers.

2009

Entry into the roof systems segment with the acquisition of Advanced Comfort Systems (ACS).

2011

Reverse merger with Dominion via Inssec.

CIE Autometal listed on the Sao Paulo stock exchange.

2012

Initial foray into the US market with the acquisition of Century Plastics.

Maiden forging factory in Asia with the creation of the Nanjing Automotive Forging joint venture (NFJ).

2013

Entry into the Indian market via the strategic alliance with India's Mahindra & Mahindra Group, giving rise to MCIE (since renamed, CIE India), a listed company.

2014

Delisting of CIE Automotive's Brazilian subsidiary, Autometal.

2015

Endorsement of the United Nations Global Compact, approval of the group's CSR & Sustainability Policy and creation of the Cross-Group CSR Committee (currently, the Cross-Group ESG Committee).

2016

CIE Automotive lists its technology subsidiary, Dominion.

2017

Publication of the Global Supply Chain Manual.

Celebration of the first CSR Day (currently called ESG Days).

2018

CIE Automotive's shares in Dominion distributed to the company's shareholders in the form of an extraordinary dividend.

Creation of the Suppliers Portal as a management tool focused on overseeing ESG risks.

2019

Acquisition of Inteva's roof systems division, positioning CIE Automotive in the global top 3 in the design and manufacture of roofs.

2020

CIE Automotive ties its €690 million syndicated loan to green finance criteria.

Membership of the SERNAUTO Responsible Business Committee.

First share buyback and cancellation programme.

2021

CIE Automotive turns 25 and unveils its 2025 Strategic Plan.

2022

Commitment to achieve climate neutrality before 2050 announced.

Second share buyback and cancellation programme.

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Ready for change

The challenges facing the
automotive sector, having
revisited pre-pandemic volumes

A genuine
business model

The commitments
that inspire us

Our sustainable growth strategy

We are ready to lead change at our company and in the sector. a firm commitment to people and the planet, a resilient model set to overcome challenges, an effective strategy for delivering our targets and the technological know-how to make them happen.

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The challenges facing the automotive sector, having revisited pre-pandemic volumes

The automotive industry's productive model is in the midst of profound transformation in a bid to decarbonise vehicles and increase their connectivity and comfort, while keeping prices in check. Having surmounted the supply chain friction that was impeding this transition, the experts anticipate the start of a new cycle driven by vehicle substitution in developed markets and low vehicle penetration in emerging markets. In 2023, production amounted to 90.3 million vehicles, revisiting pre-pandemic levels.

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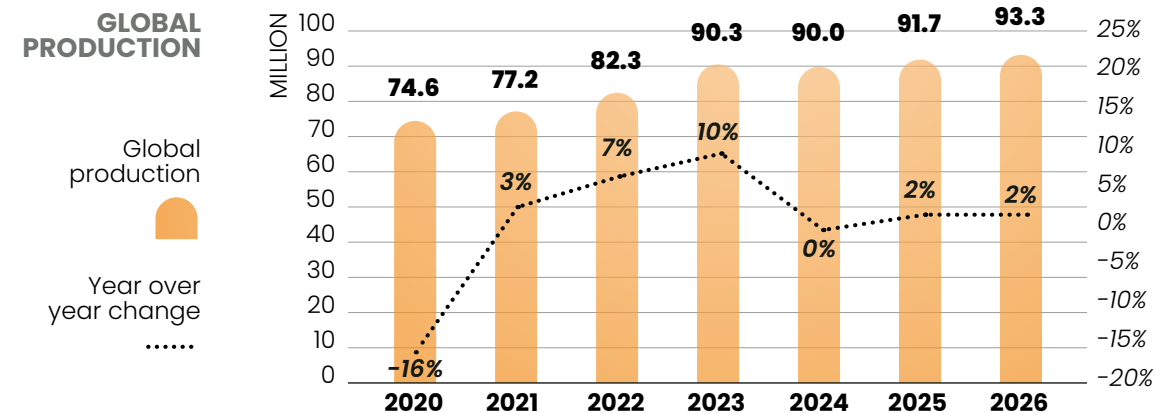
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Sector background

2023 was a year of recovery for the automotive sector. Although the concerns about the supply chain did not fade entirely, the situation improved gradually: chip delivery times came down, raw material prices remained in check and the transport logistics issues were resolved.

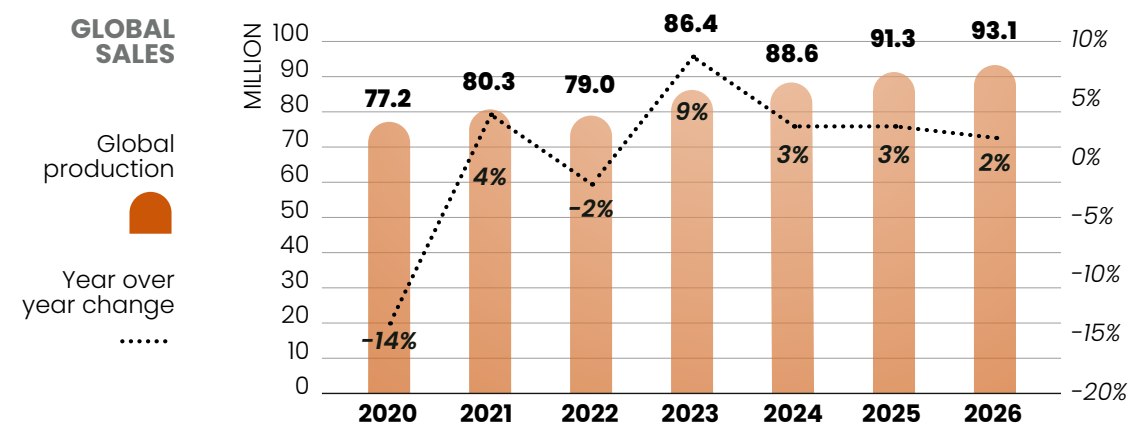
As these issues began to recede, global light vehicles production started to rise, ending the year at 90.3 million vehicles. That volume, up 9.7% from 2022 and back at pre-pandemic levels, reflects the replenishment of inventories and satisfaction of the order backlog.

As these issues began to recede, **global light vehicles production started to rise, ending the year at 90.3 million vehicles**



Source: S&P IHS

In parallel, sales increased to 86.4 million units, up 9% from 2022, helped by the recovery in production volumes.



Source: S&P IHS

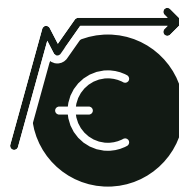
Challenges and opportunities

CIE Automotive monitors the market constantly to detect risks and opportunities that could shape its business in the future (refer to the chapter on "Risk management"). This permanent scrutiny allows it to mitigate the key market risks and leverage its competitive advantages.

Next is a description of the main challenges and opportunities, with further information provided in "Risk management - Market risks":

CHALLENGES

Despite the sector's strong performance in 2023 in the wake of global supply chain normalisation, the business faced certain challenges that could well become more pressing in the years to come:



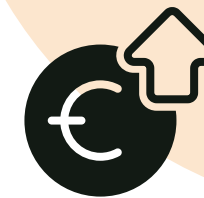
Economic slowdown

According to the International Monetary Fund's estimates, the global economy grew at a moderate rate of 3% in 2023 and will slow to 2.9% in 2024, well below the 3.5% recorded in 2022 and average growth of 3.8% between 2000 and 2019. Prospects are, however, very different between the advanced economies, where the slowdown is expected to be more pronounced, and emerging and developing economies, which are expected to register higher growth.



Heavy investment in electric vehicles

The transition to electric mobility is requiring heavy investments in new technology around batteries, vehicle autonomy and electric propulsion systems. The OEMs need to design specific vehicle platforms, requiring significant investment in engineering and design. Automotive suppliers need to improve their production lines to adapt them for electric vehicles which implies, in addition to capital expenditure, investing in skills.



Increase in borrowing costs

The automotive sector players were faced by an increase in borrowing costs as a result of the successive interest rate increases implemented to curb inflation. The increase in the cost of money left many OEMs and suppliers, which had leveraged up to deal with the fallout from the pandemic and/or invest in vehicle electrification, in a precarious position.



Price war in electric vehicle segment

Growth in electric vehicles is driving the OEMs to cut prices aggressively in order to build a position in the market. A price war broke out in January when one of the electric vehicle segment leaders cut the price of its cheaper models in a move that was quickly followed by the other OEMs, worried they would be left out of this niche; discounts went as high as 15% on some models in China. In fact, the Chinese electric vehicle makers are making major inroads, exporting very cheap models to Europe.

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OPPORTUNITIES

Despite these challenges, there is talk about a new cycle in the automotive industry, buoyed by the following factors:



Shift in demand composition

The economic slowdown, coupled with an ageing fleet in developed economies and growth in developing economies, could change the market's composition. While demand is expected to remain steady in terms of volumes, the outlook is for a higher share of sales in the mass market segment and in sales in developing economies.



Ageing global vehicle fleet

The advanced age of the stock of vehicles on the road implies potential demand via substitution. The OEMs can tap this demand by offering updated models with enhanced features, more modern technology and more efficient performance. There is pent-up demand in the US and Europe among buyers who are not shopping for second-hand cars, suggesting they are waiting to buy a new car.



Public interest in the new electric vehicles

Growing environmental awareness and emerging regulations restricting the use of less environmentally-friendly cars are whetting consumers' interest in electric vehicles. As prices come down, the number of charging stations rises and autonomy improves, the share of electric vehicles is bound to increase.



Low vehicle penetration in certain development economies

Developing economies with low vehicle penetration rates are ripe for healthy growth in vehicle sales. These countries often present transport infrastructure limitations, economic barriers and very limited access to credit. As these obstacles are surmounted, their populations will start to buy more cars, as is already happening in India and Brazil.

AVERAGE AGE OF THE VEHICLE FLEET IN 2023

	2021	2022
Europe	11.8 years	12.1 years
US	13.1 years	13.6 years
Mexico	12.6 years	10.1 years
Brazil	10.3 years	10.7 years
India	25 years	25 years
China	5.1 years	7 years

Source: ACEA, Anfavea, JPM, ANFAC, IHS, GiPA, OICA, INEGI, NTS

MOTORISATION RATE BY COUNTRY

Europe	54%	China	23%
North America:		Brazil	22%
US	71%	India	4%
Mexico	28%	Japan	55%

Source: ACEA, Anfavea, JPM, ANFAC, IHS, GiPA, OICA, INEGI, NTS

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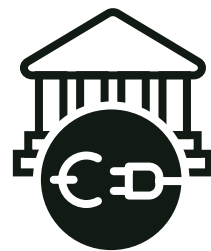
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Government aid to boost the transition to electric vehicles

Governments are rolling out incentive schemes to encourage consumers to replace their old cars and embrace the new efficient and green models. This is creating opportunities for OEMs capable of aligning themselves with the sustainability and efficiency incentives. Note that three-quarters of the EU members states are currently offering electric vehicle purchase incentives.

ELECTRIC CAR TAX BENEFITS AND PURCHASE INCENTIVES EUROPE

		Tax benefits			Incentives	
		Acquisition	Ownership	Company car	Purchase	Infrastructure
	Austria	✓	✓	✓	✓	✓
	Belgium	✓	✓	✓	✗	✗
	Bulgaria	✗	✓	✗	✗	✗
	Croatia	✓	✓	✗	✓	✗
	Cyprus	✓	✓	✗	✓	✗
	Czech Republic	✓	✓	✓	✓	✓
	Denmark	✓	✓	✗	✗	✓
	Estonia	✗	✗	✗	✓	✗
	Finland	✓	✗	✓	✗	✗
	France	✓	✗	✓	✓	✗
	Germany	✗	✓	✓	✓	✗
	Greece	✓	✓	✓	✓	✗
	Hungary	✓	✓	✓	✓	✗
	Ireland	✓	✓	✓	✓	✗
	Italy	✗	✓	✗	✓	✗
	Latvia	✓	✓	✓	✗	✗
	Lithuania	✓	✗	✓	✓	✗
	Luxembourg	✓	✓	✓	✓	✗
	Malta	✓	✓	✗	✓	✗
	Netherlands	✓	✓	✓	✓	✗
	Poland	✓	✓	✗	✓	✓
	Portugal	✓	✓	✓	✓	✗
	Romania	✗	✓	✗	✓	✗
	Slovakia	✓	✓	✗	✗	✗
	Slovenia	✓	✗	✗	✓	✗
	Spain	✓	✓	✓	✓	✓
	Sweden	✗	✓	✓	✗	✓

Source: ACEA

Governments
around the world
are rolling out
incentive schemes
to encourage the
purchase of more
efficient cars

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Market performance by region

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North America:

Vehicle production in North America totalled 15.7 million units, up 9.7% from 2022. This growth, considered high for a mature market, is attributable to the positive impact of the Inflation Reduction Act (IRA), which provides electric vehicle buyers a tax credit of up to \$7,500 if the car meets certain regional production requirements.

A flat evolution is expected in the coming years, typical of an already mature market that is losing weight in favor of other markets.

One negative development was the simultaneous strike at three OEMs - General Motors, Stellantis and Ford - in the US and Canada. Production foregone during the stoppages is estimated at 203,793 vehicles.

Unlike Europe and despite the market's maturity, vehicle production in the US is expected to increase by 1% in 2024, in large part, but not entirely, due to the recovery in volumes in the wake of the strike. Medium term, the market is expected to revisit its pre-pandemic levels by 2026, again setting it apart from the European market.

Vehicle purchase incentives

In August 2022, the US passed the Inflation Reduction Act (IRA), which includes \$369bn in clean energy investments as well as provisions that will lower the cost of prescription drugs and increase taxes on large corporations. Of particular interest for the automotive sector is the vehicle purchase incentive and the infrastructure tax credit. Overall, the bill is projected to help cut greenhouse gas emissions by about 40% from 2005 levels by the end of the decade.

The Inflation Reduction Act contains financial incentives to encourage the purchase of electric and hydrogen fuel cell powered vehicles as well as the deployment of charging stations. Provisions in the IRA provide a tax credit for the purchase of the vehicle itself and a tax credit for the purchase and installation of charging assets or charging infrastructure.

Europe:

Production in Europe totalled 17.3 million vehicles in 2023, annual growth of 12.6%, reflecting the gradual supply chain normalisation.

In 2023, purchases were boosted by the need to renew an aged vehicle fleet (especially rental car fleets) and electric and plug-in purchase incentives.

In the electric segment the European OEMs are facing a surge in Chinese electric vehicle imports. The resulting price war is putting the weaker parts suppliers in a tough situation, negotiating prices that leave their EBIT margins at under 5%. Faced by this situation, while Brussels has officially started an anti-subsidy investigation on electric cars from China, the various national governments are rolling out initiatives to protect their industries. For this and other strategic reasons, the Chinese OEMs are looking into options for setting up manufacturing in Europe down the line. For example, in December BYD formally announced plans to build a factory in Hungary in phases.

The European market is forecast to remain flat in the coming years, as is expected of a mature market that is losing share to other areas of the world.

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Brazil:

Brazil produced 2.2 million vehicles in 2023, growth of 1.2% from 2022. Tax breaks mitigated the pronounced rise in interest rates in 2023.

The big announcement last year was BYD's acquisition of the old Ford factory in Bahía, which is now expected to produce two electric cars and one hybrid model, as well as electric trucks and buses. Production is expected to start in the second half of 2024 with initial annual capacity of 150,000 units, a figure expected to double to 300,000 from 2025.

Growth in production is expected to accelerate in 2024, to 3% and, most notably in 2025 and 2026, when production growth is forecast at 6% and 7%, respectively. Some of the anticipated growth is attributable to the fact that the Brazilian central bank has already started to cut interest rates.

China:

The world's largest vehicle maker increased production by 10.0% in 2023. Although domestic demand appears to be slowing, Chinese production was boosted by the extension of tax relief for electric vehicles until 2027. Moreover, the Chinese OEMs are growing in foreign markets thanks to a price-based growth strategy.

Annual growth to 2026 is forecast at 3%.

India:

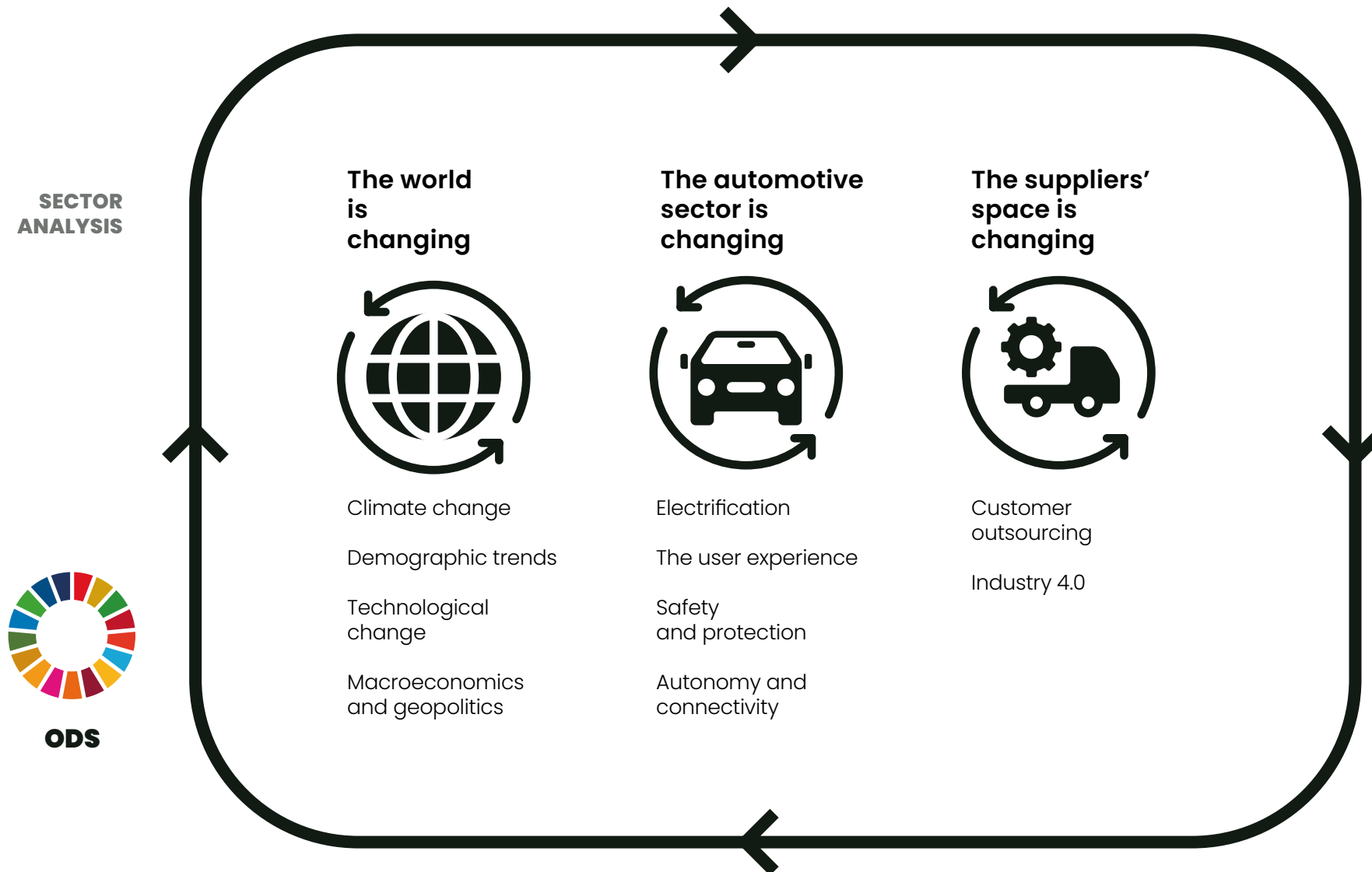
Demand for vehicles in India broke new records in 2023. Production increased by 4.4% to 5.4 million units, despite strong levels already in 2022. As well as a strong performance in the passenger vehicle segment, other segments with even greater growth potential started to recover: commercial vehicles (+0%); motorcycles (+4%) and tractors (-2%).

Notably electrification also started to make inroads in this market: in early October, Tata announced it would launch eight electric models in 2030. This growth is expected to get a further injection from public initiatives designed to draw investments related with electric vehicles. In 2023, electric car sales volumes increased by around 90% (88% as of November). However, combustion-engine vehicles are expected to continue to dominate this market.

As for the outlook for light vehicle production, growth is expected to take a breather in 2024, consolidating the sharp growth recorded last year before going on to regain traction, with growth of 4/5% forecast for both 2025 and 2026.

Key sector trends

The automotive parts makers are playing a crucial role in transforming the automotive sector by helping the OEMs to tackle many of the trends arising from society's demands. These trends are giving way to new forms of mobility and prompting changes in manufacturing models. As outlined in "Risk management", analysing these trends is a crucial aspect of CIE Automotive's market risk management effort.



Market trend analysis is a crucial aspect of **the market risk management effort**

The world is changing



Climate change

The environmental laws written to combat climate change are coming faster and are becoming more ambitious and global in reach. Climate change regulations are tackling two key fronts. Firstly, they are requiring the use of greener energy sources, focused primarily on electrification. Secondly, all sector players must mitigate their carbon footprints taking a lifecycle approach.

Demographic trends

There are many opposing demographic trends unfolding simultaneously around the world whose ultimate overall effect on the automotive sector is expected to be clearly positive.

- More than half of forecast population growth is concentrated in Africa, but the most of the world's population is located in Asia (60%), with Europe losing share (10%).
- Life expectancies are rising and birth rates dropping, driving population ageing.
- Urbanisation is a parallel trend and we are also seeing - mainly regional - migratory displacements of populations.

Technological change

The world is moving towards a Fourth Industrial Revolution, which will change our lives and make productive processes, including those of the automotive sector, more efficient.

The emerging improved and more efficient vehicle architectures are based on the use of the right materials and their correct application, which means that different technologies will have a role to play in the next-generation, multi-material vehicles.

Macroeconomics and geopolitics

- Emerging market opportunities: the Chinese, Indian and Brazilian economies, to name a few, are expected to experience sharp growth in the coming years.
- National protectionism: initially perceived as a threat, protectionism strategies are no longer expected to have a significant impact on the automotive sector.

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The automotive sector is changing



Electrification

With the aim of curbing climate change, the automotive industry is investing heavily in R&D oriented around transport decarbonisation. Despite those efforts, EV penetration rates vary significantly from one market to the next and we are likely to see vehicles fuelled by different sources of energy coexist for some time.

User experience

Car buyers' preferences have shifted. Nowadays they are looking for aspects related with comfort, such as spaciousness, driver assistance and smart infrastructure, to the detriment of other attributes such as power, aerodynamics and external aesthetics. Within the comfort thrust, the penetration of roof systems is outpacing the general automotive market.

Safety and protection

Vehicle safety prioritisation is making manufacturing more complex and increasing the number of parts and their added value. Today's cars are being fitted with sophisticated driver assistance systems that prevent accidents and other passive safety systems designed to mitigate damage and injuries in the event of a collision; those systems are being embedded in the chassis and bodywork, for example, as well as shaping seatbelt and airbag development. Growing safety and protection requirements for passengers and other road users is requiring the introduction of more complex solutions involving different materials, reinforcing the astuteness of the multi-technology approach.

Autonomous and connected car

Major progress has been made on autonomous driving in recent years, thanks to which important driver assistance features have been introduced to new cars. However, the mainstreaming of the autonomous car in the coming years continues to face obstacles. In parallel, users are demanding greater connectivity between their cars and the outside world (virtual assistants, automation, etc.), all of which requires establishing high-speed connections. The OEMs are therefore expected to partner with technology, telephony and infrastructure providers.

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The suppliers' space is changing

Production outsourcing

The OEMs are increasingly outsourcing production of their vehicles to their suppliers who nowadays account for over 75% of total vehicle value, in order to concentrate on their core competencies.

Industry 4.0

The automotive supplier sector is investing heavily in R&D in order to build so-called smart factories: cloud platforms, simulation capabilities, cognitive manufacturing and online robotics. In the years to come digital transformation is expected to shake up the existing automotive sector's supply chain.

Digital transformation is expected to shake up the automotive sector's supply chain



2.2 A genuine business model

To tackle the challenges facing the automotive sector and help move it towards sustainability, CIE Automotive has a unique business model which has been proving its effectiveness for over 25 years. Its approach is underpinned by customer, technological and geographical diversification, disciplined investing and decentralised decision-making. The model has been enriched in recent years by the inclusion of environmental, social and governance (ESG) aspects.

CORNERSTONES OF THE BUSINESS MODEL

Geographical balance

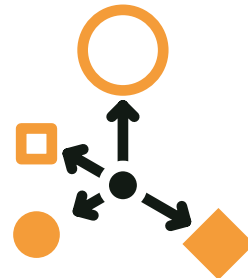


108 manufacturing facilities
(including 3
multi-technology factories)

10 research
centres

17 countries

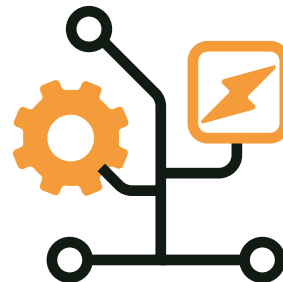
Customer diversification



70% OEMs
(automobile
manufacturer)

30% TIER-1 SUPPLIERS

Multi-technology approach



7 technologies:

- Aluminium die casting
- Forging
- Metal stamping and tube forming
- Machining
- Plastic
- Casting
- Roof systems

Disciplined investing

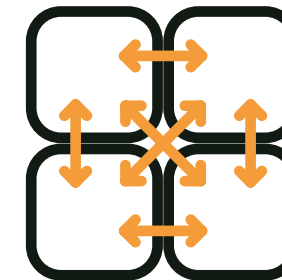


Flexible standard
machinery

High
returns
on investments

High EBITDA-to-cash
conversion ratio

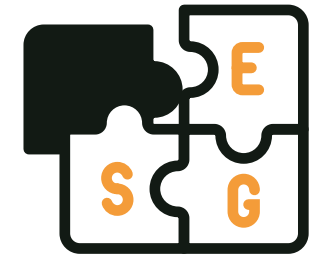
Decentralised management



4 autonomous
geographic
regions

1 corporate network
to support
the regions

Integration of ESG standards



Ethical commitment

CIE
culture

Eco-efficiency

Active listening

Geographical balance

Since its creation in 1996, CIE Automotive has been strategically expanding its geographic reach, locating its manufacturing facilities close to the vehicle assembly platforms in the main automotive markets: Europe, North America, Asia and Brazil. Thanks to the acquisition of a number of companies, the construction of greenfield facilities and strategic alliances with other companies, CIE Automotive has built itself up to include 108 manufacturing (including 3 multi-technology factories) and 10 research centres located in 17 countries.

This geographical diversification positions it a leading supplier for the platforms worldwide, enabling it to maintain a healthy sales and earnings mix across the various regions. Geographic diversification is a crucial defensive tool in moments of crisis, as slowdowns in production in some markets are often mitigated by stronger momentum in others.

Against that backdrop, specifically to direct its financial and managerial resources to markets with higher growth potential, such as India, and other technologies in greater demand and tied to its decarbonisation strategy, in 2023 the company sold Mutares its German forging business, the subsidiaries of CIE Forging Germany GmbH.

CIE AUTOMOTIVE FACTORIES AROUND THE WORLD

North America

31%

The company entered the Mexican market two decades ago and over the last 10 years expanded into the US by means of mergers and acquisitions. It currently has 13 manufacturing facilities in Mexico and five in the US.

Brazil

9%

In Brazil, CIE Automotive has 14 manufacturing facilities following the acquisition of Iber-Oleff, which specialises in plastic parts. It commands a noteworthy position in this market in the wake of the consolidation of the automotive parts market in recent years.

Europe

36%

Having sold its German forging business in October 2023, CIE Automotive has 39 manufacturing facilities in western and eastern Europe and one factory in Morocco.

Asia

24%

CIE Automotive has 25 manufacturing facilities in India and 12 in China. The company entered the Indian market, the world's fastest-growing automotive market, through its alliance with the local business group Mahindra & Mahindra, later cementing its position in the country by acquiring Bill Forge and AEL (now CIE Aluminium Casting). In China, the company's growth is the result of its acquisition of Inteva's roof systems division.

Customer diversification

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MAIN CUSTOMERS

Jeep

MAGNA



Mercedes-Benz



HYUNDAI



OPEL



NTN

CATERPILLAR

BOSCH

Mahindra



DAIMLER

CIE Automotive has strategic relationships with more than 80 customers worldwide, including the main multinational automotive original equipment makers (OEMs) (70%) and Tier 1 parts makers (30%).

Its sales policy is predicated on not becoming significantly reliant on any single customer: the largest customer represents just 8% of total group revenue. Not only does this strategic approach strengthen the company's price negotiation power, it has been key to the growth achieved during times of crisis.

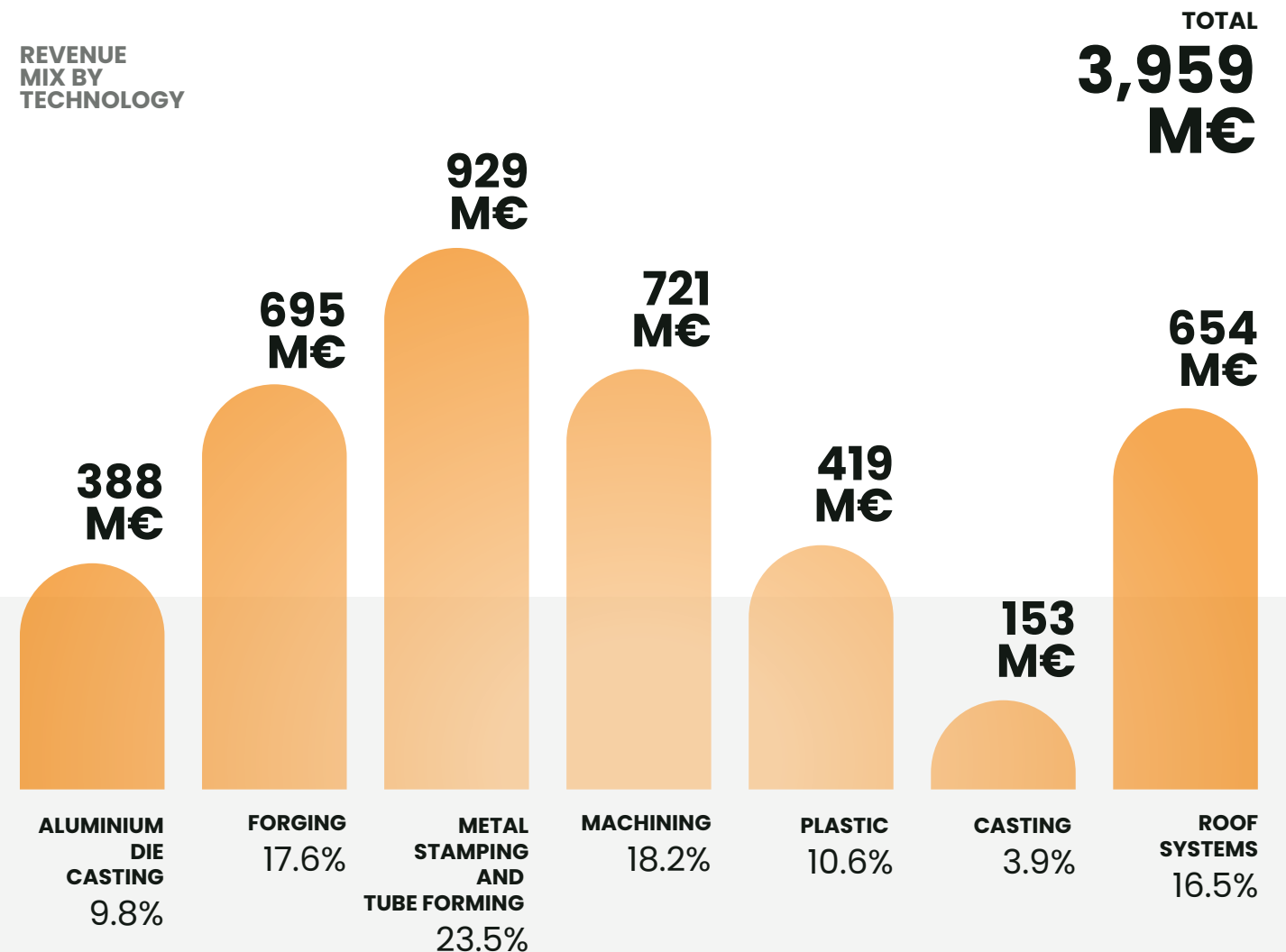
Multi-technology approach

CIE Automotive's production effort encompasses more than 7,000 parts and subassemblies made using seven different fundamental processes or technologies: aluminium die casting, forging, metal stamping and tube forming, machining, plastic, casting and roof systems.

Mastery of these different technologies positions the group as an end-to-end supplier for its customers, who can choose between different technical proposals for a given part or select a subassembly made using a wide range of technologies.

This technological versatility not only gives customers greater choice, it also allows the group to direct its investments into the technologies in highest demand in each market over time.

At present, the main market thrust is clearly vehicle electrification. Over 80% of the parts and subassemblies made by CIE Automotive can be adapted for electric and hybrid vehicles.



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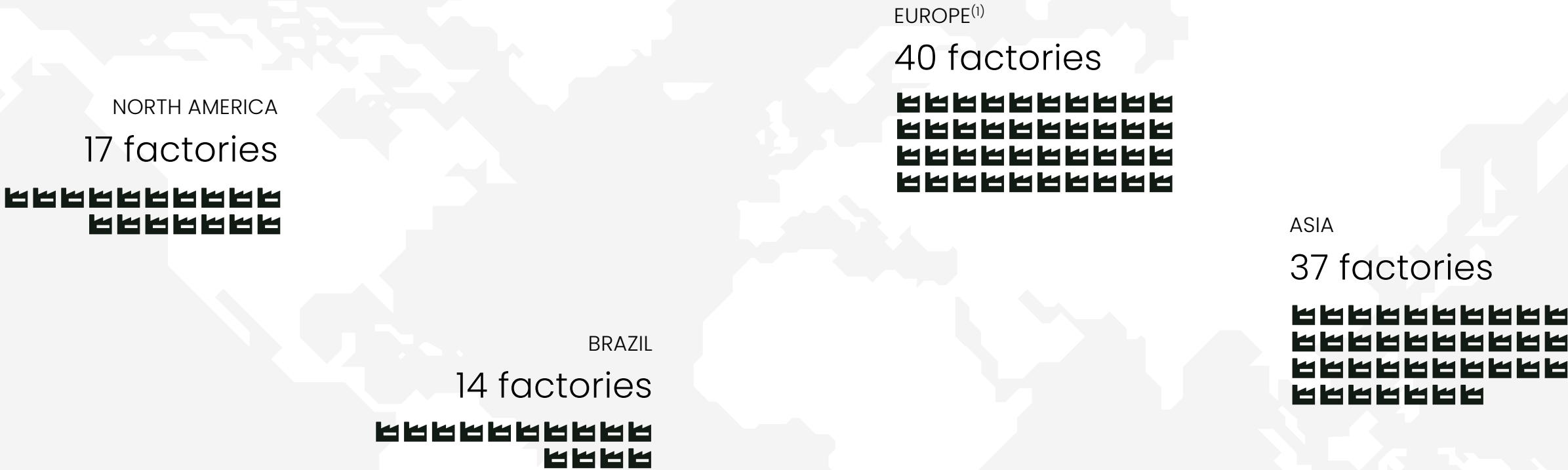
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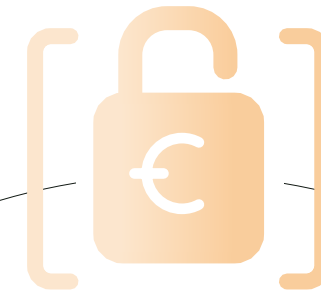
<i>Number of factories</i>	TOTAL	Aluminium (5)	Forging (4)	Stamping	Machining	Plastic (3)	Casting (6)	Roof systems
Europe (1)	40	5	3	5	16	5	-	6
North America	17	1	2	4	6	2	-	2
Brazil	14	1	1	4	1	6	1	-
Asia (India & China) (2)	37	4	9	8	3	1	2	10
TOTAL	108	11	15	21	26	14	3	18

(1) Includes the CIE Maroc factory in Morocco and the CIE Automotive Rus factory in Russia.
(2) Includes one multi-technology factory (CIE Automotive Parts Shanghai).
(3) Includes three multi-technology factories (CIE Celaya, CIE Automotive Parts Shanghai and CIE Autometal Diadema).
(4) Includes one multi-technology factory (CIE Autometal Diadema), as well as one facility in each of India and the US that use composites technology.
(5) Includes one multi-technology factory (CIE Celaya).
(6) Includes a Magnets plant in India.

Disciplined investing

Every year, CIE Automotive invests in expanding its capacity and optimising its facilities. Investments are framed by strict financial discipline focused on cash generation.

Investments are planned considering the three pillars of the company's financial discipline: capital expenditure, high return thresholds and the conversion of EBITDA into operating cash flow.



PILLARS OF DISCIPLINED INVESTING STRATEGY

CAPEX	Strict investment discipline High return hurdles	EBITDA-to-cash conversion threshold
Flexible, standard equipment which enables high capacity utilisation.	CAPEX $\geq$ 20% ROI.	Operational excellence coupled with control over CAPEX for an EBITDA-to-operating cash conversion ratio that is above the market average.
Recurring capex of ~2-3% of revenue, which is sufficient to enable facility maintenance and organic growth.	Net working capital $\approx$ 0.	Target ratio of >60%.

ESG criteria

Beyond its long-standing financial discipline, in 2023 CIE Automotive improved its investing procedures to include ESG criteria and analyse new risk factors. Now the investment selection process considers environmental criteria, for example, the scope for cutting power consumption, the waste generated by the asset under study and the repercussions for personal health and safety, in keeping with local regulations. In another first for the company, industrial and climate risks are now analysed before making any investment. All of the suppliers involved in an investment process have to sign the ESG Commitment for Suppliers.

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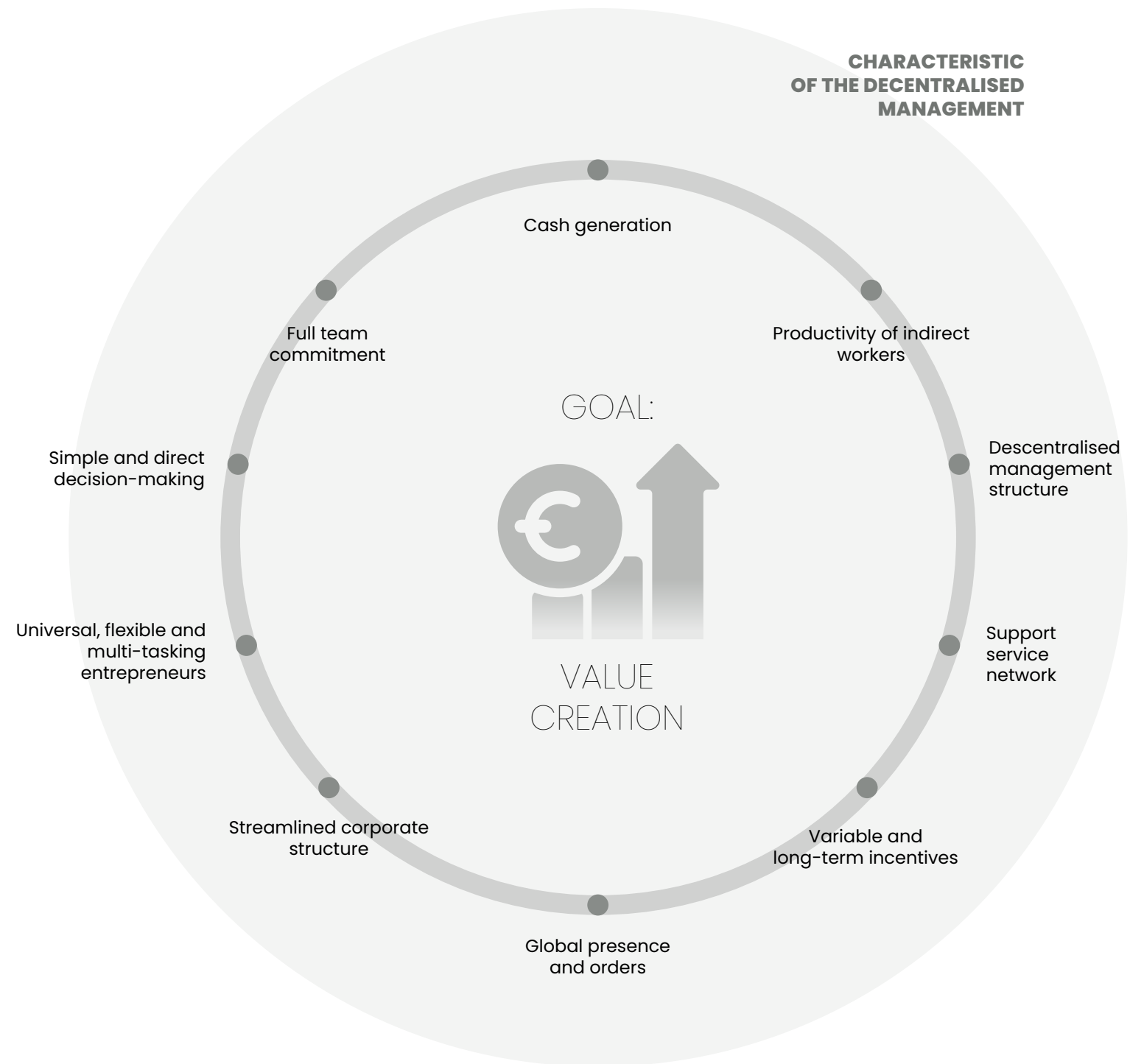
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Decentralised management

CIE Automotive follows a decentralised management model to give it the flexibility needed to outperform in a global market. Its lean structure, which is markedly simple, optimum and efficient, accelerates the decision-making process, giving the company a competitive edge, especially in challenging times such as these.

Each region and division takes decisions suited to its circumstances, albeit always with the shared goal of creating value. In this process, they are supported by the various Corporate Areas (Sales, Procurements, R&D, Human Resources, Engineering, Quality & Environment, Internal Audit, Compliance and ESG) and a series of Network Services vested with a group-wide remit.



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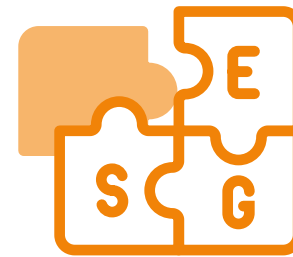
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Integration of ESG standards

CIE Automotive officially integrated ESG standards into its business model in 2019, a step that reinforced its commitment to the 10 Global Compact Principles and the Sustainable Development Goals.

Integration of ESG standards goes beyond the organisation itself, extending to the supply chain, which is assessed along responsibility criteria.

The company also participates actively in a range of business associations and forums in order to have a positive influence on the broader business community.



TIMELINE OF ESG TRANSFORMATION

2015

Endorsement of the United Nations Global Compact

2016

Membership of Forética's Transparency, Integrity and Good Governance Cluster

2019

Integration of ESG criteria into the company's business model

2020

Membership of the SERNAUTO Responsible Business Committee

2021

New Strategic Plan including the ESG strategy for the first time

2022

Announcement of the commitment to reach net zero by 2050

CIE Automotive is committed to the **10 Global Compact Principles and the Sustainable Development Goals**

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2.3 The commitments that inspire us

Guided by its mission, vision and values, CIE Automotive pursues excellence in its businesses while undertaking to minimise its impact on the environment and maximise its contribution to society. In tune with the United Nations 2030 Agenda, the company has embedded social and environmental responsibility into all its processes. Its actions are inspiring other sector players and contributing to the transition towards sustainability.

Mission, vision and values



Mission

We are a committed team with an automotive story that has been growing steadily for more than 25 years.

- **We are a global and multi-technology supplier**
 - Four continents
 - Seven technologies
- **We create value for all of our stakeholders**
- **We guarantee quality and service**
- **As a team, we join in and innovate**
 - Every person is an entrepreneur
 - We are proud to belong here
- **We care for our planet**
 - We help improve our surroundings
 - We minimise our environmental impact



Vision

To provide the best solutions for the mobility of tomorrow while being:

- **Climate neutral:**
 - Maximum resource circularity
 - Zero net emissions
- **Value chain drivers:**
 - End-to-end approach
 - Commitment to local economies
- **A benchmark for society:**
 - Guaranteeing everyone's ethical conduct, health and safety
 - Listening, communicating and acting
- **Excellent in management:**
 - Transparency and integrity
 - Value creation



Values

- **Committed to a job well done**
- **Innovation as the response to any challenge**
- **Focused on people, their families and their surroundings**
- **Diversity, equality and inclusion**
- **Sustainable and profitable growth**
- **Ethical and honest conduct**
- **Self-criticism and recognition of others**
- **Champions of climate action**
- **Compliance with the law**

Social responsibility at CIE Automotive

CIE Automotive factors ESG considerations into all its business decisions, from strategic planning to execution on the ground. This approach allows it to respond to its customers' demands and the growing body of legislation around sustainability, while also locking in profitable, long-term growth by driving efficiency and innovation so as to minimise its negative impacts.

Global Compact

CIE Automotive's public commitment to sustainable development dates back to 2015, when it signed its endorsement of the United Nations Global Compact. That endorsement implied the public assumption of responsibility in key areas including human and labour rights, environmental protection and anti-corruption. Eight years later, as a Signatory of the Spanish Chapter of the Global Compact, the group has moved beyond its respect for the Company's 10 universally recognised principles and become an agent of systematic change in the shift towards a sustainable economy.



United Nations
Global Compact

ESG Policy

At the forefront of the company's gradual transformation is the Board of Directors, which in 2017 championed the formulation of an ESG Policy, which was updated in 2021, that is binding on all members of the company. This policy defines the fundamental principles and general framework for building sustainability practices into the company's business model and strategy. Effective application of these principles and the potential risks associated with it are addressed in CIE Automotive's Risk Management and Control Policy.

Management monitoring

Supervision of ESG and sustainability management falls to the Board of Director's ESG Committee, which delegates oversight of application of the principles in the Cross-Group ESG Committee. This monitoring process takes the form of 79 ESG indicators that measure performance in different areas. The KPIs are in turn included in each factory's management plans and are used to track delivery of the sustainability aspects of the 2025 Strategic Plan.

The group's social responsibility extends to its supply chain. Indeed, CIE Automotive was the first company in its sector to create a supplier platform devoted solely to managing and evaluating ESG matters.

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CROSS-GROUP ESG COMMITTEE



Lorea Aristizabal
Business Development



Iker Hernández
Risk Management & Internal Control



Iñigo Loizaga
Engineering, Quality and Environmental Management



Susana Molinuevo
Compliance & ESG



Mikel Orbegozo
Sales



Irache Pardo
Finance, Treasury & Procurements



Aitor Zazpe
Human Resources & Business Management



Javier Alvarez
Human Resources



Jose Esmoris
R&D



María Miñambres
Control & Tax

● Permanent member

● Non-permanent member

Driving sustainability

As its sector leader, what CIE Automotive does on the ESG front enhances its reputation and serves as inspiration for other companies. To that end, it shares its best practices at sustainability forums such as the Responsible Business Committee of SENAUTO, the Spanish association of automotive equipment and components manufacturers.

Outside of its sector, CIE Automotive is a member of Forética, Spain's foremost corporate sustainability and social responsibility organisation. Within Forética, it participates actively in a number of clusters, including the Transparency, Integrity and Good Governance, the Climate Change and the Social Impact Clusters.

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Commitment to the 2030 Agenda

CIE Automotive embraces its role as an agent of change by placing delivery of the United Nations 2030 Agenda, a shared plan of action for people, the planet, prosperity and universal peace, at the heart of its policies, strategies and activities.

Shaped by its activities, presence and business model, CIE Automotive has identified 11 Sustainable Development Goals (SDGs) where it has the scope for having a bigger impact: SDG 3 (Good health and wellbeing), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities), SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 16 (Peace, justice and solid institutions) and SDG 17 (Partnerships for the goals).

SDG 7 Affordable and clean energy was formally added in 2023 in response to the growing use of renewable energy at the company's manufacturing facilities and to stress its contribution to the decarbonisation of transportation.



3. GOOD HEALTH AND WELLBEING
Ensure healthy lives and promote well-being for all at all ages.



4. QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



5. GENDER EQUALITY
Achieve gender equality and empower all women and girls.



7. AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, safe, reliable and modern energy for all.



8. DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.



9. INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.



10. REDUCED INEQUALITIES
Ensure equal opportunity and reduce inequalities of outcome; maintain a presence in less developed countries.



12. RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



13. CLIMATE ACTION
Take urgent action to combat climate change and its impacts.



16. PEACE, JUSTICE AND STRONG INSTITUTIONS
Promote just, peaceful and inclusive societies.



17. PARTNERSHIPS FOR THE GOALS
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

SDG 7 Affordable and clean energy was formally added in 2023 in response to the growing use of renewable energy

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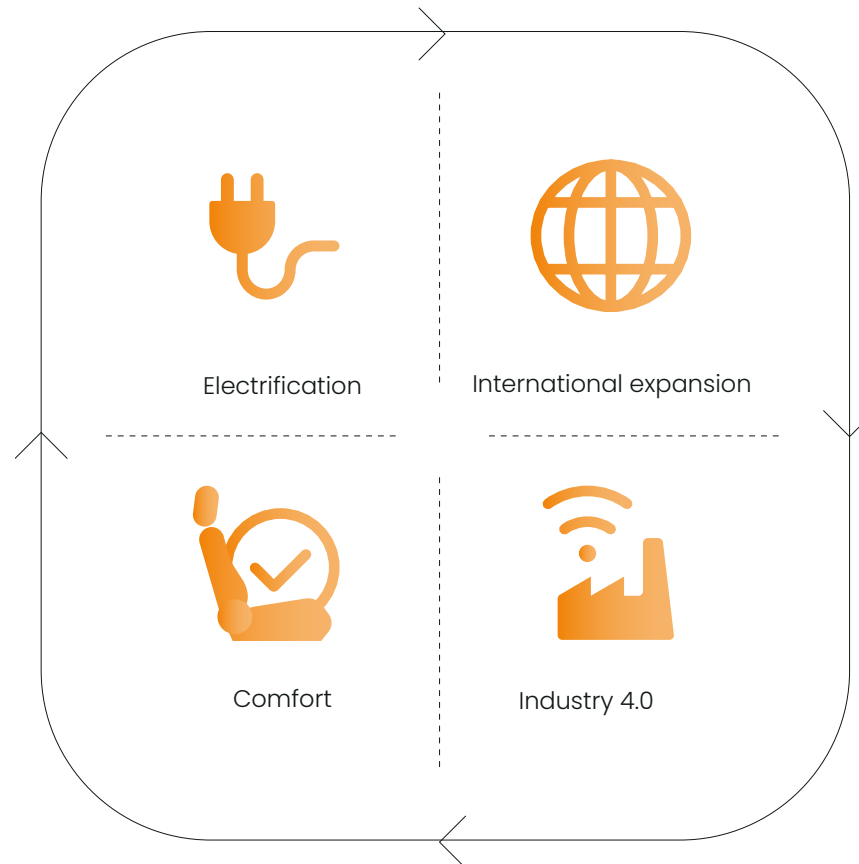
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Our sustainable growth strategy

In 2021, CIE Automotive sets its 2025 Strategic Plan in motion, an all-encompassing strategy devised to deliver profitable and sustainable growth that addresses both business and ESG lines of initiative. In 2023 the company passed the plan's halfway mark, duly delivering the scheduled annual targets and evidencing its ability to achieve healthy earnings in a complex economic and sector environment while reducing its environmental footprint and meeting its stakeholders' expectations.

LINES OF THE 2025 STRATEGIC PLAN

Key
operational
lines



Key
ESG
lines



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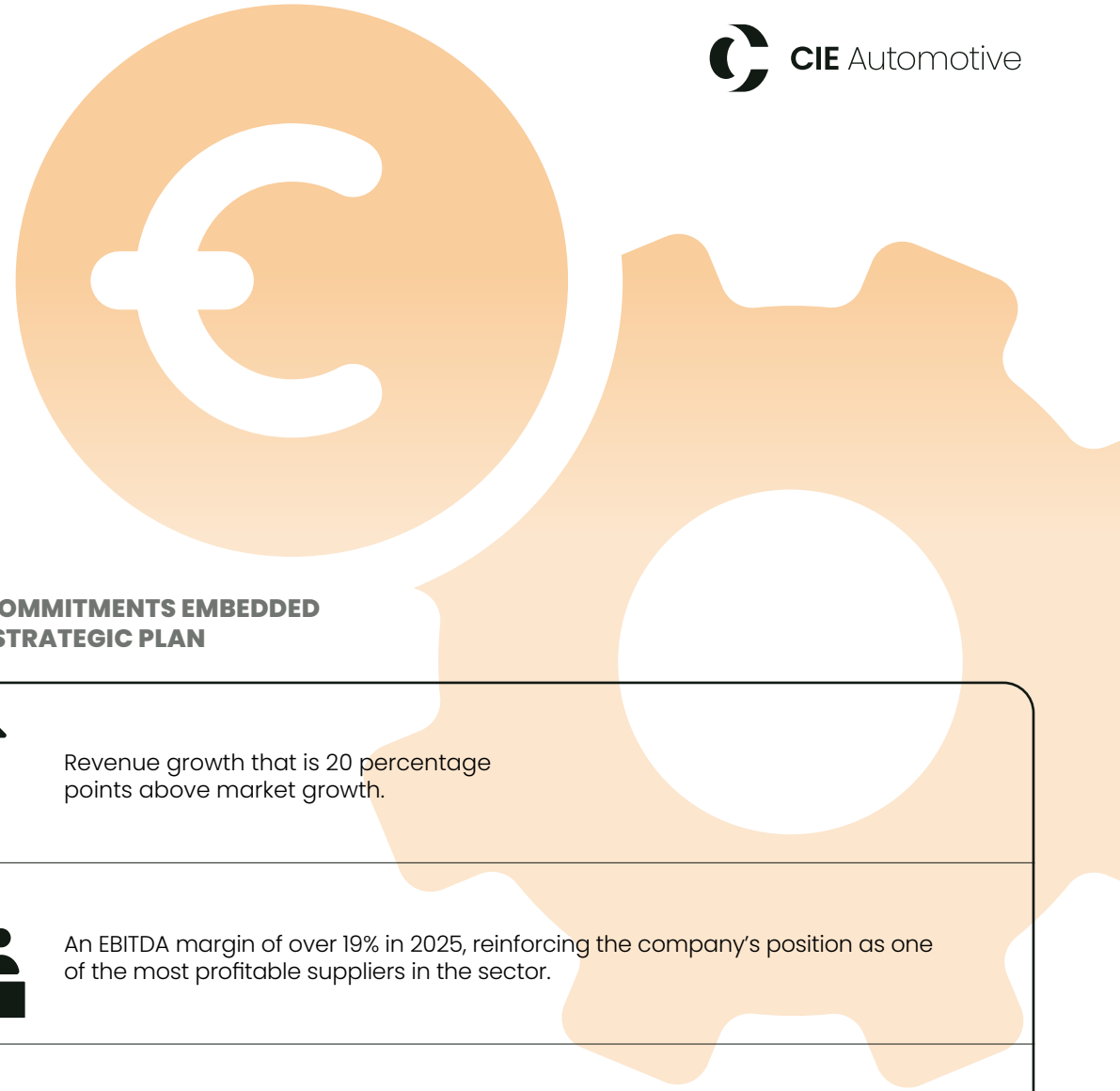
2025 Strategic Plan

The 2025 Strategic Plan constitutes an integral response to the transformation of the automotive market and new sensitivities around environmental, social and governance matters. It sets ambitious and quantifiable business and ESG targets and details the specific lines of work for achieving them. The two blocks are interdependent and necessary to attain sustainable profitability.

BUSINESS STRATEGY

CIE Automotive's business strategy is articulated around the generation of operating cash flow and so translates into significant deleveraging over its time horizon, enabling it to invest up to €1.5 billion without its leverage (net debt-to-EBITDA) rising above 2x. The momentum in operating cash flow is being driven by margin expansion, which more than offset the rise in interest rates in 2023.

The amount set aside for investments may be used for any type of transaction that maximises the company's returns, including M&A deals, share buybacks, the purchase of minority interests, etc. The criteria will always be to prioritise transactions that maximise value generation at a given point in time.



ORGANIC* COMMITMENTS EMBEDDED IN THE 2025 STRATEGIC PLAN

	Revenue growth that is 20 percentage points above market growth.
	An EBITDA margin of over 19% in 2025, reinforcing the company's position as one of the most profitable suppliers in the sector.
	CAPEX of around €1 billion over the five-year period, which is around 5% of revenue per annum.
	Annual income tax payments of 2% of revenue.
	Sustained generation of cash from operations of 65% of EBITDA. Approximately €500 million from 2025.

(*) These commitments were established considering the group's former scope, which included MFE. Sales at constant exchange rates and without considering the positive impact of pass-through clause activation.

BUSINESS LINES OF INITIATIVE

In order to deliver its commitments, CIE Automotive has defined four lines of initiative around the key automotive sector trends (refer to "Sector background"): electrification, Industry 4.0, comfort and international expansion. These lines of initiative likewise respond to the market changes identified as a risk factor, as detailed in the "Risk management" chapter.



Electrification	Industry 4.0	International expansion	Comfort
The company wants to take advantage of the opportunity afforded by decarbonisation of the transport sector to create new value-added products for electric vehicles, particularly in EV motors, power electronics, gearboxes and batteries. At present, 80% of the products made by CIE Automotive are compatible with both electrified and combustion-powered vehicles.	Immersed in the fourth industrial revolution, CIE Automotive is gradually adopting smart manufacturing tools and different enabling technologies. These tools interact with and learn from each other and feature sensorisation capabilities that make it possible to capture data which is later analysed using algorithms. Implementation of these technologies is not only making our processes more efficient but is also reducing our environmental impact by cutting prototype volumes, energy and raw material consumption, product rejects and scrap generation.	The company seeks geographical diversification by investing in countries where vehicle penetration is low and growth expectations are high. Broadly speaking, until 2025, the plan is for all the divisions to add capacity and develop new products that add more value and address their existing customers' emerging needs. In parallel, the sales teams are working intensely to bring in new customers.	CIE Automotive's strategy in the comfort area is concentrated at its roof systems division. More specifically, it is looking to consolidate its position in bottom-loaded roofs and fixed glass roofs with shades. It also wants to be able to incorporate panoramic roofs into both fixed and movable sunroofs, addressing all ranges. The company is also focusing on thinner roofs equipped with flat roller blind technology, which are particularly necessary in the electric vehicle segment. Lastly, it is working on ambient comfort by adding spot lighting to both its roofs and their shades.

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ESG STRATEGY

The 2025 Strategic Plan marked a watershed moment for CIE Automotive by setting global ESG targets for the first time and placing the bonus on each factory to contribute to their delivery, under the guidance and supervision of the cross-cutting corporate areas.

To specify and evaluate progress towards those qualitative goals, CIE Automotive is tracking 79 specific KPIs with defined targets and timelines. These indicators are part of the management plans at all of the company's factories, which report to the corporate areas quarterly, half-yearly or annually, depending on the stipulated frequency.

All of that information gets consolidated into a global ESG dashboard hosted within the group's corporate intranet. Progress on the various indicators is reported to the Board's ESG Committee and the CEO, who has tasked the Cross-Group ESG Committee with overseeing delivery of various KPIs.

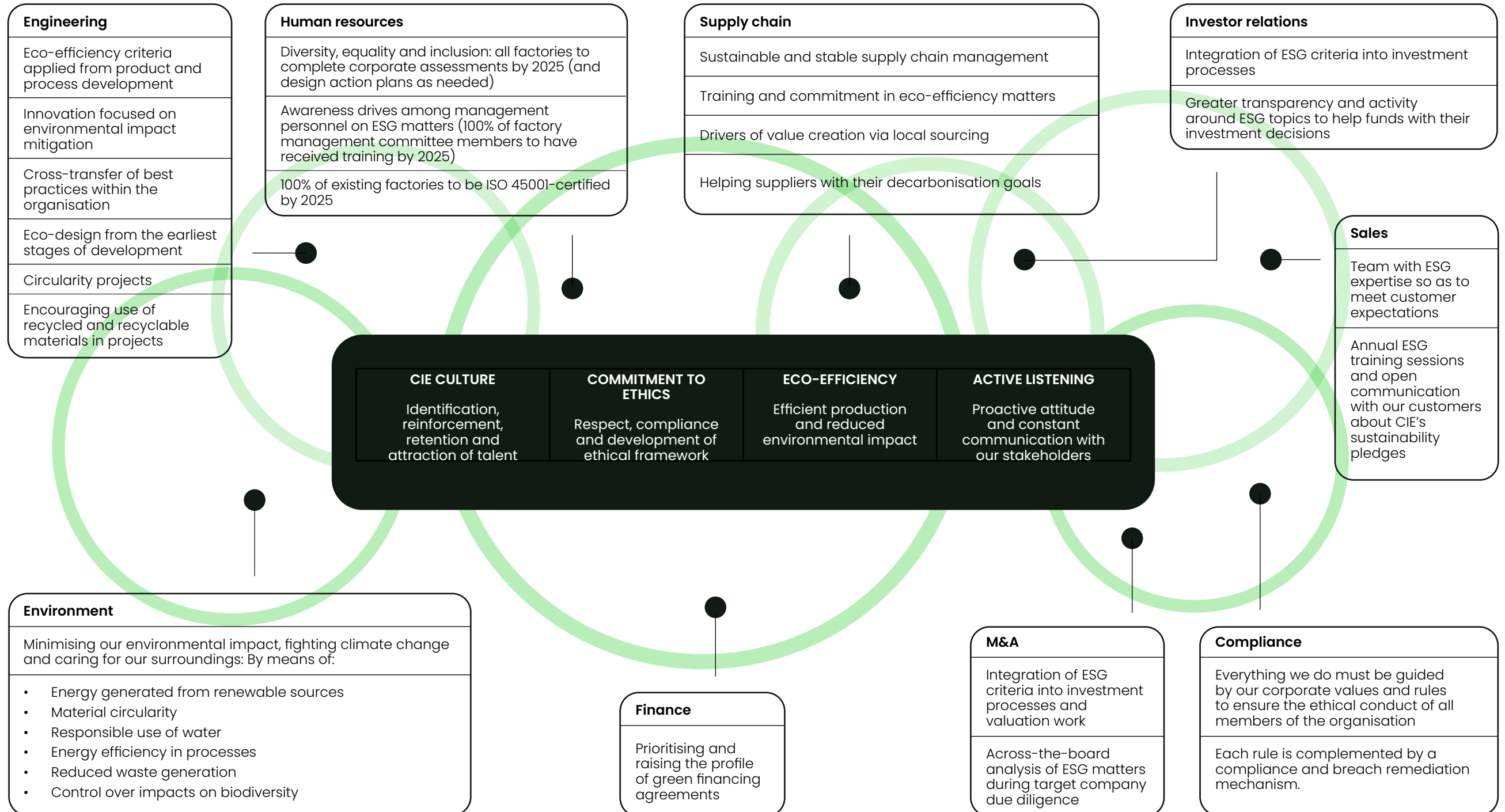
The KPIs are reviewed periodically and realigned with the most updated context assessment, which factors in the latest trends in the automotive industry, stakeholder demands and regulatory developments, among other aspects

The targets and the work being done by the corporate areas driving their attainment are articulated around four strategic lines of initiative: CIE culture, ethical commitment, eco-efficiency and active listening.

