

2017

# News

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This Master's degree offers a different learning process in which work and study merge together.

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"CIE Automotive wants to be a pioneer in the current context of constant evolution and the first thing is to be socially responsible." CEO.

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It is committed to strengthening the Smart House project and to expanding its activity in Latin America.

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Managing high value added processes

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# Achieving goals

Dear friends,

We ended 2017 with the satisfaction of having fulfilled our expectations. At the beginning of the year we said that we were at a key moment in the project and, both in terms of growth and profitability, we were proved to be right. If the

first half of the year we completed new purchases, openings and acquisitions, in the second half we demonstrated our commitment to creating value, our desire that each operation be focused on a high return on investment and our effort to be a leader in our sector. Today we look to the future with optimism and ambition. CIE Automotive's business model, characterized by its flexibility and diversification, continues to prove its validity in the environment in which we operate, which is constantly changing and full of challenges and in which we make the most of the many opportunities presented to us. That is why we aspire to continue improving and continue beating our own records.

This ambition is backed by the conviction that we are a sustainable company, with all that this term implies. Our finances are aimed at ensuring the viability and profitability of the company. Our way of understanding the industry is imbued with the mentality of making every process more efficient. In the same way, our values push us to relate to the world around us—from the environment and the communities in which we operate, to all of our stakeholders—with a focus on efficiency that is sustained over time.

A reflection of this commitment with our environment was the inauguration on 24 October of CIE Automotive's 1st Corporate Social Responsibility (CSR) seminar.

This event, attended by divisional directors and managers of the European plants as well as members of the Transversal CSR

Committee, had a dual purpose: to reinforce the awareness of the importance of managing all aspects related to CSR and to share the group's best practices and action plans in this field. Of course, although this was the company's most noteworthy CSR event at a global level, several specific activities in this field have been carried out at each plant, something that has been part of our corporate culture since the beginning.

We don't want to say goodbye without first expressing our trust in and gratitude to all the professionals that make up CIE Automotive. As we said before, these are good times for CIE Automotive full of success, with record profits and fantastic growth. Today more than ever is a good day to recognize the great contribution of all our employees and to thank them for accompanying us on this great path to excellence.

Thank you all very much.

**Antón Pradera**  
**Jesús María Herrera**

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# Dual Master's Degree in Entrepreneurship Deusto-CIE Automotive

Monday 18 September saw the inauguration and start of the first edition of the Dual Master's Degree in Entrepreneurship in Action organized by the University of Deusto and in which CIE Automotive actively participates along with other companies, institutions and technology centres such as Tecnalia, Deloitte, Gamesa, Fundación Urbegi, Euskaltel, Petronor, Salto Systems, Idom and BBK. These companies also share responsibility for the educational process which also involves the Provincial Council of Bizkaia and the Department of Employment and Social Policies of the Basque Government.

The Dual Master's Degree in Entrepreneurship in Action offers a different learning process in which work and study merge together, since they take place at the same time in an alternating manner. The dual nature of the master's degree can be appreciated in the way the companies and the university, who have worked together intensely in the design of the programme, collaborate simultaneously to create the methodology based on providing solutions to real challenges. In short, it is a new educational model which the current socio-economic climate is crying out for.

This first edition is composed of a group of 15 participants of mixed profiles in terms of their geographic origin, academic background and professional experience and with one common denominator: their interest in intensifying their preparation to lead innovative social and business projects, both in fully functioning companies and in startup ventures.

**The Dual Master's Degree in Entrepreneurship in Action offers a different learning process in which work and study merge together since they take place at the same time in an alternating manner.**

On 20 and 25 September, CIE Automotive hosted all the participants at its facilities to inaugurate the Master's programme that will end in June 2018.

**CIE Automotive will focus on a "Smart supply chain" project**

CIE Automotive will focus on a "Smart supply chain" project, with the aim of incorporating new technologies into supply chain management and of understanding how the needs of customers fit with our activity and how the implementation of technological tools with certain suppliers can lead us towards operational excellence. The implementation will therefore consist in capturing and maximising data obtained in real time from different sources along the supply chain, which will optimize management and minimize possible risks.



# Investor Relations

## ANALYST DAY 2017

In the current context of the NAFTA market in which uncertainties about the lines of action of US President Donald Trump and the collateral effects that these might have on car production in Mexico are causing concern, and given CIE Automotive's important investments there, we believe that the company's analysts might find it enlightening to obtain first-hand experience about the projects we are developing in Mexico.

Therefore, an Analyst Day was organized during the week of 20 November in which, over three days, several CIE Automotive analysts along with members of the company's senior management toured the country and visited up to eight production plants using different technologies.

