



Auditor's Report on CIE Automotive, S.A.

(Together with the annual accounts and
directors' report of CIE Automotive, S.A. for the
year ended 31 December 2024)

*(Translation from the original in Spanish. In the event
of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.
Torre Iberdrola
Plaza Euskadi, 5
Planta 17
48009 Bilbao

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of CIE Automotive, S.A.

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of CIE Automotive, S.A. (the "Company"), which comprise the balance sheet at 31 December 2024, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of non-current and current investments in Group companies and associates

See notes 3.3 (c), 6 and 7 to the annual accounts

Key audit matter	How the matter was addressed in our audit
The Company holds investments and loans in Group companies and associates amounting to Euros 2,550,550 thousand and Euros 64,537 thousand, which are recognised in the balance sheet under “Non-current investments in Group companies and associates” and “Current investments in Group companies and associates”, respectively. As required by the applicable financial reporting framework, the Company calculates the recoverable amount of investments in companies for which there is objective evidence of impairment. This recoverable amount is calculated by applying valuation techniques that often require the application of value judgements and estimates by management and the Directors. Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of these investments, we have considered their valuation a key audit matter.	Our audit procedures included the following: – evaluating the design and implementation of the key controls related to the process of measuring investments; – assessing the criteria used by Company management to identify indications, if any, of impairment of the investments; – assessing the reasonableness of the methodology, assumptions and data considered by the Company in estimating the recoverable amount of investments in Group companies and associates, with the involvement of our valuation specialists. Furthermore, we assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Other Information: Directors' Report

Other information solely comprises the 2024 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility regarding the information contained in the directors' report is defined in the legislation regulating the audit of accounts, as follows:

- Determine, solely, whether certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.



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- b) Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Compliance Committee's Responsibilities for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Audit and Compliance Committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.



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As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Audit and Compliance Committee of CIE Automotive, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's Audit and Compliance Committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit and Compliance Committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.



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We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format _____

We have examined the digital file of CIE Automotive, S.A. for 2024 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of CIE Automotive, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the directors' report.

Our responsibility consists of examining the digital file prepared by the Company's Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Compliance Committee _____

The opinion expressed in this report is consistent with our additional report to the Company's Audit and Compliance Committee dated 26 February 2025.



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Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 28 April 2022 for a period of three years, from the year ended 31 December 2023.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

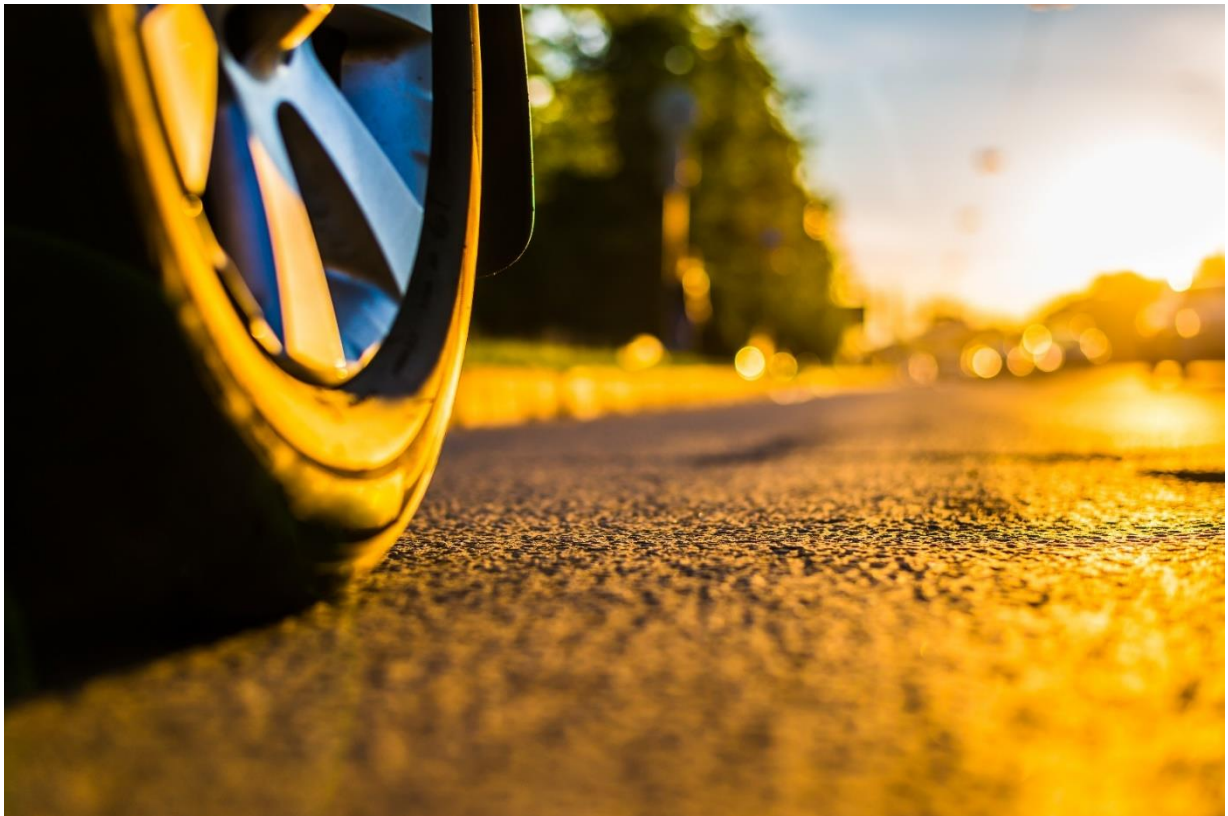
(Signed on original in Spanish)

This report
corresponds to seal
no. 03/25/00289
issued by the Spanish
Institute of Registered
Auditors (ICJCE)

On the Spanish Official Register of Auditors ("ROAC") with No. 18,961



CIE Automotive



***MANAGING HIGH VALUE
ADDED PROCESSES***

**Annual Accounts and Management
Report
for the year ended 2024**

This 2024 Annual Report is a translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

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BALANCE SHEET AT 31ST DECEMBER 2024
(Thousand euro)

		At December 31 st	
	Note	2024	2023
NON-CURRENT ASSETS			
Intangible assets	5	5,735	8,466
Property, plant and equipment		878	772
Non-current investments in group companies and associates	6-7	2,550,550	2,388,606
Equity instruments		1,094,467	1,094,467
Credits to companies		1,456,083	1,294,139
Non-current financial investments	6	16,271	19,447
Equity instruments		96	96
Credits to third parties		15,445	19,315
Derivatives	9	705	11
Other financial assets		25	25
Deferred tax assets	16	17,152	17,496
Total non-current assets		2,590,586	2,434,787
CURRENT ASSETS			
Trade and other receivables	6-8	23,276	24,285
Receivables from Group companies and associates		22,993	23,885
Other receivables		7	69
Current tax assets		276	331
Current investments in group companies and associates	6-7	64,537	62,229
Credits to companies		64,537	62,229
Current financial investments	6	18,113	18,129
Credits to third parties		1,300	1,300
Other financial assets		16,813	16,829
Prepaid expenses		2,900	3,068
Cash and cash equivalents	6-10	114,687	67,044
Total current assets		223,513	174,755
TOTAL ASSETS		2,814,099	2,609,542

BALANCE SHEET AT 31ST DECEMBER 2024
(Thousand euro)

		At December 31 st	
	Note	2024	2023
EQUITY			
Capital and reserves		332,991	319,796
Share capital	11	29,952	29,952
Share premium	11	152,171	152,171
(Treasury shares)	11	(1,570)	(1,202)
Reserves	12	85,090	80,796
Profit /(loss) for the year	13	122,430	111,972
Interim dividend	13	(55,082)	(53,893)
Total equity		332,991	319,796
NON-CURRENT LIABILITIES			
Non-current provisions	15	5,365	7,487
Long-term payables	6-9-14	1,474,659	1,511,544
Bank borrowings	6-14	1,474,659	1,511,544
Group companies and associates, non-current	6-14	250,723	165,155
Other non-current payables	6-14	50,088	50,057
Other non-current payables		50,088	50,057
Total non-current liabilities		1,780,835	1,734,243
CURRENT LIABILITIES			
Current provisions	15	5,476	5,476
Current borrowings		584,782	440,903
Bank borrowings	6-14	216,982	166,483
Commercial paper program	6-14	367,800	274,420
Group companies and associates, current	6-14	20,887	22,019
Trade and other payables	6-14	88,922	87,050
Trade payables		6,207	5,503
Payables to group companies and associates		11,464	12,045
Other payables		55,082	53,893
Fixed asset suppliers		226	348
Accrued wages and salaries		10,808	10,143
Current tax liabilities		5,135	5,118
Deferred revenue		206	55
Total current liabilities		700,273	555,503
TOTAL EQUITY AND LIABILITIES		2,814,099	2,609,542

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024
(Thousand euro)

		As of 31st December	
CONTINUING OPERATIONS	Note	2024	2023
Revenue	17	263,236	238,418
Services rendered and other income		263,236	238,418
Other operating income		923	887
Non-trading and other operating income		923	887
Employee benefit expense	17	(21,178)	(38,399)
Wages and salaries		(20,149)	(37,415)
Social security		(1,029)	(984)
Other operating expenses	17	(11,261)	(13,555)
External services		(11,198)	(13,490)
Taxes		(63)	(65)
Depreciation and amortization		(3,722)	(3,766)
Impairment and profit / (loss) on disposal of fixed assets		-	(243)
OPERATING PROFIT		227,998	183,342
Finance income	19	1,800	1,658
Finance expense	19	(96,179)	(77,273)
Change in fair value of financial instruments	19	1,523	6,641
Net exchange differences	19	551	(223)
FINANCIAL RESULTS		(92,305)	(69,197)
PROFIT BEFORE TAX		135,693	114,145
Income tax	18	(13,263)	(2,173)
PROFIT FOR THE YEAR		122,430	111,972

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(Thousand euro)

	Note	2024	2023
Profit for the year	13	122,430	111,972
Income and expense recognised directly in equity			
Cash flow hedges	9	-	(1,347)
Tax effect	16	-	323
		-	(1,024)
TOTAL RECOGNISED INCOME AND EXPENSE		122,430	110,948

B) TOTAL STATEMENT OF CHANGES IN EQUITY
(Thousand euro)

	Share capital (Note 11)	(Treasury shares) (Note 11)	Share premium (Note 11)	Reserves (Note 12)	Profit for the year (Note 13)	Interim dividend (Note 13)	Valuation adjustments (Note 9)	Total
Beginning balance, 2023	30,637	(60,326)	152,171	128,469	106,899	(49,049)	1,024	309,825
Total recognised income and expense	-	-	-	-	111,972	-	(1,024)	110,948
Transactions with shareholders and owners:								
Distribution of profit	-	-	-	7,661	(106,899)	49,049	-	(50,189)
Interim dividend (Note 13)	-	-	-	-	-	(53,893)	-	(53,893)
Share capital reduction (Note 11)	(685)	57,117	-	(56,432)	-	-	-	-
Acquisition of treasury shares (Note 11)	-	(8,856)	-	-	-	-	-	(8,856)
Sale of treasury shares (Note 11)	-	10,863	-	797	-	-	-	11,660
Other movements	-	-	-	301	-	-	-	301
Closing balance, 2023	29,952	(1,202)	152,171	80,796	111,972	(53,893)	-	319,796
Total recognised income and expense	-	-	-	-	122,430	-	-	122,430
Transactions with shareholders and owners:								
Distribution of profit	-	-	-	4,194	(111,972)	53,893	-	(53,885)
Interim dividend (Note 13)	-	-	-	-	-	(55,082)	-	(55,082)
Acquisition of treasury shares (Note 11)	-	(16,130)	-	-	-	-	-	(16,130)
Sale of treasury shares (Note 11)	-	15,762	-	100	-	-	-	15,862
Closing balance, 2024	29,952	(1,570)	152,171	85,090	122,430	(55,082)	-	332,991

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024
(Thousand euro)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES	20		
Profit for the year before tax		135,693	114,145
Adjustments		(59,663)	(60,590)
Changes in working capital		3,553	1,225
Other cash flows from operating activities		55,635	35,783
Cash flows from/(used in) operating activities		135,218	90,563
CASH FLOWS FROM INVESTING ACTIVITIES	21		
Payments for investments		(1,097)	(10,291)
Proceeds from disposals		4,556	5,843
Cash flows from/ (used in) investing activities		3,459	(4,448)
CASH FLOWS FROM FINANCING ACTIVITIES	22		
Proceeds from and payment of financial liabilities		17,012	46,161
Dividends and payments on other equity instruments		(108,046)	(96,434)
Cash flows from/(used in) financing activities		(91,034)	(50,273)
NET INCREASE IN CASH AND CASH EQUIVALENTS		47,643	35,842
Cash and cash equivalents at beginning of period		67,044	31,202
Cash and cash equivalents at end of period	10	114,687	67,044

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024 (Denominated in thousand euro)

1. Activity of CIE Automotive, S.A.

CIE Automotive Group and activity

CIE Automotive, S.A., parent company of CIE Automotive Group, came into existence in 2002 as a result of the merger of two business groups, Egaña and Aforasa. Following the merger between Acerías y Forjas de Azcoitia, S.A. (transferee) and Egaña, S.A. (transferor), the former took CIE Automotive, S.A. as its registered name. Since then, CIE Automotive, S.A. has become a financially solid Group with global presence.

The shares of CIE Automotive, S.A. are traded on the continuous market of Madrid and Bilbao Stock Exchanges.

The business is carried out through an industrial group formed by several companies that are mainly engaged in the design, manufacture and sale of automotive components and sub-assemblies, on the global automotive market, using complementary technologies – aluminium, forging, metals and plastics – and several associated processes: machining, welding, painting and assembly, as well as the design and production of roof systems.

Its main facilities are in the following territories: Spain (Biscay, Araba/Álava, Gipuzkoa, Navarre, Barcelona, Cádiz, Orense and Pontevedra), Germany, France, Portugal, Czechia, Romania, Italy, Morocco, Lithuania, Slovakia, Hungary, North America (Mexico and the United States of America), South America (Brazil), India, the People's Republic of China and Russia.

The Company's registered office is located in Spain at "Alameda Mazarredo 69, 8º, Bilbao".

Group structure

At present, CIE Automotive, S.A. (publicly listed company) has a 100% direct share in the following companies: CIE Berriz, S.L., Advanced Comfort Systems Ibérica, S.L.U., Advanced Comfort Systems France, S.A.S., Autokomp Ingeniería, S.A.U., CIE Automotive Boroa, S.L.U., CIE Roof Systems, S.L.U. and CIE Automotive Roof Systems Korea, Ltd; mainly, holding companies which own the investments in the CIE Automotive Group's productive companies.

The list of subsidiaries and associates at 31st December 2024, together with the information concerning them, is disclosed in the Appendix I to these Annual Accounts.

These Annual Accounts were prepared by the Board of Directors on 26th February 2025.

Business evolution

During the 2023 financial year, the global automotive market increased its production by almost 10% compared to the same period of the previous year. Little by little, the market left behind the subsequent events caused by the Covid-19 pandemic on the supply chain, as well as the effects of the war in Ukraine on the macroeconomic situation of the year 2022, which was marked by an inflation increase and rising cost of raw materials. Thus, car production in the year 2023 reached 90.5 million of produced vehicles.

During the 2024 financial year, the global automotive market has decreased its production by 1.1% compared to the same period of the previous year, having reached an amount of 89.5 million vehicles manufactured, 1.0 million less than in the previous year.

In this market context, the Group has increased its turnover by 1.1% excluding the foreign currency translation impact, 2.2 percentage points above the market, overperforming in almost all geographies where manufactures vehicles and evidencing again its capacity of sustainable growth.

As of 31st December 2024, the Group has a liquidity reserve amounting to €1,790.9 million, which will allow it to fulfil with the necessary payments for the continuity of its business during 2025. In the same way, the Group has complied with the "covenants" of all its structural financing.

At the date of preparation of these Annual Accounts, the Directors of CIE Automotive, S.A., with the available information, estimate that the continuity of the business is not at risk given the solvency and liquidity position of the Group.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

Changes in the scope of consolidation

2024

On 26th March 2024, the Group, through its subsidiary CIE Berriz, S.L., and once the usual precedent conditions were met, entered into a share purchase agreement to acquire the entire capital stock of the company AKT Plásticos, S.L.U. amounting a value (Enterprise Value) of €19 million.

Additionally, during the year 2024, the following corporate transactions have been carried out without any of them having significant impact on the consolidated financial statements:

- On 20th February, the company BillForge México, S.A. de C.V. has carried out a capital increase that has been fully subscribed by CIE Galfor, S.A.U.
- On 16th September, CIE Automotive, S.A. has sold to CIE Berriz, S.L. the only share that the former owned in Orbelan Plásticos, S.A.U. In this way, Orbelan Plásticos, S.A.U. has acquired the status of a sole ownership.
- On 22nd October, the Czech company CIE Joamar, s.r.o. has been liquidated.
- On 8th November, the deed of the merger by absorption of AKT Plásticos, S.L.U. (Absorbed Company) by Orbelan Plásticos, S.A.U. (Absorbing Company) was signed. The merger has entailed the extinction of the Absorbed Company and the transfer of its net assets to the Absorbing Company, which has acquired by universal succession the rights and obligations of the Absorbed Company.

2023

On 2nd May 2023, the Group, through its subsidiary Autometal, Ltda., and once the usual precedent conditions were met, proceeded to acquire the entire capital stock of the Brazilian company Iber-Oleff Brasil, Ltda. amounting an approximate value (Enterprise Value) of €20 million. The acquisition cost, once adjusted the debt, amounted to €17.3 million. After the acquisition of this company, the company name was modified to CIE Autometal Salto Indústria e Comércio, Ltda.

On 9th August 2023, the Group entered into a share purchase agreement whereby the Group sold 100% of its stake in the operating companies of the German forging business Schöneweiss & Co. GmbH, Gesekschmiede Schneider GmbH, Falkenroth Umformtechnik GmbH and Jeco Jellinghaus GmbH for a total amount of approximately €25 million (Note 13).

On 11th October 2023, the Group, through its subsidiary CIE Roof Systems, S.L., acquired the entire capital stock of the Hungarian company Salgglas Üvegipari, Z.r.t., whose acquisition cost, including the financial debt assumed, amounted to €5 million.

Additionally, during the year 2023, the following corporate transactions were carried out without any of them having significant impact on the consolidated financial statements:

- On 1st March, the merger by absorption between the Brazilian companies CIE Forjas Minas, Ltda. (absorbing company) and Autoforjas, Ltda. (absorbed company) was carried out.
- On 17th April, the British company Stokes Group Limited was liquidated.
- On 15th May, the company name of Mahindra CIE Automotive, Ltd. was changed to CIE Automotive India, Ltd.
- On 30th May, the merger by absorption between the companies Componentes de Automoción Recytec, S.L.U. (absorbing company) and Alurecy, S.A.U. (absorbed company) was carried out.
- On 28th June, the Mexican company CIE Metal Norte, S.A.P.I. de C.V. was established.
- On 5th July, the CIE Porriño, S.L.U. was established.
- On 30th August, the company name of Aurangabad Electricals, Ltd. was changed to CIE Aluminium Casting India, Ltd.
- On 13th September, the Guatemalan company Biocombustibles de Guatemala, S.A. was liquidated.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024 (Denominated in thousand euro)

Consolidated Annual Accounts of CIE Automotive Group

Under the Spanish Royal Decree 1,815/1,991 of December 20, the Company is obliged to present Consolidated Annual Accounts.

On 26th February 2025, the Company authorized the issuance of the Consolidated Annual Accounts of CIE Automotive, S.A. and its subsidiaries for the year ended 31st December 2024, which presented profit for the year attributable to owners of the parent of €325,660 thousand and equity, including profit for the year and non-controlling interests, of €1,913,941 thousand (2023: €320,175 thousand and €1,661,244 thousand, respectively).

Those Consolidated Annual Accounts were prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU). Appendix II, attached, includes the Groups' consolidated 2024 and 2023 balance sheets and income statements under IFRS-EU.

The Consolidated Annual Accounts include all CIE Automotive Group companies defined under Article 42 of Spain's Code of Commerce, each of which is consolidated using the appropriate method. All subsidiaries under the control of CIE Automotive Group have been consolidated using the full consolidation method. The list of CIE Automotive Group companies together with the information concerning them is disclosed in the Appendix I to these Annual Accounts.

2. Basis of presentation

2.1 Fair presentation

The Annual Accounts were prepared from the Company's accounting records and are presented in accordance with current commercial legislation and with the rules established in the General Accounting Plan, approved by Royal Decree 1514/2007 and the modifications incorporated therein, being the last ones incorporated by means of Royal Decree 1/2021, of 12th January in force for fiscal years beginning on or after 1st January 2021, in order to give a true and fair view of the Company's equity, financial position and results, as well as the veracity of the cash flows included in the statements of cash flows. These annual accounts were authorized for issue by the Company's Directors and will be submitted for shareholder approval at the Annual General Meeting at which they are expected to be ratified without modification.

2.2 Comparative information

The Annual Accounts present for comparative purposes, with each of the line items of the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures of the year 2024, the corresponding figures to the previous year, which were part of the Annual Accounts for the year 2023 approved at the Annual General Meeting held on 8th May 2024.

2.3 Key sources of estimation uncertainty

The preparation of the Annual Accounts requires the Company to make certain estimates and judgments concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events considered being reasonable under current circumstances.

The resulting accounting estimates will, by definition, seldom match the related actual results. The most relevant estimates and assumptions are addressed below.

Impairment of investments in group companies and associates

The Company annually tests if investments in the equity of group companies and associates have suffered an impairment applying, according to the accounting policy described in Note 3.3.c). The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimations.

This analysis is based on comparing the book value of each holding with the recoverable value associated with each of its direct holdings, and which in most cases correspond to holding companies whose main activity consists of holding of participations in the legal companies of the plants that make up the Group. This analysis is carried out considering the cost of the shares to be recovered from the shares at the lowest level at which they are found. In cases where the equity value of the investment is less than the share held by its direct participating company, the Company verifies that the value in use of each of the companies exceeds the cost of shares.

For the analysis of the value recovery of its holdings, the Company considers the value in use of each of its direct investees, understanding the value in use as the present value of the future cash flows derived from each investment and its corresponding subsidiaries, reduced by the net financial debt contributed by each of the shares (equity value).

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The assumptions used, as well as the results obtained from the analysis carried out as of 31st December 2024 and 2023 are included in Note 7.c.

As of 31st December 2024, within the current macroeconomic and sectoral context, updated market projections have been taken into consideration, and have not modified the conclusions regarding the recoverability of the shares held by the Company. In this sense, the projections made by the Management already include different considerations about potential future events that may affect projected cash flows of each of its businesses.

Deferred tax asset recognition

Deferred tax assets are recorded for all deductible temporary differences, tax credits and losses carried forward pending application for which it is probable that the tax companies that make up the Group will have future tax profits that allow the application of such assets. To determine the amount of deferred tax assets may be recoverable, the amounts and periods in which future tax profits will be obtained and the reversal period of temporary differences are estimated.

As of 31st December 2024, within the current macroeconomic and sectoral context, updated market projections have been taken into account, as well as the latest internal information available on the near future of each of the businesses owned by the Group. In this sense, the projections made by the Management already include different considerations about potential future events that may affect the projected tax results for the companies of the tax group, whom the Company is the Parent.

If the final outcome (on judgment areas) differs by 10% not favourable from management estimates, deferred assets would decrease and income tax would increase by approximately €3.2 million (2023: €2.8 million), and if these variations were favourable these deferred assets would increase, and income would decrease by approximately €2.8 million (2023: €2.9 million). These estimates include, mainly, possible changes to the consolidated taxable income of the Basque tax group, as well as the remaining significant tax credits and losses carried forward, which are deemed recoverable within these assumptions.

2.4 Aggregation

For clarity, the items presented in the balance sheet, income statement, statement of changes in equity and cash flow statement are grouped together and, where necessary, a breakdown is included in the relevant notes to the accounts.

2.5 Presentation currency

The Annual Accounts are expressed in thousand euros, unless otherwise indicated.

3. Accounting policies

The principal accounting policies applied in the preparation of these Annual Accounts are set out below.

3.1. Intangible assets

Goodwill

Goodwill represents the excess of acquisition cost over the interest in the acquisition-date fair value of the net identifiable assets, liabilities and contingent liabilities of the subsidiary acquired. Goodwill arising on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and is carried at cost less cumulative impairment losses; goodwill impairment cannot be reversed in the future. Gains and losses on the sale of an entity include the carrying amount of goodwill allocated to the entity sold.

Goodwill recognized separately is amortised on a straight-line basis over its estimated useful life, being valued at acquisition cost less accumulated amortization, and, if applicable, the accumulated amount of recognized impairment corrections. The useful life is determined separately for each of the CGU groups to which it has been assigned and is estimated to be 10 years. At least annually, it is analysed if there are indications of impairment of the value of the cash-generating unit groups to which goodwill has been assigned, and if there is one, its eventual deterioration is checked.

The valuation adjustments for impairment recognized in goodwill are not reversed in subsequent years.

Computer applications

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and prepare them for use of the specific software. These costs are amortised over the assets' estimated useful lives (between 4 to 6 years).

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Software maintenance expenses are recognised when incurred. Costs directly related to the production of identifiable and unique computer programs controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of the relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 6 years and the time it begins to be amortised once is capitalized is no longer than one year.

Patents

Patents are carried at cost less accumulated amortization and corrections for impairment of recognized value. Amortization is calculated using the straight-line method to allocate the cost over its estimated useful life (10 years).

3.2. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.3. Financial assets

a) Financial assets at fair value with changes in the profit and loss account

This category includes equity instruments that are not held for trading, or that are to be valued at cost, and over which the irrevocable choice has been made at the time of their initial recognition to present subsequent changes in fair value directly in equity.

Additionally, those financial assets designated, at the time of initial recognition irrevocably as measured at fair value with changes in the profit and loss account, and that would otherwise have been included in another category, are included to eliminate or significantly reduce a valuation inconsistency or accounting asymmetry that would arise in another case from the valuation of assets or liabilities on different bases.

