

ESG Strategic Plan 2025

November 2021

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1 Context analysis

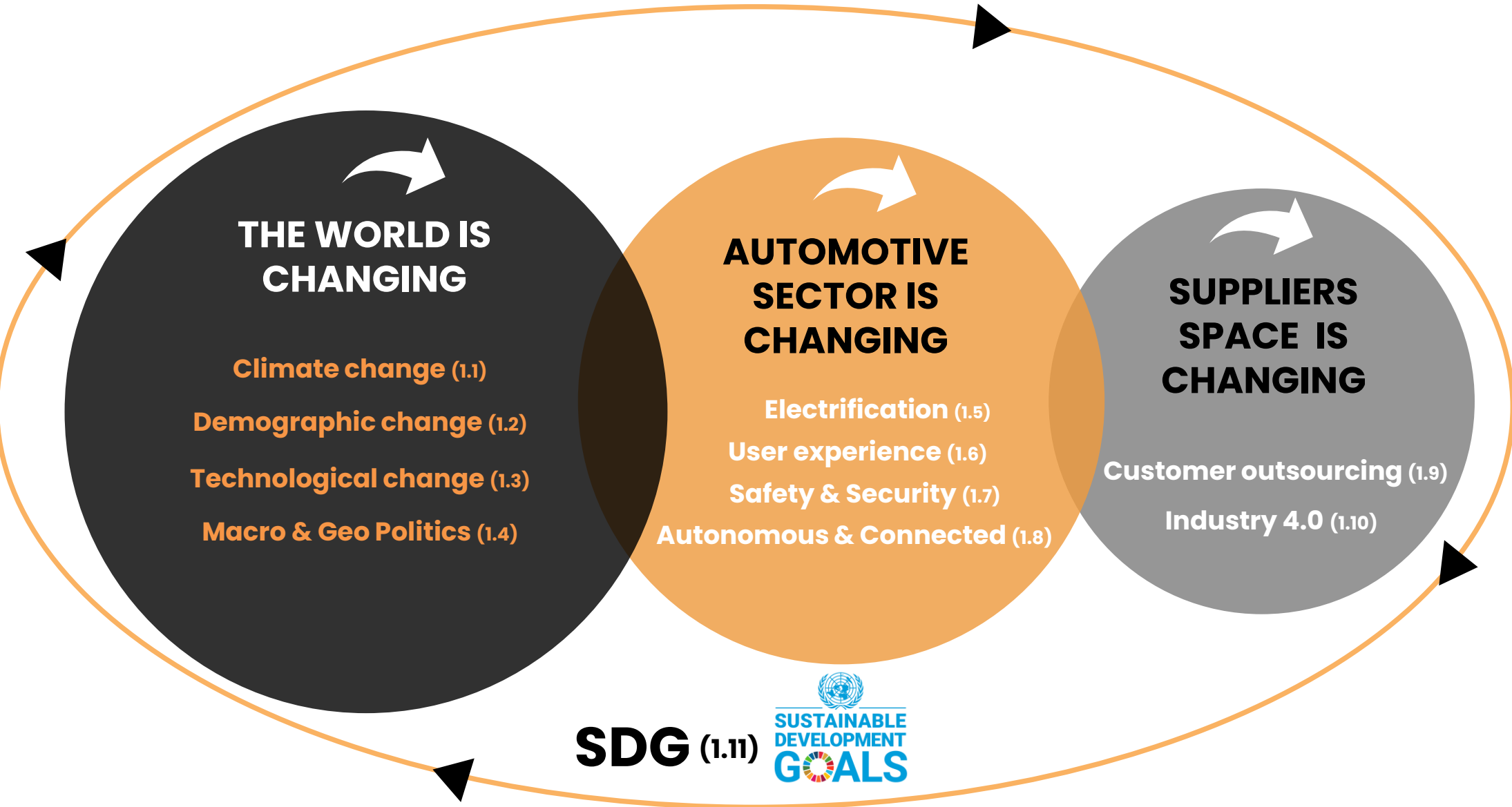
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Context analysis

- The starting point of CIE Strategic Plan 2025 was a context analysis, developed by the organization at 3 different levels:
 - Trends affecting the WORLD.
 - Trends affecting the AUTOMOTIVE sector.
 - Trends affecting the Automotive SUPPLIERS space.
- **The conclusions of that context analysis were the frame of the CIE Strategic Plan 2025, for both its Operative and ESG sections.**
- As a reminder, the Operative section of CIE Strategic Plan 2025 was publicly presented in June 2021, during our first Capital Markets Day.
- **This presentation is purely focused in the ESG section of CIE Strategic Plan 2025.**

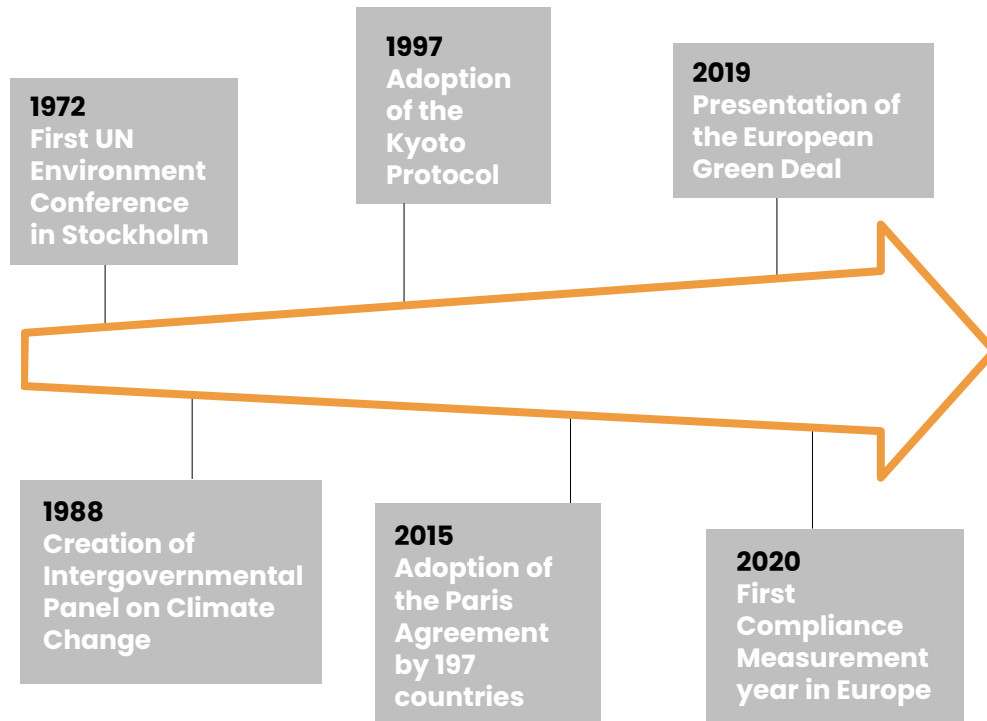


Context analysis






1.1. Climate change

HISTORY



FUTURE

Emission reduction targets examples

- (1)  2030: -55% vs. 2021
2035: -100% vs. 2021
- (2)  2030: NEV up to 40%
2035: NEV more than 50%
- (3)  2035: 100 % ZEV+PHEV
2050: -80% vs. 1990

Environmental regulations created to fight against climate change are accelerating and becoming more ambitious and global.

(1) EU proposal July 2021, CO2 for LCV. (2) Technology roadmap 2.0 for New Energy Vehicles. (3) CARB target, expected to gradually be taken over by federal government
NEV: New Energy Vehicle. ZEV: Zero Emission Vehicle. PHEV: Plug-in Hybrid Electric Vehicle. LCV: Light Commercial Vehicles.

1.1. Climate change

ELECTRIFICATION



For the Automotive sector, climate change regulations mean New Energy Vehicles, primary focused on electrification.

CORPORATE ENVIRONMENTAL FOOTPRINT



For each player, climate change regulations mean mitigating its corporate environmental footprint with a life cycle approach.

1.2. Demographic change



Globally speaking, there are many demographic counterweighting trends going on at the same time, whose net effect for the Automotive sector should be neutral or rather positive.