To specify and evaluate progress towards its qualitative ESG goals,
CIE Automotive is tracking 79 specific KPIs with defined targets and timelines



COMMITMENTS BY CORPORATE DEPARTMENT



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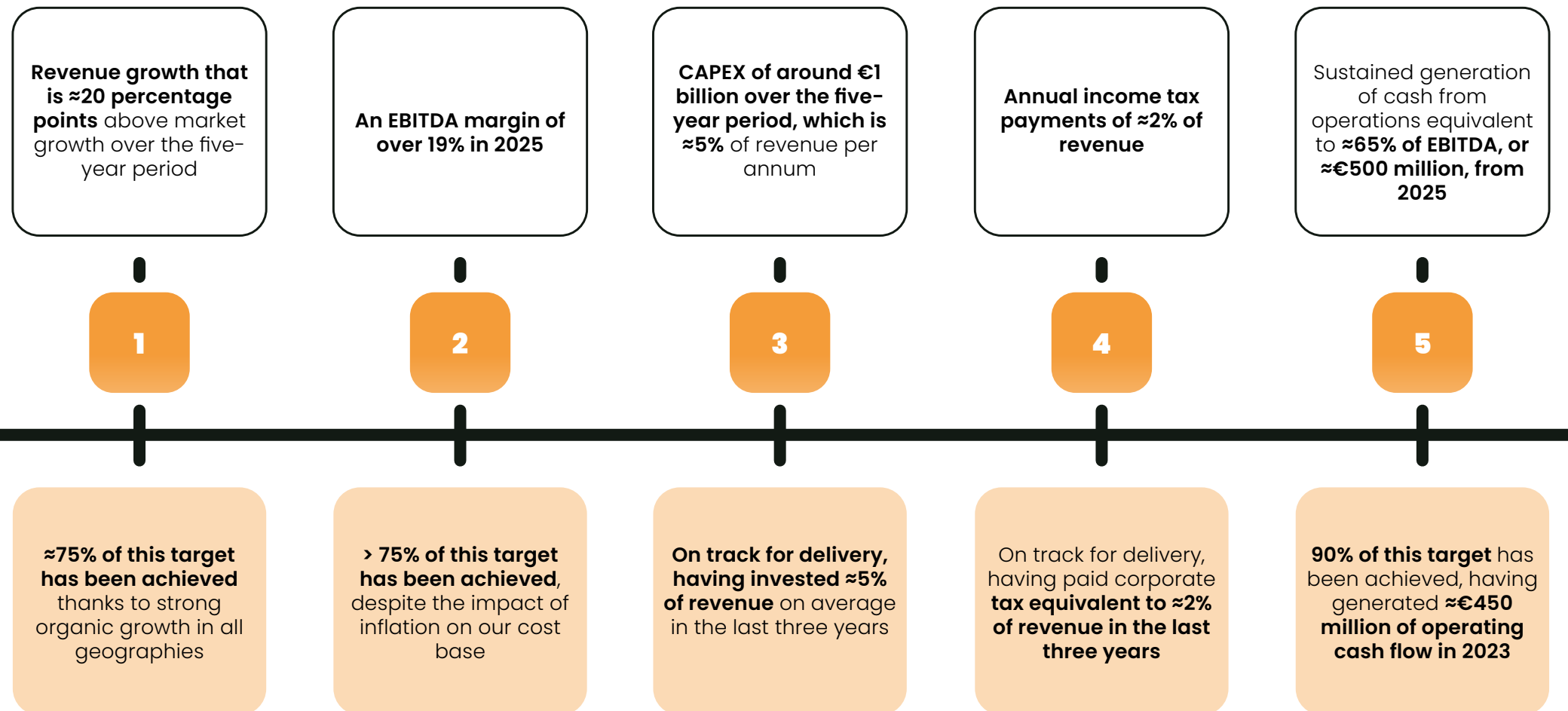
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Target delivery

In a year of transition in the automotive sector's post-pandemic normalisation, CIE Automotive delivered all of its annual targets, both its business and ESG targets.

DEGREE OF DELIVERY TOWARDS THE 2025 STRATEGIC TARGETS*

2025 strategic commitments



Progress in 2023

(*) These commitments were established considering the group's former scope, which included MFE. Sales at constant exchange rates and without considering the positive impact of pass-through clause activation.

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COMPLIANCE WITH THE KPIS SET IN THE 2025 STRATEGIC PLAN

COMPLIANCE AREA

SDG	KPI	Target	Deadline	2023
3 8	Employees trained on Code of Conduct	>95%	2021	
3 8	Organisation of ESG workshops	100%	2025	
4 8	Global rollout of Criminal Risk Prevention Model	100%	2025	

SUPPLY CHAIN AREA

SDG	KPI	Target	Deadline	2023
8 10	No. of countries to have embedded ESG criteria into their purchasing processes / Total number of markets in which the group operates	100%	2021	
8 10 13	% Local suppliers / Total suppliers over total expenditure during the period	>70%	2023	
8 10	No. of suppliers with annual purchasing volumes of >€1m that have been audited and/or self-assessed along ESG criteria during the Plan horizon	25%	2022	

ENVIRONMENTAL AREA

SDG	KPI	Target	Deadline	2023
9 12 13	Reduction of energy consumption (kWh/value added)	2% Annual average	2025	
9 12 13	Reduction of direct GHG emissions (Scope 1) (MT CO ₂ e/value added)	2% Annual average	2025	
9 12 13	Reduction of indirect GHG emissions produced via the generation of energy (Scope 2) (MT CO ₂ e)	5% Annual average	2025	
9 12 13	Reduction of emissions intensity (MT CO ₂ e/value added)	3% Annual average	2025	

HUMAN RESOURCES AREA

SDG	KPI	Target	Deadline	2023
5 10	No. of factories to have completed diversity assessment / Total group factories	100%	2025	93%
3 8	% of plants with ISO 45001 certification considering scope at the start of the 2025 Strategic Plan	100%	2025	94%
3 8	No. of people trained / Total no. of people to be trained on ESG matters	100%	2025	97%

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ENGINEERING AREA

SDG	KPI	Target	Deadline	2023
91213	No. of production lines to have implemented Industry 4.0 technology initiatives by division or technology	Europe: 3 Asia: 1 America: 1	2024	✓✓✓
91213	Introduction of circular economy projects to enhance energy consumption (#)	Development of a circular economy project in Europe for extension to another region	2024	✓
91213	% improvement in the gross to net weight ratio	Europe: 3% improvement in 2 significant products across 3 technologies Rest of world : 3% improvement in 3 significant products across 3 technologies	2025	✓✓

SALES AREA

SDG	KPI	Target	Deadline	2023
17	No. of factories self-assessed in NQC with a score of over 80%	75%	2021 ✓	85% ✓
17	Fact-finding mission to determine which platforms each factory uses with its customers for ESG self-assessment purposes	100%	2021 ✓	100% ✓
17	No. of salespeople to have received training / Total number of salespeople	80%	2021 ✓	100% ✓

M&A AREA

SDG	KPI	Target	Deadline	2023
38	New acquirees to have implemented the ESG Manual / Total new acquirees	100%	2021 ✓	✓

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FINANCE AREA

SDG	KPI	Target	Deadline	2023
8	Compliance with the requirements stipulated in the first sustainable finance issue until repayment (%)	100%	2021 ✓	✓
8	ESG financing agreements published (%)	100%	2023 ✓	✓
8	Gross sustainable borrowings / Gross group borrowings	>50%	2025	✓

INVESTOR RELATIONS AREA

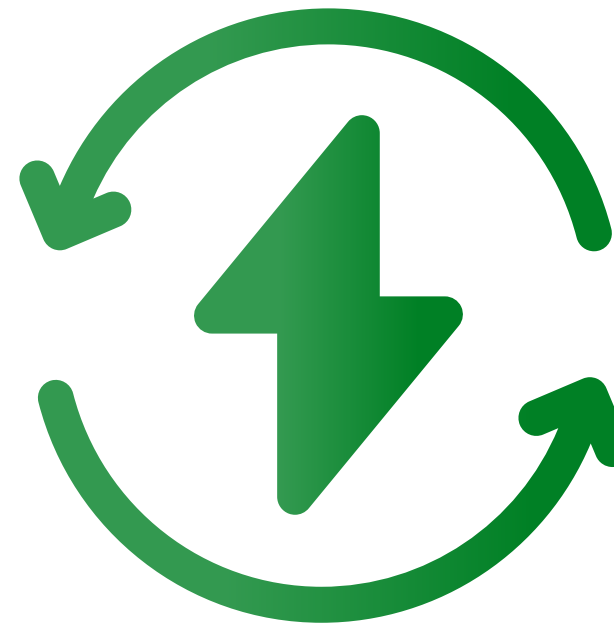
SDG	KPI	Target	Deadline	2023
8	No. of key ESG analysts answered / Total key ESG analysts to have contacted CIE Automotive	100%	2021 ✓	✓
8	Publication of the ESG Plan on the corporate website and intranet	100%	2021 ✓	✓

- 3 Health and wellbeing
- 4 Quality education
- 5 Gender equality
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industrialisation, innovation and infrastructure
- 10 Reduced inequalities
- 12 Responsible consumption and production
- 13 Climate action
- 16 Peace, justice and strong institutions
- 17 Partnerships for the goals

CIE Automotive met its ESG targets for the year

Innovation as the strategic enabler

CIE Automotive is in the midst of a technological transformation that will ultimately shrink its corporate footprint and that of its products and leave it more efficient for competing in a changing and contested market. In 2023 it continued to innovate and invest approximately 2% of its revenue, through its 10 research centres and the productive units, with a view to facilitating delivery of its 2025 Strategic Plan targets. Its 10 R&D centres and its engineering and R&D areas are working on improvement projects, following a roadmap articulated around four strategic lines of action: eco-efficiency, Industry 4.0, new mobility concepts and safety. Innovation also plays a crucial role in moving the company towards climate neutrality.



ECO-EFFICIENCY AND CIRCULARITY

With the aim of becoming net zero by 2050, the R&D area is focusing hard on reducing consumption and emissions.

In parallel, the company is working on projects in the electric motor, battery and power electronics systems in order to continue to penetrate the electrified vehicle segment and so contribute to the decarbonisation of transportation in the use phase.

CIE Automotive collaborates with a range of research programmes targeting decarbonisation at both the regional and international levels. Those programmes are looking at systems for zero-emission vehicles, whether battery-powered or fuel-cell electric vehicles.

In batteries, CIE Automotive is also participating in the Basque initiative for the production of solid-state batteries, which is planning to build 10 GWh of capacity. Basquevolt plans to commission a production line in four years' time, entailing €700 million of investment and generating more than 800 direct jobs. Solid-state batteries will deliver a substantial increase in battery autonomy, while lowering their costs and reducing dependence on certain critical materials. That will also lead to democratisation of the electric vehicle, paving the way for costs of €15,000 per vehicle, making them accessible to most citizens. This project considers the life cycle of the new batteries, including disassembly, recycling or reuse.

Helping make vehicles lighter is a key thrust of CIE Automotive's innovation strategy

Materials

Innovation is driving the transition to a circular economy by enabling more efficient use of materials and steadily reducing the amounts of raw materials needed relative to a product's end weight, all of which is making parts lighter. Here the engineering area is working on a number of different projects:

- Introduction of new product functions, so reducing the number of parts. In the roof systems division, this means including lighting, display screens and photovoltaic cells in the systems.
- Launch of eco-design tools for incorporation into new product and project processes. In 2023 this project emphasised the incorporation of disassembly and recycling criteria at the product design phase.
- Projects to increase the circularity of polymer transformation technologies.
- Introduction of recycled materials into roofing textiles that can help cut product emissions up to three-fold.
- Innovation in technologies that reduce the use of fuel and chemical products, such as ESG+ technology, in roofs and side windows, delivering a consideration reduction in waste generation and the products' environmental footprints.
- Continuation of the multi-year projects aimed at rationalising the use of raw materials, which are being rolled out across all technologies and regions, developing new process concepts with the potential to directly reduce our scope 3 emissions.

Vehicle light-weighting

Helping make vehicles lighter is a key thrust of CIE Automotive's innovation strategy due to its contribution to reducing the use of raw materials, lowering fuel consumption in an internal combustion vehicle while in use or increasing the autonomy of an electric vehicle:

- Aluminium forging for chassis and suspension parts, achieving very compelling mechanical property ratios relative to weight
- Technology shift marked by increased use of polymer materials, reducing the bill of materials by adding functions
- Development of the new thin roof concept which weighs less and takes up less space
- Reducing roof weights by using resin transfer moulding (RTM) frames

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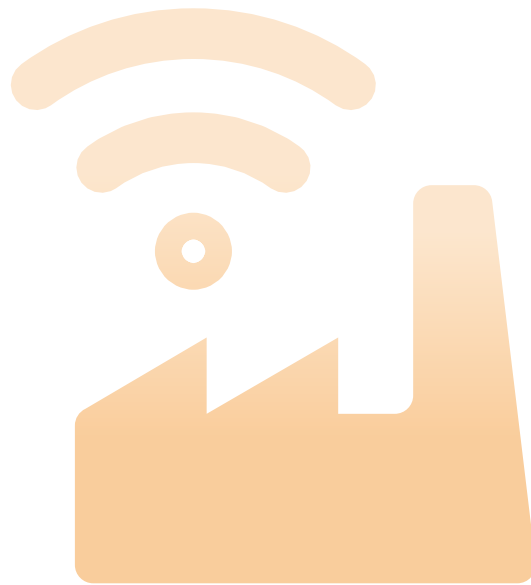
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INDUSTRY 4.0

CIE Automotive is future-proofing its factories by adopting new tools and technologies. The number of data control and capture sensors embedded in its equipment and production is growing all the time. In parallel, collaborative robots (cobots) are popping up on its production lines, providing employees with real-time information over new interfaces. In addition, data analytics is being used in a growing number of technologies, underpinned by increasingly efficient deep learning algorithms available in tools requiring low-code programming.

In 2023, the company finished the demo for a new intralogistics platform for the automation of the transportation of finished products with the goal of establishing a continuous loop for the delivery and collection of finished product packaging for storage up high in the warehouse.

This solution adds flexibility, efficiency and traceability to the logistics processes by means of the smart management of different sensors and mobile devices, including automotive guided vehicles (AGVs) and autonomous mobile robots (AMRs). These devices are being integrated into the factories' existing management systems and other sensors to give users visibility and control in real time using 5G technology. The 5G standard is crucial on account of the massive volumes of data involved, the density of the devices, the broad coverage required in spaces like these and the immediacy needed for the entire intralogistics ecosystem to work optimally.

In tandem the company has added cobots in assembly and inspection operations and when using chemical products. The use of these collaborative robots enables more precise product dosing and delivers a significant reduction in their environmental impact.



NEW MOBILITY CONCEPT

Current mobility trends point to improving the user experience shaped by a keen interest in comfort and connectivity. Against this backdrop, CIE Automotive is innovating intensely in its roof systems area, specifically:

- Integrating lighting into glass or shading.
- Reducing noise by means of the use of brushless motors.
- Adding shading-glass.
- Improving user ergonomics by electrifying side windows and shades and introducing self-opening luggage covers.
- Improving aesthetics and style by means of flush door panes.
- Adding solutions featuring photochromatic glass.
- Introducing panoramic screens.
- Making roofs that take up less space.
- Improving the compartment space.

Ready for change



SAFETY

Product safety is a priority component of CIE Automotive's product development and innovation strategy. At present it is working on a number of projects designed to provide, from the development phase, more accurate predictions of how parts and systems will perform throughout their use phase in a number of possible scenarios.

More specifically, the company is working to improve product performance in terms of noise and vibrations considering frequency dependent characteristics so as to enhance prediction from the design phase.

It is also optimising the design process around crash events by improving how it models the joins and interactions between parts to make vehicles safer in the event of accidents or impacts.

Lastly, new requirements have been added throughout the entire process with the aim

of achieving zero defects and ultimately maximising product safety and customer satisfaction.

Using widely accepted sector methodologies, all the possible ways a product could become a risk are identified every step of the way, from product conception to manufacture, prioritising those sources of risk and generating action plans to reduce their likelihood of occurrence and severity, radically mitigating any potential malfunction in the products we deliver our customers.

It is working on a number of projects designed to provide, from the development phase, **more accurate predictions of how parts and systems will perform throughout their life cycles**

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We are making history, testing and beating our own limits year after year. What is driving our profitable growth? A flexible model, an astute strategy and the coordinated efforts of a diverse team working across four continents.

3.1

Economic performance

CIE Automotive once again demonstrated its commitment to growth and profitability in 2023. It delivered a profit of €320.2 million, up 6.7% from 2022, having lifted its revenue to €3.96 billion, against the backdrop of recovering vehicle production volumes, high interest rates and persistent inflation.

Topline growth, of 3.1% from 2022, combined with efficient team management, unlocked double-digit growth in operating profit: EBITDA increased by 12.6% to €713.2 million, while EBIT was 18.1% higher at €527.7 million.

These figures highlight the solidity of the business model, articulated around geographic, customer and technological diversification, and the merits of focusing on cash generation. The company's healthy earnings performance was also helped by the disappearance of less competitive suppliers unable to withstand the supply chain friction, firstly, and the rise in borrowing costs after that.

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In 2023 the company generated €447.4 million of operating cash flow, which is equivalent to 65% of EBITDA, in line with the 2025 Strategic Plan target. Thanks to this healthy cash flow, the group was able to pay out more than €100 million of dividends to its shareholders and resume its longstanding M&A strategy, acquiring Iber-Oleff in Brazil.

CIE Automotive acquired Iber-Oleff Brasil for €20 million, a multiple of 6.7 times its EBITDA

2023 EARNINGS

€ m	2022	2023	Chg. %
Revenue	3,838.6	3,959.5	3.1%
EBITDA *	633.4	713.2	12.6%
EBITDA margin % **	16.5%	18.0%	1.5 p.p.
EBIT *	446.7	527.7	18.1%
EBIT margin % *	11.6%	13.3%	1.7 p.p.
Net profit **	300.1	320.2	6.7%

(*) EBITDA: Net operating result + Amortization, EBIT: Net operating result, Net profit: Result attributable to the shareholders of the parent company.

(**) The percentage operating margins are not comparable to those of previous years due to the inflationary environment and its derivatives.

New growth opportunities with the acquisition of Iber-Oleff

CIE Automotive acquired Iber-Oleff Brasil for €20 million, a multiple of 6.7 times its EBITDA. With close to 400 employees and 2022 revenue of €25 million, Iber-Oleff Brasil has a factory in Salto, in the state of Sao Paulo, where it specialises in the manufacture of plastic parts for vehicle interiors, offering integrated injection, welding, painting, laser and assembly processes.

The acquisition of Iber-Oleff Brasil gives the group a foothold with major Asian OEMs with bases in Brazil, as well as reinforcing its positioning with European and American OEMs. This deal provides a unique opportunity to unlock significant growth for a limited investment thanks, above all, to the synergies arising from its integration in the company's existing Brazilian plastics division.

The Iber-Oleff acquisition reflects CIE Automotive's strategy of channelling its resources into high growth markets such as Brazil and India.

Sale of the German forging factories to focus on higher performance markets and technologies

In October CIE Automotive sold Matares its German forged parts manufacturing business: the factories in Schöneeweiss, GSA, Falkenroth and Jeco, with close to 600 employees and annual revenue of around €220 million in 2022.

CIE Automotive acquired these factories in 2013 along with the rest of the parts division it bought from the Mahindra group. These factories were specialised in truck parts for the European market, a business that was less profitable for the group. After 10 years of continuous improvements to increase their profitability, CIE Automotive was able to sell the factories for €55.5 million, equivalent to 5 times their EBITDA.

The main rationale for the disposal is to redirect financial and managerial resources to more profitable markets, including regions with higher growth potential and technologies in greater demand from the group's customers, in line with the sector megatrends (decarbonisation, vehicle light-weighting, comfort, etc.).

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Earnings performance by region

All of the group's markets made a positive contribution in 2023, delivering double-digit EBITDA and EBIT margins, despite very different conditions from one region to another. While the mature markets, such as North America and Europe, reported modest growth on account of extremely high vehicle penetration rates, the emerging markets, where penetration is lower, including India, China and Brazil, reported higher growth.

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North America

The North American factories generated €1.23 billion of revenue, growth of 14.2% (in constant currencies and factoring in the pass-through of raw material price increases) from 2022, compared to market growth of 9.7%. This performance was partly shaped by national incentives for the purchase of electric vehicles and pent-up demand in the fleet segment, more than offsetting the fallout from several weeks of strike action at the General Motors, Stellantis and Ford factories in the US and Canada.

Factories in North America		
Revenue	€1.23 billion + 14.2% vs 2022*	MARKET 9.7%
EBITDA margin	18.5% EBITDA: €228.0 million	
EBIT margin	14.1% EBIT: €174.1 million	

Europe

CIE Automotive generated €1.43 billion of revenue in Europe, growth of 12.0% from 2022 (in constant currencies and factoring in the pass-through of raw material price increases), despite market maturity. Revenue in this market was boosted by electric vehicle purchase incentives and the renewal of very aged rental car fleets.

Factories in Europe		
Revenue	€1.43 billion +12.0% vs 2022*	MARKET 12.6%
EBITDA margin	17.2% EBITDA: €245.0 million	
EBIT margin	11.5% EBIT: €164.4 million	

(*) Considering the effect of the pass-through of raw material price increases and in constant currencies.

Brazil

In Brazil, CIE Automotive reported revenue of €360.3 million, growth of 18.1% from 2022. The company navigated a challenging market environment shaped by unemployment, higher interest rates and political instability.

Factories in Brazil		
Revenue	€360.3 million +18.1% vs 2022*	MARKET 1.2%
EBITDA margin	19.5% EBITDA: €70.2 million	
EBIT margin	15.9% EBIT: €57.2 million	

Asia

In India, CIE Automotive posted revenue of €617.5 million, while defending its high margins. The company was able to tap the strong demand in the various market segments.

In China, CIE Automotive's revenue contracted by 19.4%, amid a fierce price war, but EBITDA and EBIT margins remained high.

Factories in India		
Revenue	€617.5 million 8.0% vs 2022*	MARKET 4.4%
EBITDA margin	17.7% EBITDA: €109.4 million	
EBIT margin	14.0% EBIT: €86.4 million	

Factories in China		
Revenue	€322.3 million -19.4% vs 2022*	MARKET 10.0%
EBITDA margin	18.8% EBITDA: €60.6 million	
EBIT margin	14.1% EBIT: €45.5 million	

(*) Considering the effect of the pass-through of raw material price increases and in constant currencies.

3.3

Sound financial position

Financial management was a key component of CIE Automotive's strong earnings in 2023. Faced with higher borrowing costs on the back of successive interest rate increases, which put the weakest suppliers in serious jeopardy, the company locked in the liquidity and term structure needed by refinancing its debt and increasing the share of its borrowings at fixed rates to 54.5%. In parallel, it continued to honour its sustainability commitments by tying its borrowing costs to delivery of those pledges.

CIE Automotive's net debt came down by approximately €143.5 million in 2023 for an adjusted year-end balance of €1.13 billion, implying a net debt-to-EBITDA ratio of 1.56x. That leaves the company in a comfortable position for undertaking new strategic investments designed to further its profitable growth and reinforce its position in high-growth markets.

The reduction in net debt was enabled by the generation of €447.4 million of operating cash flow (which is around 65% of EBITDA, in line with the 2025 Strategic Plan targets), which translated into €276.5 million of cash flow (after growth CAPEX, working capital and other items).

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COMPARATIVE BALANCE SHEET

€ m	2022	2023
Fixed assets	3,560.8	3,541.4
Net working capital	(501.0)	(469.7)
Total net assets	3,059.8	3,071.7
Equity	1,504.6	1,661.2
Net debt	1,289.8	1,134.7
Other (net)	265.4	275.8
Total equity and liabilities	3,059.8	3,071.7

FINANCIAL RATIOS

	2022	2023
Adjusted net debt/EBITDA*	1.98	1.56
Net debt/equity	0.86	0.68
Leverage ratio	0.46	0.41

(*) Net debt and EBITDA figures adjusted for the group's 50% interest in the Chinese JV, SAMAP.

Diversification of financing sources

CIE Automotive works with a number of banks to finance its activities. As a result, its credit risk is not concentrated. At year-end 2023, CIE Automotive had undrawn credit lines totalling €78 million (total limit under these facilities: €768 million).

DEBT STRUCTURE

€ m	2019	2020	2021	2022	2023	MATURITY	Characteristics
Syndicated loan	≈ 480	≈ 345	300	340	310	April 2028	• Loan in euros • Price band based on net debt/EBITDA • 250 million in loan format and 440 million in the form of a RCF (380 million undrawn) • Unexercised option to extend by one year
EIB	113	139	121	108	95	April 2031	• Loan in euros • Partially fixed rate
IFC-EDC	134	≈122	≈121	≈103	≈82	June 2028	• Loans in dollars
Long-term loan	≈ 77	≈ 68	68	68	68	July 2026	• Loan in euros • Fixed rate
North America	≈ 212	≈ 167	≈ 128	105	77	Several	• Several • Loans in dollars • At fixed and floating rates
Other	≈ 1,105	≈ 1,407	≈ 1,442	1,417	1,538	Several	• Borrowings comprising bilateral loans (local), credit facilities, working capital lines, etc.
Gross debt	≈ 2,121	≈ 2,248	≈ 2,180	≈ 2,141	≈ 2,169		
Cash and cash equivalents	≈ 599	≈ 653	≈ 785	≈ 857	1,035		
Net debt	≈ 1,522	≈ 1,595	≈ 1,395	≈ 1,290	1,135		

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DEBT MATURITY PROFILE

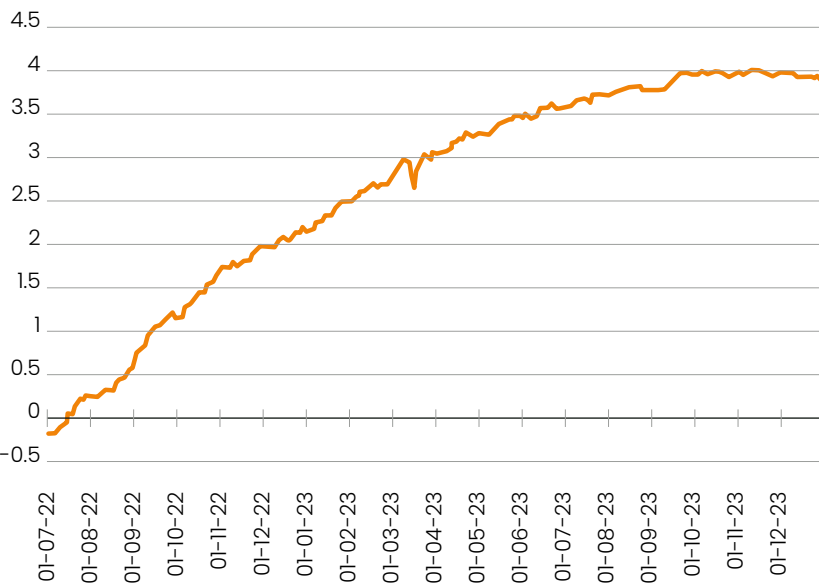
€ m	2022	2023
Within one year	472.0	511.7
Between 1 and 2 years	701.3	315.6
Between 3 and 5 years	820.7	1,266.3
More than 5 years	147.1	75.9
Total borrowings	2,141.1	2,169.5

Trend in interest rates

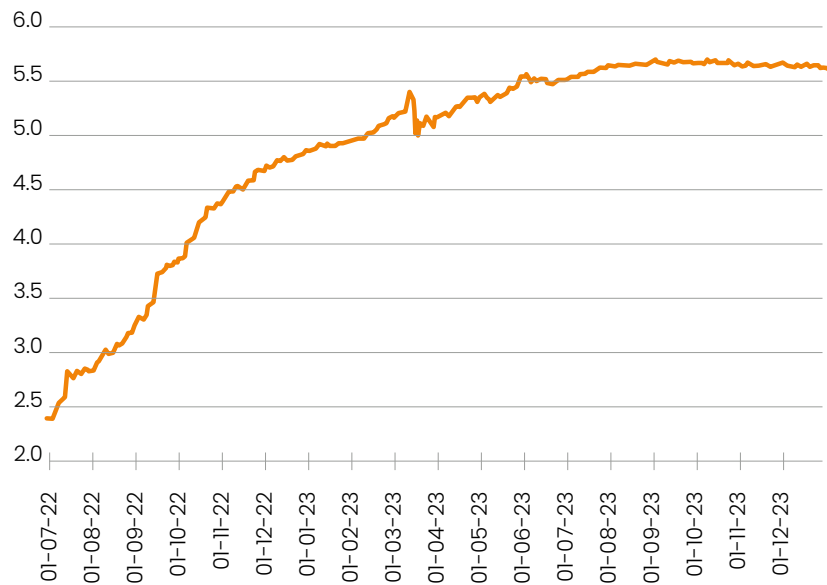
Interest rates were once again a unique force in 2023. Whereas official rates were increased further in the US and Europe, market rates took a different course. 12-month Euribor increased slightly and longer-term rates, using the 5-year IRS as proxy, ended the year lower, as did the equivalent American proxy.

Therefore, it looks as if the actions taken by the European Central Bank and Federal Reserve have effectively anchored inflation expectations, prompting the market to decouple from the increases in official rates and even start to discount rate cuts in 2024. Favourable conditions in the equity and fixed-income markets went a long way to facilitating this performance.

3-MONTH EURIBOR (July 2022 - December 2023)



SOFR + 3M SPREAD*



(*) The SOFR Overnight plus a spread of 0.2616% (the 3-month spread)

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Strategy

The central banks' staggered official interest rate increases translated into a widespread increase in borrowings costs, prompting CIE Automotive to take opportune measures to minimise the impact on its financing strategy.

The fact that its liquidity buffer stood at €1.73 billion at year-end 2023 is evidence of the merit of the financial management undertaken by the company to safeguard its solvency in the face of potential market risks.

In addition, in 2023 the company continued to increase the volume of gross borrowings arranged at fixed rates to mitigate the risk of even higher interest rates, while leaving margin for benefitting from potential rate cuts in the near term.

By way of illustration, at year-end 2021, 35% of the group's gross debt were fixed-rate borrowings, a level which increased to 50% by the end of 2022 and stood at 55% by year-end 2023.



Extension of the sustainable syndicated loan

CIE Automotive renewed and extended its syndicated loan from 2027 to 2028 with the backing of all of the banks in the pool, evidencing its lenders' confidence in the company's creditworthiness.

The syndicated loan refinancing also raises the profile of CIE Automotive's commitment to sustainability as the cost of this facility is tied to delivery of its ESG targets.

100% of net debt is sustainable

At year-end 2023, 100% of the group's net debt and 68% of its gross debt was tied to ESG criteria, surpassing already in 2022 the targets set in the 2025 Strategic Plan of tying 70% of net debt and 50% of gross debt to delivery of these criteria.

CIE Automotive set a new milestone in 2019 when it arranged its first sustainable financing facility. Since then it has been working to standardise its financing arrangements so that all new agreements include a sustainability clause whereby the rate of interest comes down if the company meets its ESG targets.

Moody's is the independent agency tasked with certifying compliance with these commitments.

CIE Automotive
renewed and
extended its
syndicated loan
from 2027 to 2028
**with the backing
of all of the banks
in the pool**

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Collaboration and reciprocity with our **STAKEHOLDERS**

We create value for our **SHAREHOLDERS**

Excellence with and for our **CUSTOMERS**

Our **TEAM**: the people behind the transformation

Change begins with our **SUPPLIERS**

Serving the **COMMUNITIES** that host us

We urge our stakeholders to work together towards a shared future in which success is not measured in financial terms only but also considering our positive and long-lasting impact on people and broader society.

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Collaboration and reciprocity with our **STAKEHOLDERS**

CIE Automotive builds professional relations based on trust, responsibility and mutual benefits, engaging with thousands of individuals, organisations and communities that help it create its value proposition. The company classifies these stakeholders into nine main categories in order to standardise how it engages with them and encourage their involvement, creating the communication channels necessary to understand their legitimate expectations and help them see how they can contribute to the progress of all.

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WHAT CIE AUTOMOTIVE DOES FOR ITS STAKEHOLDERS

SOCIETY

SOCIETY

- The company drives development through its activities in its operating markets.
- It finances community work targeted at the least privileged.
- It helps make safer and more comfortable and environmentally-friendly cars.
- It fights climate change.

PUBLIC AUTHORITIES

- The company works with the authorities in its business communities to improve various services.
- It implements their requirements at its facilities, cooperating lawfully and transparently.

SECTOR

- The company participates actively, holding positions of prominence, in several business associations in Spain and Europe.

CIE Automotive

PROFESSIONALS

- It offers decent work and training in all countries.
- It safeguards the health and safety of its employees.
- It facilitates collective bargaining.
- It respects human rights with an emphasis on the more vulnerable markets.

BUSINESS PARTNERS

- The strategic alliances with Donghua Automotive Industrial and the SAIC Group in China bring enhanced knowledge of and adaptation to the local market.

SHAREHOLDERS

- CIE Automotive generates value for its shareholders via dividends.
- It provides transparent, accurate and timely information to the investment community.
- It earns the market's trust.

MARKET

CUSTOMERS

- The company is strategically committed to innovation to meet customers' demands.
- It guarantees the quality and safety of its products.
- It fine-tunes the supply chain continually.
- It manages its resources efficiently in order to contain prices.

SUPPLIERS

- The company guarantees its suppliers are given equal opportunities.
- It promotes transparency and optimal pricing.
- It provides fair payment terms.
- It reaches out to its suppliers as part of its effort to deliver customer satisfaction.

FINANCIERS

- The company negotiates the best possible conditions on the basis of investment requirements and prevailing market conditions.

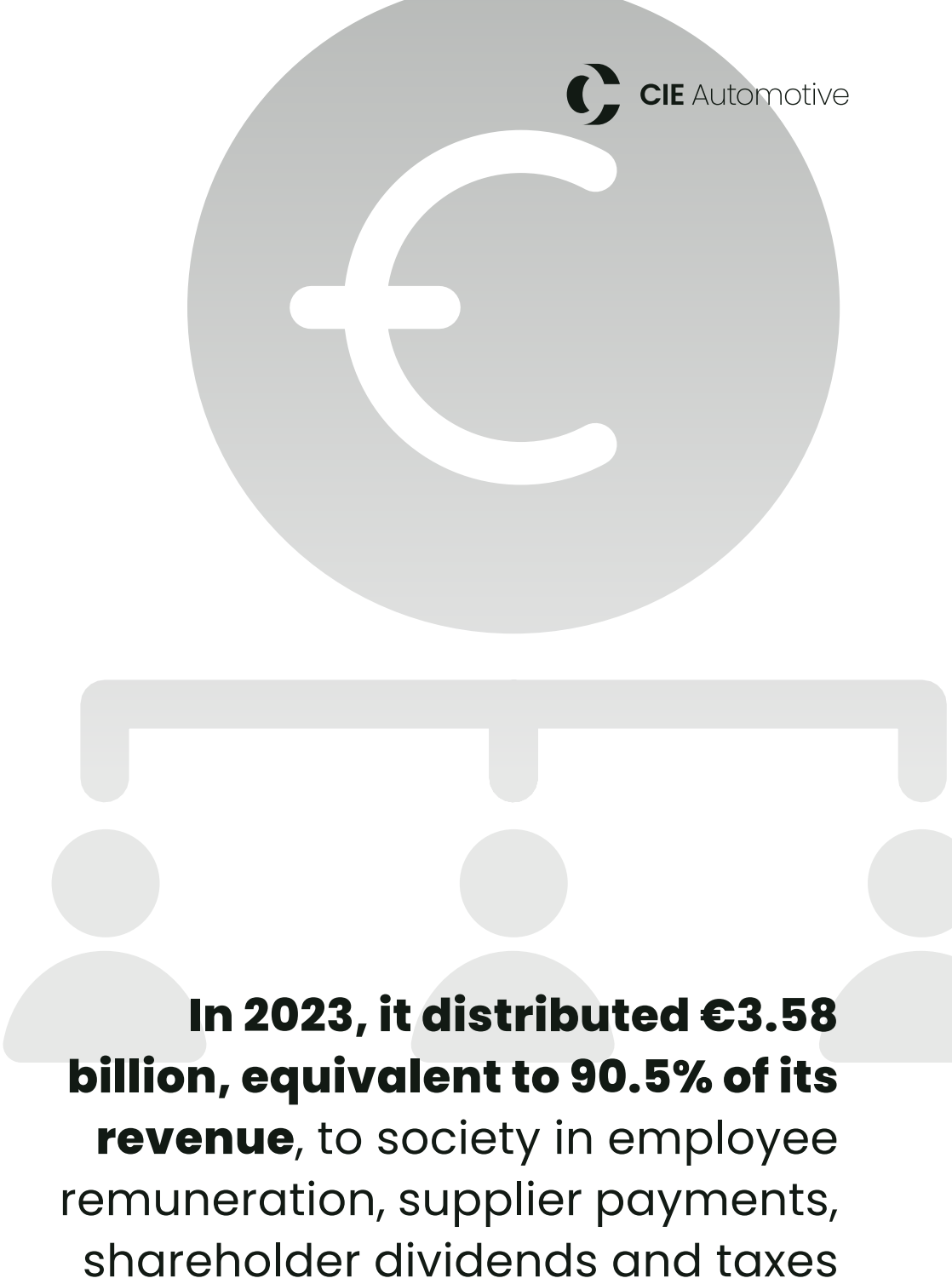
Value generated and distributed

CIE Automotive’s business is a source of wealth for its stakeholders across all its geographical markets. In 2023, it distributed €3.582,1 billion, equivalent to 90.5% of its revenue, to society in the form of employee remuneration, supplier payments, shareholder dividends and taxes.

VALUE GENERATED AND DISTRIBUTED

€ m	2022	2023
Revenue	3,838.6	3,959.5
Economic value distributed	2022	2023
To shareholders (dividends)**	88.2	100.6
To employees (employee benefits expense)	605.1	652.0
To suppliers (consumption of raw materials and auxiliary materials)	2,370.4	2,332.3
To society (income tax paid)	468.5	497.2

(*) Dividend distributed during the year.



In 2023, it distributed **€3.58 billion, equivalent to 90.5% of its revenue**, to society in employee remuneration, supplier payments, shareholder dividends and taxes

Stakeholder engagement

The company has a wide range of reporting and communication channels, the most important being its corporate website, where its stakeholders can consult all kinds of information about the company and reach out to it in different ways.

CORPORATE WEBSITE

The corporate website www.cieautomotive.com provides relevant information about the company: in addition to information about possible jobs in the dedicated human resources tab, the supplier tab provides access to the new Suppliers Portal. There is also a 'Press Centre' with all of the company's press releases and an extensive microsite with information for investors and shareholders containing all the documentation required under securities market regulations (CNMV Circular 3/2015).

SPECIFIC CONTACTS FOR EACH STAKEHOLDER GROUP*

ESG and Society:
Susana Molinuevo esg@cieautomotive.com

Professionals:
Aitor Zazpe hr@cieautomotive.com

Investor relations and business partners:
Lorea Aristizabal ir@cieautomotive.com

Customers and sector:
Mikel Orbegoza sales@cieautomotive.com

Supply chain:
Irache Pardo purchasing@cieautomotive.com

Financiers:
Irache Pardo financierocie@cieautomotive.com

Public relations:
compliance@cieautomotive.com

MAILING ADDRESS

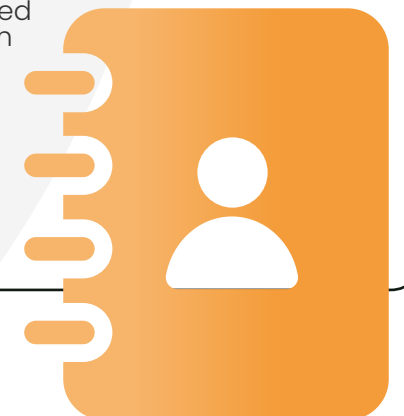
Any stakeholder so wishing may also write to the department in question at the following address:

AIC - Automotive Intelligence Center.
Parque Empresarial Boroa, Parcela 2A - 4, 48340 Amorebieta (Bizkaia), España.

WHISTLEBLOWING CHANNEL

Anyone can notify improprieties or breaches of the company's business ethics or any of the matters stipulated in CIE Automotive's Code of Professional Conduct through the new platform hosted on the corporate website.

CIE Automotive, S.A. | Inicio ([integrityline.com](https://cieautomotive.integrityline.com/)).
<https://cieautomotive.integrityline.com/>



(*) Also included on the corporate website.

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Transparency

As part of its commitment to transparency, CIE Automotive reports on its performance along the economic, environmental, social and governance dimensions in an integrated Annual Report which has become an essential tool for understanding CIE Automotive's performance.

The quality of the information provided in that report has been acknowledged by Informe Reporta, an assessment of the quality of the reporting efforts of the companies listed on the Madrid stock exchange by analysing 36 indicators related with the principles of importance, relevance, transparency and accessibility.

In 2023, CIE Automotive defended its second spot on the ranking in respect of its 2022 Annual Report, once again coming out ahead of all the other non-Ibex 35 companies and

all the other constituents of the Basic Materials, Manufacturing and Construction sector.

The 2022 Annual Report, published in February 2023, once again placed second on the Informe Reporta ranking.

Notably, CIE Automotive's Annual Report has jumped from the 51st position in 2014 to second place in 2022 and 2023.

In 2021, the company also began to publish an annual Tax Contribution Report, a document written to provide vested parties with knowledge of its tax and community contributions, its community engagement strategy, its risk management policies and its approach to transfer pricing. That report helped the company earn the tax responsibility seal (T for Transparency) awarded by the Haz Foundation in 2022.

[For further information about the tax responsibility seal, refer to Society]

CIE Automotive defended
**its second spot on
the Informe Reporta
ranking in respect of its
2022 Annual Report**

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We create value for our SHAREHOLDERS

In 2023, the company once again paid out one-third of its profits to its shareholders, implying cumulative growth in dividends of 26% over the last five years. Despite this compelling remuneration and the company's excellent earnings performance - CIE Automotive is one of the three most profitable companies in its sector with some of the highest growth prospects - its share price continued to lag its solid fundamentals.

PROGRESS MADE IN 2023

Distribution of over €100 million of dividends to shareholders.

Analysis of different investor segments with a view to broadening the shareholder base.

Engagement with over 400 investors and analysis.

CHALLENGES FOR 2024

Publication of an Investor Kit, a synopsis of useful information for investors and analysts looking to get an initial understanding of the company, marking a new step in the company's transparency strategy.

Targeting of key investors at roadshows and other conferences scheduled for 2024.

Reassessment of investment appetite across family offices.

Reinforcement of our ESG messaging with analysts and investors, extending the work done in 2023.

Who are our shareholders?

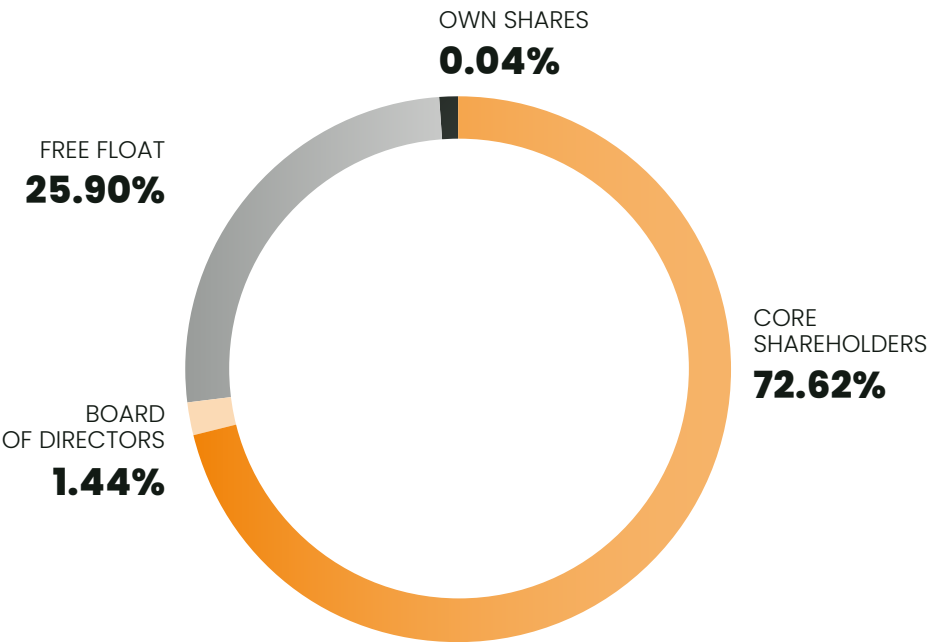
At year-end 2023, CIE Automotive's share capital amounted to €29.95 million, made up of 119,807,484 shares with a unit par value of €0.25, following the cancellation of 2,742,516 shares, 2.24% of the total at the time, acquired under the scope of the buyback programme initiated in 2022.

A significant percentage of the company's shares, 74.1%, were in the hands of a core group of benchmark shareholders and members of the Board of Directors. The free float accounted for 25.90% of the total and own shares, the remaining 0.04%.

Most of the free float shareholders are Spanish but funds from the US, UK, Norway, France, Luxembourg, Poland, Switzerland and Sweden also command a meaningful presence. This situation highlights the diversity and stability of CIE Automotive's shareholder structure.

A significant percentage of the company's shares, **74.1%, were in the hands of a core group of benchmark shareholders**

SHAREHOLDERS
In percentage



ANNUAL CHANGE IN SHAREHOLDER STRUCTURE

Percentage	2021	2022	2023
ACEK Desarrollo y Gestión Industrial, S.L.	15.69%	15.69%	16.05%
Corporación Financiera Alba, S.A.	12.73%	13.35%	13.66%
Antonio María Pradera Jáuregui	10.53%	10.53%	10.77%
Elidoza Promoción de Empresas, S.L.	10.89%	10.34%	10.58%
Mahindra&Mahindra, Ltd.	7.83%	7.83%	8.01%
Addvalia Capital, S.A.	5.26%	5.26%	5.38%
ABRDN PLC	3.99%	3.99%	-
FMR LLC	0.00%	3.02%	5.13%
Alantra Asset Management, SGIC, S.A.	3.50%	3.37%	3.05%
Total core shareholders	70.42%	69.03%	72.62%
Own shares	0.01%	2.37%	0.04%
Other Board members	1.44%	1.44%	1.44%
Free float	28.13%	27.21%	25.90%

Share price performance

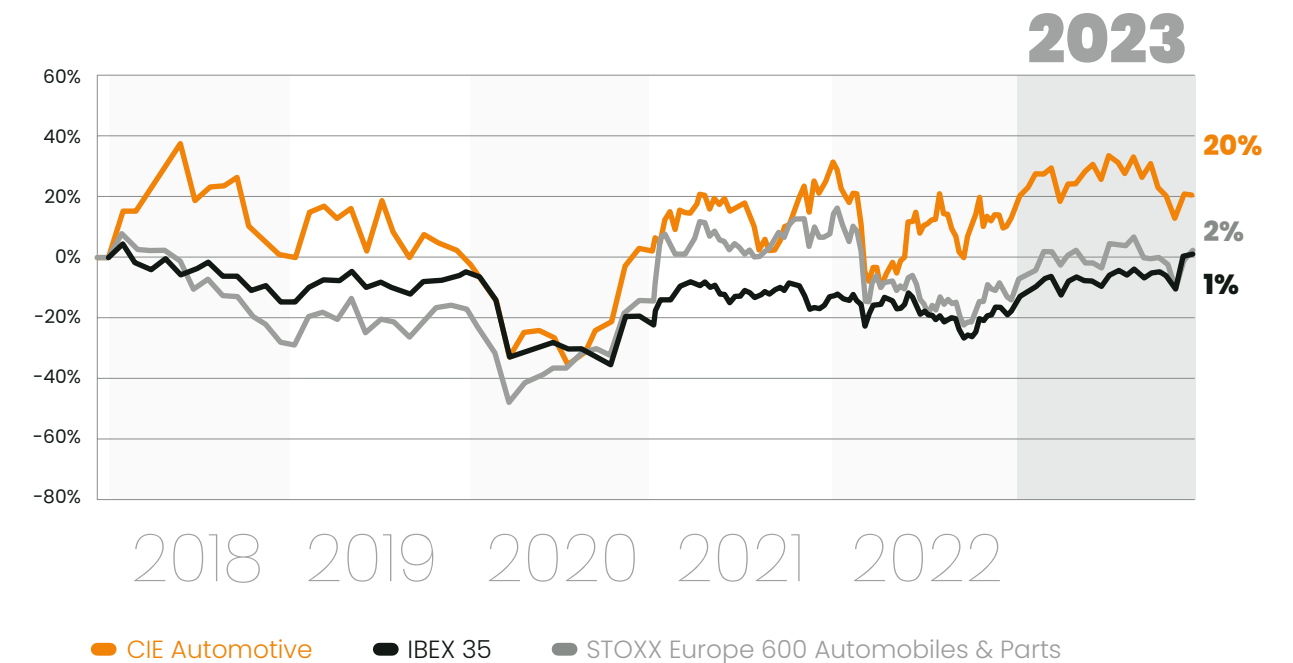
CIE Automotive's shares gained 7% in 2023 to end the year at €25.72. This moderate performance contrasts with stronger gains in the Stoxx Europe 600 Automobiles & Parts (+19%) and Ibex 35 (+23%), due, in part, to a more stringent base effect in the case of the company's shares. Over the past five years, CIE Automotive's share price has increased by 20%, significantly outperforming the Stoxx Europe 600 Automobiles & Parts (which gained 2% over that timeframe) and the Ibex 35 (just 1%). Comparing CIE Automotive's share price with the corrections sustained by most of the parts makers included in the broader sector index, the difference is even more striking.

Over the course of 2023, however, there continued to be a lag between CIE Automotive's fundamentals and its share price performance. Specifically, its share price remained well below the consensus target price of €31.38 assigned by the universe of analysts that follow the company. In contrast to other automotive parts makers, the company has not had to issue any profit warnings in the face of the recent sector complexity, remaining among the top three sector players in terms of profitability and growth prospects.

However, these achievements have not been priced in by the market. The automotive industry is not currently attractive to investors and medium-cap stocks are not managing to attract funds from the major investment funds, a combination that is not helping CIE Automotive. On top of this, liquidity fell in 2022, particularly after the company exited the Ibex 35 index.

The company's share price performance over the last year should not cloud its performance over a longer time horizon. Over the last five years, for example, CIE Automotive's share price has staged a stellar performance by comparison with its sector peers. CIE Automotive's share price has gained 20% over that period, while the Stoxx Europe 600 Automobiles & Parts has traded sideways.

SHARE PRICE PERFORMANCE, 2018-2023



CIE AUTOMOTIVE'S STOCK MARKET INDICATORS

	2021	2022	2023
Number of shares at year-end	122,550,000	122,550,000	119,807,484
Share price at year-end (€)	27.36	24.06	25.72
Market capitalisation at year-end (€ m)	3,352.9	2,948.6	3,081.4
Average trading volume	183,009	160,965	50,429
P/E multiple*	12.6	9.7	9.6

(*) PER: relationship between the share price and profit.

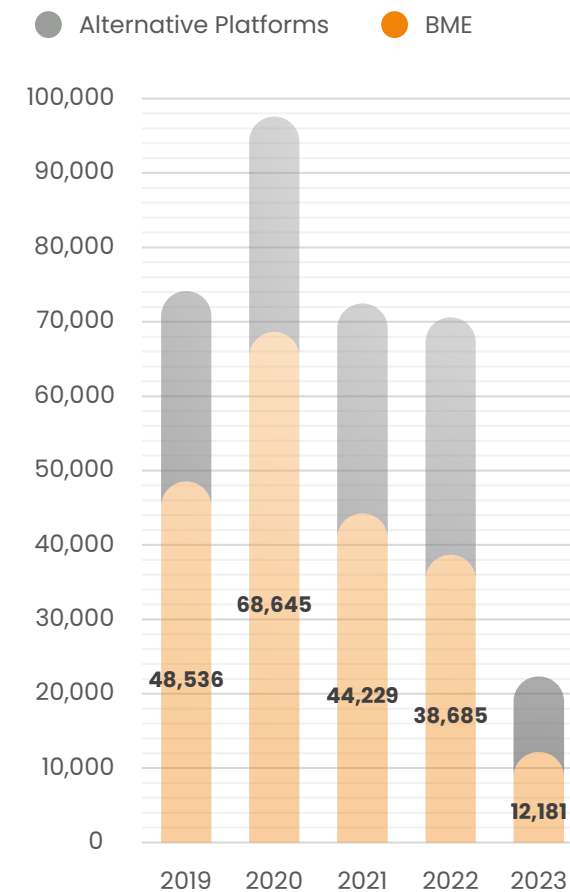
Drop in trading volumes

The downtrend in trading volumes on the exchanges managed by BME of recent years, which is affecting not only CIE Automotive but the stock market in general (see the chart below) continued in 2023. Some of the trading volume lost by BME has shifted to the so-called alternative platforms.

As a result, the drop in CIE Automotive's total trading volume is less pronounced looking at the shares traded on all platforms (BME and alternative platforms) than looking exclusively at the BME-managed exchanges.

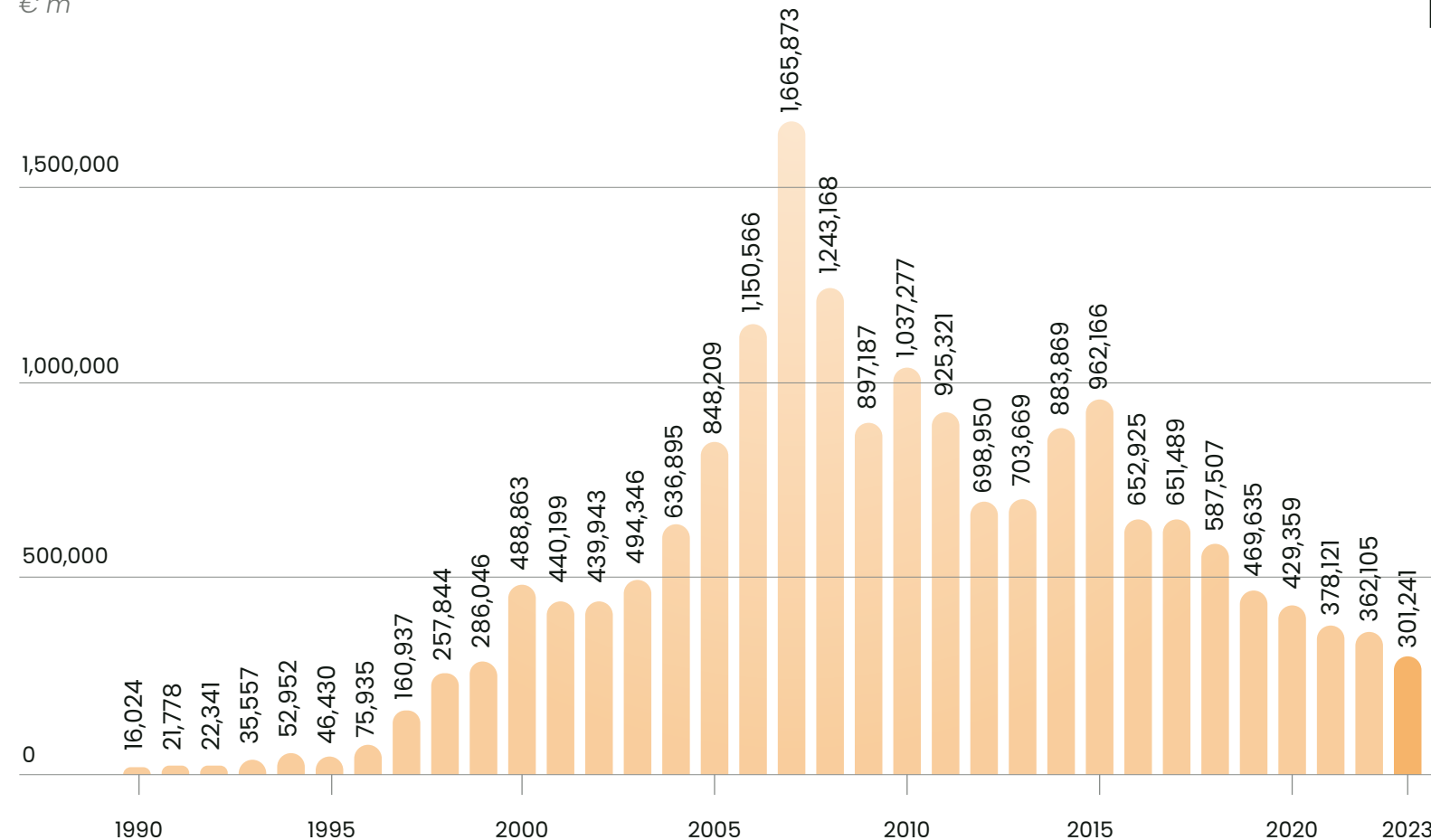
The drop in CIE Automotive's total trading volume **is less pronounced looking at the shares traded on all platforms**

BME EXCHANGED VOLUMES



VOLUME TRADED ON THE SPANISH STOCK MARKET BY BME

€ m



Fuente: BME.

Share price outlook

The company trusts that the gap between the sharp growth in the company's earnings and its share price will narrow in the coming years, helped by a positive outlook for the automotive sector, which is finding its way back to growth after several years below pre-pandemic levels.

The analysts that cover CIE Automotive agree that there is a significant mismatch between the company's fundamentals and its share price, as is evident in their average target price of €31.38 at year-end 2023, which is 22% above the closing share price. Over half of the analysts following CIE Automotive have Buy or Outperform recommendations.

CONSENSUS TARGET PRICES

COMPANY	ANALYST	RECOMMENDATION	PRICE	Last update
Alantra Equities	Álvaro Lenze	Hold	30.90€	10/2023
Bankinter	Esther Gutiérrez de la Torre Coll	Buy	32.60€	07/2023
Bestinver Securities	Enrique Yáñez	Buy	32.70€	05/2023
Caixabank BPI	Bruno Bessa	Hold	27.00€	10/2023
Exane BNP Paribas	Francisco Ruiz	Hold	26.00€	10/2023
Gaesco Valores	Iñigo Recio	Buy	35.00€	05/2023
Intermoney Valores	Virginia Pérez	Buy	30.00€	05/2023
JB Capital Markets	Alberto Espelosín	Buy	33.80€	10/2023
Kepler Cheuvreux	Alexandre Raverdy	Hold	27.00€	05/2023
Norbolsa	Nikola Egia	Hold	30.51€	06/2023
Oddo BHF	Anthony Dick	Outperform	33.00€	10/2023
Renta 4	Álvaro Aristegui	Outperform	35.5€	10/2023
Sabadell	Alfredo del Cerro	Buy	29.81€	10/2023
Santander	Robert Jackson Pina	Outperform	35.50€	07/2023
CONSENSUS	-	-	31.38€	-

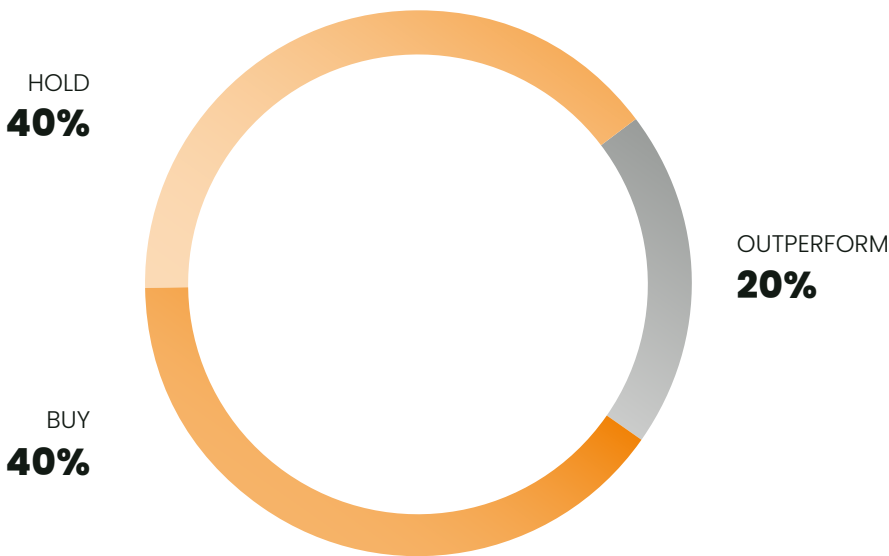
ESG-related stock indices

CIE Automotive belongs to a number of stock indices that focus on ESG aspects:

- Bloomberg ESG Data Index
- Bloomberg ESG Score Universe
- Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index NTR
- Solactive ISS ESG Screened Europe Small Cap Index NTR

ANALYST RECOMMENDATIONS

In percentage



The analyst
community's
consensus target
**price at year-end
was €31.38, implying
upside of 22%**

SHARE PRICE PERFORMANCE IN INDIA

The shares of CIE Automotive India Limited are traded on India's two main stock exchanges: the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). On the BSE, the Indian company's share price rallied by 34.4% to end the year at INR 470.65, marking a high for the year of INR 549.25; on the NSE the share price gained 34.5% to end the year at INR 470.70, having peaked during the year at INR 549.45. The share price spiked on the back of the company name change to CIE Automotive India, completion of the disposal of the truck parts forging business in Germany and the company's steady earnings momentum. It cooled from annual highs due to the slowdown in some end user segments.

Demand in the Indian automotive market was mixed: growth was healthy in the light vehicle segment, while the tractor and two-wheel segments were flat. The European automotive market had a good year although the two wars along its borders left investors feeling uncertain. In general, automotive related stocks performed well in India. However, the players with exposure to Europe did not perform as well.

CIE AUTOMOTIVE'S STOCK MARKET INDICATORS IN INDIA

	2019	2020	2021	2022	2023
No. of shares at year-end (millions)	379.01	379.01	379.05	379.05	379.05
Share price at year-end on BSE (INR)	164.75	171.80	235.00	343.85	470.65
Share price at year-end on NSE (INR)	164.75	172.00	234.2	346.45	470.70
High for the year on BSE (INR)	258.30	179.10	311.65	347.20	549.25
High for the year on NSE (INR)	135.55	59.05	148.30	164.00	334.90
Market capitalisation at year-end on BSE (INR millions)	62,442	65,114	89,068	131,606	178,400
Average trading volume on BSE (shares)	47,831	16,302	76,125	153,726	153,108
Average trading volume on NSE (shares)	185,060	207,911	498,953	884,430	1,088,363
Earnings per share (INR)	9.35	2.81	10.44*	18.76*	21.03
P/E multiple	17.62	61.21	22.43*	18.47*	22.38

(*) Including continuing operations only, i.e., excluding the earnings of CIE Forgings Germany, which was classified as held for sale.

The share price spiked on the back of the name change to CIE Automotive India, **the sale of the forging business in Germany and the company's steady earnings momentum**

Shareholder remuneration

In 2023 CIE Automotive once again honoured its commitment to distributing one-third of its profits to its shareholders. Specifically, it distributed €100.6 million of dividends against the previous year's earnings in two payments, one of €0.41 per share and the other of €0.419, on 5 January 2023 and 7 July 2023, respectively.

That put the dividend back at, and even above, the pre-pandemic benchmark, having reached €0.74 against 2019 earnings.

In line with its remuneration policy, the Board of Directors, agreed on 14 November 2023 to pay an interim dividend against 2023 profits of €0.45 per share, up 10% year-on-year. That interim dividend was paid out on 5 January 2024.

In recognition of the trend in shareholder remuneration at the company in recent years, CIE Automotive received the El Economista award for value creation as part of the tenth edition of the Inversión a Fondo prizes acknowledging the best investment ideas of 2022.

SHAREHOLDER REMUNERATION

	2019	2020	2021	2022	2023
Ordinary EPS (€)*	2.23	1.48	2.18	2.49	2.67
Payout**	33%	33%	33%	33%	33%
Accrued dividend per share (€)(***)	0.74	0.50	0.72	0.83	0.90
Dividend distributed during the year (€ m)	80.0	93.9	61.3	88.2	100.6

(*) 2018 EPS calculated using normalised earnings in the automotive segment.