The feedback we received from the participants, who described it as “a unique experience to better understand both CIE Mexico and your business in general” and that it was “a pleasure to get to know the company better, understand the NAFTA project, but above all, to be able to get to know the great team and the people behind it”, confirms the success of the initiative as well as the certainty that it was a useful activity that contributed to gaining a more in-depth knowledge of the company as well as the reality of a country that is destined to become a major hub for manufacturing and exporting.



### Feedback from participants

“We were very positively surprised by the management team in Mexico. We valued their level of commitment to CIE's long-term project, the integrated structure that facilitates the execution of daily work as well as their growth projects around the world. In our opinion, this will clearly be the main (intangible) asset of CIE, whose value is priceless. We also want to highlight the basic principles of the automotive sector in the Mexican market, which is based on growing interest from European and Japanese OEMs to increase their production in one of the lowest-cost automotive markets worldwide”.

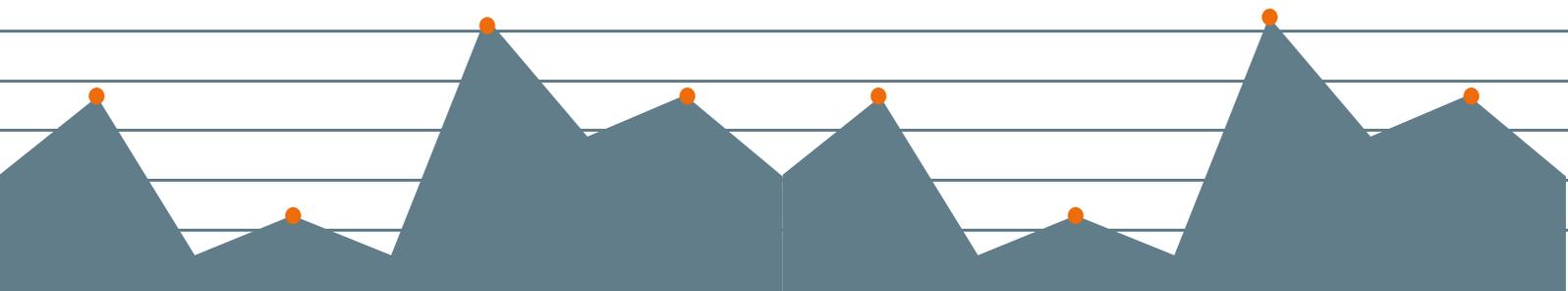
Santander Briefing Note on November 24th 2017.

## STOCK MARKET PERFORMANCE ANALYSIS

Despite the fact that the beginning of the year was difficult, CIE Automotive's stock improved over time until an exponential increase of almost 40% led the company to its maximum historical share price.

The good results obtained during each quarter, beating expectations and exceeding the market consensus, boosted investor confidence in the company. Thus, the stock reached its maximum at the beginning of November, with a share price of 26 euros. In December, the share price stay above 30% with respect to the beginning of the year, hovering around 25 euros. In this way, CIE has become one of the top four stocks most purchased by the best funds on the Spanish stock market.

In the same period, the Ibex 35 appreciated less than 10%, indicating that once again CIE Automotive surpassed the performance of the Spanish index.



## MARKETING ACTIVITY

From the point of view of activity undertaken by the Department of Investor Relations, during this second half of 2017 we have attended 5 important conferences in different areas:

- In September, we went to BPI's 14th Iberian Conference in Casçais, where we had meetings with 31 European investors. In the same month, we attended the London Small/Mid Cap Conference held by JP Morgan Cazenove, where we met with 13 investors from all over of the world.
- In October, we attended the Mirabaud Securities 6th Spanish Equities Day in Dublin, where we met with 3 Irish investors. We also went to the Ahorro Corporación Forum in Bilbao, where we had meetings with 11 European investors.
- In November, we went to the 14th Mid Cap Forum held by Exane BNP Paribas in London, where we met with 11 European investors.

The rest of the activity for this year has been focused on update roadshows for the 2016-2020 Strategic Plan (Andorra, Barcelona, Bilbao, Madrid, London, Edinburgh, Lugano, Milan, Frankfurt, Copenhagen, Stockholm, Oslo and Stavanger).

In general, we can speak of 2017 as having been a very active year to date: 11 conferences attended, 14 roadshows completed, more than 380 meetings with investors, 12 international financial centres visited, over 45 investors visited our facilities... Numbers that, for another year, confirm our growing dedication to the marketing of the project.