1.3. Technological change

TRADITIONAL VEHICLES



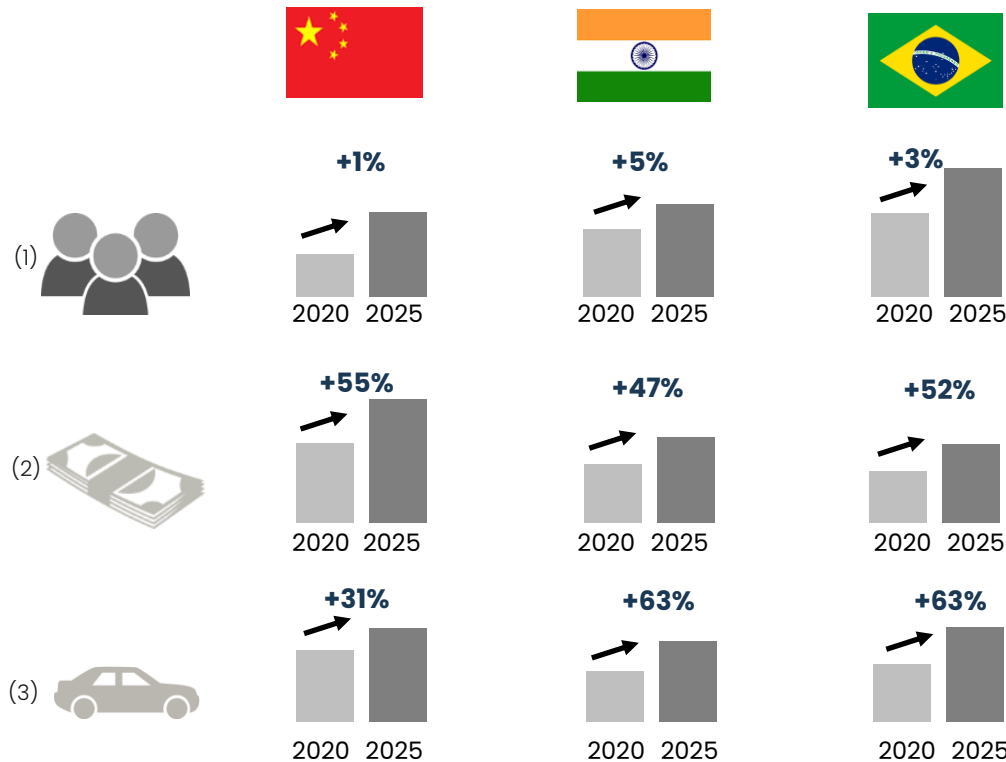
NEW GENERATION VEHICLES



Best and more efficient vehicle architectures are based on the use of the right material at the right application, so all different technologies will play a role in new generation multi-material vehicles.

1.4. Macro & Geo Politics

EMERGING MARKETS OPPORTUNITY



Economies as China, India or Brazil are expected to show very strong growth during the upcoming years.

NATIONAL PROTECTIONISM

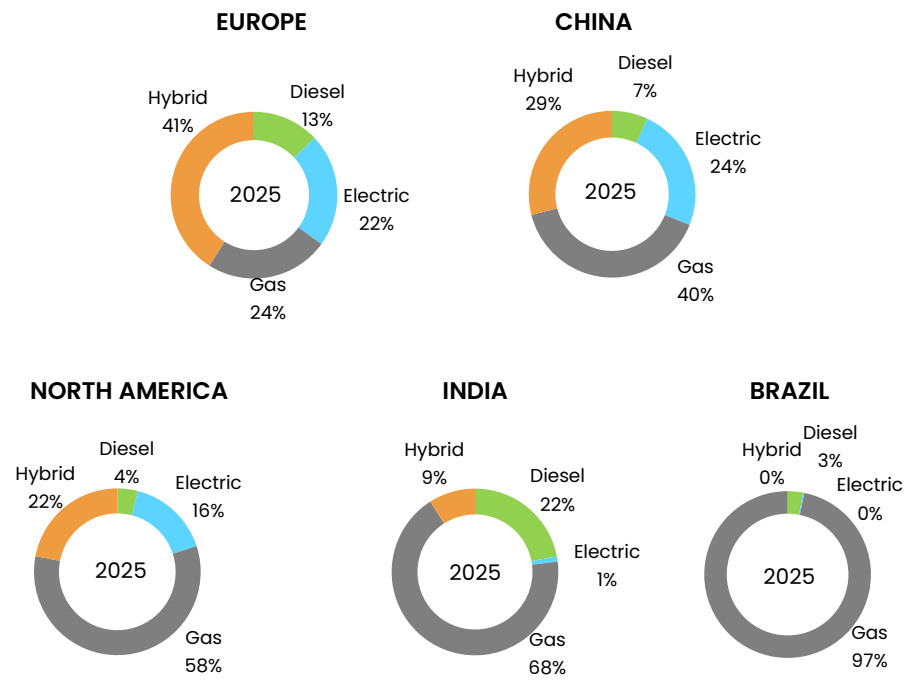
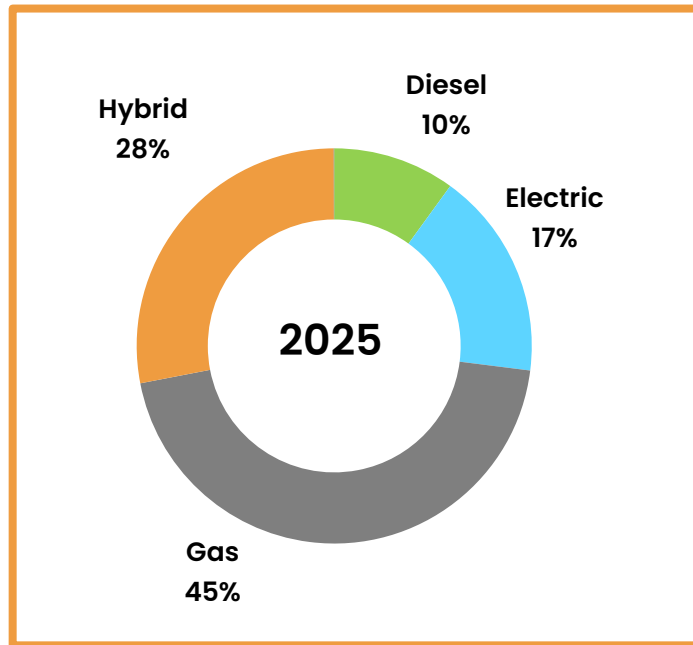


Initially considered as a threat, protectionism strategies are not expected to have a significant impact on the Automotive sector.

Source: IHS, National Bureau of Statistics of China, MOSPI, UN-Department of Economic and Social Affairs.
 (1) Population, (2) Per capita income, (3) Annual LCV production.

