



CIE Automotive

ESG Policy

(Environmental, Social, and Governance)

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1. Introduction and scope of application

This general Environmental, Social, and Governance (“**ESG**”) Policy establishes the fundamental principles and general framework of activities for managing the ESG practices of CIE Automotive, S.A. (“**CIE Automotive**” or the “**Company**”, and as a corporate group together with its subsidiaries,¹ the “**Group**”, used in this document without differentiation). It serves as the basis for integrating ESG matters into CIE Automotive’s business model and strategy, as a way of creating long-term value for all stakeholders and for the company itself. The corporate website is used as the primary channel for managing relations with the stakeholders.

The general ESG Policy applies to all of CIE Automotive’ directors, senior managers, and employees, and to all companies belonging to the Group.

2. Objectives

This policy’s main objectives are:

- ❖ Ensuring that CIE Automotive’s activities are governed by the following **principles**:
 - ✓ Promoting **corporate governance best practices**, with transparency, ethical business management, and fiscal responsibility being prioritised in all locations where operations occur, while ensuring appropriate management of financial and non-financial risks and public availability of all relevant information about our activities.
 - ✓ **Creating channels to facilitate ongoing two-way communication with the stakeholders**, to allow a better understanding of their expectations and adapt the business functions based on the need to satisfy those expectations.
 - ✓ Promoting **respect for human rights**, and ensuring that they are respected throughout CIE Automotive’s entire value chain.
 - ✓ Establishing and promoting a **general procurement policy** for CIE Automotive, in order to develop a supply chain that remains in compliance with the principles from this policy.
 - ✓ Protecting the **health and safety of all of the Group’s personnel**, and everyone else performing work at any of CIE Automotive’s facilities.
 - ✓ Promoting **personal and professional development for everyone at CIE Automotive**, giving them the necessary means (training, equality plans, and social benefits) to help them improve their capacities for initiative, creativity, and innovation, while also increasing and encouraging participation and teamwork. CIE Automotive must also ensure that all persons are complying with the Code of Professional Conduct.
 - ✓ Contributing to **better management of natural resources and the environment**, with a focus on efficiency, innovation, and effectiveness, while minimising any negative impacts derived from our activities and complying with the policies and procedures established in the environmental management systems.
- ❖ Articulating the corporate sustainability strategy based on the following **commitments**:
 - ✓ **Integrating environmental variables, respect for the environment, and the fight against climate change** into execution of all of CIE Automotive’s projects, as a way of incorporating its commitment to environmental protection and conservation into all of its activities.

¹ Companies where CIE Automotive owns more than 50% of the share capital or has appointed more than half the members of the management body.

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- ✓ Ensuring the **well-being of CIE Automotive’s employees** by providing equal opportunities and a positive work environment, and preventing occupational risks. Specifically, CIE Automotive is committed to maintaining an occupational risk prevention system that provides a healthy workplace.
- ✓ **Complying with the commitments** from the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration, the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the G20/OECD Principles of Corporate Governance.
- ✓ **Preventing money laundering and all forms of corruption**, in all countries and areas where CIE Automotive performs its activities, and in all of its business relations carried out with entities in the public and private sectors. For that purpose, CIE Automotive must work on implementing and maintaining adequate and appropriate internal programmes, rules, and controls.

The specific practices that CIE Automotive has implemented to comply with these objectives are available at its corporate website (www.cieautomotive.com), and in the various types of reports it makes available to the public.

3. Performance monitoring systems for the principles applied, and for the associated risks and their management

CIE Automotive’s ESG Committee is responsible for review, oversight, compliance monitoring, and evaluation of results for this ESG Policy, and it has delegated the performance monitoring work for application of this policy’s principles to the ESG Cross-Group Committee. That committee, which must report directly to the ESG Committee, was specifically created for the purpose of managing all ESG matters for CIE Automotive.

The performance criteria for application of this policy’s principles, and for any associated risks, is covered by CIE Automotive’s Risk Management and Control Policy, which also includes production of an annual Risk Map, with participation by Senior Management and the Management Team, using the ISO 31000 methodology (which is the risk management methodology generally accepted in the market).

That Risk Map must, as a minimum, include CIE Automotive’s risk catalogue, which also includes assessment of everything related to the company’s non-financial risks and risks related to corruption, including operational, technological, legal, social, environmental, political, reputational, and compliance risks. With the objective of ensuring that the agreed responses to the risks are feasible and effective, monitoring that covers the following objectives must be performed each year:

- ✓ Ensuring that the risks are being managed in the manner established by Senior Management and the Management Team.
- ✓ Evaluating whether the agreed responses are effective, and for any that are not, providing responses to the persons responsible for them and initiating action plans in cases where necessary.
- ✓ Determining whether the risk catalogue anticipates and reflects potential changes to the expectations of the stakeholders.

