



VALEO GROUP AGREEMENT ON CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Valeo Group agreement on Corporate Social Responsibility and Sustainable Development

Between:

The Valeo Group, whose head office is located 100, Courcelles Street – 75017 Paris, represented by Clément Dès-Robert as Group Employee Relations Vice President

And:

The European Company Committee, represented by the following:

- Florin Brad, Romania
- Patrice Busiau (FGTB), Belgium
- David Cahuzac (CGT), France
- Stéphane Carron (CFE/CGC), France
- Mauro Esposito (RSU FIOM), Italy
- Markus Geflitter (I.G. Metall), Germany
- Csaba Hoffer (VASAS), Hungary
- Milos Kral (OS KOVO), Czech Republic
- Marcin Krupa (ZZPVP), Poland
- Tomas Liptak, Slovakia
- Suzie Nifaut (CFE/CGC), France
- Jean-Philippe Nivon (FO), France
- Sebastian Pajak (Solidarnosc), Poland
- Julio Perez-Almagro (UGT FICA), Spain
- Rajkumar Ranganathan, Ireland
- Bernd Schneid (I.G. Metall), Germany

The following is agreed:

JPA

Handwritten signatures and initials: CM, Kp, JPA, FB, JAN, DC, 1/41, MR, MP, CDR, A, S, P.

CONTENTS

PREAMBLE	3
I. SCOPE	5
II. COMPLIANCE WITH UNIVERSAL STANDARDS AND VOLUNTARY COMMITMENTS	6
2.1. Human rights	6
2.2. Ethics	7
2.3. The sustainable development charter	9
III. GOVERNANCE	10
IV. DEMONSTRATING CSR THROUGH OUR INNOVATIONS FOR A CLEANER AND SAFER MOBILITY	11
4.1 At the heart of our business strategy, our products to increase safety on roads	12
4.2 At the heart of our business strategy, our products to reduce CO ²	12
4.3 Usage of new materials	12
4.4 Circular economy	13
V. PROTECTION OF THE ENVIRONMENT IN OUR OPERATIONS: PROMOTING ENERGY AND RESOURCES EFFICIENCY	14
5.1 The environmental safety of our installations and equipments	15
5.2 Environmental performances related to our operations	15
5.3 Digital efficiency	18
VI. SOCIAL RESPONSIBILITY TOWARDS OUR EMPLOYEES	19
6.1 Health, ergonomics and safety in the workplace	19
6.2 Social protection	22
6.3 Well-being at work and work life balance	22
6.4 Skills and career management: learning, internal mobility and employability	24
6.5 Promoting diversity	27
6.6 Planning ahead and social support for industrial restructuring	30
6.7 Total reward	31
6.8 Information and dialogue	31
VII. GROUP SOCIETAL RESPONSIBILITY	33
7.1 Relations with customers, sub-contractors and its ecosystem	33
7.2 Relations with the regions	34
7.3 Economic responsibility of the Group	35
7.4 Participation in national and international bodies	36
VIII. IMPLEMENTATION AND REPORT ON THE APPLICATION OF THE AGREEMENT	38
8.1 Application	38
8.2 Interpretation of the agreement	38
8.3 Monitoring and report on application	39
IX. VALIDITY OF THE AGREEMENT	40

Handwritten signature

JPA

Handwritten signatures and initials: SI, CN, JAW, DC, 2/41, FB, SN, and others.

PREAMBLE

Valeo is committed to deliver a greener, safer, and more diverse mobility. Acting towards a more sustainable and safer mobility, accessible to the most diverse customers, is part of the group's DNA. Valeo is convinced that its business has an impactful contribution to reduce CO² emissions in transports and to expand freedom through diversification of mobility.

For this reason, Sustainable Development has been at the heart of the group strategy for years, whether in its core business (both in technical centers and in production sites), towards its employees, or in its interactions with external communities. This is why its sustainable development strategy and commitments are structured around four lines:

- demonstrating CSR through innovations for a cleaner and safer mobility;
- caring about the environment in the way Valeo drives its operations;
- showing social responsibilities towards employees;
- developing societal contribution to positively impact and support external communities.

The strategy on CSR is an illustration of "The Way We Are": we act with courage by engaging towards ambitious commitments, we are agile through guiding our business decisions with sustainable impact, and we stand as one with our employees and stakeholders.

Thereby, in this agreement, Valeo aims to reconsider and unite all of the priorities for its Corporate Social Responsibility (CSR) and Sustainable Development policy so as to develop and define its principles of responsibility.

The Valeo Group bases its governance and its development on its values and bases its actions on socially responsible and sustainable development principles, in all countries where it operates. The success of this ambition requires the extensive involvement of all Group players.

Social Responsibility and Sustainable Development have to engage the whole Valeo value chain: they relate to both relations between Valeo Group companies and their employees, and to relations with its customers, suppliers, sub-contractors and more generally, with local players and civil society.

In order to ensure balance with growth, economic profitability, social wellbeing and environmental responsibility, Valeo is progressively implementing the procedures and principles defined in this agreement and integrating these elements in the policy of its subsidiaries at the different national and local levels within a reasonable period of time.