1.5. Electrification

POWERTRAIN MIX EVOLUTION

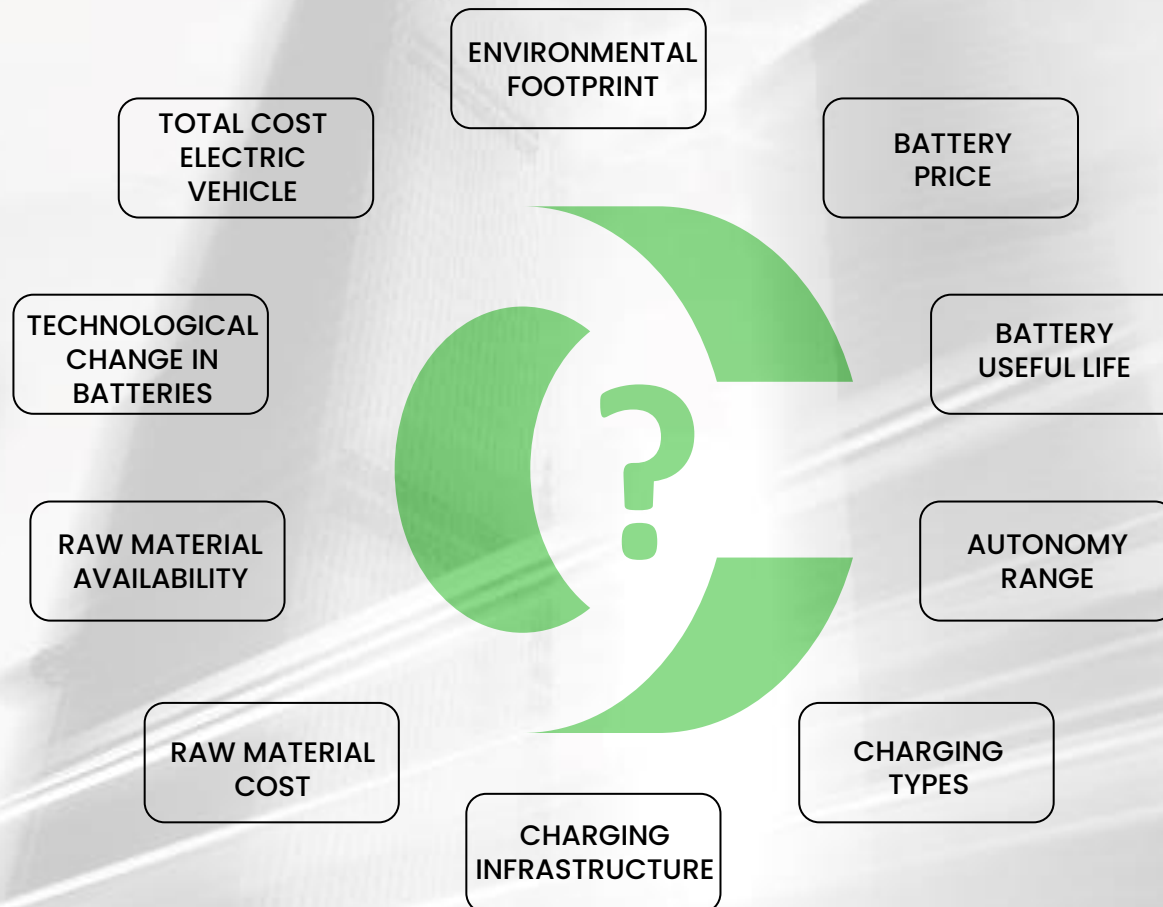


Future is an energy source mix, with:

- Diesel losses shared in favour of gasoline (communicating vessels).
- Very different EV penetration rates by market/region.

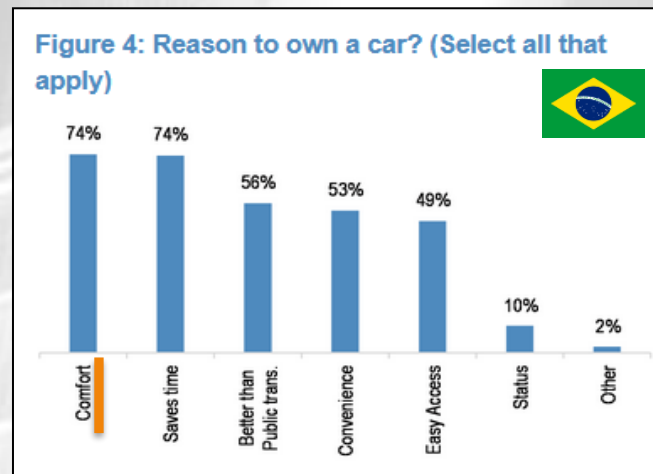
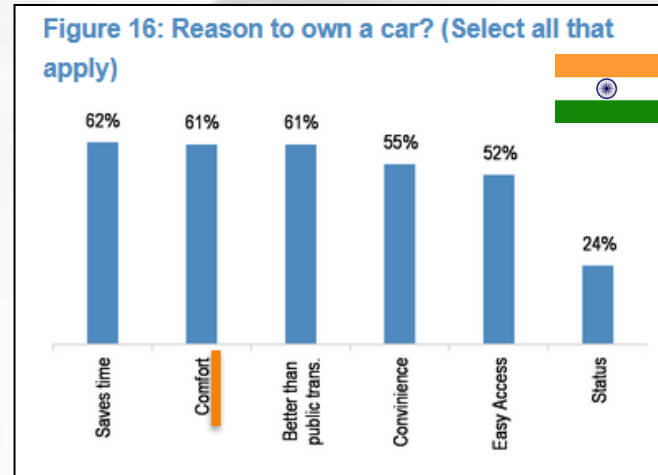
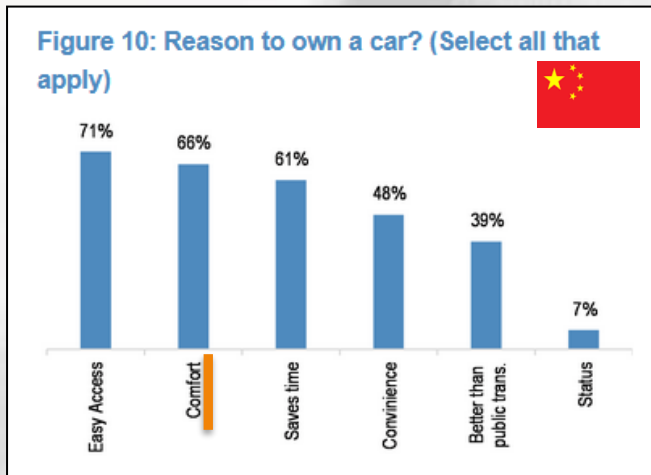
Source: IHS Query Light Vehicle Production, Oct 2021.
 Diesel and Gas are ICE vehicles. Hybrid vehicles include Hybrid Diesel and Hybrid Gas.

1.5. Electrification



There are many critical variables around the electric vehicle whose evolution will determine its pace of penetration, for which there is no current consensus.

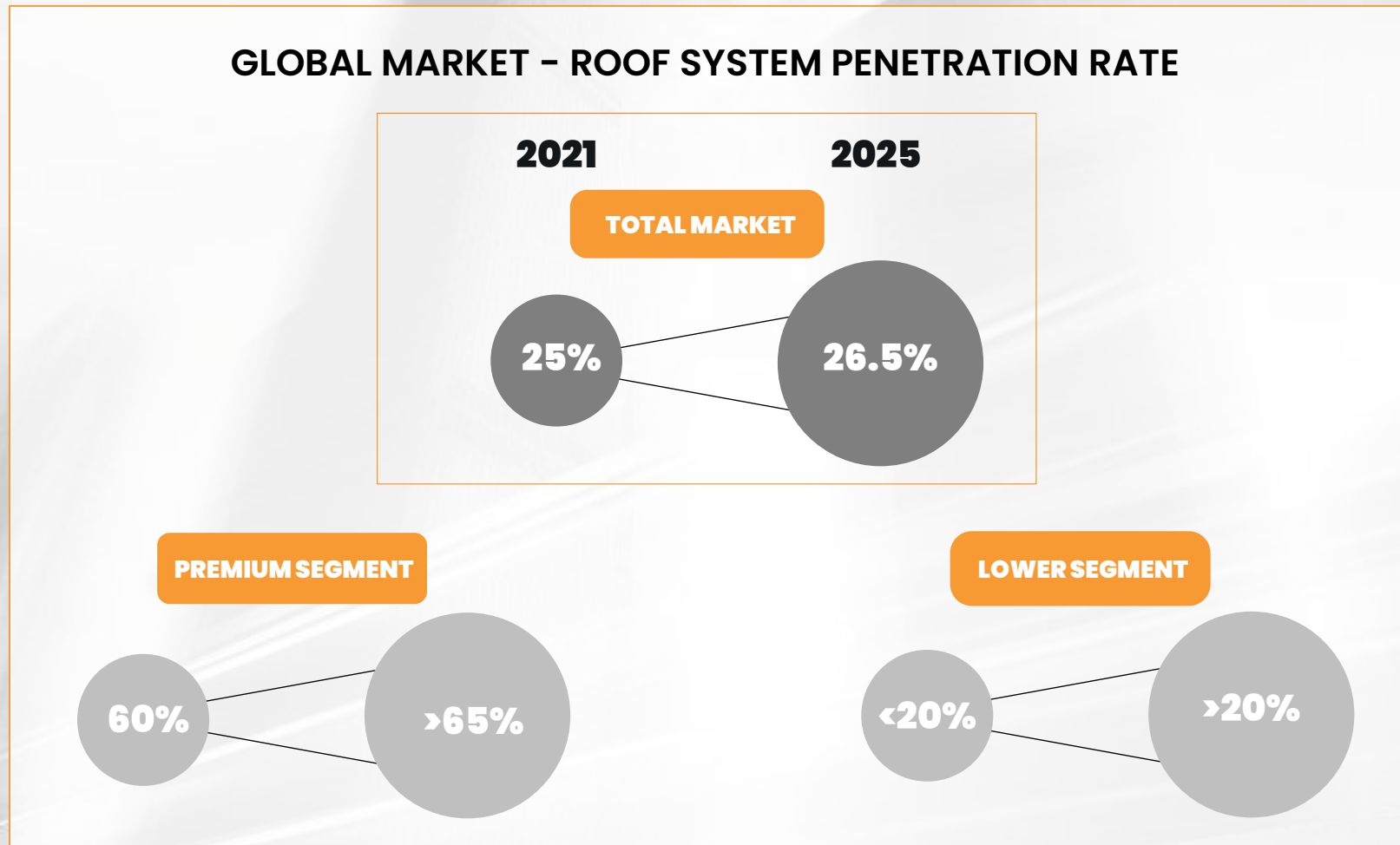
1.6. User experience



User has changed its priorities when buying a vehicle and currently comfort is a key priority in the car purchase decision by consumers.