Initial valuation

The financial assets included in this category will initially be valued at their fair value, which, unless there is evidence to the contrary, will be the transaction price, which will be equivalent to the fair value of the consideration delivered. Transaction costs directly attributable to them shall be recognised in the profit and loss account for the financial year.

Subsequent valuation

After initial recognition, the company will value the financial assets included in this category at fair value with changes in the profit and loss account.

b) Financial assets at amortised cost

This category includes those financial assets, including those admitted to trading on an organized market, in which the Company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only settlements of principal and interest on the amount of outstanding principal.

Contractual cash flows that are only charges of principal and interest on the amount of the outstanding principal are inherent in an agreement that has the nature of an ordinary or common loan, without prejudice to the fact that the operation is agreed at a zero or below market interest rate.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

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This category includes credits for commercial operations and credits for non-commercial operations:

- a) Credits for commercial operations: are those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with deferred collection, and
- b) Credits for non-commercial operations: are those financial assets that, not being instruments of equity or derivatives, have no commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company.

Initial valuation

Financial assets classified in this category shall initially be valued at their fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be equal to the fair value of the consideration delivered, plus the transaction costs directly attributable to them.

However, credits for commercial transactions with a maturity not exceeding one year and which do not have an explicit contractual interest rate, as well as staff credits, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value to the extent that the effect of not updating the cash flows is considered not significant.

Subsequent valuation

Financial assets included in this category shall be valued at their amortised cost. Accrued interest shall be accounted for in the profit and loss account, applying the effective interest rate method.

However, loans with a maturity not exceeding one year that, in accordance with the provisions of the previous section, are initially valued at their nominal value, continue to be valued at that amount, unless they have been deteriorated.

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company analyses whether it is appropriate to account for an impairment loss.

Impairment

The necessary valuation corrections are made, at least at closing and provided that there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been deteriorated as a result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the debtor's insolvency.

In general, the impairment loss of these financial assets is the difference between their carrying value and the present value of future cash flows, including, where appropriate, those arising from the enforcement of the collateral and personal guarantees, which are expected to be generated, discounted at the effective interest rate calculated at the time of their initial recognition.

Impairment value adjustments, as well as their reversal when the amount of such loss decreases for reasons related to a subsequent event, are recognized as an expense or an income, respectively, in the profit and loss account. The reversal of impairment is limited to the carrying value of the asset that would be recognized on the date of reversal if the impairment had not been recorded.

c) Financial assets at cost

In any case, investments in the equity of group companies, jointly controlled entities and associated companies are included in this valuation category.

Initial valuation

Investments included in this category will initially be valued at the cost, which is equivalent to the fair value of the consideration delivered plus the transaction costs that are directly attributable to them, the latter not being incorporated into the cost of investments in group companies.

However, in cases where there is an investment prior to its classification as a group, jointly controlled or associated company, the cost of said investment is considered to be the book value that it should have immediately before the company becomes qualified.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

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Part of the initial valuation is the amount of preferential subscription rights and similar that, where appropriate, have been acquired.

Subsequent valuation

Equity instruments included in this category are valued at their cost, less, where appropriate, the cumulative amount of impairment valuation corrections.

When these assets must be assigned a value due to derecognition from the balance sheet or other reason, the method of the average cost weighted by homogeneous groups is applied, these being understood as the values that have equal rights.

In the case of sale of preferential subscription rights and similar or segregation thereof to exercise them, the amount of the cost of the rights decreases the book value of the respective assets.

Contributions made as a result of a joint venture account contract and similar shall be valued at the cost, increased or decreased by the profit or loss, respectively, that correspond to the company as a non-managing unit-holder, and less, where appropriate, the accumulated amount of the impairment valuation corrections.

The same criterion applies to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed conditional on the fulfilment of a milestone in the borrowing company (for example, the obtaining of profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. If, in addition to a contingent interest, an irrevocable fixed interest is agreed, the latter is accounted for as a financial income based on its accrual. Transaction costs are charged to the profit and loss account on a straight-line basis over the life of the equity loan.

Impairment

At least at the end of the financial year, the necessary valuation corrections are made whenever there is objective evidence that the carrying value of an investment will not be recoverable. The amount of the valuation correction is the difference between its carrying value and the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and the present value of the future cash flows derived from the investment, which in the case of equity instruments is calculated, either by estimating those expected to be received as a result of the distribution of dividends made by the investee company and the disposal or withdrawal from accounts of the investment in it, or by estimating its participation in the cash flows that are expected to be generated by the investee company, from both its ordinary activities and its disposal or withdrawal from accounts.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss of this asset class is calculated on the basis of the equity of the investee and the tacit capital gains existing at the date of valuation, net of the tax effect. In determining this value, and provided that the investee company has invested in another, the equity included in the Consolidated Annual Accounts prepared by applying the criteria of the Commercial Code and its implementing rules is taken into account.

The recognition of impairment valuation corrections and, where appropriate, their reversal, is recorded as an expense or income, respectively, in the profit and loss account. Impairment reversal is limited to the carrying value of the investment that would be recognized on the date of reversal if the impairment had not been recorded.

However, in the event that there has been an investment in the company, prior to its classification as a group, jointly controlled or associated company, and prior to that qualification, valuation adjustments directly imputed to the equity derived from such investment have been made, these adjustments are maintained after the qualification until the disposal or withdrawal of the investment, at which time they are recorded in the profit and loss account, or until the following circumstances occur:

a) In the case of prior valuation adjustments for increases in value, impairment valuation adjustments shall be recorded against the equity reflecting the valuation adjustments previously made up to the amount thereof, and the excess, if any, is recorded in the profit and loss account. The valuation correction for impairment directly imputed to equity is not reversed.

b) In the case of previous valuation adjustments for value reductions, when subsequently the recoverable amount is higher than the book value of the investments, the latter is increased, up to the limit of the indicated value reduction, against the item that has collected the previous valuation adjustments and from that moment the new amount arising is considered the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, losses accumulated directly in equity are recognized in the profit and loss account.

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(Denominated in thousand euro)

3.4. Derivative financial instruments and accounting hedge

Financial derivatives are measured at fair value upon initial recognition and for subsequent measurement purposes. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the profit and loss account, along with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Where the hedged item is an unrecognised firm commitment or a component thereof, the cumulative change in the fair value of the hedged item after its designation is recognised as an asset or liability, and the corresponding gain or loss is reflected in the profit and loss account.

Changes in the carrying amount of covered items valued at amortised cost imply the correction, either from the moment of the modification, or subsequently from the cessation of hedge accounting, of the effective interest rate of the instrument.

b) Cash flow hedges

The loss or gain of the hedging instrument, in the part that constitutes an effective hedge, is directly recognised in the equity. Thus, the equity component that arises as a result of the coverage is adjusted to be equal, in absolute terms, to the lower of the following two values:

- (i) The cumulative loss or gain of the hedging instrument since the start of the hedging.
- (ii) The cumulative change in the fair value of the hedged item (i.e., the present value of the cumulative change in the hedged expected future cash flows) since the start of the hedge.

Any remaining loss or gain of the hedging instrument or any loss or gain required to offset the change in the cash flow hedging adjustment calculated in accordance with the preceding paragraph, represents an ineffectiveness of the hedging that is recognised in the result for the year.

If a highly probable expected covered transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a covered expected transaction relating to a non-financial asset or a non-financial liability becomes a firm commitment to which fair value hedge accounting applies, that amount is removed from the cash flow coverage adjustment and is included directly in the initial cost or other carrying amount of the asset or liability. The same criterion applies to the exchange rate risk hedges of the acquisition of an investment in a group, jointly controlled or associated company.

In all other cases, the recognised equity adjustment is transferred to the profit and loss account to the extent that the hedged expected future cash flows affect the result for the year.

However, if the recognised equity adjustment is a loss and all or part of it is not expected to be recovered in one or more future periods, that amount that is not expected to be recovered is immediately reclassified in the result for the year.

3.5. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3.6. Equity

The Company's share capital is represented by ordinary shares.

Costs of issuing new shares or options are recognised directly in equity as a reduction in reserves.

If the Company purchases treasury shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity until the shares are redeemed, reissued or sold. When these shares are sold or subsequently reissued, any amount received, net of any incremental directly attributable transaction costs, is included in equity.

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3.7. Financial liabilities

Financial liabilities, for the purposes of their valuation, shall be included in one of the following categories:

Financial liabilities at amortised cost

In general, this category includes debits for commercial operations and debits for non-commercial operations:

- a) Debits for commercial operations: are those financial liabilities that originate in the purchase of goods and services for traffic operations of the company with deferred payment, and
- b) Debits for non-commercial operations: are those financial liabilities that, not being derivative instruments, have no commercial origin, but come from loan or credit operations received by the company.

Equity loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).

Initial valuation

Financial liabilities included in this category are initially valued at their fair value, which is the transaction price, which is equivalent to the fair value of the consideration received adjusted for transaction costs directly attributable to them.

However, debits for commercial transactions with a maturity not exceeding one year and which do not have a contractual interest rate, as well as disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not updating cash flows is not significant.

Subsequent valuation

Financial liabilities included in this category are valued at their amortised cost. Accrued interest is accounted for in the profit and loss account, applying the effective interest rate method.

However, debits with a maturity not exceeding one year which are initially valued at their nominal value continue to be valued at that amount.

Financial liabilities at fair value with changes in the profit and loss account

This category includes financial liabilities that meet any of the following conditions

- a) Liabilities that are maintained for negotiation.
- b) Those irrevocably designated from the moment of initial recognition to account for fair value with changes in the profit and loss account, given that:
 - An inconsistency or "accounting asymmetry" with other fair value instruments with changes in profit and loss is eliminated or significantly reduced; or
 - A group of financial liabilities or financial assets and liabilities is managed and its performance is assessed on the basis of its fair value in accordance with a risk management strategy or documented investment and group information is also provided on the basis of fair value to key management personnel.
- c) Non-segregable hybrid financial liabilities included optionally and irrevocably.

Initial and subsequent assessment

Financial liabilities included in this category are initially valued at fair value, this being the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognised in the profit and loss account for the period.

After initial recognition, financial liabilities falling under this category are valued at fair value with changes in the profit and loss account.

In the case of convertible bonds, the fair value of the liability component is determined by applying the interest rate for similar non-convertible bonds. This amount is accounted for as a liability on the basis of the cost amortised until its settlement at the time of its conversion or maturity. The rest of the income obtained is allocated to the conversion option that is recognised in the equity.

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In the event of renegotiation of existing debts, it is considered that there are no substantial changes in financial liabilities when the lender of the new loan is the same as the lender who granted the initial loan and the present value of cash flows, including net commissions, does not differ by more than 10% from the present value of unpaid cash flows from the original liability calculated under the same method.

3.8. Current and deferred income tax

The Company files its taxes under the consolidated tax system as the parent of a group of companies (Note 18). The subsidiaries included in the Company's consolidated tax group for tax return purposes, according to Bizkaia provincial tax laws, in 2024 are as follows:

- CIE Berriz, S.L.
- Autokomp Ingeniería, S.A.U.
- CIE Mecauto, S.A.U.
- CIE Udalbide, S.A.U.
- Egaña 2, S.L.
- Gameko Fabricación de Componentes, S.A.
- Inyectametal, S.A.
- Leaz Valorización, S.L.U.
- Orbelan Plásticos, S.A.
- Transformaciones Metalúrgicas Norma, S.A.
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.
- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- Industrias Amaya Tellería, S.L.U.
- Mecanizaciones del Sur - Mecasur, S.A.
- CIE Automotive Goñain, S.L.U.
- CIE Automotive Boroa, S.L.U.
- CIE Roof Systems, S.L.U.
- Recogida de Aceites y Grasas Maresme, S.L.U.
- CIE Golde Holding, S.L.U.

Income tax expense (income) is that amount of income tax that accrues during the period. It includes both current and deferred tax expense (income).

Income tax is calculated on the basis of accounting profit adjusted for any permanent differences between profit for accounting and tax purposes. Tax credits available at the consolidated tax group level, arising mainly from corporate investing activities, are analyzed annually for future utilization and offset and are recognised as a function of current expectations regarding their utilization. This analysis not only encompasses estimable taxable income but also expectations regarding the use of tax credits granted (Note 16).

Both current and deferred tax expense (income) are recognised in the income statement. However, the tax effect of items recognised directly in equity is recognised in equity.

Current tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

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(Denominated in thousand euro)

Deferred taxes are calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred income tax is not accounted for if it arises from initial recognition of a goodwill or an initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor tax base. Deferred income tax is determined implementing applicable legislation and the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

3.9. Employee benefit

a) Profit-sharing and bonus plans

The Company recognizes a liability and an expense for bonuses and profit-sharing where contractually obliged or where there is a past practice that has created a constructive obligation.

b) Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment contracts before the retirement age or when employees voluntarily agree to resign in return for benefits offered by the Company. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or as a result of an offer of termination benefits made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

c) Share-based payments

At 31st December 2023 CIE Automotive Group maintained several share-based payment plans settled in equity instruments in its subsidiary CIE Automotive India, Ltd, listed on the Indian stock market (Appendix I), whose fair value amounted to €1,318 thousand at 31st December 2023. At 31st December 2024, these plans are fully settled.

Likewise, at the General Meeting of shareholders held on 24th April 2018, a long-term incentive for the CEO was approved based on the evolution of the share price of CIE Automotive, S.A. This agreement was modified at the General Shareholders' Meeting on 5th May 2021 and at the General Shareholders' Meeting on 4th May 2023. At the last General Shareholders' Meeting held on 8th May 2024, amendments to the terms of this long-term variable compensation have been approved, according to the extraordinary remuneration received by the CEO in year 2023 due to exceptional circumstances, and the Remuneration Policy approved in the last General Shareholders' Meeting, which included a proposal of a new fixed remuneration, it has also been considered appropriate to adjust the reference value of the share price for the execution of the long-term Incentive (Note 25).

The total estimated cost of this incentive is recognised as personnel expenses in the period when the conditions must be fulfilled.

3.10. Provisions and contingent liabilities

The Company recognises provisions when it has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the best estimate of the expenditure required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Provisions due within one year or for which the effect of the time value of money is not material are not discounted.

When some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised separately when, and only when, it is virtually certain that reimbursement will be received.

Contingent liabilities, meanwhile, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised in the financial statements but are disclosed in the accompanying Notes as warranted.

3.11. Business combinations

Mergers, spin-offs and non-monetary contributions of businesses among entities under common control are recognised following the rules for accounting for related-party transactions (Note 3.15).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

Mergers and spin-offs that are not common control transactions and business combinations arising from the acquisition of all of the assets and liabilities of a company or a portion thereof that constitutes one or more businesses are recognised using the acquisition method.

The Company recognises business combinations arising from the acquisition of shares or equity interests in another company in accordance with the rules for accounting for investments in Group companies, joint ventures and associates (Note 3.3.c).

3.12. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in exchange for the goods delivered and services rendered in the course of the Company's ordinary activities, less returns, discounts and value added tax.

The Company recognises revenue when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the specific conditions applicable to each of its activities are met. The amount of revenue cannot be measured reliably until all of the contingencies associated with the sale have been resolved. The Company's estimates are based on historical data, taking into account customer and transaction types, as well as the specific terms of each contract.

According to the interpretation published by the ICAC in its official journal in September 2009 (interpretation no. 79), companies classified as 'industrial holding companies', such as CIE Automotive, S.A., must present dividends, interest income and management fees from their investments in Group companies, jointly controlled entities and associates within revenue in their income statements.

a) Sales of services

The Company invoices CIE Automotive Group companies for sales commission, for providing general management and administration services, as well as services in the field of IT, according to contracts with each.

Service revenue is recognised in the financial year in which the services are provided with reference to the outcome of the transaction in question and on the basis of the actual level of service performed as a percentage of total services performable.

Revenue from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.

b) Interest income

Interest income of financial assets valued at amortised cost is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues updating the receivable as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

c) Dividend income

Dividend income is recognised as revenue in the income statement when the right to receive payment is established, provided that, since the date of acquisition, an investee company or any subsidiary of the Group has generated profits for an amount greater than the equity distributed. However, if the dividends distributed come from results generated prior to the date of acquisition, they are not recognized as income, reducing the carrying amount of the investment.

3.13. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3.14. Foreign currency transactions

a) Functional and presentation currency

The Company's Annual Accounts are presented in euro, which is both its functional and presentation currency.

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(Denominated in thousand euro)

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign currency gains and losses resulting from the settlement of transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement, unless they are deferred in equity as eligible cash flow hedges and eligible net investment hedges (Note 3.4).

Exchange gains and losses are presented in the income statement under "Net exchange differences".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

3.15. Related-party transactions

As a general rule, intragroup transactions are initially recognised at fair value. If the price agreed differs from fair value, the difference is recognised based on the economic substance of the transaction. Subsequent measurement follows prevailing accounting rules.

However, in mergers, spin-offs or non-monetary business contributions, the constituent elements of the acquired business are valued at the amount corresponding to them, once the operation has been carried out, in accordance with their previous values according to the Consolidated Annual Accounts of the group or subgroup, or in case of waiver, the greater between the cost of acquiring the business in the contributing company, and the amount representing its percentage of participation in the equity of the investee company whose business is transferred.

When the parent of the group or subgroup of the subsidiary does not intervene, the annual accounts used for this purpose are those of the highest-level Spanish-parented group or subgroup to recognize the assets and liabilities.

In these cases, any difference between the acquiree's net assets and liabilities, adjusted for grants, donations and bequests received, valuation adjustments and any equity (capital or share premium) issued by the acquiring company, is recognised in reserves.

3.16. Dividend distribution

The payment of dividends to shareholders is recognised, to the extent outstanding, as a liability in the annual accounts in the year in which the dividends are approved by the shareholders in General Meeting or declared by the Board of Directors.

4. Financial risk management

4.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and raw material price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

In the broadest sense, the goal of the management of financial risk is to control the incidents generated by fluctuations in exchange and interest rates and the price of raw materials. Management of these risk factors, which is the responsibility of the Group's Finance Department, focuses on the arrangement of financial instruments in order to build, as far as possible, exposure to favourable trends in exchange and interest rates, subject to compatibility with the mitigation, in part or in whole, of the adverse effects of an unfavourable environment.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

a) Market risk

(i) Foreign exchange risk

CIE Automotive Group's presence in international markets obliges it to arrange an exchange rate risk management policy. The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, CIE Automotive Group uses the Management Scope concept. This concept encompasses all collection / payment flows in a currency other than the euro expected to materialise over a specific time period. The Management Scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the euro. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope would also apply to management if are expected to be recognised on the balance sheet within a period of no more than 18 months.

Once defined the Management Scope, CIE Automotive Group uses a series of financial instruments for risk management purposes that in some instances permit a certain degree of flexibility. These instruments are essentially the following:

- Currency forwards: These contracts lock in an exchange rate for a specific date; the timing can be adjusted to match expected cash flows.
- Other instruments: Other hedging derivatives may also be used, the arrangement of which requires specific approval by the relevant management body. This body must be informed beforehand as to whether or not it complies with requirements for consideration as a hedging instrument, therefore qualifying for hedge accounting.

The Group protects against loss of value as a result of movements in the exchange rates other than the euro in which its investments in foreign operations are denominated by similarly denominating, to the extent possible, its borrowings in the currency of the countries of these operations if the market is sufficiently deep or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro. Correlation, estimated cost and depth of the debt and derivative markets determine policy in each country.

The Group has several investments in foreign operations whose net assets are denominated in US dollars, exposing it to foreign exchange translation risk. The exchange risk on the net assets of the Group's foreign operations is mainly managed through natural hedges achieved by borrowings (loans) denominated in the corresponding foreign currency.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations in countries outside the Eurozone is mitigated basically by borrowings denominated in these currencies.

If at 31st December 2024, the euro had been devalued/revalued by 10% with respect to all other functional currencies other than euro, all other variables remaining constant, equity would have increased/decreased by €320/€262 million (2023: increased/decreased by €303/€248 million), due to the impact of the net assets contributed by the subsidiaries operating in a functional currency different from the euro.

If the average exchange rate of the euro had devalued/revalued by 10% in 2024 with respect to all functional currencies other than the euro, all other variables remaining constant, profit after tax for the year attributable to the parent company would have been €27.6/€22.6 million higher/lower, respectively (2023: €26.6/€21.7 million higher/lower, mainly as a result of the exchange gains/losses on the translation of accounts receivable denominated in currencies other than the euro.

If as of 31st December 2024, the euro had been devalued/revalued by 10% with respect to the following currencies, keeping the rest of the currencies and variables constant, the net worth and the profit after tax attributable to the parent company would have varied according to the following table:

	Equity (€ million)		Profit after tax (€ million)	
	Devalued Euro 10%	Revalued Euro 10%	Devalued Euro 10%	Revalued Euro 10%
Chinese yuan	75	(61)	3.7	(3.0)
US dollar	108	(88)	9.6	(7.9)
Indian rupee	73	(59)	5.8	(4.7)
Brazilian real	44	(36)	7.2	(5.9)

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(Denominated in thousand euro)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments that are classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. However, the scant weight of these securities as a percentage of total Group assets and equity means that this risk factor is not material.

(iii) Interest rate risk

Group's borrowings are largely benchmarked to floating rates, exposing it to interest rate risk, with a direct impact on the income statement. The general objective of interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

In order to attain this objective, the risk management strategy materialises in the arrangement of financial instruments designed to provide such flexibility. The strategy expressly contemplates the possibility of arranging hedges for identifiable and measurable portions of cash flows, which enables hedge efficiency testing as required to evidence that the hedging instrument reduces the risk of the hedged item in the portion designated and is not incompatible with the established strategy and objectives.

The Management Scope encompasses the borrowings recognised in the balance sheet of the Group and any of its companies. On occasion, hedges are arranged to cover loans committed and in the final stages of arrangement the principal on which needs to be hedged against rate increases.

In order to manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IFRS 9) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites for consideration as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are the following:

- Interest-rate swaps: Through these derivatives, the Group converts the benchmarked floating interest rate on a loan to a fixed benchmark with respect to all or part of the loan and affecting all or part of the term of the loan.
- Other instruments: As discussed in the section on foreign exchange risk management, other hedging derivatives may also be used, the arrangement of which requires the specific approval of the relevant management body. The management body must be informed beforehand as to whether the instrument meets the prerequisites for qualifying as a hedging instrument and, by extension, hedge accounting.

If during 2024 the average interest rate on borrowings denominated in euro had been 100 basis points higher/lower, all other variables remaining constant, profit after tax for the year would have been €10,521 thousand lower/higher (2023: €10,089 thousand), largely as a result of an increase/decrease in the interest expense on floating-rate loans.

b) Liquidity risk

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, transferring the related risks and rewards).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

Management monitors the Group's forecast liquidity requirements together with the trend in net debt. The calculation of liquidity and net debt at 31st December 2024 and 2023 is calculated as follows:

Thousand euro	31.12.2023	31.12.2023
Cash and cash equivalents	947,454	839,921
Other financial assets	264,078	194,897
Undrawn lines of credit	561,748	690,004
Liquidity buffer	1,773,280	1,724,822
Bank borrowings	2,216,554	2,169,467
Other financial liabilities	42	24
Cash and cash equivalents	(947,454)	(839,921)
Other financial assets	(264,078)	(194,897)
Net financial debt	1,005,064	1,134,673

Additionally, as of 31st December 2024, Shanghai Golde Auto Parts, Co. Ltd., a joint venture in which the Group has a 50% and consolidates using the equity method, has a net treasury of €35 million (€16 million as of 31st December 2023).

The evolution of the Net Financial Debt in 2024 and 2023 is shown in the following table:

Thousand euro	Cash and cash equivalents	Other financial assets	Bank borrowings	Other financial liabilities	TOTAL
Net Financial debt 1st January 2023	732,053	125,283	(2,141,122)	(6,012)	(1,289,798)
Cash flow	109,676	53,834	(8,795)	-	154,715
Translation differences	(23,693)	(4,485)	5,546	-	(22,632)
Other non-monetary movements	-	(188)	(8,329)	5,988	(2,529)
Additions in consolidation scope	(17,942)	8,667	(6,767)	-	(16,042)
Disposal of the German forging business	39,267	11,786	(10,000)	-	41,053
Other transfers from discontinued activities	560	-	-	-	560
Net Financial debt 31st December 2023	839,921	194,897	(2,169,467)	(24)	(1,134,673)
Cash flow	138,287	37,297	(18,609)	-	156,975
Translation differences	(12,597)	2,843	(9,095)	-	(18,849)
Other non-monetary movements	-	3,110	(11,922)	(18)	(8,830)
Additions in consolidation scope	(18,157)	25,931	(7,461)	-	313
Net Financial debt 31st December 2024	947,454	264,078	(2,216,554)	(42)	(1,005,064)

The Group's treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In that sense, is considered that cash generation in 2024 will allow facing recurrent payments without increasing net financial debt.

The Group's treasury department monitors Group's liquidity needs forecasts in order to ensure that there is enough cash to meet operative needs at the same time that maintains undrawn credit facilities at any time to ensure Group doesn't fail limits and rates ("covenants") established by financial entities.

The Group is strategically diversifying the financial markets and financing sources, it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

Amounts payable to credit institutions in the short term include recurring loans over time amounting to €6 million with financial institutions used for the management of operating working capital (€12 million as of 31st December 2023). Although this component of the bank debt is presented as a current liability for accounting purposes, it is stable as evidenced by the usual operation of the business, and therefore provides financing that is equivalent to long-term debt.

Noteworthy is the existence at 31st December 2024 of €562 million of undrawn credit lines and loans (31st December 2023: €690 million).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

The following table shows a breakdown of working capital in the Group's consolidated balance sheet as of 31st December 2024 and 2023:

Thousand euro	31.12.2024	31.12.2023
Inventories	457,161	460,460
Trade and other receivables	201,131	241,897
Other current assets	73,898	64,071
Current tax assets	71,669	63,114
Current operating assets	803,859	829,542
Other current financial assets	183,462	126,875
Cash and other cash equivalents	947,454	839,921
Current assets	1,934,775	1,796,338
Trade and other payables	936,187	961,866
Current tax liabilities	82,504	74,256
Current provisions	118,730	114,475
Other current liabilities	163,582	175,078
Current operating liabilities	1,301,003	1,325,675
Current financial borrowings	642,858	511,662
Other current financial liabilities	42	24
Current liabilities	1,943,903	1,837,361
TOTAL WORKING CAPITAL	(9,128)	(41,023)

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short- and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (Just In Time) supplies to the Group's customers.