This agreement is the outcome of a voluntary approach to promote social and environmental practices that may range far beyond legal and regulatory obligations.

This implementation is conducted in close cooperation with all stakeholders and specifically the employee representatives. This agreement is an integral part of this approach and illustrates the willingness to develop a fruitful dialogue with existing representation bodies.

JPA

S-I CR
KOSAN

CR
Mey JAS

HL

hr

FB

A

JR
3/41
PC

Celr
sw
f
AP

The European Company Council aims at contributing to the success of this policy, by encouraging the organisations represented within Valeo to participate in identifying and implementing means of reaching the targets defined in this agreement in a constructive manner, and to respecting company personnel and assets.

The signatories consider that this agreement on the Corporate Social Responsibility and Sustainable Development of the Valeo Group, the outcome of European-level negotiations involving all companies controlled by the Group, represents an opportunity to reinforce the collective commitment of the Valeo Group to sustainable development and to contribute to improving social dialogue within the Group.

The Group aims to ensure its active commitment to universal principles for all Group companies, and its pragmatic commitment, via respect for cultural, social and economic differences in the implementation of the principles adopted. Group companies will make their best efforts to ensure they apply the best corporate practices existing in their business segment in their respective countries in compliance with local laws and rules and taking into account the available resources. The outcome and results of the implementation of these principles will be reflected in the various communication documents issued by the Group according to the applicable regulations.

Based on these universal principles and commitments, each country must define the procedures for adapting and implementing best practices for its entities, in compliance with the principle of subsidiarity (i.e. depending on the economic, cultural, professional and regulatory conditions in the country).

JPA
SR
CN
SPW
KLP
JOS
PC
4/41
AP
SW
CNR
SR
PC
4/41
AP
SW

I. SCOPE

This agreement applies to all companies controlled directly by the Valeo Group.

Given the formal monitoring procedures henceforth inherent to this agreement, this document applies to Valeo Group companies and all companies where Valeo has a majority holding or owns at least 50% of capital, and those where Valeo manages operations.

In accordance with the subsidiarity principle, the provisions of this agreement will apply if compatible with local conditions and national standards. In the absence of legislation matching the international commitments of the Valeo Group, a convergence solution must be found on the basis of international law to achieve Group objectives in terms of sustainable development.

Each and every site will strictly comply with national and local laws as well as the hierarchy of national standards applicable in each country, and will deliver necessary information to engage employees as well.

JPA

sr

kp

des
CN

ICW

Y

dy

hhl

A

gas

f

sc
5/41
DC

chr f

sr
AP

II. COMPLIANCE WITH UNIVERSAL STANDARDS AND VOLUNTARY COMMITMENTS

2.1. Human rights

The Social Responsibility of the Valeo Group is part of the universal framework of international commitments guaranteeing respect for the dignity of individuals and fundamental social rights:

2.1.1 United Nations

- Universal Declaration of Human Rights (UN – 1948)
- Declaration on the elimination of discrimination against women (UN – 1967)
- Declaration of the rights of the child (UN – 1959)

The Valeo Group, via the "Global Compact" document, particularly commits to disclosing progress in terms of social, societal and environmental responsibility as well as combating corruption at Group level to the United Nations on an annual basis. The Group thereby confirms its belief in the Ten principles of the Global compact of July 2000, included in the Code of Ethics. It commits, with the signatories, to promoting these principles with its suppliers as per UN Sustainable Development Goals.

2.1.2. Conventions of the International Labour Organization (ILO)

The Group confirms its compliance with the conventions of the ILO governing fundamental social rights:

- Elimination of discrimination in terms of equal remuneration and paid leave (Conventions no. 100 & 111)
- Minimum age and Worst forms of Labour (Conventions no. 138 & 182)
- Abolition of forced labour (Conventions no. 29 & 105)
- Freedom of association, right to organise and collective bargaining rights (Conventions no. 87 & 98)
- Protection of workers' representatives, union members, and rejection of anti-union discrimination (Convention no. 135)
- Rights and equal opportunities for workers of both genders with family responsibilities and for pregnant or breastfeeding women (Convention no. 156)
- Maternity protection (Convention no. 183)

JPA
OSP
SM
JRW
6/41
PC
ADP
SW

2.1.3. The Organization for Economic Co-operation and Development (OECD)

The Group bases its actions on the OECD guidelines targeting multinational firms, adopted on 25/05/2011 and revised in 2023.

2.2. Ethics

Established based on the highest professional standards, Valeo's Code of Business Ethics defines the policies, ethical principles and rules that all Valeo employees must comply with.

The Code of Business Ethics is built on Valeo's culture of integrity towards all of its stakeholders, from employees to customers and from suppliers to shareholders, and addresses issues as fundamental as respect for human rights, business loyalty, the prevention of illegal practices and product integrity.

The Code of Business Ethics stresses the uncompromising respect for human rights at work. It confirms the goal to set up a fair, safe, respectful and inclusive workplace and the zero tolerance for forced labour. The Code of Business Ethics underlines Valeo's statement against discrimination, harassment or bullying.