Source: JP Morgan "Global Auto Survey. Analyzing Demand and EV Trends Around the World", June 2021.

1.6. User experience



One of the most important comfort features is the Roof System, whose penetration rate is growing faster than general Auto market.

Source: IHS, Roof System Report 2019.

1.7. Safety & Security



Passengers' safety and security is today one of the main drivers in the vehicle architecture, and generally implies more complexity, a greater number of components and higher added value components.

1.8. Autonomous & Connected



Significant progress has been made within the autonomous driving spectrum, with important driving assistance features in current vehicles.

1.9. Customer outsourcing

“Suppliers provide currently over 75% of the total value of vehicles”

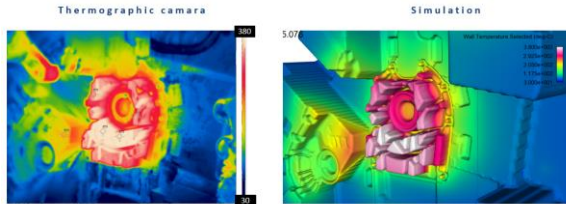


Changes within the Automotive industry are pushing OEMs to focus on their core competencies, outsourcing more and more production to suppliers.

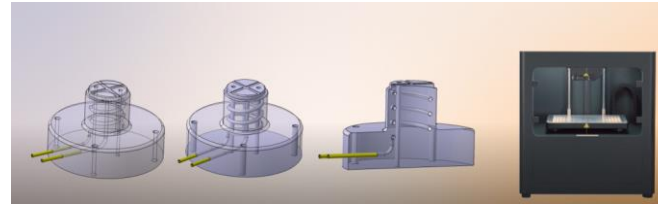
Source: Sernauto, “Argumentario – I+D+i Sector Componentes”, March 2021.

1.10. Industry 4.0

Digital twins, advanced simulation



Additive manufacturing



Devices connected and connected to the cloud



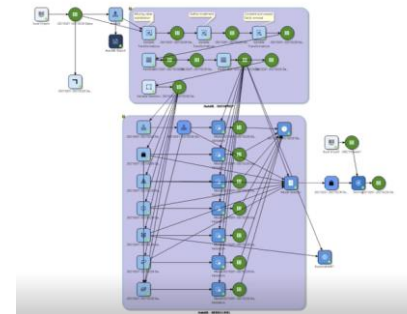
Connected robotics



Big data



Advanced process control



IoT



New Interfaces



We are currently in a phase of special impetus in the implementation of new technologies, which target is the so-called Smart Factory.

1.11. ESG context: SDG



The SDG were adopted by the United Nations in 2015 as a universal call to action to end poverty, to protect the planet and to ensure that by 2030 all people enjoy peace and prosperity. And in 2015 CIE Automotive became signatory member of the UN Global Compact.

1.11. ESG context: SDG



SDG are transversal to all the sectors of the economy, having specific implications to the Automotive industry.



2

ESG Plan & Strategic lines

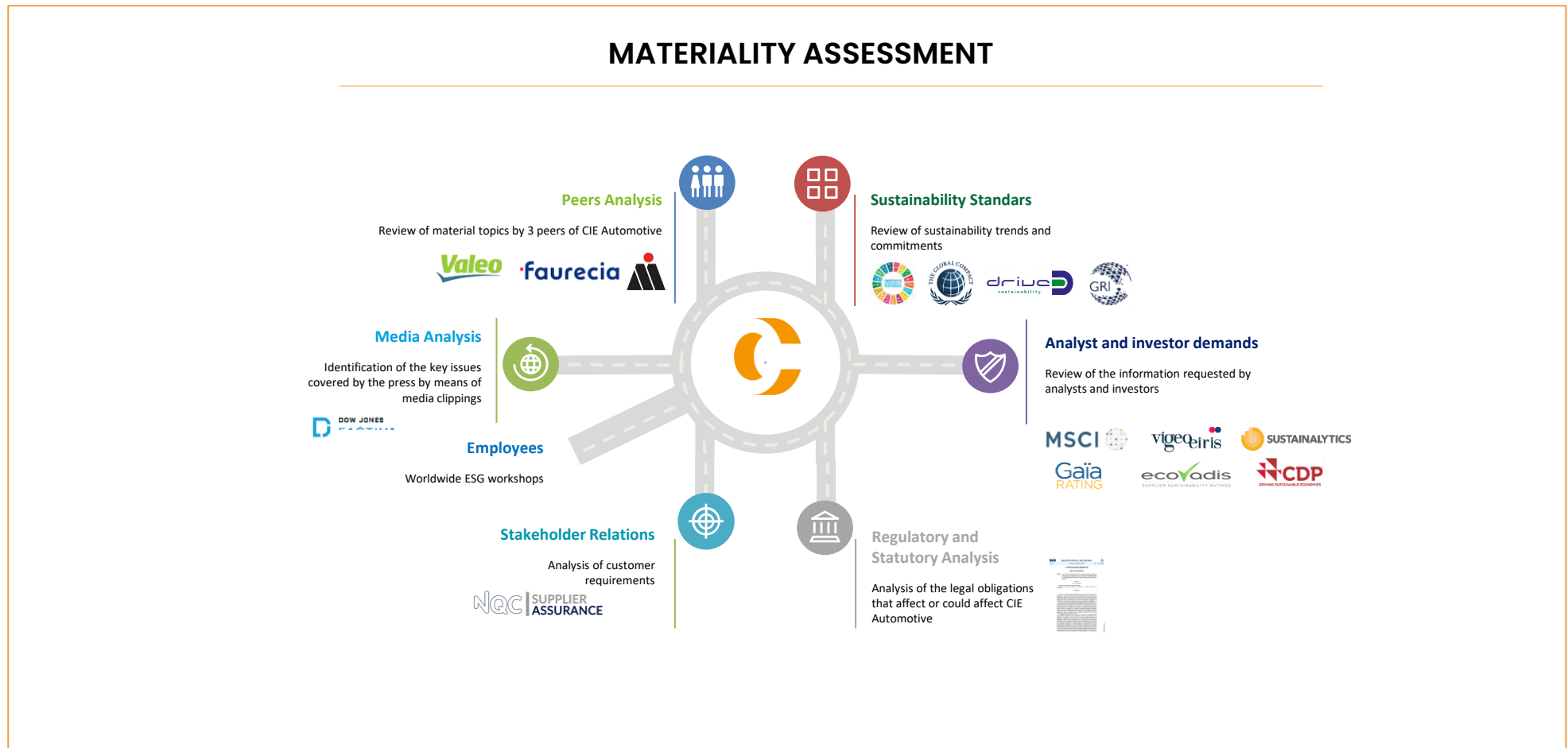
- 2.1** Pillars of the ESG Strategic Plan
- 2.2** Materiality Assessment
- 2.3** Materiality Matrix
- 2.4** The process up to date
- 2.5** ESG Plan & Strategic lines
- 2.6** From now to 2025

2.1. Pillars of the ESG Strategic Plan

- ESG basis, policies, stakeholders' framework, key principles and measurement criteria were already defined in the previous ESG Strategic Plan (2015-2020), as it has been deeply explained in CIE last years' Annual Reports.
- **Benchmark against the best and most established practices of our sectorial peers.**
- **Compliance with the exponentially increasing non-financial legislation, especially critical in the context of the Automotive sector.**
- **CIE Automotive's public engagement with sustainability.**



2.2. Materiality Assessment



Understanding the needs and requirements of the different stakeholders, as a primary source to define the main ESG topics we must focus on.

2.3. Materiality Matrix

- Once we have understood the stakeholders' expectations, both an external and internal analysis was done:

EXTERNAL Analysis:

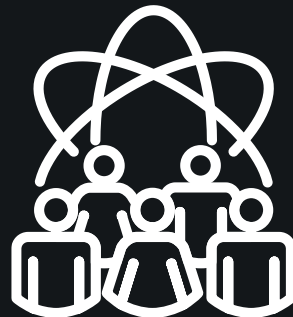
Each topic was evaluated taking into account two variables:

- How important it is for the company ("importance level").
- How it is being managed by the company according to our stakeholders ("management level").

