CIE Automotive

Policy on the ICFR and ICNFR Systems

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1. Purpose

The purpose of this document is to define the policy that applies to Internal Control over Financial Reporting ("**ICFR**") and Internal Control over Non-Financial Reporting ("**ICNFR**") systems at CIE Automotive, S.A. and its subsidiaries[1] ("**CIE Automotive**", the "**Company**", or the "**Group**", used in this document without differentiation). For this purpose, it:

- ✓ Defines the framework of activities related to the ICFR and ICNFR systems.
- ✓ Defines the roles and responsibilities for the ICFR and ICNFR systems.
- ✓ Establishes procedures to facilitate adaptation of the ICFR and ICNFR systems to any future changes that occur to the organisation, regulatory framework, or applicable best practices. The models for the ICFR and ICNFR systems must therefore:
  - Identify the critical risks, and the controls needed to ensure that the financial and non-financial reporting is reliable.
  - Perform oversight and planning for the corrective measures that may be needed.
  - Ensure the effectiveness of the recording, processing, and preparation of the financial and non-financial reporting, and ensure that the controls are performed correctly.
- ✓ Establish the methodology to be followed to ensure appropriate implementation of the ICFR and ICNFR systems.

2. Scope of application

The ICFR and ICNFR systems are a process that affects the organisation at all levels, and which is carried out by all of the organisation's personnel based on the Three Lines of Defence model. The first line of defence is the person responsible for the risk assessment and mitigation measures; the second line of defence is the Compliance Body, which evaluates the adequacy of the existing control activities; and the third line of defence is Internal Audit, which performs the verification work for the ICFR and ICNFR models, with reporting to Senior Management and the Audit and Compliance Committee ("**ACC**"), also with potential involvement of the Environmental, Social, and Governance (ESG) Committee ("**ESGC**").

The process especially covers all risks that could threaten the financial reporting objectives (existence and occurrence, integrity, valuation, presentation, transaction cut-off dates, breakdowns and comparability, and rights and obligations), which also apply to the non-financial reporting. The process also takes into account the effects of other types of risks covered by CIE Automotive's Risk Management System (with the strategic, operational, financial, compliance, and ESG risks being the most significant types).

The scope of the models for the ICFR system and ICNFR system must be reviewed at least once each year, at the beginning of each financial year, and also whenever any significant changes occur at the Group (for example, acquisition of relevant companies that must be integrated into the Group's model).

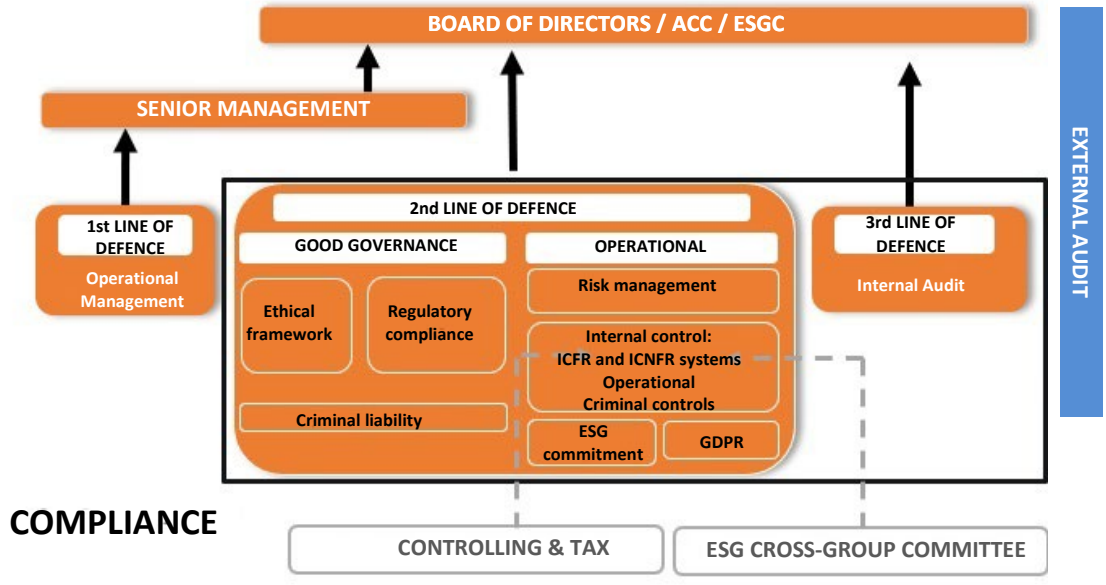
[1] Companies where CIE Automotive, S.A. directly or indirectly owns or controls more than half the share capital and/or has appointed more than half the members of the management body.