(**) Payout: percentage of profit paid out to shareholders.

(***) Estimate for 2023 as of the date of publication of this document.

The company distributed €100.6 million of dividends against the previous year's earnings in two payments, one of €0.41 per share and the other of €0.419

Engagement with shareholders and investors

Irrespective of their ownership interests, all shareholders receive equal treatment in terms of the information they get and their right to participate in and cast their votes at the company's Annual General Meeting, as contemplated in Spain's Corporate Enterprises Act.

Investor relations are framed by transparency and accessibility criteria, in keeping with the Policy for reporting to and communicating with shareholders and the market. That policy lays out the general principles of conduct that guide the Investor Relations Department, which is tasked with providing the broad financial community with accurate and timely information.

The Board of Directors supervises all of the information disclosed to the market and takes measures to safeguard its shareholders and investors' rights, all in the company's best interests.

The company distributes its information using different channels, the key channels being Spain's securities market regulator, the CNMV for its acronym in Spanish, which publishes the most significant developments pertaining to the company, and the corporate website (www.cieautomotive.com), which has a dedicated "Shareholders and Investors" microsite. There it publishes all the latest group news and developments and provides contact details.

To facilitate its work, the IR Department uses Nasdaq IR Insight, a management platform that allows it keep a detailed record of its meetings (content and labelling), bringing up information about investor profiles and contacts and generating real-time market alerts.

PRINCIPLES OF THE MARKET INFORMATION AND COMMUNICATION POLICY



Distribution of information in a transparent, clear, accurate, uniform and simultaneous manner



Active effort to keep shareholders continuously and permanently informed



Equal treatment in terms of the acknowledgement and exercise of all shareholders' rights



Development of information tools and communication channels that take advantage of the latest technology



Collaboration with shareholders so that disclosure practices are transparent, effective and in keeping with the corporate interest



Compliance with the law, the company's corporate governance rules and the principles of cooperation and transparency in dealing with the competent authorities and regulators



Protection of the rights and legitimate interests of all shareholders

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Communication with investors and analysts

In 2023, the Investor Relations Department engaged intensively, participating in conferences and roadshows at which it interacted with more than 400 investors. Most notably, it once again attended the J.P. Morgan European Automotive Conference and the Santander Autos Day, along with players of the calibre of BMW, Mercedes or Renault. For the first time it also participated in the ESN/Gaesco Conference, which took place in Paris.

Framed by its mission of helping more potential investors get to know the company, it also organised six site visits, bringing investors for the first time to the CIE Vilanova factory, the group's largest aluminium casting facility in terms of sales.

In parallel, the team stayed in constant contact with the analysts that cover the company, a total of 15 this year. The Investor Relations Department responded to their enquiries about different aspects of CIE Automotive's business and strategy, including the Indian market's potential, the company's strategy in China and its M&A activity, among other matters.

It also fielded interest in ESG aspects, most notably the independence of the Board of Directors and the use of ESG criteria to determine remuneration.

The Investor Relations Department interacted with more than 400 investors in 2023

Steps taken to catalyse the share price

In addition to its recurring communication and outreach efforts, the Investor Relations Department analysed a number of different investment segments with a view to broadening the shareholder base and boosting trading volumes. The actions taken and segments studied were the following:

- Assessment of potential investor appetite in family offices: having studied the matter with two brokers with a strong presence in Spain, the conclusion reached was that this investor universe is currently focused on other types of companies.
- Analysis of a potential dual listing with the help of the IEAF IR Club, which specialises in listed Spanish companies. Complementing that analysis, the company participated in the IR Think Tank - Europe, an international event organised in London by the prestigious IR Magazine, at which listed companies from all sectors exchanged practical tips.
- Reinforced ESG engagement: given institutional investors and fund managers' growing interest in sustainability matters, the company sought to increase its interaction with the expert ESG analysts at its major shareholders, for example, FMR.
- Liquidity agreement.

Common responsibility, shared benefits

Institutional Investor Awards

Once again in 2023, the work done by CIE Automotive's Investor Relations Department was acknowledged in the awards handed out by Institutional Investor, a leading international business to business publisher. CIE Automotive stood out again in the Small & Midcap category.

Analyst breakfast

The company held its traditional Analyst Day in November, which was attended this year by the CEO, Jesús Mari Herrera. During a breakfast event, the CEO went over all of the topics of current interest at the company, highlighting the ease with which it is delivering its ambitious strategic targets for 2025, in spite of the significant deterioration in the macroeconomic and sector environments, as well as signalling the likely intensification in M&A activity during the second half of the Strategic Plan's time horizon. The event was attended by all of the houses that cover CIE Automotive.

Analyst survey

In 2023, CIE Automotive conducted an Analyst Satisfaction Survey in which 13 analysts participated. The main goal was to evaluate the transparency and effectiveness of the Investor Relations Department's communication effort. The 29 aspects assessed, including team availability, feedback received and response times, were positively rated by all of the participants.

The idea is to use this feedback to strengthen relations with analysts and investors in 2024, ensuring clear and timely communication and greater transparency when disclosing important developments.

The recent analyst survey has yielded valuable insight, painting a very positive overall picture, while highlighting certain areas for improvement. The highest rated aspects included the availability, flexibility and sector knowledge displayed by the IR team, qualities that facilitate the analysts' work. The analysts also valued the participation by management in earnings presentations and investor meetings. The main area for improvement flagged by the analysts relates to additional disclosures in the financial information published, an aspect which the company is analysing and working on.

In 2023, CIE Automotive conducted
an analyst satisfaction survey
**to evaluate 29 aspects of the IR
Department's transparency and
communication effort**

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Excellence with and for our CUSTOMERS

CIE Automotive stands apart for its commitment to doing things well. The company aims to supply its customers with the best mobility solutions, underpinned by its zero-defects policy, which it reinforced in 2023 with product risk analysis in all geographies. This commitment to quality earned it recognition from the various OEMs and ultimately paved the way for market share gains.

PROGRESS MADE IN 2023

Consolidation of the roof systems division in India.

New orders for electrified vehicles (NEV – New Energy Vehicles).

Expansion in Brazil, making CIE Automotive a regional sector leader.

Global product risk mitigation analysis.

Multiple OEM awards in all markets.

CHALLENGES FOR 2024

Growth in North America.

Penetration of new OEMs.

Development of new capabilities.

Value-added offering

CIE Automotive is helping its 80+ customers with their mobility transformation efforts, offering them a range of more than 7,000 parts and subassemblies it designs to meet their quality, efficiency and sustainability requirements and address the key sector trends: electrification, comfort and safety.

The company works in close collaboration with OEMs and Tier 1 suppliers to enhance its designs and overcome the technological and economic challenges associated with sustainable mobility. It offers them different technological alternatives for a given part or subassembly, serving as a "one-stop shop" for the automotive platforms.

This proactive approach demonstrates CIE Automotive's commitment to innovation and its willingness to play a key role in the sustainable transportation scene.

PRODUCT FAMILIES



ROOF SYSTEMS



STRUCTURAL PARTS, CHASSIS & STEERING



TRANSMISSION AND GEARBOXES



INTERIOR AND EXTERIOR TRIM



ENGINE & MOTOR AREA



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Towards electric transportation

The company is technologically prepared to play a significant role in the process of electrifying the stock of vehicles. Indeed 80% of its extensive product portfolio is adaptable for different kinds of vehicles, including electric and hybrid vehicles.

In recent years, the company has consolidated its presence in the electrified vehicle segment, particularly in all-important areas such as batteries, motors and electronics. This strategic positioning reflects the forecast growth in market demand and is being driven by the guiding initiatives set down in the 2025 Strategic Plan.

Thanks to its technological prowess and the sales effort made, 41% of the order intake in 2023 related to new energy vehicles (NEVs).



**Over 80% of its
extensive product
portfolio is adaptable
for different kinds of
vehicles, including
electric and hybrid
vehicles**

Business milestones by region

The company gained market share in the last year, driven in part by the sales teams' efforts to enter new emerging markets and in part by the disappearance of certain suppliers, unable to survive the surge in raw material costs and increase in interest rates.

Faced by a complex macroeconomic scenario, the sales teams worked hard to pass through part of the increase in costs derived from the growth in energy prices and inflation in raw materials and labour.

North America

- Entry into the plastics division in the US thanks to one of the country's leading traditional OEMs with a maiden big project for the interior of one of its main vehicles under a contract worth over \$25 million.
- Customer diversification in the metal, roof systems and aluminium division in North America thanks to new orders for next-generation OEMs and traditional OEMs with little history in the division.
- Consolidation of the plastics factory in Mexico as a benchmark Tier 1 plastic parts supplier in the region.

Europe

- New orders and consolidation of existing aluminium casting technology projects for the main premium OEMs.
- Transformation of the forging line at the CIE Galfor factory for the above-mentioned projects using the new aluminium casting technology.
- A significant percentage of all the new orders across the various technologies offered in Europe are focused on the electric vehicle.
- Ford awarded CIE Vilanova Q1 certification. This certification rewards the factory for its performance in terms of quality and logistics and allows it to opt for new tenders as Ford is rationalising its supplier portfolio and prioritising those with Q1 certification.

Brazil

- Customer diversification in this region, with a presence in active projects and new orders for Asian, European and American automotive sector customers, is positioning CIE Automotive as a benchmark supplier of automotive parts for all the OEMs present in the region.

Asia

- Start of line production for a series of projects using different technologies focused on key parts for electric vehicles in India.

Total quality model

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CIE Automotive stands apart in the automotive parts industry for its total quality management. Its reputation is underpinned by constant improvement of its products and processes by means of prevention, systematic revision, training and know-how sharing, framed by its Environment Policy.

Focused on excellence, the company complies with the IATF 16949 quality standard, which is specific to the automotive industry and harmonises the different assessment and certification systems in the supply chain. It is also working to obtain environmental management (ISO 14001) and occupational health and safety management (ISO 45001) certification at all its factories. To manage these three standards, the company has a global certification agreement with TÜV RHEINLAND until 2024.

Compliance with IATF 16949 implies compliance with the associated consumer health and safety measures, even though as a B2B company, CIE Automotive does not have any contact with end vehicle

QUALITY POLICY PRIORITIES



Customer protection



Proactive stance



Zero-defects mission



Service



Prevention as the best safety tool

GLOBAL CERTIFICATION SNAPSHOT IN 2023 (AS OF 31 DECEMBER 2023)

	Total certifiable factories		IATF 16949				ISO 14001				ISO 45001			
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	N	N	N	%	N	%	N	%	N	%	N	%	N	%
Asia	37	34	33	89%	32	94%	28	76%	32	94%	29	78%	32	94%
Europe	44	40	42	95%	39	98%	42	95%	39	98%	39	89%	35	88%
North America	20	16	19	95%	16	100%	18	90%	15	94%	19	95%	15	94%
Brazil	11	13	11	100%	12	92%	11	100%	12	92%	11	100%	12	92%
Total	112	103	105	94%	99	96%	99	88%	98	95%	98	88%	94	91%

users. Nevertheless the OEMs pass on to CIE Automotive their product and project technical specifications and requirements to ensure that each part contributes to guaranteeing the safety of the vehicles ultimately put on the market.

That technical specification pass-through to suppliers such as CIE Automotive means that reparability, disassembly and recyclability criteria that improve vehicle end life are also taken into consideration.

In 2023, the company did not incur any significant fines related with consumer safety or with incidents of non-compliance with product information and labelling requirements.

Customer satisfaction and protection

Customer satisfaction is one of CIE's key success factors. To that end, the company has a satisfaction control system that measures, tracks and analyses customer feedback with the aim of proposing improvements at the various factories, where needed.

This system is used to assess each factory's performance and to quantify customer perceptions on the basis of audits, assessments and current data. That information is then used to compile an annual report and draw up corrective action plans as necessary.

Consumer claims, complaints and grievance systems

Despite its best efforts on the product quality front, both preventive during the design and industrialisation phases and corrective during manufacturing, on occasion deviations lead to customer claims.

When that happens, it is vital to react immediately to prevent the supply of non-conforming parts and conduct in-depth analysis of the root causes. The solutions provided are shared with and applied to all potentially affected facilities and technologies.

The company did not receive any significant fines or penalties as a result of legal proceedings related with incidents of non-compliance with product information or labelling in 2023.

Product risk analysis in all regions

The company took its customer satisfaction effort a step further in 2023 by analysing its products in all geographies for quality risk in order to prevent product recalls by the OEMs.

This analysis is part of a global programme in collaboration with the company's insurance broker which also encompasses industrial and environmental risk analyses, combining and leveraging the two firms' risk analysis and mitigation know-how. Under this programme, projects are being ranked by geography for close monitoring. Last year the company also organised internal communication seminars, shared best practices and developed new procedures for scaling up incidents with the goal of avoiding not only legal non-compliance but indeed any source of customer dissatisfaction.



The company focused on the prevention of possible defects, an effort that included the reinforcement of procedures and controls, enhanced traceability of all products, analysis of the causes of potential defects and constant communication with its customers.

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Data protection and confidentiality

CIE Automotive collaborates with its customers to provide innovative solutions. Given the nature of this work, it is vital to duly guarantee the confidentiality of sensitive information at the corporate and individual division levels. To that end the company is working on an information safekeeping project guided by the following standards:

- Compliance with benchmark international standards, including ISO 27001, ISO 27005 and ISO/IEC 27002/2005. In 2021, CIE Automotive's Engineering Centre in Spain obtained the TISAX Label, which is based on ISO 27001 criteria, and in 2022 and 2023 it extended the seal to new countries.
- Process re-engineering and social engineering adapted for the organisation's specific needs.
- Real-time management of information security.

The company did not receive any significant fines for non-compliance with data protection laws or regulations in 2023.

Nor did it receive any significant fines or penalties as a result of legal proceedings related with incidents of non-compliance with product information or labelling during the reporting period.

The Systems Manager is the executive ultimate responsible for security, also carrying out information security director functions.

Eco-design

The introduction of eco-design criteria at the earliest stages of product development helps minimise the impact of CIE Automotive's products during the manufacturing process and also when the end vehicles are in use. At this stage, and in collaboration with its customers, the company builds reparability,

disassembly and final recycling criteria into its designs in order to improve the circularity of the end product; despite the fact that disassembly and recycling are the responsibility of its customers, CIE Automotive contributes its know-how in materials, processes and certain products.

Certifications and accolades

In 2023, CIE Automotive was named best supplier by a number of market-leading OEMs and organisations. Those accolades encourage it to press ahead with its continuous improvement and customer satisfaction efforts.

CERTIFICATIONS AND ACCOLADES IN 2023

ORGANISATION	FACTORY	COUNTRY	ACCOLADES
CONFEDERACIÓN DE INDUSTRIALES LITUANOS (LPK)	CIE GAMEKO	SPAIN	EXPORTER OF THE YEAR PRIZE FOR 2022
NEXTEER	CIE RECYTEC	MEXICO	PERFECT QUALITY AWARD
NISSAN	CIE PEMSA CELAYA	MEXICO	REGIONAL QUALITY AWARD
CÁMARA DE COMERCIO, INDUSTRIA Y ARTESANÍA DE KAUNAS	CIE LT FORGE	LITHUANIA	"FABRICADO EN MARIJAMPOLĖ"
BAJAJ AUTO	CIE ALUMINUM CASTING INDIA	INDIA	QUALITY PLATINUM AWARD
TATA MOTOR	CIE GOLDE PUNE	INDIA	ATMANIRBHAR EXCELLENCE
VOLKSWAGEN	CIE AUTOMETAL DIADEMA	BRAZIL	FINALIST IN THE NEW PRODUCT LAUNCH BEST NEW PRODUCT IN THE VOLKSWAGEN "THE ONE" BEST SUPPLIERS AWARDS
PLASTIC OMNIUM	CIE AUTOMETAL MINAS	BRAZIL	MELHOR FORNECEDOR
GENERAL MOTORS	CIE GOLDE SHANDONG	CHINA	SUPPLIER QUALITY EXCELLENCE AWARD
HONDA BRASIL	CIE AUTOMOTIVE SALTO	BRAZIL	HONDA SUPPLIER AWARD

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Our **TEAM**: the people behind the transformation

CIE Automotive's ability to successfully integrate ESG aspects depends largely on our employees' sense of belonging. To that end, in 2023 the company continued to make progress on programmes that prioritise their well-being and improve the workplace climate, such as D&I assessments at every factory, executive training on ESG matters and enhanced health and safety conditions.

PROGRESS MADE IN 2023

Expansion of the Ulysses programme to 17 people of four nationalities, so delivering the related strategic target for this initiative two years ahead of the deadline (2025).

Lifting the share of factories with ISO 45001 certification to 94% (95 out of 101 certifiable factories certified, only excluding facilities acquired or built after 2020, which is when the 2025 Strategic Plan was published, and those sold by CIE Automotive in recent years, including the German forging factories).

Reduction in workplace injuries despite the growth in hours worked, improving on the 2022 indicators which marked a record year for workplace safety.

Provision of ESG training to virtually all of the group's managers (97% of the members of the factory management committees, excluding the factories acquired this year, trained on ESG considerations).

Diversity & inclusion assessments carried out at 93% of the group's factories, 98 of the 105 included under the scope of the Plan, implying almost full compliance with this strategic target two years ahead of the deadline (100% of factories assessed by 2025).

Two percentage point increase in the percentage of women working at the company to over 20% for the first time, despite the difficulties facing the manufacturing sector in terms of gender diversity.

CHALLENGES FOR 2024

Completing 100% of the diversity assessments for full delivery of this target one year ahead of the related deadline (2025).

Continued growth in the percentage of women and other groups that may be under-represented at CIE Automotive.

Ongoing improvement in accident metrics, carrying over the momentum of recent years.

Detection of new training needs and increasing the scope of existing programmes, specifically providing ESG training to all managers (3% outstanding), so as to deliver this strategic target one year ahead of the deadline (2025).

Employment and diversity

Chairman and CEO's statement

At year-end 2023, CIE Automotive employed 25,294 people in nine countries on four continents.

In all of its markets the group is committed to upholding human rights and prevailing labour legislation, framed by its Human Rights Policy.

JOB MAP AT CIE AUTOMOTIVE (at year-end)

TOTAL

Number of employees	25,294	
M W	20,169	5,125
Local managers as % of all factory managers	89%	
% local members of factory management committees	92%	
Fixed/indefinite contracts as % of total	82.5%	
M W	83%	82%
Training hours	807,806	
Employees trained	20,283	80%
Training hours per person	31.9	
M W	29.7	40.6
Training hours per person trained	39.8	
M W	38.1	46.0

EUROPE

Number of employees	5,717	
M W	4,273	1,444
Local managers as % of all factory managers	80%	
% local members of factory management committees	94%	
Fixed/indefinite contracts as % of total	96%	
M W	96%	97%
Training hours	175,199	
Employees trained	4,706	83%
Training hours per person	30.8	
M W	27.5	40.8
Training hours per person trained	37.2	
M W	33.7	47.1

BRAZIL

Number of employees	3,385	
M W	2,715	670
Local managers as % of all factory managers	100%	
% local members of factory management committees	100%	
Fixed/indefinite contracts as % of total	96%	
M W	96%	95%
Training hours	125,131	
Employees trained	2,730	81%
Training hours per person	37.0	
M W	36.1	40.4
Training hours per person trained	45.8	
M W	42.8	61.6

NORTH AMERICA

Number of employees	7,320	
M W	4,735	2,585
Local managers as % of all factory managers	89%	
% local members of factory management committees	93%	
Fixed/indefinite contracts as % of total	79%	
M W	83%	73%
Training hours	289,561	
Employees trained	7,282	99%
Training hours per person	39.6	
M W	39.0	40.7
Training hours per person trained	39.8	
M W	38.4	42.3

ASIA

Number of employees	8,872	
M W	8,446	426
Local managers as % of all factory managers	97%	
% local members of factory management committees	88%	
Fixed/indefinite contracts as % of total	71%	
M W	71%	65%
Training hours	217,915	
Employees trained	5,565	63%
Training hours per person	24.6	
M W	23.8	40.6
Training hours per person trained	39.2	
M W	38.4	50.0

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Common responsibility, shared benefits

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Convinced that diversity is a source of value-added, CIE Automotive's workforce encompasses a rich mix of genders, ages, education levels and skillsets.

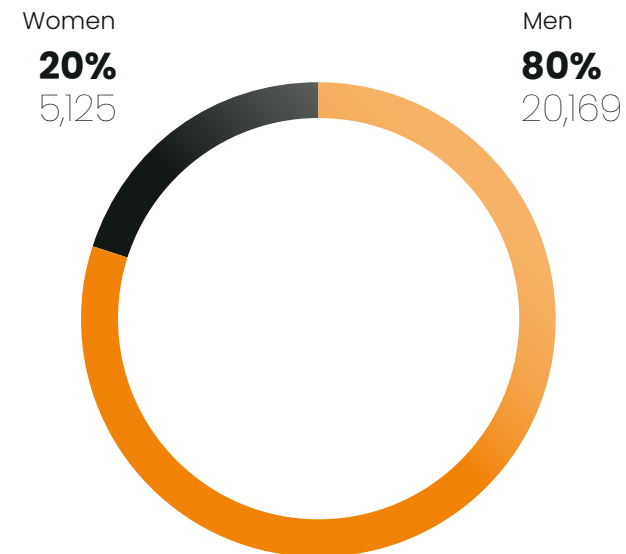
By age, 26% of its employees are under the age of 30, 57% are aged between 30 and 50, and 17% are over the age of 50. In addition, the company is tapping and nurturing young talent under internship and scholarship programmes.

As for its employees' education levels, reflecting its manufacturing profile, 68% are tradesmen and women, 28% are university graduates and 4% hold management positions.

CIE Automotive values talent no matter where it hails from. That is evident in the fact that 89% of its factory managers are nationals from the country in which the factory is located. In addition, 92% of the members of its factory management committees are local professionals.

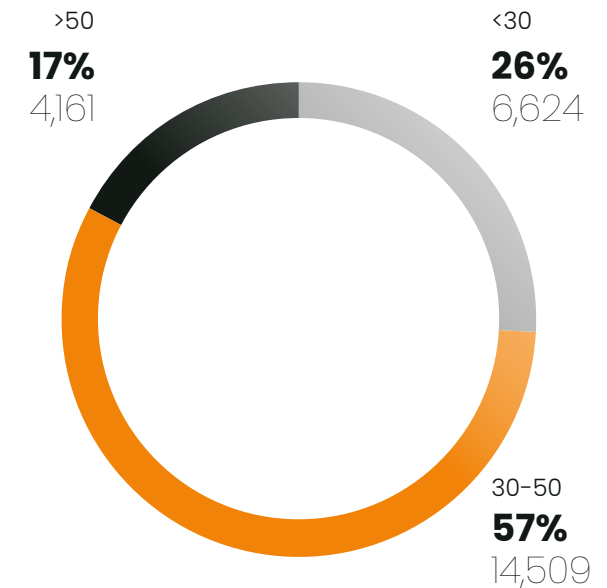
BREAKDOWN OF THE WORKFORCE BY GENDER

Percentage



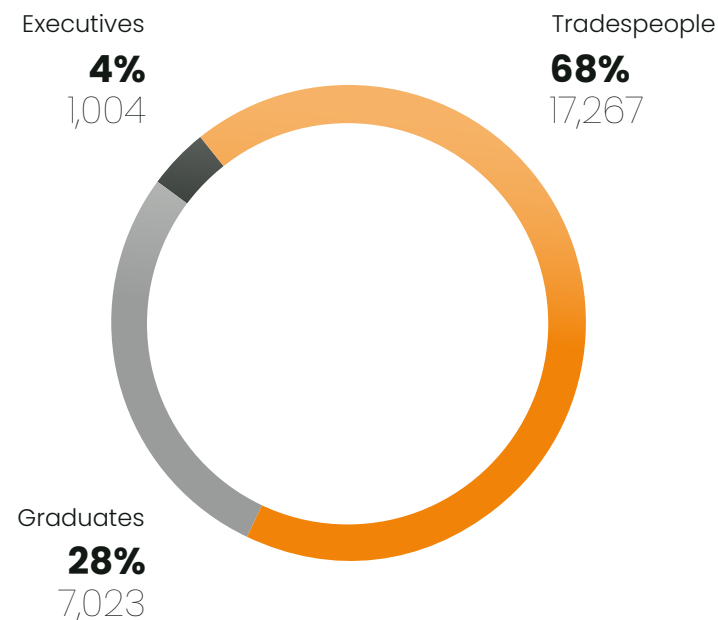
BREAKDOWN OF THE WORKFORCE BY AGE

Percentage



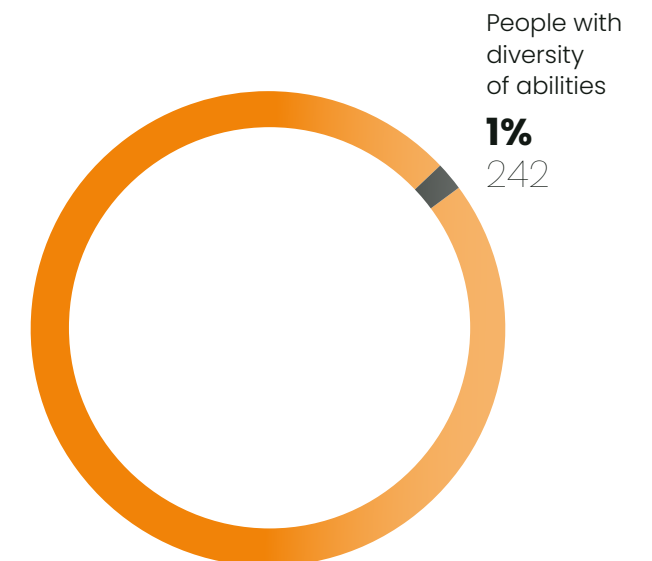
BREAKDOWN OF THE WORKFORCE BY JOB CATEGORY

Percentage



DIVERSITY OF ABILITIES

Percentage



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As in 2022, 1% of the workforce had differing abilities. Inclusion of these people is heavily influenced by the sensitivities and legislation of each country. Europe and Brazil stand out, reporting considerably higher percentages.

Excluding the impact of the discontinuation of the German forging businesses, which impacts this indicator notably as the number of employees with differing abilities at those factories was relatively high, the number of employees in this category would have increased by 20 year-on-year, implying growth in the number of people with differing abilities at the group of 7.5%.

Note that this analysis relates only to employees with differing abilities that are directly hired by the group. In addition to its employees, CIE Automotive purchases a range of services from special employment centres and similar entities that support the integration of people with differing abilities into the workforce.

The share of **female employees increased by two points, from 18% to 20%, in 2023**

Gender diversity

As for gender diversity, 20% of the group's employees are women. It is common for this figure to be low in the world of manufacturing; nevertheless, CIE Automotive has been managing to bring this percentage slowly higher in recent years.

In 2023, helped by the completion of diversity assessments at nearly all of the group's facilities, a number of awareness and training drives and execution of factory-level equality plans that go beyond the group's legal requirements, the share of female employees increased by two points, from 18% to 20%. Indeed, the 2023 figure is the highest in the entire series, having increased by four points in recent years.

CIE Automotive's predominantly male workforce is attributable to tradition in the automotive sector and restrictions on women accessing technical training at schools and universities. There are also cultural barriers in some countries that impede higher female representation at the factories as is evident in the differences between North America, where women hold 35% of all jobs, for example, and China, where they hold only 5%.

That being said, the two-point increase in the percentage of female employees in 2023 was felt across the entire group, albeit most pronounced in the Americas and Europe, increasing by three points in Europe, seven in Brazil and two in Mexico.

BREAKDOWN OF THE WORKFORCE BY EMPLOYEE CATEGORY AND GEOGRAPHIC AREA

	2022*				2023			
	% of women by category	% of executives	% of graduates	% of tradespeople	% of women by region	% of executives	% of graduates	% of tradespeople
ASIA		5%	7%	4%	5%	6%	8%	4%
BRAZIL		24%	15%	12%	13%	18%	17%	21%
EUROPE		21%	23%	22%	22%	23%	23%	27%
NORTH AMERICA		13%	22%	40%	34%	14%	23%	41%
TOTAL		12%	17%	19%	18%	12%	18%	22%

(*) Includes 676 employees at the German operations classified as discontinued.

Common responsibility, shared benefits

The situation also varies by job category and level of seniority. Forty per cent of the members of the Management Committee are women, while female boardroom representation stands at 36%; five of the 14 directors are women.

In order to encourage more women to look at manufacturing positions in the long term, CIE Automotive is championing the provision of technical training to women from school age through its participation in the CIE STEM Planet project and, together with Innobasque, in the STEM careers chapter of the public sector “Committed to talent” initiative.

GENDER INDICATORS

	2022	2023
% of female employees	18%	20%
% of new hires	19%	23%
% of women on the group's Management Committee	40%	40%
% of women on the Board of Directors	36%	36%
% gender pay gap*	94.9%	92.4%

(*) This ratio is calculated as the average remuneration of women divided by the average remuneration of men.

CIE Automotive champions the provision of technical training to women from school age through its **participation in the STEM Planet project and the “Committed to talent” initiative**

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Gender pay gap

The gender pay gap increased by around two percentage points in 2023 from 2022. The average earnings of the company's female employees amounted to 92.4% of what the men earn on average, compared to 94.9% in 2022.

Specifically, female employees earned €17,510 on average, compared to the €18,960 earned by the men. It is important to note that the salaries were converted to euros at year-end exchange rates and include the salaries of all of the group's factories and offices, so that the indicator considers people from different regions, with different technical skills and from countries with markedly different levels of economic, social and labour market development.

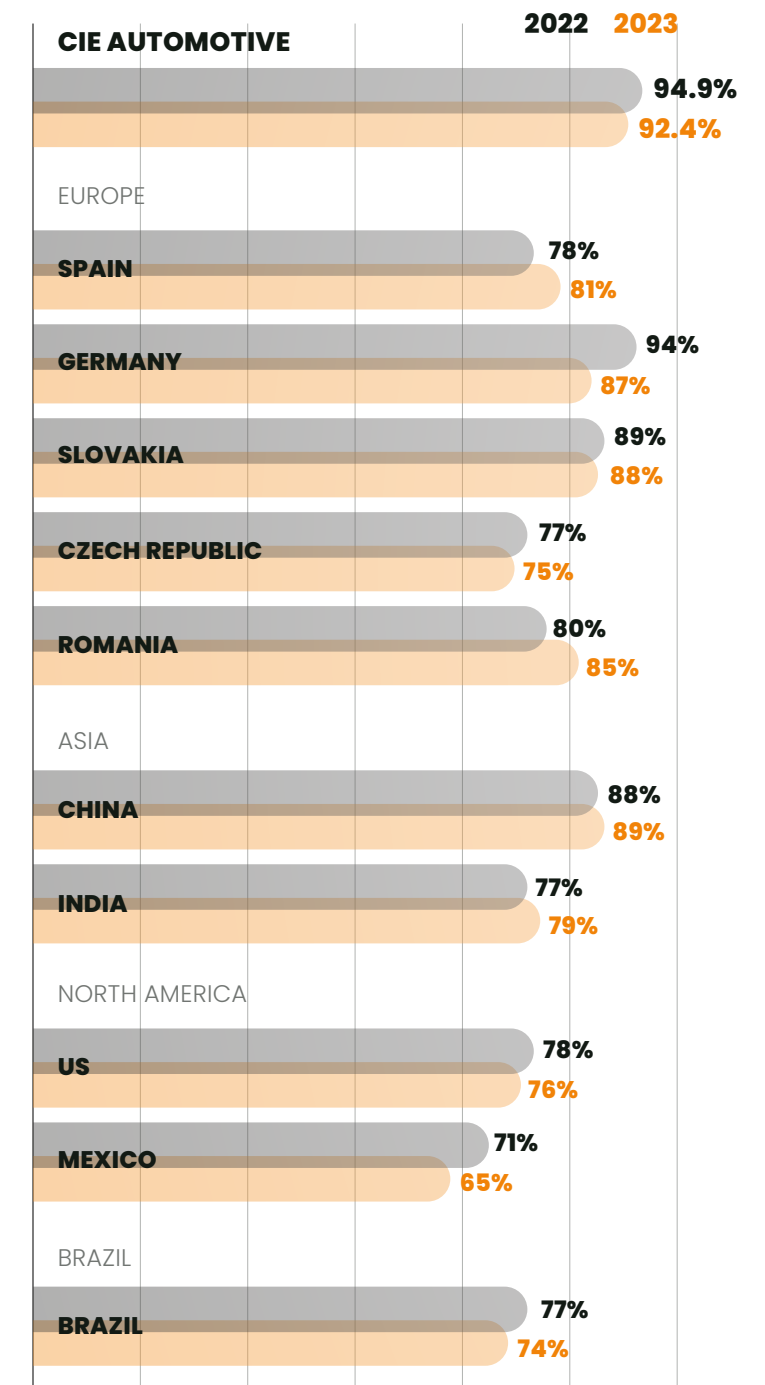
The increase in the gender pay gap in 2023 is primarily attributable to two factors:

- The first, which is not entirely within the group's control, is the situation at the factories newly acquired in Hungary and Brazil, where the pay gap before their acquisition was above the group average, so bringing the 2023 group average down.
- The second relates to a development within the group, which is working hard to bring more women to work at its factories. These new hires are concentrated in entry-level positions, where starting salaries are lower, so that comparisons between male and female pay without considering job categories increases the pay gap. It is likely, however, that as these new female employees develop their careers at the group, gaining experience and taking on new responsibilities, the pay gap in these lower categories will narrow. As shown in the table below, female wages are only lower than male wages in the lower job categories (tradespeople).

GENDER PAY GAP

2022				2023		
AGGREGATE pay gap	No. of people	Average earnings	% gap	No. of people	Average earnings	% gap
Men	20,332	18,969	94.9%	20,580	18,960	92.4%
Women	4,573	17,997		4,945	17,510	
Gender pay gap BY EMPLOYEE CATEGORY						
Executives – M	871	65,747	97%	894	64,797	103%
Executives – W	112	63,713		118	66,443	
Graduates – M	5,731	22,059	110%	5,771	22,268	113%
Graduates – W	1,169	24,214		1,210	25,108	
Tradesmen	13,730	14,711	97%	13,915	14,642	91%
Tradeswomen	3,292	14,229		3,617	13,371	

GENDER PAY GAP BY SIGNIFICANT LOCATIONS



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Factory level assessments
and action plans

Diversity management is one the company's most important challenges as it strives to bring together people of different cultures, genders, generations and abilities. As a result, the 2025 Strategic Plan sets the target of carrying out diversity & inclusion assessments at 100% of its factories so as to get a global snapshot of diversity across the group and take the opportune measures.

At year-end 2023, those assessments had been completed at 98 factories around the world, 93% of the 105 factories under the scope of the Plan (all except those acquired after 2020). Each factory establishes an action plan on the basis of the information obtained and conclusions it yields. Note that CIE Automotive manages diversity using the same decentralised approach as it applies to the rest

of its management efforts and it is therefore up to each factory, based on the hard data, the environment in which it operates and the knowledge of the local managers to establish which areas of diversity they want to work on and set their own measures and action plans. Execution of the action plans is monitored by the factories themselves and by the corporate Human Resources Department.

EUROPE

	ACTION PLANS	SAMPLE MEASURES
37 factories assessed, over half of which are undertaking more than 30 diversity actions based on the results of their assessments and the factory equality plans drawn up.	• Gender diversity This is the diversity area of greatest concern for the European factories due to its importance in the current social context in Europe. • Generational diversity Age is being managed actively from the standpoint of factory succession. In general, the companies' workforces are older than is optimal, mainly due to limits under the factories' collective bargaining agreements and also the fact that young people in internships and similar initiatives do not compute as staff. • Diversity of abilities This area of diversity is managed actively by the European factories where regulations are stringent. The average number of people with differing abilities at these factories is considerably above the group average and the factories that do not have direct employees with differing abilities subcontract services from special employment centres. Some of the factories more than cover their legal requirements; those that do not meet them by outsourcing tasks to these centres. • Multicultural diversity This is clearly the least prioritised area of diversity due to the lack of specific regulations and the socio-economic climate in Europe.	• Gender diversity Factoring gender considerations into recruiting efforts, giving female workers priority access to training initiatives that facilitate their incorporation into more male-dominated areas of work, adapting training schedules to ensure female workers on shorter working hours can attend, and scorecards, KPIs and other control and monitoring mechanisms. • Generational diversity Identifying professionals with high potential and leadership attributes and plans for hiring people under the age of 30 at certain factories. • Diversity of abilities Meeting with representatives from local associations for people with disabilities with a view to making potential hires. Encouraging the use of suppliers that have people of differing abilities on staff to promote an inclusive and equitable climate. • Multicultural diversity Facilitating the provision of work practice to immigrants through the Red Cross' inclusion and employment arm.

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NORTH AMERICA

	ACTION PLANS	SAMPLE MEASURES
16 factories assessed, of which 13 are undertaking more than 80 diversity actions based on the results of their assessments.	• Gender diversity Female access to management positions at the factories has been a challenge until now in both Mexico and the US. • Generational diversity In general, there are no issues in this area: the workforces are relatively young by comparison with other regions. • Diversity of abilities In general this is an area of diversity of lesser importance as there are no binding regulations on this topic in North America. • Multicultural diversity This is of great importance in the US in particular.	• Gender diversity For example, the Mexican factories at the machining divisions have set specific targets for raising the number of women on staff. In 2023 the percentage of female employees already increased in the North American market. • Generational diversity Prioritising and hiring in the over-45 age category at the Mexican factories, where that age bracket is under-represented. • Diversity of abilities Evaluating and improving the facilities and resources available at the Mexican factories in order to improve accessibility for people with differing abilities. • Multicultural diversity Increased hiring of black, white or mixed-race people depending on the deficits identified at each plant, particularly in the US, by comparison with the local census.

BRAZIL

	ACTION PLANS	SAMPLE MEASURES
11 factories have completed their diversity assessments and all have launched action plans encompassing 30 different diversity initiatives.	• Gender diversity Some of the technologies used involve factory work that requires greater physical strength. Nevertheless, the action plans rolled out seek to increase the number of women in all job categories. • Generational diversity In general, the Brazilian factories feel comfortable with their current numbers and succession targets. • Diversity of abilities Brazil has powerful legislation in this area implying different binding percentages depending on the size of the factory. Our Brazilian factories are sensitive to this topic and actively manage it as integration and inclusion is culturally entrenched in this market. • Multicultural diversity Ethnic diversity is very important in a country as heterogeneous as Brazil, where there are broad anti-discrimination regulations. The factories have established action plans around regional censuses, committing to increase their hiring of any groups that are under-represented compared to the census to enrich the labour market.	• Gender diversity Action plans have been rolled out to increase the number of women in all job categories. Already in 2023 the percentage of female employees increased in the Brazilian market. • Diversity of abilities Increasing the percentage of employees with a disability • Multicultural diversity The Brazilian factories have committed to stepping up their hiring of ethnicities that are under-represented compared to the regional census.

INDIA

	ACTION PLANS	SAMPLE MEASURES
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CHINA

	ACTION PLANS
	10 Chinese factories, all of them, have completed their assessments. • Gender diversity There are no plans to undertake initiatives in this area in the short term. • Generational diversity Nearly all of the Chinese factories' employees are under the age of 50, so that this area of diversity is considered reasonably under control. • Diversity of abilities There are no relevant implementing regulations • Multicultural diversity The factory employees are Chinese nationals, which is in the government's interest, except for the odd expatriate European.

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The assessments are being conducted using a shared diversity and inclusion tool which evaluates diversity in terms of gender, age, culture and abilities. Diversity is measured using specific metrics and improved using practices related with talent such as recruiting, selection, promotion, training, remuneration, performance evaluation and job mobility, among others. There is also a questionnaire to analyse each factory's specific sensitivities.

The Diversity, Equality and Inclusion Committee, set up in 2021, made up of 14 professionals representing all divisions and regions, is responsible for the performance of these assessments.

To the extent that the assessments identify common problems, the Committee is considering the possibility of launching corporate actions in the coming years for either several factories or even the entire group.

The assessments use a shared
diversity and inclusion tool which
**evaluates diversity in terms of
gender, age, culture and abilities**

MEMBERS OF THE DIVERSITY COMMITTEE

Brazil	Dermeval Sánchez
Mexico	Iván Portillo
Mexico	Isabel Sánchez Figueroa
Mexico	Patricia Barrera
India	Vikas Sinha
India	Hemant Shinde
US	Karen Rabine
Corporate	Javier Álvarez
Corporate	Inés Bergareche
China	Vera Yan
Golde Europe	Nicoleta Sotoc
Plastic Europe	Celia Delgado
MCA Europe	Sara Pancorbo
MET Europe	Iván Navajas

A good place to work

CIE Automotive offers its employees decent working conditions, remuneration in line with the work they perform and the training and safety conditions needed to do their jobs. It respects its employees' right to exercise freedom of association and to collective bargaining, regardless of the country they are working in.

These commitments are formally enshrined in the company's Human Rights Policy, which is signed by all factory and HR managers, and is worded in conformity with the International Labor Organization's fundamental conventions and the labour principles set down in the United Nations Global Compact.

To ensure those rights are upheld, the company conducts a survey every year to identify the factories at risk of breaching them, taking opportune measures as necessary. In 2023, 100% of the group's factories reported that they had identified no such risks.

Commitments	Action taken in 2023
Provision of decent work	• Remuneration aligned with the job, dedication and performance and above minimum wages in all regions.
Prevention of discriminatory practices	• Diversity assessments completed at 93% of CIE Automotive's factories. • In 2023, CIE Automotive received and managed 17 complaints related with matters addressed in the harassment protocol, which is one more than in 2022. In the wake of these complaints, the group took significant measures, even laying off one of the people involved.
Zero-tolerance stance on compulsory or child labour	• None of the factories surveyed in 2023 identified risks of forced or child labour.
Protection of people's safe and healthy	• The group reported a significant reduction in its injury frequency and severity rates in 2023 by comparison with 2022, which was already the best year on record. • Over 194,000 hours of health and safety training. • Increasing the number of factories with OHS certification (ISO 45001).
Facilitation of collective bargaining and freedom of association	• Over 56% of employees under collective bargaining agreements.
Promotion of a culture of respect for human rights and employee awareness-raising in this area	• 25,506 hours of training on human rights, year-on-year growth of 30%.
Respect and promote the participation of local communities in our management	• 89% of factory managers are local. • 92% of factory management committee members are local.

DECENT WORK: REMUNERATION AND STABILITY

CIE Automotive offers its employees the best possible employment terms and conditions and is committed to job stability.

Eighty-two per cent of the workforce (almost 21,000 employees) are on permanent contracts, with the remaining 18% (4,400 employees) on temporary contracts. By region, permanent contracts represent 96% of the total in Europe and Brazil, compared to 79% in North America and 71% in Asia.

The large majority of CIE Automotive employees work full-time, with just 112 employees working part-time.

EMPLOYMENT CATEGORIES AND EMPLOYMENT TYPE*

By contract type	Year-end 2022*	Year-end 2023
Permanent	21,112	20,859
Temporary	3,874	4,435
Total	24,986	25,294
Full-time	24,843	25,182
Part-time	143	112
Total	24,986	25,294

(*) Includes 676 employees at the German operations classified as discontinued in 2022



Wages

CIE Automotive is committed to providing a living wage to all its employees, regardless of where they work. That commitment is duly enshrined in its Human Rights Policy, which, in addition to pledging to protect its people's health, prevent discrimination and reject the use of compulsory or child labour, promises to provide decent work, specifically committing to paying them in accordance with their skills and knowledge, complying with labour legislation in all its markets, guaranteeing its employees' right to rest irrespective of prevailing labour laws and, to the extent possible, providing flexible working hours.

Among the controls performed around the provision of a living wage, CIE Automotive verifies the pay situation at the companies it acquires during the first year of integration to ensure that the lowest wages paid exceed the minimum wage and obtain evidence, albeit limited, that the wages paid by the companies acquired are at least reasonable for the market in question. For example, in the case of the Brazilian

company acquired in 2023, the employee on the lowest wage earns 1.5 times the local minimum wage (this ratio is the same for the lowest-earning man as the lowest-earning women), while at the Hungarian company acquired the lowest-earning employee earns the minimum wage (again, this ratio is the same for the lowest-earning man as the lowest-earning women).

All of CIE Automotive's employees earn a fixed wage, in line with the nature of their work and on-the-job performance. Nearly 7,000 employees also received a bonus in 2023 as a result of delivery of set targets and/or excellent or improved performances.

Aside from wages, the company supports its employees with a series of company benefits which enhance their and their families' quality of living and generate a sense of belonging. These benefits entailed an investment of close to €35 million in 2023.

EMPLOYEE SUPPORT



Around €21 million in health insurance or in-house medical services

Top-level health insurance, such as United Healthcare, at the US factories.

Provision of premium medical check-ups in some places, including high-quality healthcare in Slovakia.

Rollout of private health insurance at several factories around the world, including in Spain, Brazil, China and Mexico.

CIE Automotive group travel insurance, which initially provided specific coverage for COVID-19, has been transformed into comprehensive protection against future pandemics of any kind.



Around €7 million earmarked to food services

Fully or partially subsidised company canteens to ensure all employees have access to healthy food options.

Provision of lunch vouchers in places with and without tax relief for this scheme, likewise promoting varied and healthy eating options.



Around €7 million of transport assistance

Provision of exclusive transport services for candidates for working at the Mexican factories, so improving the working experience.

Own fleet and transport service management, ensuring efficient and comfortable commutes for all employees.

Offer of company cars and transport vouchers as an essential part of the benefits package, so providing flexible options for the daily commute.



Around €0.5 million earmarked to education

Creation of a university aid fund at Brazilian factories to encourage employees' academic progress.

Prizes for outstanding performance at school by employees' children at the Mexican factories, so encouraging academic excellence.

Introduction of a specific support programme in Portugal to facilitate access to quality higher education.

Organisation of working hours

In keeping with its decentralised management approach, CIE Automotive introduces flexibility and work-life balance measures suited to the needs of each factory, division or country.

The most common measures across the group include staggered work start and end times; adjustment of working hours to protect family time; the possibility of working from home; days of maternity and paternity leave beyond the legally stipulated minimum; and specific care for pregnant employees.

Among those widespread initiatives it is worth highlighting those designed to facilitate work-life balance and encourage joint responsibility for parenting; these measures were in place at over 80% of the group's workplaces in 2023.

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Right to disconnect

At year-end, 12 workplaces in Europe and Brazil had specific right-to-disconnect policies to ensure the required measures are taken to guarantee disengagement from work-related electronic communications (computers, company phones, etc.) outside of working hours and during leaves of absence and holidays.

Absenteeism

In 2023 the absenteeism ratio was 5%, up one point from 2022, albeit in line with that of prior years, implying the loss of around 2.8 million hours of work. This percentage is relatively stable and is only partially manageable by the company as it is influenced by exogenous factors such as the age of specific groups of factory workers and the general economic situation in the regions where the company has operations.

Communication

The main channels used to reach out to employees are the dashboard and corporate intranet. There is also a six-monthly newsletter in which the company shares the most significant financial and business developments, as well as reporting on social and environmental aspects.

To learn what is of concern to its employees, CIE Automotive conducts a workplace climate survey at every factory every two years. It carried out 38 such surveys in 2023, obtaining an average score of 7 points out of 10.

The results of those surveys are used to draw up annual or two-year plans for improving employee satisfaction. The initiatives set in motion in 2023 to improve the workplace climate included:

Improved facility maintenance in Mexico and Morocco

Implementation of facility improvements in the lunchroom and water dispensers to ensure a comfortable and functional work climate.

Refurbishment of the bathrooms and provision of lockers to factory workers, as well as enhancement of the changing rooms and storage areas.

Improved employee listening and grievance mechanisms in Mexico and Morocco

Ongoing publicity of the channels for voicing grievances and suggestions with regular publication of their status and outcome monitoring sessions in a bid to improve internal communication.

Introduction of flexibility and work-life balance measures in Spain

Introduction of flexible working arrangements to allow employees to manage their working hours, so fostering a healthy balance between work and home life.

Team-building activities at several Mexican factories

Organisation of regular team-building activities to foster a sense of belonging and collaboration, so improving relations within the company.

Noise safety awareness drive at CIE Matic

Rollout of an awareness campaign addressing the importance of using personnel protection gear (PPE) to improve noise conditions in specific positions.

Design and implementation of recognition mechanisms at several Mexican factories

Development and execution of new mechanisms for acknowledging employees, so fostering a positive workplace climate.

Reinforcement of information about internal vacancies at several factories

Publication and publicity of vacancies on the various internal communication platforms which can be searched by specific skills and position criteria.

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TRAINING AND
MOBILITY:
OPPORTUNITIES FOR
PERSONAL GROWTH

Continuous employee training is essential for CIE Automotive, not only because it allows its employees update their skills and knowledge but also because it contributes to their productivity and efficiency, as well as increasing their ability to innovate in an environment being shaped by technological advances and competitiveness.

The company imparted 807,806 hours of training in 2023. The breakdown by employee category was more than 96,000 hours for executives, over 228,000 hours for university graduates and over 483,000 hours for factory workers.

Although the majority of employees who benefitted from training programme were men, reflecting the company's predominantly male workforce, the number of training hours received by female employees (46 hours per female employee trained) was higher compared to their male colleagues (38 hours per male employee trained). That phenomenon was common to all regions.

TRAINING HOURS BY EMPLOYEE CATEGORY

EMPLOYEE CATEGORY	Number of training hours		No. of employees receiving training	
	2022	2023	2022	2023
Executives	25,015	96,142	726	678
Graduates	223,042	228,425	5,888	5,782
Tradesmen and women	564,275	483,239	13,970	13,823
TOTAL	812,332	807,806	20,584	20,283

TRAINING IN 2023

	Men	Women	Total
Hours	599,973	207,833	807,806
Employees trained	15,763	4,520	20,283
CIE Automotive people	20,169	5,125	25,294
Hours per employee trained	38.1	46.0	39.8
Hours per employee	29.7	40.6	32.0

EMPLOYEES RECEIVING TRAINING BY GENDER, %

	2022	2023
Employees receiving training, %	82%	80%
Male employees receiving training, %	80%	78%
Female employees receiving training, %	85%	88%

The number
of training
hours received
per female
employee was
higher than that
of their male
colleagues

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TRAINING BY REGION AND GENDER

	TOTAL TRAINING HOURS			TOTAL NO. OF PEOPLE TRAINED			HOURS PER EMPLOYEE TRAINED			HOURS PER EMPLOYEE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Asia	200,623	17,292	217,915	5,219	346	5,565	38.4	50.0	39.2	23.8	40.6	24.6
Brazil	98,093	27,038	125,131	2,291	439	2,730	42.8	61.6	45.8	36.1	40.4	37.0
Europe	116,802	58,397	175,199	3,454	1,252	4,706	33.8	46.7	37.2	27.3	40.4	30.6
North America	184,455	105,106	289,561	4,799	2,483	7,282	38.4	42.3	39.8	39.0	40.7	39.6
TOTAL	599,973	207,833	807,806	15,763	4,520	20,283	38.1	46.0	39.8	29.7	40.6	31.9

TRAINING ON HUMAN RIGHTS BY REGION AND GENDER

	TOTAL TRAINING HOURS			TOTAL NO. OF PEOPLE TRAINED			HOURS PER EMPLOYEE TRAINED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Asia	2,910	358	3,268	658	184	842	4.4	1.9	3.9
Brazil	3,659	662	4,321	762	76	838	4.8	8.7	5.2
Europe	2,785	992	3,777	740	172	912	3.8	5.8	4.1
North America	8,463	5,677	14,140	2,660	1,823	4,483	3.2	3.1	3.2
TOTAL	17,818	7,688	25,506	4,820	2,255	7,075	3.7	3.4	3.6

TRAINING ON OHS BY REGION AND GENDER

	TOTAL TRAINING HOURS			TOTAL NO. OF PEOPLE TRAINED			HOURS PER EMPLOYEE TRAINED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Asia	45,111	2,310	47,421	2,101	184	2,285	21.5	12.6	20.8
Brazil	23,989	4,714	28,703	1,916	129	2,045	12.5	36.5	14.0
Europe	21,249	9,363	30,612	1,507	558	2,065	14.1	16.8	14.8
North America	53,019	34,754	87,773	3,803	2,483	6,286	13.9	14.0	14.0
TOTAL	143,368	51,141	194,509	9,327	3,354	12,681	15.4	15.2	15.3

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Decentralisation

Job training is aimed at facilitating acquisition of the skills needed to enable effective job performance. A good part of the company's training effort is decentralised, taking place at each factory, in keeping with the guidelines set down in the Training Plan Procedure. That plan indicates the phases each factory's training programmes need to follow: identification of training needs, planning, definition, execution, evaluation and feedback.

Every year the corporate Human Resources Department also presents a comprehensive plan for CIE Automotive factories covering centralised training initiatives targeting advanced management skills, interpersonal skills, sustainability, corporate ethics and other core aspects.

The training provided in 2023 emphasised traditional core areas of people management (health and safety, soft skills, and technical training) and other subjects that are relatively new in the world of business, such as ESG and human rights.

ESG training

ESG training is one of the group's top priorities.

HOURS OF TRAINING ON ESG MATTERS

Environmental	38,654
Social	220,015
OHS	194,509
Human rights	25,506
Governance	15,435

[For further information, refer to "Progress made on the ESG front"]

In 2023, CIE Automotive provided
**global training on
ESG matters**

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Ulysses Programme, target delivered

CIE Automotive strives to foster a shared culture across all of its markets and encourages employees to progress at the company through mobility programmes, in line with the targets set down in its 2025 ESG Plan.

Among these initiatives, the Ulysses Programme, which combines mobility and talent attraction, stands out. Thanks to this initiative, young professionals from different plants and of different nationalities attend an excellence training centre in the Basque region before going on to build their skills at the group's emblematic factories in Spain and Italy.

This programme delivers four key objectives: embedding the group's values; facilitating cross-country communication going

forward; fostering intragroup relationships; and providing the group with highly skilled professionals.

Since resuming the programme in the wake of the pandemic, it has been expanded to the point of exceeding the Strategic Plan target. Currently, 17 students from four countries (Brazil, Czech Republic, India and Mexico) are participating in the newest edition of the Ulysses Programme, which began in October 2023, so topping the figures established in the 2025 Strategic Plan, which called for 15 participants from three different markets. Moreover, the retention rate, two years after completing the programme, currently stands at 90% for the first edition and 100% for the second edition, likewise delivering the related Strategic Plan retention rate target of at least 80%.

TARGET DELIVERY

	Edición 2023-2024	Objetivo
No. of students	17	15
No. of home countries	4	3
No. of participants still at the group	First edition: 90%; second edition: 100%	80% in employment 2 years on

The Ulysses Programme
combines mobility
and talent
attraction

Phases of the programme

The Ulysses programme is structured into two distinct phases:

Phase 1:
Depending on the originating factory, the students participate in different technology modules (polymers, metal and metal injection). There are also two common modules addressing key soft skills and the company's lean management philosophy: Entrepreneurship & Innovation and Lean Manufacturing.

Phase 2:
The students spend several months at a factory. A large number of CIE Automotive's legacy plants are involved in this training initiative, including CIE Orbelan, CIE Inyectametal, CIE Udalbide, CIE Egaña and CIE Galfor, among others, as well as the corporate Engineering Department, the corporate Controller Department and the Laboratory located in AIC - Amorebieta.

New this year was the incorporation of youths from Eastern Europe and the provision of training development of structural staff, unlike previous exercises that focused only on production plant personnel.

ETHICAL LABOUR RELATIONS

Labour relations at CIE Automotive are governed by moral principles and respect for people.

CIE Automotive values and respects its employees' right to exercise freedom of association and encourages collective bargaining, engaging in constant dialogue with its workers' representatives at its European factories as well as in less unionised countries. In 2023, 56% of the group's employees were covered by collective bargaining agreements.

Over the course of the year, the company entered into 39 collective bargaining agreements (regional, sectoral and some factory-specific) at a number of facilities in the following countries: Mexico, Brazil, Spain, France, Italy, the Czech Republic, Romania, India and China.

These agreements feature specific obligations on the part of the company negotiated with the workers' representatives at each factory although they all tend to emphasise essential matters such as occupational health and safety.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS BY COUNTRY

Country	WORKFORCE 2022	Employees covered by collective bargaining agreements 2022	%	PLANTILLA WORKFORCE	Employees covered by collective bargaining agreements 2023	%
BRAZIL	2,901	2,898	100%	3,385	3,376	100%
CHINA	1,525	367	24%	1,365	360	26%
CZECH REPUBLIC	560	278	50%	557	244	44%
FRANCE	289	289	100%	270	268	99%
GERMANY*	793	747	94%	110	82	75%
HUNGARY	0	0	0%	359	0	0%
INDIA	7,389	2,555	35%	7,501	2,647	99%
ITALY	429	426	99%	415	410	0%
KOREA	2	0	0%	6	0	0%
LITHUANIA	225	0	0%	231	0	35%
MEXICO	5,384	3,538	66%	5,700	3,683	65%
MOROCCO	74	0	0%	62	0	0%
NETHERLANDS	4	0	0%	4	0	0%
PORTUGAL	280	280	100%	270	270	100%
ROMANIA	544	541	99%	621	612	99%
RUSSIA	42	0	0%	31	0	0%
SLOVAKIA	558	145	26%	488	145	30%
SPAIN	2,315	2,215	96%	2,299	2,158	94%
US	1,672	0	0%	1,620	0	0%
TOTAL	24,986	14,279	57%	25,294	14,255	56%

(*) Includes 676 employees at the German operations classified as discontinued in 2022.

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Prevention of discriminatory practices

CIE Automotive introduced its Protocol for Preventing and Handling Workplace Harassment, which is binding upon all group facilities, in 2020. This protocol addresses the prevention of mobbing and of sexual or gender harassment and includes several preventive measures, such as zero-tolerance towards harassment, shared employee responsibility for monitoring workplace conduct and the implementation of communication programmes. The full text of the protocol is available for consultation on the corporate website.

In 2023, CIE Automotive received and managed 17 complaints related with matters addressed in the protocol, which is one more than in 2022. In the wake of these complaints, the group took significant disciplinary action, even laying off one of the employees involved.

It is important to note that when CIE Automotive integrates new companies, as it did in Hungary (CIE Salgglas) and Brazil (Iberoleff- CIE Autometal Salto) last year, the factory managers and HR heads are asked to sign the group's Harassment Protocol and Human Rights Policy by way of endorsement. As a result, the group's protocol and policy are binding upon all factories from the outset.

Fostering respect for human rights as a culture

CIE Automotive champions tolerance, dignity and fundamental human rights. To reinforce that, in 2023 it imparted 25,000 hours of related training. That means that roughly one in four employees received training on human rights last year.

HOURS OF TRAINING ON HUMAN RIGHTS MATTERS

	Men	Women	Total
2022			
Hours	13,193	6,438	19,631
Employees trained	3,700	2,116	5,816
2023			
Hours	17,818	7,688	25,506
Employees trained	4,820	2,255	7,075

Zero-tolerance stance on compulsory or child labour

CIE Automotive works to ensure there is no compulsory or child labour at its factories. Its hiring controls include preventive measures and minimum age controls in keeping with the ILO's standards or local legislation if more stringent. No instances of compulsory or child labour were detected in 2023.

In 2023
CIE Automotive
imparted
**25,000 hours of
human rights
training**

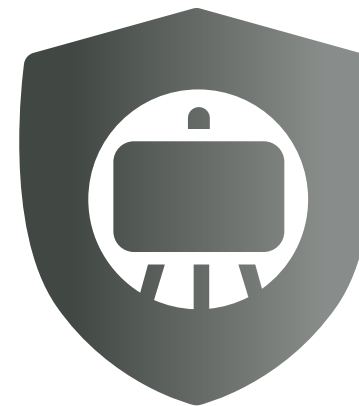
Health and safety

CIE Automotive guarantees the provision of safe and healthy working conditions for its employees, working actively to protect their health, in strict compliance with its Health and Safety Policy, which us approved at the senior management level. Expansion of this policy has yielded very encouraging results, as borne out by the fact that the group achieved record safety results in 2022, and then again in 2023.

HEALTH AND SAFETY POLICY PRINCIPLES



Consideration of safety across all activities, tasks and levels. The physical, mental and emotional health of all of the people populating the value chain, including their psychological and social well-being, are unwavering and fundamental objectives for the group.



Personal safety always prevails. As a result, the company trains and raises awareness among all members of the organisation.



Safety is intrinsic to the group's activities. To achieve it, CIE Automotive complies with prevailing legislation in all its markets, meets its stakeholders' expectations, while taking on other safety goals it seems fit.



It guarantees the health and safety of everyone working at the organisation and at any subcontractors coming to its places of work, involving them tirelessly in the continuous improvement effort by means of systematic reviews, consultation and participation, as well as defining objectives measured using our safety dashboard.

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Common responsibility, shared benefits

The Health and Safety Policy is publicised at all levels of the organisation via direct delivery or email to all executives, heads, middle managers and workers' representatives. It also includes prevention plans that reach all levels of the organisation via manuals containing information about risks, preventive measures and emergency measures that are delivered to employees; they are also posted in visible places (such as notice boards or specially designated spaces) and publicised in other ways thought up by the various factory managers who are responsible for making sure the Health and Safety Policy is broadcast, understood, applied and kept updated.

The policy can be modified by management in light of contextual developments, changes in legal requirements, safety plan revisions or the results of the continuous improvement process.

The company has an **occupational health and safety framework**

Occupational health and safety framework

The company has devised an occupational health and safety (OHS) framework (process no. 12) in order to effectively manage all of the risks that could jeopardise delivery of the its targets.

The documents comprising this framework or system include:

- The reported OHS Policy and OHS Target documents.
- The documented procedures required under benchmark applicable regulations.
- The documents needed to ensure effective process planning, operation and control.
- The legally applicable requirements and other standards adopted by the group.
- The registers required under benchmark applicable regulations.

CIE Automotive has 15 corporate procedures and 'formats' related with delivery of the targets set in the OHS area.

Those specific procedures establish the occupational health and safety requirements to be upheld in all activities. The 'formats' compile relevant information about the controls, measures and, in general, data yielded by an activity or a methodology for carrying it out.

Model and structure

Each factory has its own health and safety plan, which is put together on the basis of a framework system that is subjected to continual audit as part of the group's workplace safety management systems.

This structure enables the company to adapt safety measures for each factory and evaluate the measures taken by it on this front as a whole. Individual action plans are formulated every year to deliver the targeted level of improvement defined on the basis of the prior year's performance.

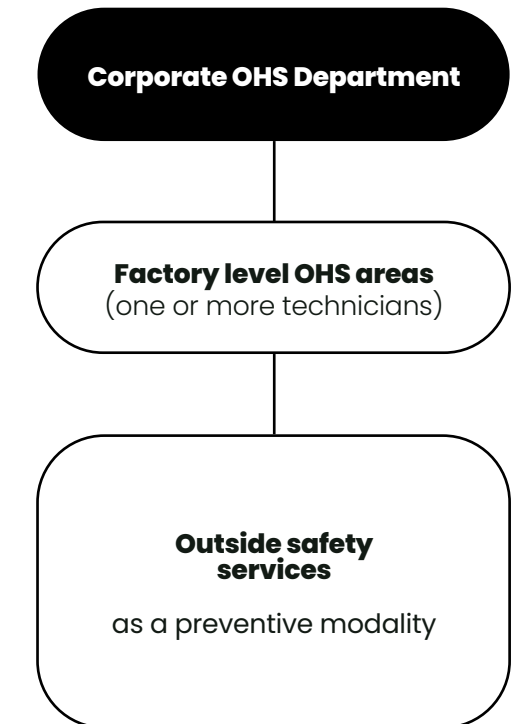
Every facility has a health and safety officer who, in addition to monitoring accidents and safety indicators, is tasked with ergonomics, avoiding exposure to harmful substances and managing psychosocial risks, as well as coordinating health monitoring.