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To perform this monitoring, the Compliance Department’s annual revisions plan must include the prioritised action plans, to monitor whether they are being carried out in the manner established and whether they are effectively mitigating the corresponding risks. The persons with responsibility for monitoring the risks are the persons responsible for each of those risks, from the corporate parent company as well as from the corresponding business divisions.

In addition, the Compliance Department must determine whether any risks have materialised, and for any that have, it must identify the measures implemented to mitigate them.

4. Stakeholder communication channels, participation, and dialogue

CIE Automotive’s primary channel for official communication with its stakeholders is the corporate website (www.cieautomotive.com), which is continually updated. This is where all relevant information affecting the stakeholders is systematically published. The objective pursued is to ensure that transparency is the prioritised value that underlies CIE Automotive’s relations with its stakeholders.

In addition to its corporate website, CIE Automotive has a corporate intranet that is made available to all of the Group’s personnel. It also has two communication channels dedicated to ESG matters, to allow participation by the various stakeholders and dialogue with them:

- ✓ By email sent to esg@cieautomotive.com
- ✓ By postal mail sent to the ESG Cross-Group Committee at the following address:
Alameda Mazarredo 69, 8º. C.P. 48009 Bilbao (Bizkaia), Spain.

Through its ESG Cross-Group Committee, CIE Automotive is committed to ensuring that all personal data it has received via those communication channels is processed in a strictly confidential manner at all times, in accordance with the purposes established in this section.

In addition, it must implement all technical and organisational measures necessary to safeguard the security of those data and prevent any alteration, loss, or unauthorised processing or access. Those measures must be based on the state of the technology, the nature of the data stored, and the risks to which those data are exposed, all in compliance with the personal data protection legislation.

5. Responsible communication

With the objective of ensuring that all of CIE Automotive’s communications with its stakeholders regarding ESG matters take place in a responsible way, all directors, senior managers, employees, and workers at all companies belonging to CIE Automotive have an obligation to comply with CIE Automotive’s Code of Professional Conduct, which contains provisions focused on prevention of information manipulation and protection of personal integrity and dignity.

6. Terms and definitions

For purposes of this document, the following terms and definitions will apply:

- Company: all persons who are part of CIE Automotive and who have their own functions with responsibilities, authorities, and relationships in order to achieve its objectives.
- Stakeholder: all persons or organisations that can affect, be affected by, or be perceived as being affected by, a decision or activity. For CIE Automotive, the stakeholders are the

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following: shareholders, staff, clients, suppliers, financiers, public-sector bodies, the industry, analysts and investors, and the community.

- Senior Management: a person or group of persons who manage and control an organisation at the highest level.
- ESG Cross-Group Committee: people who are part of the committee with responsibility and authority for the operation of the NFRS. The people who are part of this committee are identified on the Group's corporate website: <https://cieautomotive.com/en/esg-committee>
- System of Internal Control over Non-Financial Reporting (ICNFR): CIE Automotive has a series of specific controls, rules, and principles designed to ensure the reliability of all internally and externally distributed financial information, which must accurately reflect CIE Automotive's economic and financial realities and the state of its assets and liabilities, in accordance with the generally accepted accounting principles.
- Compliance Body: persons from the Compliance Department with responsibility and authority for operation of the Compliance Management System.
- Compliance Management System (CMS): an organisation's set of interrelated or interacting elements used to establish policies and objectives, along with the processes used to achieve those objectives.
- Compliance objectives: development of the compliance culture for internal rules and external laws and standards, and commitments relating to criminal law, including but not limited to those regarding prevention of criminal offences and bribery, environmental protection, and taxation.
- Compliance: means compliance with all of the organisation's obligations relating to compliance.
- Compliance obligations: all compulsory requirements that an organisation must comply with, plus any that an organisation decides to comply with voluntarily.
- Requirement: an established need or expectation, generally implicit or compulsory.
- Risk Management System: an organisation's set of interrelated or interacting elements, subject to final approval by the Board of Directors, that provide reasonable assurance that all risks included in the defined categories are being prevented, identified, assessed, subjected to ongoing monitoring, and reduced to levels that comply with the defined risk tolerance levels.
- Risk: the effect that uncertainty has on the objectives.

7. Approval

This Policy has been approved by the Board of Directors and is effective as of that moment. It may only be modified by new express agreement of this administrative body, which will be given the necessary dissemination.

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