3. Functions and responsibilities

- ✓ The Board of Directors ("**Board**") is the highest body responsible for overseeing and preparing the Group's financial statements and non-financial information statement, and it is also responsible for the existence of the ICFR and ICNFR systems and their maintenance.
- ✓ The corporate Controlling & Tax Department and the Compliance Body are jointly responsible for the design, implementation, and functioning of the ICFR and ICNFR systems.
- ✓ The ACC, via the Internal Audit Department, is responsible for oversight of the ICFR and ICNFR systems.
- ✓ The ESGC, as a committee specialised in matters that are subject to non-financial reporting, performs oversight for the ICNFR model, and coordinates its implementation and functioning in collaboration with the ESG Cross-Group Committee.

The various roles involved in the ICFR and ICNFR systems are based on the "Three Lines of Defence" model published by the Federation of European Risk Management Associations (FERMA) and the European Confederation of Institutes of Internal Auditing (ECIIA). In addition, the Spanish-language document *Marco de Relaciones de Auditoría Interna con otras Funciones de Aseguramiento* ("Framework for Relations between Internal Audit and other Insurance Functions"), published by the Institute of Internal Auditors of Spain, is taken into account for coordination of Internal Audit and the insurance functions, along with the recommendations from the "*Código de buen gobierno de las sociedades cotizadas*" ("Code of Good Governance for Listed Companies") published by the Spanish National Securities Market Commission ("**CNMV**").

In addition, when implementing these three lines of defence, we use standard reference frameworks that allow for the use of independent third-party opinions regarding the model's effectiveness.



ICFR system: System of Internal Control over Financial Reporting
ICNFR system: System of Internal Control over Non-Financial Reporting
GDPR: European Union's General Data Protection Regulation
ESG: Environmental, Social, and Governance criteria

4. General process overview for the ICFR system

The ICFR system is defined as the set of processes that the entity performs to provide reasonable certainty regarding the reliability of the financial reporting it distributes to the market, taking as references the internal control framework established in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) report, as well as the definition found in the CNMV's Spanish-language document *Control Interno sobre la información financiera en las sociedades cotizadas* ("Internal Control over Financial Reporting for Listed Companies").

CIE Automotive must therefore ensure that the following objectives are achieved in relation to its ICFR system:

- ✓ **Existence and occurrence:** all transactions, facts, and events included in its financial reporting actually exist, and have been recorded at the appropriate time.
- ✓ **Integrity:** the reporting reflects the totality of the transactions, facts, and events that have affected the entity.
- ✓ **Valuation:** the transactions, facts, and events are recorded and valued in conformity with the applicable legislation.
- ✓ **Transaction cut-off dates:** The transactions and events have been recorded during the correct time period.
- ✓ **Presentation, breakdowns, and comparability:** the transactions, facts, and events are classified, presented, and disclosed in the financial reporting in accordance with the applicable legislation.
- ✓ **Rights and obligations:** the financial reporting reflects the rights and obligations existing on the corresponding date, based on the appropriate asset and liability entries, and in conformity with the applicable legislation.

Also, because of the impact they have on the six basic objectives listed above, safeguarding the assets and preventing/detecting fraud are also considered as objectives of the ICFR system.

The principles and best practices applied in relation to internal control, and specifically the ICFR system, are based on internationally recognised, integrated control frameworks. As mentioned above, CIE Automotive's ICFR system is inspired by the COSO integrated framework.