In parallel, the Group's Management efficiently controls the exercise of payment of expenses and the exercise of realization of current assets, carrying out an exhaustive monitoring of the treasury forecasts, in order to ensure that it has enough cash to meet the operation needs while maintaining sufficient availability of undrawn credit facilities at all times so that the Group does not breach the limits or the indices ("covenants") established by the financing entities. As of 31st December 2024 and 2023, the Group complies with all the ratios required in its financing. Therefore, it is estimated that cash generation in 2025 will sufficiently cover the needs to meet short-term commitments, avoiding any situation of tension in the liquidity position with the actions in progress.

As a result of the above, it may be confirmed that there is no liquidity risk at the Group.

Likewise, there are no significant restrictions to the use of cash/other cash equivalents.

c) Credit risk

Group's credit risks are managed by customer groups. Credit risk arising from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Group works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises the corresponding impairment provisions if necessary.

In addition, each management unit has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that Group policy is not to concentrate more than 10% of business volumes with individual customers or manufacturing platforms.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

Given the characteristics of the Group's customers, management historically deemed that those receivables due within 60 days presented no credit risk. The Group continues to consider the credit quality of these outstanding balances to be strong, although it is determined the expected loss.

d) Raw material price risk

The Group has not a significant risk in raw price variations. In these companies where the risk could exist in market specific situations (plants which use raw materials with market price), the risk is controlled thanks to price financing repercussion agreements to customers considering the current market conditions.

4.2 Hedge accounting

The Group determines the effectiveness of the hedge at the beginning of the same and periodically through prospective reviews of its effectiveness to ensure that there is adequate coverage between the hedged risk and the hedging instrument.

The treatment and classification of the Group's hedging transactions are described below:

a) Fair value hedges of a recognised asset or liability or a firm commitment

Changes in the fair value of these derivatives are recognised in the income statement together with any change in the fair values of the assets or liabilities hedged which is attributable to the hedged risk.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the period in which the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or liability, the gains or losses previously deferred in equity are removed from equity and included in the initial cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the requirements for hedge accounting, any cumulative gain or loss that remains recognised in equity remains in equity and is reclassified to profit or loss when the forecast transaction occurs.

Occasionally, despite the goal of achieving a perfect hedge of flows, mismatches may arise between the characteristics of the hedges and the debts hedged. Once a mismatch is detected, and provided that this does not entail disproportionate costs, the derivative is fine-tuned in order to adapt it to the new characteristics of the underlying.

This circumstance may arise in the case of a hedge arranged in anticipation of a highly probable underlying which, when confirmed, requires the readjustment of the derivative to adapt it to the underlying to which it is designated. This situation may arise whether or not the derivative is designated as a hedge at inception i.e., if the underlying has been defined as a highly probable transaction.

c) Net investment hedges

The Group maintains investments whose net assets are exposed to the risk of conversion into foreign currency as well as foreign resources, which main purpose is to support the group's sustainable growth. In 2024, the negative exchange difference generated by this financing, which amounted to €2,544 thousand, was recognized under the heading "Net Investment Coverage" of the Consolidated Global Income Statement; heading under "foreign currency conversion differences" (2023: positive exchange difference amounting to €2,830 thousand).

d) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

4.3 Valuation method (fair value estimation)

The regulations in force establish the information to be disclosed on valuations at fair value applicable also to non-financial assets and liabilities. Based on the provisions of Royal Decree 1/2021, of 12th January, fair value is the price that would be received for the sale of an asset or paid to transfer or cancel a liability through an orderly transaction between market participants on the valuation date.

The Company discloses the fair value estimation according to the following level hierarchy:

- Listed prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31st December 2024 and 31st December 2023:

2024 - thousand euro	Note	Level 2	Level 3	TOTAL
Credits at fair value	9/22	-	12,845	12,845
Derivatives	9	705	-	705
Total assets at fair value		705	12,845	13,550
Total liabilities at fair value		-	-	-
2023 - thousand euro	Note	Level 2	Level 3	TOTAL
Credits at fair value	9/22	-	15,415	15,415
Derivatives	9	11	-	11
Total assets at fair value		11	15,415	15,426
Total liabilities at fair value		-	-	-

There were no transfers between levels during 2024 and 2023.

a) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at each balance sheet date. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in Level 2.

Specific financial instrument valuation techniques include:

- i) Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- ii) Fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
- iii) It is assumed that the carrying amount of trade receivables and payables is similar to their fair value.
- iv) The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to financial instruments derivatives (Note 9).

b) Level 3 financial instruments

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Level 3.

As of 31st December 2024 there are loans granted to Group employees valued at fair value and amounting to €12,845 thousand, after the incorporation of new employees to the long-term incentive plant, as well as the increase of certain loan amounts (2023: €15,415 thousand) (Note 6.5).

The Company has not agreements for the offset of financial assets and liabilities.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024 (Denominated in thousand euro)

4.4 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group can adjust the number of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the leverage ratio. This ratio is calculated as net debt divided by total capital used. Net debt is calculated as total borrowings plus financial liabilities less cash, cash equivalents and financial assets, all of which are shown in the Consolidated Annual Accounts. Total capital employed is calculated as 'equity', as shown in the Consolidated Annual Accounts, plus net financial debt.

The Group's strategy, as in previous years, has been to maintain a leverage rate close to 0.50.

The gearing ratios at 31st December 2024 and 2023 are as follows:

Thousand euro	2024	2023
Borrowings	2,216,554	2,169,467
Financial liabilities	42	24
Less: Cash and cash equivalents and financial assets	(1,211,532)	(1,034,818)
Net financial debt	1,005,064	1,134,673
Equity	1,913,941	1,661,244
Total capital used	2,919,005	2,795,917
Gearing ratio	0.34	0.41

At 31st December 2024 and 2023, the Group has agreements formalised related with credit and bank loans that oblige it to comply with certain covenants. As of 31st December 2024 and 2023, the Group complies with all the ratios required in its financing.

4.5 Climate risk factors

In recent years, the underlying risks of climate change have been revealed, and the possible impact they may have on financial statements. Being the Company a holding entity, climate risk is directly associated with the impact on its operating plants and the cash flows expected to be received from them.

The Corporate Engineering, Quality and Environment Department is responsible for establishing the guidelines and coordinating with the plants the actions related to the transition plan for climate change mitigation, which is included in the Group's 2025 Strategic Plan.

In this sense, the Group keeps updated its Environment Policy, where it was recognized as aligned with the Sustainable Development Goals. Thus, the Group develops products and processes under eco-design concepts, oriented to efficiency, providing necessary resources in continuous improvement through prevention and preservation, the minimization of risks, the reduction of the environmental footprint, the efficient use of natural resources, the minimization of waste, the circularity of materials and the collaboration of the people involved in the processes. Moreover, the Group is aligned with the United Nations 2030 Agenda by establishing environmental objectives to be met by each of the plants and regions where it operates, based on the *Global Reporting Initiative* standards.

In December 2022, the Group committed to setting targets, within 24 months, aligned with limiting global warming to 1.5°C, in line with the Paris Agreement, and the "net-zero" target by 2050, based on science. In 2024, the Group has fulfilled this commitment, joining a group of 235 companies in the automotive and components sector with targets approved by the "Science Based Targets initiative" (SBTi). With the latest available data, only 35 of these companies, including CIE Automotive, are aligned with meeting both objectives.

Action plans established to address each of the climate-related risks that have an impact on the Group's Consolidated Annual Accounts are disclosed as follows:

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The risks arising from the transition to low-carbon economies

The authorities and governments of different countries have implemented policies to fight against climate change that have affected differently in the different countries where the Group operates. All of these policies and actions have been part of the analysis carried out by the Group when carrying out the Transition Plan, as well as the double materiality analysis. These policies basically consist of promoting sustainable energy consumption in industrial production through tax and operational incentives, while in other cases, the use of energies that have a direct impact on the climate has been penalized or no longer promoted.

Regarding the automotive industry, it has been possible to reduce polluting emissions from vehicles, although the latest regulations to fight climate change – the most restrictive in Europe and China – are forcing manufacturers and their suppliers to implement additional solutions to reduce their environmental footprint, as well as to promote the electrification of their vehicle platforms. In recent years, the Group has been adapting its production process, as well as the goods produced, to a changing environment, demonstrating its resilience to the challenges offered by the fight against climate change.

The Group aims to anticipate the aforementioned measures, having launched certain action plans that allow mitigating in advance the impact of new policies, regulations and trends that climate change has entailed. The lines of work established for this have been the following, and have as main axes the actions on the goods produced and actions on their productive process.

- Actions on goods produced

In the context of a changing environment and increasingly aware of the effects of global climate change, the Group has been adapting the sale of its assets to new challenges in the climate and environmental field, and they are directly related to the latest trends in the automotive sector. In this sense, the Group is immersed in a technological transformation, aimed at reducing its corporate footprint, as well as the goods it produces. To achieve these objectives, the Group develops different technologies that provide the efficiency and flexibility necessary to face all challenges with changing volumes and scenarios.

Technological diversity also allows to focus investments on those technologies most demanded by the market in each circumstance. Currently, the market is betting on the electrification of vehicles and more than 80% of the components and subassemblies produced by the Group can be used in any type of vehicle (combustion, electric, hybrid). Despite this considerable percentage of versatility in the goods it produces, the Group has proposed to take advantage of the opportunity offered by the decarbonization of transport to position itself in new products of high added value. These products are related to the engine and power electronics, gearboxes and batteries.

This commitment to batteries was materialized in the investment made by the Group in 2022 in the company Basquevolt, S.A. with an initial investment of €1.5 million.

Additionally, the Group's technological commitment to meet these environmental objectives focuses on the eco-efficiency and circularity, the light-weighting of vehicles, the improvement of the user experience (noise reduction, light integration, etc.), the bet for electric and autonomous vehicles and Industry 4.0 as a key to competitiveness and eco-efficiency, always aiming at the path towards the decarbonization of transport.

These actions are naturally linked to the reduction of environmental impact and mitigation of climate change. For those products that do not yet have a clear substitute in zero-emission vehicles, the Group has defined a strategy with different action plans.

Thus, the Group's spirit of adaptation and flexibility in the products it markets, together with the ability to always be aligned with new market trends, are the Group's main measure to address any market risks to its goods, as well as those that may arise from the transition to low-carbon economies.

- Actions on the productive process

Some of the environmental actions on the production process, which are part of those mentioned above, for the realization of the goods sold to the market have been the following:

- a) *Environmental Investments*: the Group adapts its production facilities to the conditions required by the environmental legislation of the countries where it is located. Consequently, the Group makes investments aimed at minimizing environmental impact, protecting and improving the environment; and incurs expenses derived from environmental actions, which basically correspond to the ordinary expenses for the removal of waste, consulting, measurements and environmental certifications.

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(Denominated in thousand euro)

The adaptation and incorporation of investments that meet the most current environmental requirements implies a direct mitigation of the risk derived from the transition to low-carbon economies in the recovery of the value of their productive assets.

- b) *Energetic efficiency*: the improvement of energy efficiency is a priority objective for the Group, since it contributes to reducing its environmental impact, in addition to implying a direct improvement in competitiveness. The main lines of action consist of energy saving, and emission control. In this line, the Group contracts clean energy for the operation of its facilities wherever this option is available; and with the same philosophy of reducing their emissions and their energy bill, photovoltaic panels have been installed in different facilities in Europe, where, in addition, in 2022 new contracts were signed for the supply of green energy for own consumption starting 2023; and India, where investment in new solar power plants has continued.

In this sense, it is expected that the action plans carried out by the Group in terms of efficiency will mean, in the medium and long term, an improvement in the margin on the goods it produces.

- c) *Water and material consumption*: in the Group's production process, an intensive use of water is carried out. In order to reduce discharges as much as possible, it has its own systems and facilities for water treatment, recirculation and recovery. With regard to raw materials, the Group constantly reviews all processes to make responsible use of raw materials. An example of these practices is the reduction of the gross weight of the products it manufactures, and that implies the reduction of the consumption of energy and other products necessary for the production process.

As in the case of energy efficiency action plans, it is estimated that these actions will also improve the margins of the goods produced.

- d) *Pollution control and waste management*: the Group's environmental management systems are based on the ISO14001 standard, and ensure that pollution does not exceed the levels established by current regulations. On the other hand, the Group's recycling system allows the reincorporation of recycled raw materials into its production process. Those materials that cannot be recycled are collected by specialized managers who prioritize their recycling over their landfill.

All of these action plans and expected results have been included for each plant in the projections used for the subsidiary impairment assessment described in Note 7.

The risk of the impact on the margins of adapting to low-carbon economies

Cost pressure can occur on car producers. During the deployment phase of more sustainable vehicles, the final cost will be higher and, to maintain sales volumes, there is a risk of increased cost pressure on component suppliers.

Faced with this type of scenarios and risks, the Group's model is very effective. Commercial diversification makes dependence on a project or its renovation low, so the freedom to invest in projects is key. To this is added another of the axes of the group, the investment discipline, which leads to a detailed analysis of the projects with volume sensitivity analysis, avoiding those projects with volumes lower than those initially announced have a definitive impact on the returns.

The Group not only adapts to the low-carbon economy through the final product it offers to the market, but also by modifies its production process, which is highlighted by signing of clean energy purchase agreements for the use of its operating plants. As a consequence, in Spain 100% of the energy consumed is green energy, which has resulted in emissions savings.

The direct physical risk posed by climate change in the production process and operations of a business

As of 31st December 2024 and 2023, the Group's production facilities, as well as the customers to which it provides, were not located in areas or geographical areas where an imminent climate risk is foreseen.

However, the Group is aware of the unpredictability of the effects of climate change and monitors the impacts that any adverse circumstance may generate in the valuation of the Group's assets, and therefore, in its Consolidated Financial Statements. In this sense, the Group is exposed to physical risks whose possible impacts it manages depending on the typology of each of them:

- a) *Water stress risks*: are the risks that can result in the lack of water supply.

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- b) *Acute physical risks*: are the risks arising from the occurrence of acute climatic phenomena. These accidental risks are covered by the global Civil Liability policy. To strengthen the management of environmental and safety risks, the Group has initiated a collaboration project with the technical departments of its insurance companies, where risks are evaluated and monetized and an elimination plan is established, or where appropriate, mitigation.
- c) *Chronic physical risks*: they are risks that cause gradual changes with more lasting impact, such as rising average temperatures, rising sea levels or prolonged periods of heat.

Although the Group's production facilities are not directly threatened by the effect of these chronic physical risks, there are environmental objectives established to be met in all the plants and regions where it operates.

- d) *Protection of biodiversity*: due to the location of its production facilities, mostly in industrial estates, the impact of its activities on biodiversity is not considered significant.

In this sense, for the assumptions used in the subsidiary impairment assessment described in Note 7, the company has considered macroeconomic variables that already take into account, implicitly, the impacts that climate change may have in each of the geographies where it operates. The growth rates, discount rates and risk rates used are market ratios that implicitly also reflect the valuation of climate risk. These rates do not show significant differences with those used in previous years. Due to the very nature of the activity, it is considered that there is no material impact of the risk of climate change that implies an indication of impairment, for any of the Group's subsidiaries.

As a consequence, based on the foregoing, it is not expected that there will be substantial changes in the Group's future estimates (provisions, changes in useful lives, etc.) nor significant impacts on the recovery analysis of non-financial assets taking into account that these impacts have already been incorporated into the Group's business plans.

5. Intangible assets

The movement schedule in intangible assets during the period is as follows:

	Computer applications	Patents	Goodwill	Total
Cost				
Balance at 1st January 2023	21,493	1,000	27,718	50,211
Additions	730	-	-	730
Disposals	(335)	-	-	(335)
Balance at 31st December 2023	21,888	1,000	27,718	50,606
Additions	817	-	-	817
Balance at 31st December 2024	22,705	1,000	27,718	51,423
Accumulated amortization				
Balance at 1st January 2023	(18,764)	(500)	(19,404)	(38,668)
Additions	(692)	(100)	(2,772)	(3,564)
Disposals	92	-	-	92
Balance at 31st December 2023	(19,364)	(600)	(22,176)	(42,140)
Additions	(676)	(100)	(2,772)	(3,548)
Balance at 31st December 2024	(20,040)	(700)	(24,948)	(45,688)
Carrying amount				
Balance at 1st January 2023	2,729	500	8,314	11,543
Balance at 31st December 2023	2,524	400	5,542	8,466
Balance at 31st December 2024	2,665	300	2,770	5,735

a) Goodwill

The goodwill arose in 2011 as a result of the reverse merger between the Company and its parent INSSEC.

The goodwill is allocated to the Company's cash-generating units (CGUs) groups by management unit and operating market. Goodwill is allocated to the Brazilian and European operations as was the case at INSSEC.

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The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management covering normally a five-year period. Cash flows beyond this five-year period are extrapolated using estimated growth rates. Note 7.c) details the key assumptions used to calculate the value in use of the various CGUs groups in a manner that is consistent with the overall situation of CIE Automotive Group's operating markets as well as the businesses' projected performance.

CIE Automotive Group has verified that neither its goodwill nor its investments in group companies (Note 7) suffered any impairment loss in either 2024 or 2023.

b) Fully-amortised intangible assets

At 31st December 2024 there are fully-amortised items of intangible assets with an historic cost of €17.8 million (2023: €17.7 million).

6. Analysis of financial instruments

6.1 Analysis by category

The carrying amounts of the Company's financial instruments by each category of financial assets and liabilities, which does not include balances with public administrations, are as follows:

Financial assets in thousands of euros	At cost		At amortised cost		At fair value with changes in profit and loss		Others	
	2024	2023	2024	2023	2024	2023	2024	2023
<i>Non-current</i>								
- Balances with group companies								
Investments in group companies (Note 7.a)	1,094,467	1,094,467	-	-	-	-	-	-
Credits to group companies (Note 7.d)	-	-	1,456,083	1,294,139	-	-	-	-
-Other investments (Note 6.4)	96	96	-	-	-	-	-	-
-Credits to third parties (Note 6.5)	-	-	2,600	3,900	12,845	15,415	-	-
-Derivatives (Note 9)	-	-	-	-	705	11	-	-
-Other financial assets	-	-	25	25	-	-	-	-
TOTAL	1,094,563	1,094,563	1,458,708	1,298,064	13,550	15,426	-	-
<i>Current</i>								
- Trade and other receivables (Note 8)	-	-	23,000	23,954	-	-	-	-
-Credits to group companies (Note 7.d)	-	-	64,537	62,229	-	-	-	-
-Credits to third parties (Note 6.5)	-	-	1,300	1,300	-	-	-	-
-Other financial assets (Note 6.6)	-	-	16,813	16,829	-	-	-	-
-Cash and other cash equivalents (Note 10)	-	-	-	-	-	-	114,687	67,044
TOTAL	-	-	105,650	104,312	-	-	114,687	67,044

Financial liabilities in thousands of euros	At amortised cost	
	2024	2023
<i>Non-current</i>		
- Borrowings received (Note 14)	1,474,659	1,511,544
- Borrowings from group companies (Note 14)	250,723	165,155
- Other debts (Note 14)	50,088	50,057
TOTAL	1,775,470	1,726,756
<i>Current</i>		
-Borrowings received (Note 14)	216,982	166,483
-Commercial paper program (Note 14)	367,800	274,420
-Borrowings from group companies (Note 14)	20,887	22,019
- Trade and other payables (Note 14)	83,787	81,932
TOTAL	689,456	544,854

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6.2 Classification by maturity

The maturity schedule for financial instruments having fixed or determinable maturities is as follows:

2024

	Financial assets						Total
	2025	2026	2027	2028	2029	Subsequent years	
Investments in group companies and associates:							
Credits to group companies ^(*)	64,537	-	-	-	-	1,456,083	1,520,620
Other financial investments:							
Trade and other receivables (Note 8)	23,000	-	-	-	-	-	23,000
Credits to third parties (Note 25)	1,300	-	-	-	-	2,600	3,900
Other financial assets	16,813	-	-	-	-	25	16,838
TOTAL	105,650	-	-	-	-	1,458,708	1,564,358

	Financial liabilities						Total
	2025	2026	2027	2028	2029	Subsequent years	
Borrowings from group companies and associates	20,887	-	-	-	-	250,723	271,610
Other financial liabilities:							
Bank borrowings	216,982	326,600	298,677	227,194	537,984	84,204	1,691,641
Commercial paper program	367,800	-	-	-	-	-	367,800
Other liabilities	-	8,500	8,500	25,000	8,088	-	50,088
Trade and other payables	83,787	-	-	-	-	-	83,787
TOTAL	689,456	335,100	307,177	252,194	546,072	334,927	2,464,926

^(*) The long-term loans extended to group companies take the form of unlimited 5-year current credit accounts that are tacitly renewed one year before its maturity for additional periods of one year unless it exists a previous cancellation one year before the established maturity (Note 7.d).

2023

	Financial assets						Total
	2024	2025	2026	2027	2028	Subsequent years	
Investments in group companies and associates:							
Credits to group companies ^(*)	62,229	-	-	-	-	1,294,139	1,356,368
Other financial investments:							
Trade and other receivables (Note 8)	23,954	-	-	-	-	-	23,954
Credits to third parties (Note 25)	1,300	-	-	-	-	3,900	5,200
Other financial assets	16,829	-	-	-	-	25	16,854
TOTAL	104,312	-	-	-	-	1,298,064	1,402,376

	Financial liabilities						Total
	2024	2025	2026	2027	2028	Subsequent years	
Borrowings from group companies and associates	22,019	-	-	-	-	165,155	187,174
Other financial liabilities:							
Bank borrowings	166,483	286,149	333,053	373,099	443,639	75,604	1,678,027
Commercial paper program	274,420	-	-	-	-	-	274,420
Other liabilities	-	1,575	7,500	13,275	27,707	-	50,057
Trade and other payables	81,932	-	-	-	-	-	81,932
TOTAL	544,854	287,724	340,553	386,374	471,346	240,759	2,271,610

^(*) The long-term loans extended to group companies take the form of unlimited 5-year current credit accounts that are tacitly renewed one year before its maturity for additional periods of one year unless it exists a previous cancellation one year before the established maturity (Note 7.d).

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6.3 Credit quality of financial assets

Financial assets that have not expired are not impaired. Management perceives no risk of impairment whatsoever as the Company's financial assets mainly relate to balances due from CIE Automotive group companies and associates that present no indications of credit risk.

6.4 Other investments

The Company at 31st December 2024 and 2023 has under this heading the investment in Fundación CIE I+D+I as Funding Trustee, having given an initial (and unchanged) endowment of €60 thousand.

6.5 Credits to third parties

	Balance at 01.01.23	Additions	Profit/(Loss) adjustment	(Collections)	Balance at 31.12.23	Additions	Profit/(Loss) adjustment	(Collections)	Balance at 31.12.24
Credits to employees (Notes 17.b and 24)	14,588	5,518	(148)	(4,543)	15,415	-	670	(3,240)	12,845
Advances (Note 25.a)	6,500	-	-	(1,300)	5,200	-	-	(1,300)	3,900
TOTAL	21,088	5,518	(148)	(5,843)	20,615	-	670	(4,540)	16,745

6.6 Other current financial assets

The Company records an account receivable with possibility of immediate availability with INSSEC DOS which balance at 31st December 2024 and 2023 stood at €16,800 thousand (Note 25).

7. Investments and credits to group companies

a) Investments in group companies, jointly-controlled entities and associates

The main group companies owned directly by the Company (not listed) are as follows:

Name and registered office	Legal structure	Activity	% of total voting rights held directly	
			2024	2023
Group companies and jointly-controlled entities				
CIE Berriz, S.L. (Bizkaia)	S.L.	Holding company	100%	100%
CIE Automotive Boroa, S.L.U. (Bizkaia)	S.L.U.	Holding company	100%	100%
CIE Roof Systems, S.L.U. (Bizkaia)	S.L.U.	Holding company	100%	100%
Autokomp Ingeniería, S.A.U. (Bizkaia)	S.A.U.	Services and installations	100%	100%
Advanced Comfort Systems Ibérica, S.L.U. (Orense)	S.L.U.	Manufacture of automotive components	100%	100%
Advanced Comfort Systems France, S.A.S. (France)	S.A.S.	Manufacture of automotive components	100%	100%
CIE Automotive Roof systems Korea Limited	Ltd	Manufacture of automotive components	100%	100%

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The amounts of capital, reserves and profit for the year and other relevant information, as taken from the individual annual accounts of the respective group companies and jointly controlled entities, at 31st December 2024 and 2023, are as follows:

Company	Equity							Dividends received (Note 25)
	Capital	Share premium	Reserves	Interim dividend	Operating profit	Profit/(loss) for the year	Investment book value	
2024:								
CIE Berriz, S.L.	60,101	-	173,124	-	56,001	(83)	251,874	60,000
Advanced Comfort Systems Ibérica, S.L.U.	450	2,803	3,001	-	652	597	8,528	906
Advanced Comfort Systems France, S.A.S.	3,100	-	24,898	-	623	640	57,132	-
Autokomp Ingeniería, S.A.U.	180	-	154	-	4,640	1,304	4,804	869
CIE Automotive Boroa, S.L.U.	368,535	368,525	6,630	(22,000)	36,117	27,452	737,060	26,671
CIE Roof Systems, S.L.U.	10	-	8,842	-	46,082	9,529	34,996	-
CIE Automotive Roof Systems Korea Limited	73	-	(459)	-	247	106	73	-
TOTAL							1,094,467	88,446
2023:								
CIE Berriz, S.L.	60,101	-	216,012	-	106,119	17,765	251,874	40,000
Advanced Comfort Systems Ibérica, S.L.U.	450	2,803	3,002	-	1,062	905	8,528	624
Advanced Comfort Systems France, S.A.S.	3,100	-	21,983	-	3,622	2,969	57,132	10,000
Autokomp Ingeniería, S.A.U.	180	-	154	(1,750)	9,210	2,619	4,804	3,210
CIE Automotive Boroa, S.L.U.	368,535	368,525	3,917	(19,750)	480	27,134	737,060	21,928
CIE Roof Systems, S.L.U.	10	-	27,969	-	14,440	(19,127)	34,996	-
CIE Automotive Roof Systems Korea Limited	73	-	(3)	-	(211)	13	73	-
TOTAL							1,094,467	75,762

b) Movements in investments in group companies, joint arrangements and associates:

The movements in 2024 and 2023 are summarized below:

	Balance at 01.01.23	Additions/ (Disposals)	Balance at 31.12.23	Additions/ (Disposals)	Balance at 31.12.24
CIE Berriz, S.L.	251,874	-	251,874	-	251,874
Advanced Comfort Systems Ibérica, S.L.U.	8,528	-	8,528	-	8,528
Advanced Comfort Systems France, S.A.S.	57,132	-	57,132	-	57,132
Autokomp Ingeniería, S.A.U.	4,804	-	4,804	-	4,804
CIE Automotive Boroa, S.L.U.	737,060	-	737,060	-	737,060
CIE Roof Systems, S.L.U.	30,996	4,000	34,996	-	34,996
CIE Automotive Roof Systems Korea Limited	73	-	73	-	73
TOTAL	1,090,467	4,000	1,094,467	-	1,094,467

German forging business

On 14th December 2022, the Board of Directors of CIE Automotive India, Ltd. (previously named Mahindra CIE Automotive, Ltd.) made the decision to put the German forging business up for sale, corresponding to the company CIE Forging Germany GmbH and its subsidiaries after receiving offers from potential buyers of this business.

