



CIE Automotive

**Policy on Compliance and
Compliance Risk Prevention**

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1. Introduction

CIE Automotive, S.A. and its subsidiaries¹ (“**CIE Automotive**”, the “**Group**” or the “**Company**”) are a corporate group dedicated to the design, manufacturing, and sale of components for the automotive industry, using a range of technologies (aluminium injection, machining, forging, stamping and tube forming, plastics, casting, and roof systems), along with various associated processes such as welding, painting, and assembly.

This Policy on Compliance and Compliance Risk Prevention (the “**Policy**”) establishes the organisation’s basic principles and guidelines on the subjects of regulatory and legislative compliance and compliance risk prevention.

The Board of Directors (“**Board**”) has implemented a Compliance Management System (“**CMS**”) in order to promote the existence of a true ethical business culture, and to manage the compliance risks that could arise during exercise of the organisation’s activities. In this way, the organisation is strengthening and promoting its ethical business culture, establishing its control mechanisms, and reducing the possibility of criminal offences being committed in association with the organisation, whether directly or indirectly, while expressly declaring its rejection of any such criminal conduct.

2. Commitment

As the organisation’s highest-level governance body, the Board has a commitment to performing all of its operations and activities in accordance with the applicable legislation and compliance obligations identified, while delegating effective application of that commitment to its Audit and Compliance Committee (“**ACC**”).


The ACC therefore promotes and approves:

- ✓ Compliance with the applicable criminal law legislation and all requirements relating to the CMS, criminal compliance, and anti-bribery measures.
- ✓ Identification of the activities with a scope that could allow commission of criminal offences.
- ✓ Prohibition of any commission of criminal acts.
- ✓ Minimising exposure to criminal risks.
- ✓ Providing a framework for defining, revising, and achieving compliance objectives.
- ✓ Establishing a commitment to comply with the requirements from this Policy and from the CMS.
- ✓ Encouraging the reporting of concerns and prohibiting any type of retaliation against reporting persons.
- ✓ Establishing a commitment to continual improvement, by implementing and periodically revising the CMS and criminal law compliance and anti-bribery measures.
- ✓ Establishing the authorities and independence of the Compliance Body.
- ✓ Expressing the consequences of failure to comply with the Policy or the CMS.

This Policy is an integral and compulsory part of the Code of Professional Conduct, and it requires compliance with all applicable local and international rules, standards, regulations, and legislation that apply to our relations with the stakeholders.

¹ With the subsidiaries being the companies where CIE Automotive, S.A. directly or indirectly owns more than 50% of the share capital and/or has appointed more than half the members of the management body.

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For this reason, CIE Automotive is a signatory of the United Nations Global Compact and its Ten Principles. This is a voluntary pact by which companies commit to aligning their strategies and operations with 10 universally accepted principles, in 4 thematic areas: Human Rights, Labour, Environment, and Anti-Corruption.

In addition, the company makes a commitment in its business model to the United Nations 2030 Agenda for Sustainable Development, and to achievement of the corresponding Sustainable Development Goals (SDGs). These goals cover the global challenges now being faced worldwide, such as poverty, inequality, climate change, environmental degradation, and the need for peace and justice, among others.

In relation to this, CIE Automotive is committed to rejecting and preventing commission of any acts that infringe the applicable rules, regulations, standards, or legislation, and to developing specific policies on this subject.

3. Purpose and scope

The purpose of this Policy is to ensure compliance with the criminal law legislation in force, and to ensure that no corrupt practices occur, even if they are not subject to producing criminal liability.

This Policy has operational objectives that include, among others, requiring everyone at the organisation to fully comply with the company’s ethical framework and the elements included in the CMS.

In addition, the guidelines and principles from this Policy must be observed by all external parties that act for or on behalf of CIE Automotive, or that participate, collaborate, or act as intermediaries in relation to its operations or business affairs.

4. Main elements of the Compliance Management System


The CMS includes all of the policies, elements, processes, procedures, and controls related to achieving the compliance objectives, which are understood to mean compliance with the legislation and commitments on the subject of criminal law, including bribery and other criminal offences, as well as those on environmental protection and taxation.

The CMS is based on analysis and assessment of the compliance risks that could potentially affect CIE Automotive, including those resulting from its activities performed in Spain and from activities performed in other countries when the Spanish courts have jurisdiction. That analysis also covers allocation of resources and the existence of appropriate processes and controls to mitigate those risks.

The main elements of the organisation’s CMS are:

- ✓ **Compliance Body:** this body consists of the persons with responsibility for the CMS and authority over its operation, with their functions described in the Company’s Compliance Management System Manual.
- ✓ **Chief Compliance Officer (CCO):** this is the person with the highest level of responsibility for proper operation of the CMS, who is given sufficient independence and autonomy to perform the functions of this office, with direct access to the Board, and with no conflicts of interest that could interfere with achievement of the compliance objectives. In addition,

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the CCO is designated as the Person Responsible for the Internal Reporting System and is in charge of its oversight.