# JOSÉ LUIS CASTELO

PLANT MANAGER FOR CIE CELAYA METAL,  
CIE NUGAR AND CIE PUEBLA



## What is the current situation of the automotive sector in Mexico?

The situation is currently very good. Here's a fact: in 2013, almost three million cars were produced in Mexico. Four years later this number is expected to reach almost four million. More than 30% growth.

## Are the forecasts that suggest the country will become one of the world's main export and manufacturing hubs realistic?

We are all obviously aware that car manufacturers in Mexico are mainly exporters. And depending on the model, the export percentage can be very different. There are models that have always been produced for export to the United States. But increasingly we are seeing that many smaller models are being exported in large numbers to other countries in Latin America. And also, due to Mexico's high competitiveness, some models such as the VW Tiguan 7-seater and the Audi Q5 are being manufactured in Mexico as a global export platform. If historically Mexico has always been an exporter, now with the current exchange rate situation and the country's competitiveness as a manufacturing hub, it is logical that OEMs want to base themselves here. In recent years we have seen how companies such as Audi, BMW and Mercedes Benz that weren't in this market have now set their sights on Mexico as an important growth country.

## How is falling sales in the US affecting production in Mexico?

This year, up to the end of October, the US has produced 8% less than last year (let's not forget that 2016 was a very good year) and Canada 9% less. Meanwhile, in Mexico we have produced 14% more. It's true that sales are falling in the US but so far it's evident that this has not affected us, that we are growing and that forecasts suggest this will continue.

## Is there real concern regarding Trump's proposed policies? What would be the impact in the country?

Trump won the elections in the autumn of last year and took office in January of this year. Perhaps this has had an influence on the devaluation of the peso, which to a certain extent favours those of us that manufacture in Mexico. The reality is that production will increase by 10% this year. What might happen in the future? The presidency of INA (Mexico's National Automotive Parts Manufacturing Association) is meeting with its counterparts in the US and Canada. If Trump puts a tax on free trade in NAFTA, all three countries would lose out, but especially the United States. Cars manufactured in the US would go up in price

and it is American businessmen themselves who are pushing for the current trade situation to remain as it is. In addition, much of the investment in the automotive sector in Mexico is owned by Americans (mostly Republicans). I believe, without a doubt, that Mexico would suffer less than the US if the NAFTA agreement was broken. And we would be much better protected. That's why we hope that in the end nothing changes.

## Who are the main automotive manufacturers in Mexico? And who are CIE's main customers in the country?

According to the 2016 ranking of the most important manufacturers—and there don't seem to have been important changes in 2017—the main OEMs were: Nissan (848 K), GM (703 K), FCA (447 K), VW (415 K), Ford (391 K), Honda (254 K), Mazda (148 K), Toyota (139 K) and Kia (108 K). Regarding OEMs, we have a large presence in Nissan, VW, GM, FCA... And as for Tier 1 customers, we have agreements with Continental, ZF, Bosch, Magna and Nexteer.

## Is the electric vehicle, and how its mass entry would affect the automotive sector, also a recurring topic in Mexico?

At the moment almost all the assembly companies in Mexico are talking about the electric car but still at a project level. At CIE, we are currently working on real projects and manufacturing of electric cars. An example is our CIE Nugar plant which manufactures the components for the Tesla series 3, series S and series X models and in new innovative projects such as the electric brake for Bosch and Continental.

## What is the current situation of the plants in Mexico?

Currently, there are industrialization projects in all technologies and the result is positive, albeit with the difficulties that this entails because there are projects with a lot of technological integration and personnel training involved.

## Will CIE Mexico be able to respond to the expected levels of demand in the future? Are there investment plans for the coming years?

Yes, and most importantly, in recent years we have prepared ourselves technologically, with trusted and qualified personnel to be able to undertake new projects that will make us leaders in the NAFTA market. At the moment we are bidding for new projects that, if successful, will involve new investments in machines and even in new facilities to be able to industrialize them and provide the service that customers are demanding.

# Metal Europe division, a “Zero-Paper Company”

The CIE Metal Europe division continues its move to becoming a digital company

In an environment as demanding as the automotive industry, the market requires companies to constantly improve their competitiveness.

Therefore, beyond improvements in our manufacturing processes, there is a need to undertake projects that improve the efficiency of the structural workforce. Under these conditions, the Metal Europe division has completed a project to digitize the supplier invoice approval process and the subsequent process of accounting and archiving. This project allows us to continue advancing towards our goal of becoming a “Zero-Paper Company” in line with Industry 4.0 strategic trends.

This initiative has made it possible to streamline the flow of approvals, as well as subsequent searches for invoices, improving the transparency, traceability and reliability of the system. To do this, we contracted the services of Atecna for the implementation of Docuware document management software and were helped by CIE’s central systems with its integration with the SAP management system.