The factories have an outside safety service that covers the four legally-stipulated areas of accident prevention expertise and a health and safety officer at each of its productive facilities.

The corporate Health And Safety Department regularly audits the factories, maintains the corporate intranet and serves as contact point for issues related with occupational health and safety.

At the factory level, the safety staff inspect the adequacy of the company's facilities, conduct emergency evacuation drills, provide training, assist with incident investigations and carry out awareness drives.

STRUCTURE



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Joint management-worker health and safety committees

The factories frequently have joint management-worker health and safety committees under the scope of their collective bargaining agreements, particularly in markets with tighter health and safety regulations, as is the case in Europe.

Certification

Under its 2025 Strategic Plan, CIE Automotive is aiming to have 100% of its factories ISO 45001-certified by 2025. This is the benchmark international occupational health and safety management system standard designed to protect workers and visitors from accidents and workplace illnesses.

In 2023 the group certified four factories in Portugal, India and China, bringing the total number of factories certified to 95, which is 94% of the total.

Indicators and assessment

CIE Automotive has been using three key OHS indicators to track its safety record for over 15 years: the injury frequency rate, the injury severity rate and the number of lost-time injuries.

It also conducts an annual survey at each factory, called CIE Safety, the goal being for the facilities to score at least 85%. In 2023, all plants surpassed the target except one, which already has a corrective action plan in place.

INJURY METRICS

	2022		2023	
Lost-time injuries*	368		345	
	H: 312	M: 56	H: 302	M: 43
Cases of work-related ill health	22		27	
	H: 16	M: 6	H: 15	M: 12
Injury frequency rate**	6.82		6.19	
Injury severity rate***	0.13		0.11	
Absenteeism****	4%		5%	

(*) Injury: an accident occurring at work that causes at least one lost day.
(**) Frequency: injuries per million hours worked.
(***) Severity: days lost due to injuries per thousand hours worked, excluding absenteeism.
(****) Absenteeism: absences not substantiated by holidays or other leave.

Continuous improvement in accident metrics

In 2023, CIE Automotive recorded 345 injuries, 23 less than in 2022. Of the total, 339 were mild, six were serious and there no fatalities.

The injury frequency and severity rates continued to come down, marking record lows. In 2023 the severity rate fell to 0.11 and the frequency rate, to 6.19.

As for work-related illnesses, the group recorded 27 cases, compared to 22 in 2022. Note that there were no injuries affecting subcontracted workers.

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WORKPLACE ACCIDENTS AND
CASES OF ILL HEALTH BY GENDER

2023	Men	Women	Total
Injuries	302	43	345
Cases of work-related ill health	15	12	27
2022	Men	Women	Total
Injuries	312	56	368
Cases of work-related ill health	16	6	22

AVERAGE
ABSENTEEISM RATE
BY REGION

	%
North America	3%
Europe	7%
Brazil	2%
Asia	4%
TOTAL	5%

INJURIES BY
SEVERITY.
COMPARISON

	2022	2023
Mild injuries	356	339
Serious injuries	12	6
Fatalities	0	0
TOTAL	368	345

CASES OF WORK-RELATED
ILL HEALTH BY GENDER AND
REGION

	Men	Women	Total
North America	0	0	0
Europe	13	8	21
Brazil	2	4	6
Asia	0	0	0
TOTAL	15	12	27



Health and
safety training

Employees receive safety training tailored to the risks posed by their jobs. In 2023, CIE Automotive provided 194,509 hours of health and safety training to 12,681 employees (9,327 men and 3,354 women).

OCCUPATIONAL HEALTH AND SAFETY TRAINING BY REGION AND GENDER

	OHS TRAINING HOURS			NO. OF PEOPLE TRAINED ON OHS			HOURS PER EMPLOYEE TRAINED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Asia	45,111	2,310	47,421	2,101	184	2,285	21.5	12.6	20.8
Brazil	23,989	4,714	28,703	1,916	129	2,045	12.5	36.5	14.0
Europe	21,249	9,363	30,612	1,507	558	2,065	14.1	16.8	14.8
North America	53,019	34,754	87,773	3,803	2,483	6,286	13.9	14.0	14.0
TOTAL	143,368	51,141	194,509	9,327	3,354	12,681	15.4	15.2	15.3



In 2023, **CIE Automotive**
provided 194,509 hours of
health and safety training

Health and safety
challenges and initiatives
for the years ahead

In addition to its entrenched emergency and self-protection plans, CIE Automotive has set itself the goal of advancing in the following areas:

Hot work
risk controls

Companies are exposed to human harm and physical damage from fires sparked during hot work. Between 2017 and 2021, the US firefighter forces responded to an estimated annual average of 3,396 structure fires related with hot work, according to the most recent NFPA report. These fires caused average annual fatalities and civilian injuries of 19 and 120, respectively. The statistics regarding worker injuries and fatalities related with hot work paint an even darker picture.

Faced with that reality, in 2023 CIE Automotive introduced a new procedure for controlling and regulating hot work at all group factories (CIE CO PR P 16) which is expected to become fully operational over the course of 2024. Under this procedure all internal or external work requiring the use of fire or combustion will be verified.

Fire safety
self-inspections

Beyond the emergency measures in place across the factories, the group is planning to introduce a systematic method for performing regular fire safety inspections.

Specifically, inspections will take place at least monthly at all group factories covered by the new hot work procedure - CIE CO PR P 16 - verifying their critical facilities and establishing action plans to address all deviations detected.

Business Activity
Coordination

CIE Automotive guarantees the health and safety of the workers of all companies entering its places of work. The so-called Business Activity Coordination unit is therefore one of the most important areas of the health and safety effort.

The vast volumes of documents and large number of companies and workers involved mean that this unit needs to be digitalised to perform its coordination work more effectively.

The resulting coordination software platform is intended to reduce workplace risks, ensure compliance with applicable regulations and increase cooperation between contracting and subcontractor firms, as well as reduce the costs associated with workplace accidents.

The idea is to integrate internal and external health and safety management and, if correctly applied, guarantee compliance with applicable legal requirements.



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Change begins with our SUPPLIERS

To tackle environmental challenges and contribute to social progress, CIE Automotive has embraced the role of leader in its supply chain, leveraging partnerships to multiply its impact on society. Framed by that approach, in 2023 it launched its global decarbonisation acceleration programme, Supply Chain Race 2 Zero, expanded the requirement to register with the ESG Supplier Portal to non-productive suppliers and added new sustainability requirements in its procurement management documents in response to market and customer demands. Thanks to this responsible and unique approach to the management of its approximately 23,000* suppliers, it renewed its ISO 20400 Sustainable procurement certification, remaining the only automotive parts maker in Spain to boast this certification.

PROGRESS MADE IN 2023

- Rollout of the **Supply Chain Race 2 Zero** programme.
- Annual renewal of **ISO 20400** Sustainable procurement certification.
- Main non-productive suppliers obliged to register with the Supplier Portal and undergo ESG assessment.
- Verification by an independent firm of the level of ESG compliance at over 50% of global purchasing volumes.
- Addition of more stringent sustainability compliance criteria to procurement management documents in response to market and customer demands.
- Performance of 698 process and ESG supplier audits.
- Provision of ongoing ESG training to group buyers.
- Participation in ESG training forums for the supply chain.
- Compliance with the ESG KPIs at the group level.

CHALLENGES FOR 2024

- Phase two of Supply Chain Race 2 Zero: **building a roadmap with the suppliers that generate the most emissions.**
- Spearheading compliance by the supply chain with **due diligence** requirements.
- Annual verification of ESG compliance by an outside firm.
- 10% increase in ESG audits.
- Increased performance of physical audits, including ESG verifications.
- Participation in ESG forums and leading provision of internal training on legal and/or company requirements.
- Compliance with the ESG KPIs at the group level.

(*) 740 suppliers were from the discontinued German forging companies.

Supply Chain Race 2 Zero programme

Measurement of CIE Automotive's carbon footprint in 2022 showed that over 80% of the GHG emissions associated with its activities originated from its supply chain. That threw up the challenge of involving its suppliers in the company's commitment to becoming climate neutral by 2050. So began the Supply Chain Race 2 Zero project.

The first step in this race to decarbonisation was to understand its suppliers' real GHG emission figures, their level of commitment to reducing them and their advances to date. The idea was also to identify suppliers that need help tackling this challenge.

The group surveyed its main suppliers in all its geographies regarding their engagement around decarbonisation. The suppliers were selected on the basis of their emissions impact and/or procurement volume. They represent 41% of the group's total purchases (57% of productive suppliers), which amounted to €2.95* billion in 2023.

The study reveals that there is still ample room for improvement: only a minority of the suppliers surveyed have become aware of the need to reduce their carbon footprint:

25% of the suppliers calculate the carbon footprint of their products

32% are aiming to reduce their net emissions

28% use renewable energy only

62% are ISO 14001-certified

With this information in hand, CIE Automotive will set deadlines for its suppliers to offer decarbonised technical solutions, so minimising its emissions and multiplying its positive impact, even in countries with lax environmental regulations.

The goal of Supply Chain Race 2 Zero is to focus on helping in the weakest areas. In general, the smaller and more local suppliers need support in the form of resources, guidance or environmental knowledge. This partnership includes information about energy efficiency, technical solutions and identification of areas for improvement, among other forms of assistance.

From 2024, the Supply Chain Race 2 Zero programme's new roadmap will involve:

1. Selecting the most critical suppliers (highest emissions) that have yet to target their emissions strategically.
2. Increasing the universe of suppliers to receive the decarbonisation commitment analysis form.
3. Monitoring the performance of the suppliers that already measure their carbon footprints:
 - Validating their measurements system
 - Detailing targets by Scope
 - Setting target delivery deadlines
 - Quantifying the changes economically

(*) 75 million euros correspond to the business of discontinued German forges.

Common responsibility, shared benefits

Sharing best practices

With Supply Chain Race 2 Zero, CIE Automotive wants to inspire other companies with fragmented supply chains to work to reduce emissions in their chains.

To that end, the Procurement Department participated in several outside events last year inspired by a leitmotif of "Moving towards decarbonisation together":

- **ESG PROCUREMENT SUMMIT:** CIE Automotive participated in the ESG Procurement Summit giving a talk about "Advanced strategies for sustainable supply chain development". El evento trata de ayudar a las empresas
- **SUPPLY CHAIN AUTOMOTIVE MANUFACTURING MEETINGS MADRID:** the only supply chain event in Spain that brings together automotive makers, tier suppliers and contract-manufacturers.
- **ECOVADIS WORLDTOUR:** the company participated in this event which tackled issues such as identifying Scope 3 emissions and defining net zero strategies, strategies for engaging suppliers around sustainability, the importance of due diligence and its application in Europe and the importance of ESG ratings in attracting investment.
- **AERCE - APPLICATION OF ESG POLICIES IN THE SUPPLY CHAIN:** CIE Automotive led this seminar, focusing its presentation on the integration of ESG criteria into its strategy and how it transmits them to its suppliers to get them to up their ESG commitments.
- **ESG IN BUSINESS STRATEGY:** One member of the company's corporate Procurement Department earned this certificate from CUNEF University.



The Procurement
Department
participated in several
outside events last year
inspired by a leitmotif
of **"Moving towards
decarbonisation
together"**

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Activities with suppliers in India, Mexico and Brazil

Internally, CIE Automotive India organised a Suppliers Congress on 28 July 2023 under the slogan “ESG – A multitude of opportunities”. The goal of this event was to share CIE India’s ESG targets and expectations with suppliers so as to rally them around delivery of the ESG targets that in turn form part of CIE Automotive’s overall Strategic Plan. To encourage and motivate the best-performing suppliers in terms of quality, delivery, cost and ESG aspects, the management team provided them with a distinction.

In Brazil, meanwhile, the company organised an online training session explaining how to register properly for the ESG Supplier Portal in May and a workshop for suppliers to CIE Durametal addressing ESG practices and stakeholder relations.

Lastly, in Mexico, the company awarded a prize to its Best ESG Supplier.



Collaboration with suppliers to reduce impacts at CIE Automotive

Just as its suppliers receive assistance with shrinking their carbon footprint, CIE Automotive also receives their help cutting emissions at its facilities and thereby helping to decarbonise transport.

Specifically, it entered into agreements for the purchase of renewable energy and the implementation of collaborative energy efficiency projects. In parallel it works with its suppliers on initiatives related with energy self-consumption, reducing the use of coolant and onsite waste management.

The following stand out among the projects championed and managed by the procurement area:

- Solar panels
- Switch from combustion to electric forklifts
- Chemistry driven waste reduction projects
- Carbon offset projects with airlines

CIE Automotive entered into agreements for the **purchase of renewable energy and the implementation of collaborative energy efficiency projects**



Collaboration on social issues

Beyond the scope of these environmental efforts, CIE Automotive also carried out a number of community projects involving CIE Automotive staff and supply chain employees. These initiatives include efforts designed to spur the transfer of technology and skills to developing economies and maximise its operations' positive impact on local economies.

For example, the company participated in research and training projects with local schools and universities and industry associations in developing countries, providing or supporting education, including the Lakshya and Gems projects in India, to name a few.

Renewal of ISO 20400 Sustainable procurement certification

CIE Automotive is the only Spanish automotive parts maker to boast ISO 20400 certification

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In 2023, CIE Automotive renewed its ISO 20400 Sustainable procurement certification, remaining the only company in Spain to boast this quality seal.

Annual renewal took place following a rigorous audit by AAERCE, the Spanish association of procurement professionals, under the sustainable procurement requirements governed by IFPSM (International Federation of Purchasing and Supply Management). The audit confirmed that the company had met the requirements formulated the previous year.

With this renewal, CIE Automotive ratified the operational excellence of its Procurement Department and the contribution being made by the latter to the company's broader sustainability and social responsibility policies.

To achieve this certification, which is based on UNE-15896 Value added purchasing management, the following parameters were appraised:

- Purchasing policy.
- Selection and monitoring of suppliers.
- Purchasing processes, ESG requirements in all group purchases.
- Buyer training.
- Risk management, purchase specifications and internal organisation.
- Alignment with new regulations and requirements in the areas of due diligence, taxonomy and diversity and inclusion.

Beyond the recognition that comes with the certification, it represents a challenge for the procurement teams as it not only requires compliance with ISO 20400 by the company but also with ESG standards by its suppliers. So, for example, the company cannot make an acquisition without a positive assessment of the target's management.

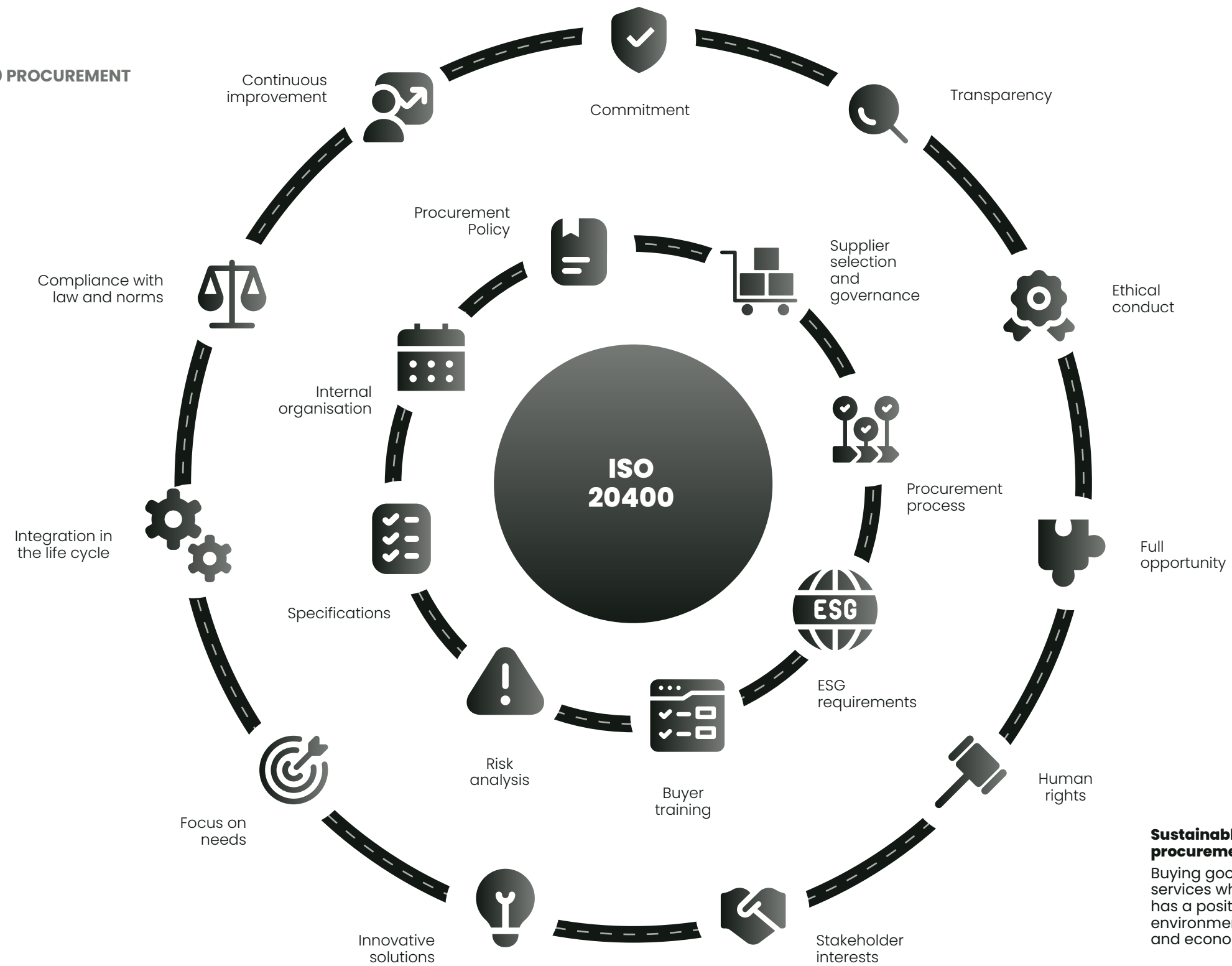
In this way, ISO 20400 certification reinforces the company's sustainability policies by extending them to the entire supply chain and lays the groundwork for making further progress in ESG as it requires:

- Ensuring supply chain security.
- Avoiding financial, environmental and reputational risks.
- Inspiring confidence among investors, consumers and other stakeholders.
- Fostering employee wellbeing and contributing to opening new markets for products and services.
- Being prepared to achieve the decarbonisation targets CIE Automotive has set for itself, its supply chain constituting its main source of emissions (Scope 3).





ISO 20400 PROCUREMENT



Sustainable procurement
Buying goods and services whose life cycle has a positive environmental, social and economic impact

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Delivery of strategic commitments

ISO 20400 certification was a target set in the 2025 Strategic Plan in which the supply chain plays a fundamental role: of the nearly 80 ESG-related KPIs being tracked by the group, 18 relate to the procurement function.

The corporate Procurement Department is responsible for setting the ESG strategy for the supply chain along with the procedures for complying with the strategic objectives set by the Board of Directors.

The group's ESG targets are implemented at the local level, an effort that is monitored from headquarters on a quarterly basis.

The supply chain plays a fundamental role:
of the group's nearly 80 ESG-related KPIs, 18 relate to the procurement function



2025 STRATEGIC PLAN TARGETS DELIVERED

	Target	Deadline	2023
No. of countries to have embedded ESG criteria into their purchasing processes / Total number of markets in which the group operates	100%	2021	100%
% Local suppliers / Total suppliers over total expenditure during the period	>70%	2023	78.2%
No. of suppliers with annual purchasing volumes of >€1m that have been audited and/or self-assessed along ESG criteria during the Plan horizon	25%	2022	34%

(*) Discontinued German forging companies do not have any suppliers in this section.

ESG Supplier Portal

In the automotive components sector CIE Automotive set itself apart in 2018 when it created, in a sector first, a Suppliers Portal devoted exclusively to managing ESG aspects in the supply chain.

Five years on, this Portal remains a crucial tool for implementing uniform ESG requirements regardless of the nationality of the company's suppliers or their place of business.

The Portal is an online platform that is free to use and accessible from the Supply Chain tab on the corporate website. Existing and prospective suppliers of products and services to CIE Automotive can register.

By year-end 2023, a total of 8,000 suppliers populated the company's supplier base. Any candidates that did not complete or

pass the assessment received a message encouraging them to complete the process and/or improve their scores with the help of CIE Automotive.

For the first time in 2023, non-productive, or indirect suppliers, with annual procurement volume of over €500,000 are now required to register with the Portal and submit to an ESG assessment, an obligation previously limited to suppliers of productive materials, or direct suppliers.

A **productive or direct purchase** is the purchase of products or services that form part of the final products received by the group's customers. The raw materials used in any of its technologies, the parts included in its end products (rubber, textiles, fasteners) and even subcontracting processes (heat treatments, machining) therefore fall into this category.

Exceptionally, the tooling used in productive processes is also included within productive purchasing. In short, productive purchases account for over 70% of the group's total procurement spend and are the biggest source of Scope 3 emissions for CIE Automotive.

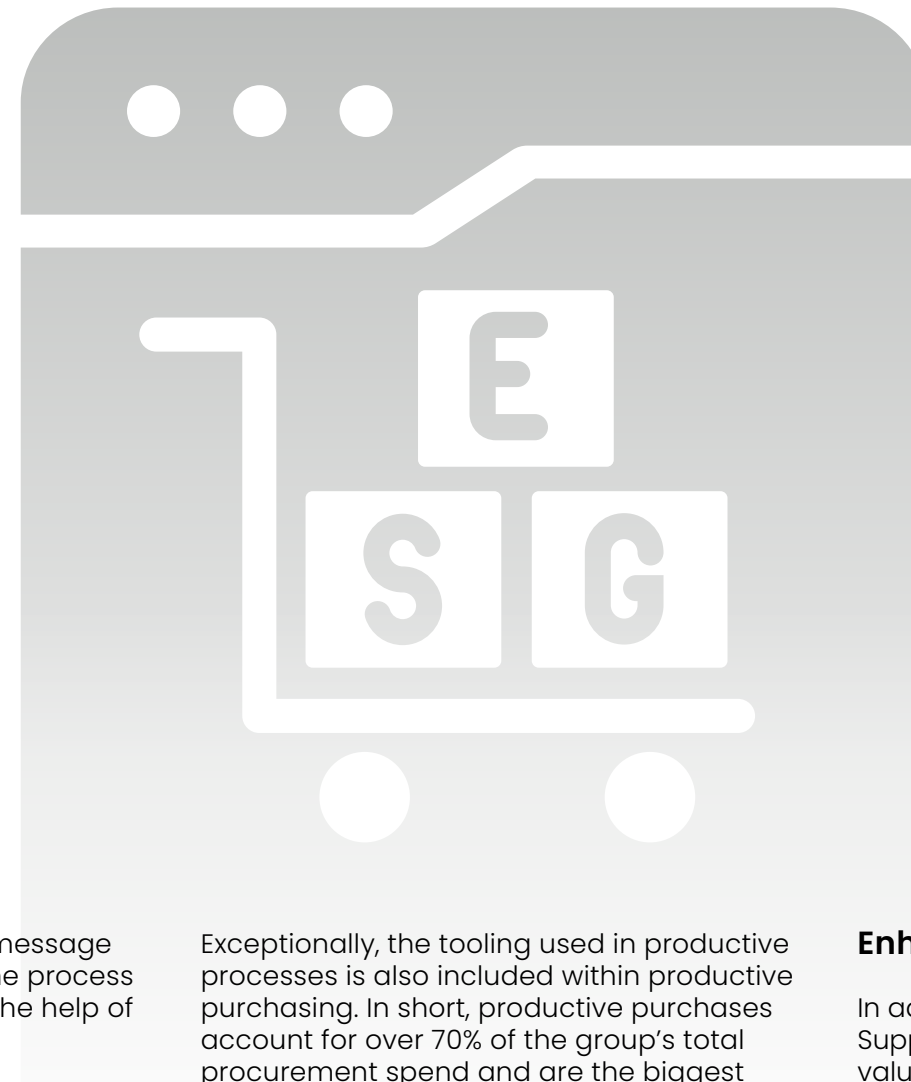
In contrast a **non-productive or indirect purchase** is one that facilitates the production process but is not an integral part of the end products delivered to its customers.

[Refer to the Procurement families]

Enhanced management

In addition to facilitating assessment, the Suppliers Portal is a source of reference and valuable information for our procurement managers.

Following its redesign in 2022, a new interface was developed in 2023 to visualise, manage and extract information related with the audits conducted by CIE Automotive on current or prospective suppliers. This new feature enhances the procurement teams' management efforts and adds exclusive ESG audits to the range of traditional audits. The company's traditional audits also include a pass/fail ESG section.



Questionnaires

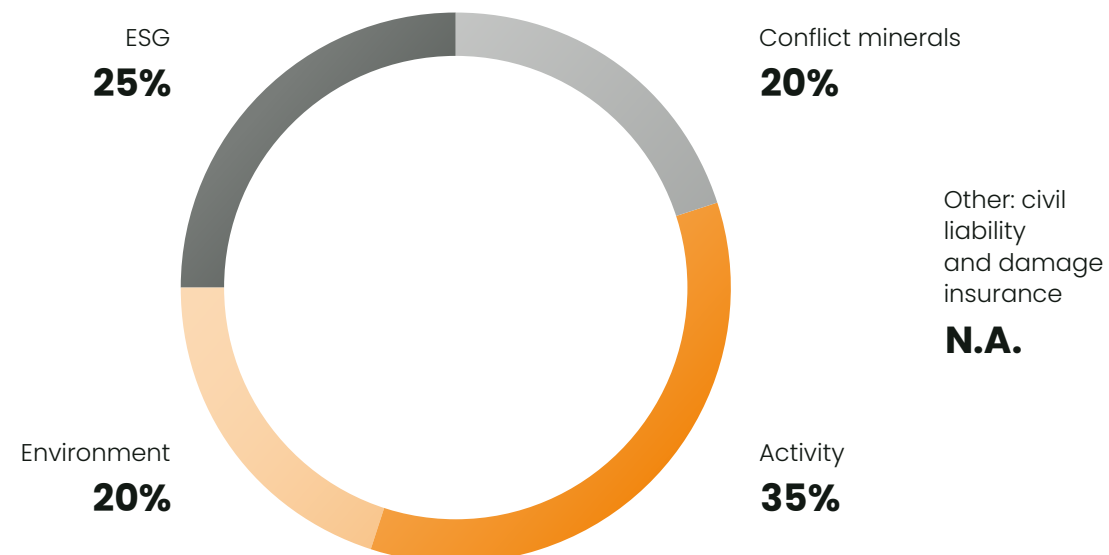
Registering suppliers need to answer five questionnaires:

- **Business management:** suppliers in possession of valid quality management certifications are prioritised.
- **Environmental management:** the Portal gives additional points to suppliers with environmental management certification and those that control their waste and emissions, among other aspects.
- **ESG management:** supplier candidates are asked to provide information about their ESG certifications and compliance with the United Nations Global Compact requirements.
- **Conflict mineral management:** suppliers are required to abstain from using the so-called conflict minerals (tin, tungsten, tantalum and gold) and if they do use them, they must guarantee that they do not come from areas of armed conflict, such as the Democratic Republic of the Congo.
- **Property risk and civil liability insurance:** CIE Automotive's risks are minimised if it can verify that its suppliers are covered against potential contingencies.

QUESTIONNAIRES



QUESTIONNAIRE CATEGORIES AND WEIGHTINGS



Direct suppliers
are **required to
register with
the ESG portal**

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Responsible supply chain

The data gleaned from the Suppliers Portal reveals the following information about the suppliers that have completed the registration process:

- 75% of suppliers have a code of conduct.
- 25% are ISO 14001-certified, so complying with environmental standards.
- 100% of the suppliers registered on the portal report to not using mineral conflicts or, in the event they use them in their productive processes, guarantee they are not sourced from conflict-affected areas.
- 100% of registered suppliers declare that they are not involved or complicit in any form of child or compulsory labour.

CIE Automotive is in a position to state that its global supply chain is free of transactions or suppliers that pose a significant risk of presenting incidents of child or forced labour, unfair treatment, discrimination or any other practices that imply putting profits ahead of social and/or environmental concerns.

Accolades

Every year, CIE Automotive acknowledges its best-performing suppliers in the ESG area, as well as along conventional criteria including supply, quality, claims and customer incidents.

In 2023, it awarded a total of eight prizes to the suppliers from different countries that stood out for their ESG scores on the Suppliers Portal. Aligned with the decentralised management model, the local procurement teams were asked to lead execution of this initiative, evidencing an increase in their commitment and awareness around these matters.



**100% of the suppliers
registered on the portal
report to not using
mineral conflicts or,
in the event they use
them in their productive
processes, guarantee
they are not sourced
from conflict-affected
areas**

Management system and inclusion of ESG aspects

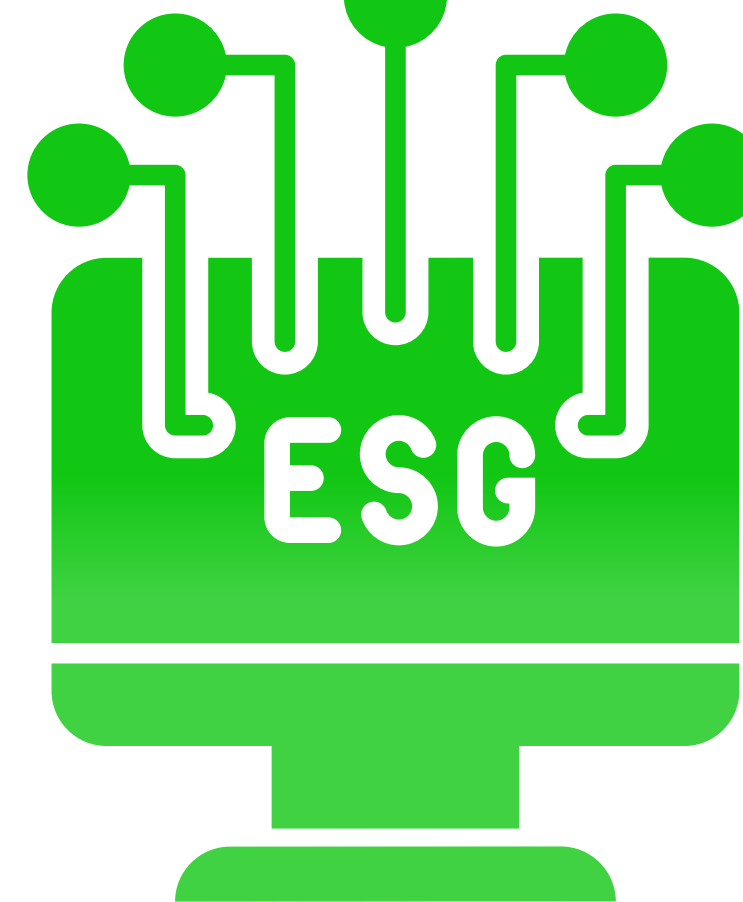
CIE Automotive extends its ESG commitments to its suppliers. This requires additional supply chain management and document updates so as to reflect its targets, in line with prevailing legislation, and multiply its impact.

Living documents in response to evolving ESG challenges

The OEMs and Tier 1 suppliers' growing sensitivity around ESG matters is forcing CIE Automotive to revise its supply chain procedures, policies and standards every year.

In 2023, it updated its Global Supply Chain Manual and General Purchasing Terms and Conditions to include its customers' chief demands. Together these two documents guide the company's suppliers.

CIE Automotive revised and updated its **supply chain ESG procedures, policies and requirements in 2023**



Global Supply Chain Manual

This manual is a true reflection of the supply chain system and procedures. It details graphically and in plain language the Mission, Purchasing Policy, the various product and service purchasing categories, the purchasing flowchart and the associated internal procedures and the ESG requirements suppliers must meet in order to work with CIE Automotive.

New commitments were added in 2023, specifically addressing:

- Due diligence
- Emissions reduction requirements
- Decarbonisation targets

General Purchasing Terms and Conditions | Supplier ESG Document

The company's General Purchasing Terms and Conditions require group suppliers to endorse the company's ESG commitments if they want to work with CIE Automotive, no matter where in the world they are located.

New conditions were added in 2023, specifically:

- Modern slavery: CIE Automotive wants to ensure that there is no place for modern slavery in its supply chain, in other words, that no person is forced to work in subhuman conditions they cannot refuse on account of coercion, threats or the abuse of power.
- Use of private or public security forces: Suppliers may not hire or use private or public security forces to protect the company if, due to a lack of training or control by the supplier, their deployment could give rise to human rights violations.

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The company regularly reviews and updates other documents, such as its Procurement Policy and Conflict Minerals Policy.

Conflict Minerals Policy

The Conflict Minerals Policy was introduced in 2021 to reinforce the company's requirements around this issue, even though the Global Supply Chain Manual and General Purchasing Terms and Conditions already stipulated the ban, which it enforced via the "Mineral Conflicts" questionnaire within the Suppliers Portal.

The company revised the policy in 2023 to specify Conflict Affected and High-Risk Areas (CAHRAs).

In 2023, 100% of the suppliers CIE Automotive works with who are registered in the Suppliers Portal reported to either not using mineral conflicts or, if used in their productive processes, to being able to guarantee that they were not sourced from conflict regions.

Alignment with the due diligence directive

Aligned with the EU's new corporate sustainability due diligence directive and following the recommendations issued by the OECD, CIE Automotive has begun to learn about and develop a due diligence process in order to identify, prevent and manage the impact the company's operations could have on human rights and the environment along the supply chain, including its suppliers in a specific protocol.

To that end it has included a specific section within the Ethics Framework section of its Global Supply Chain Manual urging its suppliers to participate in this process, introducing a due diligence report and five guidelines for correct compliance: establishing robust business management systems; identifying suppliers that supply mineral conflicts; designing a strategy for mitigating the risks detected; carrying out an external audit; and reporting on due diligence efforts in the group's annual reports.

The due diligence response is currently in the process of being implemented, as follows:

- 1. Developing a control list** for identifying internal and external human rights and environmental risks.
- 2. Prioritising risks** as a function of their severity, probability and urgency.
- 3. Defining mitigating actions** as a function of the results of the monitoring effort.
- 4. Documenting the process**, defining the internal and external risks and providing training across the affected areas of the firm and to third parties.
- 5. Integrating human rights and environmental risks** into the overall supply chain risk map with a view to subsequently controlling them.

The company will prioritise development of its response to this directive in 2024.

Due diligence will be a cornerstone of supplier management in 2024

GLOCAL procurement model

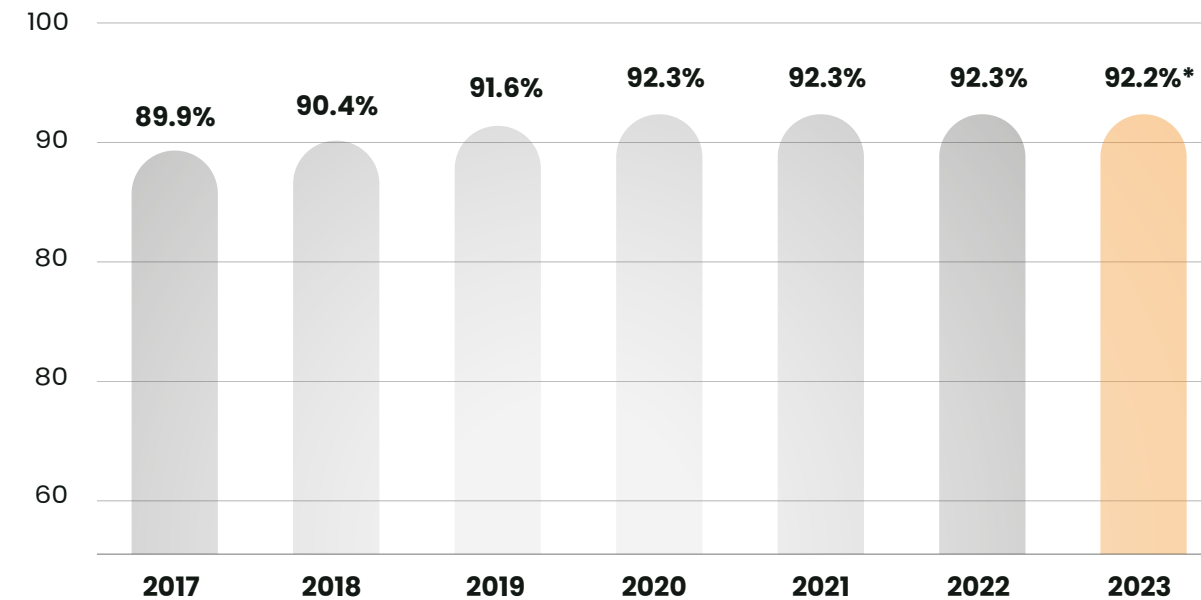
CIE Automotive uses a GLOCAL (global management with local application) procurement model, spearheaded by the corporate procurement function and executed by the various buyer teams that furnish the company with goods and services sourced locally (onshoring) and regionally (nearshoring).

This decentralised approach is highly efficient as it reduces logistics costs and tariffs, mitigates foreign currency risk and favours flows by overcoming cultural, linguistic and time zone differences. In parallel it favours sustainable procurement by reducing the emissions derived from transportation.

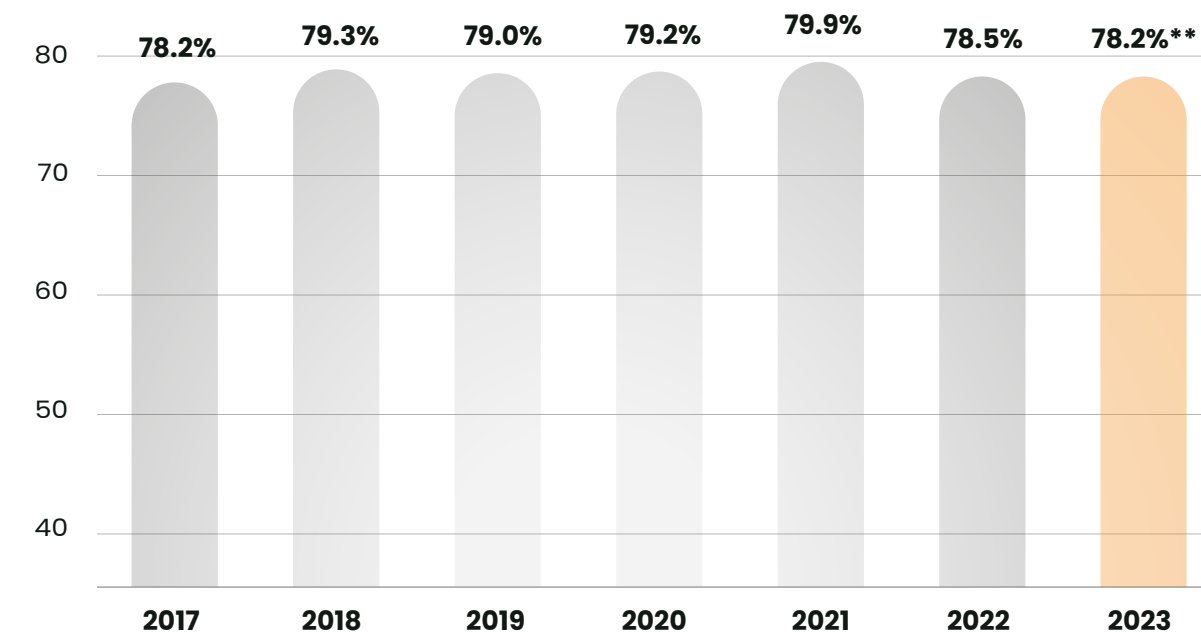
Thanks to this management approach, at year-end 2023, 92.2% of the suppliers used by CIE Automotive were local firms and accounted for 78.2% of the total procurement volume.

The GLOCAL procurement model **generates value locally and reduces the group's environmental impact**

SHARE OF LOCAL SUPPLIERS



SHARE OF PROCUREMENT VOLUME SOURCED FROM LOCAL SUPPLIERS



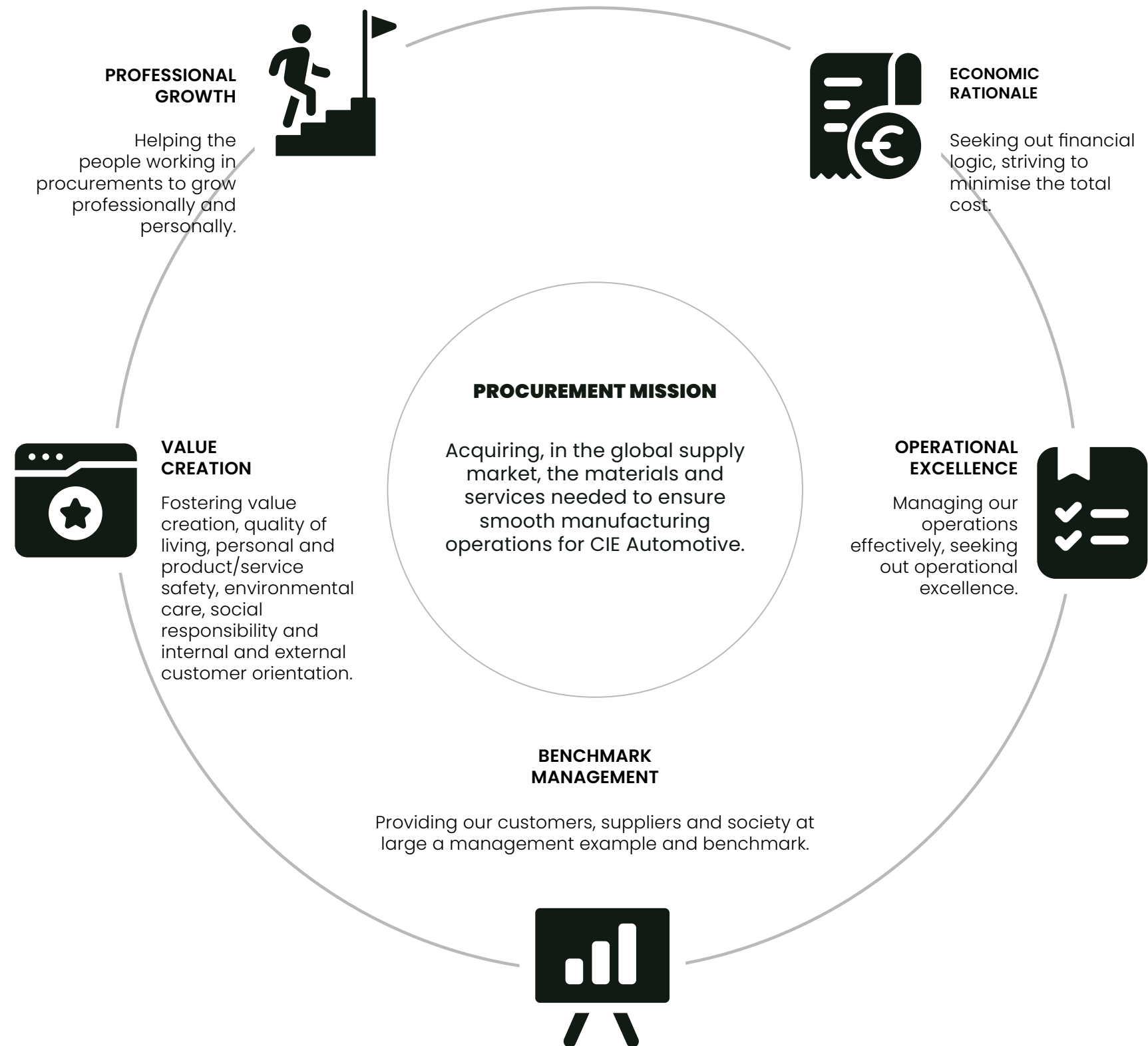
(*) 96.0% in discontinued German forging companies. (**) 74.9% in discontinued German forging companies.

Common responsibility, shared benefits

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To facilitate the purchase of goods and services on the best possible terms for the group companies, CIE Automotive has formulated a Procurement Mission and is guided by a Procurement Policy. The scope of this policy spans the entire process, from negotiations and project adjudication to the purchase of services and products.

For the global supply chain to work smoothly, there has to be a corporate procurement policy and a group-wide strategy.



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PROCUREMENT POLICY



OBJECTIVITY, TRANSPARENCY, FAIRNESS and NON-DISCRIMINATION in relations with all suppliers and partners.



ALIGNMENT between the **STRATEGY** and efforts of the Procurement Department and the established **CORPORATE OBJECTIVES**.



COMMITMENT, across the entire supply chain, to supporting and delivering the **10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT**, of which CIE Automotive is a signatory.



Striving, **INTERNALLY AND EXTERNALLY, to CREATE AWARENESS** around the importance of environmental protection efforts, in keeping with health and safety regulations and labour rights.



Implementation of **PROCEDURES AND CONTROLS** designed to ensure objective and fair adjudication.



Performance of **SUPPLIER SELECTION** on the basis of objective criteria that measure product and service quality, as well as **ESG CRITERIA**.



ENSURING that the **QUALITY** of the products and services purchased meet the group's technical, safety, environmental and human rights standards and, together, move us close to decarbonisation.



Identification and crystallisation of **GROUP SYNERGIES**.



DEVELOPMENT of long-term **COLLABORATION and INNOVATION AGREEMENTS** with suppliers.



SEARCH FOR MUTUAL UNDERSTANDING and benefits in supplier relations.



Contribution to **SUPPLIERS' PROCESS DEVELOPMENT**.



MAXIMISATION of the **MOTIVATION** and **ENGAGEMENT** of the CIE Automotive professionals devoted to procurement, providing them with the training needed to do an excellent job.



PROMOTE SUSTAINABLE PURCHASES, in goods, energy, alternatives to dangerous or toxic chemicals, etc., in accordance with CIE Automotive's Corporate Policies and Commitments.

The Procurement Policy applies to all 11 procurement families and its scope spans the search for alternatives, supplier selection, negotiations, project adjudication and the purchase of services and products.

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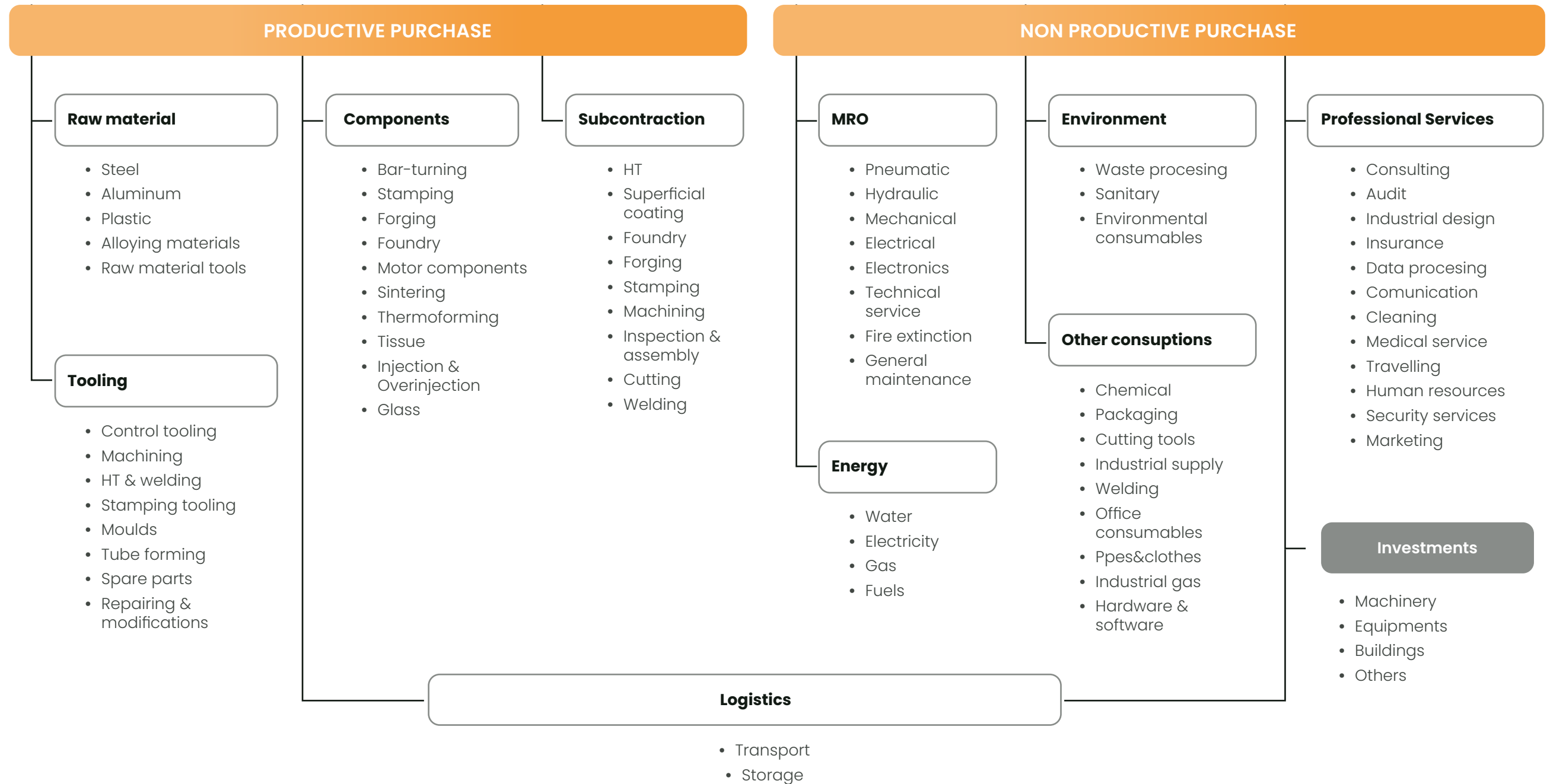
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PROCUREMENT FAMILIES



*MRO: machine, repair and overhaul
*HT: heat treatments

Common responsibility, shared benefits

Supplier certification

CIE Automotive's suppliers must meet certain certification requirements depending on the product or service they provide.

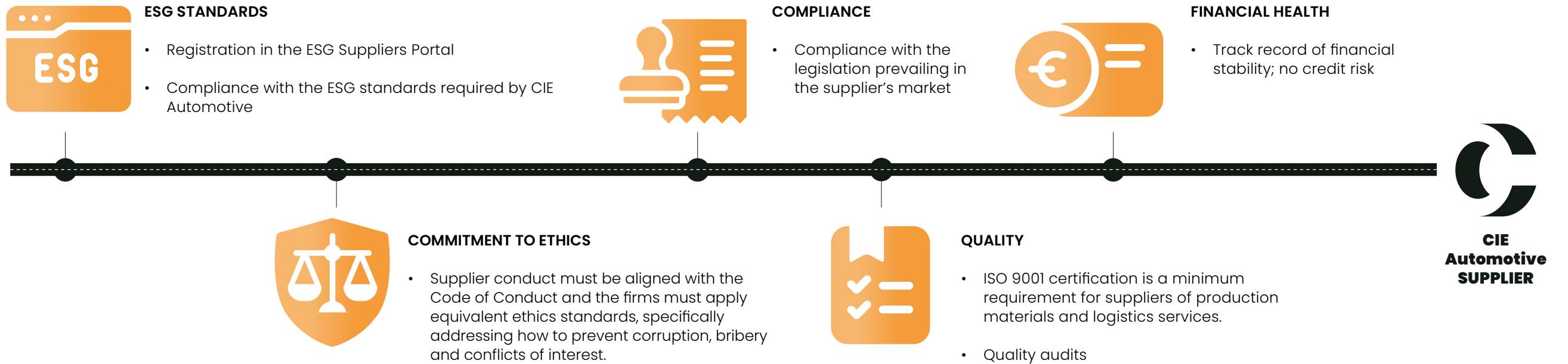
More than 90% of CIE Automotive's direct suppliers are IATF 16949 or ISO 9001 certified. CIE Automotive additionally values environmental management (ISO 14001) and occupational health and safety management (ISO 45001) certification.

Suppliers that do not hold these certifications are required to draw up a plan for obtaining them or presenting accreditation from a third party attesting that they meet CIE Automotive's requirements.

As for indirect or non-productive suppliers, 51% of those registered on the Suppliers Portal have ISO 9001 or equivalent certification.

By means of the Global Supply Chain Manual and the audits undertaken, the procurement teams help train suppliers on the quality aspects required under IATF 16949 and ISO 9001. The procurement teams provide technical assistance to help suppliers adapt for CIE Automotive's quality standards.

REQUIREMENTS FOR BECOMING A CIE AUTOMOTIVE SUPPLIER



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Supply chain risk management

Between
self-assessments
and onsite
audits, **in 2023
the company
conducted 698
audits, growth of
20% from 2022**

CIE Automotive strives to anticipate supply chain risks by implementing transparency procedures and auditing its suppliers regularly. ESG aspects are playing an increasingly important role in that process.

Supplier audits

CIE Automotive assesses its suppliers' financial health in order to ensure their ability to deliver throughout the duration of its projects.

Supplier evaluations take the form of process audits that assess and score them on several parameters, including planning, reception, training and skills, process, maintenance, inspection, packaging, storage, continuous improvement and environmental performance, customer satisfaction, documentation and ESG criteria.

The results of the audits may be shared with the supplier. On other occasions it is the supplier that conducts a self-assessment which is then corroborated by qualified CIE Automotive professionals.

Thanks to this system of self-assessment and onsite audits, in 2023 the company conducted 698* audits, compared to 582 in 2022, an increase of 20%.

In 2024, the group has set itself the target of increasing that figure by 10%, stepping up the number of onsite audits in particular.

External verification of ESG health using artificial intelligence

In 2023, CIE Automotive reached an agreement with the one of world's most important ESG ratings companies for the verification of supplier ESG compliance covering over 50% of its global procurement spend. The scope of this exercise, which began in 2022 when it was associated exclusively with governance considerations, has been widened to include:

- The Red Flags Grid (fines, human rights, environment, business conduct, corporate governance)
- Country risk
- Default risk
- ESG scoring: analytic and predictive
- Scope1 & 2 emissions

The information provided by this rating company, which uses artificial intelligence and internal and external databases to check the suppliers' information, allows the group to contrast and complement the information it obtains from its Suppliers Portal.

By way of conclusion, just 3 of all the suppliers evaluated presented risks in any of the above-listed areas; an action plan has been established to monitor their progress and the company is searching for alternative for these suppliers in the event the risks cannot be addressed.

(*) One of them was carried out in the business of discontinued German forging companies.

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Supply chain ESG risk matrix

To prevent and mitigate potential risks, CIE Automotive updates its supply chain ESG risk matrix every year. This exercise revealed growing commitment by suppliers in 2023.

The companies that supply CIE Automotive with raw materials, parts, subcontracted services and tooling, i.e., the productive procurement families, are the most committed, with all of them presenting ESG compliance scores of over 92%, unchanged from 2022.

In 2023 it is worth highlighting the significant improvement recorded in indirect procurement families such as energy (where ESG compliance jumped from 63% to 73% in 2023) and MRO (from 73% to 89%).

In 2023, the population of critical direct or raw material suppliers (by virtue of representing over 50% of total purchases) numbered 250.

ESG RISK MATRIX



The ESG risk mapping process in 2023 revealed growing **commitment by suppliers**

Serving the COMMUNITIES that host us

CIE Automotive's commitment to technological innovation, sustainability and efficiency is helping decarbonise the transport sector, while contributing to development in the communities where CIE Automotive has its factories and pays taxes. Aside from the progress implied by its business activities, it also carries out community projects locally in an attempt to give back to society.

PROGRESS MADE IN 2023

Receipt of the tax transparency seal from the Haz Foundation.

Consolidation of the CIE STEM PLANET initiative designed to raise digital skillsets through educational robotics in its second year in operation.

CHALLENGES FOR 2024

Analysis of the community work model and distribution to the group factories.

Increased publication of social content.

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A source of progress for the community

CIE Automotive's activities generate benefits for the communities where it does business. Not only does the company create employment and generate business for local suppliers, it acts as agent of change through the taxes it pays.

In 2023, the company met its tax obligations in all jurisdictions, so helping to finance the public expenditure and services provided by the various authorities in the interests of their citizens. In total, the company paid 4.2 million euros of income tax in 2023.

COUNTRY-BY-COUNTRY PROFITS AND CORPORATE INCOME TAX PAID*

Tax jurisdiction				
	2022		2023	
€ m	Profit/(loss) before income tax	Income tax paid (cash criterion)**	Profit/(loss) before income tax	Income tax paid (cash criterion)**
MEXICO	98.7	38.8	102.2	25.0
INDIA	75.5	16.5	86.1	21.1
BRAZIL	54.7	4.6	67.6	5.3
CHINA	73.1	11.5	50.8	11.1
GERMANY	21.1	0.2	50.3	0.5
SPANISH COMMON TERRITORY	26.3	4.1	36.0	7.3
ITALY	19.3	2.1	18.8	6.0
BASQUE FORAL TERRITORY	-4.0	0.0	15.6	0.1
ROMANIA	8.3	1.2	9.2	0.7
SLOVAKIA	6.9	0.0	8.0	0.2
LITHUANIA	4.9	0.5	7.7	0.8
US	11.9	-1.1	6.5	0.3
FRANCE	38.9	0.8	6.2	2.3
CZECH REPUBLIC	-0.1	0.5	5.8	0.9
NAVARRRE FORAL TERRITORY	1.5	0.5	1.8	0.4
HUNGARY	0.0	0.0	1.8	0.0
RUSSIA	-11.1	0.1	1.4	0.0
PORTUGAL	1.2	-0.1	1.2	0.2
UNITED KINGDOM	0.0	0.0	0.5	0.0
MOROCCO	0.1	0.0	0.2	0.0
NETHERLANDS	51.8	0.1	0.2	-0.1
BARBADOS	0.6	0.0	0.0	0.0
SOUTH KOREA	0.0	0.0	0.0	0.0
GUATEMALA	0.0	0.0	0.0	0.0
TOTAL (€ m)	479.6	80.2	477.9	82.1**

(*) Figures under IFRS, before consolidation adjustments, excluding dividends, impairment losses on equity investments and gains on the sale of businesses.

(**) Excludes the payment of tax related with dividend withholdings.

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Common responsibility, shared benefits

Aware of the importance of its tax contribution, the company's Code of Professional Conduct prohibits the evasion of taxes, the improper generation of tax benefits and the non-payment of social security contributions.

To make this commitment public and cooperate more closely with the tax authorities, in 2021, CIE Automotive endorsed the Spanish tax authority's Code of Good Tax Practices. That code was created to establish a climate of cooperation with the tax authorities around tax practices based on mutual trust.

In that same spirit, the company publishes an annual Tax Contribution Report.

Tax transparency seal from the Haz Foundation

In July 2023, CIE Automotive obtained the Haz Foundation's T for Transparency seal, making it the only non-Ibex 35 company to boast this stamp.

The company earned the foundation's three-star seal, the highest category, certifying its transparency around 90% of the 12 indicators used to analyse different practices in the area of responsible taxation. Specifically, CIE Automotive scored a total of 22 out of a maximum of 24 points, implying a compliance level of 92%.

The indicators analysed measure aspects such as cooperation with the tax authorities; the role of the board in promoting and supervising good tax practices; the transparent disclosure of taxes paid and accrued country by country; presence in tax havens; and legal proceedings with the tax authorities.

CIE Automotive is the only non-Ibex company to boast the Haz Foundation's tax transparency seal



RESPONSABILIDAD
FISCAL **2022**

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Government grants received

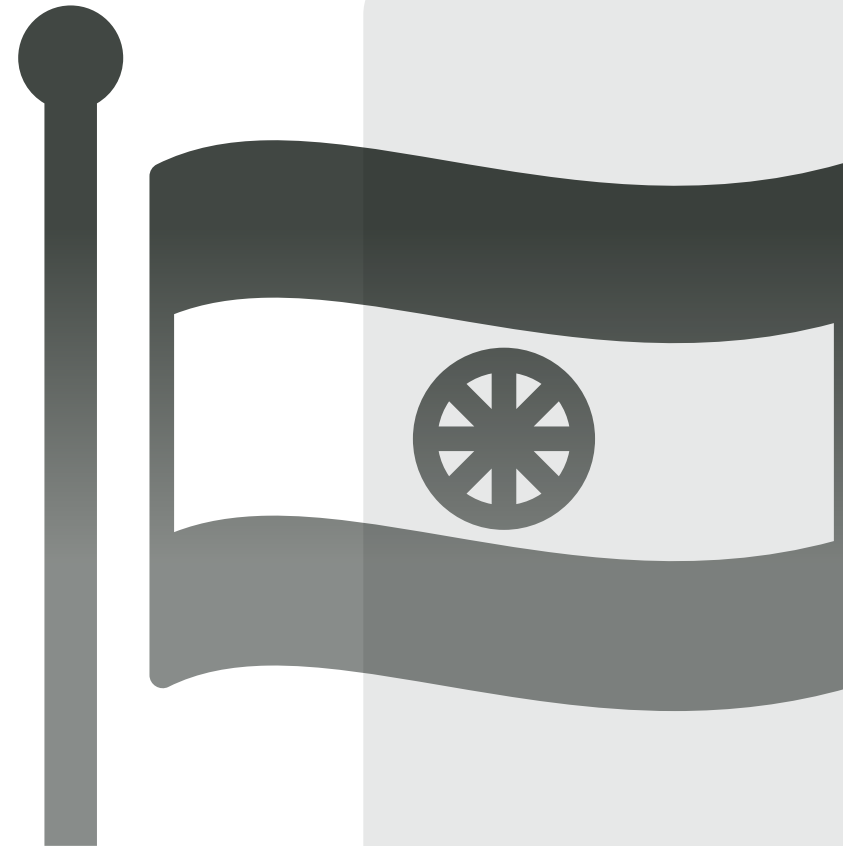
In 2023 CIE Automotive received €1.7 million of grants related to income, 0.2% more/less than in 2022. Of the total received, it obtained €0.6 million in Spain and €1.1 million between Italy, Portugal, China and Hungary.

The receipt of grants is also contemplated in CIE Automotive's Code of Conduct, which prohibits applying for subsidies, tax exemptions or government funds on a fraudulent basis..

Policy advocacy and relations with local authorities

In the course of its activities, CIE Automotive engages with the public authorities. These interactions are at all times framed by strict observance of prevailing legislation and the utmost transparency, in keeping with the principles laid down in its Code of Professional Conduct.

The company is not associated with any form of political ideology in Spain or anywhere else and it forbids contributions to political parties or their representatives or candidates in the name or on behalf of the company that could have or be seen to have political implications.



Membership of the Spain-India Council Foundation's Board of Trustees

With 25 factories in India, CIE Automotive was keen to strengthen its ties with the country from an institutional standpoint, which is why it joined the Board of Trustees of the Spain-India Council Foundation, a non-profit organisation that seeks to increase mutual knowledge between the two countries. It encompasses all the efforts made by various sectors to enhance their scientific, technological, research, cultural and academic interests in India and to promote economic, trade and business cooperation between the two countries, promoting initiatives, networking and specific activities considered priorities by the Trustees.

**CIE Automotive sought to
strengthen its ties to India,
where it has 25 factories**

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Our role in the transformation of the automotive sector

As a prominent member of the automotive parts industry, CIE Automotive works to conduct its activities in a responsible manner so as to benefit the sector, its stakeholders and society in general.

At the forefront of the decarbonisation thrust, CIE Automotive has made itself a valued ally for the OEMs and Tier 1 suppliers through its commitment to achieving net zero emissions before 2050. Evidencing this commitment, as early as 2011 it became one of the founding partners of the Basque Ecodesign Center, a partnership involving private sector companies and the regional authorities, and since 2021 has been part of the Basquevolt initiative for the production of solid-state batteries.