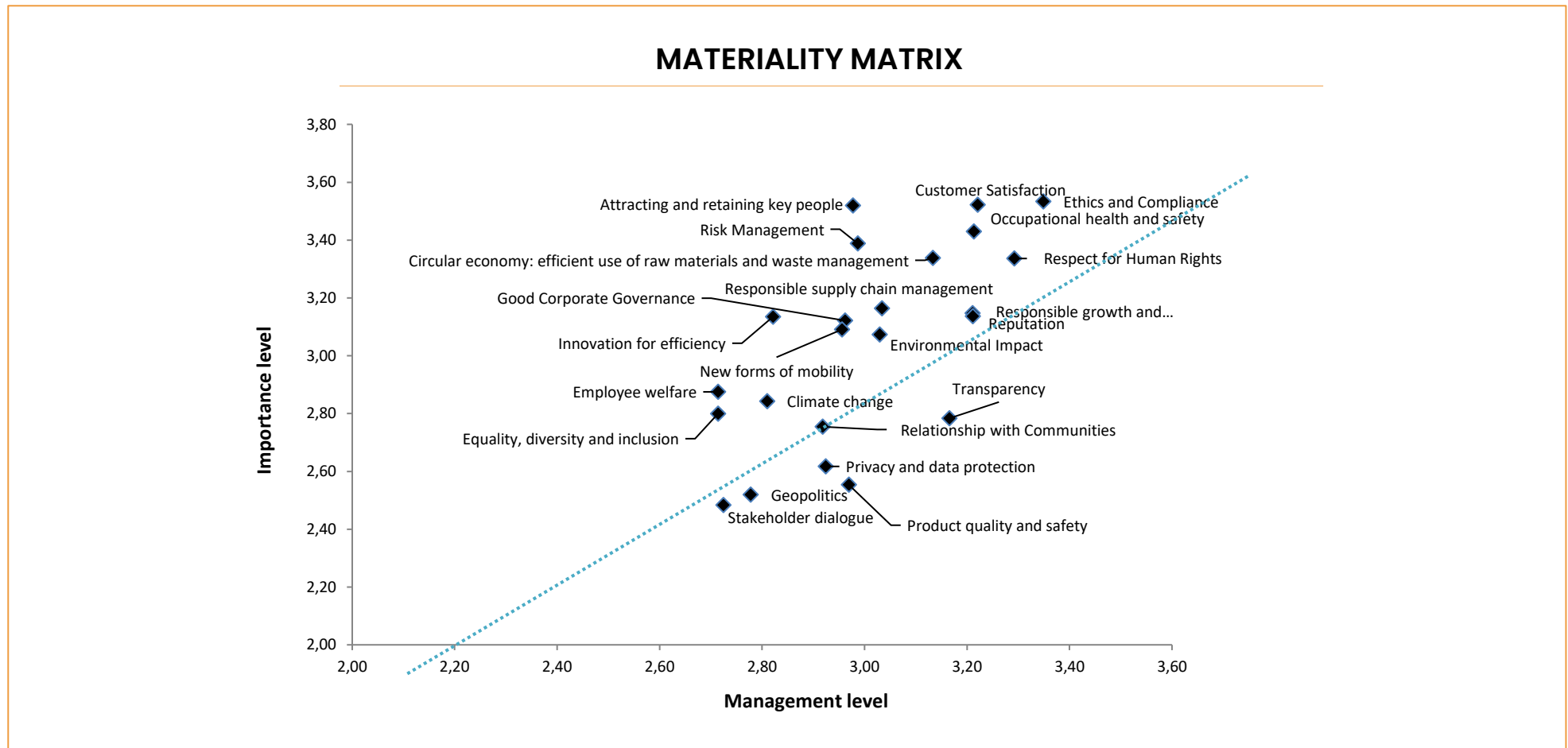
INTERNAL Analysis:

The external analysis was complemented with internal online ESG workshops, which were attended by 800 people from the Management Teams of each plant around the world, thereby broadening the company's view of the ESG issues of greatest concern in each geographical area.

- **The result of this global analysis is reflected in the Materiality Matrix.**

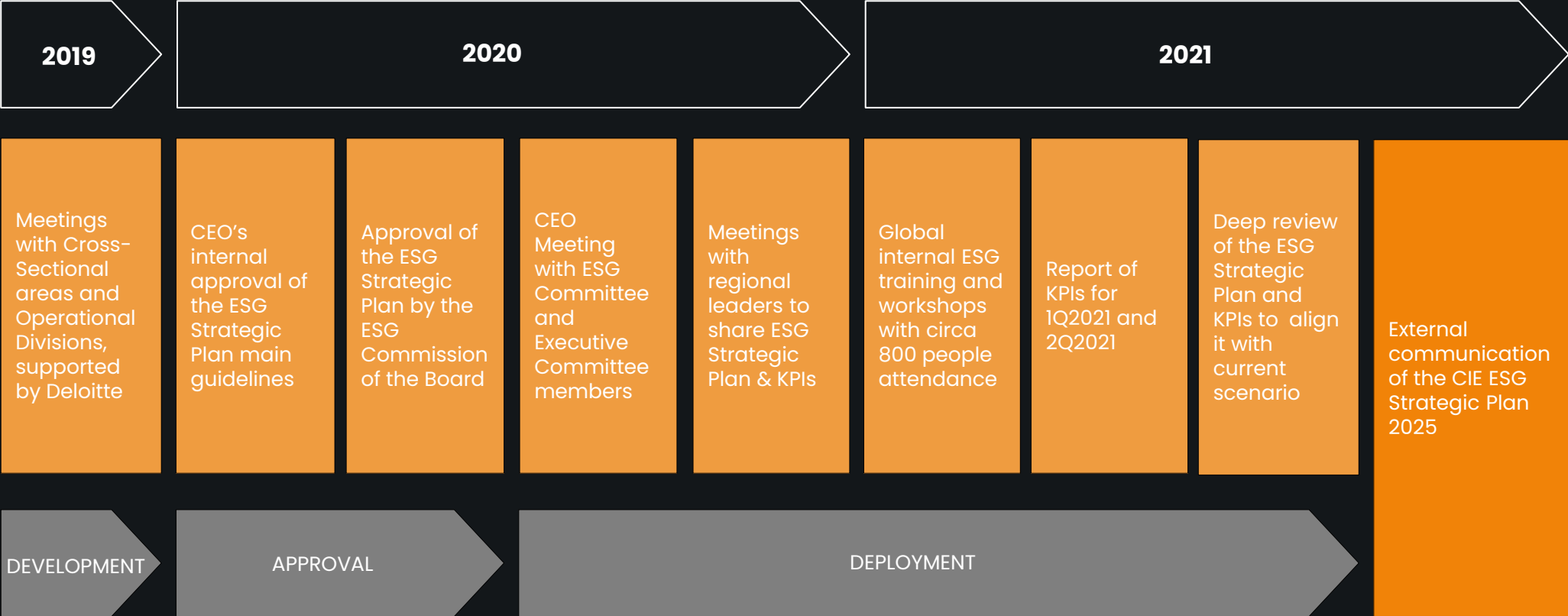


2.3. Materiality Matrix

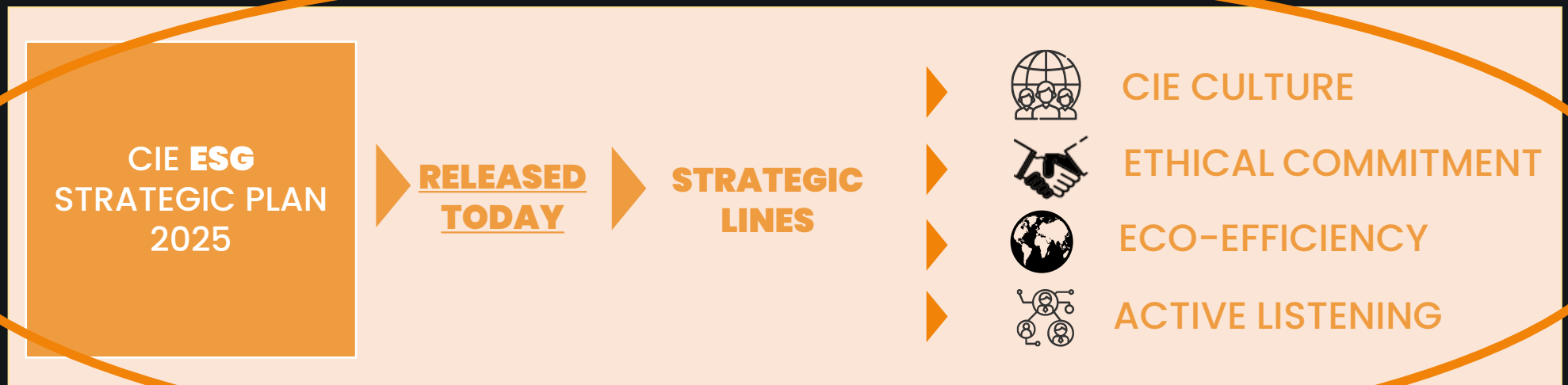


Setting the critical guidelines of the ESG Strategic Plan, according to their importance and management level: prioritize those topics on the above left part of the matrix.