The fundamental **principles** on which the ICFR system is based are:

- ✓ **Control environment:**
  - The Company demonstrates a commitment to ethical integrity and values.
  - The Board demonstrates its independence from the management areas, and performs oversight regarding implementation and performance of the internal controls.
  - The management areas, with approval from the Board, establish the structures, lines of reporting, and authorities and responsibilities, as appropriate for achieving the objectives.
  - The Company demonstrates a commitment to recruiting, developing, and retaining qualified personnel, in line with the objectives.
  - The Company retains individuals who are committed to their internal control responsibilities in pursuit of objectives.
- ✓ **Risk assessment:**
  - The Company specifies its objectives with sufficient clarity to allow identification and assessment of the risks related to them.

- The Company identifies the risks affecting compliance with the objectives throughout the entity, and analyses the risks to determine how they should be managed.
- When the Company is assessing the risks that could affect achievement of the objectives, it considers the possibility of fraud.
- The Company identifies and evaluates changes that could have a significant impact on the internal control system.

✓ **Control activities:**

- The Company selects and implements control activities that contribute to reducing, to acceptable levels, the risks that could affect achievement of the objectives.
- The Company selects and implements general control activities regarding technology, to support compliance with the objectives.
- The Company implements its control activities through policies that establish expectations, with procedures used to put those policies into action.

✓ **Information and communication:**

- The Company obtains or generates relevant, high-quality information, and uses it to support the functioning of its internal control system.
- The Company communicates information internally regarding objectives and responsibilities, to support the functioning of its internal control system.
- The Company communicates with external groups with regard to situations affecting the functioning of its internal control system.

✓ **Monitoring and reporting:**

- The Company selects, implements, and performs ongoing and/or separate evaluations to confirm that the internal control components exist and are functioning properly.
- The Company evaluates and communicates internal control deficiencies in an adequate way, to all groups responsible for taking corrective actions, including Senior Management and the Board, as appropriate.

All relevant documentation related to the internal control model, including the certification process and the actual internal controls, is currently stored in the corporate SAP GRC tool.

The people responsible for performing the controls add evidence to that tool to demonstrate that the controls were performed, and they evaluate the results obtained and classify them as either satisfactory or unsatisfactory. This allows the internal control situation to be monitored in real time, which makes it possible to act quickly whenever deficiencies are detected. Action plans are established for any deficiencies detected, to ensure that they will be remedied within a specific timeframe, which is determined based on the action plan's complexity.

This integrated control framework consists of five interrelated components, derived from the management style and incorporated into the management process:

4.1 Control environment

The Company's control environment is largely determined by the management from the corporate Controlling & Tax Department, which exerts a significant influence on the rest of the components through its actions and conduct. It is responsible for maintenance of an organisational structure with clearly defined lines of responsibility and authority, appropriate distribution of functions, and conduct based on principles that serve as the basis for developing the internal policies needed to generate complete and reliable financial reporting.

4.2 Assessment of financial reporting risks

Management of the financial risks consists of identifying risks related to the reliability of the financial reporting and establishing controls that mitigate those risks.

The starting point for managing financial reporting risks consists of analysing the information appearing in the company's financial statements, selecting the most relevant accounting entries based on quantitative/impact (materiality) criteria, as well as qualitative/probability criteria (fraud, unusual transactions, transactions with connected parties not eliminated in the consolidated statements, critical accounting opinions and estimates, the Risk Pap, the process map, automation, separation of functions, complexity of performing the controls, errors, non-compliances, etc.).

The selected entries must then be associated with the processes and/or sub-processes that generate the reported information, with the results of that analysis being used to identify the financial reporting risks.

4.3 Control activities

CIE Automotive has control procedures and activities for all of the key processes, for the purpose of ensuring appropriate recording, valuation, presentation, and breakdowns for the transactions, while also preventing and detecting fraud. As a result, those control procedures and activities cover all transactions that could have a material effect on CIE Automotive's financial statements.

Once the ACC has confirmed that the information is adequate, CIE Automotive's Board performs various activities to review those material transactions (review, approval, and monitoring of the Strategic Plan and Budget Plan, along with review of the most significant accounting opinions and estimates used when preparing the financial reporting).