It promotes a culture of risk prevention and management through responsible behaviour and transparency. It defines guidelines concerning relations between employees and management, product development and innovations, business with customers and suppliers. It encourages strictly compliant behaviours and practices in all and every domain of business life for all Valeo managers, employees, contractors, suppliers or business partners.

The Code of Business Ethics states the highest level of protection and confidentiality of personal information that needs to be processed by or on behalf of Valeo.

It guides the teams in their daily tasks and reflects the company's commitment towards its employees, partners, customers, the communities around it and the environment.

Subject to any local regulations, the Code of Business Ethics complements the other internal Group policies and rules, such as legal policies, policies concerning Marketing and Sales, the Administrative and Financial Manual (or M.A.F.) as well as the Code of Conduct covering securities dealing and compliance with the French regulation pertaining to insider trading.

It also reflects Valeo's "Five Axes" method – Employee Engagement, Total Quality, Constant Innovation, Integrating Suppliers and Valeo Production System – on which Valeo's operational excellence was built.

JPA
SI
CM
Kp
JPW
APG
Y
DE
H
FR
K
7/41
DC
AP
Cell
SE
SW
L

The Code of Business Ethics is a fundamental document for Valeo's sustainable and profitable growth. Each employee, whatever their role and position, must therefore know it and strictly comply with it. The Code is regularly updated to adapt to business ways of working and to new risks and tools, such as Artificial Intelligence. In that regard, the company also develops regular training content and communications to update employees on appropriate usages.

The Group has also deployed a number of procedures and processes to ensure its operations are fully compliant. This encompasses regulations and internal rules to protect Employees, Business Partners, Customers and Valeo Intellectual Property enabling the Group to operate and act in a safe and compliant environment. Most of them are the content of mandatory training for newcomers and mobile employees and regular campaigns are organised to enforce these policies in daily ways of working.

In this regard here are the various policies, guidelines, charters, tool deployed across the board:

- Anti Trust
- Anti Corruption
- Economic Sanctions
- Data Protection
- Valeo Personal Data Protection Principles
- Human Rights Policy
- Business Partners Code of Conduct
- Conflict of Interest
- Product Integrity Charter
- Information and Electronic Communications Technologies Charter (NTIC)
- Anti Harassment
- Valeo Confidentiality and Image Protect Policy

In order to enforce and enable all employees to get support and advice on these topics a network of champions and officers, from all networks or functions, present in all regions, countries, Business Groups has been established. This network meets on a monthly basis.

In case employees or Valeo partners witness a non compliant behaviour, they can contact the line of alert (whistleblowing system) available 24 x 7 by phone or email to raise an alert. This alert will be dealt with by specialised and trained employees and reported to the Alert Committee which meets every month to review the status, propose actions and, when required, propose rules adaptations.

This whole system is aiming to enable Valeo to be fully compliant with the Ethical and Human Right centric regulations. This is a means to secure and protect the Group's current and future activities.

JPA
KO
SPW
CM
C
M
K
R
PC
8/41
AP
R

2.3. The sustainable development charter

Valeo has decided to commit to a sustainable development process many years ago, in compliance with the principles of the Global compact of the United Nations, signed by the Group in 2004. This process integrates environmental responsibility, corporate responsibility and social commitment, aiming to meet the legitimate economic, social, human and environmental concerns of the various Group stakeholders: employees, customers, shareholders, suppliers, local communities and public authorities.

Valeo is committed and acts in all fields, in compliance with national legislations, treaties and international agreements. In order to reconfirm this commitment, the Group has published a Sustainable Development charter listing the following 15 principles:

- Guarantee that our activities comply with applicable legislation and international agreements.
- Maintain industrial excellence and profitable growth for all our activities based on sustainable development logic.
- Ensure the satisfactory distribution and consideration of our Code of ethics on all Group sites and on the sites of our suppliers and subcontractors.
- Deploy the environment management system under ISO 14001, and Health and safety in our workplaces according to the international management system ISO 45001 on all of our sites.
- Distribute Group guidelines to improve risk control and ensure that these guidelines are applied by sites.
- Improve the environmental and safety performance of our processes and products at each stage in their life cycle: procurement, manufacturing, distribution, transport, use and end-of-life.
- Optimise the transport of individuals and products in order to reduce greenhouse gas emissions.
- Limit the use of natural resources and encourage the use of renewable resources and energies.
- Eliminate the presence of substances, which are hazardous for the environment and health in our products and processes.
- Ensure the safety of individuals and property.
- Ensure diversity within teams at all levels.
- Encourage multi-functional positions and develop the skills of our personnel by offering training adapted to their requirements.
- Target an active contractual policy with social partners.
- Develop the know-how, appeal and local integration of Valeo, by encouraging long-term partnerships with local players.
- Promote the implementation of sustainable development policies on the sites of our suppliers and subcontractors.
- ISO 50001 - Energy management systems

JPA
SI
Ker
50N
CM
Jy
C
A
H
SFB
9/41
SC
F
AP
SW
CNR
SC
F
AP
SW

III. GOVERNANCE

Sustainability is an essential in Valeo ethics and way to run its business, this is why the Group has implemented a strong governance to infuse its sustainable ambitions throughout the whole organisation.