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On 9th August 2023, the Group signed, through its subsidiary CIE Forging Germany GmbH, a share purchase agreement whereby 100% of its stake in the operating companies of the German forging business Schöneweiss & Co. GmbH, Gesekschmiede Schneider GmbH, Falkenroth Umformtechnik GmbH and Jeco Jellinghaus GmbH was sold for a total amount of approximately €25 million. This compensation consists of €22.5 million of fixed price and €2.5 million of contingent price subject to the collection of certain assets in the disposed companies. Out of the total agreed sale price, €11.7 million were collected in 2023. As of 31st December 2024, €12.5 million were outstanding, having been collected €10.0 million in January 2025.

The net profit contributed by this business, after the relevant valuation adjustments, amounted to €12.7 million, including both the consolidated profit contributed by the disposed companies, as well as the transaction outcome and the discount effect over the accounts receivable with the seller.

The Company considered the disposal of this business into account when preparing its Annual Accounts, and has not identified any valuation adjustment to be included on its direct subsidiary CIE Berriz, S.L. as of 31st December 2024 and 2023.

Movement in investment in group companies

c) Analysis of impairment of investments in group companies and associates

c.1 Application methodology

The impairment analysis of each investment held by the Company is carried out individually both at the level of the Company itself and at lower levels. In the case of investee companies whose activity is the holding of the Group's subsidiaries, their value in use is determined by adding the value in use of their shares, since an individualized value in use of the same does, in no case, reflect its economic reality. The value in use of each of its direct investees is understood as the present value of the future cash flows derived from each investment and its corresponding subsidiaries, reduced by the net financial debt contributed by each of the participations (equity value).

c.2 Assumptions used

Sales projection and margins

Sales estimates are made at the level of each CGU and below it, at the level of each project, taking into account the confirmed purchase orders at the time of the budget, the portfolio of the different customers for each project, the estimated production units for ongoing projects in the forecasted period and future projects for which the Group has already been nominated.

The gross operating margin (EBITDA) applied to forecasted sales are estimated based on the current profitability of the contracts in production corrected, if applicable, for adjustments, positive or negative, in future profitability already known at the time of preparation of the forecast; as well as expected future returns from each of the projects which production has not started.

The average ⁽¹⁾ of the margins projected for the aggregated cash flows for each of the following subsidiaries through the period of the projections has been as follows:

Companies	2024	2023
CIE Berriz, S.L.	19.78%	19.82%
Autokomp Ingeniería, S.A.U.	19.34%	18.82%
Advanced Comfort Systems Ibérica, S.L.U.	16.82%	15.48%
Advanced Comfort Systems France, S.A.S.	15.19%	17.24%
CIE Roof Systems, S.L.U.	17.83%	17.04%

⁽¹⁾ The average of the detailed margins is the result of dividing the sum of the gross operating profits (EBITDA) by the sum of the sales of the years that make up the projection period.

The company CIE Automotive Boroa, S.L.U., incorporated in 2019, has as its activity the financing of different companies of the Group, without it having any subsidiary; and the recovery of the cost of this holding is directly related to the flows generated by the Group companies to which it has granted financing. In addition, at 31st December 2024 and 2023, the equity value of the same exceeds the cost of the participation that the Company has recognized.

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Calculation of residual value

The residual value is calculated by applying the “normalized annual cash flow”, which is made up of the EBITDA of the last year of the budget, minus the maintenance investments necessary to keep the activity at each plant (in the case of the Group it amounts between 2% and 4% of revenue depending on the region and technology); discounted by the normalized payment of taxes in the face of a future recurrence according to the tax situation of each of the tax territories.

Annual growth rate

The growth rates (g) used for the period beyond the projections used in 2024 and 2023 in the CGUs and groups of CGUs, which are reported by segment, have been as follows:

	2024	2023
North America	2.0%	2.5%
Brazil	5.0%	5.0%
Asia	2.5%-7.5%	4.5%-7.5%
CIE Forging Europe	1.5%	2.25%
Rest of Europe	1.5%	2.25%

The Company estimates the growth rate for each of the cash-generating units based on macroeconomic data related to inflation and growth in the economies of each of the countries where it operates, considering these as the main measurement factors for estimating the growth rate in current valuation models, due to the direct relationship between macroeconomic growth and the sale of vehicles.

Discount rate

The pre-tax discount rate was determined on the basis of the weighted average cost of capital (WACC) plus a premium to reflect the tax effect. The WACC was determined using the Capital Asset Pricing Model (CAPM), which is widely used for discount rate calculation purposes.

The methodology for calculating the discount rate consists of adding to the risk-free rate of each market the specific risks of the assets assigned to each of the cash generating units.

The risk-free rate corresponds to the 10-year Treasury in the market in question. In the case of countries with economies or currencies with doubtful solvency levels, the Group carries out an estimate of its own risk applicable to each country.

The specific risk premium assigned to the Group's assets corresponds to the specific risks of the Automotive business itself, for which an estimated beta is used, based on the betas assigned to comparable companies or groups of companies.

The discount rates applied to cash flow projections in years 2024 and 2023 are as follows:

	2024	2023
North America	7.73%-11.14%	8.27%-11.64%
Brazil	14.61%	14.03%
Asia	6.11%-10.05%	6.60%-10.17%
CIE Forging Europe	6.27%-6.94%	6.69%-7.62%
Rest of Europe	6.18%-6.94%	6.59%-7.62%

c.3 Results of the impairment test

The impairment analysis carried out has not reflected any indication of impairment for investments in group companies and associates as of 31st December 2024 and 2023.

d) Credits to CIE Automotive Group companies

The loans extended to CIE Automotive Group companies take the form of unlimited 5-year current credit accounts that are tacitly renewed at maturity for additional successive or equal periods of 5 years. They accrue interest at market rates. Cancellation of the loans must be notified by the parties with one year's notice, which is why €1,456,083 thousand amount is recognized as non-current loans at the 2024 year-end (2023: €1,294,139 thousand) (Note 6).

These receivable balances and those payable (Note 14) arise mainly from the Company's role as a financing centre for Group companies.

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The opening balance of current loans to group companies includes the interest due on these credit accounts as well as income tax due from CIE Automotive Group companies under the consolidated tax regime in an aggregate amount of €64,537 thousand (2023: €62,229 thousand) (Note 6).

The detail of the non-current credits to other group companies at 31st December 2024 and 2023 is as follows:

	2024	2023
Alcasting Legutiano, S.L.U.	4,478	6,988
Autokomp Ingeniería, S.A.U.	62,067	63,563
CIE Automotive Goian, S.L.U.	14,974	17,487
CIE Berriz, S.L.	1,134,475	987,020
CIE Galfor, S.A.U.	25,523	-
CIE Legazpi, S.A.U.	11,904	6,873
CIE Mecauto, S.A.U.	6,149	3,931
CIE Metal CZ, s.r.o.	16,723	11,938
Componentes de Automoción Recytec, S.L.U.	14,260	13,934
Egaña 2, S.L.	5,194	7,391
Grupo Componentes Vilanova, S.L.	4,990	-
Nova Recyd, S.A.U.	4,407	8,599
Participaciones Internacionales Autometal Dos, S.L.U.	133,267	146,039
Transformaciones Metalúrgicas Norma, S.A.	8,243	9,908
Other less significant balances	9,429	10,468
TOTAL	1,456,083	1,294,139

8. Trade and Other receivables

The detail of trade and other receivables at 31st December 2024 and 2023 is as follows:

	2024	2023
- Receivables from group companies and associates	22,993	23,885
- Other receivables	7	69
TOTAL	23,000	23,954

This heading mainly includes trade receivable balances from CIE Automotive Group companies. The breakdown per company is as follows:

	2024	2023
ACS Shanghai Co., Ltd.	245	436
Automotive Mexico Body Systems, S. de R.L. de C.V.	1,663	1,972
Century Plastics, LLC	76	803
Autometal, Ltda.	384	342
CIE Golde Shanghai Innovation Co., Ltd.	2,751	3,023
Forjas de Celaya, S.A. de C.V.	1,101	828
Golde Auburn Hills, LLC	882	1,638
Golde Oradea, S.R.L.	977	847
Golde Pune Automotive India Private, Ltd.	2,964	1,785
Machine, Tool and Gears, Inc.	1,085	1,755
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	1,379	1,295
Nugar, S.A. de C.V.	2,977	2,818
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	4,047	3,420
Pintura y Ensamblajes de México, S.A. de C.V.	631	882
SC CIE Matricon, S.A.	-	576
Other less significant balances	1,831	1,465
TOTAL	22,993	23,885

The carrying amounts of trade and other accounts receivable approximate their fair value as they are due in the short term.

The credit risk on trade and other accounts receivable is managed by classifying each of the Company's customers by their credit risk.

Credit risk arising on trade receivables is not concentrated.

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(Denominated in thousand euro)

Receivables that have passed their nominal due date but that are within the usual collection periods established with the various customers and debtors are not considered past due. All receivables exceeding the established collection agreements had been provided for at 31st December 2024 and 2023. Trade receivables not impaired relate to customers and debtors that have no recent history of default. All trade and other receivables are due within twelve months of the balance sheet date.

The accounts included in 'Trade and other receivables' have not been impaired.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The Company does not maintain any guarantee as insurance.

9. Derivative financial instruments

	Assets/(Liabilities)	
	2024	2023
Equity Swap:		
- Non cash-flow hedges	705	11
	705	11

Derivatives are classified in the year according to their maturity.

Equity swap

On 6th August 2018 the parent company arranged a swap associated with the listed share price of CIE Automotive, S.A., which has been novated on 28th December 2022 and on 28th November 2024. The underlying asset of the operation amounts to 2 million shares with an initial value of €25.09 per share. This underlying's valuation amounts to €705 thousand positive at 31st December 2024 (€11 thousand positive at 31st December 2023), and is due in 2028.

10. Cash and cash equivalents

Cash and other cash equivalents at 31st December 2024 and 2023 break down as follows:

	2024	2023
Cash	112,404	64,920
Cash equivalents	2,283	2,124
TOTAL	114,687	67,044

Other liquidity assets correspond to investments of cash surplus, maturing in less than three months or with immediate availability.

11. Share capital, share premium and treasury shares

a) Share capital

The share capital of CIE Automotive, S.A. at 31st December 2022 was represented by 122,550,000 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market. On 30th March 2023, a reduction of the share capital amounting €685 thousand was carried out through the redemption of 2,742,516 treasury shares, acquired during 2022. After that operation, the share capital of the parent company as of 31st December 2024 and 2023 is represented by 119,807,484 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market.

As of 31st December 2024 and 2023, the most relevant participations in the share capital of CIE Automotive S.A., that is, the companies that, directly or indirectly, participate in the share capital in a percentage equal to or greater than 10%, are the following:

Shareholding %	31.12.2024	31.12.2023
Acek Desarrollo y Gestión Industrial, S.L. ^(*)	16.05%	16.05%
Corporación Financiera Alba, S.A.	13.66%	13.66%
Elidoza Promoción de Empresas, S.L.	10.58%	10.58%

(*) 5.93% directly and 10.12% indirectly, through Risteel Corporation, B.V., as of 31st December 2024 and 2023.

The stock price of the parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €25.40 at 31st December 2024 (last listed session of the period).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

b) Share premium

This reserve is freely available for distribution.

c) Treasury shares

The movement of treasury shares during the periods ended 31st December 2024 and 31st December 2023 is broken down in the following table:

	31 st December 2024		31 st December 2023	
	Number of shares	Amount (Thousand euro)	Number of shares	Amount (Thousand euro)
Opening balance	47,517	1,202	2,919,127	60,326
Share capital reduction	-	-	(2,742,516)	(57,117)
Acquisitions	629,446	16,130	337,952	8,856
(Sales) for the year	(614,915)	(15,762)	(467,046)	(10,863)
Ending balance	62,048	1,570	47,517	1,202

During 2024, the parent company has acquired a net amount of 14,531 treasury shares directly, up to a total of 62,048 shares (reaching 0.05% of the total voting rights issued by the Company), which are added to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights). During 2023, the parent company sold a net amount of 129,094 treasury shares directly. Likewise, a share capital reduction was carried out through the redemption of 2,742,516 treasury shares, being the ending balance 47,517 shares as of 31st December 2023 (reaching 0.04% of the total voting rights issued by the Company), which were added to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights).

Also, rescinding the resolution adopted by the General Meeting of Shareholders on 4th May 2023 for the unexecuted part, the General Meeting of Shareholders on 8th May 2024 agreed to authorize the Company, directly or through any of its subsidiaries, for a maximum of five years from the date of the General Meeting of Shareholders, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by Law, including against profits for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and related provisions of the Spanish Companies' Act.

Under this authorization framework, on 8th May 2024, the Company's General Shareholders' Meeting approved a program to repurchase the Company's treasury shares in order to reduce up to a maximum of 10% of the parent company's share capital through the redemption of treasury shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

12. Reserves

The breakdown of the reserves as of 31st December 2024 and 2023 is as follows:

	2024	2023
Legal and statutory reserves:		
- Legal reserve	6,450	6,450
	6,450	6,450
Other reserves:		
- Voluntary reserves	12,337	8,043
- Merger reserve	66,303	66,303
	78,640	74,346
TOTAL	85,090	80,796

a) Legal reserve

In accordance with Article 274 of the Spanish Companies Act, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. Both in the fiscal years ended 31st December 2024 and 2023, the legal reserve is fully allocated.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

b) Merger reserve

The amount of merger reserve contains the equity effect on CIE Automotive S.A. of the merger agreement between the Company and INSSEC in 2011 and the equity effect of the merger among CIE Berriz, S.L, CIE Inversiones e Inmuebles, S.L.U. and CIE Automotive Bioenergía, S.L.U. in 2012.

The merger reserve is available for distribution.

13. Profit / (loss) for year

a) Proposed distribution of profit

The proposed distribution of 2024 profit to be put before the shareholders in General Meeting, along with that approved at the Annual General Meeting of 8th May 2024 in respect of 2023 profit is shown below:

	2024	2023
Available for distribution		
Profit for the year	122,430	111,972
TOTAL	122,430	111,972
Distribution:		
Interim dividend	55,111	53,913
Final dividend	55,111	53,913
Voluntary reserves	12,208	4,146
TOTAL	122,430	111,972

b) Dividends paid

On 12th December 2024, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2024 for a gross amount of €0.46 per share entitled to a dividend, which has meant a total of €55,082 thousand (Note 25.c)). Payment has been made effective on 8th January 2025.

The amount to distribute did not exceed the profit of the parent company obtained since the last financial year, deducting the tax estimation, according to Article 277 of Spain Corporate Enterprise Act.

The provisional accounting statement of the parent company at 30th November 2024, which has been formulated according to legal requirements and shows the existence of enough cash-flow to distribute the dividend mentioned above, is as follows (thousand euro):

Provisional cash-flow statement	€ thousand
Profit forecast:	
- Available net profit for 2024	122,430
To deduct:	
- Legal reserve	-
Maximum amount to distribute	122,430
Amount distribution proposal	110,222
Treasury forecast for one year	212,598
Interim dividend	(55,111)

On 8th May 2024, the General Meeting of Shareholders of CIE Automotive, S.A. approved the distribution of the individual result for the 2023 year, approving a complementary dividend distribution for a gross amount of €0.45 per share entitled to a dividend, which has meant a total of €53,885 thousand. The disbursement was made made effective on 8th July 2024.

On 14th December 2023, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2023 for a gross amount of €0.45 per share entitled to a dividend, which meant a total of €53,893 thousand (Note 25.c)). Payment was made effective on 5th January 2024.

On 4th May 2023, the General Meeting of Shareholders of CIE Automotive, S.A. approved the distribution of the individual result for the 2022 year, approving a complementary dividend distribution for a gross amount of €0.42 per share entitled to a dividend, which meant a total of €50,189 thousand. The disbursement was made effective on 7th July 2023.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

On 15th December 2022, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2022 for a gross amount of €0.41 per share entitled to a dividend, which meant a total of €49,049 thousand. Payment was made effective on 5th January 2023.

14. Financial liabilities at amortised cost

The detail of financial liabilities at amortised cost as of 31st December 2024 and 31st December 2023 classified by concept is as follows:

	2024	2023
Non-current financial liabilities at amortised cost		
- Bank borrowings (Notes 6 and 14.a)	1,474,659	1,511,544
- CIE Automotive Group companies and associates, non-current (Note 14.b)	250,723	165,155
Other non-current payables		
- Other non-current payables (Note 14.c)	50,088	50,057
	1,775,470	1,726,756
Current financial liabilities at amortised cost		
- Bank borrowings (current portion of non-current borrowings) (Notes 6 and 14.a)	216,982	166,483
- Commercial paper program (Note 14.a)	367,800	274,420
- Payables to CIE Automotive Group companies (Note 14.b)	20,887	22,019
- Trade payables	6,207	5,503
- Trade payables to Group companies	11,464	12,045
- Fixed asset suppliers	226	348
- Accrued wages and salaries	10,808	10,143
- Dividend payable (Note 13)	55,082	53,893
TOTAL	689,456	544,854

a) Borrowings and commercial paper

The Company's policy is to diversify its financing sources. There is no concentration of loan/credit risk in respect of its bank borrowings as the Group works with multiple entities.

The exposure to interest rate changes deriving from long term bank borrowings is as follows:

Thousand euro	Balance at December 31	More than 1 year	More than 5 years
At 31st December 2024			
Total borrowings	2,059,441	1,474,659	84,204
Borrowings at fixed rate	(1,064,828)	(546,599)	(11,982)
Exposure	994,613	928,060	72,222
At 31st December 2023			
Total borrowings	1,952,447	1,511,544	75,605
Borrowings at fixed rate	(1,136,227)	(744,252)	(22,309)
Exposure	816,220	767,292	53,296

Non-current borrowings mature as follows:

	2024	2023
Between 1 and 2 years	326,600	286,149
Between 3 and 5 years	1,063,855	1,149,790
Over 5 years	84,204	75,605
TOTAL	1,474,659	1,511,544

The effective interest rates at the balance sheet dates are the usual market rates (benchmark rate plus a market spread) and there are no significant differences with respect to other companies of a similar size and with similar risk and borrowing levels. Bank loans and credit facilities generated a weighted average annual rate of interest of 4.07% (3.55% as in the year 2023).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

The Company has the following undrawn credit lines:

Thousand euro	2024	2023
Maturity below one year	102,500	107,230
Maturity over one year	320,000	408,546
TOTAL UNDRAWN CREDIT LINES	422,500	515,776

The carrying amounts of non-current borrowings approximate their fair value.

The carrying amounts of current borrowings approximate their fair value as the effect of discounting is not significant.

The carrying amounts of the Company's borrowings are all denominated in euro.

During 2024, the Company repaid €364.8 million under these financing agreements (2023: €253.2 million) and raised new funding in the amount of €380.5 million (2023: €325.0 million).

Syndicated loan 2014

On 28th July 2014 CIE Automotive, S.A. entered into a new financing arrangement with a syndicate of six financial institutions for €450 million. The amortisation period stood at 5 years, with an average term of 4.7 years. This improved the average term of the Group's financing and also the economic terms and conditions of the former syndicated financing agreement. The subsequent amendments related to this financing were the following:

- On 13th April 2015 the syndicated loan was novated and a decrease in the initially negotiated spread was agreed. Similarly, it was agreed to extend the maturity periods, establishing the new final maturity date in April 2020.
- On 14th July 2016, the Company signed a second novation with respect to the syndicated financing agreement. According to this novation, the total amount was increased by €150 million, to €600 million, the maturity period was extended for another year, the last payment therefore being due in April 2021 and a change was agreed in the margin initially negotiated and novated in 2015.
- On 6th June 2017, the Company signed a third novation with respect to the syndicated financing agreement. According to this novation, the maturity period was extended by one year for most of finance institutions, being the last payment due in April 2022.
- On 27th April 2018, the Company signed a fourth novation of this syndicated financing agreement. According to this novation, the maturity period was extended by one year, being the last payment due in April 2023.
- On 12th April 2019, the Company signed a fifth novation with respect to the syndicated agreement. According to this novation, the limit was increased by €90 million, reaching a total of €690 million; and the maturity was extended until April 2024.
- On 27th February 2020, the Company requested the extension of the maturity date until 13th April 2025, being approved by most of the financing entities.
- In June 2020, this finance agreement became a sustainable loan valued by an external agent annually with its subsequent adjustment to the margin based on the improvement of the annual ratios of the Group's Environmental, Social and Governance criteria.
- On 16th June 2021, a longer maturity agreement was signed due on April 2026, being approved by all financial entities involved.
- On 6th June 2022, the extension of this financing until April 2027 was signed, a new extension was unanimously approved by the financing entities.
- On 7th June 2023, the extension of this financing due on April 2028 has been signed. This renewal prioritises sustainable financing as long as it continues to be tied to criteria for the improvement of the evolution of the activity in Environmental, Social and Governance (ESG) terms. The extension has been unanimously approved by the financing entities.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

- On 23rd April 2024, the company signed a novation of the syndicated loan, resulting in an extension on the maturity period by one year, being the last payment due in April 2029; with no substantial modification for the remaining conditions. This financing agreement continues to be linked to ESG criteria and the novation has been unanimously approved by the financing entities.

The drawn amount of this syndicated financing agreement on 31st December 2024 amounted to €430 million (31st December 2023: €310 million), and its interest rate is indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

Other financing agreements

On 14th July 2016, the Company arranged a new loan with several financial and insurance institutions amounting to €85 million and with final maturity in 10 years. Part of this finance agreement was contracted to a fixed interest rate, and the other part to a floating interest rate indexed to Euribor. In July 2021, a 2-year extension was signed for this financing, bringing the final maturity to 2028 and becoming the same at a fixed market interest. The balance disposed as of 31st December 2024 and 2023 amounts to €68 million.

In 2014 and 2018, the Company signed financing agreements with the European Investment Bank (EIB) to finance various research and development projects in the automotive components sector. During the first half year of 2021 the Group paid-out the finance agreement signed in 2014. In addition, in September 2020 the Company signed a finance agreement with this institution amounting to €40 million, due in 2030. The final maturity of these financings is in 2031 and the outstanding balance as of 31st December 2024 amounts to €82 million (€95 million as of 31st December 2023). Additionally, on 31st May 2024, a new financing agreement has been signed whereby the Group has obtained a loan for a total amount of €36 million with an initial maturity of 10 years. The objective of this contract is to finance research and development activities that the Group is carrying out in Europe to support the competitiveness and growth through innovative technologies that contribute toward improved sustainability and material efficiency.

All these financing facilities are subject to compliance with different financial ratios usual for these contracts in the market. As of 31st December 2024 and 2023, the Company complies with all the obligations that, in accordance with the financing contracts, were in force and were payable by the different lenders as of that date.

Financing contracts for the 2024 and 2023 financial years relates mainly to non-structural contracts signed with Spanish financial entities.

In its commitment to sustainability and in accordance with its strategic plan, the Group has been incorporating sustainable financing criteria into its financing in its objective for 2025 of obtaining more than half of the Group's gross debt classified as sustainable debt.

Commercial Paper Program

On 19th July 2018, the company made public the formalization of a program of issuance of commercial paper program with a maximum amount of €200 million, which was registered in the Ireland Stock Market and which will serve as diversification of financing of working capital needs of the Group and as an alternative to bank financing for this purpose. On 18th July 2019, the program was renewed increasing the maximum amount to €300 million. On 18th March 2020, the maximum amount was increased to €400 million and on 21st July 2020 the program was renewed. As of 31st December 2024, the drawn balance amounts to €37 million (31st December 2023: €274 million).

On 16th July 2024, the company, CIE Automotive, S.A. has registered a new promissory note program in the Spanish Alternative Fixed Income Market (MARF), up to a limit of €400 million. Starting this date, this financing will be the main alternative to bank financing, and will replace the commercial paper program registered in Ireland in fiscal year 2018. Both programs will coexist until the last promissory notes issued in Ireland reach maturity, in the first quarter of 2025. As of 31st December 2024, the drawn balance amounts to €331 million.

b) Payables to group companies

The payables with group companies take the form of unlimited 5-year current credit accounts that are tacitly renewed at maturity for additional successive or equal periods of 5 years. They accrue interest at market rates. The cancellation must be notified between the parts with a year of anticipation, for that reason is registered as non-current debts, €250,723 thousand (2023: €165,155 thousand).

