




CIE Automotive


Sustainable Purchasing Policy

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1. Definition and scope of application

The sustainable purchasing policy of CIE Automotive, S.A (hereinafter “**CIE Automotive**” or the “**Group**”, without distinction) is aligned with the Group's ESG 2025 strategic plan, contributing to the achievement of the set objectives, being a living document that must adapt to the company's plans, as well as to regulatory, normative and market requirements.

This policy, serves as a guide for all those professionals who work within the purchasing function of CIE Automotive, as well as for all members and workers in its Value Chain, and aims to commit to carrying out purchasing activities in a responsible and sustainable manner, minimizing environmental impact and protecting human rights, always aligning with the principles of sustainable development (Global Compact) and the UN Sustainable Development Goals (SDGs).


This policy is applicable to all operations and activities related to the purchase of goods and services, in all Group locations regardless of where they are carried out.

2. Principles and objectives

CIE Automotive's Sustainable Purchasing policy is based on global management of the impacts derived from its activity, based on the following fundamental principles;

- **Environmental Responsibility:** Prioritize the purchase of materials and products that have a lower environmental impact throughout their life cycle. Positively valuing the relationship with suppliers that have defined decarbonization objectives.
- **Human and Labor rights:** Evaluate the performance of suppliers to avoid any non-compliance or identify any violation thereof, promoting a culture of respect both internally and throughout the supply chain.
- **Promote equality, diversity, inclusion and non-discrimination:** ensuring work-life balance, fair remuneration and the safety and well-being of people, ensuring working conditions and identifying and evaluating the performance of suppliers and the value chain workers in these matters to avoid any non-compliance, and recognize best practices.
- **Ethics and Transparency:** Maintain fair, sustainable and transparent purchasing practices, ensuring compliance with current laws and regulations.

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- **Commitment to Suppliers:** Collaborate with suppliers who share our values and adhere to our sustainability and social responsibility standards.


In addition, the following basic principles are established that are not limiting in nature:

- ✓ **Objectivity, transparency and non-discriminatory fair treatment** in its relationships with all suppliers and collaborators.
- ✓ To align the strategy and efforts of the purchasing department in an effort to **achieve the objectives** established.
- ✓ **Commitment** to supporting and developing, throughout the entire supply chain, the ten principles **of the United Nations Global Compact** of which CIE Automotive is signatory.
- ✓ To work, both internally and externally, to create awareness of the importance of **improving the environment**, in accordance with the regulations on **health and employment rights**.
- ✓ To implement **procedures and controls** to ensure objective and fair awards.
- ✓ To select **suppliers** based on objective criteria that measure quality and service, as well as corporate social responsibility criteria.
- ✓ **To ensure** that the quality of the products and services purchased meet the technical, safety and environmental requirements and requirements related to human and employment rights.
- ✓ To identify and achieve **synergies within the group**.
- ✓ To develop **long-term collaboration and innovation agreements** with suppliers.
- ✓ To seek **mutual understanding and benefit** with suppliers.
- ✓ To contribute to the **development of the processes** of our suppliers.
- ✓ To maximise the **motivation and active participation** of CIE Automotive employees in the purchasing function and in their training to achieve **excellent performance**.

All these principles will be promoted to strengthen the entire supply chain and achieve the following objectives:

- **Emissions Reduction:** Select suppliers and products that contribute to the reduction of CO2 emissions and other greenhouse gases.
- **Energy Efficiency:** Promote the acquisition of products and services that promote energy efficiency and the use of renewable resources.
- **Sustainable Materials:** Prioritize the use of recycled, recyclable and sustainably sourced materials.

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- Innovation: Promote innovation and collaboration with our stakeholders in the supply chain to adopt more sustainable technologies and processes.
- Promote the acquisition of goods and services from local suppliers or those with local implementation to promote the development of the communities where we operate.
- Reward the best practices of third parties that supply goods and services to our Company in the different ESG aspects through the periodic call for **recognition programs**.
- Encourage our suppliers to be aligned with Human Rights and with the ten principles of the United Nations Global Compact as a framework of reference.