At Corporate level, several instances are in charge of setting the strategy and ensuring their implementation, and relays and ownerships have also been identified in Business Groups, Countries and Sites to set responsibility throughout the organisation:

- The CAP50 Committee, in charge of group strategy towards carbon neutrality. It is led at Group level and has representatives in Operations,
- The 4R-Cycle Committee, in charge of group strategy in terms of recyclability involving HSE, R&D, Industrial and Sales functions throughout the organisation,
- The DEI and Social Responsibility Committee, in charge of setting and leading the group strategy related to Diversity, Equity, Inclusion and Social Responsibility. The Site Employee Engagement Committee holds responsibility to drive this topic at site level in each Valeo location,
- The Nature and biodiversity Committee,
- The Sustainability supplier Committee.

Each of those committees has a roadmap and associated KPIs to monitor their progress. These KPIs are made public every year in the Registration Document published on the group website.

The Sustainable Development and Public Affairs Department is responsible for defining and ensuring the Group's sustainable development policy in collaboration with each committee owner. It ensures the right level of interface between the Group and external stakeholders, in order to meet the growing demands of the latter. The Human Resources, Health Safety Environment (HSE), Ethics and Compliance and Personal Data Protection, Risks and Insurance, Research and Development and Operational Departments (Purchasing, Quality, Transport and Logistics, Manufacturing) contribute to Valeo's sustainable development policy.

In addition, the Group is organised to report all requested information in compliance with the CSRD guidelines as of 2025.

The Sustainable Development and Public Affairs Department reports at least once a year to the Valeo Board of Directors on the implementation of sustainability requirements. The Human Resources and Corporate Social Responsibilities policies are checked on a regular basis by the Board of Directors.

Aiming to establish a dialogue with Group stakeholders, Valeo makes available to the latter a presentation of the Group's priority issues as regards sustainable development through an annual communication (the reference document). The formalisation of these issues follows the Group strategic lines and fits into a dialogue with the stakeholders concerned. In a continuous dialogue approach, this materiality matrix is bound to change over time.

JPA
SP
KED JFW
CR
Mey
S
HLL
L
K
JCE
SE
10/41
PC
SW
Cde
FB
AP

IV. DEMONSTRATING CSR THROUGH OUR INNOVATIONS FOR A CLEANER AND SAFER MOBILITY

In order to position its products in line with market expectations and anticipate future needs, Valeo offers innovative systems and equipment making it possible to reduce CO₂ emissions and develop intuitive driving.

This strategic choice is in keeping with the major changes in automotive mobility:

- reduce greenhouse gas and pollutant emissions on all the products life cycle;
- save energy and raw materials by integrating eco-design, a full virtuous life cycle in reparability, remanufacturing and recycling in Valeo's R&D and business approach, in order to favour the use of recycled materials, use less rare critical materials and improve the carbon footprint of the logistics chain, as well as reduce the mass of products;
- intuitive driving and safety, aiming to develop products and solutions facilitating urban manoeuvres and improving urban flows, assisting the driver in different driving situations, and improving the interaction between the vehicle, the driver and their environment.

Valeo strategy to reduce its CO₂ footprint has been submitted and approved by the Science Based Target initiative (SBTi): the Group has defined its objectives in the "CAP50 plan" within a clearly defined roadmap, step by step to achieve net zero by 2050, with a bold intermediate step in 2030 where the group aims to achieve -75% of the scope 1 (direct emissions from energy sources that we own or have full control over) and the scope 2 (indirect emissions linked to energy but which do not occur directly on the company sites), -15% for the scope 3 (indirect emissions that are not under the control of the company) upstream and downstream according to GHG Protocol in absolute value, compared to its 2019 emissions.

The level of ambition of the CAP 50 plan is consistent with the trajectories for reducing CO₂ emissions set by the Paris Agreement and aiming to limit the rise in the average temperature of the planet to 1.5°C compared to pre-industrial levels. For a Group with more than 170 production sites in nearly 30 countries, this is a major transformation.

Valeo wishes to make commitments in absolute terms, i.e. that its emissions targets would remain valid irrespective of the increase in its sales and the outlook for its business, in particular the growing trend towards electrification and vehicle connectivity.

To reflect the effort required to achieve these objectives, Valeo also wants to represent what they imply in terms of intensity (tCO₂e /M€) compared to the ambition of its Move Up plan.

In 2030, in a scenario with sales of €40 billion, the trajectories would be as follows:

- Valeo's activities would emit 59% less greenhouse gases per euro of sales than in 2019, across its entire value chain;
- on the scope of its operations (scopes 1 and 2), Valeo would emit 88% less greenhouse gases per euro of sales than in 2019;
- on its upstream and downstream perimeters (scope 3), Valeo's activities would emit 59% less greenhouse gases per euro of sales than in 2019.

JPA
51
Kup
SPN
CA
D
M
H
K
AN
K
11/41
PC
GR
SW
P

4.1 At the heart of our business strategy, our products to increase safety on roads

The request for urban mobility is increasingly turning towards transport solutions that make life easier in a context of increasing urbanization, solutions that reduce urban congestion and respect air quality. It is also an evolution towards autonomous and connected vehicles while improving road safety and towards economic choices and shared services.