In parallel, the company is helping to shape the mobility of tomorrow through its institutional presence in different forums and associations. It participates actively in Spain's automotive suppliers association, Sernauto, from which it advocates for a strategy for the decarbonisation and digitalisation of the stock of vehicles in Europe in order to maintain the industry, create quality work and preserve the existing productive fabric with as little fallout as possible. The company also plays an active role in Forética, Spain's foremost corporate sustainability and social responsibility organisation, where it works on a number of areas in its capacity as member of the Transparency, Integrity and Good Governance Cluster, the Climate Change Cluster and the Social Impact Cluster.

ASSOCIATIONS TO WHICH CIE AUTOMOTIVE BELONGS

SERNAUTO – the Spanish association of automotive equipment and components manufacturers. Member of the Management Board.
AEC – the Spanish quality association.
ADP – Association for management progress.
EGVIA – the European Green Vehicles Initiative Association.
M2F (Move to Future) – a Spanish automotive and mobility technology platform. Membership of the Governing Board.
TECNALIA – a private applied research centre Member of the Management Board.
ACICAE – the Basque automotive cluster. Chair of the Management Board.
CEAGA – the Galician automotive cluster.
AIC – Automotive Intelligence Center. Vice-Chair of the Management Board.
TASKFORCE PILOT TESTING ADVANCED MANUFACTURING IN THE BASQUE REGION. Member of the Executive Committee.
ACMA – the Automotive Component Manufacturers Association of India.
BACC – the Baltic Automotive Components Cluster.
FVEM – the Vizcaya confederation of metal companies.
Basque Ecodesign Center – Founder.

CIE Automotive
has made itself
a valued ally for
the OEMs and
Tier 1 suppliers
**by committing
to achieving net
zero emissions
before 2025**

Community work

Chairman and CEO's statement

Under its Community Work Policy, CIE Automotive pledges to address the difficulties and needs of its communities by providing solutions articulated around three lines of action:

- **Donations:** ad-hoc financial support for non-governmental organisations and similar organisations for the pursuit of their social activities.
- **Sponsorships:** whether carried out at the corporate or individual local company level, these initiatives are framed by the principles laid down in the Community Work Policy.
- **Community investment:** long-term investments aimed at giving back to the communities where the company does business.

In 2023, the company donated over €1 million to community work programmes which involved over 5,000 employees and more than 12,000 equivalent work hours.

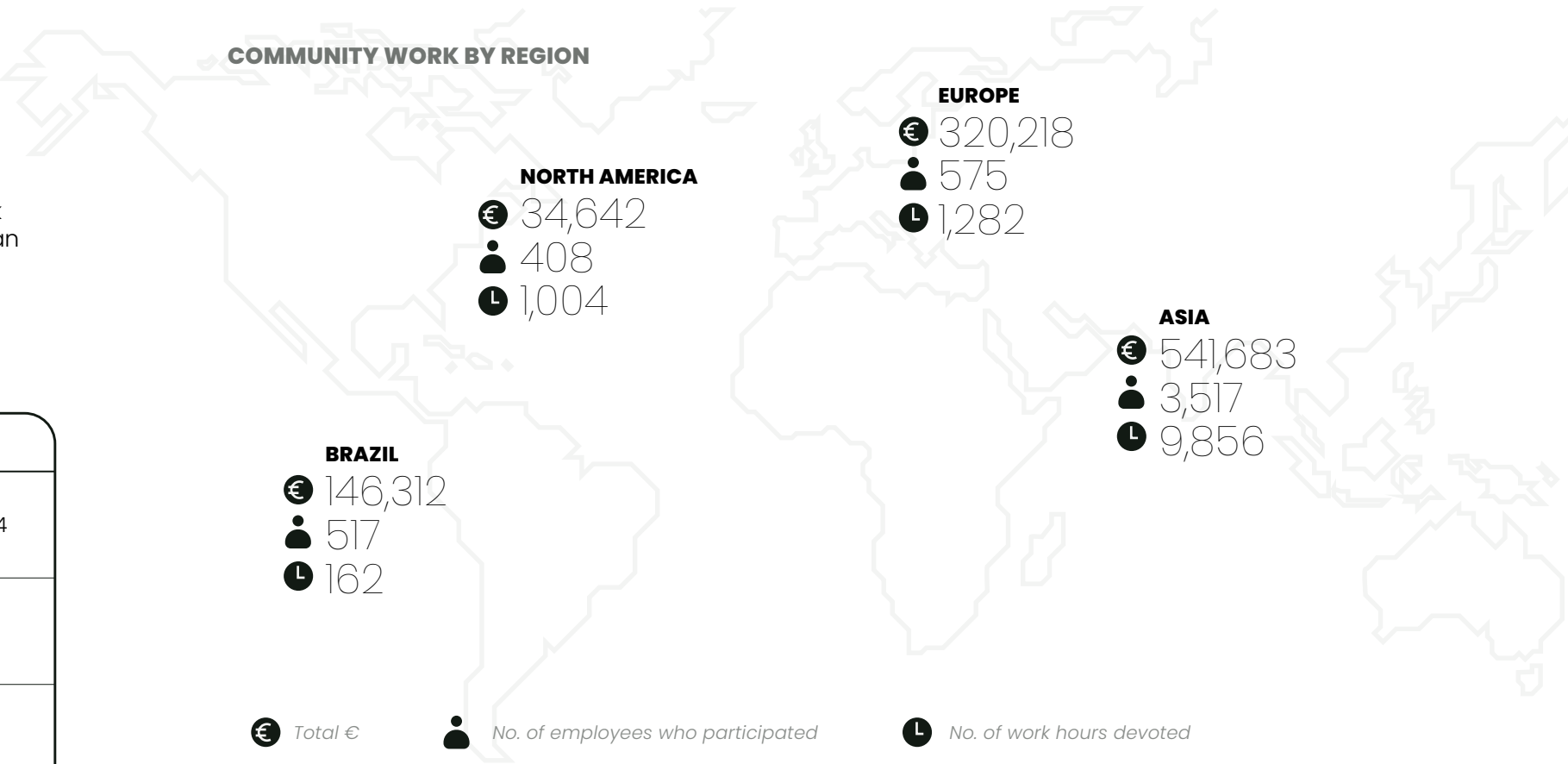
COMMUNITY WORK: KEY PERFORMANCE INDICATORS

	2022	2023
Total amount earmarked to community work (€)	1,804,614	1,042,854
No. of employees volunteering	3,680	5,017
No. of work hours devoted to community work	8,300	12,304

Community work by region

CIE Automotive's approach to community work is hands-on and decentralised. Its factories' employees, familiar with their communities' needs, suggest the best way to help. The fact that more than 90% of the company's factories are managed by local managers

facilitates nimble responses to social emergencies. In 2023, over 5,000 employees contributed to community work projects aligned with the Sustainable Development Goals.



Common responsibility, shared benefits

CIE Automotive is firmly committed helping deliver the Sustainable Development Goals, especially the goals addressing quality education, gender equality and the reduction of inequalities, boosting diversity and championing environmental respect, and these are the areas on which it focused its community work.

In 2023, it consolidated the CIE STEM PLANET programme, designed to raise digital skillsets through learning about robots, which entered its second year in operation.

This is a free, ambitious and innovative programme, funded entirely by CIE Automotive, designed to stimulate scientific vocations and the acquisition of digital skills in primary and secondary schools. It is currently being pilot-tested in schools in the Basque region.



Under the programme, the company has donated advanced technology such as educational robots and a digital teacher training and support platform which can be configured to enable personalised learning by over 2,000 participants. The goal is to be able to use the platform to measure and demonstrate those students' progress on digital skills.

In addition to the agreed activities, including oversight of teacher training, question solving and monitoring visits to the participating schools, in 2023 the company made certain improvements designed to deliver better performance, notably including:

- Training pill for teachers with explanatory videos on the platform.
- Improvements to the teacher evaluation experience.
- Fine-tuning of the platform's curricular content.

**Improvements were made
to the CIE STEM PLANET
programme during the year**

Our response to the environmental challenge

Environmental management policy and model

Climate neutrality roadmap

Carbon footprint measurement

Pollution control

Circular economy

Contribution to the
decarbonisation of transport

Environmental risk
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We aspire to become climate neutral before 2050. Along the way we are embracing technology that can reduce our environmental footprint, encouraging efficient use of resources and collaborating with our suppliers to accelerate our decarbonisation process.

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Environmental management policy and model

CIE Automotive is firmly committed to sustainable development and fighting climate change. In its Environmental Policy it expressly states its alignment with the Sustainable Development Goals and establishes environmental protection and responsible use of natural resources as top priorities. To put it into practice, it has an ISO 14001-certified environmental management model that has been certified and accepted by the main OEMs and Tier 1 suppliers worldwide.

CIE Automotive relies on eco-design when it develops products and processes, focusing on efficiency, and provides the resources needed to reduce their adverse impacts.

In its industrial activities it works tirelessly towards continuous improvement by means of prevention and preservation, risk minimisation, environmental footprint (of products and processes) shrinkage, the efficient use of natural resources, waste minimisation, circular use of materials and collaboration by all of the people involved in the various processes.

ENVIRONMENTAL POLICY PRIORITIES

	Protecting the environment
	Fighting climate change
	Protecting people's health
	Using natural resources rationally
	Preventing the pollution of air, water and other natural resources
	Reducing carbon emissions
	Protecting biodiversity, forests, rivers and oceans

Environmental management model

CIE Automotive's approach to environmental management is decentralised: the corporate Environmental Department is tasked with setting the standards and supervising implementation of the environmental strategy worldwide, while the productive facilities are in charge of strategy execution by means of annual risk assessments factory by factory under ISO 14001 and monitoring of the KPIs established in the Strategic Plan. In 2023, 95% of CIE Automotive's factories were ISO 14001-certified.

CIE Automotive's environmental challenge extends beyond its perimeter. It collaborates with its suppliers to reduce their emissions, purchases and generates renewable energy and cooperates with its customers to develop and manufacture parts targeted at electric vehicles, so helping to decarbonise transport.

Framed by its commitment to making low-emission vehicles, CIE Automotive is developing new parts and subassembly solutions to support the OEMs with this process. As a result of its sustainability strategy and R&D initiatives, the company is already supplying specific products for the manufacture and assembly of zero- or low-emission vehicles. In collaboration with its customers it is taking a life cycle approach, building in end of life and parts reparability criteria into its designs.

In addition, CIE Automotive is working on a number of R&D projects together with other companies in its value chain with a view to reducing its environmental footprint. For

example, it is redesigning forged items to reduce their use of energy and extend the useful life of the machining tools. It is also redefining its packaging specifications so as to be able to use returnable cardboard boxes and introducing biomaterials and recycled plastic.

Membership of associations that champion climate neutrality

On the institutional front, from the Management Board of Sernauto (Spain's automotive suppliers association), CIE Automotive is encouraging climate neutrality initiatives and is collaborating to set more ambitious targets in the sector.

The group is a founding partner of the Basque Ecodesign Center, where it collaborates with a number of government agencies and different industrial sectors to promote circularity, decarbonisation and climate action.

CIE Automotive gets involved in new mobility solutions focused on zero-emissions vehicles from the earliest stages of development. As a result of this approach, it has been participating in Basquevolt, the Basque initiative for the production of solid-state batteries, since 2021.

It also belongs to Forética's Climate Change Cluster, a business platform whose mandate is to mainstream the main global climate change trends and debates in to the Spanish business community.

Lastly, it is a member of AEC, the Spanish Quality Association, which has a number of taskforces in the environmental area to influence the development of new legislation and provide guidelines and training to help Spanish industry manage climate change.

Involvement of senior management

The company's Board of Directors and Management Committee are involved in the effort to fight climate change. The Board of Directors is ultimately responsible for activities related with the environment. The Board's ESG Committee is in charge of environmental issues. The chairwoman of this committee has climate change management experience and knowledge.

The company's CEO is engaged with the sustainable growth impetus and ultimately responsible for execution of the Strategic Plan, of which the ESG Plan is an integral part.

The Cross-Group ESG Committee reports and makes proposals to CIE Automotive's Board's ESG Committee. The HSEQ Director sits on the committee and manages the deployment of the environmental aspects of the Business Strategy. By bringing its engineering and environmental areas under the same Director, CIE Automotive ensures that all its environmental targets get analysed from the earliest phases of the research and development effort.

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Climate neutrality roadmap

At the heart of CIE Automotive's environmental strategy lies the goal of achieving zero net greenhouse gas emissions before 2050. The new roadmap, rolled out in 2023, sets overall targets for the medium and long term and the steps the factories need to take to achieve them. To become net zero it is vital to collaborate with the company's suppliers, an effort reinforced last year with the Supply Chain Race 2 Zero programme.

In 2022, CIE Automotive took a qualitative leap in its climate change effort by endorsing the Paris Agreement, which commits it to setting a series of science-based environmental targets based on an ambitious long-term goal: generating net zero greenhouse gas emissions before 2050, so contributing to limiting global warming to 1.5° C with respect to pre-industrial temperatures. The company has further committed to having the above-mentioned targets approved by the Science Based Targets initiative (SBTi) to ensure they are based on science and aligned with the goal of keeping global warming within 1.5 o C.

With that end goal in mind, in 2023 the company embarked on a new environmental roadmap, approved by the Board of Directors in December 2022, which echoes and extends the targets set in its 2025 Business Plan and establishes the steps the factories need to take to achieve climate neutrality.

To deliver the commitment of having its medium-term targets certified by SBTi, the group needs to reduce its Scope 1 and Scope 2 emissions by around 67% by 2035 and its Scope 3 emissions also by at least two-thirds, around 67%.

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GOALS OF THE NEW ENVIRONMENTAL ROADMAP



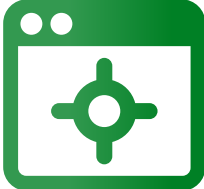
Zero net greenhouse gas emissions before 2050



Limiting global warming to 1.5°C above pre-industrial temperatures by defining science-based targets for the medium and long term



Implementation of the Supply Chain Race 2 Zero programme



Delivery of the 2025 Strategic Plan's short-term targets

		Annual target	2030 Agenda target	Delivery in 2023*
 ENERGY	Reduction in energy consumption within the organisation - Reduction in energy consumption (electricity) - Reduction in energy consumption (gas)	2%	20%	-4%
	Reduction in direct GHG emissions (Scope 1)	2%		-2%
	Reduction in indirect GHG emissions (Scope 2, from energy generation) Increase in use of electricity generated from renewable sources	5%	100%	-26%
 WASTE	Recycled input materials used			87%
	Decrease in the total volume of waste generated Increase in the percentage of waste sent for recycling	5%	90%	11%
 WATER	Reduction in water consumption Increased use of recycled water	2%		-12%

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

Environmental investments

The new climate change strategy and the need to adapt the various facilities for new legislation country by country involves a series of investments and expenses.

To that end, in 2023, the company invested in minimising its environmental impact and in environmental protection and restoration work, in addition to incurring expenditure on waste removal and environmental consultancy, measurement and certification work.

The combined amounts of investments and expenses accrued in 2023 in relation to environmental protection work totalled €9.7 million (€11.6 million in 2022).

KEY AREAS OF ENVIRONMENTAL INVESTMENT



Compliance with standards and regulations

CIE Automotive stays ahead of and finances compliance with all climate change-related regulations in all of the countries it operates in by using outside consultants to keep it abreast of any regulatory developments that could affect its activities.



Budget earmarked to energy efficiency

Each factory's business plan includes a specific budget allocation for enhancing its approach to climate change, including energy efficiency.

There are currently 31 energy efficiency projects which are being tracked over the Intranet to ensure that the initiatives succeed.



Budget earmarked to low carbon products R&D

CIE Automotive has identified light-weighting, electrification and lower-carbon products during the production phase as the key demands coming from the market and its customers. Based on an analysis of those factors it has rolled out a portfolio of R&D projects and assigned them a specific budget.



Decarbonisation plans

Work has begun on drawing up decarbonisation plans factory by factory in order to ensure that all of CIE Automotive's policies, guidelines and commitments materialise at the operating level.

Coordination

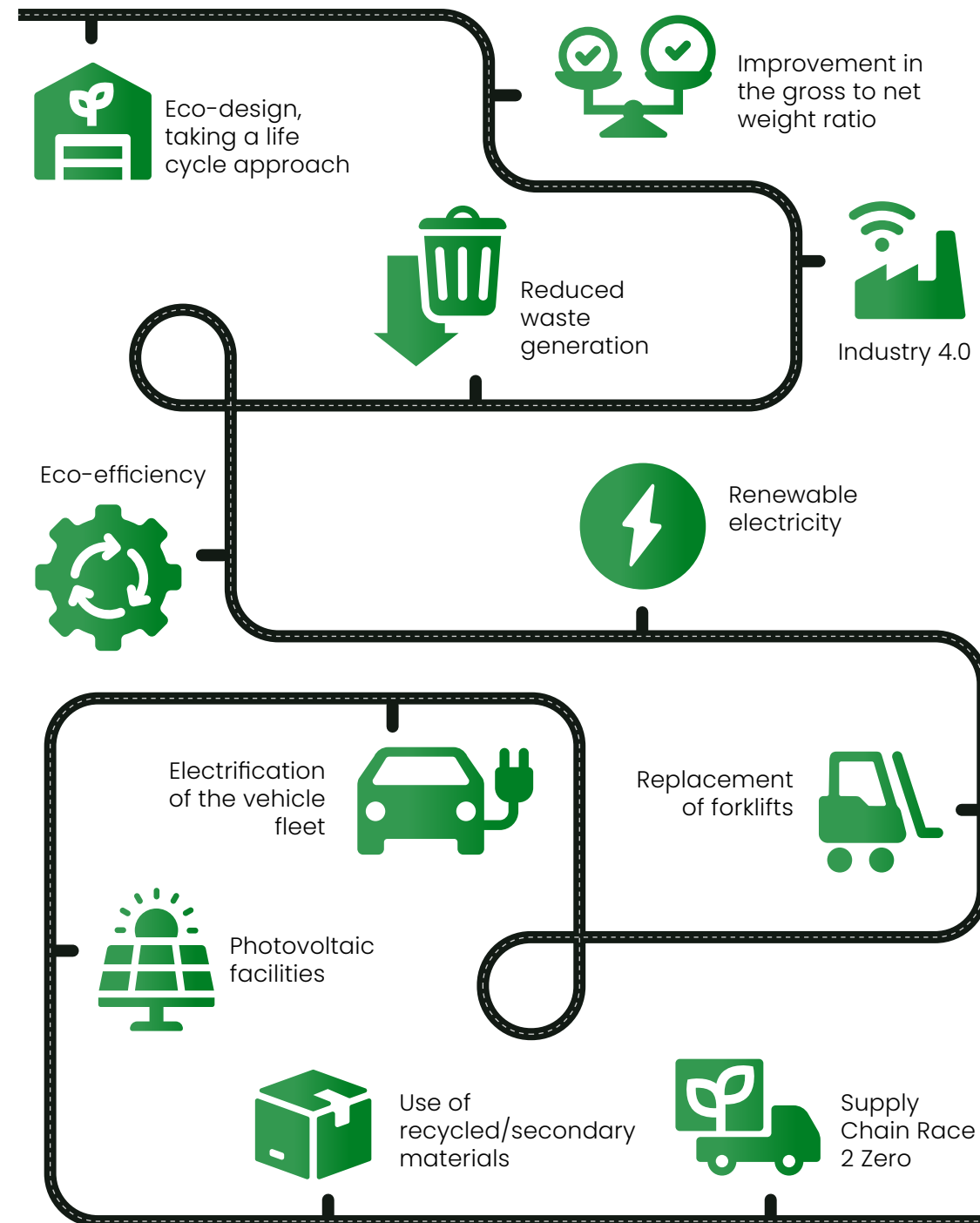
The rollout of the new roadmap required an intense communication and coordination effort with all of the factories around the world. To ensure the company continues to hit its energy efficiency and emissions, water consumption and waste reduction targets, among others, the company presented the new roadmap and shared best environmental practices in all of its markets.

As is shown, energy measures are a core part of the work plan. From step one, eco-design, the idea is to reduce the use of materials and energy during the manufacturing process and the product's life.

One of the main focuses of introducing Industry 4.0 technology is to achieve energy efficiency and optimise processes. Logically, eco-efficiency is its own separate line of initiative.

The efforts to install photovoltaic power and electrify the company's fleet are similarly directed.

TOP DOWN INITIATIVES BEING ROLLED OUT AT THE FACTORIES



To execute the environmental roadmap, **best practices from all regions were shared**

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Supply Chain Race 2 Zero programme

Despite the investments made and progress achieved at each factory, CIE Automotive is aware that it cannot become climate neutral and help curb climate crisis without the help of its suppliers. According to its recent measurements, 80% of its carbon footprint stems from the raw materials it uses.

To address this issue, the company launched the Supply Chain Race 2 Zero initiative under which its suppliers share their emissions data and abatement efforts with CIE Automotive, while the company mentors them and provides them with technical solutions in the event of difficulties. The goal is to identify and anticipate potential technical barriers in the supply chain and set deadlines for shaping a decarbonised offering.

[Further information in Carbon footprint measurement and suppliers]



Environmental performance awards

Among the steps taken to galvanise the factories around achievement of climate neutrality, it is worth highlighting the newly created Environmental Awards. The goal is to reward the factories that stood out during the year for bringing down their emissions in

line with the targets set in the 2025 Strategic Plan, inspiring others to join them in their decarbonisation pathways.

A total of fourteen companies received awards in two categories.

AWARDS BY CATEGORY

Factories towards neutrality. Best performance in carbon neutrality at the operating level.	Europe A tie because five factories are already climate neutral:	CIE Mecasur, CIE Norma, CIE Orbelan, CIE Plasfil y CIE Recylan
	North America	Golde Puebla
	Brazil	CIE Jardim Sistemas
	China	Golde Changchun
	India	CIE Aluminium Casting Aurangabad HPDC
Race 2 Zero factories and suppliers. Best performance and progress in Scope 3 emissions.	Europe	CIE Mar Sk
	North America	CIE Newcor RGI
	Brazil	CIE Autocom
	China	Golde Changchun
	India	CIE Bill Forge Bangalore

The company did not receive any significant fines for non-compliance with environmental laws or regulations in 2023. Significant fines are those of €30,000 or more.

In India, the group had to compensate for environmental impacts in the amount of INR 3,135 million (approximately €34,000)



Environmental Performance Awards 2023



Carbon footprint measurement

Measuring our corporate environmental footprint is the first step towards achieving climate neutrality is to measure the company's environmental footprint, whose first category is climate change, and, therefore, the company's carbon footprint. Measuring so to launch an action plan that can be monitored by means of continuous remeasurement. In addition to its regulatory requirements, this exercise allows CIE Automotive to identify critical areas, establish goals and targets and measure its progress towards net zero. In 2023, it added to the calculation the emissions related to its stock of vehicles and those derived from employee commuting.

CIE Automotive measured its environmental footprint for the second year in 2023, an exercise that included all its facilities around the world other than its roof system factories. This measurement includes Scope 1, Scope 2 and Scope 3 emissions (refer to the Scope 3 exclusions).

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Our response to the environmental challenge

The scope of CIE Automotive's environmental footprint spans from raw material generation to when the parts and subassemblies leave its facilities. The measurement analyses 17 categories, from ozone layer destruction to soil transformation.

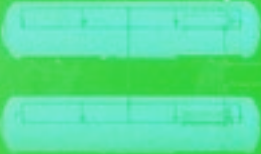
Having analysed our carbon footprint, our emissions across all three scopes totalled 4,670,518.77 tonnes of CO₂e of the total, Scope 1 emissions represent 2% and Scope 2 emissions account for 5%, with Scope 3 emissions accounting for 93% of the total.

ENVIRONMENTAL FOOTPRINT BY IMPACT*

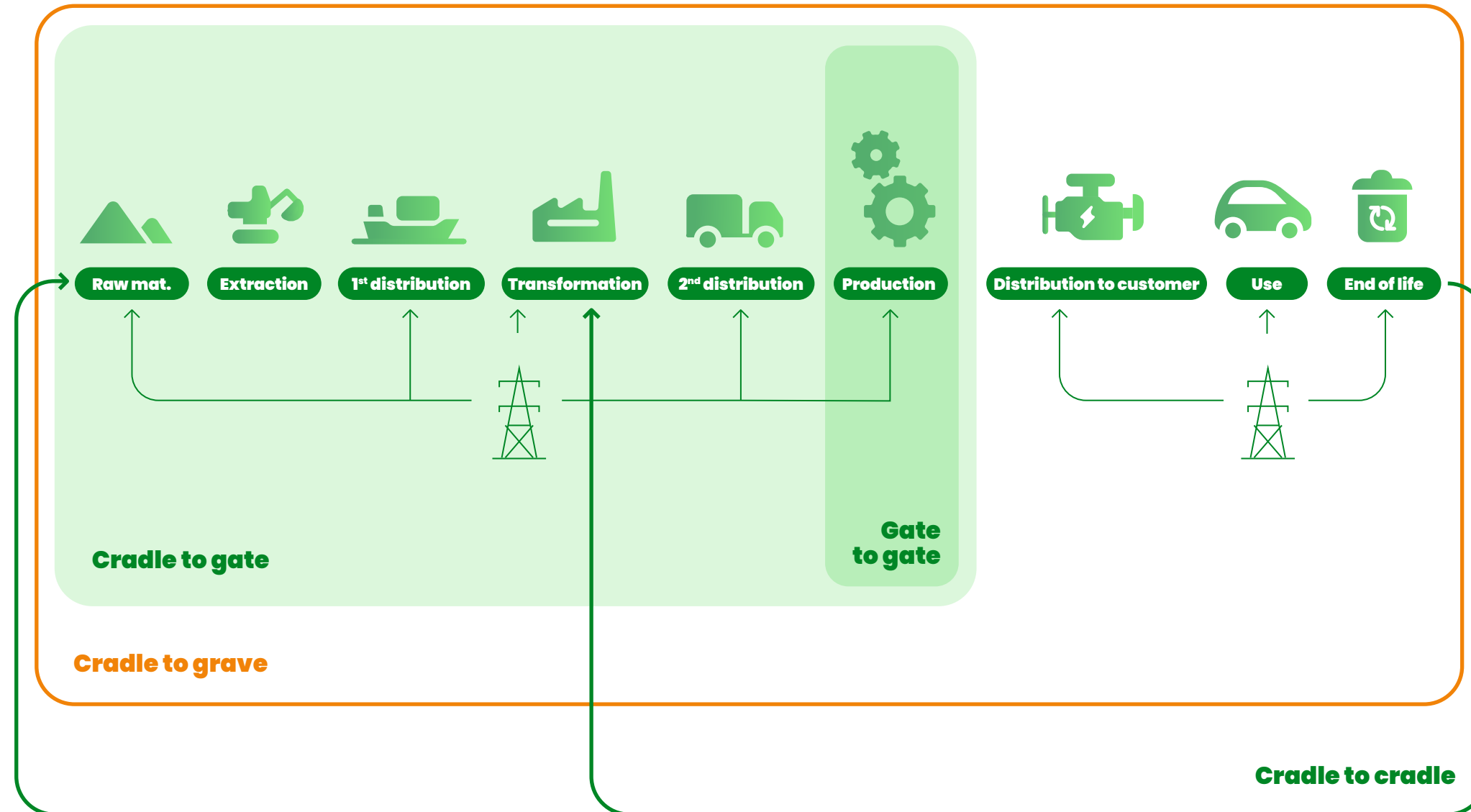
Total environmental footprint**: 1,670,734,993.1 points	
	% of total footprint
Climate change (human health)	8.1%
Ozone depletion	0.1%
Human toxicity	36.1%
Photochemical oxidant formation	0.0%
Particulate matter formation	8.2%
Ionising radiation	0.0%
Climate change (ecosystems)	5.0%
Terrestrial acidification	0.0%
Freshwater eutrophication	0.2%
Terrestrial ecotoxicity	0.1%
Freshwater ecotoxicity	0.1%
Marine ecotoxicity	0.0%
Agricultural land occupation	1.5%
Urban land occupation	0.4%
Natural land transformation	0.4%
Metal depletion	32.5%
Fossil depletion	7.5%

(*) Includes emissions from discontinued German forging companies until June 30, 2023.
(**)The environmental footprint due to impacts is not included within the scope of the NFS 2023 verification assignment.

17 categories
are considered
in measuring the
environmental
footprint



SCOPE OF CIE AUTOMOTIVE'S ENVIRONMENTAL FOOTPRINT



THE 17 IMPACTS ANALYSED

- Climate change (human health)
- Ozone depletion
- Human toxicity
- Photochemical oxidant formation
- Particulate matter formation
- Ionising radiation
- Climate change (ecosystems)
- Terrestrial acidification
- Freshwater eutrophication
- Terrestrial ecotoxicity
- Freshwater ecotoxicity
- Marine ecotoxicity
- Agricultural land occupation
- Urban land occupation
- Natural land transformation
- Metal depletion
- Fossil depletion

The scope of CIE Automotive's **environmental footprint measurement is cradle to gate**

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Measurement methodology

The scope of CIE Automotive's environmental footprint measurement, which, as noted earlier, has climate change – and therefore its carbon footprint – as its first category, spans from cradle to gate, i.e., it covers upstream operations, from resource extraction until the end product leaves the company, having been manufactured in our factories. The reasons for not continuing downstream to the end of the products' useful life are multiple and are related with the supply and supplier structure in the automotive sector:

- In most of our sales agreements with customers, it is the customer who is tasked with collecting the product at the CIE Automotive factory in question, using its own logistics flows, over which CIE Automotive has neither control, responsibility or information.
- The OEMs work around platforms. In other words, a given part is used in different models, with different characteristics and, therefore, different emissions. In addition, a given part of the propulsion or transmission system is used in different models, making it impossible to determine its performance in use.
- Lastly, the vehicles assembled by the OEMs are, often, supplied to different countries and markets with totally different end-of-life regulations and strategies. CIE Automotive has no control over that distribution and therefore is not able to calculate the footprint associated with this step in its products' life cycle.

CIE Automotive's customers ask it for environmental footprint data up to the company's gates and include those figures in their full measurements with the rest of the downstream phases without any double counting.

The company uses the ReCIPE life cycle impact methodology to calculate its environmental footprint, to which end it is receiving assistance from the Basque regional government's environmental management company, IHOBE.

Within the universe of activities of each company, based on the assessment that their impact is smaller, the following aspects were excluded from the analysis:

Upstream

- Consumption at central/sales offices outside of manufacturing facilities.
- Capital goods (vehicles, machinery, tools, etc.).
- Displacement of employees to go to work.
- Business travel.
- Upstream assets leased.
- Trips to the organisation by visitors or customers.

Downstream

- Transport and distribution.
- Processing of products sold.
- Use of products sold.
- End-of-life treatment of products sold.
- Assets leased in subsequent phases.
- Franchises.
- Investments.

The downstream exclusions are not really exclusions as they are not included in CIE Automotive's footprint scope (from cradle to gate) for the reasons itemised earlier and in order to prevent double counting by the customer, who is the party with the information and responsibility for the downstream phases of our production.

The company currently uses widely acknowledged databases such as Ecoinvent. For its electricity emissions factors, it uses updated databases in each country where it consumes electricity. One of the goals of the Supply Chain Race 2 Zero project is to compile real information about each significant product or service directly from our suppliers. However, the large majority of our suppliers are not yet prepared to provide robust, real data that they can regularly update. Note that a one-off figure is not sufficient; supplier emissions information needs to be updated as they advance on their decarbonisation and emissions-abatement plans. This is part of the coaching and mentoring work we are doing under the umbrella of this supplier programme.

In 2023 surveys were undertaken in at least two factories per region in order to assess the volume of emissions associated with employee commutes to work. The analysis performed in 2023, such that the calculations are based on emissions data for 2022, indicate commute-related emissions ranging from 3.10% of the total in Europe to 0.11% in Asia.

To calculate the
environmental
footprint, **the
company uses
the ReCIPE
methodology
and has the
collaboration of
IHOBE**

5.4

Pollution control

CIE Automotive's environmental management system is designed to control its impacts and pollution by identifying the main risks and launching actions locally to eliminate or mitigate them, as required under applicable regulations. Since 2021, the base year for comparative purposes, energy efficiency gains have reduced relative emissions by 52%, to 337,937.72 metric tonnes of CO₂e per €1,000 of revenue.

CIE Automotive's environmental management systems are based on the ISO 14001 standard and ensure pollution does not exceed the thresholds stipulated in prevailing regulations. To control pollution and make the company more efficient and competitive, it carries out audits and works to reduce energy consumption across its facilities.

The company includes environmental cost as a function of revenue as a key performance indicator in its global dashboard. That indicator includes the cost of emissions calculated in terms of emission allowances (EUA), even though the company does not participate in the global emission trading scheme.

In 2023, the company conducted energy audits at different factories, marking the first step in rationalising their real consumption levels, cutting nominal consumption levels using new technology and detecting incidents and inefficiencies.

An agreement has also been reached to certify factories in Europe, Asia and the Americas under ISO50001 so as to make energy efficiency a key component of the company's strategy.

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Our response to the environmental challenge

To increase efficiency, it launched 50 initiatives for reducing its energy consumption. Specifically, it tackled a number of Industry 4.0 projects to boost energy efficiency and took steps to electrify its internal vehicles. It created an in-house taskforce to analyse the roadmap for

replacing natural gas at the furnaces used by CIE Automotive, some of the options being to replace gas-fired furnaces with electric furnaces or to use biogas, oxy-combustion or green hydrogen. It also looked at replacing gas heating with heat pumps or electric heating systems.

The effort to reduce
emissions includes
**the purchase of
renewable energy to
power the company's
facilities**

ENERGY CONSUMPTION

Gigajoules	2021	2022	2023*
Direct energy consumption	1,922,653.06	1,695,060.74	1,760,684.76
Indirect energy consumption from renewable and non-renewable sources	3,885,073.74	3,932,206.88	4,196,857.92
Indirect energy consumption from non-renewable sources	1,971,005.79	1,695,803.31	1,816,574.38
Indirect energy consumption from renewable sources	1,914,067.96	2,236,403.56	2,380,283.54
TOTAL	5,807,726.80	5,627,267.62	5,957,542.68

[For further information on energy consumption by region, refer to the detailed table provided in "Data tables"]

EMISSIONS FOREGONE AS A RESULT OF THE PURCHASE OF ENERGY
GENERATED FROM RENEWABLE SOURCES

CO ₂ e™	2021	2022	2023*
Indirect emissions foregone	139,340.49	216,814.45	228,707.23

The criteria used to calculate the percentage of renewable energy consumed was modified in 2023 to make it more restrictive: in markets with standardised and official guarantee of origin certificates, the percentages only include the renewable energy backed by such certificates, plus energy purchases under PPAs. and self-generation.

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

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Purchase of renewable energy

The effort to reduce emissions includes the purchase of renewable energy to power the company's facilities in every market where so doing it possible. In Spain, Portugal and Lithuania, 100% of the power consumed is green. In 2023 it forwent emissions equivalent to 228.707,23 CO₂e TM thanks to the purchase of power generated from renewable sources.

Self-generation

Framed by that same goal or reducing harmful emissions and lowering its energy bills, the company is developing a number of self-generation projects in Europe and India by installing photovoltaic solar panels.

In India, the group is taking strategic steps to shore up its use of green energy. Since 2023, 63% of all the energy used at the factories in the Indian region of Maharashtra is solar power, thanks to CIE Automotive's investment in Strongsun Solar - for the supply of photovoltaic power to CIE India's forging division in Urse and its magnetic products division in Bhosari, respectively - and in INR, for supply to the forging division.

Note also that in the state of Karnataka (India), where Bill Forge has its factories, around 85% of the energy consumed comes from green sources, specifically a mix of wind and sun.

The company is developing a number of self-generation projects in Europe and India

INSTALLED PHOTOVOLTAIC PANEL CAPACITY

Factory	Country	Energy produced 2021	Energy produced 2022	Energy produced 2023
CIE Aluminium Casting Aurangabad plant 3 (HPDC)	IN	305,084	-	-
CIE Aluminium Casting Pantnagar plant 1 (HPDC)	IN	-	667,360	-
CIE India Composites Kanhe	IN	416,130	438,537	488,014
CIE India Forging Division (Pune)	IN	1,230,929	1,305,475	1,355,887
CIE India - MPD	IN	921,166	873,682	945,646
CIE India G&T Pune	IN	473,460	462,854	609,043
CIE India Stampings - Kanhe	IN	342,988	1,383,439	1,260,069
CIE India Stampings - Nashik	IN	546,260	972,586	1,030,969
CIE India Stampings - Rudrapur	IN	124,852	131,882	345,675
CIE India Stampings - Zaheerabad	IN	907,869	872,344	974,503
CIE Galfor	ES	221,360	195,765	196,818
CIE Mecauto	ES	243,391	316,933	299,980
CIE Orbelan	ES	66,236	64,570	67,155
CIE Plasfil	PT	1,082,660	1,111,360	1,594,900
CIE Stratis	PT	196,130	184,060	328,150
CIE Norma	SP	-	-	349,360
CIE Egaña	SP	-	-	289,498

Emissions

Thanks to the measures taken to curb emissions across CIE Automotive facilities, purchase renewable power and self-generate clean energy, the Company managed to reduce its Scope 1 and 2 emissions by 20.54%, to 337,937.7 TM CO₂e, compared to 2022.

Its Scope 3 emissions, i.e., those produced by its supply chain, totalled 4.350.970,9 TM CO₂e, which is 93% of the total. In light of that percentage, CIE Automotive, is working to help its suppliers reduce their carbon footprints through its Supply Chain Race 2 Zero project.

[For further information, refer to the section on Suppliers]

EMISSIONS*

MT CO ₂ e	2021	2022	2023
Direct emissions (Scope 1)	114,760.6	101,153.0	99,072.8
Indirect emissions (Scope 2)	389,477.3	324,162.5	238,864.9
Total Scope 1 and 2	504,238.0	425,315.5	337,937.7
Other indirect emissions (Scope 3)	3,638,882.0	3,891,205.0	4,350,970.9
Total Scope 1, 2 and 3	4,647,357.9	4,741,836.0	4,688,908.7

[For further information on emissions by region, refer to the detailed table provided in the “Data tables and glossary” section.]

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

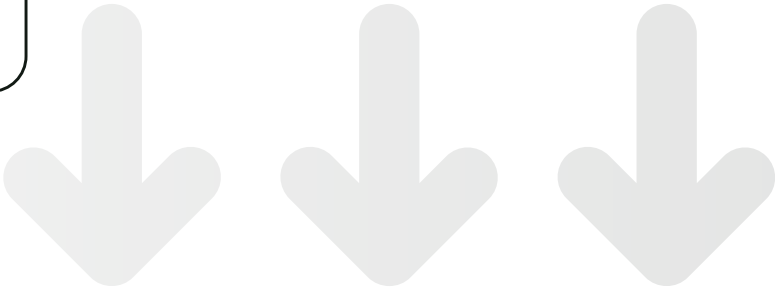
BREAKDOWN OF TOTAL GROSS GLOBAL EMISSIONS BY COUNTRY. SCOPE 1&2 EMISSIONS

MT CO ₂ e	
India	136,312.3
Mexico	60,639.5
US	31,827.1
Spain	24,825.4
China	24,061.5
Germany	15,407.5
Brazil	12,010.4
Romania	10,200.8
Italy	7,584.6
Czech Republic	9,110.8
Morocco	1,715.7
Lithuania	1,620.1
Slovakia	973.6
France	905.7
Portugal	308.2
Russia	79.9

BREAKDOWN OF TOTAL GROSS GLOBAL EMISSIONS BY REGION. SCOPE 3 EMISSIONS**

TM CO ₂ e	
Asia	1,622,282.1
North America	1,315,438.1
Europe	1,063,741.3
South America	349,509.4

(**) Scope 3 emissions are not included within the scope of the NFRS 23 verification engagement.



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Carbon offset

CIE Automotive's effort to reduce its emissions is based on continuous improvement of its processes. It is only contemplates offsets in the exceptional cases in which there is no technical alternative; for example, it purchases offsets from the airlines to mitigate the CO₂ emissions associated with its business travel.

Note that the commitments assumed and short- and medium-term targets set do not contemplate the company's carbon offsets.

Biodiversity

Given that CIE Automotive carries out its business activities in industrial areas/estates, it believes that its impact on biodiversity is not significant and therefore not material for the purpose of the group's reporting effort. No information is therefore provided with respect to biodiversity in this report.

However, in collaboration with the Basque Ecodesign Center, a project is underway to generate more advanced methodology for analysing biodiversity risks, which is expected to add value in 2025.

Noise pollution

Noise pollution can be a relevant issue, depending on factory technologies and locations. However, CIE Automotive's factories are located in industrial areas at a sufficient distance from residential districts so as not to pose a problem.

Light pollution is not a relevant consequence of CIE Automotive's activities.

The factories are located in industrial areas at a sufficient distance from residential districts so as **not to pose a noise pollution problem**

5.5 Circular economy

Production at CIE Automotive follows circular economy criteria: its products are designed with circularity in mind, resources are used efficiently and waste is minimised and recycled. In 2023, the company carried out a range of projects related with recyclability.

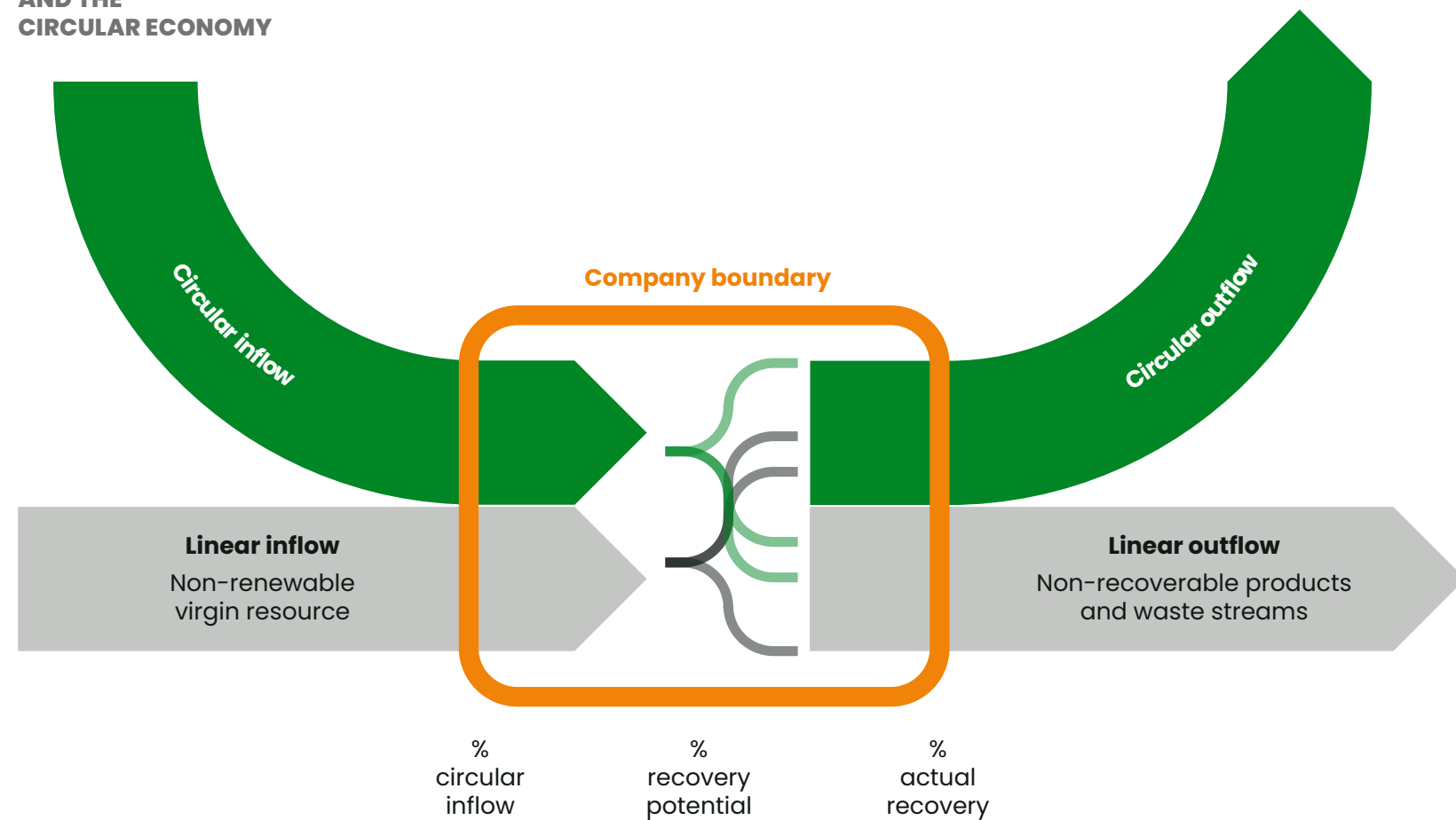
The company develops its products using eco-design and efficiency criteria, taking a life cycle approach, so that improved product recyclability, disassembly and waste sorting is built into its product blueprints.

The industrialisation of any product entails an assessment of the environmental aspects of its production, from raw materials to waste disposal. In choosing materials, the company relies on guides and lessons learned and specifically complies with regulations regarding the labelling of polymeric materials to facilitate their sorting and recycling.

To enhance its circular economy strategy, the 2025 Strategic Plan contemplates a series of circularity-specific KPIs, based on the World Business Council for Sustainable Development (WBCSD) and its Circular Transition Indicators. The information gathered will tell the company, for example, how many times the water drawn gets used, which waste can be recycled and which cannot and what effects the factories' manufacturing activities have on biodiversity.

*[For further information, refer to section
eco-efficiency and circularity]*

CIE AUTOMOTIVE AND THE CIRCULAR ECONOMY



Consumption of water and material resources

CIE Automotive uses water extensively in making parts that require material transformation at high temperatures. The use of water at its factories is not relevant by comparison with other manufacturing industries. Although the company has a clear commitment to reducing water consumption as a general KPI, the ratio of water consumption per product made is actually very low.

In order to minimise water discharges, the company has proprietary water treatment systems that enable its recirculation and recovery. The wastewater that reaches public treatment plants through wastewater pipes has therefore already been treated by the company.

One of the circular transition indicators calculated by CIE Automotive is the volume of water reused in the production facilities. That recirculation is concentrated primarily in the refrigeration circuits.

Water consumption totalled 1,625,246.72 megalitres/year in 2023, and water intensity was 0.40, compared to 0.41 in 2022.

The CAPEX and OPEX related with water are very low and are not subject to any specific monitoring. However, the company does have several water minimisation projects underway in collaboration with customers, related for example with dry machining.

[For further information on consumption by region, refer to the detailed table provided in the “Data tables and glossary” appendix]



WATER CONSUMPTION AND WITHDRAWAL

m³/ year	2021	2022	2023*
Surface water	196,216.0	243,200.0	238,183.3
Underground water	346,149.2	361,348.6	354,171.0
Rainwater	18,842.0	10,278.0	10,849.0
Municipal networks	1,037,669.0	1,042,342.6	1,022,043.4
TOTAL	1,598,876.2	1,657,169.2	1,625,246.7

VOLUME OF WATER RECIRCULATED

m³/ year	2021	2022	2023*
TOTAL	64,204,133.8	56,215,145.2	49,373,561.4

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

Raw materials

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The company reviews all of its processes constantly to ensure the responsible use of raw materials. A good example of this practice is the concerted effort to reduce the gross weight of the products it makes. That effort translates into the use of fewer materials and lowers the generation of waste and consumption of energy and other products needed in the manufacturing process.

At present, 35% of the raw materials used by the group are recycled.

[For further information on consumption by region, refer to the detailed table provided in the "Data tables and glossary" appendix]

MATERIAL CONSUMPTION

Kg	2021	2022	2023*
Raw materials used	1,448,043,709.2	1,230,298,192.7	1,532,506,681.7
Raw materials recovered	1,230,298,192.7	551,193,852.4	417,722,719.8

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

Plastic

Some of the company's parts are made from thermoplastics (PP, PA, PC, ABS, PC/ABS, joints, etc.) and others, fewer, from thermostable plastics. The company also uses plastic to wrap its products. In total, the company used 61,243.65 MT of plastic*.

To reduce the use of plastic in its packaging, the company is working on projects with its customers for the use of returnable boxes. These initiatives will be included in the companies' decarbonisation plans.

To reduce the use of plastic in its packaging, the company is working on projects for the use of returnable boxes

Waste management

CIE Automotive deploys a recycling system that enables the internal recovery of thousands of tonnes of remains deriving from its various productive processes. The waste generated that cannot be recycled is collected by expert handlers which prioritise recycling over the landfill disposal method. In 2023*, 1.69% was sent to landfills 87.35% was reused and the remaining 10.96% was directed to other forms of disposal.

Aluminium

The injection moulding and machining processes generate sizeable amounts of remains such as sprue, risers, starting pieces, etc. from the injection moulding process and shavings from the machining process. In both instances, the company reuses these remnants in the casting process.

Plastic

The plastics division recycles sprue and other remains returned by its injection moulding process.

Steel

This is the material with the highest associated volume of waste. As it cannot be recycled in full within the group's factories, it is delivered to a number of different local suppliers for full reuse.



Responsibility for waste generation does not end when that waste is removed from CIE Automotive's facilities. In addition to its waste minimisation plans, the company has devised a new waste classification system sorted by method of elimination, thereby seeking to reduce its environmental impact.

Food waste

Regardless of the fact that, due to the group's main activity as a manufacturer of automotive parts and components, this is not a material issue, CIE Automotive carries out different measures to avoid food waste. For example, the start-up of some biogas generation facilities from the food waste generated.

WASTE MANAGEMENT

MT	2021	2022	2023*
Hazardous waste disposed of	17,457.9	17,462.1	21,441.7
Non-hazardous waste disposed of	355,293.2	324,307.3	358,629.6
TOTAL	372,751.1	341,770.0	380,071.2

[For further information on waste generation by region, refer to the detailed table provided in the "Data tables and glossary" appendix]

(*) Includes emissions from discontinued German forging companies until June 30, 2023.

5.6

Contribution to the decarbonisation of transport

CIE Automotive's business is making a decisive contribution to the decarbonisation of road transport insofar as its parts are being incorporated into zero-emission vehicles. As a result, CIE Automotive's business qualifies as eligible for EU Taxonomy purposes as it is a priority for the region's the climate mitigation and climate change adaptation objectives.

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COMPLIANCE WITH REGULATION (EU) 2020/852 ON CLIMATE TAXONOMY

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The EU Taxonomy is a classification system establishing the conditions that an economic activity has to meet in order to qualify as environmentally sustainable; specifically an activity must make a substantial contribution to one or more of the six environmental objectives established by the European Union, without having a significant detrimental impact (the Do No Significant Harm principle) on the other five, while meeting certain minimum social safeguards, defined as ILO Core Labour Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The ultimate goal of the Taxonomy is to redirect investment flows towards climate neutrality (net zero GHG emissions) via a two-pronged plan: helping players in the financial sector to decarbonise their securities and credit portfolios and giving non-financial companies (such as CIE Automotive) increased access to financing for technology, products and services in line with the guidelines set in the green transition framework.

Following an analysis of its activities, CIE Automotive concluded that its productive processes, despite applying a range of methodologies, are encompassed by economic activity code NACE C29.3.2. Manufacture of other parts and accessories for motor vehicles.

That economic activity is identified in Commission Delegated Regulation 2023/2485 of 27 June 2023, within the climate change mitigation objective, under code **3.18. Manufacture of automotive and mobility components**, which is defined as follows:

Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts as defined in Article 3, points (18) to (21) and (23) of Regulation (EU) 2018/858 of the European Parliament and of the Council, type approved, designed, and constructed for use only in vehicles and buses of category M1, M2, M3, N1, N2 and N3, and in Article 3, points (15) to (18) and (21) in Regulation (EU) 168/2013 of the European Parliament and of the Council, type approved, designed, and constructed for use only in vehicles of category L meeting the criteria set out in this Section and which are essential for delivering and improving the environmental performance of the vehicle.

As a result, as defined in the Regulation, CIE Automotive's economic activity is Taxonomy-eligible in 2023. Given that this activity is being reported for the first time this year, as prescribed in Article 5 of Commission

Delegated Regulation 2023/2485 of 27 June 2023, this year the Group only has to report eligibility; the alignment disclosures will be mandatory next year.

In addition, in order to comply with the Regulation's requirements, the Group assessed the materiality of the three KPIs – turnover, CapEx and OPEX – in relation to the rest of the activities described in the Regulations, as outlined next.

TURNOVER

The key performance indicator (KPI) related to turnover is calculated as the percentage of turnover derived from Taxonomy-aligned activities (numerator) over total company turnover (denominator). Turnover is defined as the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

CIE Automotive, S.A. reports an eligible turnover KPI associated with activity 3.18 equivalent to 13.4% (turnover of 531,588 thousand euros). This percentage is arrived at by assigning each automotive part made by each of our factories to each of the original equipment makers that exist in the world. To obtain the percentage of electric vehicles made by all the platforms, CIE Automotive relied on information reported by IHS Markit, one of the largest data and analytics providers for many industries, with a solid presence in the automotive sector. IHS Markit provides the percentages of pure electric vehicles manufactured globally by each platform. CIE Automotive uses those percentages and the sales figures by platform as the basis for estimating turnover associated with zero-emissions vehicles.

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CapEx

The CapEx KPI is measured as the percentage of fixed assets invested in eligible economic activities (numerator) over total assets acquired in the course of 2023 (denominator). That denominator (Total CapEx) is defined as additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. It also includes additions resulting from business combinations. Accordingly, Total CapEx covers the costs recognised in keeping with IAS 16, IAS 38, IAS 40, IAS 41 and IFRS 16. In 2023, the CIE Automotive Group's CapEx totalled 311,884 thousand euros.

With respect to activity 3.18. Manufacture of automotive and mobility components, the Group attempted to estimate how much of its CapEx is associated with that activity. That was not possible, however, since the physical assets used to make a part for use in an electric vehicle (eligible activity) are for the most part the same assets as are used to make parts for use in a non-electric vehicle (non-eligible activity). The company is working to develop and improve its methodology and technological toolkit to enable it to directly identify the CapEx associated directly with the eligible activity.

As for the rest of its CapEx, the Group assessed whether the activities described in the Regulations are activities carried out by CIE Automotive, concluding that the amount of associated CapEx is not material.

Likewise, in an attempt to comply with the Regulation requirements, the Tables include the most significant activities, even though the KPI reported by the company is equivalent to 0%, specifically, activities 7.3 Installation, maintenance and repair of energy efficiency equipment and 7.6 Installation, maintenance and repair of renewable energy technologies, which account for just 323 thousand euros, just 0.1% of the company's Total CapEx.

It was concluded, therefore, that eligible CapEx under the Taxonomy is equivalent to 0%, so that alignment was not assessed for these activities; nevertheless, the eligible figures are provided in the section titled "Data tables and glossary".

OpEx

The OpEx KPI is defined as the percentage of Taxonomy-eligible OpEx (numerator) over total qualifying OpEx (denominator). That denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

In 2023, the CIE Automotive Group's qualifying OpEx amounted to 60,045 thousand euros, equivalent to 1.7% of the CIE Automotive Group's total OpEx in 2023 (3,567 million euros), so that the Group's qualifying OpEx is considered non-material and, as prescribed in section 1.1.3.2 of Annex I of the Commission Delegated Regulation of 6 July 2021, the numerator is therefore disclosed as being equal to zero, although the denominator is disclosed.

Environmental risk management

The risk of accidents is covered by the company's civil liability insurance, while the company underwrites gradual pollution risk for the following factories in Spain: CIE Alcasting (aluminium), CIE Amaya (machining), CIE Galfor (forging), CIE Inyectametal (aluminium) and CIE Vilanova (aluminium). The last three facilities have integrated pollution prevention control (IPPC) permits. The claims limit on that gradual pollution insurance policy for those five factories is €3 million.

To reinforce the management of its environmental and safety risks, CIE Automotive is working on a joint project with the technical department at its insurance broker, which is part of a bigger project addressed in the "Customer satisfaction" section. Specifically, a series of risks are being evaluated and prioritised in accordance with criteria established by the broker's risk engineers with the idea of formulating plans for their elimination, or at least mitigation. In 2023, this project focused on factories in North America, Brazil and India, prioritising the largest facilities or those with most assets involved. There were also follow-up visits to factories already inspected in prior years.

Climate change also poses a threat to the company's ability to attain its strategic targets. To that end, CIE Automotive includes climate change risk in its risk mapping process, addressing not only the risks deriving from the company's impact on the environment and climate change, but also the risks posed to the company by the environment and climate change, and the interrelationship between the two.

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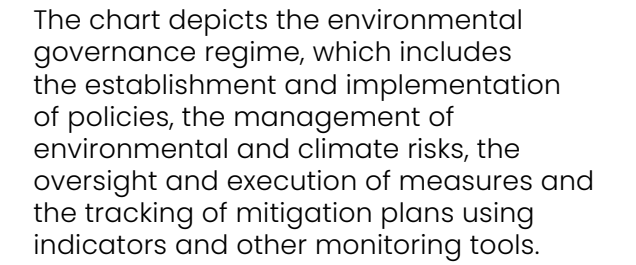
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It shows how the regime involves every part of the company, from the company's shareholders to the business units. The details of the system and how it works are set down in the regulations of the Board and its committees, including the ESG Committee, which are available for public consultation on the company's website, within the corporate governance section.

This governance model is the upper layer in the climate risk management model described next.

Climate risk map

RISK MAPPING: PROCEDURE AND SCOPE

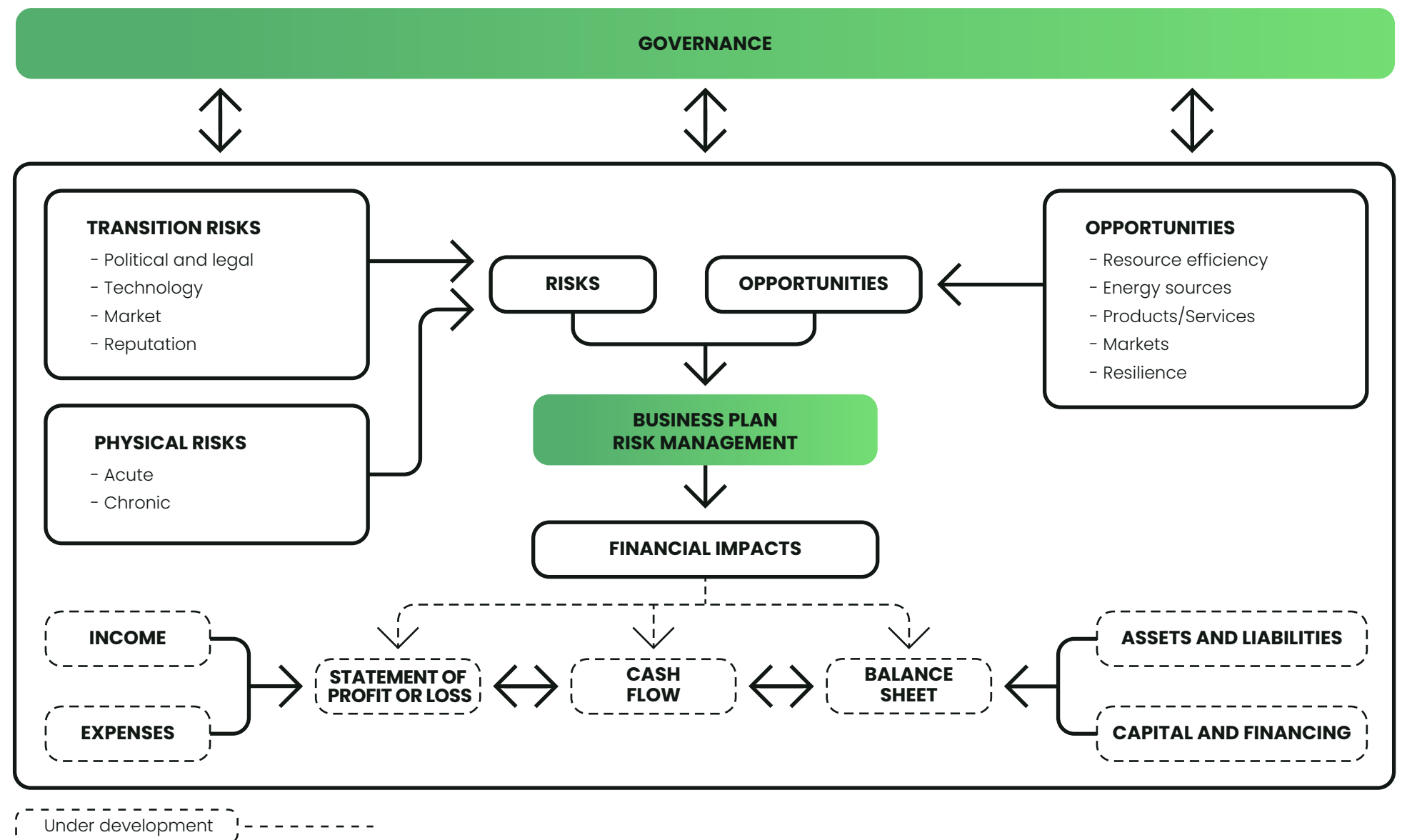
The climate risk assessment contemplates transition and physical risks and also focuses on the opportunities that climate change could generate.

The accompanying chart depicts the classification of risks and opportunities considered in this process so that they can be assessed, including their financial impact, and subsequently managed and mitigated. The

process of measuring the financial impact of these risks is currently under development so as to cater to the needs and requirements brought to us by our stakeholders in recent years and those we expect to face in the coming years.

In response to demands from our stakeholders and in line with the 2025 Strategic Plan, in 2023, CIE Automotive updated and broadened its climate risk map, a process which involved a bigger number of its professionals. Specifically, in 2023, the company assessed 12 risks, gathering input from 145 professionals in total.

The climate risk map is integrated within CIE Automotive's enterprise risk management (ERM) system, which follows ISO 31000 methodology, so as to provide reasonable assurance that all significant climate risks are duly identified, evaluated, prevented and continuously monitored. Those risks are approved at the board level and managed in keeping with defined risk tolerance thresholds.



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The risk and opportunity assessment process is depicted schematically in the chart above. It shows the types of physical and transition risks, the method used to identify risks and how they are modelled for different scenarios.

Those scenarios cover quantitative variables, such as the trend in GDP by country, car ownership indices and S&P IHS production data in the case of transition risks. They also contemplate qualitative variables. Other quantitative variables such as temperature changes, heat stress, changes in precipitation types and patterns (rain, hail, snow and ice) and water stress are used for physical and transition risks but are more important to the former.

The scenarios contemplate time horizons that start from current data or from 2020 in the absence of more recent data and run to 2030 and 2050, the deadline by which CIE Automotive has pledged to be climate neutral.

The process also considers qualitative variables derived from sector analyses and studies sourced from organisations such as ACICAE, SERNAUTO and EG VIA, and from public and private studies by different consultancy firms and analysts who collaborate with CIE Automotive.