At present, we continue working to extend the digitization of documents to areas as diverse as documentation on quality and engineering, quotes... and contributing to the deployment of this initiative in the rest of the group’s divisions and plants.

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## CIE AUTOMOTIVE JOINS THE BIZKAIA BBK SCHOLARSHIP INITIATIVE

CIE Automotive is among the 12 companies that collaborate in the first call for Bizkaia BBK scholarship applications, promoted by the Provincial Council and the Fundación BBK. The principal new aspect is that the scholarships combine excellent education in foreign universities and a two-year work contract with leading companies in Bizkaia.

The Provincial Council of Bizkaia and BBK Fundazioa have launched a new programme of postgraduate scholarships that will provide quality employment to these young people in leading companies in the Basque country.

In this first edition thirteen scholarships will be offered, endowed by the Provincial Council and BBK with 445,000 euros, which will cover the costs of matriculation as well as airfares, visas, vaccinations, residence permits, accommodation, living costs, insurance and other possible expenses.

As the Head of the Provincial Council of Bizkaia, Unai Rementeria, highlighted in his presentation, this scholarship programme is born from the Provincial Council’s commitment to youth, educational excellence and quality employment. It is also directed at supporting those sectors which are strategic for the region’s economy, and guarantees that the money invested in educational excellence will provide a return for the whole of Bizkaia. “It’s about offering academic training in excellence in international universities and then guaranteeing a job opportunity for young people. In this way, our young people win, the company wins and the regions wins, because we retain the talent educated using money from the citizens of Bizkaia”.

# CIE AUTOMOTIVE CELEBRATES ITS 1ST CSR SEMINAR



CIE Automotive's 1st Corporate Social Responsibility (CSR) seminar was held on 24 October, inaugurated by our CEO Jesús M<sup>a</sup> Herrera, who stressed that CIE Automotive wants to be a pioneer in the current context of constant evolution and that a first and important step to becoming socially responsible is to simply do things well. This first seminar was attended by divisional directors and managers of the European plants as well as members of the Transversal CSR Committee and its content will soon be distributed throughout the organization.

The objective of this seminar was to publicize the milestones and progress made to date in CSR throughout the organization as a whole and present the new challenges that CIE Automotive will face. To this end, the different departments responsible for communicating with stakeholders described what activities have been carried out to date and what is the path that should be followed from now on. CSR and what our stakeholders demand from us is much more than just carrying out social actions or protecting the environment. CIE Automotive wants to make everyone aware that there is a long but interesting way to go in which we all participate and for which we have to be coordinated.

Within a CSR framework, the content of the agenda revolved around CIE Automotive's relationship with investors, customers, the environment, the supply chain, financiers, compliance and, of course, its relationship with the professionals that make up the organization. In addition, a survey was conducted with those present, with the help of Deloitte, to identify those environmental, social and good governance aspects that most concern the organization and how we are managing them internally. The result was that attraction and retention of talent, risk management, corporate governance and reputation are the areas that we in CIE Automotive perceive to be more important than issues such as management and allocation of resources.

In addition to an analysis and sharing of the improvements and action plans to be carried out, the day served to remind us all of the importance of:

- Being rigorous in the information that is reported in terms of the environment, human resources, supply chain and social action (via interactive PDFs or through personal explanatory emails).
- Relying on the collaboration and support of the Transversal CSR Committee for any questions that may arise in this matter in the organization. The corporate email address [csr@cieautomotive.com](mailto:csr@cieautomotive.com) has been set up for his purpose.
- Making use of the corporate website and the Annual Report published in it to learn all that CIE Automotive has in terms of non-financial information, in line with our commitment to transparency.

In future seminars we hope to increase the number of participants and thus achieve global engagement.

## *Cross-Group CSR Committee*



# BILL FORGE CSR COMMITMENT

*"In the last few years, Bill Forge has become a multi-national organization and as we grow we are discovering a greater responsibility to give back to the local communities which have provided such a talented workforce. We believe that making a positive impact, no matter how small it may be, is an important step toward ensuring subsequent generations inherit a safer, healthier, and more prosperous world. As a result, the Bill Forge CSR initiative seeks to bring investment to underprivileged areas and individuals within our local communities. We believe that promoting social progress is most sustainable when done so holistically by providing a broad spectrum of resources for recipients. Each focus area, which includes health, hygiene, and sanitation; education; environment; and community development; is therefore individually important but also dependent on the strength of the others categories. Bill Forge is excited about the work it is doing today and by the enthusiasm of our employees to enact positive change. We are confident we will be able to meet our CSR goals and we will continue to search for new opportunities to enfranchise the communities which have helped make Bill Forge a success."*



**Anil Haridass**

**Managing Director Bill Forge Pvt. Ltd.**

Bill Forge has an employee CSR team of 60 dedicated volunteers, each attached to various projects. Each individual has something to offer their community and volunteering is a matter of personal choice benefiting both the individual and the community.