- ✓ **Senior Management:** the person or group of people who manage and monitor the Company at the highest level. Senior Management’s responsibilities in relation to compliance are established in the Group’s Compliance Management System Manual.
- ✓ **Risk Management:** CIE Automotive has identified and assessed the probabilities of occurrence and impacts of all compliance risks that could materialise, based on each of the activities performed.
- ✓ **Corporate manuals, policies, processes, and procedures:** CIE Automotive has developed the mechanisms and documents necessary to ensure effective implementation and monitoring of the organisation’s compliance culture, and the effectiveness of the procedures used to minimise the risk of any personal conduct that could infringe the rules, standards, legislation, or commitments that apply to the company at any given time.
- ✓ **Awareness-raising and training for the CMS:** CIE Automotive has established specific training plans for the personnel regarding compliance and risk prevention.
- ✓ **Ethics Channel and disciplinary procedure:** CIE Automotive has established an Ethics Channel that allows reporting of any potentially significant irregularities that could represent a non-compliance with the principles contained in the CMS, in the applicable legislation, or in the Code of Professional Conduct.
- ✓ **Oversight and continual monitoring:** All persons, especially the members of the Board, Senior Management, and Management Team, must promote and participate in the self-monitoring and verification processes established in CIE Automotive’s policies and procedures.


5. Principles of action

All persons at CIE Automotive, as well as all external persons with a connection to the organisation, are given a clear message that commission of any unlawful, illegal, or criminal acts, or acts of bribery, or any other type of infringement of the legislation that applies at any given time, will not be tolerated. CIE Automotive has measures in place intended to eliminate all such conduct and to prevent all possible forms of compliance risk and reputational risk.

The fundamental principles that must guide the activities of all persons subject to this Policy are:

- ✓ **Complying with the Code of Professional Conduct:** All persons at CIE Automotive are obliged to understand the Code of Professional Conduct and act in compliance with it, which ensures that they will be following the guidelines for conduct that underlie the Company’s values. These guidelines reflect and demand joint responsibility between the Company and its personnel, to comply with the laws governing the activities performed worldwide, to ensure that the highest ethical standards are being met, and to allow them to act as responsible members of the communities where CIE Automotive operates.
- ✓ **Maintaining independence and transparency during relations with external parties:** For CIE Automotive, independence and transparency are essential values, which is why all persons must always act with impartiality, while exercising independent judgement free from any external pressures or individual interests.

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CIE Automotive has zero tolerance for any conduct that could infringe the legislation that applies to it at any given time. This is why compliance with its Policy on Compliance and Compliance Risk Prevention is compulsory in relation to all personnel, business activities, and transactions performed, and in all countries where CIE Automotive operates.

CIE Automotive also believes in the importance of maintaining good relations with the various governments and official bodies that regulate its activities, with the understanding that this must be done at all times in strict compliance with all applicable laws, while also upholding the Company's commitment to honesty and integrity.


- ✓ **Protecting CIE Automotive's image and reputation:** the Group considers its image and reputation to be two of its most important assets, which contribute to generating perceptions of it as a corporation with integrity that shows respect for its markets and stakeholders.

CIE Automotive also recognises that its greatest strength is found in the talent and capabilities of its professionals, and this is why the Company is dedicated to ensuring that all personnel are treated in a respectful way, free from any discrimination, intimidation, or harassment.

In turn, those professionals must avoid any conflicts of interest, which are understood to mean any situations where there could be divided loyalties between their own personal interests and/or those of a third party and their obligations to the Company.

- ✓ **Promoting the compliance culture through Senior Management and the upper and mid-level managers,** who must all set an example of leadership, commitment, and proper conduct for the rest of the personnel, and who must observe the following requirements, among others:
 - They are prohibited from giving any instructions that are contrary to the law, to the Code of Professional Conduct, or to any other elements contained in the CMS.
 - They are obliged to take action in response to any communications received via the Ethics Channel regarding alleged infringements of the law or of the internal rules or standards.
 - They have a duty to help resolve, or else refer to the Compliance Body, any uncertainties expressed by members of their team in relation to compliance.
- ✓ **Ensuring and maintaining the Compliance Body's independence,** by continuing to provide it with the human and material resources it needs for proper exercise of its functions, in conformity with the contents of the Compliance Management System Manual approved by the Board, as well as other elements of the Compliance Management System.
- ✓ **Promoting continual evaluation and evolution of the CMS,** based on the Compliance Body's reporting to the Board via the ACC.
- ✓ **Establishing an Internal Reporting System,** with independent and impartial oversight of that system assigned to the Chief Compliance Officer.
- ✓ **Promoting training on the subject of compliance,** in conformity with the proposals or needs communicated by the Compliance Body.
- ✓ **Sanctioning non-compliances with the CMS,** after the appropriate procedure has been performed in accordance with the internal rules and with all applicable labour legislation and collective bargaining agreements.