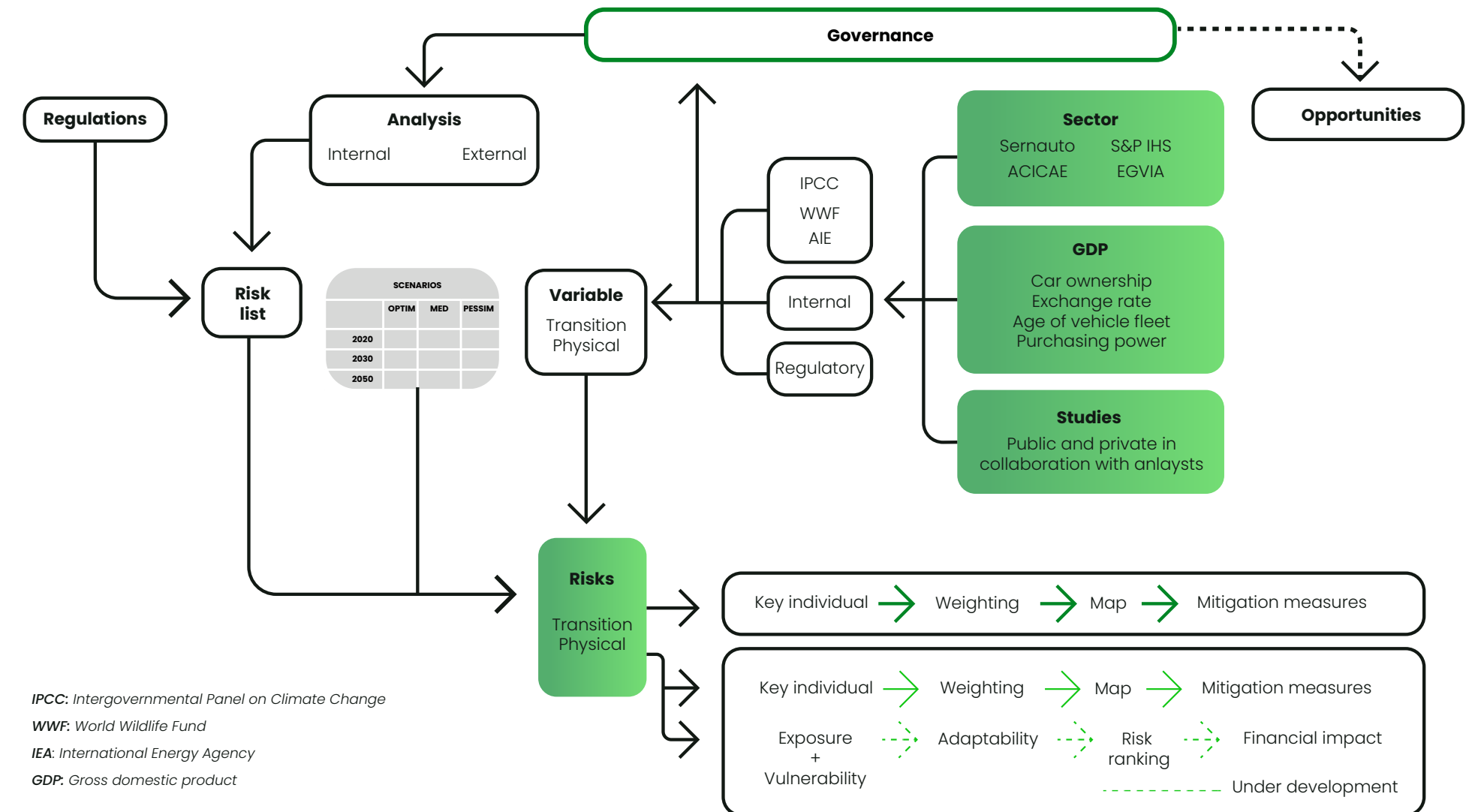
Based on this information, the Environment Department selects and describes the risks identified as most material for the company. The entire process is supervised by the governance layer outlined above.

To categorise the risks, the organisation identifies key individuals with different backgrounds and duties and deep knowledge and involvement at the local or factory levels and at the country or regional levels and at the overall group level. Once the weightings are applied, the climate risk map takes shape **[refer to section "Climate risks evaluated in 20223"]** and the corresponding mitigation

measures are presented and duly and coherently associated with the Strategic Plan, which is available on the website in both standard format and in the form of streamed presentation by management.

A detailed procedure is being drawn up for tackling physical risks so as to consider exposure and vulnerability separately (this

aspect was prioritised in 2023). Adaptability criteria will be layered in subsequently to create a ranking of risks and the last step will be to assess the financial impact of the various climate risks. Note that the financial impact assessment aspect has yet to be comprehensively regulated so that this process will also need to factor in the definitive regulations.



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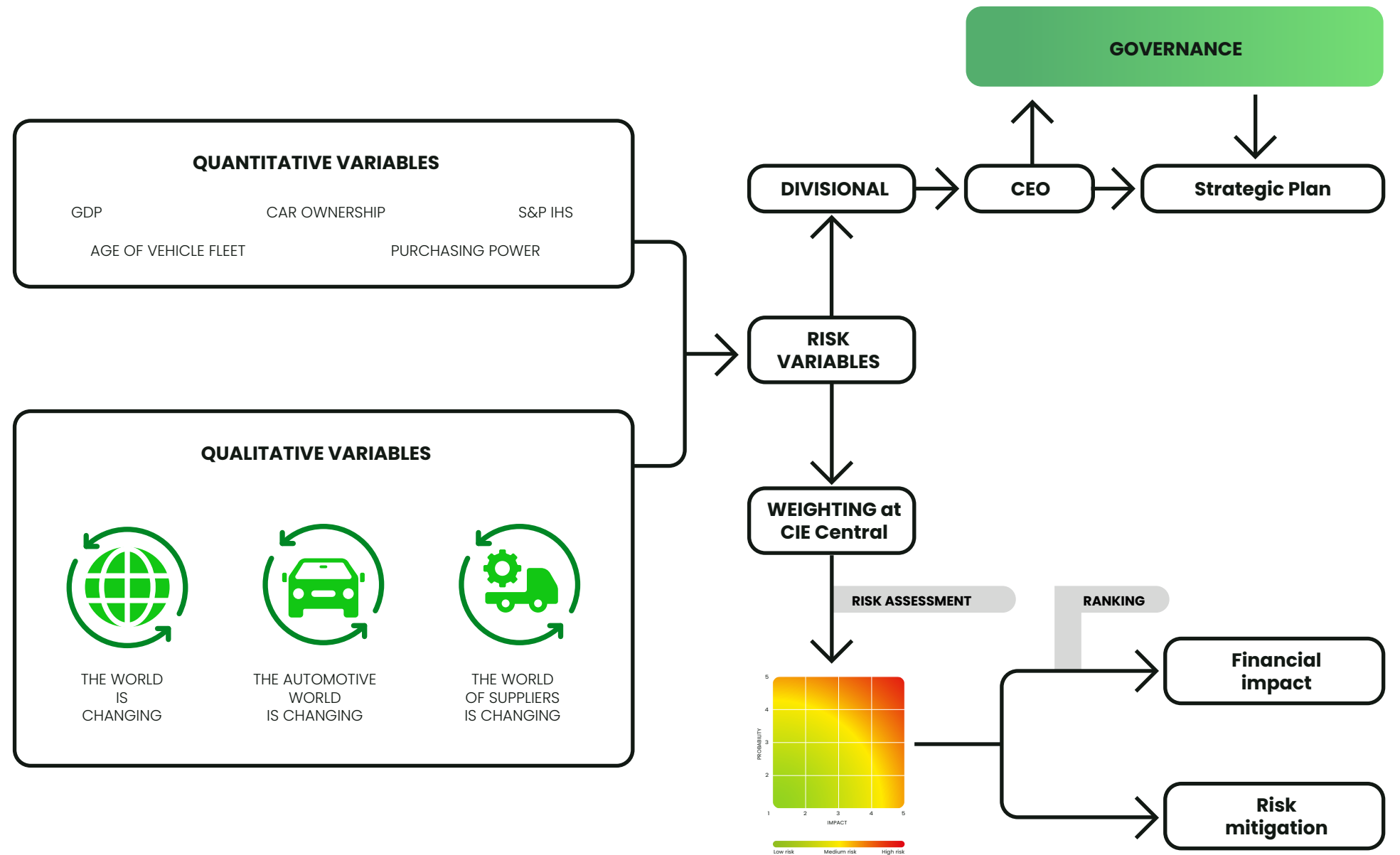
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The transition risk assessment is based on an internal and external context analysis. This analysis considers qualitative and quantitative variables, the latter mostly external. The qualitative factors analysed were classified as follows:

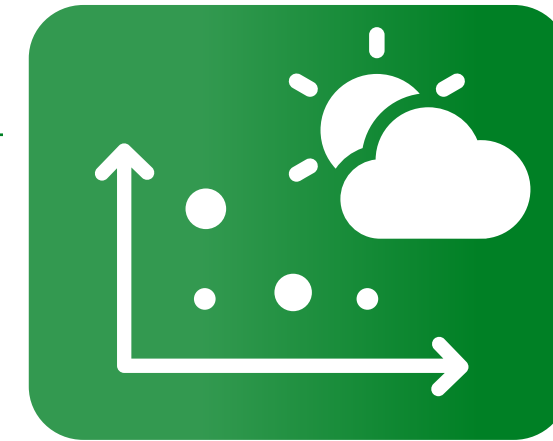
- The world is changing
- The automotive world is changing
- The supplier world is changing

This is evident in the 2025 Strategic Plan documents and in section 2.1 of this report, where the associated opportunities are also analysed.



145 people participated in drawing up this year's climate risk map

In total, 145 people participated in drawing up this year's climate risk map (the same number as in 2022). The participants answered a questionnaire considering each risk factor over a time horizon to 2050 and their geographic and technology purviews in providing their answers so that some respondents were in a position to assess a given risk for more than one technology and/or market.



Risk mapping: procedure and scope

The climate risk map was drawn up using the same methodology as the main risk map, which is updated annually. It applies across the entire organisation, stems from the ERM and is the responsibility of the company's key management personnel, management team and specific local managers with expertise in environmental management at the factory level, who are tasked with evaluating the various identified risks:

1

From the standpoint of residual risk: considering the measures already in place at CIE Automotive in order to mitigate the potential impact of their materialisation.

2

Based on the probability of occurrence in the future, by 2050, in line with the company's goal of being climate neutral by that year.

5 - Very high

4 - High

3 - Medium

2 - Low

1 - Very low

Materialisation of the risk would affect the organisation imminently (in the next three years).

Materialisation of the risk would affect the organisation by 2030.

Materialisation of the risk would affect the organisation in 10 years' time, between 2030 and 2040.

Materialisation of the risk would affect the organisation in 20 years' time, by 2040.

Materialisation of the risk would not affect the organisation until 2050.

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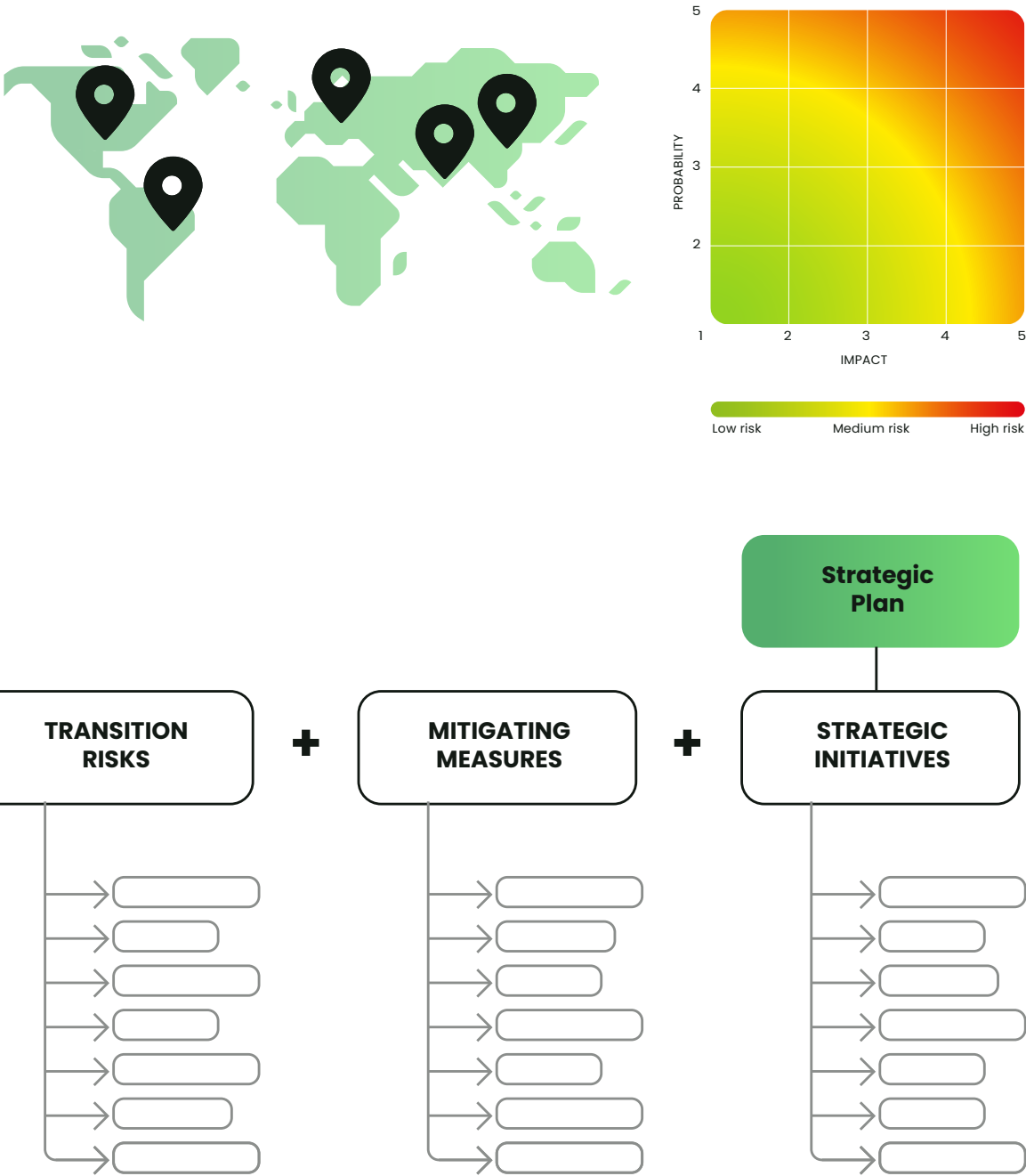
3

Based on their impact along three dimensions: economic, organisational and/or reputational.

	5 – Very severe	4 – Severe	3 – Significant	2 – Moderate	1 – Very moderate
Economic impact	Very severe adverse impact on EBITDA. An adverse impact on P&L of >5%.	A severe adverse impact on EBITDA. An adverse impact on P&L of >3.5% but <5%.	A significant reduction in EBITDA guidance. An adverse impact on P&L of >1.5% but <3.5%.	A slight reduction in EBITDA guidance. An adverse impact on P&L of >0% but <1.5%.	No change in existing EBITDA.
Organisational impact	Materialisation of the risk requires intervention by the Board of Directors.	Materialisation of the risk requires intervention by the CEO.	Materialisation of the risk can be resolved at the corporate level.	Materialisation of the risk can be resolved at the division level.	Materialisation of the risk can be addressed at the factory level.
Reputational impact	Reputational damage stemming from several actions that have a severe impact on the company's image and its share price.	Reputational damage stemming from several actions that impact the company's image and its share price.	Occurrence of an event that is picked up by high-profile media and reaches the regulator/analysts.	Occurrence of an event that is picked up by the local media.	No impact.

(*) P&L = Statement of profit or loss

RIKS ANALYSIS. Transition risks



The transition risk assessment followed similar methodology. Here the company saw fit to incorporate more quantitative

variables from a range of recognised and standardised sources, some of which are detailed below.

CLIMATE HAZARD CATEGORY

PELIGROS	FREQUENCY	CLIMATE ELEMENT	CLIMATE HAZARD CATEGORY
Physical	Chronics	Temperature	Temperature variations (air, fresh water, sea water)
Physical	Chronics	Temperature	Thermal stress
Physical	Chronics	Temperature	Temperature variability
Physical	Chronics	Temperature	Thawing permafrost
Physical	Acute	Temperature	Heat wave
Physical	Acute	Temperature	Cold wave/frost
Physical	Acute	Temperature	Forest fire
Physical	Chronics	Wind	Variations in wind patterns
Physical	Acute	Wind	Cyclone, hurricane, typhoon
Physical	Acute	Wind	Storm (including snow, dust or sand storms)
Physical	Acute	Wind	Twister
Physical	Chronics	Water	Variations in precipitation types and patterns
Physical	Chronics	Water	Precipitation or hydrological variability
Physical	Chronics	Water	Ocean acidification
Physical	Chronics	Water	Salt intrusion
Physical	Chronics	Water	Rising sea levels
Physical	Chronics	Water	Water stress
Physical	Acute	Water	Drought
Physical	Acute	Water	Heavy precipitation (rain, hail, snow or ice)
Physical	Acute	Water	Floods (coastal, fluvial, pluvial, underground)
Physical	Acute	Water	Glacial lake overflow
Physical	Chronics	Solid mass	Coastal erosion
Physical	Chronics	Solid mass	Soil degradation
Physical	Chronics	Solid mass	Soil erosion
Physical	Chronics	Solid mass	Solifluction
Physical	Acute	Solid mass	Avalanche
Physical	Acute	Solid mass	Landslide
Physical	Acute	Solid mass	Land subsidence

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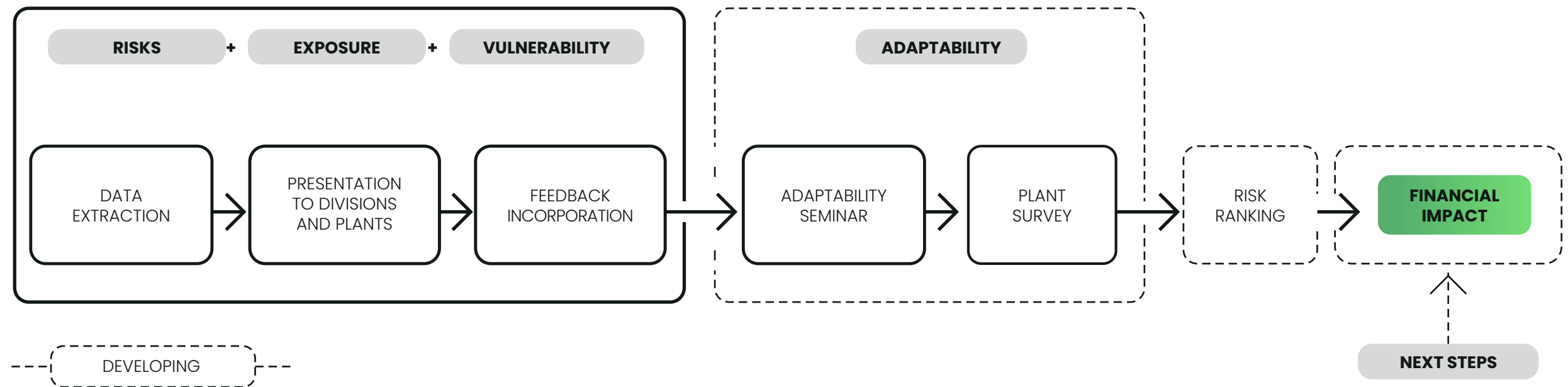
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All of this brings us to the above-mentioned risk assessment project, launched in 2023 to strengthen the process and align it with our stakeholders' latest demands and round it out by adding financial impact measurement, along with subsequent control and oversight. However, as already underlined, the last steps of this end-to-end process (shown below) will take place in the future, adapting for the implementation of recently announced new regulations and requirements.

In keeping with above schematic depicting the overall process to be developed and implemented.



The entire process is monitored via the **internal management tool, SAP GRC**

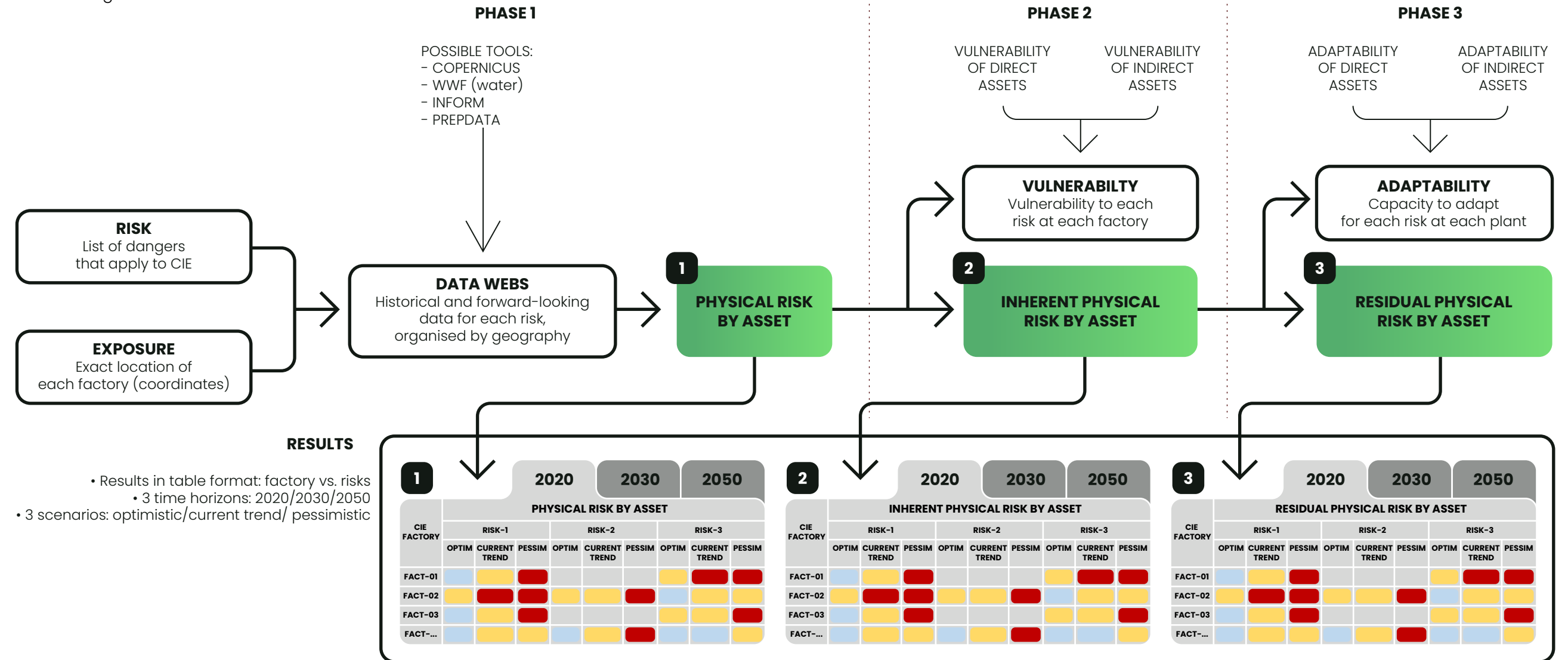
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Below is a description of the areas of focus in 2023 and again for 2024:



This whole process is jointly organised by the corporate Environment and Compliance Departments and the results are presented to the Audit and Compliance Committee for validation and approval; the Audit and

Compliance Committee in turn reports on its approval to the Board of Directors.

The climate risk map can be viewed globally, by region, by technology, by region and

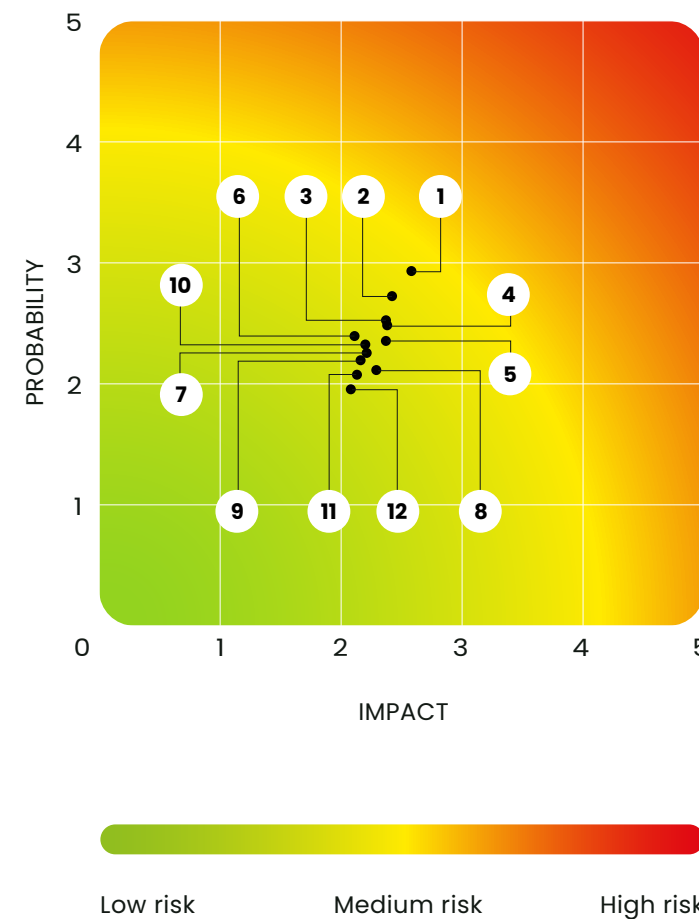
technology and it quantifies the theoretic impact, in euros, on EBITDA of the potential materialisation of each risk. In a new addition this year, for certain risks the map also displays all of the controls launched in

each region and for each technology during the year, making it possible to visualise internal control delivery by factory with a breakdown by control, control owner and control evidence.

Climate risks assessed in 2023

Below is a list of the most relevant climate risks to which the group is exposed and which are evaluated in the course of drawing up its risk map:

CLIMATE RISK MAP



1. Margin risks
2. Market/product mix risks
3. Supply chain risks
4. Investment risks
5. Political and legal risks
6. Technology risks
7. Location risks
8. Reputational risks
9. Manufacturing process risks
10. Acute physical risks
11. Chronic physical risks
12. Water stress risks

The heat map shows that none of the risks assessed presents a probability of occurrence of over 3 or an impact of over 3. Nevertheless, here we describe the most important risks and how the company is planning to mitigate them, an effort that is complemented, as explained, by the group's Strategic Plan.

All the risks assessed presented a probability of **occurrence or potential impact of less than 3**

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MARKET/PRODUCT MIX RISKS

MARGIN RISKS

SUPPLY CHAIN RISKS

Risks inherent to the business and market shifts: Changes in the automotive market could lead to a shift in the product mix, specifically towards climate-neutral solutions, such as vehicle electrification. As a result, some technologies could lose share in the overall business mix, potentially intensifying competition for the remaining volumes and, by extension, driving a reduction in volumes or margins in certain products or technologies.

Action plan and risk mitigation

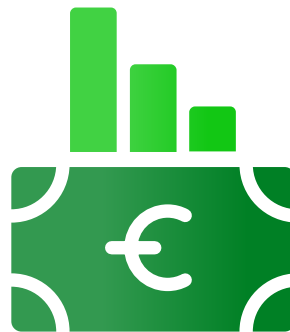
It is still too early to tell when the automotive sector will revisit pre-pandemic production and sales levels, all the more so considering the various market developments mentioned throughout this report and the fact that market changes are currently unfolding with such great speed. The company plans to reinforce the flexibility of its model to adapt to unfolding and future customer needs and emerging trends. Product portfolio diversification will give it a unique ability to adapt relative to its competitors. A portfolio in which more than eight out of every 10 products are independent of a vehicle's propulsion system and therefore not impacted by the sector electrification trend. For the rest of its parts, the company is working from the technological and market standpoints to make the most of the opportunities emerging in the battery, engine/motor, power electronics and gearshift areas. As for the risk associated with products for which there is no clear substitute in zero-emission cars, CIE Automotive plans to increase its presence in those that have a bigger role to play in the vehicle light-weighting trend (forged chassis and suspension parts) and in machined shafts and gears. It also wants to actively pursue business in technologies that customers are likely to outsource in order to focus on new challenges, such as connectivity, automated driving and the provision of embedded software solutions. In parallel, the company will continue to focus on its innovation effort in these same areas which is expected to give the company a winning edge in the coming years, positioning it to take advantage of the opportunity to consolidate the resulting market. The transition towards a low-carbon economy will highlight the efforts companies like CIE Automotive have been making for years to introduce eco-design concepts from the earliest stages of product development

and build circularity into all of their processes. What does look likely is that over a medium-term horizon the automotive companies stand to emerge stronger from the crisis to the extent they can adapt to the new scenario, foreseeably characterised by the following factors, on which CIE Automotive is already specifically working:

- Reduction of surplus capacity.
- Concentration processes: fewer players but companies that are larger, more diversified and more resilient in the face of future crises.
- Strategic alliances designed to share the investment needed to prepare for sector transformation.
- Greater financial control and discipline.
- Eco-efficiency and circularity.
- Commitment to mitigating environmental impacts.

CIE Automotive's business model has already proven its resilience and counter-cyclical credentials in the face of numerous crises thanks to the combination of geographic, technological and customer diversification, framed by a decentralised management model and strict financial discipline. Lastly, in the shorter term, the company is currently focused on locking in access to the raw materials it needs, to which end it is reinforcing its GLOCAL (global management with local application) purchasing model, coupled with its multi-location footprint, to be close to the OEMs and not have to depend on global supply chains.

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INVESTMENT RISKS

TECHNOLOGY RISKS

Risks associated with greater uncertainty regarding returns on investment: the changes needed to achieve carbon neutrality could spell higher investments in different volume and margin scenarios to those navigated to date. Those investments may make it possible to process more sustainable materials, use more sustainable and climate-neutral sources of energy, devise more circular manufacturing processes or deliver parts with better eco-design and sustainability attributes. Manufacturing technology is what CIE Automotive does. That is why it is essential to monitor how it evolves, that being one of the most recurring and important tasks performed by each division. Thanks to that constant monitoring, the company sees a bright future for the technologies it is active in. In some of those technologies, the challenge lies with taking advantage of the growth opportunities being thrown up by emerging trends; in others, they key lies with maximising competitiveness by leveraging innovation, Industry 4.0 tools and the cost efficiency that sets the group apart. In sum, to turn the risk posed by new trends into an opportunity to attain leadership.

Action plan and risk mitigation

In all areas of the group, CIE Automotive implements cutting-edge technology into its facilities and management models with the aim of rendering its productive processes more efficient and responding to the automotive sector's needs by embracing eco-efficiency, circularity and climate mitigation measures. Also as a result of that monitoring, when designing its investment plans, the company contemplates the various trends that are shaping the automotive sector, such as emission standard requirements, new

comfort-driven mobility concepts and vehicle electrification. To fund those investments in R&D, to which the group earmarks around 2% of revenue each year, CIE Automotive has a number of different sources of financing at the regional, national and supranational levels. Moreover, the company hopes to avail of Next Generation EU funds to finance specific projects related with green transition and digital transformation, specifically including projects to develop new battery structure, fuel cell and range extender concepts and materials; new concepts and features related with the refashioning of car interiors, led by the CIE Comfort division; and certain Industry 4.0 projects.



ACUTE RISKS

These risks arise as a result of extreme climate events (such as prolonged droughts or flooding).

Action plan and risk mitigation

The risk of accidents is covered by the company's civil liability insurance. In December 2019, the company began to specifically underwrite gradual pollution risk for certain factories in Spain, with

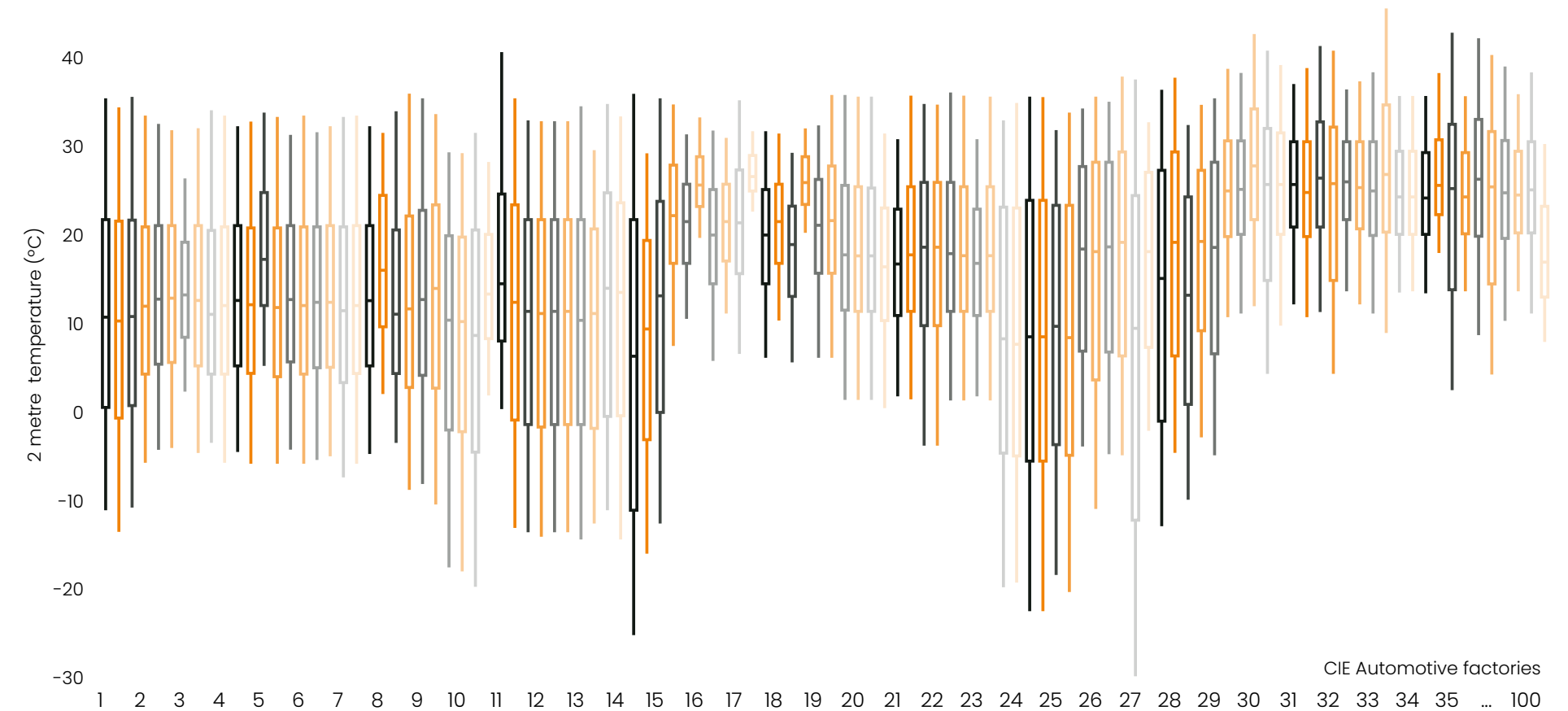
a claims limit of €3 million. To reinforce the management of its environmental and safety risks, the company has embarked on a joint project with the technical experts from its insurance firms. Specifically, a series of risks are being evaluated and monitored in accordance with criteria established by the various participating companies with the idea of formulating plans for their elimination or at least mitigation.



CHRONIC RISKS

These are the risks of more gradual changes with long-lasting effects, such as global warming, rising sea levels, protracted heatwaves or droughts, loss of biodiversity and changes in land or soil productivity.

This is another example of the utility provided by quantitative variables: the chart depicts the change in temperature in our locations, on average and at the extremes (2 metres above ground).



Action plan

CIE Automotive has set specific environmental targets to be met by each of its facilities and operating regions. Those targets are aligned with the United Nations 2030 Agenda and recent Spanish legislation on climate change and the energy transition (Law 7/2021, of 20 May 2021) and are based

on the Global Reporting Initiative (GRI) standards. In addition, in support of the Paris Agreement's targets for curbing global warming, it belongs to Forética's Climate Change Cluster, a platform whose mission is to get Spanish businesses to address the main global climate change trends and debates and become an authority on corporate environmental matters.

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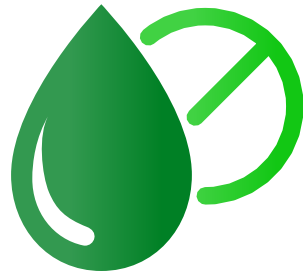
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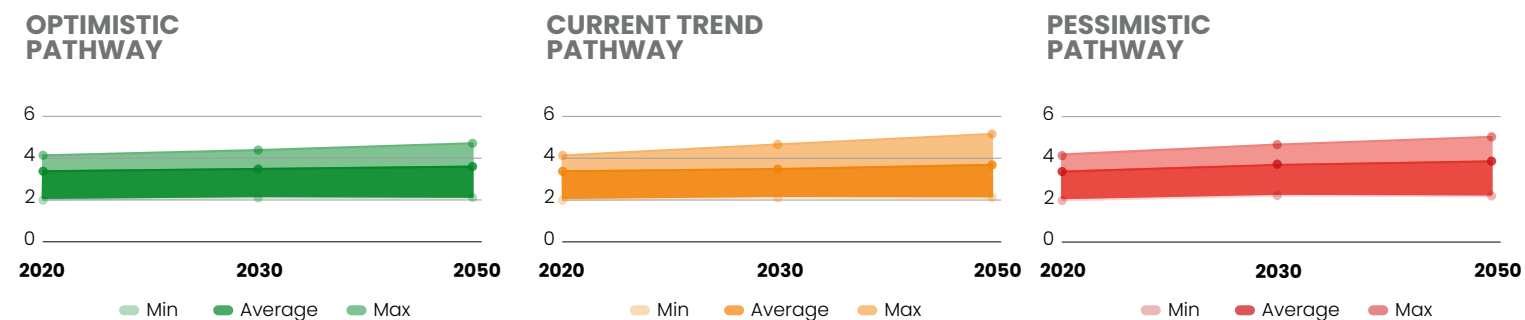
WATER STRESS RISKS

Risks that affect the availability of water for production processes, i.e., the possibility that, given the availability of water, there could be a shortage for manufacturing and auxiliary processes (cooling, cleaning, etc.). Climate change in particularly vulnerable areas could lead to chronic water stress, impeding access to quality water.

This risk is a clear example of how new variables can inject robustness into our assessment: using the WWF tool (<https://riskfilter.org/water/home>), we were able to analyse the physical risk scenarios related with water. Below is the risk weighting for CIE Automotive's sites for a combination of physical risks: water scarcity, flooding, water quality, and ecosystem services status.



2050 HORIZON
Current pathway trend.



The chart above shows the trend in this risk over time in three scenarios: the optimistic pathway, the current pathway and the pessimistic pathway.

Action plan and risk mitigation

The company has analysed the situation across its various factories and at the water basins near their locations. In addition, in order to increase circularity, particularly with respect to the use of water,

each factory has launched initiatives to reduce the use of water and increase its reuse by installing filtering and treatment facilities, some of which have resulted in drastic improvements in circularity.

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Our response to the environmental challenge

The next steps in assessing the company's climate risks will be:

TRANSITION RISKS

- Improving scenario generation and variable selection.
- Advancing on measurement of the financial impact, adapting for the deployment of standards and requirements.

PHISICAL RISKS

- Completing the scope of the analysis shown in the schematics above as under development.
- Advancing on measurement of the financial impact, adapting for the deployment of standards and requirements.



The entire process
is monitored
via the **internal
management
tool, SAP GRC**

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Corporate governance model

Corporate governance bodies

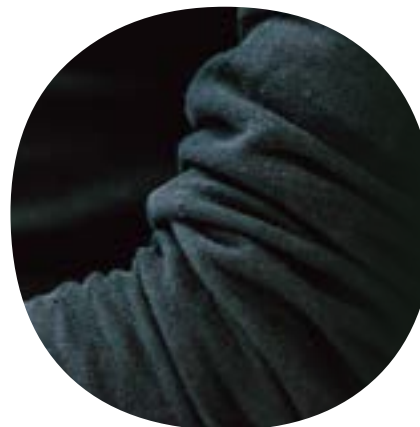
Ethics framework

Risk management

Corporate crime
prevention model

Internal control model

Integration of ESG aspects



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Guided by management based on moral principles. Doing things well, while minimising risks, makes us credible to our customers, attractive to investors and trustworthy in the eyes of our stakeholders.

Corporate governance model

Guided by its moral principles, CIE Automotive has built a corporate governance structure with a view to ensuring its long-term sustainability and generating value for its stakeholders. This model, built around transparency, is based on a body of rules and regulations that determine how its governing bodies work, how it engages with its stakeholders and which risk management mechanisms to use.

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The most significant components of this body of rules and regulations are the Bylaws, the rules regulating the company's governing bodies, the Code of Professional Conduct, the Internal Securities Markets Code of Conduct and the Corporate Crime Prevention Manual. These tests are in turn complemented and rounded out by the universe of corporate policies approved at the Board level.

CIE Automotive reviews its rules and regulations regularly in order to keep them aligned with the securities market regulator's requirements and recommendations, prevailing legislation and best practices in the corporate governance field. In 2023, it modified the Whistleblowing Channel Rules to facilitate the notification of breaches and guarantee the confidentiality of whistleblowers, in line with new legislation, and updated its Director Remuneration Policy to align it with market trends.

Towards the end of 2023, it also embarked on a project to enable it to comply with all of the parameters proposed by Transparency International Spain (the leading organisation in transparency) in the areas of compliance, anti-corruption and good governance, a task that involves changes in the following areas:

- The Whistleblowing Channel and system at the global level, in accordance with Law 2/2023 in Spain, with the goal of establishing a common system for all group companies, albeit with scope for catering to idiosyncratic circumstances in appendices.
- The criminal risk map and the criminal risk, fraud and corruption prevention policies.
- A new basic anti-trust guide.
- Identification and introduction of a range of recommendations for preventing the various kinds of harassment.
- Review and improvement where necessary of the corporate governance policies and ESG.

In parallel, the controls over the risk management system were revised, expanding the risk map with input from a higher number of professionals.

Lastly, the company deployed its criminal risk map in new markets, including Italy, Romania and Slovakia, and carried out its criminal risk assessment in Portugal, leaving only preparation of the country's criminal risk map outstanding for early 2024.

Both the rules and regulations formulated by the group and its Annual Corporate Governance Reports and Annual Director Remuneration Reports are published on the corporate website, in keeping with the technical and legal formalities and specifications stipulated by Spain's securities market regulator, the CNMV, in Circular 3/2015 (of 23 June 2015).

Participation in Forética

CIE Automotive is a member of the Transparency, Integrity and Good Governance Cluster, a business platform coordinated by Forética in Spain with the aim of championing a sustainable corporate governance model and addressing a range of topics related with the management of ESG matters, providing information about key trends in the field and creating a venue for firms to engage and exchange know-how.

In 2023 the Cluster's work focused on the keys to helping organisations integrate ESG considerations into their governance and decision-making, addressing core issues to that end such as non-financial information/ sustainability reporting, the new Corporate Sustainability Reporting Directive, supply chain management from the ESG perspective and ESG governance and management in boardrooms, among other topics.

CIE Automotive is a member of the Transparency, Integrity and Good Governance Cluster, a business platform coordinated by Forética in Spain

Corporate governance bodies

CIE Automotive's most important governance bodies are the Annual General Meeting and the Board of Directors.

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Annual General Meeting

The Annual General Meeting (AGM) is highest decision-making body at which CIE Automotive's shareholders exercise their influence. Its duties and powers are regulated in the Articles of Association and the AGM Regulations.

As per those Regulations, shareholders of record within at least five days of the scheduled meeting date are entitled to attend the AGM. The members of the Board of Directors are obliged to attend the Meeting under article 10 of the AGM Regulations. The quorum for calling the AGM to order is that stipulated in article 196 of the Spanish Corporate Enterprises Act.

In 2023 the AGM took place on 4 May and was attended by 400 shareholders, in person or via proxy, representing 87.1% of the company's share capital.

To ensure the attendees were duly identified and could exercise their rights as shareholders, in the run-up to the AGM, they were asked to register and record their requests for information or clarification; those requests were answered during the AGM.

Resolutions ratified at the Annual General Meeting

- Examination and approval of the separate financial statements and directors' report of CIE Automotive, S.A. and of the consolidated financial statements and directors' report for 2022.
- Grant of discharge to the Board of Directors.
- Approval of the proposed distribution of profit for 2022.
- Examination and approval of the non-financial statement of the group comprising CIE Automotive S.A. and its subsidiaries for 2022.
- Grant of authorisation to the Board of Directors for the derivative acquisition of own shares, directly or through group companies, in accordance with articles 146 and 509 of the Spanish Corporate Enterprises Act, and the reduction of share capital to cancel own shares, delegating powers for the execution thereof in the Board of Directors.
- Ratification and appointment of Ms. Abanti Sankaranarayanan as proprietary director.
- Approval of the Director Remuneration Policy for 2024-2026.
- Approval of changes to the terms of the long-term variable remuneration scheme tied to the company's share price performance of which the CEO is the beneficiary.
- Approval of the maximum amount of remuneration payable to the directors in their capacity as such.
- Submission of the Annual Report on Director Remuneration at CIE Automotive, S.A. to advisory vote.
- Delegation of powers to execute the aforementioned resolutions.
- Approval of the minutes of the meeting.

The AGM took place on 4 May 2023 and **was attended by 400 shareholders**, in person or via proxy, representing **87.1% of the company's share capital**

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Board of Directors

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CIE Automotive's Board of Directors is made up of 14 members, including its Chairman, who does not carry out executive duties. Two are executive directors, three are independent and nine are proprietary.

The balance between independent and proprietary directors in the boardroom is correlated with the breakdown between floating capital (in the hands of ordinary shareholders) and stable capital (shares held by significant shareholders). The independent directors chair and represent the majority of members of the Appointments and Remuneration Committee, the Audit and Compliance Committee and the ESG Committee.

BOARD OF DIRECTORS (AS OF 31 DECEMBER 2023)

	Position	Class of director	Appointments and Remuneration Committee	Audit and Compliance Committee	ESG Committee
Antonio María Pradera Jáuregui	Chairman	Proprietary			
Fermín del Río Sanz de Acedo	Deputy chairman	Executive			
Jesús María Herrera Barandiarán	Chief Executive Officer	Executive			
Arantza Estefanía Larrañaga	Member	Independent	Chairwoman	Member	Member
María Eugenia Girón Dávila	Member	Independent	Member	Member	Chairwoman
Elena María Orbegozo Laborde	Member	Independent	Member	Chairwoman	Member
Íñigo Barea Egaña	Member	Proprietary			Member
Javier Fernández Alonso	Member	Proprietary		Member	
Jacobo Llanza Figueroa	Member	Proprietary			
Francisco José Riberas Mera	Member	Proprietary	Member		
Jon Riberas Mera	Member	Proprietary			
María Teresa Salegui Arbizu	Member	Proprietary		Member	Member
Abanti Sankaranarayanan	Member	Proprietary			
Shriprakash Shukla	Member	Proprietary			
José Ramón Berecibar Mutiozabal	Secretary, non-member				

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Diversity

The recent director additions have reinforced the boardroom's expertise in financial management, the automotive sector, ESG matters, strategy, new mobility and the electric vehicle, multinational management, IT, digitalisation and data management, areas that are essential to the industry's transformation.

In terms of boardroom gender diversity, at year-end 2023 there were five women and nine men on the Board of Directors, implying a female presence of 35%. Although that percentage has been increasing in recent years with the newest additions, the company has yet to reach the 40% recommended in the Code of Good Governance for Listed Companies.

Twelve of the directors are Spanish and two are Indian.

Board functioning

The Board of Directors' modus operandi is set down in the company's Articles of Association and Board Regulations. In 2023, the Board of Directors met on 6 occasions and all the meetings were presided by its Chairman.

To optimise its efficiency, the Board of Directors organises its work through committees.

Audit and Compliance
Committee

Comprised of five members (three independent directors and two proprietary directors), this committee's purview is to oversee the financial and non-financial reporting process and ensure the independence and effectiveness of the internal audit function. Its duties include revising the internal control and financial, tax and non-financial risk management systems, selecting, appointing and replacing the auditor and taking receipt of information from the auditor, whose independence it must safeguard..

This committee held 5 meetings in 2023.

Appointments and
Remuneration Committee

Made up of four directors (three independent and one proprietary), this committee is tasked, among other duties, with formulating and reviewing the criteria for selecting director candidates, evaluating the directors' performance, proposing and monitoring the director remuneration system, in particular the amounts of their annual pay, and overseeing new director selection procedures.

It met on 4 occasions in 2023.

ESG
Committee

This committee is made up of five members (three independent directors and two proprietary directors) and its mission is to push through CIE Automotive's ESG strategy.

It met on 3 occasions in 2023.

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**ANTONIO
MARÍA PRADERA
JAUREGUI**
CHAIRMAN
(PROPRIETARY)

A Road Engineering graduate from Madrid's Polytechnic University, Mr. Pradera began his career in 1979 as a director at Banco Bilbao, where he worked until 1985. In 1988, he was named executive director of Nerisa, where he stayed until 1993, when he moved to SEAT as director of strategy. He played an important role in the creation of INSSEC in 1995, where he served as chief executive until 2010. He served as the Executive Chairman of CIE Automotive from 2012 until 2017, working in the strategy and financial design departments; he also chaired Global Dominion Access, S.A. Since May 2015, he has been a director at Tubacex and since June 2015, a director at Corporación Financiera Alba. On 31 December 2017, he stepped down from his executive duties at CIE Automotive, thus reinforcing the company's corporate governance practices.



**FERMÍN DEL RÍO
SANZ DE ACEDO**
VICE-CHAIRMAN
(EXECUTIVE DIRECTOR)

A business studies graduate (San Sebastian). He began his career as tax advisor in 1975 and is the founder of Norgestión (a consultancy specialised in mergers & acquisitions, tax law and finance). He provided services to this firm until 2008. He has also headed up ADEGI (the Guipuzcoa business association) and been a member of CONFEBASK, the Basque committee of business owner associations. He chaired Autometal S.A. in the past and has sat on the boards of a number of companies in the manufacturing industry, including Fegemu S.A., Viveros San Antón, S.A. and Global Dominion Access S.A. He is currently a member of the board of Alai Extrusión, S.A. Basquevolt and Marcos Larrañaga y Cia, S.A.



**JESÚS MARÍA
HERRERA
BARANDIARAN**
CHIEF EXECUTIVE
OFFICER (EXECUTIVE
DIRECTOR)

A graduate of business studies and economics from the Basque University, Mr. Herrera also holds a Master of International Expansion (from Euroforum). He joined CIE Automotive as CFO in 1991, also heading up the HR function for CIE Orbelan. In 1995, he was named deputy manager and in 1998 he was promoted to general manager. In 2000, he took over management of CIE Brazil and in 2002, of CIE Plasfil. That same year he was named global director of CIE Plástico, a position he held until 2005, when he took up the general manager spot at CIE America. He has been the CEO of Autometal S.A. since 2010 and in 2011 he was named COO for the entire Group; just a year later he would be named general manager of CIE Automotive. Lastly, in 2013, the Board of Directors appointed him CEO of CIE Automotive. He is also a director at Global Dominion Access, S.A.

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**ARANTZA ESTEFANÍA
LARRAÑAGA**
LEAD INDEPENDENT
DIRECTOR (INDEPENDENT
DIRECTOR)

Arantza graduated in law with highest honours from Deusto University. From 2000 to 2019, she has been Managing Partner of the Bilbao office of Uría Menéndez Abogados S.L.P., member of the Board of Directors, the Professional Practice Management Committee and the Criminal Risk Prevention Committee of the firm. She has been an independent director of Repsol, S.A. since May 31st, 2019, a member of its Sustainability Committee since that date, and a member of the Remuneration Committee since November 24th, 2021, to which date she was a member of its Nomination Committee. Since July 2021, she has been a Director and Secretary of the Board of Directors of its subsidiaries Repsol Industrial Transformation, S.L. Sociedad Unipersonal and Repsol Customer Centric, S.L. Since 8 May 2020, she has been an independent director of Global Dominion Access, S.A., having chaired its Audit Committee until May 12, 2021. She is currently a member of the Audit Committee and a member of the Sustainability Committee. Since May 2019, she has been a member of the group of experts of the Economic and Social Council of the Basque Country, chairing the Economic Committee of said body since December 2019. She is Secretary of the Board of Directors of Bilbao Exhibition Centre S.A.



**MARÍA EUGENIA
GIRÓN DÁVILA**
DIRECTOR
(INDEPENDENT)

Senior Industrial Engineering qualification from ICAI and Master's in Business Administration from Harvard Business School. She has been a Director at Loewe and CEO of Carrera y Carrera after leading the "Management Buy in" process. She is Vice Chair of the International Board of Trustees of Oceana and member of the Board of Trustees of la Real Fábrica de Tapices and IE University as well as President of the Diversity Foundation. She is a member of the jury of the European Innovation Council Accelerator of the European Commission and the Green Deal. She is also Co-Chair of Women Corporate Directors and a member of the Board of Board Members and Directors. She is currently Executive Director of IE University Premium & Prestige Observatory, and a member of the advisory board of companies in the premium sector.



**ELENA MARÍA
ORBEGOZO LABORDE**
DIRECTOR
(INDEPENDENT)

Bachelor's degree in Mathematical Sciences. She has spent part of her professional career in a multinational company which provides technology services, focused on Information Management and Bigdata. Ms. Elena María Orbegozo Laborde is a forward-thinking account manager with a demonstrated background of achievements in the IT sector over a career of over 30 years. Ambitious and dynamic change manager, dedicated to ongoing business improvement, focused on revenue enhancement and the streamlining of business operations. Focused to profit optimization.

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ÍÑIGO BAREA EGAÑA
DIRECTOR
(PROPRIETARY)

Aeronautical Engineer from the Polytechnic University of Madrid and the École Nationale Supérieure de l'Aéronautique et de l'Espace and MBA from IESE Business School, Iñigo Barea began his professional experience as an engineer specialising in propulsion systems integration at Airbus. After working for the strategic consulting firm A.T. Kearney, where he worked on various international projects focused on improving operational efficiency, in 2020 he joined the technology company Just Eat, where he currently holds the position of general manager of Just Eat Spain.



JAVIER FERNÁNDEZ ALONSO
DIRECTOR
(PROPRIETARY)

Degree in Business Administration and Management with Honours from Deusto University, with a major in Finance. In 2000, he began his professional career in investment banking and mergers and acquisitions at Goldman Sachs in London and later, in 2002, he joined ABN AMRO in Madrid. In 2006, he joined the Investment Department of Corporación Financiera Alba and was appointed Deputy Chief Investment Officer in 2007, Chief Investment Officer in 2012 and Managing Director in 2020, a position he currently holds. He is currently, on behalf of Alba, a member of the Board of Directors of CIE Automotive, Ebro Foods, Profand Fishing Holding, Viscofan and the Rioja and Rioja Acquisition vehicles (Naturgy). Previously, he was a Director, among others, of Acerinox, ACS, Dragados, ACS Servicios y Concesiones, Euskaltel, Parques Reunidos and Clínica Baviera. In addition, he is a Director of the group's private equity vehicle and a member of the Investment Committee of two funds managed by Artá Capital.



JACOBO LLANZA FIGUEROA
DIRECTOR
(PROPRIETARY))

A graduate of economic and business science from the University of Paris. Jacobo built his career in investment banking, starting out in 1989 in a number of positions at Banque Indosuez and Bancapital, before going on to create and run AB Asesores Moneda in 1992, an AB Asesores group company. Following the sale of this firm to Morgan Stanley in 1999, he joined Dresdner Kleinwort Wasserstein, where he worked as managing director of equities & derivatives for Latam, Eastern Europe, Africa and the Middle East. In 2002, he joined Alantra (formerly N+1), where he is currently a Managing Partner and Executive Chairman, as well as CEO of Alantra Asset Management.

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FRANCISCO JOSÉ RIBERAS MERA
DIRECTOR
(PROPRIETARY)

Francisco J. Riberas Mera was born in Madrid, June 1st, 1964. He holds a degree in Law (1987) and in Economics and Business Administration (1988) from the University Pontificia de Comillas (ICADE E-3), Madrid. In 1989 he began his professional career working in Business Management at Gonvarri Group. He then became Director of Corporate Development, and was subsequently named CEO. In 1997 he promoted the creation of Gestamp, assuming his role of Executive Chairman and shaping along these years what Gestamp is today. He is member of the Board of Telefónica, CIE Automotive and Wallbox. Furthermore, Riberas is also board member in other companies of the family holding, ACEK, such as Gonvarri Group, Acek Energías Renovables and Inmobiliaria Acek. Francisco J. Riberas is the president of SERNAUTO -the Spanish Association of Automotive Suppliers-, and Fundación Consejo España-China.



JON RIBERAS MERA
DIRECTOR
(PROPRIETARY)

Jon Riberas was born in Madrid in 1968. He has a degree in Law (1991) and a degree in Economics and Business Administration (1992) from the Pontifical University of Comillas (ICADE E-3). In 1992, he began his professional career in the Business Development area of Grupo Gonvarri, to later assume functions as CEO. In 2005, he founded ACEK Renewables. In 2010, he was appointed Executive Chairman of Gonvarri Industries and Co-Chairman of Corporación ACEK, the family holding. Currently, he is Co-Chairman of the family holding, Executive Chairman of Gonvarri Industries, Executive Chairman of GRI Renewable Industries, Vice president and member of the Board of Directors of Gestamp, and member of the Board of Directors of CIE Automotive and Global Dominion.



MARÍA TERESA SALEGUI ARBIZU
DIRECTOR
(PROPRIETARY)

A graduate of economic and business science from Deusto University. Ms. Salegui began her career at the transport firm La Guipuzcoana (1988-2002), where she worked as general manager, a position she also held at DHL Express Iberia (2002-2004). She is currently the chairwoman of Addvalia Capital and Perth Espacio y Orden and and currently sits on the board of Baztango.

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ABANTI SANKARANARAYANAN
DIRECTOR
(PROPRIETARY)

Abanti Sankaranarayanan, leads Group Public Affairs (India & international), Group Sustainability and Group Risk & Economist functions at Mahindra and Mahindra Ltd., and is also a member of the Group Executive Board. She is also Member of the Executive Council of Society of Indian Automobile Manufacturers (SIAM) and Chair, CII Working Group for Transportation, and also the Co Chair of the Federation of Indian Chambers of Commerce & Industry Committee on Environment & Climate Change for 2024. Prior to joining Mahindra, she was Head of the Strategy and Corporate Affairs function at Diageo India and a member of its Executive Committee. Prior to Diageo, Abanti served as a member of the Tata Administrative Service (TAS) where she held key roles managing some of the best-known consumer brands of the Tata Group in India, United Kingdom and the United States. Abanti's contribution to the business have been recognized by Fortune India (The Most Powerful Women in Business; 2012, 2014, 2015 and 2016), IMPACT (50 Most Influential Women in Media, Marketing and Advertising; 2014, 2015, 2016 and 2017), India Today (India's 25 Most Influential Women, 2013) and Fast Company, New York (100 Most Creative People in Business, 2012). Abanti is an Economics Graduate from St. Stephen's College, Delhi and an MBA from Indian Institute of Management (IIM), Ahmedabad.



SHRIPRAKASH SHUKLA
DIRECTOR
(PROPRIETARY)

Mr. SP Shukla is a nationally recognised business leader who combines the best of academic excellence (IIT BHU & IIM Ahmedabad) along with a stellar career in establishing emerging high-tech sectors of the Indian economy. He is currently serving as the Chairman on the Boards of several Mahindra Group companies engaged in Defence, Aerospace and Agri sectors. He is also Chairman of CIE Automotive India Ltd. Mr. Shukla is among the top-most industry leaders in India with over four decades of rich, varied experience in managing large projects and operations across diverse industries, including Automotive Tyres & Components, Telecom, Defence & Aerospace, Steel and Agri sectors.

At the end of 2023, **five women and nine men** sat on the Board of Directors

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Director performance evaluation

In keeping with recommendation #36 of Spain's Code of Good Governance for listed companies, the company's Board of Directors assesses its performance once a year, focusing on the areas mentioned next and adopting, where necessary, an action plan to correct weakness detected.

1. The quality and efficiency of the functioning of the Board
2. Boardroom composition
3. The composition and functioning of the Board committees
4. ESG aspects
5. Communication policy
6. Succession planning
7. The performance of the Chairman and CEO
8. The performance and contribution of each director
9. Other aspects

The assessment report compiled in January 2023 by the appraiser Evaluación de Consejos (EdC) (whose methodology and findings were outlined in detail in the 2022 Annual Report) concluded that the aggregate quantitative results indicated strong satisfaction with the performance of the Board of Directors and its committees, higher than the average at similar companies. The individual areas identified in the report as presenting more room for improvement, even though the results were better than are customary for comparable companies, were:

- Succession planning
- Communication policy

The findings of that report were shared with the Board of Directors during its meeting on 24 February 2023, as a result of which the CEO was put in charge of the company's communication policy. In addition, the Appointments and Remuneration Committee drew up CIE Automotive, S.A.'s Succession and Contingency Plan for submission to the Board of Directors for approval. That plan was approved by the Board of Directors on 14 December 2023.

Elsewhere, the Lead Independent Director, duly exercising her duties, communicated constantly with the rest of the independent directors throughout the year, echoing any concerns they had and sharing them with the Chairman or Vice Chairman.

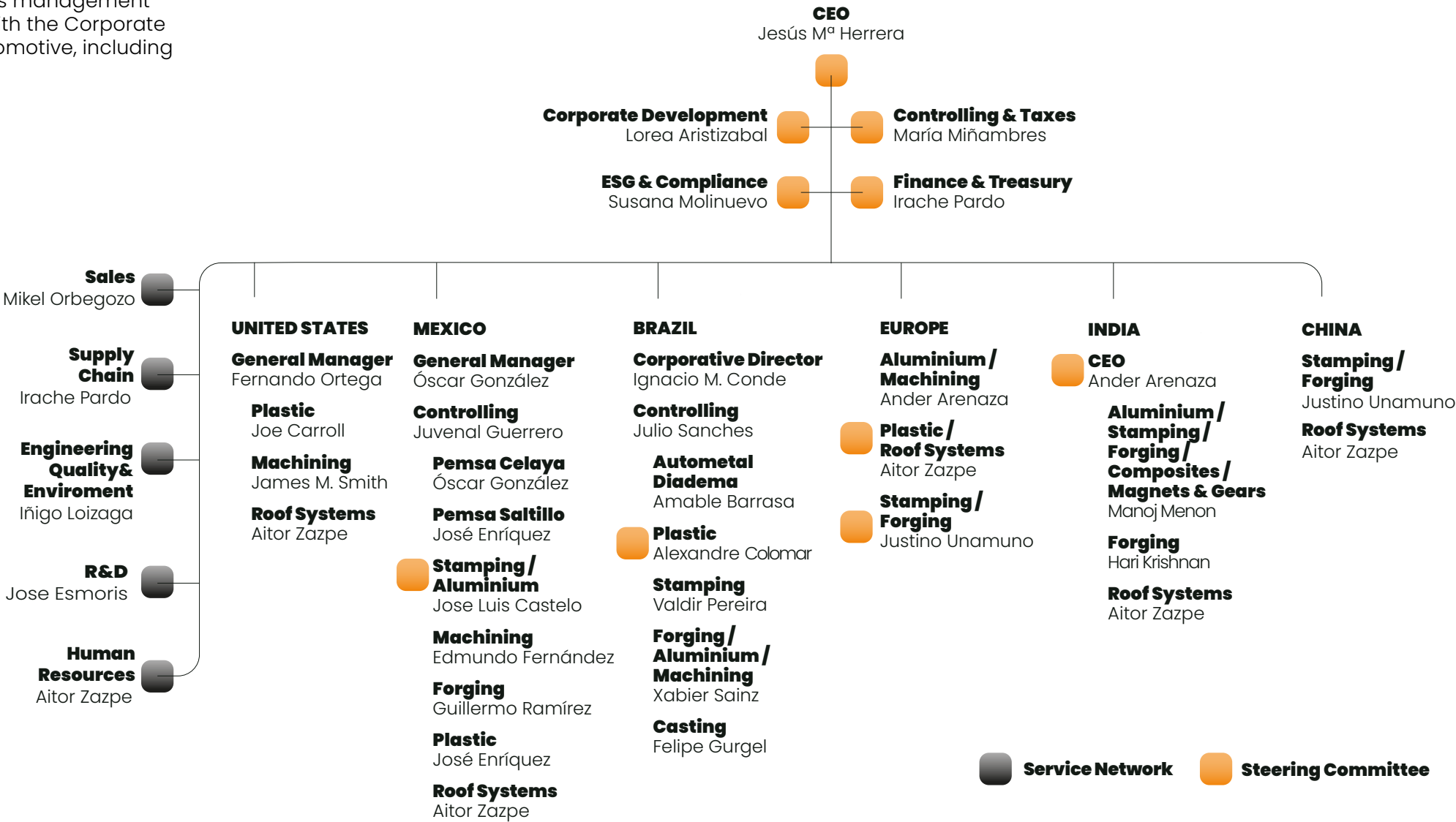
In 2023 the company also focused on director training around sustainability matters in general, governance and the latest reporting, taxonomy and environmental regulations, without neglecting company issues. A specific session was provided to all members of the Board, another more generalist session was given online to the entire organisation, including the directors, and the members of the ESG Committee, along with the members of the Cross-Group ESG Committee received a separate exclusive session. All of which in line with the company's commitment to making firm progress on integrating these aspects into its business model and corporate strategy.