2.4. The process up to date



2.5. ESG Plan & Strategic lines



2.5. ESG Plan & Strategic lines



CIE CULTURE **Identifying, empowering, retaining and attracting talent**

✓ Attracting and retaining key people

✓ Occupational health and safety

✓ Employee welfare

✓ Equality, diversity and inclusion

2.5. ESG Plan & Strategic lines



ETHICAL COMMITMENT

Respect for, compliance with and development of the ethical framework

✓ Ethics and Compliance

✓ Risk Management

✓ Good Corporate Governance

✓ Respect for Human Rights

✓ Responsible growth and investment

✓ Privacy and data protection

✓ Transparency

2.5. ESG Plan & Strategic lines



ECO-EFFICIENCY

Efficiency in production and improvement of environmental impact

✓ Innovation for efficiency

✓ Circular economy: efficient use of raw materials and waste management

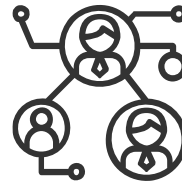
✓ New forms of mobility

✓ Environmental Impact

✓ Climate change

✓ Product quality and safety

2.5. ESG Plan & Strategic lines



ACTIVE LISTENING

Proactivity and continuous communication with our stakeholders

✓ Customer Satisfaction

✓ Responsible supply chain management

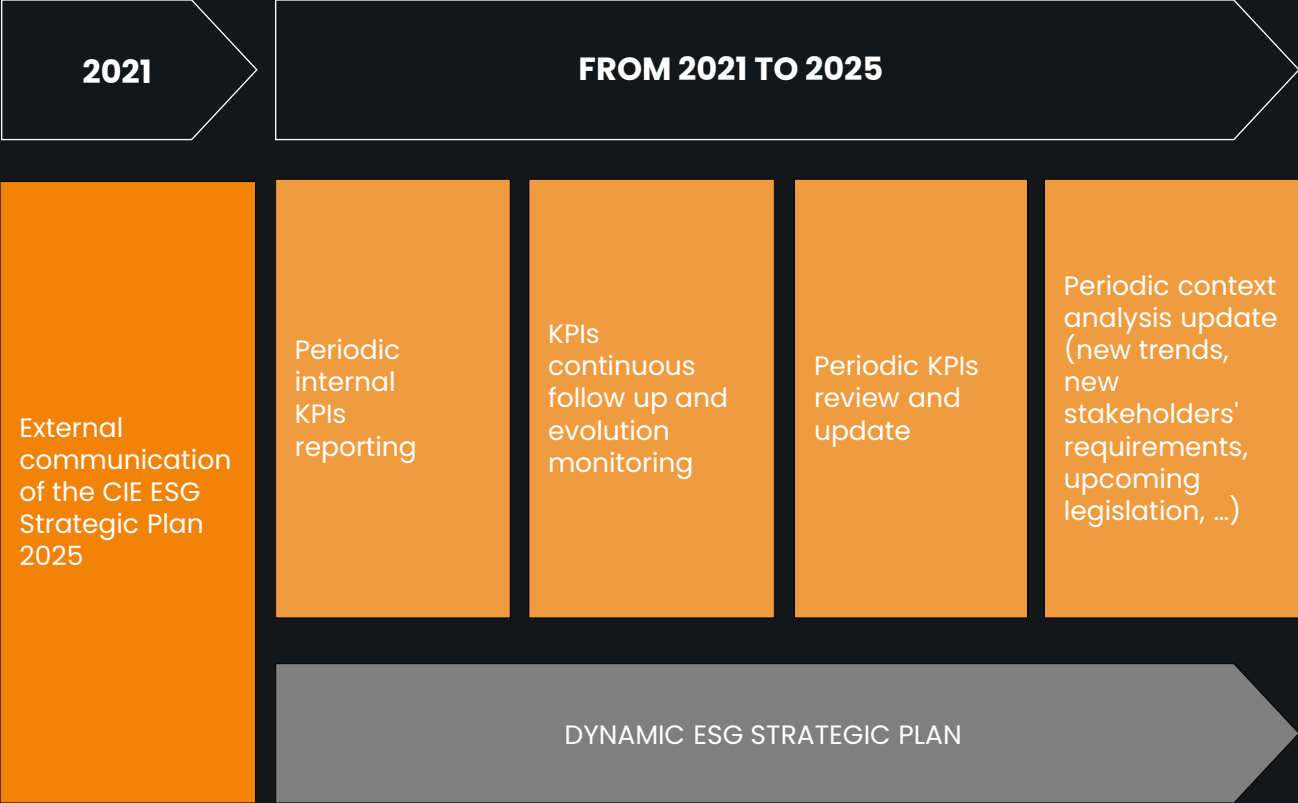
✓ Reputation

✓ Relationship with Communities

✓ Stakeholder dialogue

✓ Geopolitics

2.6. From now to 2025



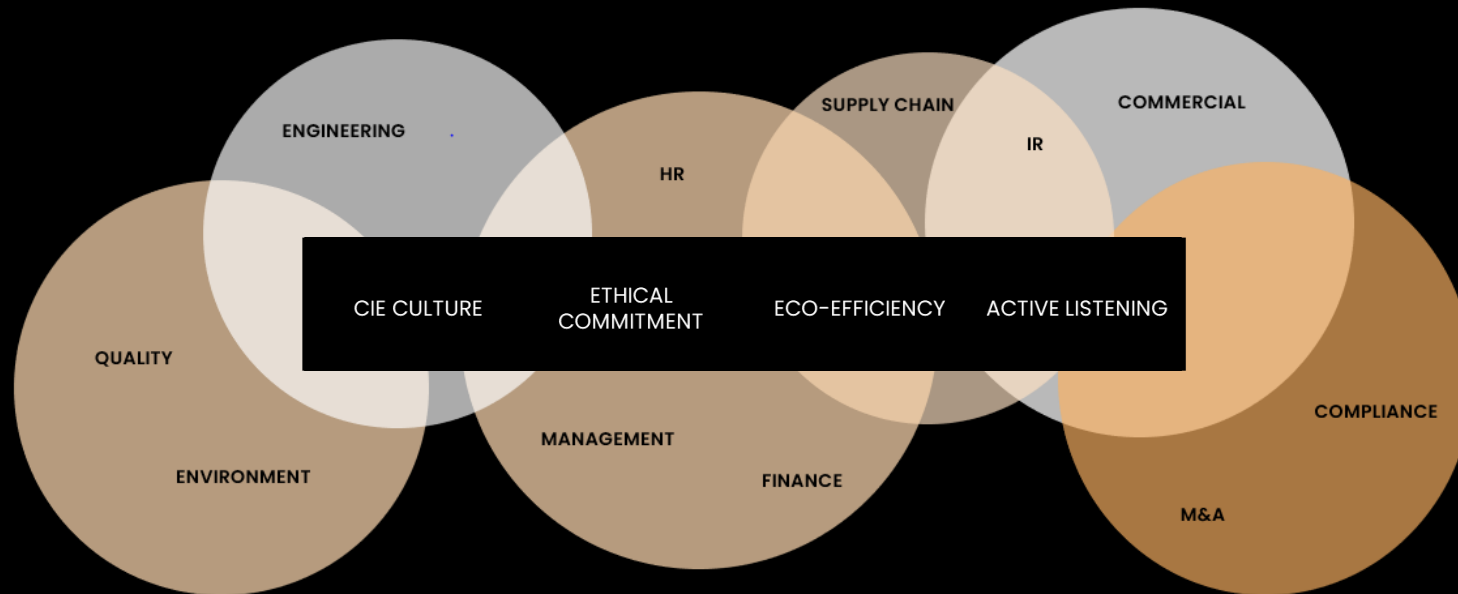
The background features a series of dynamic, flowing golden lines that create a sense of movement and energy. These lines are composed of many thin, overlapping strands that vary in brightness, giving them a shimmering, ethereal quality. They sweep across the frame from the top right towards the bottom left, set against a solid black background.

3

Internal Plan monitoring: KPIs

Internal Plan monitoring: KPIs

- CIE ESG Strategic Plan 2025 is based in the 4 different strategic lines, which are transversal to the whole organization and affect all the business areas of the Group.