Thanks to constant innovation, technological advances and renowned after-sales service, Valeo is committed to developing these solutions towards safer mobility: passengers' comfort, driver's assistance, monitoring control, autonomous driving, secured lighting, ...are only a few examples of Valeo's strategy to increase safety on roads.

4.2 At the heart of our business strategy, our products to reduce CO²

For years Valeo has had an objective to reduce CO² emissions through the innovations it develops, through the way it produces and through its catalogue of products. This has been the seek for lighter products, for more compact products. In the past years this commitment has led to developing products that support and ease the electrification of mobility. Electrical vehicles do not emit CO² when driving. Valeo is fully engaged in this evolution which drives the relationship with its customers.

The Group is committed to comply with the SBTi targets and aside from those SBTi targets, Valeo aims to avoid 13.6Mt of greenhouse gas emissions through the sale and use of its products in 2030.

4.3 Usage of new materials

In order to contribute to the goal of carbon neutrality targeted for 2050, Valeo is committed to researching and using materials to reduce emissions. The challenge is to obtain a product with limited CO₂ emissions, while maximising the use of recycled materials, coupled with the use of green energy. Research is systematic on the materials used in our productions.

Two major axes guide this evolution of the materials used by the Group:

- The use of recycled and bio-sourced materials, without degrading the properties of the final product. At the time of the conclusion of this agreement, the developments already carried out around this theme have made it possible to successfully validate 60 biosourced or recycled resins which will help reduce the carbon footprint of Valeo's materials and products, like the Canopy windshield wiper for example, which uses more than 80% recycled or bio sourced materials;

JPA
SI
Kup
SFR
CNR
MPL
Hick
PC
12/41
PC
E
FB
CNR
AD
SW

- A strong interface with our suppliers for a supply of low carbon primary materials transformed from clean energy.

4.4 Circular economy

The circular economy is a major lever for reducing the consumption of natural resources while preserving the value of the assembled product for as long as possible. Valeo integrates it from the first phases of product design, as well as in the evolution of its activities and in its value chain.

In 2023, the Group therefore launched the 4R program: Robust Design, Repair, Remanufacturing and Recycle. This program aims to change the mindset and organizational and operational approaches to the different aspects of product life.

4.4.1 Circular economy starting in design phase

Circularity is taken into account from the design stage: 80% of the environmental impact of a product is determined in this phase. For a product to be repaired, remanufactured, and its materials recycled, it must first be disassembled. Thanks to the *Design for Disassembly* approach, design teams take these objectives into account in their technological choices, from the first phases of projects in order to optimize the dismantling process.

4.4.2 Remanufacturing and Repair : activities to make the best use of used products

In a logic of circularity, the repair and refurbishment of the assembled product are to be favored. Thus, Valeo wishes to accelerate the development of its remanufacturing and repair activities, in order to give a second life to products while retaining the maximum of their value.

For more than 40 years, Valeo has put its expertise in the design and manufacturing of original parts to the service of remanufacturing, to offer a range of products that respect the environment and the best quality standards.

When Valeo receives products intended for remanufacturing on its lines, the remanufacturing process meets the same requirements and safety standards as the original parts.

This remanufacturing activity naturally concerns Valeo's traditional products as well as non-automotive products, such as electric bicycles for example. With this expansion of its portfolio and the growth of this activity, Valeo aims to double the number of remanufactured parts by 2030, or 2 million parts on average each year.

Handwritten notes and signatures at the bottom of the page, including initials like JPA, JAN, SI, CM, and a date stamp 13/41.

V. PROTECTION OF THE ENVIRONMENT IN OUR OPERATIONS: PROMOTING ENERGY AND RESOURCES EFFICIENCY

To support this ambition, Valeo will invest more than 400 million euros in the following areas by 2030:

- Improve energy efficiency on site. Valeo is committed to maximising the energy performance of its various sites. At the end of 2023, 52% of sites have already been ISO 50001 certified, which was the objective initially set for 2025. The Group is also committed to certifying all of its sites by 2030, with the exception of sites of Front End activities;
- Eliminate fossil fuels from operational activities. All of the Group's sites are working to find alternatives to gas and oil, both industrially and logistically.

The agreement on Social Responsibility and Sustainable Development integrates the consideration of environment protection on all sites.

The commitments of the Valeo Group as regards environment protection are based on the following principles of the Global Compact from April 2003:

- Preventing and reducing pollution thanks to our competences and expertise,
- Defining a framework for managing the environment enabling the trades and subsidiaries to know it,
- Ensuring the safety of installations for people and assets,
- Boosting its continuous improvements process for environmental performance,
- Providing tools to control the implementation of this policy and monitor it at Group level.

By confirming the importance and contribution of the environment in Corporate Social Responsibility, the Group commits to discussing the definition of priorities and adapted solutions with stakeholders, ensuring the awareness of employees, customers, suppliers and service providers of the need to protect the environment, and consider the health of the local populations and personnel in its policy.