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(Denominated in thousand euro)

These payable balances, as well as the receivable balance to receive (Note 7), arise principally from the action of the Company as financing management center for the Group companies.

The breakdown of non-current payables to group companies, at 31st December 2024 and 2023 is as follows:

	2024	2023
Advanced Comfort Systems France, S.A.S.	7,024	12
Advanced Comfort Systems Ibérica, S.A.U.	2,950	2,950
Biosur Transformación, S.L.U.	5,813	4,843
CIE Compiègne, S.A.S.	8,906	13,415
CIE Galfor, S.A.U.	-	45,555
CIE Plasty CZ, s.r.o.	10,635	7,443
CIE Roof Systems, S.L.U.	138,616	16,823
CIE Udalbide, S.A.U.	-	1,274
CIE Unitools Press, a.s.	7,197	7,585
CIE Zdanice, s.r.o.	9,543	8,052
Componentes de Dirección Recylan S.L.U.	-	245
Gameko Fabricación de Componentes, S.A.	1,332	3,546
Gestión de Aceites Vegetales, S.L.	1,523	2,542
Industrias Amaya Tellería, S.A.U.	13,243	14,931
Inyectametal, S.A.	607	1,939
Leaz Valorización, S.L.U.	-	253
MAR SK, s.r.o.	12,861	17,551
Mecanizaciones del Sur-Mecasur, S.A.	2,235	4,800
Orbelan Plásticos, S.A.	23,335	5,354
Reciclado de Residuos Grasos, S.L.U.	-	1,229
Other less significant balances	4,903	4,813
TOTAL	250,723	165,155

The balance included under the heading of current liabilities with group companies and associates includes the interests accrued by the credit accounts as well as the debts with subsidiaries of the group related to the liquidation of corporate income tax of companies in regime of tax consolidation, both amounting to €20,887 thousand (2023: €22,019 thousand).

c) Other long-term debts

At 31st December 2024 this heading includes mainly the granted loan in December 2019 with COFIDES, which at 31st December 2024 holds a balance of €29,932 thousand, being fully classified in the long term (2023: €49,901 thousand classified in the long term), as well as a loan granted by the Instituto Vasco de Finanzas (Basque Finance Institution) amounting to €20,000 thousand as of 31st December 2024. Both loans accrue an interest at a rate benchmarked to Euribor plus a market spread.

d) Average payment period information

The breakdown of trade payables settled during 2024 and 2023 those pending of payment at the year-end in relation to the legally-permitted payment terms stipulated in Spanish Law 15/2010 of 5th July, is as follows:

	Days	
	2024	2023
Average payment period to suppliers	52	52
Paid operations ratio	58	62
Outstanding operations ratio	46	46

	Thousand euros	
	2024	2023
Payments made	11,434	11,898
Outstanding payments	10,546	17,552

Additionally, and in accordance with the obligations required in the Spanish Law 18/2022 on creation and growth of companies, it is reported that the total amount of payments made in before than the maximum established by Law 5/2010 has amounted to €8,526 thousand (2023: €8,182 thousand) and 1,125 invoices (2023: 1,225 invoices), which represent 75% of the total payments made and 66% of the total invoices (2023: 69% and 69% respectively).

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

15. Provisions

As of 31st December 2024, and 2023 the Company has provisions relating the hedge of various non-operating risks and other contingencies.

16. Deferred taxes

The analysis of deferred taxes is as follows:

	2024	2023
Deferred tax assets:		
- Deductible temporary differences	5,926	6,937
- Tax credits (capex)	11,226	10,559
	17,152	17,496
Deferred taxes (net)	17,152	17,496

The deductible temporary differences mainly stem from the different timing of expense recognition for accounting and tax purposes and the limitation of the deductibility of financial expenses, among other factors. These differences will revert when the aforementioned expenses turn deductible for tax purposes.

The net movement in the deferred income tax account in 2024 and 2023 is as follows:

	2024	2023
Opening balance	17,496	17,790
(Charged)/credited to the income statement (Note 18)	(344)	(617)
Tax recognised directly in equity	-	323
Closing balance	17,152	17,496

The movements in deferred tax assets in 2024 and 2023 are as follows:

Deferred tax assets	Provisions & other	Tax credits	Total
Balance at 1st January 2023	5,392	12,721	18,113
(Charged)/credited to the income statement	1,545	(2,162)	(617)
Balance at 31st December 2023	6,937	10,559	17,496
(Charged)/credited to the income statement	(1,011)	667	(344)
Balance at 31st December 2024	5,926	11,226	17,152

Deferred tax assets are recognised for tax-loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

At 31st December 2024 the Company had the following tax losses that were generated by CIE Automotive tax group of which the Company is parent (Note 3.10):

Year generated	Amount
2010	274
2011	1,027
2013	16,082
2018	12,426
2019	264
2020	366
2021	244
2022	376
2023	221
2024 (estimated)	236
TOTAL	31,516

The tax-loss carry forwards are allocated to each of the companies that contributed to generating them, for the purpose of their possible recognition as deferred tax assets, an amounting to €7,564 thousand. Out of these losses carried forward, €13,798 thousand correspond to the Company. The recognition of losses carried forward in the Company results in the recognition of deferred tax assets amounting to €3,311 thousand.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

At 31st December 2024, no losses carried forward generated previous to its integration to the fiscal Group are kept by the Company.

In addition, the amounts and years of generation of individual tax credits (deriving from various items and including those recognised as tax assets) pending of offset are as follows:

Year generated	Amount
1996	134
1997	86
1998	102
1999	83
2000	2,660
2001	238
2002	34
2003	45
2004	323
2005	30
2006	7,209
2007	2,595
2008	1,829
2009	586
2010	92
2011	118
2012	118
2013	241
2014	267
2015	29
2016	122
2017	242
2018	123
2019	253
2020	244
2021	839
2022	561
2023	461
2024 (estimated)	666
TOTAL	20,330

From the aforementioned tax credits, an amount of €5,103 thousand derive from the merged company Instituto Sectorial de Promoción y Gestión de Empresas, S.A. (INSSEC) and those are considered tax credits earned before the fiscal group.

The applicable tax legislation for the current year imposes a 30-year time limit on tax credits and tax-loss carry forwards generated, also stipulating that the 30-year period commences as from 1st January 2014 for tax credits and tax-loss carry forwards existing prior to that date.

17. Income and expense

a) Revenue

Revenue breaks down as follows:

	2024	2023
Rendering of services	107,546	101,299
Dividend income (Note 7.a)	88,446	75,762
Interest income	67,244	61,357
TOTAL	263,236	238,418

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

a.1) Rendering of services

The geographic breakdown of revenue from the core business of rendering corporate services to CIE Automotive Group companies (Note 1 and Appendix I), totalling €107,546 thousand (2023: €101,299 thousand), based on the locations of the receiving companies, is as follows:

Mercado	2024	2023
Spain	26%	29%
America	55%	53%
Rest of the world	19%	18%
TOTAL	100%	100%

a.2) Dividends received from CIE Automotive Group companies

The Company received in 2024 dividends from the subsidiaries Advanced Comfort Systems, Ibérica, S.L.U., Autokomp Ingeniería, S.A.U. and CIE Automotive Boroa, S.L.U. for its distribution of results for the year 2023 amounting to €906 thousand, €870 thousand and €4,671 thousand, respectively.

In year 2024, the Company has also received interim dividends from its subsidiary CIE Automotive Boroa, S.L.U. amounting to €22,000 thousand.

Likewise, the Company has also received dividends charged to voluntary reserves of its subsidiaries CIE Berriz, S.L. amounting to €60,000 thousand.

All these distributions were approved at each of the corresponding General Meetings of Partners/Shareholders held during the month of December 2024. These dividends have been collected by the Company during the year.

The Company received in 2023 a dividend from the subsidiaries Advanced Comfort Systems, Ibérica, S.L.U., Autokomp Ingeniería, S.A.U. and CIE Automotive Boroa, S.L.U. for its distribution of results for the year 2022 amounting to €624 thousand, €1,460 thousand and €2,178 thousand, respectively.

Likewise, the Company has also received dividends charged to voluntary reserves of its subsidiaries CIE Berriz, S.L. and Advanced Comfort Systems France, S.A.S. amounting to €40,000 thousand and €10,000 thousand, respectively.

In year 2023, the Company has also received interim dividends of its subsidiaries Autokomp Ingeniería, S.A.U. and CIE Automotive Boroa, S.L.U. amounting to €1,750 thousand and €19,750 thousand respectively.

All these distributions were approved at each of the corresponding General Meetings of Partners/Shareholders held during the month of December 2023. These dividends have been collected by the Company during the year.

a.3) Interest income

At 31st December 2024 the Company accrued interest income for an amount of €67,244 thousand (2023: €61,357 thousand), whereof income for interests on credits to CIE Automotive Group companies and associated have amounted to €66,810 thousand (2023: €60,575 thousand).

b) Employee benefit expense

	2024	2023
Wages and salaries	20,143	37,291
Termination benefits	6	124
Social security costs		
- Social security	1,029	984
TOTAL	21,178	38,399

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

The average number of employees by category during the year was as follows:

	Headcount	
	2024	2023
Executives	9	9
University graduates and specialists	56	56
TOTAL	65	65

The distribution of the Company's personnel by women and men, and Board of Directors members at the year-end is as follows:

	2024			2023		
	Women	Men	Total	Women	Men	Total
Directors	5	8	13	5	9	14
Executives	4	4	8	4	4	8
University graduates and specialists	29	30	59	28	25	53
TOTAL	38	42	80	37	38	75

Likewise, there were no persons employed in 2024 and 2023 with a functional disability greater than or equal to 33%. However, the Company has subcontracted Lantegi Batuk Foundation, an entity qualified as a special employment center, having obtained the corresponding approval by the Basque Service of Employment - Lanbide. Likewise, also in 2024, services from Fundación Osga Reintegra, focused in the integration of people with disabilities or social inclusion risk, have been externalized.

Long-term incentive

The Board of Directors of CIE Automotive, S.A. agreed in 2018 to implement a plan to allow the participation of certain Group employees in the Company's share capital, granting said employees a loan due at maturity at date of 31st December 2022, with zero interest rate. On December 2022, the maturity of these loans to executives was extended for a period of 5 years, as well as the incorporation of new employees to the long-term incentive plan. During year 2023, certain loan amounts have increased, keeping the rest of the conditions of the plan unchanged. The objective of the plan is twofold: (i) to motivate, promote loyalty and encourage the most important members of the Group's management to achieve the strategic objectives for the next five years; and (ii) as a result of the commitment to the Group, to allow that the aforementioned employees benefit from any increase in the quoted price of the shares of CIE Automotive, S.A. from 1st January 2018 to 31st December 2027. These loans, which, meet the conditions to be considered as full recourse, are valued at fair value, are classified under credits classified at fair value and, as of 31st December 2024, amount to €13 million (2023: €15 million) (Note 6).

c) Other operating expenses

Other operating expenses are broken down as follows:

	2024	2023
Travel expenses	1,133	983
Repairs and maintenance	2,316	2,412
Independent professional services and other services	1,987	1,671
Leases	544	540
Insurance premiums	2,508	2,612
Other	2,773	5,337
TOTAL	11,261	13,555

18. **Income tax and tax matters**

As mentioned in the section covering measurement standards (Note 3.10), CIE Automotive, S.A. is authorized to file consolidated tax returns with certain subsidiaries.

As certain transactions are treated differently for income tax purposes with respect to how they are treated in preparing the annual accounts, taxable income for the year differs from accounting profit.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

The reconciliation of net income and expenses for the year to taxable income as per the Company's individual tax return is set forth below:

	2024			2023		
	Increases	Decreases	Net	Increases	Decreases	Net
Profit/(loss) for year			122,430			111,972
Income tax			13,263			2,173
Permanent differences	15,037	(88,446)	(73,409)	6,701	(75,762)	(69,061)
Temporary differences:						
- originated in current year	-	-	-	11,780	-	11,780
- originated in previous years	-	(2,393)	(2,393)	-	(5,340)	(5,340)
Individual taxable income tax base			59,891			51,524

The calculation of tax income is disclosed in the following table:

	2024	2023
Individual taxable income tax base	59,891	51,524
Tax Group taxable base	59,891	51,524
Current tax payable	14,374	12,366
Current tax	14,374	12,366

The breakdown of income tax expense is as follows:

	2024	2023
Current tax	14,374	12,366
Deferred tax (Note 16)	1,011	(1,545)
Tax credits (Note 16)	(667)	2,162
Withholding taxes in foreign countries	667	398
Minimum tax expense (Reginal act 04/2024)	150	-
Register of provisions and other	(2,272)	(11,208)
Total	13,263	2,173

No corporate income tax was payable to the Tax Administration in 2024 and 2023 (Note 16).

The periods not prescribed under prevailing legislation are opened to inspection by the tax authorities, which are the years between 2020 and 2024.

The accounting obligations arising from the merger between the Company and Instituto Sectorial de Promoción y Gestión de Empresas, S.A. (Absorbed Company) appear in the 2011 Annual Report, the first approved report that includes the accounting effects of the merger by absorption dated 1st January 2011.

As a result, among others, of the different interpretations of current tax law, additional liabilities could arise as a result of an inspection. In any event, the Directors consider that any such liabilities that may arise will not have a significant impact on the Annual Accounts for 2024 or 2023.

The corporate income tax legislation applicable to the Company in 2024 is that relating to Bizkaia Regional Regulation 11/2013, 5th December; modified by the Foral Regulation 2/2018, of 12th March.

Minimum tax – Pillar 2

In December 2021, the OECD published the PILLAR 2 Model Rules with the objective of setting minimum taxation in each of the jurisdictions where large multinational corporations operate, setting a turnover threshold of more than 750 million for their application. Consequently, in December 2022, the European Union published Directive (EU) 2022/2523 on ensuring an overall minimum level of taxation for multinational business groups and large groups in the Union. This directive has been transposed in Bizkaia on 27th December 2024 – Regional Act 4/2024 and aims to ensure that the results of each constituent entity (legal companies) aggregated by country are subject to a minimum taxation of 15%.

The tax expense registered by the Group related to the transposition of Directive (EU) 2022/2523 in Bizkaia amounted to €0.2 million, the payment of which is estimated to be made in the 2026 financial year. In addition, it is not estimated that the implementation of such regulations will have any significant additional effect on the Company's Annual Accounts.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024 (Denominated in thousand euro)

19. Finance income/expense

The breakdown of the financial result for the years 2024 and 2023 is as follows:

	2024	2023
Finance income:		
Other finance income	1,800	1,658
	1,800	1,658
Finance expense:		
Borrowings from group companies (Note 25)	(8,344)	(7,573)
Third-party borrowings	(87,700)	(69,517)
Other finance expense	(135)	(183)
	(96,179)	(77,273)
Change in fair value of financial instruments:		
Gains/(losses) recognised regarding financial instruments	1,523	6,641
	1,523	6,641
Net exchange differences	551	(223)
Finance income/expense	(92,305)	(69,197)

20. Cash flows from operating activities

	2024	2023
Profit for the year before tax	135,693	114,145
Adjustments for:		
- Depreciation	3,722	3,766
- Change in provisions	-	3,323
- Impairment and profit/loss on disposal of fixed assets	-	243
- Finance income (Note 19), dividend income and interest income from CIE Automotive Group companies (Note 17)	(157,490)	(138,777)
- Finance expense (Note 19)	96,179	77,273
- Exchange rate differences (Note 19)	(551)	223
- Change in fair value of financial instruments (Note 19)	(1,523)	(6,641)
	(59,663)	(60,590)
Changes in working capital:		
- Trade and other receivables	3,464	9
- Trade and other payables	89	1,216
	3,553	1,225
Other cash flows from operating activities:		
- Interests paid	(94,168)	(72,114)
- Dividends received (Note 17)	88,446	75,762
- Interests received	61,357	32,135
	55,635	35,783
Cash flows from operating activities	135,218	90,563

21. Cash flows from investing activities

	2024	2023
Payments for investments:		
- Group companies and associates (Note 7.b)	-	(4,000)
- Intangible assets	(817)	(730)
- Property, plant and equipment	(280)	(10)
- Other financial assets	-	(5,551)
	(1,097)	(10,291)
Proceeds from disposals:		
- Other financial assets	4,556	5,843
	4,556	5,843
Cash flows from investing activities	3,459	(4,448)

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

22. Cash flows from financing activities

	2024	2023
Proceeds from and repayments of financial liabilities:		
- Issuance:		
- Bank borrowings (Note 14)	380,500	325,000
- Commercial paper program (Note 14)	93,380	77,520
- Other debts (Note 14)	20,000	-
- Liquidation of cash flow hedges	-	729
- Repayment and depreciation of:		
- Bank borrowings (Note 14)	(364,791)	(253,216)
- Other debts (Note 14)	(19,969)	-
- Net change in loans to/from Group companies and associates ^(*)	(92,108)	(103,872)
	17,012	46,161
Payment of dividends and remuneration of other equity instruments:		
- Sale/(Acquisition) of treasury shares (Note 11.c)	(268)	2,804
- Payment of dividends and remuneration of other equity instruments (Note 13.b)	(107,778)	(99,238)
	(108,046)	(96,434)
Cash flows from financing activities	(91,034)	(50,273)

(*) Corresponds to the net movement on current account balances with CIE Automotive Group companies, including asset and liability balances, arising from overall Group financing arrangements.

23. Contingencies

Contingent liabilities

The Company had not extended any guarantees or pledges other than those disclosed at 31st December 2024 and 2023 (Note 14).

24. Director and Key Management compensation

a) Compensation paid to the members of the Board of Directors

Total compensation paid to the members of the Board of Directors has amounted to €7,881 thousand (2023: €25,785 thousand). The members of the Board of Directors received no compensation in respect of bonuses or profit-sharing arrangements. Nor did they receive shares or sell or exercise stock options or other rights related to pension plans or insurance policies of which they are beneficiaries.

The Company has entered into no commitments relating to pensions or other types of complementary retirement remuneration with the Directors.

b) Compensation and loans to Key Management personnel

As of 31st December 2024 and 2023, the Company's Senior Management was made up of 4 women and 3 men. The total compensation accrued by key management personnel in 2024 amounted to €6,351 thousand (2023: €6,257 thousand). Likewise, Senior management personnel do not have life or civil liability insurance at the expense of the Company. These amounts exclude the compensation related to the members of the Board of Directors, with have been disclosed in Note 17.b).

As explained in Note 17, the Board of Directors of CIE Automotive S.A. agreed in 2018 to implement a plan to allow the participation of certain Group employees in the company's capital stock. The total nominal amount of the loans to members of the Senior Management, pending collection as of 31st December 2024 is 5,354 thousand (2023: €6,679 thousand).

The Company has entered into no commitments related to pensions or other types of complementary post-employment benefits with Key Management personnel.

c) Article 228 of the Spanish Companies Act

In the duty to avoid situations of conflict of interest of the Company, during 2024 the administrators who have occupied charges in the Board of Directors during have complied with the obligations foreseen in the article 228 of the re-casted text of the Law of Capital companies. Likewise, both managing directors and their relatives have abstained from incurring in the suppositions of conflict of interest foreseen in the article 229 of the aforementioned norm. No communication about direct or indirect conflicts of interest has been notified during the current year to the Board of Directors.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024

(Denominated in thousand euro)

d) Complementary long-term incentive based on the increase in value of the shares of CIE Automotive, S.A.

At the General Shareholders' Meeting hold on 4th May 2023, a new remuneration plan 2024-2026 to the Board of Directors' members was approved (applicable starting 4th May 2023) as well as amendments to the terms of the long-term incentive of the CEO's based on the evolution of the share price of CIE Automotive, S.A., approved by the General Shareholders' Meeting in year 2018, due to the need to adjust the reality long-term incentive to the radical change in the socio-political, socio-economic and geostrategic premises that were taken into account when the compensation package was configured. As a consequence of the approved new policy regarding the Board members remuneration plan 2024-2026 and these amendments, (i) on the one side, in order to compensate the remuneration deficit which was not reachable given the evolution of the share price, a nonaggregating extraordinary remuneration was granted amounting to €20,000 thousand, being paid said compensation as of 31st December 2023; and (ii) likewise, the granting of the extraordinary compensation implied the need to adjust the reference value of quotation of the share price from which the incentive could be executed, setting a base quotation of €34.00 per share for successive executions in the scenario of revaluation of the share from the date the General Shareholders' Meeting was hold to 31st December 2027.

At the last General Shareholder's Meeting hold on 8th May 2024, the modification of certain terms of the long-term incentive based on the increase in value of the shares of CIE Automotive, S.A. in favour of the CEO approved by the General Shareholder's Meeting on 24th April 2018 and modified by the General Shareholder Meeting of 5th May 2021 and 4th May 2023 has been approved. According to the extraordinary remuneration received by the CEO in year 2023 due to exceptional circumstances, and the Remuneration Policy approved in the last General Shareholder's Meeting, which included a proposal of a new fixed remuneration, it has also been considered appropriate to adjust the reference value of the share price for the execution of the long-term Incentive. Thus, the benchmarked quotation has been set on €45.00 per share, ending the last reference period for the partial exercise of the Incentive on 31st December 2027.

25. Transactions with group companies and related parties

The Company is the ultimate parent company of Group (Appendix I).

The breakdown of the transactions conducted with group companies in 2024 and 2023 is provided below:

	2024	2023
Services rendered:	262,820	237,653
- Dividends received (Notes 7 and 17)	88,446	75,762
- Services (Note 17)	107,546	101,299
- Financial services (Note 17)	66,828	60,592
Interest:	(8,344)	(7,573)
- Financial (Note 19)	(8,344)	(7,573)

Closing balances at the 2024 and 2023 year-ends derived from the transactions described above are set out in Notes 6, 7, 8 and 14.b) above.

A breakdown of movements in non-current credit lines and loans granted to and received from companies of CIE Automotive Group in 2024 and 2023 is provided in Note 7.d) and Note 14.b).

In 2024 and 2023, no provision was required for the impairment of loans granted to group companies and associated.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR 2024 (Denominated in thousand euro)

a) Balances and transactions of the Company with related parties not belonging to the CIE Automotive Group:

31.12.2024		
Balances in thousand euro	Directors/ Key management	Other related parties
Receivables from related parties: trade receivables	-	60
Receivables from related parties: Loans	12,845	-
Payables to related parties: trade payables	-	(606)
Payables to related parties: Loans	-	(34,370)
Receivable balances with entities with significant influence	-	16,800
Dividend payable	-	(55,082)
Advances to related parties	3,900	-
Transactions in thousand euro	Directors/ Key management	Other related parties
Services provided	-	-
Services received	-	599
Finance income	-	17
Finance expense	-	1,709
31.12.2023		
Balances in thousand euro	Directors/ Key management	Other related parties
Receivables from related parties: Customers	-	62
Receivables from related parties: Loans	15,415	-
Payables to related parties: Suppliers	-	(470)
Payables to related parties: Loans	-	(34,428)
Receivable balances with entities with significant influence	-	16,800
Dividend payable	-	(53,893)
Advances to related parties	5,200	-
Transactions in thousand euro	Directors/ Key management	Other related parties
Services provided	-	2
Services received	-	484
Finance income	-	17
Finance expense	-	645

26. Information on the environment

Environmental activity refers to any transaction, the main purpose of which is to minimize damage to the environment or enhance environmental protection efforts. Because of its holding company structure, the Company is not materially exposed to environmental risk.

The Company has not incurred significant expenses of an environmental nature in either 2024 or 2023.

The Company is not aware of the existence of any environmental protection related contingencies or liabilities and did not deem it necessary to recognize any provision for liabilities or charges of an environmental nature.

27. Auditor fees

Fees from KPMG Auditores, S.L. for the audit services of the Company's accounts (including the Company's consolidated annual accounts) and other assessment services amounted to €357 thousand in 2024 (2023: €235 thousand). Other services rendered by KPMG Auditores, S.L. have amounted to €181 thousand in 2024 (2023: €81 thousand), and mainly refer to agree upon procedures related to covenant compliance, review of the Spanish SCIIIF report related to Internal Control Management on Financial Information and verification of non-financial indicators.

There are no other fees accrued and/or invoiced by other firms from the KPMG network in 2024 and 2023.

28. Events after the balance sheet date

At the date of preparation of these Annual Accounts, no significant subsequent event to the fiscal year 2024 has occurred which could arise on significant impacts to the financial statements of the period ended as of 31st December 2024.