The Company's key financial processes are: closing, consolidation, and reporting; tangible fixed assets; financial assets and liabilities; inventories; income/clients; cash flows; provisions; procurements/accounts payable; human resources; and taxes.

For those processes, there are:

- ✓ Descriptions and flowcharts of each of the sub-processes associated with each process.
- ✓ A list of the internal information systems, rules, and procedures that affect the sub-processes, including:
  - A description of the significant financial reporting risks (including those related to fraud risk), along with other risks (strategic, operational, and compliance) associated with the various sub-processes and control objectives.
  - A detailed description of the controls that mitigate each of the risks identified, along with the supporting evidence required, the frequency of those controls, their degree of automation, and specification of whether each control is preventive or detective.
- ✓ The management from Information Systems must be responsible for establishing adequate controls and procedures to ensure proper functioning of the systems that support the relevant processes, in relation to access security, control of changes, operation of those systems, operational continuity, and separation of functions.
- ✓ If any control activities are subcontracted to external parties, CIE Automotive has a management procedure with the objective of defining the controls to be performed in relation to all subcontracted activities that have a material impact on the Company's financial reporting. For relevant transactions involving independent experts (for example,

tax advising, relations with actuaries, and management of derivatives), CIE Automotive maintains responsibility at the company, with specific control activities required in order to ensure that those activities remain reliable.

The financial statements are prepared based on a reporting calendar and delivery dates that all participants in the process are aware of, and which take into account the delivery periods established by law. CIE Automotive sends reporting to the securities market on a quarterly basis, and to the CNMV on a half-yearly basis. That reporting is prepared by the corporate Controlling & Tax Department, which performs a series of control activities during the accounting closing to ensure that the financial reporting is reliable.

In addition, the Accounting Policies Manual defines the applicable criteria existing at CIE Automotive for reviewing opinions, estimations, valuations, and projections.

4.4 Information and communication

CIE Automotive's accounting policies' function is performed by the corporate Controlling & Tax Department, which reports directly to the Company's CEO. That department has the following responsibilities in relation to that function:

- ✓ Maintenance (revision on an annual basis) of the Accounting Policies Manual, its distribution, and training in relation to it for the rest of CIE Automotive's companies.
- ✓ Updating whenever required by any changes to the accounting legislation or standards that apply to all members of the Company's financial function.
- ✓ Resolution of any conflicts that arise (at the standalone or consolidated level) in relation to interpreting the legislation or standards that must be applied, via mechanisms for compiling and preparing the financial reporting in a standardised way.

CIE Automotive has a specific system for reporting and consolidating financial and management information, for use at all of the Group's units, and which facilitates standardised periodic reporting of the information. This system, which is supported using the SAP BPC tool, is the one used to aggregate and consolidate the information reported.

In addition, CIE Automotive has implemented the SAP GRC internal control tool at all of the Group's units, to ensure that the detailed information for the ICFR system remains reliable.

4.5 Oversight

One of the ACC's general functions is oversight and evaluation of the process for preparing the financial reporting and confirming its integrity, as well as the systems for controlling and managing the Company's financial risks, and those of the Group where applicable. It does this by reviewing compliance with the requirements from the legislation and standards, appropriate delimitation of the consolidation perimeter, and proper application of the accounting rules.
The ACC therefore has the following specific responsibilities in relation to the ICFR system:

- ✓ Oversight of the periodic financial reporting.
- ✓ Understanding the financial reporting process and the internal control systems associated with the Company's relevant risks.
- ✓ Periodically reviewing the ICFR system to ensure that the main risks are adequately identified and managed, and knowledge of them is appropriately distributed.
- ✓ Periodic validation and verification of the effectiveness of the ICFR system.
- ✓ Performing oversight to ensure that the control policies and systems for the ICFR system are being effectively applied in practice.

Based on the results of that review of the ICFR system, each year the Internal Audit Department produces the validation and verification plan for the effectiveness of CIE Automotive's ICFR system, which during each period must be subject to approval by the ACC as the body responsible for oversight of the ICFR system.