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6. Queries and communication

All persons subject to this Policy are obliged to use the mechanisms implemented for this purpose to communicate or send queries regarding any facts or events they suspect, or become aware of, that could represent non-compliances or infringements, and to ask any questions they have in relation to these subjects.

CIE Automotive has established an Internal Reporting System for this purpose, with its independent and impartial oversight assigned to the Chief Compliance Officer as the Personal Responsible for the System.

An Ethics Channel has been established as an integral part of the Internal Reporting System. It can be used by all of CIE Automotive's stakeholders to confidentially submit any queries they have in relation to non-compliances with the rules of conduct from the Code of Professional Conduct. They can also use the Ethics Channel to report infringements of that Code or non-compliances with it, and any practices or conduct that could infringe the legislation that applies at any given time, and which could generate criminal liability for legal persons.

It is also strictly prohibited to engage in any form of retaliation against anyone who, in good faith:

- Notifies the Company about any possible non-compliances with the Code of Professional Conduct.
- Reports any conduct that could infringe the rules, standards, or legislation that apply at any given time and/or that could represent a compliance risk.
- Works on investigating any such conduct or helps resolve the corresponding cases.

However, those safeguards do not apply to anyone who acts in bad faith to report false information or cause harm to others.

The Compliance Body and Senior Management are responsible for distribution of this Policy, and they must ensure that it has been received and understood by all persons at the organisation. For this purpose, the organisation has implemented the following measures for distribution and awareness-raising:


- Specialised training.
- Availability of this Policy on the company's website and on its corporate intranet.
- Communication of all updates that have occurred, via the company's usual means, such as the corporate magazine or sending of bulk emails.

7. Safeguards for the responsibility on reporting

No form of retaliation may be taken against members of the Company who reject or refuse to participate in any activity that they reasonably believe could represent a criminal risk, provided they have reported those activities using the appropriate channel; or against anyone who performs reporting in good faith via the channels the organisation has established for that purpose.

Senior Management will be in charge of ensuring that nobody associated with CIE Automotive is subjected to any type of retaliation for good-faith reporting of any type of non-compliance they suspect or have become aware of, or for refusing to participate in any type of criminal activity, even if this causes a loss of business for the company.

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8. Oversight and disciplinary procedure

Oversight of the corrective measures implemented based on the reporting received is included in the Annual Internal Audit Plan that is approved by the ACC.

The Chief Compliance Officer, who is given the resources necessary to exercise the functions of that office, is responsible for oversight to ensure the effectiveness of the CMS and also proper compliance with it.

That oversight must be performed in the manner and with the scope defined in the Criminal Risk Prevention Model and in the CMS itself, with an emphasis on the following:

- Management of the Ethics Channel, in accordance with the Ethics Channel Rules.
- Randomised controls that the Compliance Body must decide upon, in the context of the annual work plan it must approve.
- Internal investigations that the Compliance Body decides to initiate at its own discretion.
- Use of surveys and reminders.
- Audits commissioned from external experts.
- Training activities.

The CCO must report on all this to the Board (via the ACC), in the manner defined in the CMS and with the scheduling and scope also established there. To facilitate that oversight, the following measures have been implemented, among others:

- The Compliance Body is given the option of using specialised external legal advising in relation to any of the activities described above.
- The entire Organisation has been instructed to cooperate with any requests made by the Compliance Body in exercise of its functions, and to provide all documentation and information it requests. The disciplinary procedure consists of establishing corrective actions and/or disciplinary measures, and a sanctioning procedure for any non-compliances with this Policy or with the CMS.

That procedure may be developed with reference to the labour legislation in force, the Spanish Workers' Statute (*Estatuto de los Trabajadores*), or the Company's collective bargaining agreement; or a specific sanctioning procedure may be developed for any non-compliances that occur.

Senior Management, in coordination with the Human Resources Department, will be in charge of imposition of disciplinary sanctions, with that department being in charge of the corresponding procedure and investigation.

9. Terms and definitions

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

- Organisation or 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, financiers, public-sector bodies, the industry, analysts, investors, and the community.

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- Compliance Body: persons from the Compliance Department with responsibility and authority for operation of the CMS.
- 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 culture: the values, ethics, beliefs, and conduct that exist at an organisation, and which interact with the organisation’s structures and control systems to produce standards of conduct that result in compliance.
- Compliance Management System (CMS): an organisation’s set of interrelated or interacting elements used to establish policies and objectives, along with the processes used to achieve those objectives.
- Compliance objectives: development of the 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.
- The compliance risks for Senior Management, or for other people within the organisation, must be understood as including, among others:
 - o Risk of non-compliance with the ethical principles and internal rules, by the employees or by the Group itself, and including new business operations and geographic areas.
 - o Risk of legal non-compliances, contractual breaches, or improper professional practices (for example, misinterpretation of a specific regulation).
 - o Reputational risk.
 - o Operational risks derived from the cases described above.
- Manual: the organisation’s Compliance Risk Prevention Manual, which establishes the model on organisation, prevention, management, and control of compliance risks.

10. 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.

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