Up to 30th of September 2017, there has been a CSR allocation of 148k € (43% of it already spent).

Hereby there are listed some CSR activities promoted by Bill Forge.



## Educational grants & sponsorship

Sponsoring global student-led automotive engineering projects: Bill Forge Sponsors ten engineering students every year for four-consecutive years until course completion. Sponsorship has been ongoing since 2012.



## Green-spaces and environmental awareness

Planting trees and promoting ecological education. 800 tree saplings were distributed to families and students in the schools in the Vadamanchhalli and Kallubalu villages including Anganwadis on the occasion of the World Environment Day Celebration.



# CIE LEGAZPI CSR COMMITMENT

CIE Automotive allocates its first social aid to the Nagusilan (social volunteering for the elderly) and Atzegi (Guipuzcoan association of people with intellectual disabilities) associations.

CIE Automotive, in its commitment to social responsibility and through its company CIE Legazpi, delivered its first community aid on 15 November. The recipients were two associations: Nagusilan and Atzegi. Nagusilan works with the elderly, accompanying them and making them cared for. Atzegi is dedicated to the integration of people with intellectual disabilities. These two associations were chosen by CIE Legazpi for their important work in the social field. "The objective of the company through this initiative is to collaborate with the community, granting financial aid to local non-governmental and non-profit organizations. Although the range of applicants was open to associations of all kinds, we established an order of priority, placing social organizations first, followed by those working in the cultural sphere, and thirdly those related to sports. The reason for prioritizing the social sphere is precisely to put people first, which we believe to be the most important thing, and this is why we allocated the aid precisely to two associations that serve people", explained the manager of the CIE Legazpi plant, Asier Andoni Balenciaga, during the act when the aid was delivered.

Asier Andoni Balenciaga expressed the importance of this new line of action within the strategic plan of the company itself and of the CIE Automotive group. "Ten years ago, the company was in a very difficult situation," he recalled. "In 2011, with the idea of turning the situation around and providing hope for the future, we defined and began to work on a strategic plan. Today, thanks to the work of all the employees in this factory and the support of CIE through important investments, we can say that, between us all, we are emerging from that difficult situation, since we are no longer making a loss".

"In this new situation, we understood that we had a duty to society. In a way, we wanted to contribute to the Legazpi community and we began to think about how we could do this. We decided to do it through this financial contribution to local associations so we created a multidisciplinary work team, with the participation of people from different areas of the company and finally, after voting on the applicants, we selected Nagusilan and Atzegi. We would like this initiative to continue and hopefully the situation will enable that to be the case", said Balenciaga.

Manuel Fernández and José Ramón Hernández received the aid on behalf of Nagusilan. They proudly explained the important altruistic work currently carried out by 57 members of the town

with the elderly both in the Santa Cruz residence, the Day Centre and the Garagune centre, and also in specific situations when required by the City Council's Social Services. Their volunteers accompany the elderly in their free time with games, walks and social gatherings. "Legazpi is the town in Gipuzkoa and Euskadi with the highest percentage of Nagusilan volunteers per population", they said. Altruistic work, however, requires financial aid. Grateful for the help provided by CIE Automotive, the two members of Nagusilan said that it would be used to provide the food they offer to the elderly, for buying Christmas gifts and to cover the administrative costs of the association.

The Atzegi association was represented by Óscar Carcedo, head of the association for people with intellectual disabilities in Gipuzkoa, Nino Hernández, a member of the committee of families in the region and his son Joel. "We thank all the people of CIE Legazpi for this aid. We believe that in the end we are all socially responsible, companies, society, institutions... and this type of initiative helps everyone," they said. Atzegi was created in 1960 by the parents of people with disabilities. "The progress that has been made in terms of integration is huge, but there is still a long way to go. In Atzegi we use the limited resources we have to cover needs, with actions to raise awareness, support for families and direct assistance for people with disabilities", they commented. CIE's contribution will be used for the hosting of the meeting of 26 leisure clubs for people with disabilities from throughout Gipuzkoa, scheduled for May 2018 in Legazpi.

We hope that this CIE Legazpi initiative will inspire all the CIE Automotive plants and we congratulate the entire CIE Legazpi team.