Information about the ICFR system must be provided to the market or stakeholders on an annual basis, and must refer to the same financial year as the financial report.

CIE Automotive has an Internal Audit Department within the scope of the Compliance Body, which in turn reports directly to the ACC, which coordinates the Internal Audit teams for Europe, Mexico, Brazil, and India, with the members of those teams dedicated exclusively to those functions. As a result, the Internal Audit Department is supervised by the ACC, as the body to which it reports functionally.

The Internal Audit Department's main function is oversight of the effectiveness of the ICFR system, with that oversight including aspects such as proper implementation of the financial reporting risk management system, including the fraud risk management, and the controls focused on ensuring the reliability of the financial reporting.

5. General process overview for the ICNFR system

In a manner analogous to the definition given to the ICFR system, the ICNFR system is defined as the set of processes that the entity performs to provide reasonable certainty regarding the reliability of the non-financial reporting it distributes to the market.

This means that CIE Automotive's ICNFR system must ensure that the consolidated non-financial information that the Company publicly releases at any given time remains in compliance with the applicable legislation and standards, and in particular, that this is being done by preparing the consolidated Non-Financial Information Statement (NFIS), or any substitute document based on the current legislation. That information must present a suitable reflection of all material aspects of the Group's activities in relation to Environmental, Social, and Governance (ESG) matters, while demonstrating that specific ESG objectives are being achieved.

The above must be understood as part of CIE Automotive's voluntary commitment to ESG matters, and in relation to it, the Group's intention to provide the market with reliable elements that reasonably allow assessment and monitoring of CIE Automotive's performance in relation to a variety of ESG subjects, so that its performance can be calibrated by comparison with the performance of similar companies.

In line with the CNMV's recommendations, the ACC is responsible for oversight of the process for preparing and ensuring the integrity of not just the financial reporting, but also the non-financial reporting, and it has also been assigned the function of final oversight of the risk control and management systems for both financial and non-financial risks.

However, in line with those same recommendations, the ACC's role is compatible with inclusion of the ESGC in the model for the ICNFR system as a specialised committee, which has responsibility for reporting of the consolidated NFIS (or a substitute document if required by the current legislation), on the basis of the non-financial information it has available, while also performing monitoring of compliance with the objectives on that subject found in the Strategic Plan.

The ICNFR system is based on following fundamental **principles**, which are the same as those that apply to the ICFR system:

- ✓ **Control environment:**
  - The Company demonstrates a commitment to ethical integrity and values.
  - The Board demonstrates its independence from the administration and management areas, and performs oversight of the implementation and performance of the internal controls.
  - The management areas involved, with approval from the Board (via the ACC and ESGC), establish the structures, lines of reporting, and authorities and responsibilities, as appropriate for achieving the objectives.
  - The Company demonstrates a commitment to recruiting, developing, and retaining qualified personnel, in line with the objectives.
  - The Company retains individuals who are committed to their internal control responsibilities in pursuit of objectives.
- ✓ **Risk assessment:**
  - The Company specifies its objectives with sufficient clarity to allow identification and assessment of the risks related to them.
  - The Company identifies the risks affecting compliance with the objectives throughout the entity, and analyses the risks to determine how they should be managed.
  - The Company identifies and evaluates changes that could have a significant impact on the internal control system.
- ✓ **Control activities:**
  - The Company selects and implements control activities that contribute to reducing, to acceptable levels, the non-financial reporting risks that could affect achievement of the objectives, as well as the potential financial impact of those risks.
  - The Company selects and implements general control activities regarding technology, to support compliance with the objectives.
  - The Company implements its control activities through policies that establish expectations, with procedures used to put those policies into action.
- ✓ **Information and communication:**
  - The Company obtains or generates relevant, high-quality information, and uses it to support the functioning of its internal control system.
  - The Company communicates information internally regarding objectives and responsibilities, to support the functioning of its internal control system.
  - The Company communicates with the stakeholders with regard to situations affecting the functioning of its internal control system.
- ✓ **Monitoring and reporting:**
  - The Company selects, implements, and performs ongoing and/or separate evaluations to confirm that the internal control components exist and are functioning properly.
  - The Company evaluates and communicates internal control deficiencies in an adequate way, to all groups responsible for taking corrective actions, including Senior Management and the Board (via the ACC and ESGC), as appropriate.