Management team

Chairman and CEO's statement

The management team directly oversees management of the Business Units and coordination with the Corporate Areas with authority across all of CIE Automotive, including the Network Services.

MANAGEMENT TEAM AS OF DECEMBER 31, 2023



Director and officer remuneration

Chairman and CEO's statement

At the Annual General Meeting held in March 2023, a new Director Remuneration Policy was approved for 2024-2026. The goal of the new text is once again to ensure that the remuneration earned by CIE Automotive's directors is proportionate to the dedication and responsibilities assumed and aligned with market practices at comparable companies in Spain and abroad and with the long-term interests of all of the company's shareholders.

Director remuneration

Although the new Director Remuneration Policy is similar in structure to the outgoing policy, there have been a few changes. The terms of the long-term bonus tied to the company's share price performance accrued by the CEO have been adjusted to reflect the radical change in the socio-economic context and the company's share price performance since 2018, when the bonus was approved.

The Director Remuneration Policy stipulates that the fixed annual stipend for directors shall only be paid to non-executive directors that are particularly dedicated to the company, i.e., the chairman of the Board of Directors and the independent directors. The ceiling on director remuneration was increased at the 2023 AGM.

As under the outgoing policy, the full-time executive directors' remuneration regime is similar to that of the company's executives. Their remuneration comprises: fixed remuneration, a short-term, results-based bonus and, in the case of the CEO, a long-term bonus, conditional upon staying in the post for 10 years. The executive directors may also receive in-kind remuneration in the form of use of a company car.

The remuneration earned by the executive directors varies along with their responsibilities and the specific characteristics of the duties they perform and is reviewed annually by the Board of Directors at the recommendation of the Appointments and Remuneration Committee.

It is up to the Board of Directors, at the recommendation of the Appointments and Remuneration Committee (based on prior verification of attainment of the established targets), to determine the level of delivery of the short-term bonuses and their amount.

The executive directors' remuneration may be topped up by health and life insurance, in line with market practice at comparable companies in terms of market capitalisation, size, ownership structure and international presence.

It should be noted that the variable remuneration of the group formed by the most important members of the Group's management includes a % of it linked to ESG performance. This group is included in Note 22 "Expenses for employee benefits" of the 2023 Consolidated Annual Accounts, as beneficiaries of a long-term incentive.

For further details, refer to the notes headed Employee benefits expense and Related-party transactions in the group's consolidated financial statements for the year ended 31 December 2023 and to the 2023 Annual Director Remuneration Report and the Remuneration Policy itself, all of which are published on the corporate website:

<https://www.cieautomotive.com/web/investors-website>.

DIRECTOR AND KEY MANAGEMENT REMUNERATION

		Total no. of people	Men	Average remuneration €	Women	Average remuneration €
2022	Directors*	6	3	2,751,906	3	100,000
	Key management personnel	9	5	1,607,112	4	480,214
2023	Directors*	6	3	8,494,919	3	100,000
	Key management personnel	9	5	1,112,086	4	383,883

(*) Directors receiving remuneration: two executive directors, three independent directors and the chairman

Ethics framework

CIE Automotive upholds and follows a set of values, codes and mechanisms to ensure that its conduct is honest and ethical. This ethics framework translates into a solid set of rules which are continually reviewed. In 2023 the company enhanced its Whistleblowing Channel by implementing a notification platform on its website so that whistleblowers can communicate possible breaches in a confidential manner. It also started to revise and update most of the policies comprising the ethics framework, including the Code of Professional Conduct.

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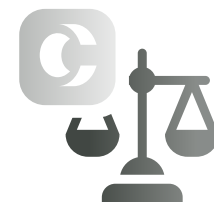
Code of Professional Conduct

CIE Automotive carries out its business and professional activities in accordance with a Code of Professional Conduct that serves as an ethics guide at all levels of the organisation. All of its employees are required to familiarise themselves with it and failure to comply with it can lead to penalties, as prescribed under applicable legislation.

Aside from its employees, the company expects its business partners (joint venturers, suppliers, customers, contractors and other partners) to align their behaviour with the Code of Professional Conduct and apply equivalent standards of ethics to those upheld by CIE Automotive.

The Code of Professional Conduct itself contemplates how its implementation should be supervised and how to proceed in the event of breaches. Specifically, it tasks the Board of Director's ESG Committee with due oversight of implementation of the Code of Professional Conduct and details how to make enquiries and report improprieties and breaches through the Whistleblowing Channel.

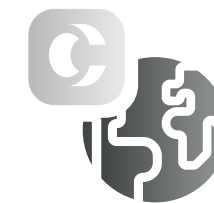
CIE AUTOMOTIVE'S RULES OF CONDUCT



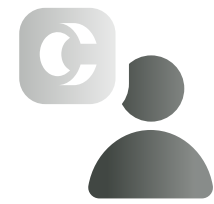
Ethical and lawful conduct.



Ethical relations with authorities and third parties.



Adequate use of firm resources and assets.



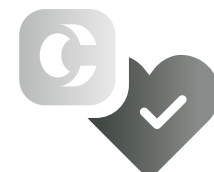
Respect for people and society.



Transparency, integrity and confidentiality.



Data protection.



Workplace health and safety.



Compliance with tax obligations and proper use of public funds.



Respect for intellectual and industrial property rights.

The Code of Professional Conduct itself contemplates **how its implementation should be supervised and how to proceed in the event of breaches**

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A cutting-edge platform for the Whistleblowing Channel

CIE Automotive has mechanisms, protocols and tools for enabling and facilitating the notification of wrongdoings or unethical behaviour at the company or breaches of its Code of Conduct. In 2023 it reinforced this internal reporting channel by integrating an IT platform into its corporate website to secure the reporting process and simplify case management by the company.

This cutting-edge platform is user-friendly and available in all the languages of the company's markets. It gives users the possibility of opening up a secure communication channel for filing a report and providing additional information in different formats (in writing, voice messages, etc.). All of the information is confidential and if the whistleblower so wishes, anonymous.

The new online channel meets all the stipulations of Spanish Law 2/2023, of 20 February 2023, on the protection of persons reporting regulatory breaches and incidents of corruption and aligned with applicable international legal requirements derived from the European Whistleblowing Directive.

Adaptation for this new piece of legislation has involved modification of the Whistleblowing Channel Rules, which set down the system's general principles and procedures.

In 2023 the company received 56 complaints through its Whistleblowing Channel, 21 more than in 2022. Those complaints were related with:

- People management with respect to work scheduling for everyday factory work purposes (20 complaints).
- Workplace harassment (16): inappropriate attitudes on the part of managers vis-à-vis factory workers.
- Fraud and corruption (seven): malpractice at several factories by procurement, engineering and production staff who breached CIE Automotive's general purchasing terms for their own benefit. Although the amounts involved were not material and the scale of the contracts with the suppliers in question did not have a material impact on earnings at the factories involved, the events harmed the group's image and violated its ethics commitment.
- Breach of the Code of Professional Conduct (six): failure on the part of certain employees to uphold the rules of conduct.
- Business management (four): related with the company's dealings with its stakeholders.
- Discrimination (two): failure to guarantee equal opportunities.
- Sexual harassment (one): inappropriate attitudes on the part of managers vis-à-vis factory workers.

In 2022, by comparison, the reports were related with workplace harassment (13), people management with respect to work scheduling (nine), fraud and corruption (five), sexual harassment (three), business management (two), breaches of the Code of Professional Conduct (two) and discrimination (one).

In all of the cases reported in 2023 and notified to the ESG Committee, the opportune actions were taken to analyse, monitor and remedy or close the cases.

Those actions included nine dismissals: three related with the cases of fraud and corruption reported, two with the Code of Professional Conduct breaches, two with the business management cases, as well as one person who participated in the workplace harassment cases and one person involved in the discrimination reports.

In addition, executives and HR professionals intervened to address the workplace and sexual harassment and discrimination reports and prevent their recurrence via enhanced education on the company's values and Code of Professional Conduct rules.

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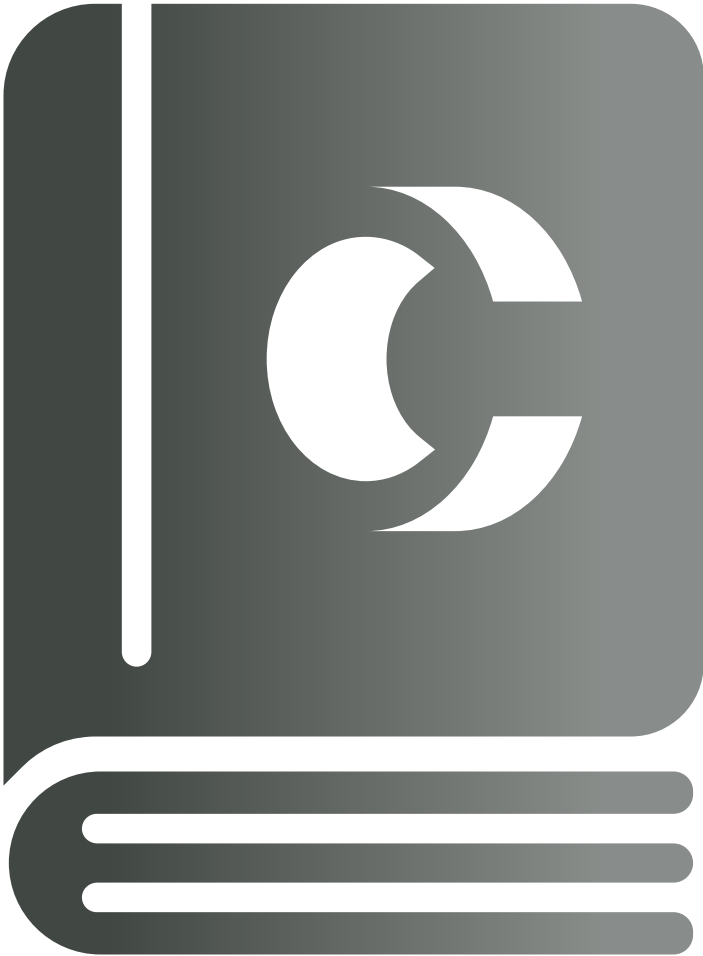
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Corporate policies

CIE Automotive's ethics framework is implemented by means of a series of corporate policies which are drawn up by the corresponding departments. Those policies are binding upon all members of the organisation. These policies were approved by the Board of Directors for the first time in December 2015 and revised, updated and re-approved between 2019 and February 2021. In 2023 the company approved a new Director Remuneration Policy, which is in force until 2026, and at year-end was immersed in the process of reviewing and updating the universe of corporate policies comprising its ethics framework, which is nearly complete and will finalise when the updated policies are presented to the Board of Directors for approval in early 2024.

All of CIE Automotive's corporate policies can be accessed via the corporate website.



At year-end, the company was in immersed in the process of **reviewing and updating the universe of corporate policies**

CORPORATE POLICIES

ESG policies (Environmental, Social and Governance)
ESG
Procurement
Supplier ESG commitment
Human rights
Anti-corruption and anti-fraud
Community work
Governance policies
Internal control over financial reporting (ICFR)
Risk control and management
Corporate governance
Director remuneration
Tax policy
Reporting to and communicating with shareholders and the market
Shareholder remuneration policy
Director selection and board diversity policy
Policy for engaging and interacting with the account auditor
Compliance and criminal risk prevention
Remuneration Policy for Members of the Board of Directors

Anti-corruption and bribery effort

CIE Automotive is committed to combatting corruption in all its forms, including extortion and bribery, and to developing specific and exemplary policies in this arena. That commitment is tangible in its endorsement of the ten principles enshrined in the United Nations Global Compact.

In addition to the Code of Professional Conduct, whose calls for tackling fraud and corruption, the company has an official Anti-Corruption and Anti-Fraud Policy which stipulates that dealings with public officials and authorities must be governed by the principles of transparency, integrity, objectivity, impartiality and lawfulness.

The company is politically neutral and does not finance, either directly or indirectly, political parties or their representatives or candidates, either in Spain or abroad.

One of the Internal Audit Department's duties is to oversee that the group companies are operating lawfully and in keeping with the defined corporate values.

As was the case in 2022, no public legal cases were brought against the organisation or its employees in relation with corruption in 2023.

Measures to combat money laundering

The group introduced its Corporate Crime Prevention Model in 2015 and updated it in October 2019 to introduce a Support Unit with independent intervention and control powers within the organisation, whose mandate is to oversee compliance therewith. The company leverages that model to articulate its effort to thwart money laundering, as well as providing training on the Code of Professional Conduct and application of the various corporate policies.

In order to prevent or minimise the probability of occurrence of inappropriate or illicit conduct and ensure that any such conduct is brought to a halt, if detected, and accountability duly sought, in 2021, CIE Automotive drew up a Compliance and Criminal Risk Prevention Policy.

Measures to prevent corruption and bribery

In 2023 the company deployed its criminal risk map in new markets, specifically Italy, Romania and Slovakia. The year before it had extended the map to Spain, France and Germany, in Europe, and to India, and completed the annual updates of its risk maps in the US, Mexico, Brazil, China and the Czech Republic, thus completing coverage of the countries that account for the bulk of the group's business activities.

Each country has its own local Corporate Crime Prevention Manual, which is aligned with the corporate version.

Every time the criminal risk map is introduced to a new market, specific training is provided to brief employees about the company's policies and procedures and remind the factories about applicable local legislation.

In 2023, following updates to local legislation in some of the company's business markets, new crimes, such as attacks on moral integrity, were added to the maps.

Anti-trust law

CIE Automotive, S.A. is committed to complying stringently with anti-trust law. To that end is promises to achieve its business objectives by ethical, legitimate, faultless and lawful means, complying with all applicable laws. CIE Automotive did not receive any fines related with anti-trust infringements or derived from cartel operations, price-setting, exclusivity agreements, monopolistic practices or other conduct that could limit free competition in 2023.

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Defence of human rights

CIE Automotive defends the universal rights set down in the United Nations Global Compact, which the company endorsed in 2015.

That commitment has translated into the Human Rights Policy, through which it formally undertakes to respect those universal rights in everything it does, applying the policy not only to its employees but also its customers, suppliers and the communities surrounding its facilities and any of their indigenous peoples.

To that end it formally repudiates child labour, compulsory labour and workplace discrimination; fosters respect for the freedom of association and right to collective bargaining; and complies with prevailing legislation in all its business markets, framed by the internationally recognised human rights and its own Human Rights Policy.

The Human Rights Policy complies with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining.

Note that the company did not receive any complaints related with human rights violations, understood as breaches of the right to decent work and a living wage, in keeping with the United Nations Declaration, in either 2023 or 2022.



No complaints were received about human rights abuses in 2023 or 2022

Risk management

CIE Automotive updates and enhances the enterprise risk management (ERM) system in place to mitigate the risks that, were they to materialise, could jeopardise delivery of its strategic targets. The ERM, which is set out in detail in the company's Risk Control and Management Policy, follows ISO 31000 methodology.

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Enterprise risk management system

CIE Automotive's ERM provides reasonable assurance regarding delivery of its objectives by preventing, identifying, assessing and continually monitoring all significant risks, specifically addressing strategic, operational, financial, environmental, social, governance and compliance risks. These risks, which are approved at the Board level, are managed in keeping with defined risk appetite and tolerance thresholds.

The ERM, framed by the Risk Control and Management Policy, follows ISO 31000 methodology and is supervised by the Board of Directors, which delegates its supervision and correct functioning in its Audit and Compliance Committee.

Thanks to the unflagging support of the senior executives and management team, and underpinned by rigorous strategic planning, CIE Automotive seeks to create an environment conducive to working with risks in check. The goal is to manage these risks actively with the aim of, by means of correct management and value creation, allowing new opportunities to rise.

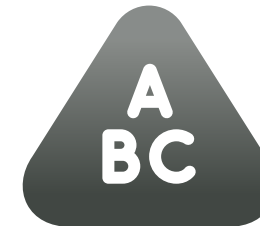
ENTERPRISE RISK MANAGEMENT SYSTEM - PRINCIPLES



Creation of a
constructive vision
of the concept of
risk



Committed and
competent risk
management
professionals



Use of a shared
language



Transparent
communication
throughout the
entire organisation

CIE Automotive's enterprise risk management system follows **ISO 31000 methodology and is supervised by the Board of Directors**

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The ERM system ensures that all **risks are duly prevented, identified, assessed and strictly controlled**

Risk mapping: procedure and scope



Each year, the company's senior executives and management team are tasked with evaluating the risks identified in the ERM and drawing up the risk map for the entire organisation, classifying those risks into three categories - irrelevant, low risk or high risk - based on a dual assessment:

- 1From the standpoint of residual risk: considering the controls already in place at CIE Automotive in order to mitigate the potential impact of their materialisation;
- 2Based on the probability of occurrence (past and future):

	5 - Very high	4 - High	3 - Medium	2 - Low	1 - Very low
	> 80%	61% - 80%	31% - 60%	10-30%	<10%
Materialised in the past	Risk materialised over 5 times in last 2 years.	Risk materialised over 5 times in last 5 years.	Risk materialised over 5 times in last 10 years.	Risk materialised between 1 and 4 times in last 10 years.	Risk that has not materialised or at least not for over 10 years.
Materialisation in the future	Materialisation of the risk would affect the organisation imminently (in the current year).	Materialisation of the risk would affect the organisation within a year (next year).	Materialisation of the risk would affect the organisation within two years' time.	Materialisation of the risk would affect the organisation within five years' time.	Materialisation of the risk would affect the organisation in more than five years' time.

A total of 338 people participated in drawing up this general risk map, 12 more than in 2022.

All who participated responded considering the impact of each risk factor over a time horizon to 2025, except for climate risk where the time horizon runs to 2050, in respect of their technical or geographic expertise, which means that some of them may have assessed a given risk factor for more than one region and more than one type of technology.

The process is coordinated by the Compliance Department which presents the results of this annual exercise to the Audit and Compliance Committee for validation and approval; the Audit and Compliance Committee in turn reports its approval to the Board of Directors.

As in prior years, the analysis of the international and national contexts across the company's locations, based on benchmark studies and analyses such as World Economic Forum reports, forms the basis of the overall risk, which is presented top down, by region, by technology and by region and technology. It estimates, in euros, the impact on EBITDA of the potential materialisation of each risk, according to the defined parameters, and the trend in the key risk factors over the past two years in all of the foregoing categories.

The entire process is monitored via the internal management tool, SAP GRC.

3

Based on their impact along three dimensions: economic, organisational and reputational.

	5 – Very severe	4 – Severe	3 – Significant	2 – Moderate	1 – Very moderate
Economic impact	Very severe adverse impact on EBITDA. An adverse impact on P&L* of >5%.	A severe adverse impact on EBITDA. An adverse impact on P&L of >3.5% but <5%.	A significant reduction in EBITDA guidance. An adverse impact on P&L of >1.5% but <3.5%.	A slight reduction in EBITDA guidance. An adverse impact on P&L of >0% but <1.5%.	No change in existing EBITDA.
Organisational impact	Materialisation of the risk requires intervention by the Board of Directors.	Materialisation of the risk requires intervention by the CEO.	Materialisation of the risk can be resolved at the corporate level.	Materialisation of the risk can be resolved at the division level.	Materialisation of the risk can be addressed at the factory level.
Reputational impact	Reputational damage stemming from several actions that have a severe impact on the company's image and its share price.	Reputational damage stemming from several actions that impact the company's image and its share price.	Occurrence of an event that is picked up by high-profile media and reaches the regulator/analysts.	Occurrence of an event that is picked up by the local media.	No impact.

(*) P&L = Statement of profit or loss

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Risks assessed in 2023

Below is a list of the main risks to which the group is exposed which are evaluated in the course of drawing up the general risk map, classified by the areas that are critical to the company:

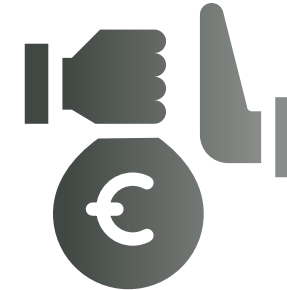
Twenty risks were assessed in 2023, which is the same number as in 2022. A new compliance risk was added: the reliability of the non-financial reporting process. The HR-related risks were updated and reduced from five in 2022 to four this year as talent attraction and retention were rolled into one.

RISKS ASSESSED



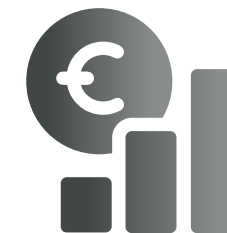
Society

- Reputational damage as a result of activities not linked directly to the company's operations.
- Non-alignment of the supply chain with the group's ESG commitments.
- Change in market trends.
- Failure to meet customer expectations.
- Management of M&A-led growth.
- Cybersecurity and data protection.
- Geopolitical risk.
- Fiabilidad del reporting no financiero



Corruption and bribery

- Criminal risk.
- Failure to comply with legislation in any of the company's operating markets.
- Breach of any of the 10 principles enshrined in the United Nations Global Compact, of which the company has been a signatory since 2015 and/or failure to contribute to delivery of the Sustainable Development Goals (SDGs) with which the company is most aligned.



Finance

- Reliability of the financial information disclosed.
- An aggressive tax strategy or risks considered manageable becoming unmanageable*.
- Financial risk understood as market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk.



Environment

- Impact of climate change on delivery of the company's strategic objectives.



Human rights

- Code of Professional Conduct breaches by group employees.



People

- Ability to guarantee the workplace health and safety of group employees.
- Erosion of the corporate culture, the bedrock of the company's successful business model.
- Lack of human resources needed to maintain growth.
- Attract and retain quality talent.

Chairman and CEO's statement

Risk map

Before being placed on the risk map, the risks are filtered to exclude from the assessment risks for which no extraordinary measures are required on account of their nature or the company's risk appetite. That is the case of risks classified as low probability and low impact.

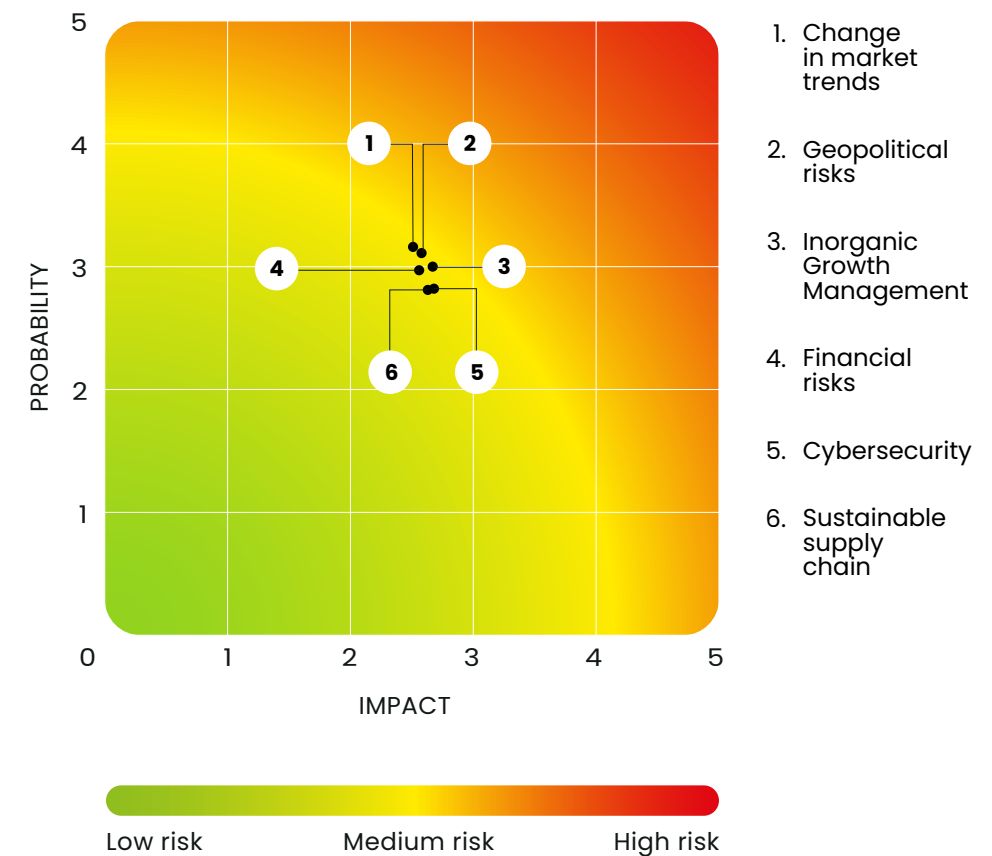
The 2023 risk map once again reaffirmed the risk factor that is most intrinsic to the sector and its performance, namely shifting market trends, as well as one that is specific to the trajectory, growth and future of CIE Automotive, namely management of its M&A-led growth.

The 2023 mapping exercise also evidenced great concern within the organisation about geopolitical risk and its impact on delivery of its strategic targets.

The mapping exercise also highlighted concern over cybersecurity and the financial damage its mismanagement could pose, as well as importance of sustainable supply chain management.

Another development in 2023 was the return to the fore of financial risk, specifically the need to control exposure to variations in interest and exchange rates and commodity prices.

Note, that the actions taken and controls applied in 2023 successfully mitigated one key risk factor, which was afforded priority treatment in recent years and no longer ranks among those of greatest concern, namely care for the company's most important asset, its people, along with the associated risks: having a sufficiently deep team of trained and well-prepared professionals and adequate succession planning.



KEY RISKS: DESCRIPTION AND ACTION PLANS



CHANGE IN MARKET TRENDS

The automotive industry is undergoing disruptive changes for which the company needs to be prepared by maintaining the flexibility required to adapt to customers’ unfolding or future demands, suppliers’ needs and increasingly stringent regulations.

New automotive technologies (e.g. in the area of connectivity and autonomous driving) are reducing demand for some of our core products while creating demand for new systems and parts.

[For more detailed information about the key market trends, refer to chapter 2. Sector background]

Action plan

Throughout the pages of this report, the reader has been told about CIE Automotive’s distinctive business model which has proven highly consistent in dynamic and challenging environments over the past several years and is expected to remain similarly resilient in the face of the challenges that loom. The key to tackling the current trend shifts lies with coordinating all of the group’s departments end to end. The unit that handles R&D and market studies analyses the trends that are shaping the sector exhaustively and continually (for more information, refer to chapter 2.1.3) and shares its findings with the sales area and the various divisions. That enables an informed assessment of their potential impact and formulation of the action plans that the company has been feeding into its strategic plans since 2015. That assessment also factors in the challenges highlighted in chapter 2, specifically:

- Economic slowdown.
- Increase in borrowing costs.
- Significant CAPEX in EVs.
- Price war in EVs.

This process also taps the opportunities itemised in that same chapter.

Collaboration on R&D projects, sometimes on a standalone basis and other times in partnership with customers, has proven crucial in areas such as electrification, the circular economy, vehicle light-weighting,

safety and Industry 4.0. These projects have led to major collaboration with traditional customers and kept the company aligned with market trends. In tandem the sales area has worked intensely to penetrate the sector’s newcomers, adapting its approach to their idiosyncrasies. This effort has paid off with the company already producing at scale for customers with business models that are radically different from those of its traditional customer base and new developments in the pipeline.

The company has also responded proactively to the growing importance of climate action, as is evident in its unification of the engineering and environmental departments. As a result it now builds sustainability, decarbonisation, circular economy and ecodesign considerations in at the earliest stages of new product and project development.

CIE Automotive constantly reinforces the flexibility of its model – characterised by geographical, customer and technology diversification – to adapt to its customers’ current and future needs and emerging automotive trends. Portfolio diversification, with over 80% of products independent of the vehicle propulsion system, gives it an ability to adapt that sets it apart from its competitors.

In terms of the risk associated with products with no clear substitute in zero-emission vehicles, the company is looking to increase its presence in areas that make a significant contribution to vehicle light-weighting such as forged chassis and suspension parts. It also plans to focus on axle and gear machining and to outsource traditional technologies in order to free up resources to focus on new challenges such as connectivity, autonomous driving and software solutions.

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CIE Automotive has set itself annual sales targets with a specific focus on new-energy vehicles (NEV). The 2025 Strategic Plan focuses on comfort, tapping the growing importance of this feature in users' buying decisions.

The company has invested in employee training and skill-building in order to tackle the sector's digitalisation and is working with technology firms and training centres to attract talent with these skillsets. It is also worth highlighting the boost given to the training area within the Pilot Testing Advanced Manufacturing Taskforce led by the Basque regional government.

CIE Automotive stands out for its commitment to decarbonisation and circularity in all processes, aligning itself with the push for a more sustainable economy. Its Supply Chain Race 2 Zero project is

working to help decarbonise the supply chain and achieve net zero emissions by 2050.

CIE Automotive's business model, underpinned by its geographic diversity and decentralised management model, has proven its resilience throughout a succession of crises. The company engages its entire supply chain, detecting opportunities with customers and bringing those needs and opportunities to its suppliers.

In the near term it is focused on ensuring a smooth supply of raw materials, reinforcing its GLOCAL (global management with local application) procurement model and continuing with its multi-location footprint so as to reduce dependence on global supply chains and stay close to the OEMs.

The group's business activities expose it to various types of financial risk: market risk (including exchange rate risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and commodity price risk.

Action plan

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The group arranges derivative financial instruments to hedge certain exposures.

In the broadest sense, financial risk management is designed to control exposure to variations in interest and exchange rates and commodity prices. This effort, supervised by the group's Finance Department,

translates into the purchase of financial instruments that allow it, to the extent possible, benefit from favourable movements in exchange and interest rates while limiting some or all of its exposure to unfavourable developments.

[For further information, refer to the group's consolidated financial statements and directors' report for the year ended 31 December 2023]

Responsible management



MANAGEMENT OF M&A-LED GROWTH

As envisaged in the Strategic Plan, the recent, current and foreseeable pace of M&A-led growth requires tighter control over operations and investments. The integration of new firms into the group requires an initial effort in order to adjust their respective cultures and ways of doing things to align them with CIE Automotive's management methods and profitability thresholds. In addition, the fact of having local partners (joint ventures and/or alliances with private and public companies and organisations) could generate conflict and wariness that can affect business performance directly or generate international compliance vulnerabilities.

Action plan

CIE Automotive works hard to embed its business model and corporate culture at newly acquired companies. The most noteworthy initiatives on this front include:

- Involving the management team in M&A transactions.

CIE Automotive works hard to embed its business model and corporate culture at newly acquired companies. The most noteworthy initiatives on this front include:

- Defining and implementing a clear management model designed to enable the company to assume control over new acquirees rapidly.
- Fostering the readiness and availability of key internal managers to tackle new integrations.



GEOPOLITICAL RISK

2023 once again showed how a long list of potential external shocks, ranging from extreme meteorological phenomena, inflation fuelled by energy price volatility and migratory and demographic challenges, to the wars in Ukraine and Gaza and tensions between the US and China, expose governments to litany of risks they may not be ready to handle amidst social and institutional weaknesses.

States under financial pressure as a result of the above-listed shocks could seek budget balance by passing laws and introducing levies to stem their fiscal deficits. Those forces are pushing interest rates and inflation higher, affecting GDP and employment and, as a result, the population's purchasing power and access to credit, ultimately denting consumer spending and the purchase of cars.

Furthermore, in a new global geopolitical order, legal and compliance teams will be forced to deal across borders with regulatory requirements that are ambiguous, and/or conflicting, and/or uneconomical.

Action plan

The company is focused on locking in access to the raw materials it needs, to which end it is reinforcing its GLOCAL (global management with local application) purchasing model, coupled with its multi-location footprint, to be close to the OEMs and not have to depend on global supply chains. In other words, a "local production for local supply" strategy.

The GLOCAL approach brings other advantages such as a reduction in the company's carbon footprint, a lower reverse logistics (returns) impact and reduced vulnerability to regulatory changes due to their application over different time horizons and swings.

The company is focused on locking in access to the raw materials it needs, to which end it is reinforcing its GLOCAL (global management with local application) purchasing model, coupled with its multi-location footprint, to be close to the OEMs and not have to depend on global supply chains. In other words, a "local production for local supply" strategy.

CIE Automotive's decentralised management approach ensures its decision-making is quick, simple and direct. Each region and division takes the decisions that best serve their prevailing interests at any given time with the support of the firm's Corporate Areas and Network Services vested with a group-wide remit: Europe, North America, Brazil and Asia.

Despite classification into major regions and divisions (the main technologies), the factories, albeit guided by the company's strategy, have full operational autonomy and are managed by local teams, so dissipating business continuity risks for the company as a whole as a result of armed conflicts, the related international sanctions or other similar risks.

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CYBERSECURITY

Cybersecurity, understood as the shielding of IT assets by handling threats that could jeopardise the information that is processed, stored and distributed over interconnected IT systems, has emerged as one of the biggest risks facing companies today. Customers are making increasing security demands of their suppliers. It is vital to pay particular attention to users and possible improper usage; service outsourcing and potential sources of loss or damage (theft, fire, etc.).

The shift to more flexible working arrangements is leaving communication networks more exposed to potential attacks.

Action plan

CIE Automotive launched a cybersecurity consultancy project to map out the potential IT system risks to which the group is exposed in 2021.

The project comprises three phases:

- Scenario identification (completed in 2021).
- Risk quantification (completed in 2022).
- ECOR assessment, methodology used by the consultant to calculate the financial impact of cybersecurity risks (scheduled for completion in the first half of 2024).

Noteworthy from the work performed in 2023:

- Specific risk-by-risk analysis as a function of probability of occurrence and impact for each IT group.
- Definition of an IT security control plan with three stringency levels.
- Mapping of the maturity level of the baseline controls of each IT group with the specific risks to calculate the residual risk.
- Development of the associated scorecard in PowerBI.

Having completed the initially defined three phases, in 2024 the plan is to:

- Execute the defined risk management methodology and gather information from the various IT group heads.
- Develop the defined baseline controls, prioritising those with a bigger impact on each IT group's security.
- Update the values used to calculate risk and the status of the controls applied.
- Assess the adequacy of the baseline controls for evaluating potential acquisitions.

An IT security officer has been appointed as part of the group's reinforced commitment to this function. Lastly, to encourage awareness of IT security risks across the organisation, the company continued to provide group-wide training in 2023, an effort that will carry over to 2024.

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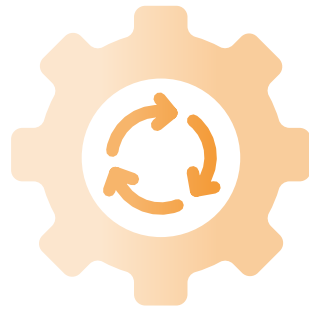
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SUSTAINABLE SUPPLY CHAIN

Here the risk is that the supply chain may not be aligned with the group's ESG commitments, our customers' requirements or the European Due Diligence Directive.

A sustainably-managed supply chain and supplier alignment are key to the company's ability to deliver its ESG commitments and to its business, with pressure from customers growing all the time.

From as soon as we sign a contract with a customer, we commit to ensuring the sustainable management of our supply chain, to which end we are obliged to manage its ESG aspects in a systematic manner, so as to contribute to the creation of sustainable productive environments in which human and labour rights are guaranteed, the environment is protected and business is done ethically.

The new EU Directive puts the onus on organisations to carry out supplier due diligence. Specifically they must identify, end, prevent, mitigate and report on the negative effects on human rights and the environment of their own operations, those of their subsidiaries and those of the constituents of their value chains.

Action plan

Raising awareness and educating all CIE Automotive employees about ESG matters should be

seen as a major opportunity. Also an opportunity for the procurement managers, guided by ongoing implementation of the successful GLOCAL supply chain management model, to work even harder to encourage suppliers to meet ESG compliance requirements. The ultimate goal is to create a solid, flexible and resilient supply chain aligned with the SDGs.

Risk mitigation involves:

- Renewing ISO 20400 Sustainable Procurement certification annually so obtaining external verification of correct management of ESG matters.
- Continuing to apply common procedures aligned with each country's legal requirements and the group's ESG strategy.
- Providing the organisation with an objective ESG scoring system for the supply chain via the Supplier Portal and specific indicators.

- Monitoring the supply chain's ESG indicators quarterly. Each factory has to identify additional actions to implement in order to achieve the group's targets.
- Continuing to provide all buyer teams with ongoing training.
- Providing local suppliers with ESG training via specific sessions and meetings.
- Encouraging ESG audits worldwide. Each factory conducts physical audits of their critical suppliers as part of the effort to verify actual compliance.
- Supply Chain Race 2 Zero. Corporate push with local implementation to rally commitment around emissions-cutting targets aligned with the 2050 goals.
- Introducing a due diligence requirement in the supply chain aligned with the OECD standards.

[For further information, refer to the section titled "Change begins with our SUPPLIERS" and in "Supply Chain Race 2 Zero" and "GLOCAL procurement model" sections]

Risks mitigated in 2023

Thanks to the actions taken in 2023, CIE Automotive managed to mitigate the probability of materialisation of the following risk, ranked as a priority in 2022, and, therefore, no longer deemed in need of priority attention in the 2023 risk map.



HUMAN CAPITAL FOR GROWTH

Management of the current and projected pace of growth requires consolidation and development of the company's finest asset, its people. That is why it is fundamental to agree a unified training and promotion plan with the aim of planning, appraising and enhancing professionals' current and future skillsets so as to facilitate delivery of CIE Automotive's strategic objectives.

Mitigation actions

Continued application throughout 2023 of CIE Automotive's human capital management model has reduced the perceived importance of the HR-related risks. More specifically, in 2023 we continued to provide our people with additional training to give them the skills needed to take on new challenges; we evaluated our partners using our internal professional development tool; we stepped up international exchanges (including the Ulysses programme); and each factory manager actively managed its staff with a view to ensuring a flow of future-proof backgrounds. Indeed, generational

diversity was one of the classes of diversity analysed in the diversity assessments which have already been conducted at over 90% of our locations.

Lastly, we actively managed two acquisitions, one in Hungary and the other in Brazil, bringing new profiles and backgrounds into the group which are bound to be key to its future, as has been the case so often in the past.

[For further information, refer to Our TEAM: the people behind the transformation]

Corporate crime prevention model

CIE Automotive put its Criminal Risk Prevention Model (hereinafter, the “Model”) in place in 2015. The Audit and Compliance Committee delegates the day-to-day tasks associated with the Model (ongoing monitoring of procedures, rules, controls and any other functions deemed appropriate) in a Support Unit made up of:

- The Secretary of the Board of Directors, who is tasked with presiding, managing and coordinating the Support Unit.
- The Chief Compliance Officer, who executes the various functions.
- Any professionals called on for their expertise.

The Unit has independent intervention and control powers within the organisation and its mandate is to oversee compliance with the Model. The company relies on the Model to mitigate the risk of money laundering.

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As a result, the Support Unit has also been tasked with the following roles:

- Monitoring the controls established in the Model and, in general, compliance with the Model and with the principles enshrined in the Code of Professional Conduct.
- Proposing to the Audit and Compliance Committee any complementary measures it deems necessary to guarantee due delivery of the desired objectives.
- Providing reasonable assurance that the universe of values embodied by the Code of Professional Conduct is current, proposing any updates and additions that may be deemed necessary to the Audit and Compliance Committee.
- Informing the Audit and Compliance Committee periodically about the results of the analyses conducted.

- Notifying the Audit and Compliance Committee clearly and immediately of any Model breaches that come to light in the course of its review work.

CIE Automotive analyses the level of maturity attained by Model from time to time. During the last update, carried out between 2019 and 2020, it decided to identify the most significant subsidiaries in terms of criminal compliance, analyse the differences with respect to the legislation applicable in Spain and adapt the model to suit each country's characteristics. Since then, the Model has been introduced in most of the company's business markets: Spain, France, Germany, Czechia, Italy, Romania, Slovakia, US, Mexico, Brazil, India and China.

In 2023 the Model was implemented in Italy, Slovakia and Romania and the regulatory framework in Portugal was analysed. Except in Portugal, where this will happen in 2024, an individual criminal risk map was prepared, joining and consolidating the body of risk maps for the other countries that have been added to its scope since 2020.

As in 2022, this work began with a regulatory benchmarking exercise to map out the regulations applicable in each jurisdiction, followed by the design of the corporate standards for controlling the main criminal risks to which the various regions are exposed.

To design the new versions, the company started from the Model developed and implemented in Spain, the various mandatory requirements under local legislation, best national and international practices and suggestions for improving the Model gathered from the various jurisdictions. Once that was done a series of questionnaires were sent to the subsidiaries to identify criminal risks, individuals/functions and controls for subsequent analysis and inclusion, along with the suggestions for improvement and other specific considerations.

In addition, new criminal risk controls were launched in 2023 to cover newly added risks and reflect the global rollout of the Model between 2020 and 2023.

In 2023 the Model was implemented in Italy, Slovakia and Romania and the regulatory framework in Portugal was analysed

Finalist in the Expansión Compliance Awards

CIE Automotive was a runner-up in "Best international compliance project" category in the Expansión Compliance Awards. These awards, which are sponsored by Deloitte Legal and Iberdrola, with Esade as academic partner, reward globally applicable projects that facilitate efficient and suitable management of an organisation's existing global risks, allowing it to tackle common and specific risks faced.

In selecting CIE Automotive as finalist, the jurors rated the scope and scale of the criminal compliance initiative, the technology used, the applicable rules and the oversight and monitoring model.

Criminal risk management system

CIE Automotive's criminal risk management Model and system is integrated within its broader ERM, which is regulated by the Risk Control and Management Policy and follows ISO 31000 methodology so as to provide reasonable assurance that all significant risks are duly identified, evaluated, prevented and monitored. Those criminal risks are approved at the Board level and managed in keeping with defined risk appetite and tolerance thresholds.

The process is coordinated by the Compliance Department and the results are presented to the Audit and Compliance Committee for validation and approval; the Audit and Compliance Committee in turn reports on its assessment to the Board of Directors.

As in 2021 and 2022, in 2023, the company **drew up a specific criminal risk map**



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Criminal risks assessed in 2023

As in 2021 and 2022, in 2023, the company drew up a specific criminal risk map to ensuring ongoing adequate management, so responding to the demands of our stakeholders and honouring one of the commitments made in our 2025 Strategic Plan.

The criminal risk map can be configured to provide results at the global level but also broken down by region, by technology and by region and technology. It estimates, in euros, the impact on EBITDA (framed by the defined parameters) of the potential materialisation of each risk and includes all of the controls launched at each factory during the year, indicating their current performance status, along with the corresponding evidence. The entire process is monitored via the internal management tool, SAP GRC.

A total of 271 people participated in drawing up the criminal risk map, 38 more than in 2022, and the exercise involved 12 countries, three more than in 2022: the US, Mexico, Brazil, India, China and the European markets – Spain, France, Germany, Czechia, Italy, Romania and Slovakia. Each respondent considered a time horizon of 2025 and their

specific area of geographic influence. The company's aim is to come up with a national assessment for each country in which it has business operations within the horizon of its 2025 Strategic Plan.

The criminal risks assessed in 2023 are the result of benchmarking exercises to identify the regulations applicable in each national jurisdiction. To design this new version of the risk map, the company started from the Model developed and implemented in Spain, the various mandatory requirements under local legislation, best national and international practices and suggestions for improving the Model gathered from the various jurisdictions.

Following that analysis, 37 potential crimes were evaluated by the various professionals identified for that task; some but not all of them are offences itemised in Spain's Criminal Code. Given that the company still has to analyse some of its markets, the aggregate 2023 map is not quite yet a global map but rather a map that rolls up the 37 offences identified in the 12 countries where this work has been completed. The global risk map, assuming the group's current footprint, will be a reality by 2025, so delivering the target set down in the 2025 Strategic Plan.

Criminal risk map

On the basis of the boundary described above and the residual risk assessment approach, the map reveals that none of the criminal risks evaluated presents a medium or high probability of materialisation or would have a significant or severe impact on EBITDA if they were to materialise. Indeed, most of the assessments highlight the credibility of the existing Model, based on global monitoring of the controls performed at the factory, technology and country levels, as well as on continuous specific training.



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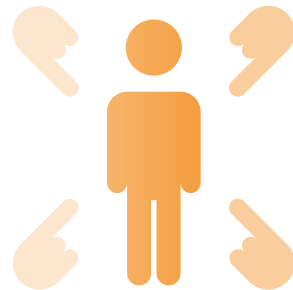
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KEY RISKS: DESCRIPTION AND ACTION PLANS



RISKS WITH LOW PROBABILITY OF OCCURRENCE AND MODERATE POTENTIAL IMPACT



DISCRIMINATION

DAMAGE TO NATURAL RESOURCES

CONFIDENTIALITY BREACHES

Action plan

Exercising the due control required under Spain's Criminal Code requires the

company to implement continuous control mechanisms and to appoint internal control bodies to follow up on the controls implemented and any possible criminal risks. Framed by those legislative requirements, CIE Automotive has defined a control structure made up of: (i) the Board of Directors, as the highest decision-making body; (ii) the Audit and Compliance Committee, as oversight and control body; and (iii) the Support Unit.

CIE Automotive has vested the control and oversight duties in the Audit and Compliance Committee, as it has the autonomy and independence in terms of control powers and the ability to act required under the control framework.

The Compliance Department is responsible for continuously reviewing and updating the internal control system and ensuring compliance with internal and external regulations and the policies and procedures in place for mitigating the main corruption and fraud risks. It is also in charge of the Model and establishment, development and updating CIE Automotive's ethics framework.

All of CIE Automotive factories use an IT tool to guarantee performance of the required internal controls. That tool is the SAP GRC (Governance, Risk and Compliance) suite, which permits the automated and manual analysis of the level of performance of the controls conducted at the factory level and tracks incidents

and any resulting action plans, enabling traceability, as outlined in greater detail in the Internal Control Systems section.

New internal controls were launched in 2023 to mitigate some of the main criminal risks identified in the regions with a tailored risk map and training was undertaken in the following areas:

- Corporate liability and anti-corruption, launched between the end of 2020 and 2021, provided to 600 people in total, including the company's directors, key management personnel, the global management team and the members of the local management committees. Since then, all newcomers to those groups have also been receiving the corporate liability and anti-corruption training.
- Code of Professional Conduct, provided to over 6,000 people online in 2021 and to the rest of CIE Automotive's people worldwide in the form of brochures and a final assessment.
- ESG training, provided to over 6,500 people online in 2023 and to the rest of CIE Automotive's people worldwide in the form of brochures and a final assessment.

It is important to note that each time the Model is introduced into a new country, specific criminal risk training is provided to all of the people it applies to. That refresher training involves a reminder of the company's in-house policies, manuals, procedures and controls and provides an update on applicable local legislation and related developments.

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Criminal risks mitigated in 2023

Thanks to the actions taken in 2023, CIE Automotive managed to mitigate the probability of materialisation of discriminatory actions, ranked as a priority in 2022, and, therefore, no longer deemed in need of priority attention in the 2023 criminal risk map.

The key actions taken included tighter control over and monitoring of the existing controls, the introduction of new controls following the model's reassessment and, importantly, the ongoing training provided on these risks by the Compliance Department as well as the various HR teams at the factory level, with support from the corporate HR Department.

Internal control model

CIE Automotive's internal control system, which it reviews, updates and improves continually, is based on the three lines of defence approach and provides coverage from risk identification right through to the internal audit function. The Compliance Department, as part of the second line of defence, is responsible for the system's regular review and continuous improvement. It also ensures compliance with internal and external rules and with the policies and procedures designed to mitigate the potential risks.

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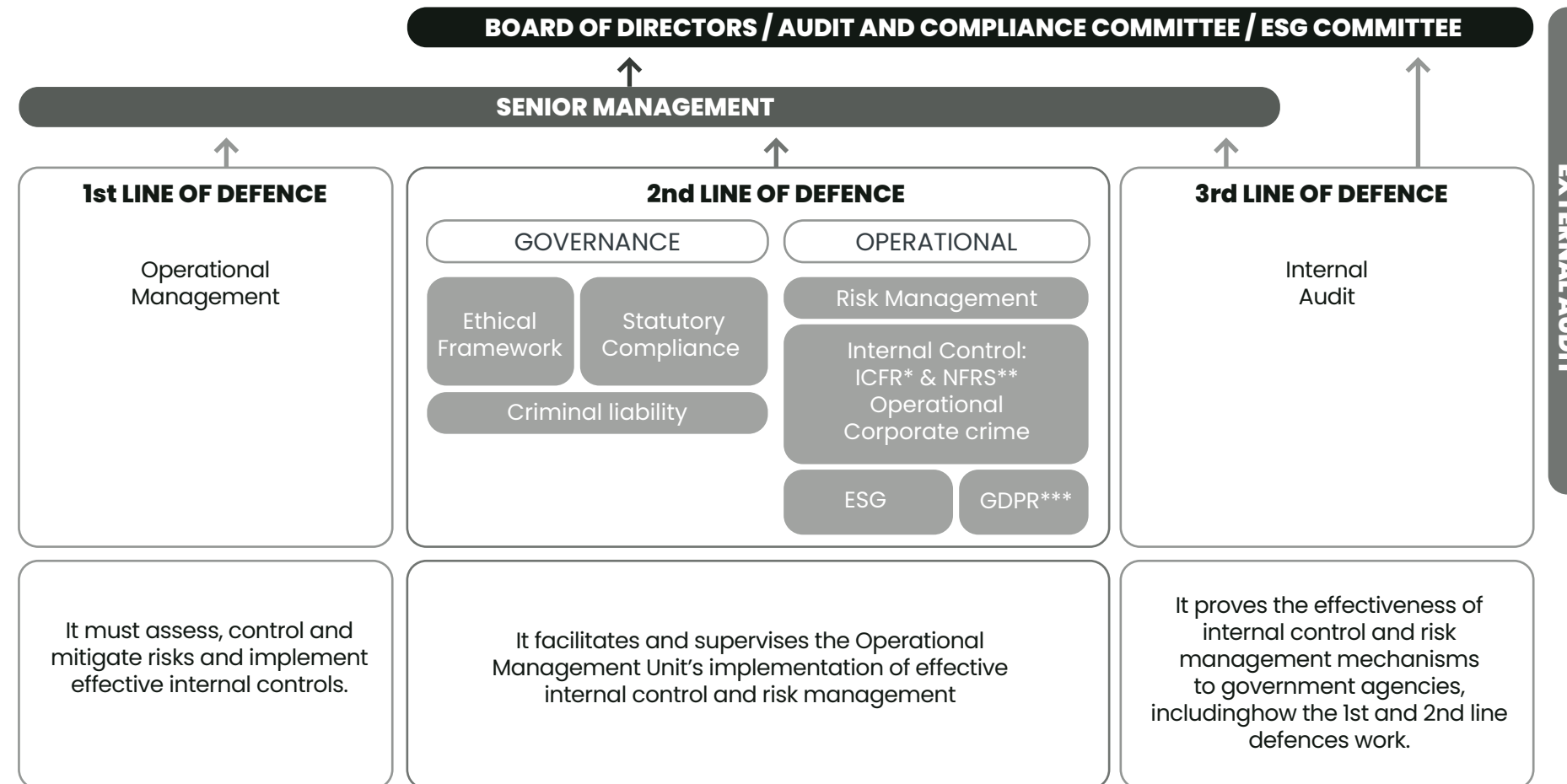
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LINES OF DEFENCE



(*) ICFR: Internal control over financial reporting
 (**) NFRS: Internal control over non-financial reporting
 (***) GDPR: General Data Protection Regulation

The Compliance Department supervises over 250 controls

Risk supervision and management is performed using the Risk Management and Process Control modules of the SAP GRC tool which operates across all of the group's productive facilities, irrespective of whether they have an SAP enterprise resource planning (ERP) system or not.

Each risk is assigned specific controls, many of which are automatic; their performance is allocated to different owners and in the event of incidents, traceable, timed action plans are triggered. In all, the Compliance Department supervises over 250 controls, applied at the individual factory, business division and corporate office levels, under the scope of its internal control over financial reporting (ICFR) and internal control over non-financial reporting (ICNFR) systems. The ICNFR system includes controls over ESG, criminal, compliance, IT and data protection risks.

The results are reviewed as part of the Internal Audit Department's annual audit plan as well as being submitted to senior management for review and approval.

All of the internal audit work is performed through the Audit Management module within SAP GRC, in place across the various local internal audit areas in Brazil, Mexico, India and Europe. Having risk management, internal control and internal audit integrated within the same control tool (i.e., SAP GRC) creates synergies by unlocking work efficiencies and generating value for the business divisions by sharing experiences and success stories.

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Process mining project

Process mining is a technique designed to discover, monitor, and improve real business processes (such as purchase order and payment management processes) by extracting readily available knowledge from the event logs of information systems. With process mining, aided by artificial intelligence, it is possible to quickly visualise, identify and quantify bottlenecks and inefficiencies across the business, so delivering the following benefits, among others:

- Increased efficiency by removing bottlenecks, improving cycle times and streamlining processes.
- Cost reduction associated with duplicity, rework and manual processes.
- Improved compliance by detecting non-compliant processes or possible cases fraud.
- Continuous business optimisation by improving processes and monitoring them in real-time.

In 2023, with the aim of making the company's internal control system more efficient, CIE Automotive embarked on a process mining project with Celonis (the tool provider) and the consultancy, Deloitte.

The goal of this project is to establish use cases that, by interconnecting all of the company's ERPs around the world, help generate value in the company's business processes by detecting inefficiencies and optimising processes. In short, the idea is to improve processes by detecting bottlenecks, identifying the best routes to achieving a given objective, as well as flagging any potential cases of fraud. . This translates into the establishment of numerical indicators and scorecards that make it easier for the business and corporate managers to understand and monitor the data.

In 2023 the company managed to implement process mining in the production SAP environments in Europe and at Datasul in Brazil and the tool is

under development in the S/4 HANA environment of the roof systems division (with global reach) and the SAP environments in Mexico, India and in other environments in Europe.



6.7

Integration of ESG aspects

Beyond the financial objectives intrinsic to its business activity and value creation purpose, CIE Automotive integrates other moral, social and environmental considerations, aligned with the United Nations 2030 Agenda, into its processes and actions. In 2023 the company continued to make progress on these aspects, as measured by the goals established in its 2025 Strategic Plan.

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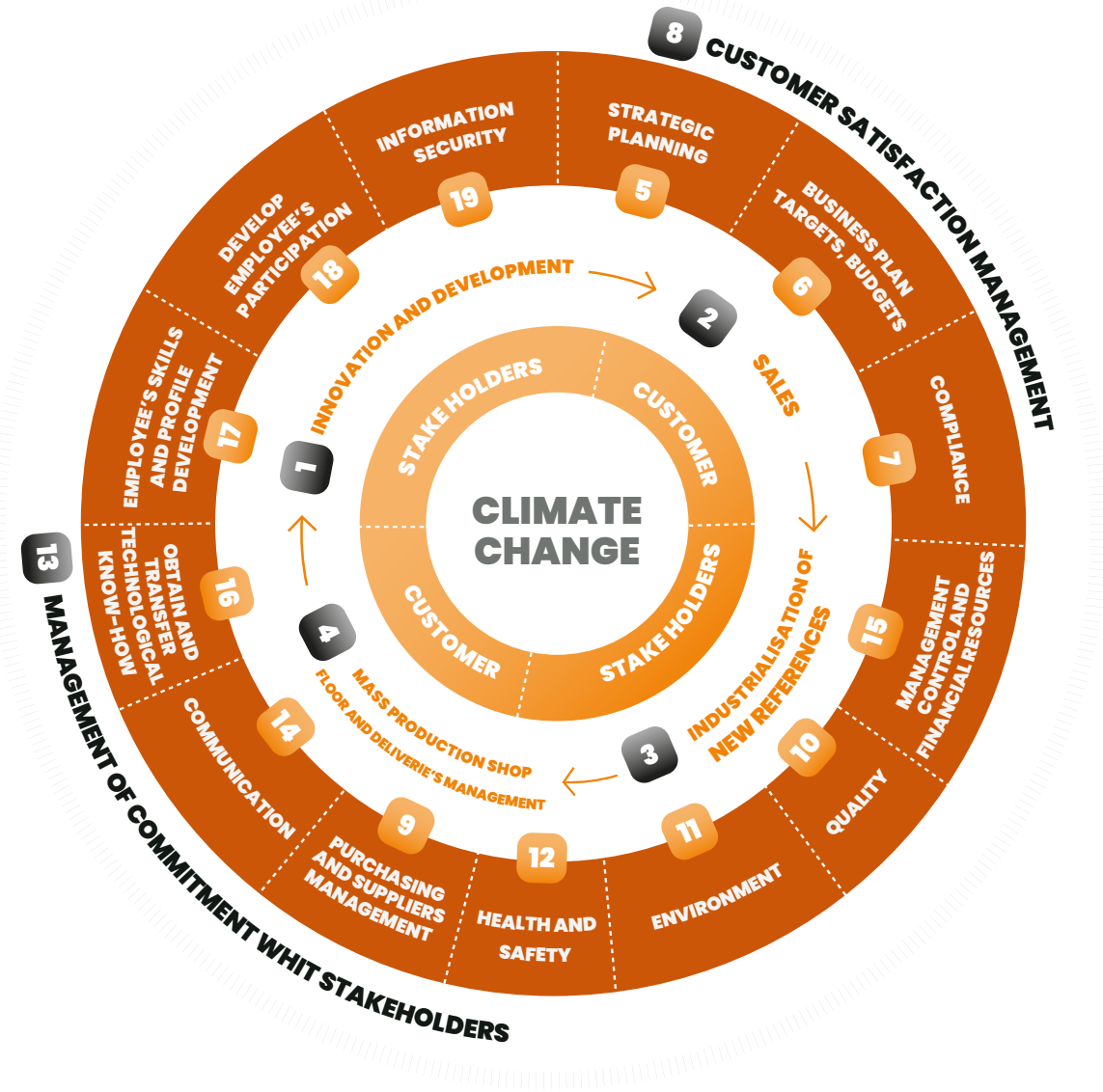
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Integration in the process map

The company's ESG criteria are seamlessly integrated into all of its activities and decisions. The group's process map, updated for the eleventh time in 2022, has climate change front and centre, while also featuring some of the core aspects of CIE Automotive's culture:

- Mission, vision and values
- Stakeholders
- Process map
- Policies
 - Quality
 - Environment
 - Health and safety
 - IT security

CIE AUTOMOTIVE PROCESS MAP



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ESG achievements in 2023

In 2023 the company made fresh progress on a number of its ESG targets, while delivering the 79 specific KPIs set down in its 2025 Strategic Plan.

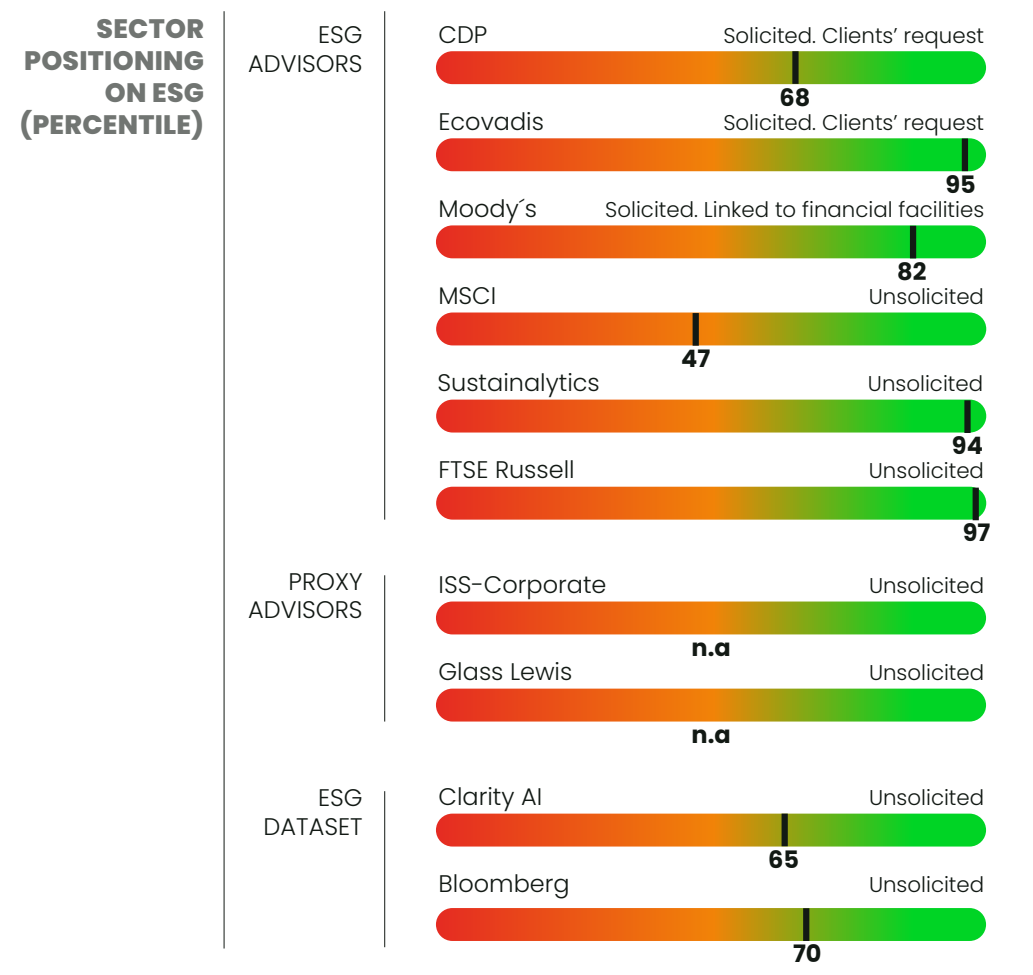
- **New SDG 7:** CIE Automotive added SDG 7 “Affordable and clean energy” to its contributions to the 2030 Agenda in 2023. This commitment has translated into investments in clean energy, the implementation of technology to reduce energy consumption across its facilities and a constant search for energy efficiencies.
- **ESG training at the global level.** To get everyone at CIE Automotive to see and understand the importance of its ESG goals, the company has an online platform that explains its strategic approach and provides ESG training to its employees (to more than 6,500 online and to everyone worldwide via printed brochures).
- **New Whistleblowing channel:** In 2023 CIE Automotive rolled out a new online platform to make it easier for its employees and other stakeholders to confidentially report inappropriate or criminal conduct, so complying with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and its transposition into law in the various European jurisdictions where the Company operates on the protection of persons who report breaches of Union law.
- **Expansion of the international criminal risk map.** In 2023 the company took new steps in building a truly global criminal risk map by adding three new markets: Italy, Romania and Slovakia. The analysis has also been completed in Portugal where the map will be implemented in the first quarter of 2024.
- **Expansion of the Supply Chain Race 2 Zero project:** This is the company's effort to help its suppliers decarbonise by supporting and monitoring suppliers who are having difficulties reducing their emissions.
- **Update of the materiality matrix:** The matrix was updated in 2023 thanks to the feedback gleaned from over 1,500 employee surveys and information collected from customers, analysts and investors.

Sector outperformance on ESG scores

CIE Automotive's ESG performance is tangible in the scores awarded by a number of independent sustainability agencies. Most of these scores, except for those associated with financing operations, have not been solicited by the company. These specialists rate CIE Automotive on aspects related with its environmental impact, social practices and governance structure.