# AID TO MEXICO AFTER THE SEPTEMBER EARTHQUAKES

In response to the earthquakes that hit Mexico in September, our CEO and the CSR Board of Directors' Committee decided that CIE Automotive could not remain on the sidelines in a country where our presence is so significant. As a result, we donated 60,000 euros to the following recipients, detailing in each case the purpose of the funds:

- **FUNDACIÓN VW PUEBLA:**  
"Reconstruyamos Puebla" (Let's rebuild Puebla) project, responding to the hundreds of deaths and millions of dollars' worth of damage to homes, schools and hospitals, as well as the effects on different industries and businesses.
- **FUNDACIÓN GIGANTE:**  
"San Juan Bosco orphanage" project. Reconstruction of the severe damage to the building where they provide comprehensive care to children who, due to family reasons or because they come from broken homes, have been abandoned and are at risk of homelessness.
- **UNICEF:**  
Cooperation in its response plan; child-friendly spaces with psychosocial support, distribution of school kits, kits for the storage and treatment of water and personal hygiene kits.
- **SAVE THE CHILDREN:**  
Cooperation in its activity to establish Child Friendly Spaces, child protection and emergency training and psychosocial support.
- **AYUDA EN ACCIÓN:**  
Cooperation to create conditions for communities to transition from emergency to reconstruction: community kitchens, water purification, psycho-emotional attention, health teams and basic nutrition.
- **MÉDICOS SIN FRONTERAS:**  
Cooperation in supporting their response activities focused on primary health care, psychosocial support and distribution of non-food kits.

We also want to thank the support and initiatives of our employees in this country, where their levels of collaboration and solidarity have been exemplary.



## CIE AUTOMOTIVE PUBLISHES A NEW GLOBAL SUPPLY CHAIN MANUAL

CIE Automotive's Global Supply Chain Manual, is now available in our website

This document is meant to meet the internal demand from the different technologies and plants worldwide, as well as to become a reference document containing minimum guidance for the "Global Management" of all parts involved in the Supply Chain of all of our plants. Regardless of technology or geographic area of the plants, the "Global Supply Chain Manual" fulfils the requirements both of the "Quality Management System in the Automotive Sector," IATF 16949:2016 and our customers.

Aligned with the company's "Global Strategy", it assumes as its own management concepts that were previously not considered in the standard manuals, such as suppliers' CSR or the commitment to international agreements and principles. This first edition of the manual will be update yearly, evolving according to the new demands of the different stakeholders as well as to the input of all the users of CIE Automotive.

You can find the manual in the suppliers area of CIE Automotive's website ([www.cieautomotive.com](http://www.cieautomotive.com)).

# Awards and Honours

## CIE JARDIM SISTEMAS RECEIVES AN AWARD FROM FORD



Ford recognized the work of its best suppliers during the 2017 Ford Top Supplier awards that took place in São Paulo during the annual meeting of the world's leading automotive companies.

The award, the most important one handed out by Ford to its suppliers, is based on the analysis of indicators of quality, delivery, competitive costs, commercial relationship, working conditions, product development, customer service, logistics and production. CIE Jardim Sistemas won the award for its fantastic work, thanks to the efforts of a great team.

## ACS IBÉRICA AND CIE NORMA RECEIVE AWARDS FROM THE PSA GROUP



The PSA Group honoured its best suppliers of 2016 in an event held at its centre in Vigo. In total, 12 companies were honoured by the French manufacturer, two of them part of the CIE Automotive Group.

ACS Ibérica and CIE Norma were acknowledged for their excellent quality, thus contributing to achieving the PSA Group's objectives and securing its future, according to Frédéric Puech in his speech during the award ceremony. Congratulations ACS Ibérica and CIE Norma for the recognition received!

## CIE AUTOMOTIVE HONOURS ITS SUPPLIERS IN MEXICO



CIE Automotive has acknowledged its Best Suppliers of the Year in each of its production plants in Mexico. This recognition has been given to the best supplier of each plant of the group, both material suppliers and indirect suppliers. In total there were 14 companies honoured for their excellent performance in Quality, Delivery and Service.

Additionally, the Automotive Cluster of the State of Guanajuato during its annual Automotive Supplier Forum held in León (Guanajuato) in October, held its first event recognizing the best supplier of each of the companies that are members of this cluster, in which the CIE Automotive group is represented by the plants located in the Bajío region: CIE Celaya Aluminium Division, CIE Celaya Metal Division, MATIC, Forjas de Celaya and PEMSA Celaya. POSCO MPPC was recognized as the best supplier for its excellent performance in quality, delivery and service.