- In order to follow up and monitor the ESG performance of the company, specific KPIs with specific targets and deadlines will be used. Each business area has defined its KPIs, in order to monitor the consecution of their own targets, amounting up to 79 KPIs in total for the Group.
- **The following slides contain examples of KPIs defined by the different business areas of the organization, in order to monitor the evolution of the ESG Strategic Plan 2025 and the achievement of the defined targets.**

KPIs: Compliance

- All actions are guided by the corporate values, which underpin the body of rules put in place to ensure that our people behave ethically.
- All rules are complemented by compliance oversight and breach remedy mechanisms.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
COMPLIANCE	• Commitment through ESG workshops	• 100%	• 2025	• CIE Culture
	• Global rollout of the criminal compliance model	• 100%	• 2025	• Ethical Commitment
	• Employees trained in the Code of Conduct	• >95%	• 2021	• Active Listening

KPIs: Environment

• The main and ultimate target is minimising our environmental impact and contributing to improving our environment.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
ENVIRONMENT	• Reduction of energy consumption (Kwh/Added value)	• 2% per year	• 2025	• Eco-efficiency
	• Reduction of direct GHG emissions (Scope 1) (TCO2e)	• 2% per year	• 2025	• Eco-efficiency
	• Reduction of indirect GHG emissions from power generation (Scope 2) (TCO2e)	• 5% per year	• 2025	• Eco-efficiency
	• Reduction of emission intensity (TCO2e/Added value)	• 3% per year	• 2025	• Eco-efficiency

KPIs: Supply Chain

- Sustainable and stable supply chain management, minimising ESG risks.
- Eco-efficiency training and engagement.
- Tractors in the generation of value through local procurement.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
SUPPLY CHAIN	• No. of countries with ESG criteria in their purchasing processes / Total Group's operating countries	• 100%	• 2021	• CIE Culture/Ethical Commitment/Eco-efficiency
	• % local supplier / All suppliers, on the total expenditure for the period	• >70%	• 2023	• CIE Culture/Ethical Commitment/Active listening
	• No. of suppliers with annual purchasing volume > 1M€ audited and/or self assessed in the period following ESG criteria	• 25%	• 2022	• Ethical Commitment/Eco-efficiency / Active-listening

KPIs: Human Resources

- Diversity, Equality & Inclusion: all plants with diversity diagnosis by 2025 and immediate action plans.
- Management awareness in ESG: 100% managers & directors trained by 2025.
- Health & Safety: 100% of CIE plants ISO 45001 certified by 2025.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
HUMAN RESOURCES	• No. of plants with diversity diagnosis / Total Group plants	• 100%	• 2025	• CIE Culture
	• No. of plants with certification ISO 45001 / Total Group plants	• 100%	• 2025	• Ethical Commitment
	• No. of people trained / Total No. of people to be trained in ESG	• 100%	• 2025	• Ethical Commitment

KPIs: Engineering

- Eco efficiency criteria from product and process development.
- Innovation focused on impact mitigation.
- Best practices transfer within the Group.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
ENGINEERING	• No. of production lines with 4.0 technology initiatives implemented per division or technology	• Europe: 3 Asia: 1 America: 1	• 2024	• Eco-efficiency
	• % of improvement in gross weight to net weight ratio	• <u>Europe</u> : 3% improvement, in 2 relevant products in 3 technologies. • <u>Rest of the world</u> : 3% improvement, in 3 relevant products in 3 technologies.	• 2025	• Eco-efficiency
	• Introduction of circular economy projects for energy consumption improvement (No.)	• To develop a circular economy project in Europe and extend it to another region.	• 2024	• Eco-efficiency

KPIs: Commercial

- Team with ESG knowledge updated to exceed customer expectations.
- Annual ESG training sessions and open communication to customer about policy.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
COMMERCIAL	• No. of self-assessed plants in NQC with score above 80%	• 75%	• 2021	• Active Listening
	• Compile which platforms each plant uses with its customers for self-assessment in ESG	• 100%	• 2021	• Active Listening
	• No. of people in the sales team trained / Total number of staff in the sales team	• 80%	• 2021	• Active Listening

KPIs: M&A

- ESG integrated into our own investment processes and valuation analysis.
- During the due diligence process of all the different areas of a target company, the ESG aspects will also be analysed.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
M&A	• New integrations with the ESG Manual implemented / Total new integrations	• 100%	• 2021	• Ethical Commitment

KPIs: Finance

- Global commitment of key financial institutions to the implementation of the 2030 Agenda.
- CIE's commitment to prioritize and increase the weight of sustainable finance.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
FINANCE	• Sustainable funding gross debt / gross debt of the Group	• > 50%	• 2025	• CIE Culture/ Ethical commitment/Eco-efficiency
	• Compliance with life loan requirements of first sustainable funding (%)	• 100%	• 2021	• CIE Culture/ Eco-Efficiency /Active listening
	• ESG financing agreements published (%)	• 100%	• 2023	• CIE Culture / Ethical commitment/ Active listening

KPIs: IR

- ESG integrated into the financial investment processes.
- Increasing transparency and activity regarding ESG topics is required for contributing to funds' investment process.

AREA	KPI	TARGET	DEADLINE	STRATEGIC LINE
IR	• Publication of the ESG Plan on the corporate website and intranet	• 100%	• 2021	• Active Listening
	• No. of key ESG analysts replied / Total key ESG analysts that contacted CIE Automotive	• 100%	• 2021	• Active Listening

KPIs follow up and update

- CIE Strategic Plan was elaborated during 2019 and the initial target was to release it during 2020, although it had to be delayed because of pandemic.
- The KPIs defined to monitor the evolution of the ESG Strategic Plan, their targets and deadlines were elaborated in 2019 too.
- In 2021, prior to the public release of this CIE ESG Strategic Plan 2025, all KPIs were reviewed and updated.
- **Since the world, the Automotive sector and the Suppliers space within our industry are constantly evolving, CIE will need to adapt itself to the changing context and in that framework, we assume KPIs will have to be updated during the period of the Strategic Plan.**



The background features a series of dynamic, flowing golden lines that create a sense of movement and energy. These lines are composed of many thin, overlapping strands that vary in brightness, giving them a shimmering, ethereal quality. They curve and swirl across the dark, black background, starting from the top left and moving towards the right side of the frame.

4

**How can you
follow up our
ESG performance?**

Annual report

ANNUAL REPORT

CIE Automotive continues to climb up the Reporta ranking, rising from 51st to 3rd place during the last years

2021 – 3rd POSITION



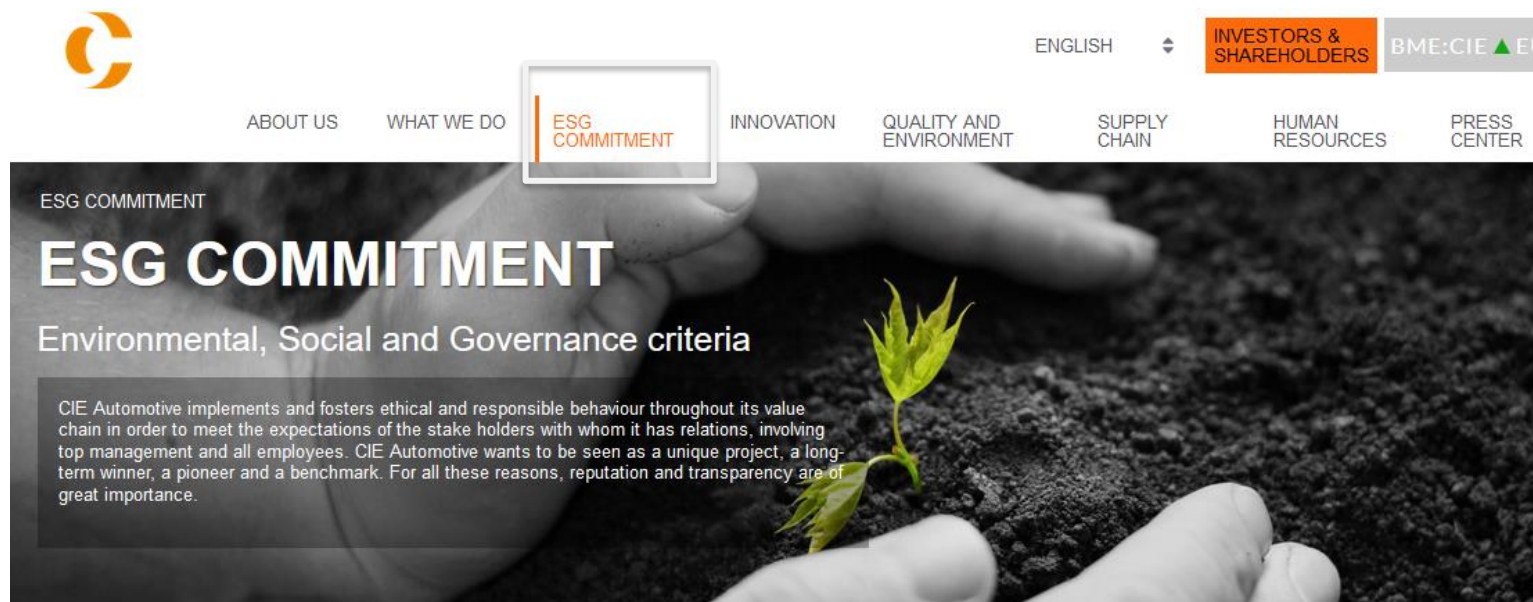
- 2020 – 6TH POSITION
- 2019 – 5TH POSITION
- 2018 – 9TH POSITION
- 2017 – 17TH POSITION
- 2016 – 17TH POSITION
- 2015 – 42ND POSITION
- 2014 – 51ST POSITION