CIE Automotive's scores are strong and reflect outperformance relative to most of its sector peers. The results confirm the effectiveness of the measures taken in recent years to address crucial ESG matters.

Note that CIE Automotive climbed a whole notch on the CDP's ESG ratings, from C to B, on the basis of the data for 2023, implying an increase in score of over 30 points, from 34 to 68.



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CIE Automotive's Annual Report provides comprehensive and detailed information about the performance of CIE Automotive, S.A. and its subsidiaries along the economic, financial, environmental, social and governance dimensions in 2023 in all of the countries in which it operates. The scope of the financial and non-financial information is, therefore, global.

In order to facilitate comparability, the document also provides information for prior years. The reader should note that in October 2023 the group sold the German forging business that was owned by Forging Germany GmbH (formerly, Mahindra Forgings Europe AG) and its subsidiaries, to an investee of Mutares United GmbH.

And in May 2023 it completed the acquisition, through Autometal, of 100% of Iber-Oleff Brasil Lda. in Brazil.

In 2023 the group also acquired the Hungarian company Salgglas, which specialises in the manufacture of safety glass for cars.



METHODOLOGY

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This report expounds on the relevant topics identified as a result of the materiality assessment conducted annually on the basis of questionnaires and analysis carried out to detect the topics deemed most important due to their significance for the company and its stakeholders and due to their perceived level of attention within the organisation.

Throughout the entire process of collecting and presenting its financial and non-financial information, CIE Automotive bears in mind the principles of transparency, materiality, comparability, timeliness, clarity and reliability needed to assure the quality of the information reported.

The techniques used to measure and calculate the data provided, along with any estimates made, are explained in the corresponding tables or chapters of the report as necessary to facilitate reader comprehension.

Non-financial reporting process

This report, which is appended to the consolidated management report as a separate document, includes constitutes CIE Automotive's 2023 non-financial statement (NFS) and provides information about the environmental, social and governance (ESG) activities of CIE Automotive S.A. and its investees during the year across the 18 countries where it does business. The Chinese joint venture, SAMAP, is excluded from the scope as it is accounted for using the equity method.

However, in order to confirm that, despite being an equity-accounted investee, the ESG risks to which the group is exposed through its joint venture in China are not material for CIE Automotive, a self-assessment was conducted on the basis of the contents of Spanish Law 11/2018 on non-financial and diversity reporting. That assessment revealed the existence of a working methodology at the joint venture around ESG matters, with specific targets and indicators, that is aligned with CIE Automotive's methodology.

The non-financial disclosures were prepared in keeping with Spanish Law 11/2018 and the non-binding guidelines on non-financial reporting issued by the European Commission on 5 July 2017 (EU Guidelines 2017/C 215/01) and the GRI Standards.

The non-financial statement, which is part of this Annual Report, was assured KPMG Auditores, S.L., which also audited the group's annual financial statements. The Audit and Compliance Committee is tasked with ensuring that firm's independence.

The non-financial information, which is part of the NFS, included in this report was compiled with the input and oversight of the heads of all of the various departments and areas:

- The Compliance Department is ultimately responsible for its preparation and coordination, albeit ably assisted by the Cross-Group ESG Committee.
- The Board of Directors is ultimately responsible for approving its issue, along with the management report. The Board of Directors is kept regularly abreast of the most significant environmental, social and governance matters by the ESG Committee.

To round out the information about the group's activities throughout the year, a number of other statutory reports are available for download on the corporate website: separate and consolidated annual financial statements and management report, Annual Corporate Governance Report and Annual Report on Board Remuneration, along with all of the presentations published about different aspects of the group or in the specific website tabs devoted to specific stakeholder groups.

The scope of the social and environmental impact information included in this Report is the same as the financial scope considered in CIE Automotive, S.A.'s consolidated financial statements, in addition to the forged parts business in Germany (carried on by Schöneweiss & Co. GmbH, Gesekschmiede Schneider GmbH, Falkenroth Umformtechnik GmbH and Jeco Jellinghaus GmbH), assets classified as held for sale in 2023 that were part of the group until July 2023.

Therefore, **all of the tables containing non-financial information throughout the report (except those providing year-end data) include the data for the discontinued German forging operations until 30 June 2023.**

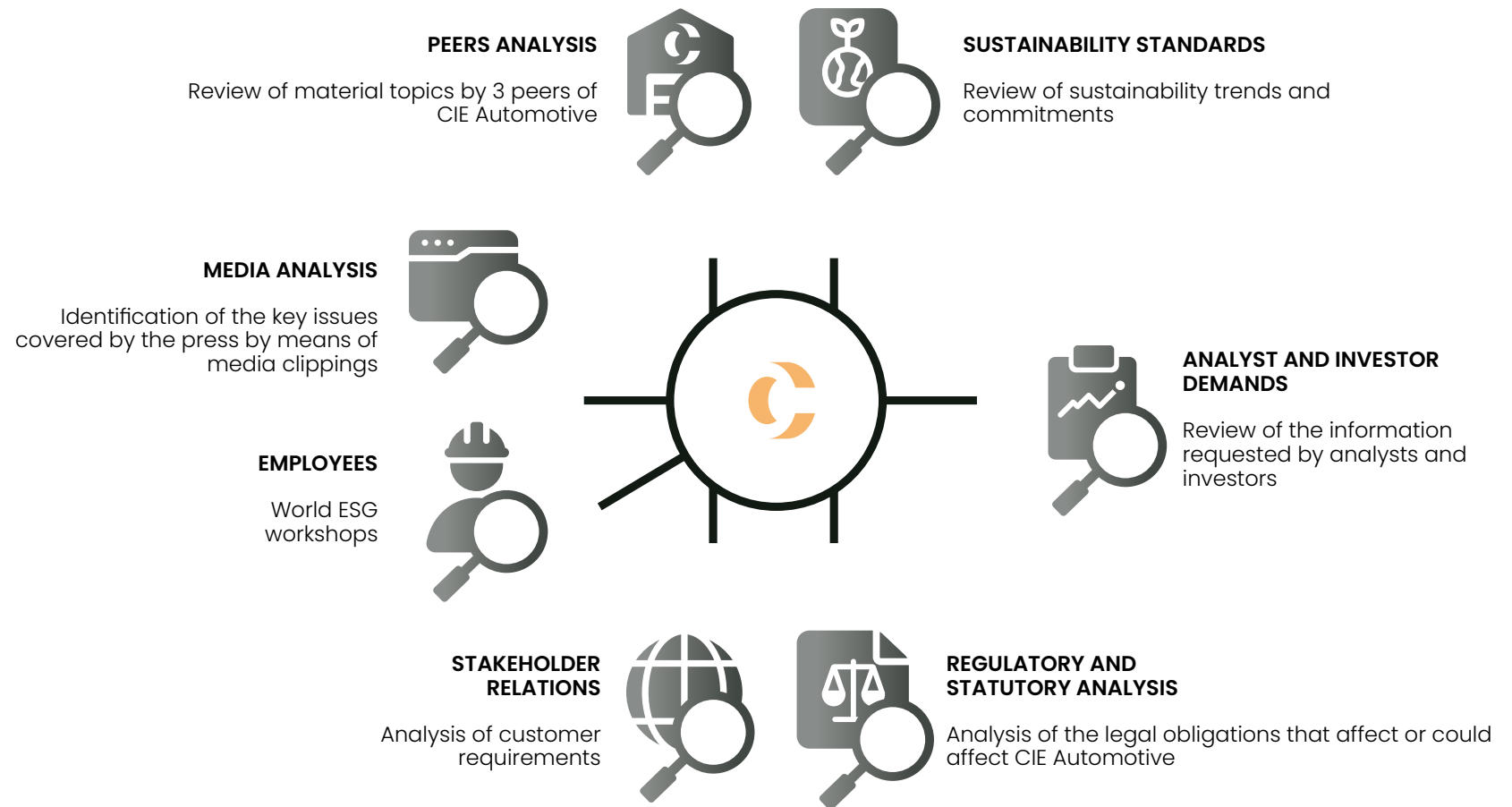
For a better understanding of the information, the "Data tables" section discloses the information for the discontinued German operations separately.

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MATERIALITY

This report aims to provide information that is material for the company and its stakeholders in order to understand expectations and plan appropriate responses. In 2023, the company updated its materiality assessment so as to identify the matters of greatest importance for the company and its stakeholders. During that process it consulted internal and external sources and considered a time horizon aligned with the current 2025 ESG Plan.

To update the assessment, the group analysed internally the topics considered material for CIE Automotive, sector and customer sustainability trends and commitments, regulatory developments and the demands of analysts, investors and other stakeholders.



In 2023, the company **updated its materiality assessment**

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Material topics
in 2023

The 2023 update revealed a shift in the perceived importance of some of the key matters identified as material in 2022. In line with growing regulations and stakeholder demands (mainly the sector and public organisations), new forms of mobility (closely related with the latest market trends), geopolitics (both of which are risks flagged in the risk map) and sustainable supply chain management emerged as more significant and now occupy prominent spots on the ranking of material ESG topics.

MATERIAL TOPICS RANKED BY IMPORTANCE

RANKING	TOPIC	ESG AREA
1	Responsible supply chain management	Social
2	Expert talent management	Social
3	Customer satisfaction	Social
4	New forms of mobility	Environmental
5	Geopolitics	Governance
6	Innovation to drive efficiency	Environmental
7	Risk management	Governance
8	Strong corporate governance	Governance
9	Circular economy: efficient use of resources and waste management	Environmental
10	Respect for human rights	Social
11	Workplace health and safety	Social
12	Climate change	Environmental
13	Ethics and compliance	Governance
14	Employee wellbeing	Social
15	Environmental impact	Environmental
16	Equality, diversity and inclusion	Social
17	Privacy and data protection	Governance
18	Community relations	Social
19	Product quality and safety	Social
20	Growth and responsible investment	Governance
21	Stakeholder engagement	Social
22	Reputation	Governance
23	Transparency	Governance

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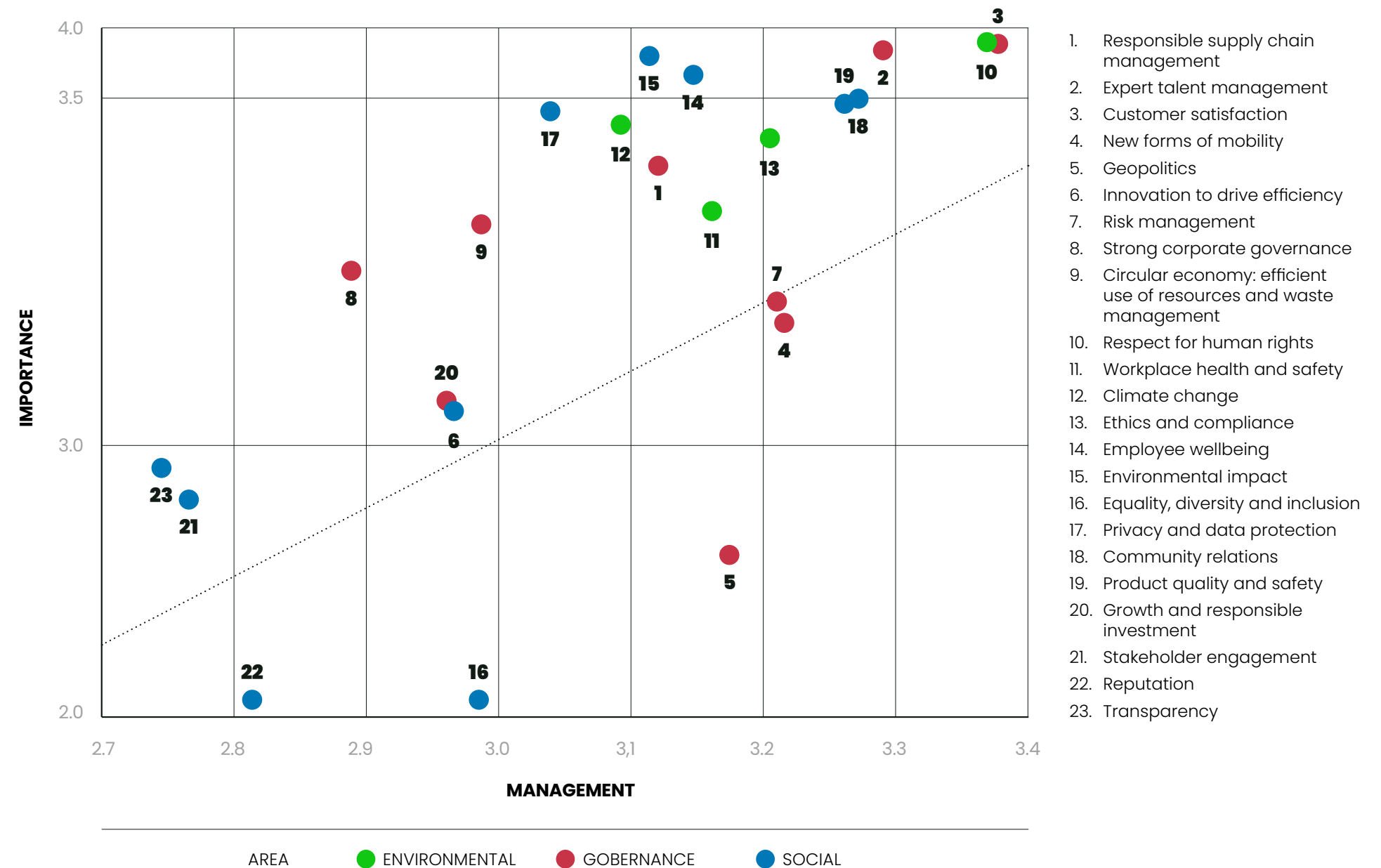
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The importance ascribed to each material topic, coupled with the perception of how well each one is being managed, yielded the following materiality matrix, which in turn formed the basis of the 2025 Strategic Plan and the contents of this Annual Report.

All ESG topics that lie above the dividing line are matters whose importance is greater than the level of attention they are currently receiving and therefore constitute the ESG matters the company needs to focus on. The greater the distance between the ESG topic in question and the dividing line, the more the company needs to prioritise it.

MATERIALITY MATRIX



Explanatory note of the matrix: in the questionnaires for updating the materiality analysis, the minimum scale score is 1 and the maximum is 4. Given the results atomized between scores 2 and 3, without extremes, the resulting matrix is shown on their axes starting from a value of 2.7, which means that all issues have been valued on that scale from 1 to 4, above 2.7

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Registered name	CIE Automotive S.A.
Registered office	Alameda Mazarredo, 69 – 8º 48009 Bilbao, (Bizkaia)
Telephone number	Spain : +34 946 054 835
Website	www.cieautomotive.com
Share capital	29,951,871.00€
No. of shares	119,807,484
Par value	€0.25/share
Business activity	Manufacture of automotive parts.
Markets	CIE Automotive is present in 17 countries its shares are listed on the Spanish stock market.

Dedicated channels for
each stakeholder group:*

ESG and community relations:
Susana Molinuevo esg@cieautomotive.com

Professionals:
Aitor Zazpe hr@cieautomotive.com

Investor relations and business partners:
Lorea Aristizabal ir@cieautomotive.com

Customers and sector:
Mikel Orbegozo sales@cieautomotive.com

Supply chain:
Irache Pardo purchasing@cieautomotive.com

Financiers:
Irache Pardo financierocie@cieautomotive.com

Public relations:
compliance@cieautomotive.com

(*) Also included on the corporate website.

GLOSSARY

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EBITDA:

Earnings before interest, tax, depreciation and amortisation.

Adjusted EBITDA:

EBITDA for the last 12 months (LTM) including 50% of the EBITDA of the Chinese JV, SAMAP, which, on the basis of the existing agreements with the other venturer, is accounted for using the equity method.

EBIT:

Earnings before interest and tax.

Net Profit:

Profit attributable to owners of the parent.

Net debt (ND):

Borrowings from banks and other financial institutions less cash and cash equivalents and less other current financial assets.

Adjusted net debt:

Net debt including 50% of the net debt of the Chinese JV, SAMAP, which, on the basis of the existing agreements with the other venturer, is accounted for using the equity method.

Fixed assets:

Property, plant and equipment, intangible assets, including goodwill, rights of use over leased assets (IFRS 16), investments accounted for using the equity method and assets and liabilities held for sale.

Maintenance capex:

CAPEX designed to update the facilities with a view to handling anticipated organic market growth.

Cash flow from operations:

EBITDA – Interest expense paid – Tax paid – Maintenance CAPEX – IFRS 16 leases / EBITDA corrected for the impact of IFRS 16.

TRACING COMPLIANCE WITH SPAIN’S LAW ON
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Brief description of the undertaking’s business model, including disclosures related to: 1) their business environment; 2) their organisation and structure; 3) the markets where they operate; 4) their objectives and strategies; 5) the main trends and factors that may affect their future development	1	Yes	Contact details	231
	3-3	Yes	We create value for our shareholders	78-81
	2-1	Yes	Contact details Geographical balance	235 30
	2-6	Yes	A genuine business model Contact details Geographical balance Corporate governance bodies	29-35, 189-198
	2-22	Yes	Chairman and CEO’s statement	3-5
A description of the policies pursued by the undertaking in relation to those matters, including: 1) The due diligence processes implemented in order to identify, evaluate, prevent and mitigate significant risks and adverse impacts. 2) The monitoring and control processes, specifying which measures have been taken.	3-3	Yes	Excellence with and for our customers Our team: the people behind the transformation Change begins with our suppliers Our response to the environmental challenge Responsible management Compromisos que nos inspiran The commitments that inspire us	82-86 100, 102, 107-111 120-122, 126- 131 144-146, 150, 156, 161 187, 189, 197, 199-207, 227-228 37-40 32-44
The outcomes of those policies, including the pertinent non-financial key performance indicators that are most useful in: 1) monitoring and assessing progress 2) supporting comparability across companies and sectors, relying on broadly recognised national, EU-based or international frameworks for each issue	3-3	Yes	Excellence with and for our customers Our team: the people behind the transformation Change begins with our suppliers Our response to the environmental challenge Responsible management Our sustainable growth strategy	82 90-103, 108-112 116-117, 120-132 142-146, 149-150 190-191, 199 46-53

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The principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas; and - How the undertaking manages those risks; - Explaining the processes used to identify and assess those risks, using broadly recognized national, EU-based or international frameworks for each issue. - Reporters must include information about any impacts identified, providing a breakdown of those impacts, in particular in relation to the principal short-, medium- and long-term risks.	3-3	Yes	Risk management Change begins with our suppliers Environmental risk management Corporate crime prevention model	207-217 133-134 168-183 218-223
Non-financial key performance indicators relevant to the undertaking's particular business that are comparable, useful, relevant and consistent. - In order to facilitate comparability of non-financial disclosures, over time and among undertakings, reporters should rely particularly on nonfinancial KPIs that that are generally applicable and meet the European Commission's guidelines in this respect and specifically the Global Reporting Initiative standard. Reporters should specify which national, EUbased or international reporting framework they rely on in each instance. - Undertakings must provide relevant key performance indicators for each section of their non-financial statements. - These indicators should be useful taking into account their specific circumstances. The KPIs should be consistent with metrics actually used by the group in its internal management and risk assessment processes. - Regardless, the information provided should be accurate, comparable and verifiable. Other information of use about how the document was prepared - Reporting practice.	3.3	Yes	Excellence with and for our customers Our team: the people behind the transformation Change begins with our suppliers Our response to the environmental challenge Responsible management Our sustainable growth strategy Materiality	82 90-103, 108-112 116-117, 120-132 142-146, 149-150 190-191, 199 46-53 232

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ENVIRONMENTAL MATTERS				
ENVIRONMENT OVERALL				
1) Detailed information about the current and foreseeable impacts of the undertaking's activities on the environment and, as appropriate, on health and safety, and environmental assessment and certification processes. 2) The resources dedicated to preventing environmental risks. 3) Application of the principle of prevention, the amount of provisions and guarantees for environmental risks.	3-3	Yes	Our response to the environmental challenge	142-151, 156-164
	2-23	Yes	Ethics framework	142-151, 156-164
POLLUTION				
1) Measures to prevent, reduce or repair the carbon emissions that seriously impact the environment;	3-3, 305-7	Yes	Pollution control	156-160
2) Taking into consideration any form of air pollution specific to the business, including noise and light pollution.	3-3	Yes	Pollution control	156-160

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CIRCULAR ECONOMY, PREVENTION AND WASTE MANAGEMENT				
Circular economy	3-3	Yes	Eco-efficiency and circularity Circular economy	50-53 161
Waste: Measures for the prevention, recycling, reuse and other forms of recovering and eliminating waste	3-3	Yes	Circular economy	164
	306-1	Yes	Circular economy	164
	306-2	Yes	Circular economy	164
	306-3	Yes	Data tables	267-269
	306-4	Yes	Data tables	267-269
	306-5	Yes	Data tables	267-269
Initiatives undertaken to eliminate food waste	N.A.	No		N.A.
SUSTAINABLE USE OF RESOURCES				
Water consumption and supply, in keeping with local limitations	3.3	Yes	Circular economy Environmental management tables	161-162 265
	302-1	Yes	Environmental management tables	265
Consumption of raw materials and measures taken to use them more efficiently	302-3	Yes	Circular economy	161
	301-1	Yes	Raw materials	163
	301-2	Yes	Raw materials Environmental management tables	163 266

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Direct and indirect energy consumption, measures taken to enhance energy efficiency and use renewable sources	3-3	Yes	Pollution control	156-160
	302-1	Yes	Pollution control Data tables	156, 157 270
	302-3	Yes	Pollution control Data tables	156, 157 273
CLIMATE CHANGE				
The important aspects of the greenhouse gas emissions generated as a result of the undertaking's activity, including through use of the goods and services it produces.	3-3	Yes	Pollution control	156-157
	305-1	Yes	Emissions Environmental management tables	159 271
	305-2	Yes	Emissions Environmental management tables	159 271
	305-4	Yes	Environmental management tables	274
The measures adopted to adapt for the consequences of climate change	3-3, 201-2	Yes	Climate neutrality roadmap	146-150
Any medium- and long-term GHG emission-cutting targets voluntarily adhered to and the measures implemented to that end.	3-3, 305-5	Yes	Climate neutrality roadmap	146-150
EU Taxonomy Regulation	CIE Automotive's own methodology developed based on Article 8 of the European Taxonomy	Yes	Contribution to the decarbonisation of transport Template Annex II Commission Delegated Regulation (EU) 2021/2178	165-167 275-278

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BIODIVERSITY PROTECTION				
Measures taken to preserve or restore biodiversity	N.A.	No		N.A.
Impacts caused by the undertaking's activities or operations on protected areas.	N.A.	No		N.A.
SOCIAL AND EMPLOYEE MATTERS				
EMPLOYMENT				
Total number and breakdown of employees by gender, age, country, job category and abilities.	3-3	Yes	Employment and diversity	90-94, 100, 102
	405-1	Yes	Employment and diversity Consejo de Administración	90-94, 263 190
Total number and breakdown by contract category.	2-7	Yes	Employment and diversity	100
Average headcount during the year by permanent/temporary/part-time contracts by gender, age and job category.	2-7	Yes	Employment and diversity	There were no significant changes in the group's headcount during the year, so that only the year-end figures are reported.
Number of dismissals by gender, age and job category.	3-3, 401-1 with respect to the distribution of registrations and deregistrations by age and sex	Yes	Employment tables	263
Average earnings and trend broken down by gender, age, job category or equivalent metric.	3-3	Yes	Employment and diversity Employment tables	94 264

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Wage gap, remuneration per equivalent job or company average.	3-3, GRI 405-2 with respect to the ratio of women's and men's salaries by category and by geographical location	Yes	Employment and diversity Employment tables	94 264
Average remuneration for directors and executives, including bonuses, attendance fees, termination benefits, long-term savings/pension benefits and any other compensation, broken down by gender.	3-3	Yes	Corporate governance bodies	199
	2-19	Yes	Corporate governance bodies	199
	2-20	Yes	Corporate governance bodies	199
Implementation of policies regarding the right to disconnect from work.	3-3	Yes	Employment and diversity	102
Employees with disabilities.	3-3, 405-1	Yes	Employment and diversity	91
ORGANISATION OF WORKING HOURS				
Organisation of working hours.	3-3	Yes	Employment and diversity	101-102
Absenteeism (in hours).	3-3	Yes	Employment and diversity	102
Measures designed to facilitate work-life balance and sharing of caring responsibilities.	3-3	Yes	Employment and diversity	101-102

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OCCUPATIONAL HEALTH AND SAFETY				
Occupational health and safety.	3-3	Yes	Health and safety	109-111
	403-5	Yes	Health and safety	111-112
Workplace accidents, specifying frequency and severity and work-related illnesses, broken down by gender.	403-9	Yes	Health and safety	111-112
	403-10	Yes	Health and safety	111-112
MANAGEMENT-EMPLOYEE RELATIONS				
How management-employee dialogue is organised, including procedures for informing and consulting employees and negotiating with them.	3-3	Yes	A good place to work	102, 107
Percentage of employees covered by collective bargaining agreements by country.	2-30	Yes	A good place to work	107
Assessment of collective bargaining agreements, particularly with respect to workplace health and safety.	3-3, 403-4	Yes	A good place to work	107
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	3-3	Yes	A good place to work	102, 107

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TRAINING				
Training policies in place.	404-2	Yes	Employment and diversity A good place to work	90 103, 105
Total training hours by job category.	3-3, 404-1 with respect to with respect to total hours of training training by gender and professional professional category	Yes	A good place to work	103
Accessibility for persons with disabilities.	3-3	Yes	Employment and diversity	95-97
EQUALITY				
Measures taken to foster equal treatment of and opportunities for men and women	3-3	Yes	Employment and diversity	92
Equality Plans (Chapter III of Organic Law 3/2007, of 22 March 2007, on effective gender equality), measures taken to foster employment, antisexual/gender harassment protocols, integration of and accessibility for persons with disabilities	3-3	Yes	Employment and diversity	92
Non-discrimination policies and diversity management policies	3-3	Yes	Employment and diversity A good place to work Ethics framework	92 108 200-203

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HUMAN RIGHTS				
Human rights due diligence procedures, processes and arrangements for preventing human rights abuses and any measures taken to mitigate, manage and repair possible abuses that have materialised.	3-3	Yes	Defence of human rights	205
	2-23	Yes	Defence of human rights	99, 205
	2-26	Yes	Defence of human rights	99, 205
Claims of human rights abuses.	3-3, 406-1	Yes	Defence of human rights	202, 205
Promotion of and compliance with the provisions contained in the International Labour Organisation's fundamental conventions on the freedom of association and the right to collective bargaining.	407-1	Yes	Defence of human rights	205
Elimination of workplace discrimination.	3-3	Yes	Employment and diversity A good place to work Ethics framework	92 108 200-203, 205
	406-1	Yes	Defence of human rights	205
Elimination of forced or compulsory labour	409-1	Yes	Ethical labour relations ESG supplier portal Defence of human rights	108 125 205
Effective abolition of child labour	408-1	Yes	Ethical labour relations ESG supplier portal Defence of human rights	108 125 205

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CORRUPTION AND BRIBERY				
Measures taken to prevent corruption and bribery.	3-3	Yes	Anti-corruption and bribery effort Stakeholder engagement	204 70
	2-23	Yes	Anti-corruption and bribery effort	204
	2-26	Yes	Anti-corruption and bribery effort Stakeholder engagement	204 70
	205-2	Yes	Anti-corruption and bribery effort Stakeholder engagement	204 70
	205-3	Yes	Anti-corruption and bribery effort Stakeholder engagement	204 70
Measures taken to combat money laundering.	3-3, 2-23, 2-26, 205-2	Yes	Corporate crime prevention model Anti-corruption and bribery effort Stakeholder engagement	218-219 204 70
Contributions to non-profit entities.	2-28	Yes	Community work	140

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SOCIETY				
COMMITMENT TO SUSTAINABLE DEVELOPMENT				
Impact of the undertaking's activities on society in terms of employment and local development.	3-3	Yes	Community work Corporate policies	140-141 203
	201-1	Yes	Community work Corporate policies	140-141 203
	202-2	Yes	Community work Corporate policies	140-141 203
	204-1	Yes	Community work Corporate policies	140-141 203
Impact of the undertaking's activities on society in terms of local communities and territories.	3-3, 201-1	Yes	Community work	140-141
	3-3, 204-1	Yes	Community work	140-141
	413-1	Yes	Community work	140-141
Engagement with local community representatives; communication channels in place.	2-29	Yes	Stakeholder engagement Corporate policies	70 203
	204-1	Yes	Stakeholder engagement Corporate policies	70 203
	413-1	Yes	Stakeholder engagement Corporate policies	70 203
Membership of associations and sponsorships	3-3, 2-28	Yes	Our role in the transformation of the automotive sector Community work	139 140-141

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OUTSOURCING AND SUPPLIERS				
- Inclusion in the purchasing policy of social, gender equality and environmental matters. - Contemplation of social and environmental records in supplier and subcontractor engagement.	2-6	Yes	Change begins with our suppliers	120-125, 130
	3-3	Yes	Change begins with our suppliers	130
	204-1	Yes	Change begins with our suppliers	128
	308-1	Yes	Change begins with our suppliers	123
	414-1	Yes	Change begins with our suppliers	128-132
Supervision and audit systems and their outcomes.	2-6	Yes	Gestión de los riesgos de la cadena de suministro	133
CONSUMERS				
Consumer health and safety measures.	3-3	No		N.A.
Consumer claims, complaints and remediation systems.	3-3	No		N.A.
TAX INFORMATION				
Country-by-country profits. Corporate income tax paid.	3-3	Yes	A source of progress for the community	136
	207-4	Yes	A source of progress for the community	138
Government grants received	201-4 with respect to public subsidies received	Yes	A source of progress for the community	138

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Independent Assurance Report on the Consolidated Non-Financial Information Statement of CIE Automotive, S.A. and subsidiaries for 2023

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of CIE Automotive, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of CIE Automotive, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2023, included in the accompanying Group Annual Report 2023 (hereinafter the "Report"), which forms part of the consolidated Directors' Report of the Group for 2023.

The Report includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Tracing compliance with Spain's Law on Non-Financial Information and Diversity reporting" table of the accompanying Report.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Report, which forms part of the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Tracing compliance with Spain's Law on Non-Financial Information and Diversity reporting" table of the aforementioned Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the Report was obtained.

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N.I.F. 45.780.0123



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Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of professional integrity, objectivity, competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM1), which requires the firm to design, implement and operate a quality management system that include policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2023 based on the materiality analysis performed by the Group and described in the "Materiality" section of "About this report", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2023.



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- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2023.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of CIE Automotive S.A. and subsidiaries for the year ended 31 December 2023, included in the accompanying Report, has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Tracing compliance with Spain's Law on Non-Financial Information and Diversity reporting" table of the aforementioned Report.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and the Delegated Acts adopted in accordance with this Regulation, stipulate the obligation to disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and with respect to certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for the 2023 fiscal year, in addition to the information on eligible and aligned activities already required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Consequently, no comparative information on eligibility has been included in the accompanying Report in relation to the other environmental objectives listed above or to the new activities included in the climate change mitigation and climate change adaptation objectives. Furthermore, as much as the information on 2022 was not required to be as detailed as in 2023, the disclosures included in the accompanying Report are not strictly comparable. Additionally, the Directors of CIE Automotive, S.A. have included information on the criteria that, in their opinion, allow them to comply better with the aforementioned obligations, and which are defined in the "Compliance with Regulation (EU) 2020/852 regarding climate-related taxonomy" section of the accompanying Report. Our conclusion is not modified in respect of this matter.



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Other Matters

On 24 February 2023, a different assurance provider issued a favourable independent assurance report on the Consolidated Non-Financial Information Statement of CIE Automotive S.A. and subsidiaries for 2022.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot
23 February 2024

GRI CONTENT
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Statement of use

CIE Automotive reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

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TOTAL NUMBER AND DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACTS

	2022	2023
Indefinite contracts	21,112	20,859
Temporary contracts	3,874	4,435
Total no of people	24,986	25,294
Indefinite contracts	24,843	25,182
Temporary contracts	143	112
Total no of people	24,986	25,294

TOTAL NUMBER AND BREAKDOWN OF EMPLOYEES BY GENDER, AGE AND JOB CATEGORY

2022	Men (M)			Total	Women (W)			Total	TOTAL
	<30	30-50	>50	M	<30	30-50	>50	W	
Management Committee	0	1	5	6	0	4	0	4	10
Executives	10	601	258	869	7	83	20	110	979
University graduates	1,413	3,539	831	5,783	320	712	141	1,173	6,956
Tradesmen and women	3,927	7,707	2,100	13,734	796	1,893	618	3,307	17,041
Total	5,350	11,848	3,194	20,392	1,123	2,692	779	4,594	24,986
2023	Men (M)			Total	Women (W)			Total	TOTAL
	<30	30-50	>50	M	<30	30-50	>50	W	
Management Committee		1	5	6		4		4	10
Executives	11	598	266	875	11	82	26	119	994
University graduates	1,290	3,557	922	5,769	365	727	162	1,254	7,023
Tradesmen and women	4,094	7,367	2,058	13,519	853	2,173	722	3,748	17,267
Total	5,395	11,523	3,251	20,169	1,229	2,986	910	5,125	25,294

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TOTAL NUMBER AND BREAKDOWN OF
EMPLOYEES BY COUNTRY

Country	2022	2023
Germany	793	110
Brazil	2,901	3,385
China	1,525	1,365
Korea	2	6
Slovakia	558	488
Spain	2,315	2,299
France	289	270
Netherlands	4	4
Hungary	0	359
India	7,389	7,501
Italy	429	415
Lithuania	225	231
Morocco	74	62
Mexico	5,384	5,700
Portugal	280	270
Czech Republic	560	557
Romania	544	621
Russia	42	31
US	1,672	1,620
TOTAL CIE AUTOMOTIVE	24,986	25,294

NUMBER OF DISMISSALS BY GENDER,
AGE AND JOB CATEGORY

2022	Men			Total	Woman			Total	TOTAL
	<30	30-50	>50	H	<30	30-50	>50	M	
Executives	0	15	6	21	0	3	1	4	25
University graduates	62	165	35	262	29	39	8	76	338
Tradesmen and women	427	328	81	836	82	106	29	217	1,053
Total	489	508	122	1,119	111	148	38	297	1,416
2023	Men			Total	Woman			Total	TOTAL
	<30	30-50	>50	H	<30	30-50	>50	M	
Executives	0	7	8	15	0	6	1	7	22
University graduates	62	141	27	230	33	44	8	85	315
Tradesmen and women	269	414	124	807	95	138	28	261	1,068
Total	331	562	159	1,052	128	188	37	353	1,405

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AVERAGE EARNINGS AND TREND BROKEN DOWN BY GENDER, AGE, JOB CATEGORY OR EQUIVALENT METRIC

	Average annual pre-tax earnings*		Age			Category		
	Men	Women	<30 years	30-50	>50 years	Executives	University graduates	Tradesmen and women
2022	18,969	17,997	8,837	18,883	35,166	65,514	22,424	14,618
2023	18,960	17,510	9,404	18,740	33,457	64,989	22,761	14,380

*All of the average annual pre-tax earnings figures provided in the table above are calculated by summing the total number of people employed by CIE Automotive in the category provided in the breakdown, without considering their origin or place of work.

BREAKDOWN OF HIRES AND DEPARTURES BY AGE AND GENDER

2022	Men under the age of 30	Men aged between 30 and 50	Men over the age of 50	Total men	Women under the age of 30	Women aged between 30 and 50	Women over the age of 50	Total women	Total
New hires	5,819	2,329	357	8,505	956	962	135	2,053	10,558
Voluntary and other departures	4,649	1,863	475	6,987	746	756	143	1,645	8,632
2023	Men under the age of 30	Men aged between 30 and 50	Men over the age of 50	Total men	Women under the age of 30	Women aged between 30 and 50	Women over the age of 50	Total women	Total
New hires	5,292	2,315	374	7,981	1,135	1,116	195	2,446	10,427
Voluntary and other departures	4,389	2,127	457	6,973	829	851	200	1,880	8,853

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Data on environmental consumption and emissions include emissions from German forges until June 30, 2023, and do not include data from Salgglas, which represents less than 0.3% of the group's sales.

WATER DISCHARGE | INDICATOR 303-4

m ³ /year	Definition	2023
Europe*	To sewer	181,969.61
	To river	368.00
	To waste manager	30,191.00
	Total	212,528.61
North America	To sewer	91,510.15
	To river	-
	To waste manager	2,494.92
	Total	94,005.07
Brazil	To sewer	79,096.00
	To river	1,772.00
	To waste manager	19,084.84
	Total	99,952.84
Asia (India/China)	To sewer	4,206.00
	To river	7,705.00
	To waste manager	38,595.91
	Total	50,506.91
TOTAL	To sewer	356,781.77
	To river	9,845.00
	To waste manager	90,366.67
	Total	456,993.44

* The Europe region includes the factories located in Morocco and Russia.

WATER EXTRACTION & CONSUMPTION | INDICATORS 303-3 / 303-5

m ³ /year	Definition	2021	2022	2023
Europe*	Superficial	28,161.00	27,878.00	15,320.00
	Ground water	33,956.00	51,575.00	40,853.00
	Rain water	4,386.00	5,067.00	5,659.00
	Water net	322,045.00	337,399.37	325,025.48
	Water used	388,548.00	421,919.37	386,857.48
	Recycled water	26,108,223.00	25,164,758.00	23,184,268.92
North America	Superficial	11,002.00	7,892.00	3,535.00
	Ground water	59,471.00	56,700.00	57,989.00
	Rain water	-	-	0
	Water net	262,656.55	267,266.95	247,208.25
	Water used	333,129.55	331,858.95	308,732.25
	Recycled water	12,332,109.90	11,606,284.64	11,641,774.75
Brazil	Superficial	-	-	0
	Ground water	49,665.00	51,603.00	61,704.00
	Rain water	-	-	260
	Water net	149,215.00	143,775.48	154,159.00
	Water used	198,880.00	195,378.48	216,123.00
	Recycled water	4,939,268.45	4,488,026.00	4,876,382.00
Asia (India/China)	Superficial	157,053.00	207,430.00	219,328.35
	Ground water	203,057.20	201,470.60	193,625.00
	Rain water	14,456.00	5,211.00	4,930.00
	Water net	303,752.43	293,900.75	295,650.64
	Water used	678,318.63	708,012.30	713,533.99
	Recycled water	20,824,532.45	14,956,076.60	9,671,135.77
TOTAL	Superficial	196,216.00	243,200.00	238,183.35
	Ground water	346,149.20	361,348.60	354,171.00
	Rain water	18,842.00	10,278.00	10,849.00
	Water net	1,037,668.98	1,042,342.55	1,022,043.37
	Water used	1,598,876.18	1,657,169.15	1,625,246.72
	Recycled water	64,204,133.80	56,215,145.24	48,694,678.44

* The Europe region includes the factories located in Morocco and Russia.

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MATERIAL CONSUMPTION

Kg	Indicator	Definition	2021	2022	2023
Europe*	GRI 301-1	Raw material used	444,062,256.00	220,886,068.00	451,775,125.00
	GRI 301-2	Raw material re-used	194,921,354.00	132,819,613.00	179,655,308.00
			44%	60%	40%
North America	GRI 301-1	Raw material used	327,388,797.24	255,702,164.58	373,194,181.60
	GRI 301-2	Raw material re-used	12,811,068.86	79,101,244.42	51,469,768.80
			4%	31%	14%
Brazil	GRI 301-1	Raw material used	169,957,386.00	94,617,087.00	164,963,134.10
	GRI 301-2	Raw material re-used	71,633,082.00	75,512,528.00	69,176,102.00
			42%	80%	42%
Asia (India/China)	GRI 301-1	Raw material used	506,635,270.00	659,168,858.00	542,574,241.00
	GRI 301-2	Raw material re-used	116,362,976.00	263,760,467.00	117,421,541.00
			23%	40%	22%
TOTAL	GRI 301-1	Raw material used	1,448,043,709.24	1,230,374,177.68	1,532,506,681.70
	GRI 301-2	Raw material re-used	395,728,480.86	551,193,852.42	417,722,719.80
			27%	45%	27%

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WASTE MANAGEMENT (I) | INDICATORS 306-3 / 306-4 / 306-5

Tonne	Definition	2021	2022	2023
Europe*	Industrial waste treated hazardous	9,675.30	9,622.18	10,543.02
	Hazardous waste to recycling	5,270.71	4,547.90	5,160.95
	Hazardous waste to disposal	4,404.59	5,074.29	5,382.07
	Hazardous waste to incineration (with energy recovery)	1,832.54	1,878.69	1,323.71
	Hazardous waste to incineration (without energy recovery)	126.66	-	545.42
	Hazardous waste to landfilling	1,123.19	2,221.51	1,335.57
	Hazardous waste to other disposal operation	1,322.20	974.09	2,117.374
	Industrial waste treated no-hazardous	109,328.78	97,429.59	107,444.71
	Non-hazardous waste to recycling	108,288.73	96,549.70	106,691.36
	Non-hazardous waste to disposal	1,040.05	879.89	753.346
	Non-hazardous waste to incineration (with energy recovery)	69.54	207.36	78.8
	Non-hazardous waste to incineration (without energy recovery)	-	-	0
	Non-Hazardous waste to landfilling	555.96	408.54	440.541
	Non-hazardous waste to other disposal operation	414.55	263.99	234.005
	TOTAL	119,004.08	107,051.77	117,987.73
North America	Industrial waste treated hazardous	3,063.98	3,319.31	4,686.08
	Hazardous waste to recycling	1,707.53	1,983.72	2,070.58
	Hazardous waste to disposal	1,356.42	1,335.59	2,615.51
	Hazardous waste to incineration (with energy recovery)	364.31	914.85	615.421
	Hazardous waste to incineration (without energy recovery)	30.14	0.32	20.456
	Hazardous waste to landfilling	655.03	52.01	69.75
	Hazardous waste to other disposal operation	306.97	286.46	1,909.879
	Industrial waste treated no-hazardous	71,173.13	70,468.35	88,951.03
	Non-hazardous waste to recycling	69,349.60	69,813.95	87,917.24
	Non-hazardous waste to disposal	1,823.53	654.4	1,033.795
	Non-hazardous waste to incineration (with energy recovery)	47.73	503.21	584.3384
	Non-hazardous waste to incineration (without energy recovery)	-	-	-
	Non-Hazardous waste to landfilling	1,675.94	110.18	128.002
	Non-hazardous waste to other disposal operation	99.85	19.07	321.455
	TOTAL	74,237.11	73,787.66	93,637.12

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WASTE MANAGEMENT (II) | INDICATORS 306-3 / 306-4 / 306-5

Tonne	Definition	2021	2022	2023
Brazil	Industrial waste treated hazardous	1,072.04	1,825.21	2,583.03
	Hazardous waste to recycling	512.93	904.23	1,640.411
	Hazardous waste to disposal	559.11	920.99	942.617
	Hazardous waste to incineration (with energy recovery)	520.61	909.22	894.373
	Hazardous waste to incineration (without energy recovery)	-	-	0
	Hazardous waste to landfilling	35.02	-	0
	Hazardous waste to other disposal operation	3.48	11.76	48.244
	Industrial waste treated no-hazardous	58,383.90	53,868.98	58,040.45
	Non-hazardous waste to recycling	29,719.02	29,685.54	51,433.57
	Non-hazardous waste to disposal	28,664.88	24,183.44	6,606.87
	Non-hazardous waste to incineration (with energy recovery)	6,286.96	172.86	2,472
	Non-hazardous waste to incineration (without energy recovery)	-	14.53	15.43
	Non-Hazardous waste to landfilling	22,201.59	23,990.64	4,110.06
	Non-hazardous waste to other disposal operation	176.33	-	9.38
	TOTAL	59,455.95	55,694.19	60,623.47
Asia (India/China)	Industrial waste treated hazardous	3,646.55	2,695.35	3,629.52
	Hazardous waste to recycling	2,041.86	1,298.62	2,265.75
	Hazardous waste to disposal	1,604.10	1,396.73	1,363.77
	Hazardous waste to incineration (with energy recovery)	253.59	271.36	704.758
	Hazardous waste to incineration (without energy recovery)	560.94	372.55	303.181
	Hazardous waste to landfilling	723.22	513.23	321.956
	Hazardous waste to other disposal operation	66.94	237.17	33.876
	Industrial waste treated no-hazardous	116,407.43	102,540.99	104,193.39
	Non-hazardous waste to recycling	86,295.44	74,278.61	74,807.44
	Non-hazardous waste to disposal	30,111.99	28,262.38	29,385.95
	Non-hazardous waste to incineration (with energy recovery)	26.49	374.77	25,611.535
	Non-hazardous waste to incineration (without energy recovery)	231.65	-	0
	Non-Hazardous waste to landfilling	28,049.32	26,279.68	21.84
	Non-hazardous waste to other disposal operation	1,804.54	89.88	3,752.576
	TOTAL	120,053.98	105,236.34	107,822.91

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WASTE MANAGEMENT (III) | INDICATORS 306-3 / 306-4 / 306-5

Tonne	Definition	2021	2022	2023
TOTAL	Industrial waste treated hazardous	17,457.88	17,462.06	21,441.65
	Hazardous waste to recycling	9,533.03	8,734.47	11,137.69
	Hazardous waste to disposal	7,924.23	8,727.59	10,303.97
	Hazardous waste to incineration (with energy recovery)	2,971.05	4,056.08	3,538.27
	Hazardous waste to incineration (without energy recovery)	717.74	372.87	869.057
	Hazardous waste to landfilling	2,536.45	2,786.74	1,727.27
	Hazardous waste to other disposal operation	1,699.60	1,509.49	4,109.37
	Industrial waste treated no-hazardous	355,293.24	324,307.90	358,629.58
	Non-hazardous waste to recycling	293,652.79	270,327.79	320,849.61
	Non-hazardous waste to disposal	61,640.45	53,980.11	37,779.97
	Non-hazardous waste to incineration (with energy recovery)	6,430.72	1,285.56	28,746.67
	Non-hazardous waste to incineration (without energy recovery)	231.65	14.53	15.43
	Non-Hazardous waste to landfilling	52,482.81	52,307.09	4,700.45
	Non-hazardous waste to other disposal operation	2,495.27	372.94	4,317.416
	TOTAL	372,751.12	341,769.96	380,071.23

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ENERGY CONSUMPTION AND SAVINGS

Gigajoules	Indicator	Definition	2021	2022	2023
Europe*	GRI 302-1	Direct energy consumption	727,697.13	684,542.06	639,149.65
	GRI 302-1	Indirect energy consumption	1,288,375.69	1,317,155.20	1,200,898.59
	GRI 302-1	Indirect energy consumption from non-renewable sources	317,015.31	292,781.58	360,702.34
	GRI 302-1	Indirect energy consumption from renewable sources	971,360.38	1,024,373.62	840,196.25
	GRI 302-1	TOTAL	2,016,072.83	2,001,697.26	1,840,048.23
North America	GRI 302-1	Direct energy consumption	627,666.59	479,326.72	495,934.14
	GRI 302-1	Indirect energy consumption	758,008.54	723,449.87	767,946.89
	GRI 302-1	Indirect energy consumption from non-renewable sources	625,774.54	626,687.21	713,244.99
	GRI 302-1	Indirect energy consumption from renewable sources	132,234.00	96,762.66	54,701.90
	GRI 302-1	TOTAL	1,385,675.13	1,202,776.59	1,263,881.03
Brazil	GRI 302-1	Energía, consumo directo	176,688.22	180,991.24	218,541.19
	GRI 302-1	Energía, consumo indirecto	644,943.72	649,376.71	663,212.28
	GRI 302-1	Energía, consumo indirecto no renovable	22,877.65	13,189.34	944.71
	GRI 302-1	Energía, consumo indirecto de energía renovable	622,066.07	636,187.37	662,267.57
	GRI 302-1	TOTAL	821,631.93	830,367.95	881,753.47
Asia (India/China)	GRI 302-1	Energía, consumo directo	390,601.12	350,200.72	407,059.78
	GRI 302-1	Energía, consumo indirecto	1,193,745.79	1,242,225.10	1,564,800.17
	GRI 302-1	Energía, consumo indirecto no renovable	1,005,338.28	763,145.19	741,682.33
	GRI 302-1	Energía, consumo indirecto de energía renovable	188,407.51	479,079.91	823,117.83
	GRI 302-1	TOTAL	1,584,346.91	1,592,425.82	1,971,859.94
TOTAL	GRI 302-1	Energía, consumo directo	1,922,653.06	1,695,060.74	1,760,684.76
	GRI 302-1	Energía, consumo indirecto	3,885,073.74	3,932,206.88	4,196,857.92
	GRI 302-1	Energía, consumo indirecto no renovable	1,971,005.79	1,695,803.31	1,816,574.38
	GRI 302-1	Energía, consumo indirecto de energía renovable	1,914,067.96	2,236,403.56	2,380,283.54
	GRI 302-1	TOTAL	5,807,726.80	5,627,267.62	5,957,542.68

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EMISSIONS (SCOPE 1, 2 & 3)

	Indicator	Definition	Unit	2021	2022	2023
Europe*	GRI 305-1	Direct emissions	T CO ₂ e	43,281.83	40,682.69	38,484.85
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	0.79	0.73	0.68
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.09	0.08	0.07
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	34,671.25	30,631.95	34,242.42
	GRI 305	TOTAL	T CO₂e	77,953.09	71,314.64	72,727.26
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	1,205,714.93	857,039.84	1,063,741.33
North America	GRI 305-1	Direct emissions	T CO ₂ e	37,285.26	28,533.91	28,456.07
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	0.72	0.57	0.59
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.09	0.07	0.07
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	99,045.49	100,391.61	64,370.17
	GRI 305	TOTAL	T CO₂e	136,330.75	128,925.51	92,826.24
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	949,779.07	860,801.02	1,315,438.12
Brazil	GRI 305-1	Direct emissions	T CO ₂ e	10,568.18	10,826.19	11,976.38
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	0.23	0.23	0.27
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.03	0.03	0.04
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	265.61	153.13	33.98
	GRI 305	TOTAL	T CO₂e	10,833.79	10,979.32	12,010.37
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	344,183.92	336,084.75	349,509.40
Asia (India/China)	GRI 305-1	Direct emissions	T CO ₂ e	23,625.35	21,110.23	20,155.50
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	0.75	0.67	0.75
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.13	0.12	0.13
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	255,494.97	192,985.78	140,218.35
	GRI 305	TOTAL	T CO₂e	279,120.32	214,096.01	160,373.85
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	1,139,204.53	1,837,279.39	1,622,282.13
TOTAL	GRI 305-1	Direct emissions	T CO ₂ e	114,760.62	101,153.03	99,072.80
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	1.69	1.47	2.29
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.25	0.22	0.32
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	389,477.33	324,162.47	238,864.91
	GRI 305	TOTAL	T CO₂e	504,237.95	425,315.48	337,937.72
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	3,638,882.44	3,891,205.00	4,350,970.98

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EMISSIONS SAVINGS FROM THE PURCHASE OF ENERGY FROM
RENEWABLE SOURCES

T CO ₂ e	Indicator	Definition	2021	2022	2023
Europe*	GRI 305-2	Indirect emissions	56,762.67	61,007.34	37,463.42
North America	GRI 305-2	Indirect emissions	24,040.29	17,365.75	4,558.49
Brazil	GRI 305-2	Indirect emissions	7,222.30	7,386.25	23,823.24
Asia (India/ China)	GRI 305-2	Indirect emissions	51,315.23	131,055.11	162,862.08
TOTAL	GRI 305-2	Indirect emissions	139,340.49	216,814.45	228,707.23

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ENERGY INTENSITY

Gigajoules/€K	Indicator	Definition	2021	2022	2023
Europe*	GRI 302-3	Direct energy consumption	0.58	0.45	0.42
	GRI 302-3	Indirect energy consumption	1.02	0.86	0.79
	GRI 302-3	Indirect energy consumption from non-renewable sources	0.25	0.19	0.24
	GRI 302-3	Indirect energy consumption from renewable sources	0.77	0.67	0.56
	GRI 302-3	TOTAL	1.60	1.31	1.22
North America	GRI 302-3	Direct energy consumption	0.70	0.41	0.43
	GRI 302-3	Indirect energy consumption	0.84	0.61	0.67
	GRI 302-3	Indirect energy consumption from non-renewable sources	0.69	0.53	0.62
	GRI 302-3	Indirect energy consumption from renewable sources	0.15	0.08	0.05
	GRI 302-3	TOTAL	1.54	1.02	1.10
Brazil	GRI 302-3	Direct energy consumption	0.82	0.58	0.59
	GRI 302-3	Indirect energy consumption	2.99	2.09	1.80
	GRI 302-3	Indirect energy consumption from non-renewable sources	0.11	0.04	0.00
	GRI 302-3	Indirect energy consumption from renewable sources	2.88	2.04	1.80
	GRI 302-3	TOTAL	3.81	2.67	2.40
Asia (India/China)	GRI 302-3	Direct energy consumption	0.44	0.33	0.38
	GRI 302-3	Indirect energy consumption	1.34	1.18	1.46
	GRI 302-3	Indirect energy consumption from non-renewable sources	1.13	0.73	0.69
	GRI 302-3	Indirect energy consumption from renewable sources	0.21	0.46	0.77
	GRI 302-3	TOTAL	1.78	1.59	1.84
TOTAL	GRI 302-3	Direct energy consumption	0.59	0.42	0.43
	GRI 302-3	Indirect energy consumption	1.19	0.97	1.02
	GRI 302-3	Indirect energy consumption from non-renewable sources	0.60	0.42	0.44
	GRI 302-3	Indirect energy consumption from renewable sources	0.59	0.55	0.58
	GRI 302-3	TOTAL	1.78	1.38	1.45

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EMISSIONS INTENSITY

T CO ₂ e /€k	Indicator	Definition	2021	2022	2023
Europe*	GRI 305-4	Direct emissions	0.03	0.03	0.03
	GRI 305-4	Indirect emissions	0.03	0.02	0.02
	GRI 305-4	TOTAL	0.06	0.05	0.05
North America	GRI 305-4	Direct emissions	0.04	0.02	0.02
	GRI 305-4	Indirect emissions	0.11	0.09	0.06
	GRI 305-4	TOTAL	0.15	0.11	0.08
Brazil	GRI 305-4	Direct emissions	0.05	0.03	0.03
	GRI 305-4	Indirect emissions	0.00	0.00	0.00
	GRI 305-4	TOTAL	0.05	0.04	0.03
Asia (India/China)	GRI 305-4	Direct emissions	0.03	0.02	0.02
	GRI 305-4	Indirect emissions	0.29	0.18	0.13
	GRI 305-4	TOTAL	0.31	0.2	0.15
TOTAL	GRI 305-4	Direct emissions	0.04	0.02	0.02
	GRI 305-4	Indirect emissions	0.12	0.08	0.06
	GRI 305-4	TOTAL	0.16	0.10	0.08

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Template Annex II Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021

TURNOVER

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				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	Absolute turnover [€m]	Proportion of turnover year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned turnover (A.1.) or Taxonomy-eligible turnover (A.2) 2022	Enabling activity category	Transitional activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Total turnover of environmentally sustainable activities (Taxonomy-aligned) A.1.		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%										
Of which transitional		0	0%	0%															
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			
Manufacturing of automotive and mobility components		CCM 3.18	531,588	13.43%	EL	N/EL	N/EL	N/EL	N/EL										
Total turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2.		531,588	13.43%	13.43%	0%	0%	0%	0%	0%										
Total A.1. + A.2.		531,588	13.43%	13.43%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total turnover of Taxonomy-non-eligible activities B		3,427,892	86.57%																
Total A + B		3,959,479	100.0%																

PROPORTION OF TURNOVER		
	Taxonomy-aligned for the relevant objective	Taxonomy-eligible activity for the relevant objective
CCM	0%	13.43%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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			Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")										
Economic activities	Code	Absolute CapEx [€ 000]	Proportion of CapEx year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned turnover (A.1.) or Taxonomy-eligible turnover (A.2) 2022	Enabling activity category	Transitional activity category	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Total CapEx of environmentally sustainable activities (Taxonomy-aligned) A.1.		0	0%	0%	0%	0%	0%	0%	0%											
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%											
Of which transitional		0	0%	0%																
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Installation, maintenance and repair of energy efficient equipment		CCM 7.3	273	0.09%	EL	N/EL	N/EL	N/EL	N/EL								0.13%			
Installation, maintenance and repair of renewable energy technologies		CCM 7.6	50	0.02%	EL	N/EL	N/EL	N/EL	N/EL								0.37%			
Total CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2.		323	0.10%	0.10%	0%	0%	0%	0%	0%								0.51%			
Total A.1. + A.2.		323	0.10%	0.10%	0%	0%	0%	0%	0%								0.51%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Total CapEx of Taxonomy-non-eligible activities B		311,561	99.90%																	
Total A + B		311,884	100.0%																	

PROPORTION OF TOTAL CAPEX		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	0.10%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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				Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)									
Economic activities	Code	Absolute OpEx [€ 000]	Proportion of OpEx year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned turnover (A.1.) or Taxonomy-eligible turnover (A.2) 2022	Enabling activity category	Transitional activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Total OpEx of environmentally sustainable activities (Taxonomy-aligned) A.1.		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%										
Of which transitional		0	0%	0%															
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			
Total OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2.		0	0%	0%	0%	0%	0%	0%	0%										
Total A.1. + A.2.		0	0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Total OpEx of Taxonomy-non-eligible activities B		60,045	100%																
Total A + B		60,045	100%																

PROPORTION OF TOTAL OPEX		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	0.00%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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GENDER
PAY GAP

2023				
AGGREGATE pay gap	No. of people	Total earnings	Average earnings	% gap
Men	321	21,719,702	67,695	93.6%
Women	21	1,304,002	62,447	

WORKPLACE ACCIDENTS AND
CASES OF ILL HEALTH BY GENDER

2023		
Injuries	31	
	H: 30	M: 1
Cases of work- related ill health	0	
	H: 0	M: 0

LOST HOURS
AND ABSENTEEISM

2023	
Lost hours	43,886
% absenteeism	6.9%

INJURIES BY
GENRE AND SEVERITY

	MEN			WOMEN			TOTAL
	Mild	Serious	Fatalities	Mild	Serious	Fatalities	
German forging	30	0	0	1	0	0	31

GERMAN FORGING
COMPANIES

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TRAINING HOURS
BY EMPLOYEE CATEGORY

	Hours	No. of people
Executives	89	6
Graduates	368	65
Tradesmen and women	1,198	203
TOTAL	1,655	274

TRAINING BY GENDER

	TOTAL TRAINING HOURS			TOTAL NO. OF PEOPLE TRAINED			HOURS PER EMPLOYEE TRAINED			HOURS PER EMPLOYEE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
German forging	1,545	110	1,655	257	17	274	6.0	6.5	6.0	4.8	5.3	0.3

TRAINING ON OHS GENDER

	TOTAL TRAINING HOURS			TOTAL NO. OF PEOPLE TRAINED			HOURS PER EMPLOYEE TRAINED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
German forging	1,088	82	1,170	234	15	249	4.6	5.5	4.7

HIRES, DISMISSALS AND DEPARTURES
(VOLUNTARY AND OTHER) BY GENDER AND EMPLOYEE CATEGORY

GERMAN FORGING
COMPANIES

HIRES	Men			Total	Women			Total	TOTAL
	<30	30-50	>50	H	<30	30-50	>50	M	
Executives	0	0	1	1	0	0	0	0	1
Graduates	0	0	0	0	0	1	0	1	1
Tradesmen and women	1	4	2	7	0	0	0	0	7
Total	1	4	3	8	0	1	0	1	9
DISMISSALS	Men			Total	Women			Total	TOTAL
	<30	30-50	>50	H	<30	30-50	>50	M	
Executives	0	0	0	0	0	0	0	0	0
Graduates	0	0	4	4	1	0	2	3	7
Tradesmen and women	1	11	43	55	0	0	0	0	55
Total	1	11	47	59	1	0	2	3	62
DEPARTURES	Men			Total	Women			Total	TOTAL
	<30	30-50	>50	H	<30	30-50	>50	M	
Executives	0	0	1	1	0	0	0	0	1
Graduates	0	0	1	1	1	0	0	1	2
Tradesmen and women	4	5	11	20	1	0	0	1	21
Total	4	5	13	22	2	0	0	2	24

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WASTE MANAGEMENT | INDICATORS 306-3 / 306-4 / 306-5

Tonne	Definition	2023
German forging	Industrial waste treated hazardous	407,352.00
	Hazardous waste to recycling	53,542.00
	Hazardous waste to disposal	353,810.00
	Hazardous waste to incineration (with energy recovery)	94,000.00
	Hazardous waste to incineration (without energy recovery)	-
	Hazardous waste to landfilling	-
	Hazardous waste to other disposal operation	259,810.00
	Industrial waste treated no-hazardous	8,967,860.00
	Non-hazardous waste to recycling	8,918,674.00
	Non-hazardous waste to disposal	49,186.00
	Non-hazardous waste to incineration (with energy recovery)	35,000.00
	Non-hazardous waste to incineration (without energy recovery)	-
	Non-Hazardous waste to landfilling	-
	Non-hazardous waste to other disposal operation	14,186.00
TOTAL		9,375,212.00

WATER DISCHARGE | INDICATOR 303-4

m³/year	Definition	2023
German forging	To sewer	41,228.00
	To river	-
	To waste manager	-
	Total	41,228.00

WATER EXTRACTION & CONSUMPTION | INDICATORS 303-3 / 303-5

m³/year	Definition	2023
German forging	Superficial	13,518.00
	Ground water	29,165.00
	Rain water	-
	Water net	18,817.00
	Water used	61,500.00
	Recycled water	489,904.00

MATERIAL CONSUMPTION

Kg	Indicator	Definition	2023
German forging	GRI 301-1	Raw material used	44,302,944.00
	GRI 301-2	Raw material re-used	19,398,000.00
			43.78%

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ENERGY CONSUMPTION AND SAVINGS

ELECTRICITY

Gigajoules	Indicator	Definition	2023
German forging	GRI 302-1	Direct energy consumption	-
	GRI 302-1	Indirect energy consumption	126,529.88
	GRI 302-1	Indirect energy consumption from non-renewable sources	126,529.88
	GRI 302-1	Indirect energy consumption from renewable sources	-
	GRI 302-1	TOTAL	0

FUELS

Gigajoules	Indicator	Definition	2023
German forging	GRI 302-1	Direct energy consumption	34,419.62
	GRI 302-1	Indirect energy consumption	126,529.88
	GRI 302-1	Indirect energy consumption from non-renewable sources	126,529.88
	GRI 302-1	Indirect energy consumption from renewable sources	0
	GRI 302-1	TOTAL	160,949.50

EMISSIONS (SCOPE 1, 2 & 3)

	Indicator	Definition	Unit	2021	2022	2023
German forging	GRI 305-1	Direct emissions	T CO ₂ e	43,281.83	40,682.69	2,134.50
	GRI 305-1	Direct CH ₄ emissions	T CH ₄	0.79	0.73	0.04
	GRI 305-1	Direct N ₂ O emissions	T N ₂ O	0.09	0.08	0.005
	GRI 305-2	Indirect CO ₂ e emissions	T CO ₂ e	34,671.25	30,631.95	13,272.98
	GRI 305	TOTAL	T CO ₂ e	77,953.09	71,314.64	15,407.48
	GRI 305-3	Other indirect emissions (Scope 3)	T CO ₂ e	1,205,714.93	857,039.84	263,433.42

EMISSIONS SAVINGS FROM THE PURCHASE OF
ENERGY FROM RENEWABLE SOURCES

T CO ₂ e	Indicator	Definition	2023
German forging	GRI 305-2	Indirect emissions	0.00

2023 ANNUAL REPORT

Making a difference

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