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
CIE Berriz, S.L. (*)	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
CIE Udalbide, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
CIE Mecauto, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Mecanizaciones del Sur-Mecatur, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Gameko Fabricación de Componentes, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Grupo Componentes Vilanova, S.L.	CIE Berriz, S.L.	Manufacture of auto parts	Barcelona	-	100.00%
Componentes de Automoción Recytec, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Componentes de Dirección Recylan, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Navarre	-	100.00%
Nova Recyd, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Recyde, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Recyde CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Zdánice, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
Alcasting Legutiano, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Egaña 2, S.L.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
Inyectametal, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
Orbelan Plásticos, S.A.U. (3)	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Transformaciones Metalúrgicas Norma, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Plasfil Plásticos da Figueira, S.A. (4)	CIE Berriz, S.L.	Manufacture of auto parts	Portugal	-	100.00%
CIE Stratis-Tratamentos, Ltda.	Plasfil Plásticos da Figueira, S.A.	Manufacture of auto parts	Portugal	-	100.00%
CIE Metal CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Plasty CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Unitools Press, a.s.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Automotive Maroc, s.a.r.l. d'au	CIE Berriz, S.L.	Manufacture of auto parts	Morocco	-	100.00%
CIE Praga Louny, a.s.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Deutschland, GmbH	CIE Berriz, S.L.	Facilities	Germany	-	100.00%
Leaz Valorización, S.L.U. (dormant)	CIE Berriz, S.L.	Waste management and recoveries	Biscay	-	100.00%
CIE Compiègne, S.A.S.	CIE Berriz, S.L.	Manufacture of auto parts	France	-	100.00%
Biosur Transformación, S.L.U.	CIE Berriz, S.L.	Biofuels	Huelva	-	100.00%
Gestión de Aceites Vegetales, S.L. (1) (2)	CIE Berriz, S.L.	Biofuels	Madrid	-	88.73%
Reciclado de Residuos Grasos, S.L.U. (2)	Gestión de Aceites Vegetales, S.L.	Biofuels	Madrid	-	88.73%
Recogida de Aceites y Grasas Maresme, S.L.U. (2)	CIE Berriz, S.L.	Biofuels	Barcelona	-	100.00%
Denat 2007, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Pontevedra	-	100.00%
Industrias Amaya Tellería, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
MAR SK, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Slovakia	-	100.00%
Autocom Componentes Automotivos do Brasil Ltda.	CIE Berriz, S.L.	Manufacture of auto parts	Brazil	-	100.00%
GAT México, S.A. de C.V.	CIE Berriz, S.L.	Manufacture of auto parts	Mexico	-	100.00%
SC CIE Matricon, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Romania	-	100.00%
CIE Automotive Parts (Shanghai) Co., Ltd.	CIE Berriz, S.L.	Manufacture of auto parts	People's Republic of China	-	100.00%
CIE Automotive Rus, LLC	CIE Berriz, S.L.	Manufacture of auto parts	Russia	-	100.00%
CIE Automotive Goian, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
CIE Porriño, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Pontevedra	-	100.00%
Basquevolt, S.A.	CIE Berriz, S.L.	Sustainable batteries	Araba/Álava	-	14.63%
Somaschini, SPA (1)	CIE Berriz, S.L.	Manufacture of auto parts	Italy	-	100.00%
Somaschini Automotive, SRL (1)	Somaschini, SPA	Manufacture of auto parts	Italy	-	100.00%
Somaschini International, Inc (1)	Somaschini Automotive, SRL	Holding company	USA	-	100.00%
Somaschini North America, LLC	Somaschini International, Inc	Manufacture of auto parts	USA	-	100.00%
Somaschini Realty, LLC	Somaschini International, Inc	Real state	USA	-	100.00%
Autometal, Ltda. (1)	CIE Berriz, S.L.	Manufacture of auto parts	Brazil	-	100.00%
Durametal, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	84.88%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
Autometal SBC Injeção e Pintura de Plásticos Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Autometal Investimentos e Imóveis, Ltda. ^(*)	Autometal, Ltda.	Facilities	Brazil	-	100.00%
Gescrap-Autometal Comércio de Sucatas Ltda.	Autometal Investimentos e Imóveis, Ltda.	Scrap	Brazil	-	30.00%
Jardim Sistemas Automotivos e Industriais, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Metalúrgica Nakayone, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Autometal Minas Cromação, Pintura e Injeção de Plásticos Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
CIE Autometal Salto Indústria e Comércio, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
CIE Automotive de México, S.A.P.I. de C.V. ^(*)	CIE Berriz, S.L.	Holding company	Mexico	-	100.00%
Pintura y Ensamblados de México, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Celaya, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Gescrap Autometal México, S.A. de C.V. ^(*)	CIE Automotive de México, S.A.P.I. de C.V.	Scrap	Mexico	-	30.00%
Soluciones de Gestión de Residuos Mexicana, S.A. de C.V.	Gescrap Autometal México, S.A. de C.V.	Facilities	Mexico	-	29.70%
Ges Trading Nar, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	Mexico	-	30.00%
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Berriz México Servicios Administrativos, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	Mexico	-	100.00%
Nugar, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Maquinados de Precisión de México S. de R.L. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Plásticos México, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Metal Norte, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Automotive USA Inc ^(*)	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	USA	-	100.00%
CIE Investments USA, Inc	CIE Automotive USA Inc	Holding company	USA	-	100.00%
Century Plastics, LLC ^(*)	CIE Automotive USA Inc	Manufacture of auto parts	USA	-	100.00%
Century Plastics Real State Holdings, LLC	Century Plastics, LLC	Real state	USA	-	100.00%
Newcor, Inc ^(*)	CIE Automotive USA Inc	Holding company	USA	-	100.00%
Owosso Realty, LLC	Newcor, Inc	Real state	USA	-	100.00%
Corunna Realty, Corp.	Newcor, Inc	Real state	USA	-	100.00%
Clifford Realty, Corp.	Newcor, Inc	Real state	USA	-	100.00%
Machine, Tool and Gear, Inc	Newcor, Inc	Manufacture of auto parts	USA	-	100.00%
Rochester Gear, Inc	Newcor, Inc	Manufacture of auto parts	USA	-	100.00%
Golde South Africa, LLC	CIE Automotive USA Inc	Distributor company	USA	-	100.00%
Golde Auburn Hills, LLC	CIE Automotive USA Inc	Manufacture of auto parts	USA	-	100.00%
Participaciones Internacionales Autometal Dos, S.L.U. ^(*)	CIE Berriz, S.L.	Holding company	Biscay	-	100.00%
CIE Automotive India, Ltd. ^(*)	Participaciones Internacionales Autometal Dos S.L.U.	Manufacture of auto parts	India	-	65.70%
CIE Galfor, S.A.U. ^(*)	CIE Automotive India, Ltd.	Manufacture of auto parts	Orense	-	65.70%
CIE Forging Germany, GmbH	CIE Galfor, S.A.U.	Holding company	Germany	-	65.70%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
CIE Legazpi, S.A.U.	CIE Galfor, S.A.U.	Manufacture of auto parts	Gipuzkoa	-	65.70%
UAB CIE LT Forge	CIE Galfor, S.A.U.	Manufacture of auto parts	Lithuania	-	65.70%
Galfor Eólica, S.L.	CIE Galfor, S.A.U.	Power generation and trade	Orense	-	16.43%
Metalcastello S.p.A.	CIE Galfor, S.A.U.	Manufacture of auto parts	Italy	-	65.67%
BillForge de México, S.A. de C.V. ⁽⁴⁾	CIE Galfor, S.A.U.	Manufacture of auto parts	Mexico	-	65.70%
BF Precision Pvt. Ltd. (in liquidation)	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
CIE Aluminium Casting India, Ltd. ^(*)	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
Sunseed Solar Pvt, Ltd	CIE Aluminium Casting India, Ltd.	Power generation and trade	India	-	17.40%
CIE Hosur, Ltd ^(*)	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
Ohja Renewables Pvt, Ltd. ⁽ⁱ⁾	CIE Hosur, Ltd.	Power generation and trade	India	-	18.32%
Gescrap India Pvt. Ltd.	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	19.71%
Clean Max Deneb Power, LLP	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.08%
Sunbarn Renewables Pvt., Ltd.	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.16%
Renew Surya Alok Pvt, Ltd	CIE Automotive India, Ltd.	Power generation and trade	India	-	20.50%
Strongsun Solar Pvt, Ltd.	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.97%
ReNew Green (MHK Two) Pvt, Ltd. ⁽ⁱ⁾	CIE Automotive India, Ltd.	Power generation and trade	India	-	20.50%
Advanced Comfort Systems Ibérica, S.L.U.	CIE Automotive, S.A.	Manufacture of auto parts	Orense	100.00%	-
Advanced Comfort Systems France, S.A.S. ^(*)	CIE Automotive, S.A.	Manufacture of auto parts	France	100.00%	-
Advanced Comfort Systems Romania, S.R.L.	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	Romania	-	100.00%
Advanced Comfort Systems México, S.A. de C.V.	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	Mexico	-	100.00%
Advanced Comfort Systems Shanghai Co. Ltd. ^(*)	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	People's Republic of China	-	100.00%
Wuhan Advanced Comfort Systems Co, Ltd.	Advanced Comfort Systems Shanghai Co. Ltd.	Manufacture of auto parts	People's Republic of China	-	100.00%
Autokomp Ingeniería, S.A.U. ^(*)	CIE Automotive, S.A.	Facilities	Biscay	100.00%	-
Forjas de Celaya, S.A. de C.V.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	Mexico	-	100.00%
Nanjing Automotive Forging Co., Ltd.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	People's Republic of China	-	50.00%
CIE Forjas Minas, Ltda.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	Brazil	-	100.00%
CIE Automotive Boroa, S.L.U.	CIE Automotive, S.A.	Financing	Biscay	100.00%	-
CIE Automotive Roof systems Korea Ltd.	CIE Automotive, S.A.	Manufacture of auto parts	Republic of Korea	100.00%	-
CIE Roof Systems, S.L.U. ^(*)	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
Golde Tianjin Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Wuhan Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Shandong Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
CIE Golde Holding, S.L.U. ^(*)	CIE Roof Systems, S.L.U.	Holding company	Biscay	-	100.00%
Inteva Products (Barbados), Ltd. (in liquidation)	CIE Golde Holding, S.L.U.	Holding company	Barbados	-	100.00%
Golde Shanghai Co., Ltd.	CIE Golde Holding, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Changchun Co., Ltd.	CIE Golde Holding, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
CIE Golde Shanghai Innovation Co., Ltd.	CIE Golde Holding, S.L.U.	Technology center	People's Republic of China	-	100.00%
Golde Netherlands, BV ⁽¹⁾	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Mexico Holdings, LLC ⁽²⁾	Golde Netherlands, BV	Holding company	USA	-	100.00%
Automotive Mexico Body Systems, S. de R.L. de C.V.	Golde Mexico Holdings, LLC	Manufacture of auto parts	Mexico	-	100.00%
Golde Bengaluru India Pvt Ltd.	CIE Roof Systems, S.L.U.	Technology center	India	-	100.00%
Roof Systems Germany, GmbH	CIE Roof Systems, S.L.U.	Technology center	Germany	-	100.00%
Golde Oradea, SRL	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Romania	-	100.00%
Golde Lozorno Spol, s r.o.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Slovakia	-	100.00%
SIR S.A.S.	CIE Roof Systems, S.L.U.	Holding company	France	-	100.00%
CIE Salgglas Üvegipari, Zrt.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Hungary	-	100.00%
Shanghai Golde Automotive Parts Co., Ltd. ⁽³⁾	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	50.00%
Golde Automotive Parts (Ningde) Co., Ltd.	Shanghai Golde Automotive Parts Co., Ltd.	Manufacture of auto parts	People's Republic of China	-	50.00%
Golde Pune Automotive India Private Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	India	-	100.00%

(1) Companies added to consolidation scope in 2024.

(2) Discontinued companies as of 31st December 2024.

(3) Absorbing Company in the merger by absorption carried out with the company AKT Plásticos, S.L.U. (Absorbed Company).

(4) In year 2024 the company CIE Galfor, S.A.U. has gained control over the company BillForge de México, S.A. de C.V. (previously controlled by CIE Automotive India, Ltd.).

(*) Parent company of all investees listed subsequently in the table.

APPENDIX II: CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS AS AT 31ST DECEMBER 2024

PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS-EU)

Thousand euro	Note	31.12.2024	31.12.2023
Property, plant and equipment	7/8	1,776,024	1,664,283
Intangible assets		1,852,331	1,822,123
Goodwill	7/8	1,829,756	1,795,131
Other intangible assets	7/8	22,575	26,992
Non-current financial assets	9	80,616	68,022
Investments accounted applying the equity method	9	55,317	54,664
Deferred tax assets	18	238,691	231,735
Other non-current assets	-	22,500	31,176
Non-current assets		4,025,479	3,872,003
Inventories	11	457,161	460,460
Trade debtors and other accounts receivable		346,698	369,082
Trade and other receivables	10	201,131	241,897
Other current assets	-	73,898	64,071
Current tax assets	-	71,669	63,114
Other current financial assets	9	183,462	126,875
Cash and cash equivalents	12	947,454	839,921
Current assets		1,934,775	1,796,338
Disposal group assets classified as held for sale	13	651	658
TOTAL ASSETS		5,960,905	5,668,999

APPENDIX II: CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 2024 PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS-EU)

Thousand euro	Note	31.12.2024	31.12.2023
Equity attributable to the parent company's shareholders		1,497,920	1,276,550
Share capital	14	29,952	29,952
Treasury shares	14	(1,570)	(1,202)
Share premium	14	152,171	152,171
Retained earnings	14	1,659,290	1,449,174
Interim dividend	14	(55,082)	(53,893)
Translation differences	14	(286,841)	(299,652)
Non-controlling interests	14	416,021	384,694
TOTAL EQUITY		1,913,941	1,661,244
Deferred income		17,680	16,399
Non-current provisions	19	140,760	147,076
Non-current borrowings	15	1,573,696	1,657,805
Deferred tax liabilities	18	220,603	206,495
Other non-current liabilities	17	149,880	142,293
Non-current liabilities		2,084,939	2,153,669
Current borrowings	15	642,858	511,662
Trade creditors and other payables		1,018,691	1,036,122
Trade and other payables	16	936,187	961,866
Current tax liabilities	17	82,504	74,256
Other current financial liabilities	9	42	24
Current provisions	19	118,730	114,475
Other current liabilities	17	163,582	175,078
Current liabilities		1,943,903	1,837,361
Disposal group liabilities classified as held for sale	13	442	326
TOTAL LIABILITIES		4,029,284	3,991,356
TOTAL EQUITY AND LIABILITIES		5,960,905	5,668,999

APPENDIX II: CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024 PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS-EU)

Thousand euro	Note	2024	2023
OPERATING REVENUE		4,089,225	4,116,304
Revenue	20	3,960,555	3,959,479
Other operating income	20	125,332	170,328
Change in inventories of finished goods and work in progress	11/20	3,338	(13,503)
OPERATING EXPENSES		(3,550,839)	(3,588,632)
Consumption of raw materials and secondary materials	11	(2,273,193)	(2,332,255)
Employee benefit expense	22	(659,377)	(651,953)
Depreciation, amortisation and impairment	6/7/8	(189,490)	(185,527)
Other operating expenses	21	(428,779)	(418,897)
OPERATING PROFIT		538,386	527,672
Finance income	23	41,733	34,884
Finance costs	23	(125,976)	(126,334)
Net exchange differences	23	(1,774)	(1,539)
Result of financial instruments at fair value	9/23	1,347	6,576
Result of investments accounted applying the equity method	9	8,915	8,383
PROFIT BEFORE TAX		462,631	449,642
Income tax	24	(100,707)	(101,824)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		361,924	347,818
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	13	1,033	13,371
PROFIT FOR THE YEAR		362,957	361,189
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	14	(37,297)	(41,014)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		325,660	320,175
Earnings per share from continuing operations (euro)	14		
- Basic		2.71	2.60
- Diluted		2.71	2.60
Earnings per share from discontinued operations (euro)	14		
- Basic		0.01	0.07
- Diluted		0.01	0.07

MANAGEMENT REPORT FOR THE YEAR 2024

CIE AUTOMOTIVE, S.A.

CIE Automotive, S.A., parent company of CIE Automotive Group, came into existence in 2002 as a result of the merger of two business groups, Egaña and Aforasa. Following the merger between Acerías y Forjas de Azcoitia, S.A. (transferee) and Egaña, S.A. (transferor), the former took CIE Automotive, S.A. as its registered name. Since then, CIE Automotive, S.A. has become a financially solid Group with global presence.

The shares of CIE Automotive, S.A. are traded on the continuous market of Madrid and Bilbao Stock Exchanges.

This management report has been prepared following the guidelines of the "Guide to recommendations for the preparation of management reports for listed entities", published by the CNMV in July 2013.

1. CIE AUTOMOTIVE GROUP

1.1 Profile of the Group

CIE Automotive (from now on, "CIE" or "The Group", interchangeably) is an industrial group specialist in high value-added processes, which develops its activity in the Automotive components business.

The business of Automotive components, which encompasses the design, production and distribution of integral services, components and sub-assemblies for the global automotive market, is CIE Automotive's main activity since its foundation.

CIE Automotive is an international industrial group that manages high added value processes. This concept of high value is applied in management, with a comprehensive vision in all phases of the value chain of sectors with good long-term projection.

CIE Automotive designs and manufactures components and subassemblies globally in 108 production centres. It owns plants in 109 different locations, which are spread over 15 countries on 4 continents, multi-location being the option chosen for the internationalization process, based on decentralized management and led by local teams.

1.2 Business units – auto parts

CIE is a comprehensive services supplier, components and sub-assemblies for the Automotive market.

It develops its entire line of products through seven basic processes or technologies: machining, stamping and tube forming, forging, plastic, aluminium injection, steel casting and ceiling systems. With them, components and subassemblies are manufactured for all parts of a vehicle, such as: engine and transmission, chassis and steering assemblies, and exterior and interior of the vehicle.

For 25 years, after its creation in 1996 and integrating more than a hundred companies, CIE Automotive's progress as a components and sub-assemblies supplier for the Automotive industry has been driven by cycles of economic prosperity and hampered by others of crisis, which the Group has overcome and avoided as a result of the features that define its business model: geographical balance, commercial diversification, multi-technology, investment discipline and decentralized management and integration of ESG standards.

1.3 Mission, Vision, and Values

Mission

CIE Automotive is a supplier of components, assemblies and sub-assemblies to the global Automotive market, global supplier with presence in 4 continents and multi-technological for its action based on the use of 7 technologies, complementary and various associated processes as well as with an integrated vision of the entire value chain.

We are a team committed to the development of a profitable automotive project that has been growing steadily for more than 25 years, positioning it as a reference partner through customer satisfaction with comprehensive, innovative and competitive with high added value solutions.

We seek excellence by providing value to all our stakeholders based on the following commitments:

- We guarantee quality and service.
- We are an innovating and participative team where each individual is proactive and feels proud to its belonging.
- We take care of the Earth by contributing to improve our environment and minimizing our environmental impact.

MANAGEMENT REPORT FOR THE YEAR 2024

Vision

We aspire to being a benchmark industrial group specialised in managing highly value-added processes supplying the best solutions for the mobility of the future. Moreover, we strive to be the paradigm of a socially-responsible company through our permanent commitment and our responsibility with the consequences and impacts derived from our actions being the following:

- To be climate neutral.
- To become value chain tractors.
- To be a social reference by warranting integrity, safety and health of the people.
- Management excellence by being transparent and integrity, as well as value generation.

Values

Honesty, fairness and integrity are the basis of all our values:

- We commit with good practices.
- We innovate as a response to any challenge.
- We focus on people, their families and their environment.
- We protect diversity, we defend equality and we promote inclusion.
- We are self-critic and we take ownership.
- We protected the climate and local entities where we are based, acting locally.
- Last but not least, we respect legality.

Corporate policies

The company promotes the creation of working teams to develop specific aspects of its Corporate Governance System in where authorised representatives of the interest group affected in each case, professionals of the Company and experts external in the matter of the highest level participate.

To develop its mission and advance on its vision, CIE Automotive guides its actions in accordance with its corporate values, based on which it has created a series of Corporate Policies, mandatory for all members of the organisation, approved for the first time by the Board of Directors in December 2015 and which have since been reviewed, updated and approved again, mostly between 2019 and February 2024.

The ethical framework is developed in this series of corporate policies prepared by each of the responsible departments, being mandatory for all members of the company and which are structured into:

Environmental, Social and Governance Policies (ESG)

- Environmental policy
- Environmental, Social and Good Governance (ESG)
- Sustainable purchasing
- Human rights
- Anti-corruption and anti-fraud
- Community work

Governance policies

- Internal control over financial and non-financial reporting systems
- Risk control and management
- Corporate governance
- Tax policy
- Reporting to and communicating with shareholders and the market

MANAGEMENT REPORT FOR THE YEAR 2024

- Shareholder remuneration policy
- Director selection and board diversity policy
- Recruitment and account auditor's relations policy
- Policy on Compliance and Compliance Risk Prevention
- Board members' compensation policy
- Internal Reporting System Policy
- Policy on Anti-Competitive Practices
- Policy on Information Technologies and Cybersecurity Risks

2. EVOLUTION OF THE BUSINESS OF CIE AUTOMOTIVE, S.A.

The Company CIE Automotive, S.A., as the parent company of the CIE Group, has as its main income the provision of services to the different subsidiaries of the Group, the interests received from the financing provided to the Group's subsidiaries and the income from dividends received from these subsidiaries.

CIE Automotive, S.A.'s turnover increased in all business lines to €263.2 million (2023: €238.4 million). On the one hand, the interest generated by loans granted to group companies, whose remuneration is updated according to the evolution of market prices, has increased in line with the market evolution. On the other hand, dividends received from investments in group companies, as well as income from the provision of services to subsidiary companies, also increased, in a year in which the Group has once again achieved record sales.

Consequently, the Company's operating profit increased to €228.0 million (2023: €183.3 million).

With regard to the financial result, the Company has been significantly affected by the evolution of the interest rates of its financing to variable prices. In this sense, financial expenses in year 2024 have amounted to €96.2 million, while in 2023 the expense amounted to €77.3 million. In addition, income from the fair value measurement of certain financial instruments decreased to €1.5 million in 2024, while income in 2023 amounted to €6.6 million.

The net result for the year, after taxes, has amounted to €122.4 million (2023: €112.0 million).

2.1 Summary of the year

Economic context

The automotive industry is undergoing a profound transformation of its production model to achieve the decarbonization of vehicles and increase their connectivity and comfort with contained prices. After a 2023 year of economic recovery, automobile production, stabilization of costs and increased demand, in 2024 global production has been contracted due to the negative evolution that Europe and North America specially, where the market situation, the economic uncertainty, high interest rate levels, and the transition to electric vehicles have had a direct impact on automobile demand.

The automobile market in particular is experiencing a change of era where variables such as the price war in the electric car market, the aging of the global vehicle fleet and low motorization in some developing countries are marking a change in trend. All this together with the global challenges that have led to the increase in financial costs and the economic slowdown. However, experts are already talking about changes in trends regarding the price war on the electric car as well as the interest it generates among the population, together with government grants from certain countries for its use.

Europe has been the region with the least favourable evolution of the automotive industry with production decreases of 4.5% to 16.6 million vehicles produced. This decrease is mainly the consequence of uncertainty in the market, as well as the weakening of the economy in the Eurozone and the rise of Chinese vehicle imports.

Vehicle production decreased in North America by 1.5%, to 15.4 million vehicles produced. Among others, market stagnation as well as union strikes in American assembly plants are the reasons behind this market decrease.

In the case of Brazil, the market has shown a significant increase compared to the previous year, with 8.0% more vehicles produced up to 2.4 million.

On the other side of the globe, India has increased its vehicle manufacturing by 3.8% in 2024, to 5.7 million. These data are especially notable given the positive evolution of previous years. The main key to this evolution continues to be a very low level of motorization.

MANAGEMENT REPORT FOR THE YEAR 2024

China has grown by 3.6%, with domestic demand for vehicles having slowed. In any case, production has been favoured by the extension of tax reductions for electric vehicles until 2027, along with an expansion of local manufacturers to more competitive markets and electric vehicle exports to other geographic markets.

Performance of the Group

2024 has been another record year for CIE Automotive. Despite the negative evolution of global demand and production, CIE Automotive has been able to overcome the effects of the increase in financial costs, breaking its historical record for turnover and profits in 2024.

In this complex context, revenue has reached €3,960.5 million, a level slightly higher than that of 2023, and the net result has increased by 1.7% compared to the previous year up to €326 million, thank to with the achievement of healthy operating margins even in the scenario of global market uncertainty, demonstrating the solidity of the business model and the success of the operational strategy in place.

All lines of the income statement reveal the good progress of the business, except for the financial result, which has been directly affected by the evolution of interest rates in Europe and North America. Thus, the gross operating result (EBITDA) rose by 2.1%, reaching €727.9 million, while the net result (EBIT) rose by 2.0%, to €538.4 million.

In 2024, all geographies and segments have led to contribute the Group's performance, by obtaining double digit margins. The detailed segment information is as follows:

Europe:

It is CIE Automotive's main market with presence in Spain, France, Germany, Italy, Portugal and Portugal in Western Europe and the Czech Republic, Lithuania, Romania, Hungary and Slovakia in Central and Eastern Europe. It also has a plant in Morocco.

CIE Automotive's sales in Europe stand at €1,401.4 million, with an increase in the sales/EBITDA margin of up to 17.5%, despite the decrease in demand. The EBIT margin, likewise, has increased to 11.8%.

North America:

CIE Automotive has production centres in both Mexico and the US, which serve the North American light vehicle market and, to a lesser extent, Brazil, Europe and Asia.

In 2024, the North American plants reach a turnover of €1,217.5 million. The good results are more notable considering a decrease in demand, which is produced to a certain extent thanks to the automation of plants carried out the previous year to address the increase in labour costs. Despite the evolution of demand, CIE Automotive has grown above the market, obtaining strengthened EBITDA and EBIT margins on sales of 18.8% and 14.2% respectively.

Brazil:

CIE Automotive's Brazilian plants focus on the manufacturing of plastic components, stamping, forging, iron casting, aluminium injection and machining, being especially competitive in plastic technology, body-colour painting and chrome plating.

In 2024, CIE Automotive registered record sales of €401.3 million in Brazil – a growth of more than 20% –, with an EBITDA margin of 19.8% and EBIT of 16.4%, clearly showing a strengthened position of its plants. compared to the market, which has grown by 8%.

Asia:

The Group has several plants in Asia, a joint-venture and a technology centre. Its presence in India comes from the alliance with the Indian group Mahindra & Mahindra Ltd., while the presence in China was reinforced with the incorporation of companies from Golde's solar roof business. India is one of the development engines of the region and China, the main car producer in the world.

In India, CIE Automotive has invoiced €656.1 million in 2024, improving the already high operating margins (EBITDA 18.2% and EBIT 14.5%). The excellent margins would be related to the measures adopted to improve efficiency.

In China, CIE Automotive's sales have amounted to €283.9 million, with high EBITDA (19.3%) and EBIT (14.1%) margins, in a market with solid but very dynamic growth where electric car production by local producers is setting an important trend in this market. Despite the company's good results, the performance of sales has not been as good as the market's evolution, due to lower exposure to Chinese OEMs, which are driving the market.