In addition, the Valeo Group commits to continuing its research, development, and innovation efforts in the fields of the environment, new technologies and safety.

Finally, all Valeo production sites are certified IATF 16949 to guarantee the robustness of our quality processes and also to reduce wasted products.

In addition to fighting against climate change with delivering its products, Valeo's carbon emissions reduction plan also targets its operations, and particularly the environmental safety of equipment and processes, its transport and packaging activities, as well as the sobriety of digital technologies.

JPA
SI
SPN
m
My
C
H
K
PC 14/41
F
D
G
GR
FB
A
W

5.1 The environmental safety of our installations and equipments

The Valeo Group owns installations and equipment whose potential risks must be notified to the local populations using appropriate communication and signs.

Valeo aims to create new means with an impact on the environment as far as possible. In the context of its industrial activities, the Group uses or generates products or emissions likely to imply a risk of serious damage for humans or the natural environment.

In view of this situation, Valeo Group companies commit to:

- Implement a continuous risk reduction and prevention policy.
- Implement a policy based on precaution, leading to voluntary anticipation and monitoring in scientific and technological fields in terms of risk-related issues for the activity of Group companies.

The Valeo Group is currently assessing its chemical substances based on the REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances) regulation, and attempts to limit use. Moreover, the Group publishes a HSE risk management manual to assist site managers with handling environmental risks.

The Valeo Group also uses a large Management System based on health and safety international ISO 45001 norms, based on the highest environment standard ISO 14001, completed by an energy management system ISO 50001, a Safety of Building and installations standards, and Security of building and people standards.

It is implemented on the different production sites of the Group and involves all managers and concerned employees to use the appropriate means.

In addition, on all sites, the Group develops its employees' awareness and skills as regards environmental priorities.

5.2 Environmental performances related to our operations

In order to globally assess its carbon impact the Valeo Group carried out an initial assessment of its carbon footprint aiming to assess its direct and indirect emissions. Therefore, the Group has been able to identify which activities emit the most CO₂, providing a solid basis for targeting future efforts.

5.2.1 Transportation

Valeo limits the intensity of its transport-related emissions by evolving transport solutions towards less emitting modes of transport and by seeking multimodal solutions.

JAA
S1
K...
JPN
CN
A...
D...
C
H...
R...
AB
K...
15/41
S...
S...
AD
C...
P

By 2030, Valeo wants to reduce CO2 emissions to -15% as part of scope 3 upstream and downstream.

In addition, Valeo requires its main transport suppliers to commit to the methods and means of calculating their emissions, as well as to optimizing their offer in terms of energy efficiency.

Valeo has appointed, as part of its Carbon Neutrality Plan, a Group Logistics pilot for the reduction of CO2 eq emissions. transport and logistics activities, with regional relays.

Since 2021, the Group has introduced requirements concerning the reduction of CO2 eq emissions. transport and logistics activities in its Valeo 5000 standard. These requirements were revised in 2022 to accelerate their application.

- **Air transport:**

Valeo limits the use of air transport to what is strictly necessary.

This transport remains used when it is necessary to avoid any logistical disruption in the context of mass production, to reduce project development times (transport of samples or prototypes), in response to market demand or to deliver just-in-time technological products subject to capacity tensions on the markets.

In 2022, emissions linked to air transport directly managed by Valeo amount to 99,000 tonnes of CO2e, a reduction of 21% compared to 2021.

The Group continues its efforts to limit and control the use of this means of transport for the benefit of maritime freight and trains when time permits.

- **Truck transport:**

As today's main source of CO2 emissions for its transport activities, Valeo is continuing its actions to optimize truck filling rates. This involves optimizing the filling rate of packaging and consolidating transport.

Valeo is continuing to integrate multimodal road/train solutions as far as they are available, reliable and affordable, and particularly in Europe, China and North America.

The implementation of returnable packaging for flows of aluminium tubes between Mexico and the United States of America will generate a reduction of 8,000 tonnes of CO2 eq. per year of packaging and transport.

- **Maritime transport:**

The Group is continuing the approach initiated for many years, namely, the pooling of shipments between the different production sites.

At the end of 2022, the Group concluded contracts for the use of Liquefied Natural Gas for its flows between China and Europe. These contracts allow a 25% reduction in CO2 emissions.

- **Rail transport:**

JPA
DSI
KRO
JPN
CAF
AP
LHL
H
f
PC
K
JCS
16/41
GHR
FB
SW

For rail transport, Valeo has accelerated the implementation of multimodal operations in Europe and wherever possible.

5.2.2 Packaging consumed in logistics

The activities of the Valeo Group generate significant transport flows and consume large amounts of packaging. To reduce the impact of these activities, Valeo has implemented in-depth studies aiming to identify new means of optimising logistics and environmental aspects. These studies focus on improving the upstream sub-contracting chain, optimising flows between the different sites, and improving coordination between order providers.

Packaging represents a significant heading for the Valeo Group, as it is used to handle the different products in the range. Packaging is used to transport, store, protect and promote products. Valeo uses a wide range of types of packaging, mainly in paper/board, wood, plastic and metal. The Group has therefore attempted to reduce the use of packaging in recent years, and switch to the use of reusable packaging, and recyclable or recycled substances.