All relevant documentation related to the internal control model, including the certification process and the actual internal controls, is currently stored in the following corporate tools:

- ✓ SAP GRC: the corporate tool used by the Compliance Body, where all information related to the ICNFR system is stored, along with the information related to the non-financial risks and the controls used to mitigate those risks.
- ✓ IMPACT: an external tool used by the Environmental Department to collect and extract data. This information is also monitored through a Power BI (PBI) report available on the corporate intranet.
- ✓ Supplier portal: this platform is used to manage the information that is required for the entire supply chain, to comply with the Group's requirements and commitments on this subject.
- ✓ SAP ECC and SAP BPC: the Group's corporate financial tools, which are used to record and consolidate, respectively, the financial aspects corresponding to the non-financial areas.

The Company has a specific ESG dashboard, which includes the indicators used to monitor proper functioning of the model and compliance with the non-financial objectives established in the Strategic Plan.

The people responsible for performing the controls add evidence to those tools to demonstrate that the controls were performed, and they evaluate the results obtained and classify them as either satisfactory or unsatisfactory. This allows the internal control situation to be monitored in real time, which makes it possible to act quickly whenever deficiencies are detected. Action plans are established for any deficiencies detected, to ensure that they will be remedied within a specific timeframe, which is determined based on the action plan's complexity.

This integrated control framework consists of five interrelated components, derived from the management style and incorporated into the management process:

5.1 Control environment

The Company's control environment is largely determined by the decisions of the Compliance Body, which exerts a significant influence on the rest of the components through its actions and conduct. It is responsible for maintenance of an organisational structure with clearly defined lines of responsibility and authority, appropriate distribution of functions, and conduct based on principles that serve as the basis for developing the internal policies needed to generate complete and reliable non-financial reporting.

To ensure proper performance and implementation in relation to this control environment, the Compliance Body is supported by the ESG Cross-Group Committee, to ensure that each person responsible from each area affected is the one to implement, oversee, and take responsibility for the corresponding subjects and authorities within their respective scopes.

5.2 Assessment of non-financial reporting risks

Management of the non-financial risks consists of identifying risks related to the reliability of the non-financial reporting and establishing controls that mitigate those risks.

The starting point for managing the non-financial reporting risks is the Group's double-materiality analysis. It is used to identify the requirements of the stakeholders and the commitments the Group has taken on, also including assessment of the impact, risks, and opportunities that these generate in the environment where the Group operates, and within the Group itself.

The selected entries must then be associated with the processes and/or sub-processes that generate the reported information, with the results of that analysis being used to identify the non-financial reporting risks.

5.3 Control activities

CIE Automotive has control procedures and activities for all of the key processes, for the purpose of ensuring appropriate recording, valuation, and presentation of the transactions. As a result, those control procedures and activities cover all transactions that could have a material effect on CIE Automotive's financial statements and non-financial information statements.

Once the ACC has confirmed that the information is adequate (the information may have already been validated by the ESGC), CIE Automotive's Board performs various activities to review those material transactions (review, approval, and monitoring of the Strategic Plan, along with review of the opinions and estimates with the most significant financial impact used when preparing the non-financial reporting).

The company's key non-financial processes that cover the main ESG areas are: Environment, Supply Chain, Human Resources, Investor Relations, and Compliance (which includes management of the Group's ethical and legal framework, including the Criminal Compliance model).

For those processes, there are:

- ✓ Descriptions and flowcharts of each of the sub-processes associated with each process.
- ✓ A list of the internal information systems, rules, and procedures that affect the sub-processes, including:
  - A description of the significant non-financial information risks associated with the different sub-processes and control objectives.
  - A detailed description of the controls that mitigate each of the risks identified, along with the supporting evidence required, the frequency of those controls, their degree of automation, and specification of whether each control is preventive or detective.
- ✓ The management from Information Systems must be responsible for establishing adequate controls and procedures to ensure proper functioning of the systems that support the relevant processes, in relation to access security, control of changes, operation of those systems, operational continuity, and separation of functions.