Puesto	Compañía	Sector	Puntos	Dif. puntos	Dif. ranking
1	Banco Santander	X35 Servicios Financieros e Inmobiliarios	86,7	+1,5	▲ 4
2	Telefónica	X35 Tecnología y telecomunicaciones	86,3	+3,9	▲ 6
3	Cie Automotive	X35 Mat. Básicos, Industria y Construcción	85,3	+0,3	▲ 3
4	CaixaBank	X35 Servicios Financieros e Inmobiliarios	84,8	+3,2	▲ 6
5	Red Eléctrica	X35 Petróleo y Energía	84,5	-1,0	▼ 1
6	Iberdrola	X35 Petróleo y Energía	83,3	-2,5	▼ 4

The Annual Report is a essential tool to understand CIE’s ESG management and evolution. Its content has been recognized and rewarded in the prestigious Reporta ranking throughout the years.

Corporate web page

CORPORATE WEB PAGE – ESG SECTION

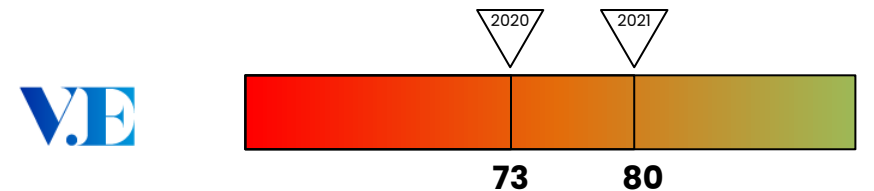
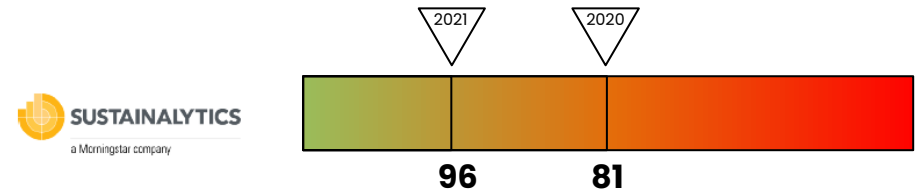
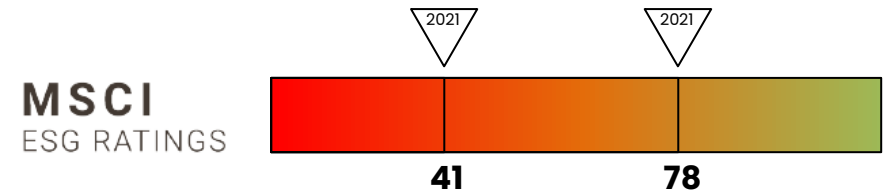
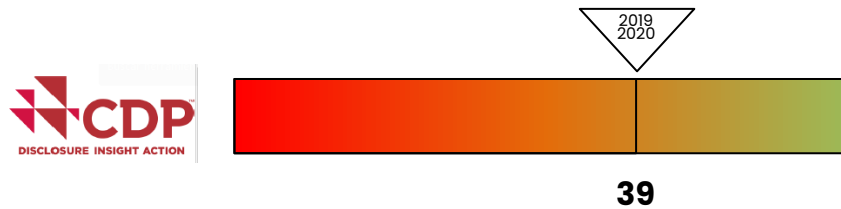
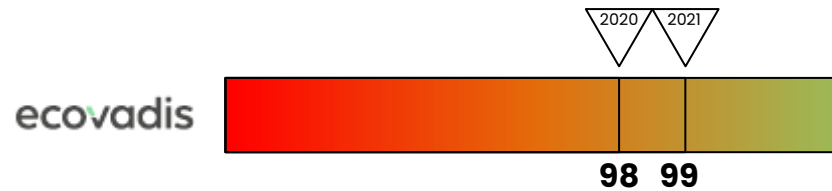


The screenshot displays the ESG section of the CIE Automotive corporate website. At the top left is the CIE logo. The navigation menu includes 'ABOUT US', 'WHAT WE DO', 'ESG COMMITMENT' (highlighted with a white box), 'INNOVATION', 'QUALITY AND ENVIRONMENT', 'SUPPLY CHAIN', 'HUMAN RESOURCES', and 'PRESS CENTER'. On the right, there are links for 'ENGLISH', 'INVESTORS & SHAREHOLDERS', and 'BME:CIE ▲ EU'. The main content area features a background image of hands holding a small green plant in soil. The text reads: 'ESG COMMITMENT', 'ESG COMMITMENT', 'Environmental, Social and Governance criteria', and a paragraph: 'CIE Automotive implements and fosters ethical and responsible behaviour throughout its value chain in order to meet the expectations of the stake holders with whom it has relations, involving top management and all employees. CIE Automotive wants to be seen as a unique project, a long-term winner, a pioneer and a benchmark. For all these reasons, reputation and transparency are of great importance.'

CIE corporate web page also contains specific ESG information, useful to understand CIE's ESG commitment and management.

ESG agencies

PERCENTILE POSITION WITHIN THE SECTOR



Several independent ESG agencies evaluate CIE's ESG performance, most of them unsolicited by the company, using our public information. Almost all of them show very positive trend in the rating.

The background features a series of flowing, golden-yellow lines that create a sense of movement and energy. These lines are composed of many thin, overlapping strands, giving them a textured, almost fabric-like appearance. They curve and swirl across the frame, set against a solid black background. The lighting is dramatic, with the golden lines glowing and casting soft shadows, creating a high-contrast, futuristic aesthetic.

5

Mission, Vision, Values

Updating Mission, Vision, Values

- The context analysis elaborated in 2019 within the Strategic Plan elaboration process showed how things have changed during last years and how much impact those changes have in CIE Automotive.
- It also showed how fast the environment will change and how CIE will have to evolve in order to adapt itself to the new context.
- It all led us to rethink about who we are and who we want to be in the medium and long term.
- **We are taking the chance of this CIE ESG Strategic Plan presentation to publicly release also our updated Mission, Vision and Values, which at the end of the day represent the essence of CIE Automotive.**



Mission

We are a team committed to an automotive project that has been growing steadily for more than 25 years

- ➔ We are a global, multi-technological supplier:
 - 4 continents
 - 7 technologies
- ➔ We add value to all our stakeholders
- ➔ We guarantee quality and service
- ➔ We are a participative and innovative team:
 - Each person is an entrepreneur
 - We are proud to be part of it
- ➔ We take care of the planet:
 - We contribute to improving our environment
 - We minimize our environmental impact



MOVING TOWARDS EXCELLENCE

Vision

To provide the best solutions for the mobility of the future, being:

➔ **Climate neutral:**

- Maximum circularity of resources
- Net zero emissions

➔ **Value chain tractors:**

- Integral conception
- Favouring local economies

➔ **A reference point in society:**

- Guaranteeing the integrity, security and health of people
- Listening, transmitting and acting

➔ **Excellent in management:**

- Transparency and integrity
- Generating value



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Values

- ➔ Commitment to things well done
- ➔ Innovation as the answer to any challenge
- ➔ Focus on people, their families and their environment
- ➔ Diversity, equality and inclusion
- ➔ Sustainable and profitable growth
- ➔ Ethics and honesty
- ➔ Self-criticism and recognition
- ➔ Climate action
- ➔ Respect for legality



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Thank you