5.2.3 Discharges and Waste

What yesterday was waste to be eliminated today becomes a real opportunity for a resource to be valorized. The Group applies a waste management policy. This policy involves reducing waste at source, sorting waste, saving substances by recycling and, finally, by eliminating waste in eco-friendly conditions. Valeo's waste management program is based on two pillars:

- **Reduce consumption of raw materials:**

Targeted actions are defined based on measurements of the volume consumed on different materials (plastics, metals, production process consumables, etc.). Moreover, the Group has made the reduction in the use of heavy metals one of its priorities, to protect the environment and the health of workers. Measures to control employee exposure to these metals have been put in place, and Valeo is committed to respecting the exposure thresholds and ensuring that the release of these metals into the air and into the environment is controlled.

- **Recovering inevitable wastes:**

These are dismantled and sorted to be reused or recycled, internally or in other sectors.

5.2.4 Control of water consumption

Climate change, population growth and industrialization contribute to increasing demand for water. Result: more and more regions are exposed to water stress, or even shortages. Valeo will never compete with local populations for access to drinking water. On the contrary, the Group is committed to creating positive actions to minimize its drinking water consumption and improve the quality of its effluents.

JPA

SI

CM

DC 17/41

GR

W

SPW

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

As part of ISO 14001 (environmental certification) certification, the Valeo Group aims at controlling its water consumption. To this end, the Group has defined targets for reductions, which must lead to an action plan for each site; each Group site is encouraged to deploy techniques enabling additional reductions in water consumptions:

- End of groundwater sampling for industrial use
- Removal and substitution of water cooling towers
- Massive collection of rainwater and condensate water coming from air conditioning circuits
- Internal treatment and recycling of water contaminated by emulsions or oils
- Installation of water meters on all sites in 2024
- Eradication of open-loop to closed-loop water circuit processes in 2026
- Identification of leaks
- Improved individual behaviour

Reducing water consumption is paid special attention particularly in regions where water is a rare resource: Sites exposed to risks of water stress are subject to reinforced measures and monitoring in order to significantly reduce their need and their local impact on water resources.

In 2030, Valeo is committed to reducing water consumption in absolute value to reach <2,500,00m³ (-30% vs. 2019).

Finally, the Group also has ambitions to reduce water consumption in relation to Valeo's turnover.

5.3 Digital efficiency

The considerable growth of computer systems has profoundly affected the environmental footprint of digital technology. Valeo is keen to reduce this footprint, whether linked to the use of digital tools or the digitalization of its production tools.

With this in mind, the Group is committed to implementing more reliable evaluation tools for data collection as well as an action program.

- Assessment tools:

Given the growing carbon footprint of IT, Valeo conducted a study, published in the last quarter of 2022, on the carbon footprint linked to the group's digital activities in 2021. The latter amounts to 76,690 tCO₂eq for Data Centers (26%), Network (5%), Industrial IT (1%), External Teams (1%), Workplace (51%), Services (18%).

By 2025, through the DSI, Valeo wishes to optimize the collection of data relating to the carbon footprint of the group's digital technologies, by setting up an inventory system allowing timely updating. actual carbon footprint of digital technology activities.

- Program:

Following the study from Q4 2022, 14 actions with highest priorities are identified in four majors categories to be addressed by 2027:

- Improve digital sobriety: deploy a sobriety policy, limit the number of informative screens, track unused or old applications, and implement a data management policy;
- Increase equipment lifecycle: reuse equipments internally especially user terminals, extend warranty subscriptions, write a charter for responsible

JPA
SI
KLD
JPN
SM
JPA
C
H
K
DC 18/41
S
K
E
AP
FB
AK
SM

- operation of the server rooms, and implement a hardware end-of-life management policy including recycling and/or donations targets;
- Enlarge sustainable procurements: do not buy materials when end-of-sale date is close, integrate environmental criteria for the IT equipment selection, choose eco-designed services;
- Challenge your suppliers: set carbon reduction targets for your Cloud suppliers, challenge your service providers, deploy VDI (Virtual Desktop Infrastructure) solutions for external teams.

VI. SOCIAL RESPONSIBILITY TOWARDS OUR EMPLOYEES

Valeo wants to be an employer of choice, by offering a safe working environment that is attractive to potential talents and allows its employees conditions to deliver their best.

6.1 Health, ergonomics and safety in the workplace

The Valeo Group has always considered the health and safety of its employees as a priority. Good working conditions and the consideration of human factors are all permanent targets, and wellbeing in the workplace is a key factor in continuous improvements for the health and safety of its personnel, professional expertise and improving performances.

Signatories consider that the health and safety of the employees of subcontractors are just as important as those of Group employees.

Valeo Group companies must create a working environment which encourages the safety and the physical and mental health of all types of personnel, irrespective of their tasks and the risks, in compliance with legal requirements in the country. This encompasses efforts to keep at work disabled persons.