## CIE GAMEKO RECEIVES AN AWARD FROM JAGUAR LAND ROVER

CIE Gameko plant have been awarded the Jaguar Land Rover Quality standard as one of their key suppliers. Originally winning business for machined wheel hubs for the new Jaguar F-Pace and Velar to start in December 2015, an

existing supplier issue meant pulling forward the start of production in order to introduce at full rate the Jaguar XE and XF projects starting in the period March to June 2015. Timing was critical for both JLR and CIE to ensure successful launch of these projects, and it was achieved on time with no quality/delivery concerns. Following the introduction of the Land Rover Discovery, JLR confidence in CIE capability led to the introduction of a second line in CIE Recytec in mid-2016 to ensure the business transfer of both the Range Rover and Range Rover Sport wheel hubs.

Congratulations to the entire team at both plants for making this a success!



## RECOGNITION FOR 20 YEARS OF COLLABORATION BETWEEN CIE DURAMETAL AND MERCEDES BENZ

On 12 September 2017, CIE Durametal and Mercedes Benz celebrated their 20 years of collaboration and partnership. The Purchasing Director, Eroses Berbetz, visited the facilities where he was so satisfied with our plant that he published an article in his special edition magazine for the Fenatran fair.

Mercedes Benz of Brazil and CIE Durametal commemorate 20 years of working together, during which motivation, ethics and continuous improvement have strengthened the commitment to continue working together in excellence. Congratulations CIE Durametal for the good work!



## CIE LT FORGE EARNS OHSAS

Occupational health and safety issues are among the most important issues in “CIE LT Forge”. We are well aware that only a healthy and happy employee can create added value for the company. In light of all this, we make every effort and continuously improve the working environment. As proof of this, CIE LT Forge earned OHSAS certified. The purpose of the audit was to assess the performance and compliance of the company's occupational safety and health management system with standard requirements. We would like to rejoice that CIE LT Forge is certificated from November 20th, 2017. The OHSAS certificate will be received in “CIE LT Forge” in the near future.

## MCIE GEARS HONOURED FOR ITS EXCELLENT QUALITY

MCIE Gears has been awarded the Caterpillar's SQEP (Supplier Quality Excellence Process) bronze certificate. This award recognizes the commitment of MCIE Gears to excellence and its “zero defects” culture with Caterpillar.

MCIE Gears has also been awarded the Siemens appreciation certificate for its “zero defects” quality culture.



## AWARD FOR BILL FORGE

Bill Forge has been chosen to receive the GM Quality Excellence Award. This is the fifth year in which Global Supplier Quality & Development will present this prestigious appreciation award. The suppliers that receive this award have fulfilled or exceeded a very strict set of quality performance criteria and have achieved the interfunctional support of the entire GM organization. Congratulations Bill Forge!

# Dominion acquires Phone House Spain



With this 55 million euros operation Dominion reinforces its focus on increasing its activity in Latin America and on developing the Smart House project

Dominion has come to an agreement with the English group Dixon Carphone to acquire Phone House Spain, the main distributor of multi-operator communication services in Spain. With this purchase, already completed on September 29th, Dominion is committed to extend its activity in Latin America and to advance in the multiservice provider model that includes the Smart House project.

This acquisition is completely aligned with Dominion's innovation, digitalization and growth strategies. "We have been a step ahead of digitalization and the consolidation of services in the industrial world, and we also want to position ourselves as an integrator of added value services around our homes. It's what we call "Smart House"", says Mikel Barandiaran, CEO of Dominion. "We believe in the need for a close point of sales for the consumer to centralize the growing demand of services. Phone house has also wages for this trend: a close and integral distribution".

It is precisely the Phone House stores, 500 throughout Spain, that will serve as a human contact point, close and accessible for the consumer to enter the digitization of the home; Smart House. A platform that offers the possibility of unifying all household consumables and thus promoting both an efficient use and expense. A comprehensive management that includes everything from services related to fixed and mobile connectivity or access to pay TV, to electricity, gas, surveillance, cybersecurity or insurance, among others. This acquisition also strengthens Dominion's intention to implement a multi-operator distribution model in Latin America.

In short, a purchase that reaffirms Dominion's position as a leader in digital transformation and represents a further step towards the Smart Innovation model, in which efficiency and high quality are a key factor.

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## Dominion's excellence, praised by customers and partners

The company receives awards for quality, prevention and digital transformation

Excellence in the various sectors in which Dominion operates is acknowledged by its customers and partners. Firstly, Dow Chemical has praised the commitment and good quality practices demonstrated during the preparation and execution of the "shutdown" work at the Octenos plant in Tarragona. Secondly, Abengoa has awarded at its 1st Health and Safety Conference the excellence of Dominion in Prevention. Finally, Red Hat, the world leader in Open Source, names the company as " European Partner of the Year" in Digital Transformation. Three awards that endorse the high quality standards of Dominion's work and its leading position in its different activities.