MANAGEMENT REPORT FOR THE YEAR 2024

Financial indicators of the consolidated group

(Thousand euro)	2024	2023
Consolidated revenue	3,960,555	3,959,479
Gross operating profit/(loss)-EBITDA	727,876	713,199
Profit/(loss) attributable to parent company	325,660	320,175
Total Equity	1,913,941	1,661,244
Net financial debt	1,005,064	1,134,673

The disclosure of this performance by operating segments is as follows:

31 st December 2023						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,217,531	401,364	939,966	306,779	1,094,915	3,960,555
EBITDA (*)	228,701	79,565	174,058	49,454	196,098	727,876

31 st December 2023						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,232,990	360,292	939,739	364,102	1,062,356	3,959,479
EBITDA (*)	227,962	70,168	170,053	62,060	182,956	713,199

(*) EBITDA (gross operating income) results from summing depreciation, amortisation and impairment to the net operating profit.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

At the date of preparation of these Annual Accounts, no significant subsequent event to the fiscal year 2024 has occurred which could arise on significant impacts to the financial statements of the period ended as of 31st December 2024.

2.2 Predictable evolution of the Group

Market environment

According to estimates by the International Monetary Fund, global growth would have moderated to 3.2% in 2024, with expectations remaining in line for 2025 (3.3% growth). However, the perspectives are very different between geographies with more mature economies (with slower development) and growing economies.

In the automotive sector, fiscal year 2024 has been a year of stagnation, with 89.5 million vehicles having been produced, which has meant a decrease of 1.1% on the production volumes of 2023.

Trends in the Automotive industry

In a context of transformation of the sector, which affects both demand and supply, in a dynamic scenario, component manufacturers are playing a crucial role in the transformation of the automotive sector by helping OEMs face various emerging trends. of the demands of society, and which are summarized in the following sections:

- 1- Climate change: Is the main threat to the planet and has led to the development of regulations that are accelerating and becoming increasingly ambitious and global, translating into the automotive sector in electrification as alternative energy and the reduction of the corporate environmental footprint.
- 2- Demographic developments: The distribution of the world population with greater weight in Asia (60%) and greater growth in Africa defines where the Automotive market should be driven in the coming years. In addition, other demographic factors converge that will promote changes in the automotive sector and its demand, such as the increase in life expectancy and the aging of the population or its growing urbanization, with various mobility options coexisting in large cities, with car sharing as an alternative. Although the number of vehicles could decrease, there would be a shorter useful life, with higher vehicle turnover. Therefore, it is expected that the total number of vehicles produced will maintain a trend similar to the current one.
- 3- Technology developments: We are moving towards a third industrial revolution where the best and most efficient vehicle architectures will prevail, where the use of the correct material will be decisive. The application of various technologies in the automotive sector will be decisive in this new generation.

MANAGEMENT REPORT FOR THE YEAR 2024

- 4- Geopolitical developments: Strong growth is expected in the coming years in emerging markets without protectionist strategies having a significant impact on the automotive sector.
- 5- Sector changes: In addition to the challenge of advancing towards the electrification of the automobile for the decarbonization of the mobility system and curb climate change, the user experience with a commitment to comfort continues to be critical in the mega trends of the sector, mainly represented by the incorporation of roof systems, the safety and protection of passengers and the autonomy and connectivity of automobiles.
- 6- Changes in the supply chain: The car manufactures are concentrating on their core competencies and expanding production outsourcing to their suppliers. In addition, it is expected that in the coming years the digital company will be increasingly implanted in the automotive industry.

2.3 Business Strategy

In 2021, CIE began rolling out its 2025 Strategic Plan, a new comprehensive strategy to respond to automotive market trends and stakeholder concerns, and which sets the objectives to be followed in all aspects of its activity.

This 2025 Strategic Plan establishes for the first time a series of global commitments in Environmental, Social and Good Governance matters, to which all the Group's plants must contribute under the encouragement and supervision of the corporate cross-sectional areas.

For the coming years, and supported by this 2025 Strategic Plan, CIE has a project underway to advance sustainable profitability. The objectives set and financial commitments of this strategic plan are described below and take into account the evolution of the main trends in the automotive market.

The main lines of this plan are:

- Operational strategic plan. The commitments of the strategic plan seek to increase sales by 20 percentage points above market growth, exceeding an EBITDA margin on sales of 19% in 2025, with an investment of €1 billion in the period, representing 5% over the annual sales.

The operational strategy will revolve around the following lines of work:

- o Electrification: The obvious trend towards electric cars has led CIE Automotive to increase its presence in electrified powertrains in order to position itself in the market with new components with high added value, mainly related to the engine and power electronics, gearboxes and batteries. Likewise, this objective that the Group sets is directly related to the mitigation of environmental impact and is part of the path to follow to help minimize its impact on climate change.
 - o Industry 4.0: CIE Automotive, in its search for intelligent manufacturing, develops and implements different industry 4.0 tools, which interact and provide feedback to each other, as well as sensitization capabilities, which allow it to capture data and analyse it through algorithms. This will result in an increase in the efficiency of the processes, reducing the use of resources and their environmental impact, achieving everything from a reduction in the number of prototypes to be made, energy consumption and raw materials, to the rejection and generation of scrap.
 - o Comfort: CIE Automotive's roof division works in a growing market, supported by the development of electric and autonomous driving.
 - o Internationalization: Throughout its history, CIE Automotive has expanded its geographical locations to become a leading global supplier in all the regions in which it operates and each of the automotive markets. This geographical positioning is a guarantee for success and will continue to strengthen day by day, with an increasingly balanced presence between the different regions, gaining weight in areas with the greatest growth potential such as China, India, Mexico or Brazil. The company has a global technological vision, but adapts the specific strategy of each of its divisions to the different geographical areas, depending on the reality of the different markets.
- The ESG 2025 Strategic Plan, published in November 2021, represents the successful integration of Environmental, Social and Good Governance aspects into CIE's strategy. Four lines of work are defined across the organization:
 - o CIE Culture: Identify, promote, retain and attract talent through collaboration with universities and training centres in the area in new technologies. Actively participating in the planning and supervision of DUAL training challenges.

MANAGEMENT REPORT FOR THE YEAR 2024

- Ethical commitment: Respect, compliance and development of the ethical framework. Alignment of their actions with the CIE Automotive Code of Conduct and application of equivalent ethical standards, including Anti-Corruption, Bribery and Conflicts of Interest.
- Eco-efficiency: Efficiency in production and improvement of environmental impact. The efficient use of materials has been the basis of CIE Automotive's sustainability and competitiveness for years. For this reason, the initiatives to improve the ratios of raw material use compared to the final weight of the product and the weight reduction of the components are core projects year after year of the technological road map.
- Active listening: Proactivity and continuous communication with our stakeholders in order to meet their expectations.

Based on the foregoing, CIE Automotive expects to continue in 2025 with the growth path of its results, as it has done year after year since its creation.

3. RISK MANAGEMENT

CIE Automotive has a Risk Management System, which allows them to identify, evaluate and give response to eventual contingencies in the development of its activity, which, in case of materializing, might hinder the attainment of the corporate objectives.

This policy, whose supervision relapses into the Commission of Audit and Compliance, identifies the different types of risks that the company faces –between them, the financials or economics, the contingent liabilities and other risks out of the balance sheet–, fixes the level of risks that are considered acceptable and establishes the opportune measures to mitigate its impact in case it was materialized. To put it into practice, the company possesses informational systems and internal control.

The procedure of global management of CIE Automotive's risks is based on the methodology ISO 31000, a process of constant cycle in nine phases: communication, setting the context, risks identification, risk analysis, risk evaluation, risk treatment, risk supervision, updating and acting against non-compliance.

Annually, a Corporate Map of Risks is drawn, which contemplates and values not only the risks inherent to the countries, markets and businesses where it operates, also internal operation of the company.

Risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and raw material price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

In the broadest sense, the goal of the management of financial risk is to control the incidents generated by fluctuations in exchange and interest rates and the price of raw materials. Management of these risk factors, which is the responsibility of the Group's Finance Management, focuses on the arrangement of financial instruments in order to build, as far as possible, exposure to favourable trends in exchange and interest rates, subject to compatibility with the mitigation, in part or in whole, of the adverse effects of an unfavourable environment.

a) Market risk

(i) Foreign exchange risk

CIE Automotive Group's presence in international markets obliges it to arrange an exchange rate risk management policy. The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, CIE Automotive Group uses the Management Scope concept. This concept encompasses all collection/payment flows in a currency other than the euro expected to materialise over a specific time period. The Management Scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the euro. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope would also apply to management if are expected to be recognised on the balance sheet within a period of no more than 18 months.

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Once defined the Management Scope, CIE Automotive Group uses a series of financial instruments for risk management purposes that in some instances permit a certain degree of flexibility. These instruments are essentially the following:

- Current forwards: These contracts lock in an exchange rate for a specific date; the timing can be adjusted to match expected cash flows.
- Other instruments: Other hedging derivatives may also be used, the arrangement of which requires specific approval by the relevant management body. This body must be informed beforehand as to whether or not it complies with requirements for consideration as a hedging instrument, therefore qualifying for hedge accounting.

The protection against loss of value as a result of movements in the exchange rates other than the euro in which its investments in foreign operations are denominated by similarly denominating, to the extent possible, its borrowings in the currency of the countries of these operations if the market is sufficiently deep or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro. Correlation, estimated cost and depth of the debt and derivative markets determine policy in each country.

The Group has several investments in foreign operations whose net assets are denominated in US dollars, exposing it to foreign exchange translation risk. The exchange risk on the net assets of CIE Automotive Group's foreign operations is mainly managed through natural hedges achieved by borrowings (loans) denominated in the corresponding foreign currency.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations in countries outside the Eurozone is mitigated basically by borrowings denominated in these currencies.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments that are classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. However, the scant weight of these securities as a percentage of total Group assets and equity means that this risk factor is not material.

(iii) Interest rate risk

Group's borrowings are largely benchmarked to floating rates, exposing it to interest rate risk, with a direct impact on the income statement. The general objective of interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

In order to attain this objective, the risk management strategy materialises in the arrangement of financial instruments designed to provide such flexibility. The strategy expressly contemplates the possibility of arranging hedges for identifiable and measurable portions of cash flows, which enables hedge efficiency testing as required to evidence that the hedging instrument reduces the risk of the hedged item in the portion designated and is not incompatible with the established strategy and objectives.

The Management Scope encompasses the borrowings recognised in the balance sheet of the Group and any of its companies. On occasion, hedges are arranged to cover loans committed and in the final stages of arrangement the principal on which needs to be hedged against rate increases.

In order to manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IFRS 9) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites for consideration as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are the following:

- Interest-rate swaps: Through these derivatives, the Group converts the benchmarked floating interest rate on a loan to a fixed benchmark with respect to all or part of the loan and affecting all or part of the term of the loan.
- Other instruments: As discussed in the section on foreign exchange risk management, other hedging derivatives may also be used, the arrangement of which requires the specific approval of the relevant management body. The management body must be informed beforehand as to whether the instrument meets the prerequisites for qualifying as a hedging instrument and, by extension, hedge accounting.

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b) Liquidity risk

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, transferring the related risks and rewards).

Management monitors the Group's forecast liquidity requirements together with the trend in net financial debt.

The Group's treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In that sense, it is considered that cash generation in 2025 will allow facing recurrent payments without increasing the net financial debt.

The Group's treasury department monitors Group's liquidity needs forecasts in order to ensure that there is enough cash to meet operative needs at the same time that maintains undrawn credit facilities at any time to ensure Group that doesn't fail limits and rates ("covenants") established by financial entities.

The Group is strategically diversifying the financial markets and financing sources, it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short- and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (just in time) supplies to our customers.

Meanwhile, the Group's Management efficiently controls the payments for expenses and realization of current assets, carrying out an exhaustive follow-up of the treasury forecasts, in order to ensure that it has sufficient cash to meet the needs. operations while maintaining the availability of sufficient unused credit facilities at all times so that the Group does not breach the limits or indices ("covenants") established by the financing. Therefore, it is estimated that the generation of cash in 2025 will sufficiently cover the needs to meet the commitments in the short term, preventing any situation of tension in the cash position with the actions underway.

c) Credit risk

Credit risk is managed by customer groups. Credit risk arising from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Group works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises the corresponding impairment provisions if necessary.

In addition, each management unit has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that Group policy is not to concentrate more than 10% of business volumes with individual customers or manufacturing platforms.

Given the characteristics of the Group's customers, management historically deemed that receivables due within 60 days presented no credit risk. The Group continues to consider the credit quality of these outstanding balances to be strong, although it is determined the expected loss.

d) Raw material price risk

The Group has not a significant risk in raw price variations. In these companies where the risk could exist in market specific situations (plants which use raw materials with market price), the risk is controlled thanks to price financing repercussion agreements to customers.

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e) Climate risk factors

The Corporate Engineering, Quality and Environment Department is responsible for establishing the guidelines and coordinating with the plants the actions related to the transition plan for climate change mitigation, which is included in the Group's 2025 Strategic Plan.

As shown in section *E1 – 1 – 14* of the Consolidated Non-Financial Statement and Sustainability Information Statement, included as a separate document from the Consolidated Management Report, this plan contains both an operational and an ESG part. The environmental aspect of the plan is periodically reviewed by the Group's Engineering, Quality and Environment department, reflected in the 2024 Environmental Management Plan. Within these periodic reviews, the following points have been analysed in 2024:

- The Group's Governance in the area of the environment and, especially, climate change, including the communication of points related to environmental performance.
- Assessment of dependencies, Impacts, Risks and Opportunities, with a focus on resilience analysis.
- Goals and metrics.
- Emissions by geography and technology.
- Response of the CIE Automotive Group.
- Action Plan.

More detailed information on how Impacts, Risks and Opportunities (IROs) are managed can be found in section *ESRS 2 – SBM-3 – 19b* of the Consolidated Non-Financial Statement and Sustainability Information Statement. The analysis of IROs is performed with a unique approach. In this way, the process is unique, whether it is a general analysis, related to climate change, or to other areas such as water resources. To this end, the transition plan for climate change mitigation is provided with additional characteristics such as proactivity in the study, and includes tools such as vulnerability analysis, sensitivity and adaptation plans or actions. The process is fully integrated into the Group and is transversal, involving different instances and bodies, from the Board of Directors to the operational units.

In this sense, the Group keeps updated its Environment Policy, where it was recognized as aligned with the Sustainable Development Goals. Thus, the Group develops products and processes under eco-design concepts, oriented to efficiency, providing necessary resources in continuous improvement through prevention and preservation, the minimization of risks, the reduction of the environmental footprint, the efficient use of natural resources, the minimization of waste, the circularity of materials and the collaboration of the people involved in the processes. Moreover, the Group is aligned with the United Nations 2030 Agenda by establishing environmental objectives to be met by each of the plants and regions where it operates, based on the *Global Reporting Initiative* standards.

In December 2022, the Group committed to setting targets, within 24 months, aligned with limiting global warming to 1.5°C, in line with the Paris Agreement, and the "net-zero" target by 2050, based on science. In 2024, the Group has fulfilled this commitment, joining a group of 235 companies in the automotive and components sector with targets approved by the "Science Based Targets initiative" (SBTi). With the latest available data, only 35 of these companies, including CIE Automotive, are aligned with meeting both objectives.

Below are the action plans established to address each of the climate-related risks that have an impact on the Group's Consolidated Annual Accounts.

The risks arising from the transition to low-carbon economies

The authorities and governments of different countries have implemented policies to fight against climate change that have affected differently in the different countries where the Group operates. All of these policies and actions have been part of the analysis carried out by the Group when carrying out the Transition Plan, as well as the double materiality analysis. These policies basically consist of promoting sustainable energy consumption in industrial production through tax and operational incentives, while in other cases, the use of energies that have a direct impact on the climate has been penalized or no longer promoted.

Regarding the automotive industry, it has been possible to reduce polluting emissions from vehicles, although the latest regulations to fight climate change – the most restrictive in Europe and China – are forcing manufacturers and their suppliers to implement additional solutions to reduce their environmental footprint, as well as to promote the electrification of their vehicle platforms. In recent years, the Group has been adapting its production process, as well as the goods produced, to a changing environment, demonstrating its resilience to the challenges offered by the fight against climate change.

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The Group aims to anticipate the aforementioned measures, having launched certain action plans that allow mitigating in advance the impact of new policies, regulations and trends that climate change has entailed. The lines of work established for this have been the following, and have as main axes the actions on the goods produced and actions on their productive process.

- Substitution of non-renewable fuels
- Purchase of renewable electricity
- Energy efficiency via Industry 4.0 initiatives
- Reduction of the gross weight vs net weight ratio
- Circularity projects
- Carbon Footprint Calculation of key products
- Digitization of environmental data management
- Supply Chain Race2Zero Project
- Ecodesign
- CIE Automotive integral management model
- Implementation of an environmental management system
- Durability of auxiliary materials and products
- Repairability, reuse and end-of-life of vehicles
- Governance and involvement of senior management
- Increased water circularity
- Improvement in water treatment systems

- Actions on produced goods

In the context of a changing environment and increasingly aware of the effects of global climate change, the Group has been adapting the sale of its assets to new challenges in the climate and environmental field, and they are directly related to the latest trends in the automotive sector. In this sense, the Group is immersed in a technological transformation, aimed at reducing its corporate footprint, as well as the goods it produces. To achieve these objectives, the Group develops different technologies that provide the efficiency and flexibility necessary to face all challenges with changing volumes and scenarios.

Technological diversity also allows to focus investments on those technologies most demanded by the market in each circumstance. Currently, the market is betting on the electrification of vehicles and more than 80% of the components and subassemblies produced by the Group can be used in any type of vehicle (combustion, electric, hybrid). Despite this considerable percentage of versatility in the goods it produces, the Group has proposed to take advantage of the opportunity offered by the decarbonization of transport to position itself in new products of high added value. These products are related to the engine and power electronics, gearboxes and batteries.

Additionally, the Group's technological commitment to meet these environmental objectives focuses on the eco-efficiency and circularity, the light-weighting of vehicles, the improvement of the user experience (noise reduction, light integration, etc.), the bet for electric and autonomous vehicles and Industry 4.0 as a key to competitiveness and eco-efficiency, always aiming at the path towards the decarbonization of transport.

These actions are naturally linked to the reduction of environmental impact and mitigation of climate change. For those products that do not yet have a clear substitute in zero-emission vehicles, the Group has defined a strategy with different action plans.

Thus, the Group's spirit of adaptation and flexibility in the products it markets, together with the ability to always be aligned with new market trends, are the Group's main measure to address any market risks to its goods, as well as those that may arise from the transition to low-carbon economies.

- Actions on the productive process

Some of the environmental actions on the production process, which are part of those mentioned above, for the realization of the goods sold to the market have been the following:

- a) *Environmental Investments*: the Group adapts its production facilities to the conditions required by the environmental legislation of the countries where it is located. Consequently, the Group makes investments aimed at minimizing environmental impact, protecting and improving the environment; and incurs expenses derived from environmental actions, which basically correspond to the ordinary expenses for the removal of waste, consulting, measurements and environmental certifications.

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The adaptation and incorporation of investments that meet the most current environmental requirements implies a direct mitigation of the risk derived from the transition to low-carbon economies in the recovery of the value of their productive assets.

- b) *Energetic efficiency*: the improvement of energy efficiency is a priority objective for the Group, since it contributes to reducing its environmental impact, in addition to implying a direct improvement in competitiveness. The main lines of action consist of energy saving, and emission control. In this line, the Group contracts clean energy for the operation of its facilities wherever this option is available; and with the same philosophy of reducing their emissions and their energy bill, photovoltaic panels have been installed in different facilities in Europe, where, in addition, in 2022 new contracts were signed for the supply of green energy for own consumption starting 2023; and India, where investment in new solar power plants has continued.

In this sense, it is expected that the action plans carried out by the Group in terms of efficiency will mean, in the medium and long term, an improvement in the margin on the goods it produces.

- c) *Water and material consumption*: in the Group's production process, an intensive use of water is carried out. In order to reduce discharges as much as possible, it has its own systems and facilities for water treatment, recirculation and recovery. With regard to raw materials, the Group constantly reviews all processes to make responsible use of raw materials. An example of these practices is the reduction of the gross weight of the products it manufactures, and that implies the reduction of the consumption of energy and other products necessary for the production process.

As in the case of energy efficiency action plans, it is estimated that these actions will also improve the margins of the goods produced.

- d) *Pollution control and waste management*: the Group's environmental management systems are based on the ISO14001 standard, and ensure that pollution does not exceed the levels established by current regulations. On the other hand, the Group's recycling system allows the reincorporation of recycled raw materials into its production process. Those materials that cannot be recycled are collected by specialized managers who prioritize their recycling over their landfill.

The risk of the impact on the margins of adapting to low-carbon economies

Cost pressure can occur on car producers. During the deployment phase of more sustainable vehicles, the final cost will be higher and, to maintain sales volumes, there is a risk of increased cost pressure on component suppliers.

Faced with this type of scenarios and risks, the Group's model is very effective. Commercial diversification makes dependence on a project or its renovation low, so the freedom to invest in projects is key. To this is added another of the axes of the group, the investment discipline, which leads to a detailed analysis of the projects with volume sensitivity analysis, avoiding those projects with volumes lower than those initially announced have a definitive impact on the returns.

The Group not only adapts to the low-carbon economy through the final product it offers to the market, but also by modifies its production process, which is highlighted by signing of clean energy purchase agreements for the use of its operating plants. As a consequence, in Spain 100% of the energy consumed is green energy, which has resulted in emissions savings.

The direct physical risk posed by climate change in the production process and operations of a business

As of 31st December 2024 and 2023, the Group's production facilities, as well as the customers to which it provides, were not located in areas or geographical areas where an imminent climate risk is foreseen.

However, the Group is aware of the unpredictability of the effects of climate change and monitors the impacts that any adverse circumstance may generate in the valuation of the Group's assets, and therefore, in its Consolidated Financial Statements. In this sense, the Group is exposed to physical risks whose possible impacts it manages depending on the typology of each of them:

- a) *Water stress risks*: are the risks that can result in the lack of water supply.
- b) *Acute physical risks*: are the risks arising from the occurrence of acute climatic phenomena. These accidental risks are covered by the global Civil Liability policy. To strengthen the management of environmental and safety risks, the Group has initiated a collaboration project with the technical departments of its insurance companies, where risks are evaluated and monetized and an elimination plan is established, or where appropriate, mitigation.
- c) *Chronic physical risks*: they are risks that cause gradual changes with more lasting impact, such as rising average temperatures, rising sea levels or prolonged periods of heat.

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Although the Group's production facilities are not directly threatened by the effect of these chronic physical risks, there are environmental objectives established to be met in all the plants and regions where it operates.

- d) *Protection of biodiversity*: due to the location of its production facilities, mostly in industrial estates, the impact of its activities on biodiversity is not considered significant.

4. ENVIRONMENT

CIE Automotive is strongly committed to environmental sustainability, this being a priority in the development of its activities and its business strategy. Climate change is a challenge on which CIE has been working proactively for years on its path towards "net-zero" through various initiatives that have a positive impact on reducing its environmental footprint.

The Environment Chapter of the Non-Financial and Sustainability Information of this Report sets out the objectives, strategies and lines of work carried out in the area of environmental management of the Group.

5. HUMAN RESOURCES

People contribute one of the main assets of CIE Automotive, which bases its culture on values such as equality, diversity, equity, inclusion, teamwork, and talent development.

The distribution of the staff and members of the Board of Directors as of 31st December 2024 and 2023 between women and men is as follows:

	2024			2023		
	Women	Men	Total	Women	Men	Total
Directors	5	8	13	5	9	14
Executives	4	4	8	4	4	8
University graduates and specialists	29	30	59	28	25	53
TOTAL	38	42	80	37	38	75

(*) As of 31st December 2024 and 2023, two members of the Board of Directors are, equally, executives of the Group.

6. R&D ACTIVITIES

CIE Automotive is proactive in technological transformation and decarbonization to reduce its product and corporate footprint, in accordance with market trends. With this purpose, it works in different lines to materialize the opportunities generated by the current scenario and mitigate or eliminate the risks that arise.

Especially relevant are the new technologies in the plants that provide the flexibility, agility and reaction capacity necessary to face all the challenges with changing volumes and scenarios.

2024 work lines

CIE Automotive is immersed in a technological transformation, which will allow it to reduce its corporate footprint and that of its products and improve its efficiency to compete in a competitive and changing market. In 2024, it continued to innovate and invest approximately 2% of its net profit to meet the objectives set out in its 2025 Strategic Plan. Its 10 research and development centres and the Engineering and R&D Areas work on development, innovation and improvement projects, following a roadmap based on 4 strategic lines: eco-efficiency, industry 4.0, new mobility concepts and electrification. Criteria are introduced for product and process eco-design, durability, repairability and reduction of environmental impact from the earliest phases of the product with a life cycle approach and taking into account the value chain. Innovation also plays a crucial role in achieving the goal of "net-zero".

The Group has continued to develop initiatives in the short, medium and long term, so that some of them are already reaching the market and others will gradually leave. Work in the technology area is entrusted to the 2025 Strategic Plan and develops five of the eight lines of action set:

- Vehicle lightness: reduction of the auto parts weight has a direct impact in its consumption and therefore, both in the emissions of combustion vehicles and autonomy of electric vehicles. CIE develops R&D and engineering projects in search of their maximum optimization.
- Electrification: technological progress in this area positions CIE Automotive as a key agent in mitigating environmental impact and is part of the way forward to help minimize climate change.
- Comfort: the line of innovation for the incorporation of circularity criteria through the use of new materials based on natural fibres and with a higher percentage of recycled material has an important market in the area of comfort and is linked, in turn, to the eco-efficiency.

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- Industry 4.0: Sensorisation, capture, analysis and visualization of the parameters of the critical process variables.
- Eco-efficiency: the efficient use of materials, which has been the basis of the Group's sustainability and competitiveness for years.

As a prominent member of the automotive components industry, CIE Automotive works for a fair and responsible management of its activity for the benefit of the sector, its stakeholders and society.

In addition, the Group maintains its presence in regional, national and international forums (members of the board of directors of the Automotive cluster of the Basque Country ACICAE, members of the board of directors of the National Association of component manufacturers SERNAUTO, members of the executive committee of the TECNALIA technology center, we continue to participate in EGVI and other R&D&i Industrial forums).

7. TRADING WITH TREASURY SHARES

At 31st December 2024 and 2023, the share capital of the Company is represented by 119,807,484 ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, fully paid, listed on the Madrid stock market.