The consolidated NFIS (or substitute document if required by the current legislation) is prepared based on a reporting calendar and delivery dates that all participants in the process are aware of, and which take into account the delivery periods established by law.

5.4 Information and communication

The Compliance Body, which reports directly to the ACC, is responsible for CIE Automotive's corporate policies' function. That body has the following responsibilities in relation to that function:

- ✓ Maintenance and distribution of the corporate policies regarding non-financial subjects, and training for the rest of CIE Automotive's companies in relation to them. This also includes revising them when legislative changes occur, or changes to the demands of our stakeholders, where applicable.
- ✓ Updating when required by any changes to the legislation that applies to all members of the Company's non-financial function.

- ✓ Resolution, in coordination with the ESG Cross-Group Committee, of any conflicts that arise (at the standalone or consolidated level) in relation to interpreting the legislation or standards that must be applied, via mechanisms for compiling and preparing the non-financial reporting in a standardised way.

5.5 Oversight

One of the ACC's general functions is oversight and evaluation of the process for preparing the non-financial reporting and confirming its integrity, as well as the systems for controlling and managing the Company's risks associated with that reporting, and those of the Group where applicable. It does this by reviewing compliance with the requirements from the legislation and standards, appropriate delimitation of the consolidation perimeter, and proper application of the reporting criteria.
Specifically in relation to this, the ACC has the following responsibilities relating to the ICNFR system, with the understanding that the ESGC may also participate if considered necessary:

- ✓ Oversight of the periodic non-financial reporting.
- ✓ Understanding the non-financial reporting process and the internal control systems associated with the Company's relevant risks.
- ✓ Periodically reviewing the ICNFR system to ensure that the main risks are adequately identified and managed, and knowledge of them is appropriately distributed.
- ✓ Periodic validation and verification of the effectiveness of the ICNFR system.
- ✓ Performing oversight to ensure that the control policies and systems for the ICNFR system are being effectively applied in practice.

Based on the results of that review of the ICNFR system, each year the ESG Cross-Group Committee produces the validation and verification plan for the effectiveness of CIE Automotive's ICNFR system, which during each period must be subject to approval by the ACC as the body responsible for oversight of the ICNFR system, although validation and verification may also be performed previously by the ESGC.

The primary function of the ESG Cross-Group Committee is implementation, development, and oversight of the effectiveness of the ICNFR system, which includes aspects such as proper implementation of the risk management system and the controls designed to ensure the reliability of the non-financial information.

Information about the ICNFR system must be provided to the market or stakeholders on an annual basis, and must refer to the same financial year as the financial report.

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 following: shareholders, staff, clients, suppliers, financers, public-sector bodies, the industry, analysts, investors, and the community.
- Compliance Body: persons from the Compliance Department with responsibility and authority for operation of the Compliance Management System (CMS).

- 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.
- ESG Cross-Group Committee: the committee with responsibility and authority for operation of the ICNFR system. The members of this committee are identified at the Group's corporate website: https://cieautomotive.com/en/web/guest/esg-committee
- Risk Management System (RMS): 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.
- Senior Management: a person or group of persons who manage and control an organisation at the highest level.
- Compliance: means compliance with all of the organisation's obligations relating to compliance.
- Compliance obligations: all mandatory 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.
- Compliance objectives: development of the legal compliance culture and commitments relating to criminal law, including but not limited to those related to prevention of criminal offences and bribery, environmental protection, and taxation.
- Risk: the effect that uncertainty has on the objectives.
- Compliance risk: the probability of occurrence and consequences of failure to comply with an organisation's compliance obligations.

7. Approval of the policy

This policy was approved by the Board and entered into force on that same date. It may only be modified by means of a new resolution expressly passed by that management body, which will be responsible for the necessary distribution.