



CONFLICT MINERALS POLICY

CONFLICTS MINERALS AND “COVERED COUNTRIES”

Companies, governments and civil society organizations are paying increased attention to certain conflict minerals and their derivatives. The extraction and trade of these materials may contribute financially to armed conflict. Conflict minerals are defined as tantalum, tin, tungsten and gold (3TG), which may be mined in conditions that directly or indirectly finance armed groups in the Democratic Republic of the Congo and its surrounding countries. CIE Automotive and its suppliers must comply with applicable regulations regarding the use of conflict minerals sourced from covered and neighbouring countries (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, Sudan, Tanzania, Uganda and Zambia).

The Regulation requires that companies should make appropriate inquiries, and, depending on the circumstances, conduct the due diligence necessary to determine the origin and chain of custody of any conflict minerals that may be used in their products.

*See “Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502” for American companies. And for European companies: “EU Regulation 2017/821”, approved in 2017, valid from January 1, 2021. New European Regulation, has the same Minerals in scope and very much aligned to the US Dodd-Frank Act aforementioned.

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- CIE Automotive recognizes the importance of responsible sourcing and commits its efforts in adhering to international regulations in this topic.
- CIE Automotive is permanently committed to caring for the sustainable development. This commitment is clearly aligned with the 17 sustainable development Goals of United nations as well as with the United Nations Global Compact, (in October 2015 CIE Automotive joined this compact), to, according our management model, develop, implement and so disseminate policies and practices of business sustainability.
- CIE Automotive’s providers and Supply Chain must fulfil the requirements included in CIE Automotive’s “Global Supply Chain Manual” (see the “Conflict Minerals” section of the aforementioned Manual), and they must also respect human rights, labour laws, and environmental and ethical requirements in accordance with the principles of the global compacts, goals and CIE Automotive’s Code of Conduct and General Purchasing Conditions in each geographical area.
- The breach of this regulation involves, in first term status as “Global Business Hold” and the removal as supplier for CIE Automotive, if after an agreed period the situation is not solved satisfactorily.
- No new suppliers will be accepted in our Suppliers Panel, if they cannot guaranty the fulfilment of the related requirements.
- The Policy affects all CIE Automotive Group companies (CIE Automotive S.A. and its subsidiaries).



CIE AUTOMOTIVE'S COMMITMENT

In order to ensure that it does not use materials or components from dubious sources, CIE Automotive undertakes to:

- Adopt and enforce this Conflict Minerals Policy in all Group companies.
- Extend this Policy to its supply chain.
- Implement through the **Supplier's Portal** an inquiry process aimed at requesting information on Conflict Minerals from suppliers who may be affected by this Policy using Responsible Minerals Initiative (RMI). By procedure, CIE Automotive will not validate questionnaires in which the supplier claims to use any of the Conflict Minerals, and does not guarantee that they come from the "Covered Countries". These reports will be available periodically or when required by an interest group.

Below are sample qualitative and quantitative targets for CIE Automotive regarding these minerals:

- Qualitative objective: CIE Automotive commits not to knowingly source or supply products containing conflict minerals that directly or indirectly benefit armed groups in the Democratic Republic of the Congo (DRC).
- Quantitative objectives:
 - 1) To block 100% of non-compliant active suppliers and not to approve any potential supplier that cannot guarantee compliance with this Policy and/or does not successfully complete the Conflict Minerals Questionnaire available through the Supplier Portal.
 - 2) To require remediation from 100% of suppliers found to be non-compliant, including evidence through completion of the CMRT and/or on-site audits or self-assessments, in order to verify remediation and renewed compliance before reinstatement as a supplier of CIE Automotive.

EXPECTATIONS FOR SUPPLIERS

Suppliers are expected to establish and maintain their own conflict minerals policy; conduct appropriate due diligence in line with the OECD Due Diligence Guidance; provide accurate, complete and up-to-date information through the Supplier Portal, including the Conflict Minerals Reporting Template (CMRT); ensure traceability within their supply chain, including identification of smelters and refiners where applicable; cascade these requirements to their own suppliers; promptly notify CIE Automotive of identified risks or non-compliances; implement corrective actions when required; and accept audits or assessments reasonably requested by CIE Automotive or its designated third parties.

DUE DILIGENCE REPORT

CIE Automotive establishes this due diligence report following the guidelines of the OECD Due Diligence report based on risks in the supply chain of minerals in conflict areas.



CIE Automotive aligns its due diligence processes, where applicable, with the Responsible Minerals Initiative (RMI) and supports the use of RMI tools and the Responsible Minerals Assurance Process (RMAP) to promote the sourcing of conflict minerals from responsible smelters and refiners.

For this purpose, CIE Automotive implements the following 5 guidelines for its proper accomplishment:

- Establish robust business management systems: CIE Automotive's own Conflict Minerals Policy published in 2021, as well as the incorporation of monitoring tools such as the Supplier Portal with a specific "Conflict Minerals" Questionnaire.
- Detect and evaluate risks in the supply chain: identification of suppliers that supply CIE Automotive with any of the so-called conflict minerals, and assess their negative effects.
- Design and implement a strategy to respond to the risks detected: Report the results of the evaluation to those responsible for the company, design and adopt a risk management plan, as well as an action plan and breaking the relationship with the supplier in case of not correcting the identified risk.
- If necessary, carry out an external audit to determine the risk and/or its correction.
- Reporting on supply chain due diligence: reporting in group annual reports.

It is expected the absolute and rigorous adherence and strictly comply to the fixed deadlines, policy and goals in this field, but in the not desired, and in any case accidental use for these forbidden minerals, in order to establish the disciplined way to investigate and solve potential disagreements in this topic, both parties will share "Standard Methods for Problem Investigation & Solving", as for example:

- PDCA
- 8 Disciplines
- Ishikawa Diagram.

REFERENCES

www.cieautomotive.com/suppliers
<https://supplychain.cieautomotive.com/Home/Login>
www.responsiblemineralsinitiative.org
www.oecdwatch.org/oecd-guidelines?set_language=en
www.un.org/en/development/devagenda/sustainable.shtml
www.ilo.org/global/site-map/lang--en/index.htm
www.unglobalcompact.org/what-is-gc/mission/principles