Health and safety results in the context of a continuous improvement policy will be measured using the appropriate indicators and Employee representatives will be informed.

6.1.1 Guarantee safety at work

- **0 incident policy:**

Valeo aims to ensure zero accidents. Valeo has made health and safety in the workplace a priority target by organising systematic audits (carried out by external consultants) to better assess and control risks in these fields. Valeo has high level standards in terms of safety policy and has adopted a certification policy based on the international reference ISO 45001 for all of its industrial sites. The Group is committed to clearly giving priority to safety in all its activities and as such, all its sites are committed to obtaining ISO 45001 certification (occupational health and safety management system) from by 2024 at the latest.

SI JPA KJP CR JPN   RC 19/41    

- **Safety trainings and certifications/authorizations:**

The Group grants particular importance to safety training. Training programmes must be deployed in all Group companies. Employees must benefit from safety equipment adapted to their activity and be informed of rules and responsibilities in relation to their own safety, allowing them to individually ensure their own health & safety and those of their colleagues. On that matter, eligible employees are trained to Valeo's safety foundations: safety DOJO, 5 golden rules, a "Safety first" training.

Also, the Group commits to develop the competencies of employees concerned by safety risks with dedicated reinforced trainings, such as e-learnings (electric risks, consignment, lifting) or training for specialists on tools consignments, machines security, and chemical risks.

Valeo adopts a strict policy of audit, certification and authorization for employees with specific potential dangerous tasks, such as LOTO certification, lifting certification, forklift drivers certification, works coordination certification.

- **Risks analysis and prevention:**

The Group is applying a continuous improvement policy aiming to eliminate accidents, occupational illnesses and improve the control of risks with delayed effects (chemical, musculoskeletal disorders, psychosocial risks, etc.). Actions intended to prevent professional risks will be taken, for example training on appropriate gestures and positions to achieve requested tasks.

Also, risks analysis will be performed for all operating modes and tasks potentially exposing specific risks.

- **Engaging employees with a safety continuous improvement policy:**

Sites engage employees to improve safety and security through regular activities with multiple standards: Safety OK start, Safety QRAP, Safety flash audit, risk hunting, OJT golden rules and Safety briefing.

Employees are encouraged to get involved in the monthly site committee on continuous improvement plans regarding safety and ergonomics on site.

Furthermore, management ensures consistency between defined production objectives and health and safety conditions at work. At the same time, the employee undertakes to actively participate in their own safety and that of others: before taking up a position and at all times, everyone must ensure that their environment and working conditions meet the safety requirements defined by Valeo. ; if an employee notices that there is a dangerous situation, he must react to protect himself or his colleagues as our 5th "golden rule" of safety requires him to do.

In case no dialogue instance exists to address health and safety topics, discussions will be launched between management and employee representatives in order to determine the most suitable organisation for this dialogue. Social partners will have access to available information, as necessary for this dialogue.

6.1.2 Reinforce ergonomomy

- **Commitments:**

The Group commits to improve ergonomics at work by reducing the carrying of heavy loads, reducing repeated efforts, adapting workstations to the medical constraints of our employees and integrating an ergonomics study phase for the construction of new

JPA
SI
KAO
JPN

CM

SR

DC 20/41
SR

KAO
JPN
5N

production lines (industrial network) to ensure that investment projects do not compromise the health and safety of personnel.

All workstations on the Valeo sites are subject to an ergonomic analysis in order, on the one hand, to prevent health risks if personal workstations are not adapted to human physiological and morphological characteristics, and on the other hand, to ensure efficiency at the workplace. When the results of the ergonomic rating of the workstation are not satisfactory, corrective measures are taken through an action plan. Job rotation can be considered as an action plan.

- Organization:

One ergonomic referent is identified in each country, in charge of managing trainings and ergonomic topics in the different locations of the country; at site level, one person is identified to contribute to improve ergonomics on the site (through improvement workshops for example).

6.1.3 Promote health and ease access to healthcare

Valeo's management support entities to:

- Prevent risks exposures to epidemics and seasonal virus through implementing a strict sanitary protocol and an annual vaccination campaign;
- Promote healthy behaviours and prevention through regular communications;
- Ease access to medical consultations (either digitally or onsite);
- Reduce employees exposure to chemical products;
- Guarantee air quality in the workplace;
- Implement a commuting plan (promote car-sharing, organize shuttle bus, ease soft mobility, ...).

6.1.4 Prepare our sites to global warming and its impact on employees

Valeo has a very ambitious plan to contribute to fight against climate change as shown already in upper sections; in addition to that, the Group is getting prepared to minimize the impact of this global warming on its employees in the workplace. On that regard, the Group:

- Has identified via a cartography the most exposed sites;
- Has defined a methodology of resilience audit, so that sites can measure their capacity to react when they are exposed;
- Implements measures to reduce exposure to global warming consequences: prevention against highest heats, water stress and scarcity...;
- Commits to implement a protocol to prevent heat strokes on all its sites as of 2024, including training and procedures.

JPA

SR
1/10
JAN

CM
[Signature]

[Signature]

[Signature]

[Signature]

SPC 21/41

[Signature]

GR

[Signature]