# Dominion integrates the technology of the new Antofagasta hospital, the most modern in Chile

The company will also participate in the operation and maintenance of the 123,000 m<sup>2</sup> hospital, which will benefit more than 900,000 people

The launch of the Regional Hospital of Antofagasta marks a turning point in the history of healthcare in Chile, and Dominion has been part of this milestone. The company, together with Sacyr Concesiones, has faced the construction and equipment under concession regime of the new hospital in the Chilean city, the largest and most modern in the country.

Thanks to its extensive digital and technological expertise, since the adjudication of the project in 2013, Dominion has carried out the contracting, integration and roll-out of all medical equipment, clinical and non-clinical equipment and the center's information and communication technology (ICT) infrastructures. It's mainly this technological work that has led to the new hospital being considered "one of the most modern in the country", as stated by the Minister of Public Works of Chile, Alberto Undurraga.

But innovation has not only materialized in the technological integration of the center, but also in the management of the project. Co-ordination between Sacyr and Dominion was essential, while Sacyr was responsible for the construction of the hospital and Dominion, was responsible of equipping it and integrating the technology. A collaboration that "has been a success", according to Francisco Rionegro Managing Director of Dominion, and that has obtained a maximum excellence in the quality and efficiency of the project.



Over the next fifteen years, Dominion will also carry out the maintenance and replacement of medical equipment, clinical and non-clinical equipment and the technological infrastructures (systems, applications, and computer equipment) of the hospital. An infrastructure of 123,000 m<sup>2</sup>, which replaces the old 38,000 m<sup>2</sup> hospital and which incorporates 671 beds, 45 consultation boxes, 24 emergency boxes, 16 dental boxes and 18 pavilions, to serve more than 900,000 people.



The Antofagasta Hospital consolidates as a project that demonstrates Dominion's high capacity to apply technology, knowledge, and innovation in large projects in the healthcare sector in an integral manner, managing the process of technological integration (solution) and adapting to customer needs to operate and maintain the infrastructure (services).

# CIE Automotive in the world.

## NAFTA

### USA

Plastic  
Machining  
Dominion

### MEXICO

R&D  
Aluminium  
Forging  
Stamping & Tube Forming  
Machining  
Plastic  
Roof Systems  
Dominion

### CANADA

Dominion

## WEST EUROPE

### SPAIN

Headquarters  
R&D  
Aluminium  
Forging  
Stamping & Tube Forming  
Machining  
Plastic  
Roof Systems  
Bionor  
Dominion

### GERMANY

R&D  
Forging  
Dominion

### UK

Forging  
Dominion

### FRANCE

R&D  
Machining  
Roof Systems  
Dominion

### ITALY

Machining  
Dominion

### PORTUGAL

R&D  
Plastic  
Dominion

### DENMARK

Dominion

## CENTRAL & EAST EUROPE

### SLOVAKIA

Machining  
Dominion

### CZECH REP.

Stamping & Tube Forming  
Machining  
Plastic

### LITHUANIA

Forging

### POLAND

Dominion

### ROMANIA

Aluminium  
Roof Systems

### RUSSIA

Aluminium

## ASIA

### CHINA

Forging  
Stamping & Tube Forming  
Machining  
Plastic  
Roof Systems

### INDIA

R&D  
Forging  
Stamping & Tube Forming  
Machining  
Casting  
Composites  
Dominion

### TURKEY

Dominion

### VIETNAM

Dominion

### PHILIPPINES

Dominion

## CENTRAL AMERICA & SOUTH AMERICA

### ARGENTINA

Dominion

### BRAZIL

R&D  
Forging  
Stamping & Tube Forming  
Machining  
Aluminium  
Plastic  
Casting  
Dominion

### GUATEMALA

Bionor

### HONDURAS

Dominion

### CHILE

Dominion

### COLOMBIA

Dominion

### ECUADOR

Dominion

### HAITI

Dominion

### PERU

Dominion

## MIDDLE EAST

### BAHRAIN

Dominion

### OMAN

Dominion

### QATAR

Dominion

### SAUDI ARABIA

Dominion

### UNITED ARAB EMIRATES

Dominion

### KUWAIT

Dominion

## AFRICA

### MOROCCO

Plastic

### SOUTH AFRICA

Dominion

### EGYPT

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## OCEANIA

### AUSTRALIA

Dominion

### INDONESIA

Dominion



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