3. Procedures

To achieve the objectives in a fair, objective and transparent manner, the procedures detailed below are established:

- Supplier Evaluation: Implement a supplier evaluation and selection process based on sustainability, human rights, social responsibility and ethics criteria. Relying on the ESG Supplier Portal tool, where suppliers must register and attach information and certificates. Only those companies that obtain a positive rating are approved.
- Monitoring and Auditing: Carry out periodic audits, both process and exclusive audits on ESG criteria, to ensure that suppliers comply with our sustainability and Human Rights standards and objectives.
- Training and Awareness: Provide ongoing training to our purchasing team and suppliers on sustainable, responsible, environmental and Human Rights practices with a minimum annual frequency.
- Collaboration and Continuous Improvement: Work together with suppliers to identify and adopt best practices, promoting continuous improvement throughout the supply chain.
- All CIE Automotive Group buyers from all locations receive training, updated regulations and procedures on sustainable purchasing.

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- All suppliers with which the Group works have undergone an evaluation of ESG criteria, either via the Supplier Portal or by signing their own document on ESG (Environmental, Social and Governance) criteria.
- Under equal conditions (quality, cost, etc.), priority will be given to those suppliers that favor the environment, Human Rights, promote equality, inclusion, and/or are run by women.
- Our suppliers accept the Group's General Purchasing Conditions, which include clauses on environmental, labor, human rights and ethical requirements of the workers in the Value Chain.

4. Value Chain Workers

The CIE Automotive Group has defined clear guidelines and requirements for the workers that make up its Value Chain;

- **Decent Working Conditions:** Ensure that suppliers and subcontractors guarantee decent working conditions for all workers in the value chain, including fair wages, reasonable work hours, and a safe and decent work environment.
- **Human Rights:** Promote and respect human rights throughout the supply chain, ensuring non-discrimination of any kind, the right to freedom of association and the elimination of child and forced labor, as well as human trafficking.
- **Professional Development:** Promote the professional development and continuous training of workers in the value chain, promoting skills that improve their employability and quality of life.
- **Wellness and Health:** Implement health and wellness programs that address the physical and mental needs of workers, ensuring a healthy and safe work environment.
- **Commitment to the Community:** the Group is committed to contributing positively to the communities in which it operates, ensuring that our purchasing practices not only benefit our company, but also society in general.
- Every worker in the Group's value chain is free to communicate or report any violation of their rights or negative impact on their personal and professional conditions or well-being. Through the Group's corporate website in the **"Ethical Channel"** section:

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<https://cieautomotive.com/en/ethical-channel>. This **complaints channel** is verified and reviewed every six months by the Audit and Compliance Commission.

- The participation of the value chain workers themselves is encouraged, since the entity offers a two-way communication channel in which they can present ESG issues and proposals. You can do so by sending an email to esg@cieautomotive.com.

5. Remediation of non-compliance

The non-compliance with the established in this Policy puts the Group at risk and may be subject to legal action.

In the event of a violation of the provisions of this Policy, the Group companies will react immediately in accordance with the applicable regulations, executing the legitimate measures that assist them


When the Group identifies that it is related to a material negative impact on compliance with its environmental or Human Rights procedures and objectives on workers in the value chain, the identified supplier will be blocked and corrective action will be established to return the supplier to homologated. The plant management and the business/division management will be informed of the non-compliance, of its need for correction, as well as of periodic monitoring until its correction, according to point 24 of the Group's General Purchase Conditions.

To ensure the effectiveness of these measures, those responsible for business and operations will assign resources and responsibility for prevention and mitigation to appropriate levels and functions within the organization.

Likewise, monitoring mechanisms must be put in place to evaluate the application and effectiveness of the established prevention and mitigation measures. Both elements must be articulated in the form of corrective-preventive action plans, which must be prepared in consultation with the affected groups when appropriate, and include reasonable deadlines for action, and qualitative and quantitative indicators to measure its effectiveness.

The communication of potential breaches of this Policy or of any environmental criteria, Human Rights or workers in the value chain may be carried out through the different means that the Group companies have in their management systems or through the CIE Automotive Ethical Channel (see section 4 of this Policy).

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6. ISO20400 Certification in Sustainable Purchasing

CIE Automotive holds ISO20400 certification in Sustainable Purchasing (see Supply Chain section of the Annual Report), whose scope of application includes all the Group's plants and locations, and is based on the UNE-15896 standard on Value Added Purchasing Management.

The standards and guidelines of this Certification will be applied by all Group buyers to guarantee the security of the supply chain, avoid financial, environmental, human rights and reputational risks, promote the well-being of the employee of the value chain, as well as how to be prepared to achieve the decarbonization objectives that CIE Automotive has set and published.

This policy will be reviewed and updated regularly to guarantee its relevance and effectiveness, adapting to new regulations and supply chain demands.

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