The balance of treasury shares held by the parent company at the end of 2024 amounted to 62,048 shares, being the movement of the year as follows:

31 st December 2024		
	Number of shares	Amount (Thousands of euros)
Initial balance	47,517	1,202
Acquisitions of the year	629,446	16,130
(Sales) for the year	(614,915)	(15,762)
Ending Balance	62,048	1,570

During 2024, the Company acquired a net amount of 14,531 treasury shares directly, with an ending balance of 62,048 shares (reaching 0.05% of the total voting rights issued by the Company), which are in addition the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights).

Also, rescinding the resolution adopted by the General Meeting of Shareholders on 4th May 2023 for the unexecuted part, the General Meeting of Shareholders on 8th May 2024 agreed to authorize the Company, directly or through any of its subsidiaries, for a maximum of five years from the date of the General Meeting of Shareholders, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by Law, including against profits for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and related provisions of the Company's Act.

Under this authorization framework, on 8th May 2024, the Company's General Shareholders' Meeting approved a program to repurchase the Company's treasury shares in order to reduce up to a maximum of 10% of the parent company's share capital through the redemption of treasury shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

8. AVERAGE PAYMENT PERIOD TO SUPPLIERS

The breakdown of trade payables settled during 2024 and 2023 those pending of payment at the year-end in relation to the legally-permitted payment terms stipulated in Spanish Law 15/2010 of 5th July, is as follows:

	Days	
	2024	2023
Average payment period to suppliers	52	52
Paid operations ratio	58	62
Outstanding operations ratio	46	46

	Thousand euros	
	2024	2023
Payments made	11,434	11,898
Outstanding payments	10,546	17,552

MANAGEMENT REPORT FOR THE YEAR 2024

Additionally, and in accordance with the obligations required in the Spanish Law 18/2022 on creation and growth of companies, it is reported that the total amount of payments made in before than the maximum established by Law 5/2010 has amounted to €8,526 thousand (2023: €8,182 thousand) and 1,125 invoices (2023: 1,225 invoices), which represent 75% of the total payments made and 66% of the total invoices (2023: 69% and 69% respectively).

9. STOCK EXCHANGE INFORMATION

Listing price

CIE Automotive's share price fell by 1%, reaching a quotation of €25.40 euros on 31st December 2024. In a complex macroeconomic and sector backdrop, CIE Automotive is delivering excellent results for 2024, confirming its resilience and strengthening its position as one of the most profitable companies in the industry. Despite the challenging environment, CIE Automotive has outperformed the sector, with a stock market performance of -1% compared to the worst performance of the Stoxx Europe 600 Automobiles & Parts index (-12%). This resilience reflects the strength of its business model and its ability to generate value on a sustained basis.

The gap between CIE Automotive's fundamentals and its share price persisted throughout the year. The share price remained significantly below its potential, set at more than €33 by the consensus of analysts who follow the company. Unlike other component companies, the company has maintained its strategic objectives unchanged for years despite the complex context and remains on the podium of the most profitable companies with the best future in its sector.

Shareholder remuneration

CIE Automotive once again fulfilled its commitment to allocate a third of its profits to shareholders in 2024. The company distributed €107.8 million euros in dividends corresponding to the previous year, making two payments of €0.45 gross per share, the first on 5th January and the second on 7th July.

In line with its remuneration policy, the Board of Directors, at the meeting held on 14th December, agreed to pay an interim dividend charged to the results of the 2024 financial year of €0.46 per share. The disbursement occurred on 8th January 2025.

10. ANNUAL REPORT ON CORPORATE GOVERNANCE AND REPORT ON REMUNERATION TO DIRECTORS

In order to guarantee transparency, both the legal framework defined by the Group as well as the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration are available on the corporate website www.cieautomotive.com, in line with the technical specifications and legal regulations established by the National Securities Market Commission in its Circular 3/2015, of June 23.

Additionally, considered as part of this Management Report, both the Annual Corporate Governance Report and the Annual Directors' Remuneration Report are incorporated by reference and may be consulted on the website of the National Securities Market Commission after being published by the Group:

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A-20014452>

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-20014452>



Auditor's Report on CIE Automotive, S.A. and Subsidiaries

(Together with the consolidated annual accounts
and consolidated directors' report of CIE
Automotive, S.A. and subsidiaries for the year
ended 31 December 2024)

*(Translation from the original in Spanish. In the event
of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.
Torre Iberdrola
Plaza Euskadi, 5
Planta 17
48009 Bilbao

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of CIE Automotive, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of CIE Automotive, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill (Euros 1,829,756 thousand)

See notes 3.3.5 (a), 7.2 and 8 to the consolidated annual accounts

Key audit matter	How the matter was addressed in our audit
The Group has a relevant amount of goodwill arising from multiple acquisitions made in prior years. Irrespective of the existence of indications of impairment, IFRS-EU require that the Group identify the Cash Generating Units (CGUs) to which the goodwill should be assigned and calculate the recoverable amount thereof at least annually, in order to assess by comparison with the carrying amount if it is necessary to recognise impairment. The Group determines the recoverable amount of each Cash Generating Unit based on its value in use and, therefore, its calculation is based on projected future discounted cash flows and the use of certain key assumptions, which requires the application of value judgements and estimates by management and the Directors. Due to the significance of the balance of goodwill, the high level of judgement applied and the uncertainty associated with the estimates made by management and the Directors, this has been considered a key audit matter.	Our audit procedures included the following: - Assessing the design and implementation of controls related to the valuation process; - Evaluating the reasonableness of the methodology used to calculate value in use and the main assumptions considered, with the involvement of our valuation specialists; - Contrasting the consistency of the estimated growth in future cash flows for each CGU, as forecast in calculating the value in use, with the business plans approved by the governing bodies of the entities comprising the CGUs. We also contrasted the cash flow forecasts of the CGUs estimated in prior years with the actual cash flows obtained; - Assessing the sensitivity of certain assumptions to changes that are considered reasonable. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information: Consolidated Directors' Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Compliance Committee's Responsibilities for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's Audit and Compliance Committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We communicate with the Audit and Compliance Committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's Audit and Compliance Committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Audit and Compliance Committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of CIE Automotive, S.A. and its subsidiaries for 2024 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of CIE Automotive, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Compliance Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's Audit and Compliance Committee dated 26 February 2025.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 28 April 2022 for a period of three years, from the year ended 31 December 2023.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

*This report
corresponds to seal
no. 03/25/00290
issued by the Spanish
Institute of Registered
Auditors (ICJCE)*

On the Spanish Official Register of Auditors ("ROAC") with No. 18,961



CIE Automotive



***MANAGING HIGH VALUE
ADDED PROCESSES***

**Consolidated Annual Accounts and
Management Report
for the year ended 2024**

This 2024 Annual Report is a translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

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Appendix I: Detail of subsidiaries, joint ventures and associates

CONSOLIDATED BALANCE SHEET AT 31st DECEMBER 2024

Thousand euro	Note	31.12.2024	31.12.2023
Property, plant and equipment	7/8	1,776,024	1,664,283
Intangible assets		1,852,331	1,822,123
Goodwill	7/8	1,829,756	1,795,131
Other intangible assets	7/8	22,575	26,992
Non-current financial assets	9	80,616	68,022
Investments accounted applying the equity method	9	55,317	54,664
Deferred tax assets	18	238,691	231,735
Other non-current assets	-	22,500	31,176
Non-current assets		4,025,479	3,872,003
Inventories	11	457,161	460,460
Trade debtors and other accounts receivable		346,698	369,082
Trade and other receivables	10	201,131	241,897
Other current assets	-	73,898	64,071
Current tax assets	-	71,669	63,114
Other current financial assets	9	183,462	126,875
Cash and cash equivalents	12	947,454	839,921
Current assets		1,934,775	1,796,338
Disposal group assets classified as held for sale	13	651	658
TOTAL ASSETS		5,960,905	5,668,999

CONSOLIDATED BALANCE SHEET AT 31st DECEMBER 2024

Thousand euro	Note	31.12.2024	31.12.2023
Equity attributable to the parent company's shareholders		1,497,920	1,276,550
Share capital	14	29,952	29,952
Treasury shares	14	(1,570)	(1,202)
Share premium	14	152,171	152,171
Retained earnings	14	1,659,290	1,449,174
Interim dividend	14	(55,082)	(53,893)
Translation differences	14	(286,841)	(299,652)
Non-controlling interests	14	416,021	384,694
TOTAL EQUITY		1,913,941	1,661,244
Deferred income		17,680	16,399
Non-current provisions	19	140,760	147,076
Non-current borrowings	15	1,573,696	1,657,805
Deferred tax liabilities	18	220,603	206,495
Other non-current liabilities	17	149,880	142,293
Non-current liabilities		2,084,939	2,153,669
Current borrowings	15	642,858	511,662
Trade creditors and other payables		1,018,691	1,036,122
Trade and other payables	16	936,187	961,866
Current tax liabilities	17	82,504	74,256
Other current financial liabilities	9	42	24
Current provisions	19	118,730	114,475
Other current liabilities	17	163,582	175,078
Current liabilities		1,943,903	1,837,361
Disposal group liabilities classified as held for sale	13	442	326
TOTAL LIABILITIES		4,029,284	3,991,356
TOTAL EQUITY AND LIABILITIES		5,960,905	5,668,999

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2024

Thousand euro	Note	2024	2023
OPERATING REVENUE		4,089,225	4,116,304
Revenue	20	3,960,555	3,959,479
Other operating income	20	125,332	170,328
Change in inventories of finished goods and work in progress	11/20	3,338	(13,503)
OPERATING EXPENSES		(3,550,839)	(3,588,632)
Consumption of raw materials and secondary materials	11	(2,273,193)	(2,332,255)
Employee benefit expense	22	(659,377)	(651,953)
Depreciation, amortisation and impairment	6/7/8	(189,490)	(185,527)
Other operating expenses	21	(428,779)	(418,897)
OPERATING PROFIT		538,386	527,672
Finance income	23	41,733	34,884
Finance costs	23	(125,976)	(126,334)
Net exchange differences	23	(1,774)	(1,539)
Result of financial instruments at fair value	9/23	1,347	6,576
Result of investments accounted applying the equity method	9	8,915	8,383
PROFIT BEFORE TAX		462,631	449,642
Income tax	24	(100,707)	(101,824)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		361,924	347,818
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	13	1,033	13,371
PROFIT FOR THE YEAR		362,957	361,189
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	14	(37,297)	(41,014)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		325,660	320,175
Earnings per share from continuing operations (euro)			
- Basic		2.71	2.60
- Diluted		2.71	2.60
Earnings per share from discontinued operations (euro)			
- Basic	14	0.01	0.07
- Diluted		0.01	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2024

Thousand euro	Note	2024	2023
PROFIT FOR THE YEAR		362,957	361,189
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences	14	22,225	(89,914)
Net investment coverage	3.3.9.a)	(2,544)	2,830
Other comprehensive income for the year		(7,444)	63
Tax impact		1,831	-
Total entries that may be reclassified to profit or loss		14,068	(87,021)
Cash flow hedges	9	-	(1,347)
Tax impact	18	-	323
Total items reclassified to profit or loss in the year		-	(1,024)
Actuarial gains and losses	19	1,190	(3,192)
Tax impact	18	(392)	33
Total items that may not be reclassified to profit or loss		798	(3,159)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		377,823	269,985
Attributable to parent company owners	14	333,681	237,365
Continuing operations		332,960	227,094
Discontinued operations		721	10,271
Attributable to non-controlling interests	14	44,142	32,620

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2024

Thousand euro	Share Capital (Note 14)	Treasury shares (Note 14)	Share premium (Note 14)	First time conversion reserve and other revaluation reserves (Note 14)	Translation differences (Note 14)	Retained earnings (Note 14)	Interim dividend (Note 14)	Non-controlling interests (Note 14)	Total Equity
Balance at 1st January 2024	29,952	(1,202)	152,171	(41,717)	(299,652)	1,490,891	(53,893)	384,694	1,661,244
Total comprehensive income for 2024	-	-	-	(4,790)	12,811	325,660	-	44,142	377,823
Distribution of 2023 profit (Note 14)	-	-	-	-	-	(107,778)	53,893	-	(53,885)
Interim dividend 2023 (Note 14)	-	-	-	-	-	-	(55,082)	-	(55,082)
Acquisition of treasury shares (Note 14)	-	(16,130)	-	-	-	-	-	-	(16,130)
Sale of treasury shares (Note 14)	-	15,762	-	-	-	100	-	-	15,862
Other movements ^(*)	-	-	-	-	-	(3,076)	-	(12,815)	(15,891)
Balance at 31st December 2024	29,952	(1,570)	152,171	(46,507)	(286,841)	1,705,797	(55,082)	416,021	1,913,941

^(*) It mainly refers to dividends distributed to non-controlling interests.

Thousand euro	Share Capital (Note 14)	Treasury shares (Note 14)	Share premium (Note 14)	First time conversion reserve and other revaluation reserves (Note 14)	Translation differences (Note 14)	Retained earnings (Note 14)	Interim dividend (Note 14)	Non-controlling interests (Note 14)	Total Equity
Balance at 1st January 2023	30,637	(60,326)	152,171	(37,582)	(220,978)	1,328,467	(49,049)	361,309	1,504,649
Total comprehensive income for 2023	-	-	-	(4,135)	(78,675)	320,175	-	32,620	269,985
Distribution of 2022 profit (Note 14)	-	-	-	-	-	(99,238)	49,049	-	(50,189)
Interim dividend 2022 (Note 14)	-	-	-	-	-	-	(53,893)	-	(53,893)
Share capital reduction (Note 14)	(685)	57,117	-	-	-	(56,432)	-	-	-
Acquisition of treasury shares (Note 14)	-	(8,856)	-	-	-	-	-	-	(8,856)
Sale of treasury shares (Note 14)	-	10,863	-	-	-	797	-	-	11,660
Other movements ^(*)	-	-	-	-	1	(2,878)	-	(9,235)	(12,112)
Balance at 31st December 2023	29,952	(1,202)	152,171	(41,717)	(299,652)	1,490,891	(53,893)	384,694	1,661,244

^(*) It mainly refers to dividends distributed to non-controlling interests.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2024

Thousand euro	Note	Year ended 31 st December	
		2024	2023
PROFIT BEFORE TAX FROM CONTINUING AND DISCONTINUED OPERATIONS		463,886	469,361
Adjustments to year's profit		254,692	239,958
Depreciation, amortization and impairment	6/7/8	189,490	185,527
Finance profit/(loss) and exchange rate differences	6/23	84,670	86,413
Profit/(loss) from investments accounted applying the equity method	9	(8,915)	(8,383)
Other adjustments to year's profit		(10,553)	(23,599)
Changes in working capital		(6,996)	(53,448)
Net variation of provisions	19	5,613	(71,531)
Other changes in net working capital		(12,609)	18,083
Other cash flows from operating activities		(174,742)	(140,222)
Interest paid and collected		(83,882)	(79,547)
Income tax payments		(90,884)	(84,188)
Cash generated from operating activities from discontinued operations	13	24	23,513
CASH FLOWS FROM OPERATING ACTIVITIES		536,840	515,649
Payments for the acquisition of subsidiaries, net of cash acquired	2/5.3	(18,157)	(17,942)
Payments for the acquisition of property, plant and equipment	7	(248,013)	(220,414)
Payments for the acquisition of intangible assets	7	(1,977)	(2,445)
Collections from the sale of property, plant and equipment and intangible assets		6,910	8,772
Collections from dividends paid by investments accounted applying the equity method	9	9,085	7,474
Disbursements for investment in joint and associated businesses	9	(577)	(835)
Payments for financial assets	9	(37,297)	(53,834)
Disposal of the German forging business	13	-	7,619
Cash generated from investing activities from discontinued operations	13	-	(1,496)
CASH FLOWS FROM INVESTING ACTIVITIES		(290,026)	(273,101)
Collections/(payments) from transactions with treasury shares	14	(268)	2,804
Proceeds from borrowings	15	422,014	329,290
Loan repayments	15	(482,775)	(335,881)
Collections/(payments) from high-rotation borrowings	15	(14,010)	(62,134)
Collections/(payments) from commercial paper program	15	93,380	77,520
Cancellation of hedging instruments	9	-	729
Grants received (net)		3,370	4,245
Variation of other debts (net)	17	231	(4,331)
Payments for lease liabilities	7	(27,298)	(25,283)
Dividends paid to shareholders of the parent company	14	(107,778)	(99,238)
Other payments/proceeds to/from non-controlling interests	14	(13,526)	(8,899)
Cash generated from financing activities from discontinued operations	13	-	141
CASH FLOWS FROM FINANCING ACTIVITIES		(126,660)	(121,037)
Exchange gains/(losses) on cash and cash equivalents		(12,597)	(23,693)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		107,557	97,818
Cash and equivalents at beginning of the period		840,071	742,253
Cash and equivalents at end of the period	12	947,454	839,921
Cash and equivalents at end of the period classified as discontinued operations	13	174	150

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

1. General information

1.1 CIE Automotive Group and activity

The CIE Automotive Group carries out its activities in the Automotive business. This business is carried out through an industrial group formed by several companies that are mainly engaged in the design, manufacture and sale of automotive components and sub-assemblies, on the global automotive market, using complementary technologies – aluminium, forging, metals and plastics – and several associated processes: machining, welding, painting and assembly, as well as the design and production of roof systems.

Its main facilities are in the following territories: Spain (Biscay, Araba/Álava, Gipuzkoa, Navarre, Barcelona, Cádiz, Orense and Pontevedra), Germany, France, Portugal, Czechia, Romania, Italy, Morocco, Lithuania, Slovakia, Hungary, North America (Mexico and the United States of America), South America (Brazil), India, and the People's Republic of China.

CIE Automotive, S.A.'s (the parent Company) registered office is located in Spain at "Alameda Mazarredo 69, 8th floor, Bilbao".

Group structure

At present, CIE Automotive, S.A. (publicly listed company) has a 100% direct share in the following companies: CIE Berriz, S.L., Advanced Comfort Systems Ibérica, S.L.U., Advanced Comfort Systems France, S.A.S., Autokomp Ingenieria, S.A.U., CIE Automotive Boroa, S.L.U., CIE Roof Systems, S.L.U. and CIE Automotive Roof Systems Korea, Ltd; mainly, holding companies which own the investments in the CIE Automotive Group's productive companies.

The list of subsidiaries, joint arrangements and associates at 31st December 2024, together with the information concerning them, is disclosed in the Appendix I to these Consolidated Annual Accounts.

All subsidiaries under the control of the CIE Automotive Group have been consolidated using the full consolidation method.

The subsidiaries consolidated under the equity method are disclosed in Note 9.

Business evolution

During the 2023 financial year, the global automotive market increased its production by almost 10% compared to the same period of the previous year. Little by little, the market left behind the subsequent events caused by the Covid-19 pandemic on the supply chain, as well as the effects of the war in Ukraine on the macroeconomic situation of the year 2022, which was marked by an inflation increase and rising cost of raw materials. Thus, car production in the year 2023 reached 90.5 million of produced vehicles.

During the 2024 financial year, the global automotive market has decreased its production by 1.1% compared to the same period of the previous year, having reached an amount of 89.5 million vehicles manufactured, 1.0 million less than in the previous year.

In this market context, the Group has increased its turnover by 1.1% excluding the foreign currency translation impact, 2.2 percentage points above the market, overperforming in almost all geographies where manufactures vehicles and evidencing again its capacity of sustainable growth.

As of 31st December 2024, the Group has a liquidity reserve amounting to €1,790.9 million (Note 5.1b)), which will allow it to fulfil with the necessary payments for the continuity of its business during 2025. In the same way, the Group has complied with the "covenants" of all its structural financing (Note 15).

At the date of preparation of these Consolidated Annual Accounts, the Directors of CIE Automotive, S.A., with the available information, estimate that the continuity of the business is not at risk given the solvency and liquidity position of the Group.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 **(Denominated in thousand euro)**

Changes in the scope of consolidation

2024

On 26th March 2024, the Group, through its subsidiary CIE Berriz, S.L., and once the usual precedent conditions were met, entered into a share purchase agreement to acquire the entire capital stock of the company AKT Plásticos, S.L.U. amounting a value (Enterprise Value) of €19 million.

Additionally, during the year 2024, the following corporate transactions have been carried out without any of them having significant impact on the consolidated financial statements:

- On 20th February, the company BillForge México, S.A. de C.V. has carried out a capital increase that has been fully subscribed by CIE Galfor, S.A.U.
- On 16th September, CIE Automotive, S.A. has sold to CIE Berriz, S.L. the only share that the former owned in Orbelan Plásticos, S.A.U. In this way, Orbelan Plásticos, S.A.U. has acquired the status of a sole ownership.
- On 22nd October, the Czech company CIE Joamar, s.r.o. has been liquidated.
- On 8th November, the deed of the merger by absorption of AKT Plásticos, S.L.U. (Absorbed Company) by Orbelan Plásticos, S.A.U. (Absorbing Company) was signed. The merger has entailed the extinction of the Absorbed Company and the transfer of its net assets to the Absorbing Company, which has acquired by universal succession the rights and obligations of the Absorbed Company.

2023

On 2nd May 2023, the Group, through its subsidiary Autometal, Ltda., and once the usual precedent conditions were met, proceeded to acquire the entire capital stock of the Brazilian company Iber-Oleff Brasil, Ltda. amounting an approximate value (Enterprise Value) of €20 million. The acquisition cost, once adjusted the debt, amounted to €17.3 million (Note 2). After the acquisition of this company, the company name was modified to CIE Autometal Salto Indústria e Comércio, Ltda.

On 9th August 2023, the Group entered into a share purchase agreement whereby the Group sold 100% of its stake in the operating companies of the German forging business Schöneweiss & Co. GmbH, Gesekschmiede Schneider GmbH, Falkenroth Umformtechnik GmbH and Jeco Jellinghaus GmbH for a total amount of approximately €25 million (Note 13).

On 11th October 2023, the Group, through its subsidiary CIE Roof Systems, S.L., acquired the entire capital stock of the Hungarian company Salgglass Üvegipari, Z.r.t., whose acquisition cost, including the financial debt assumed, amounted to €5 million (Note 2).

Additionally, during the year 2023, the following corporate transactions were carried out without any of them having significant impact on the consolidated financial statements:

- On 1st March, the merger by absorption between the Brazilian companies CIE Forjas Minas, Ltda. (absorbing company) and Autoforjas, Ltda. (absorbed company) was carried out.
- On 17th April, the British company Stokes Group Limited was liquidated.
- On 15th May, the company name of Mahindra CIE Automotive, Ltd. was changed to CIE Automotive India, Ltd.
- On 30th May, the merger by absorption between the companies Componentes de Automoción Recytec, S.L.U. (absorbing company) and Alurecy, S.A.U. (absorbed company) was carried out.
- On 28th June, the Mexican company CIE Metal Norte, S.A.P.I. de C.V. was established.
- On 5th July, the CIE Porriño, S.L.U. was established.
- On 30th August, the company name of Aurangabad Electricals, Ltd. was changed to CIE Aluminium Casting India, Ltd.
- On 13th September, the Guatemalan company Biocombustibles de Guatemala, S.A. was liquidated.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Preparation of the Consolidated Annual Accounts

These Consolidated Annual Accounts were prepared by the Board of Directors on 26th February 2025 and are pending approval by the Group parent company's general meeting of shareholders. However, the Board of Directors expects them to be approved without any modification.

The Consolidated Annual Accounts have been prepared and formulated under the going concern principle as there are no causes that call into question the continuity of the Group's operations.

2. Business combinations

2024

On 26th March 2024, the Group, through its subsidiary CIE Berriz, S.L., acquired 100% of share capital of the company AKT Plásticos, S.L. (Unipersonal) amounting to an acquisition cost of €33.4 million; which included an Enterprise Value of €19.0 million as well as €14.4 million for the debt assumption the previous partner had with the acquired company.

The business combination for taking control of the company, referring to 100% of the corresponding share capital, as well as the detail of assets and liabilities arising from the acquisition at their fair value; and the movement of cash funds from the operation is summarized below:

Thousand euro	Note	Net assets at fair value
Fixed assets	7	15,205
Deferred tax assets	18	3,592
Financial assets	9	25,931
Inventories	11	2,511
Accounts receivables		3,004
Other current assets		19,352
Cash and cash equivalents		843
Assets acquired		70,438
Provisions	19	2,467
Bank borrowings		7,461
Deferred tax liabilities	18	10,918
Accounts payables		1,285
Other liabilities		21,383
Liabilities acquired		43,514
Net assets acquired		26,924
Purchase Price		19,000
Debt assumption		14,394
Fair value of the net assets acquired		(26,924)
Goodwill	7	6,470

The cash flow of the transactions has been:

Amount paid	19,000
Cash and cash equivalents at the entity acquired	(843)
Outflow of cash on the acquisition	18,157

This goodwill resulting from the acquisition has been attributed to the future profitability of the acquired business and the synergies expected to be obtained after the acquisition and its integration by the Group.

The main adjustments recognized correspond to the valuation of fixed assets at fair value, as well as the registration of pre-existing contingent liabilities based on the valuation of potential risks of the acquired business. Land and buildings have been registered according to valuation reports from independent third-party experts, while the fair value of machinery and other operating assets have been evaluated based on internal reviews.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The analysis of the business combination, as well as the process of assigning the purchase price to the fair value of the acquired assets and liabilities has finalized.

The total revenue, the operating profit and the profit for the year contributed by this business combination as of 31st December 2024 amounted to €28.3 million, €2.7 million positive and €2.5 million positive, respectively.

2023

a) **Iber-Oleff Brasil, Ltda**

On 2nd May 2023, the Group, through its subsidiary Autometal, Ltda., acquired 100% of the capital share of the Brazilian company Iber-Oleff Brasil, Ltda. (currently named CIE Autometal Salto Indústria e Comércio, Ltda.) amounting to an acquisition cost of €17.3 million, €13.6 million paid on the acquisition date and an agreed deferred payment of €3.6 million.

The business combination for taking control of the company, referring to 100% of the corresponding equity stake, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized below:

Thousand euro	Note	Net assets at fair value
Fixed assets	7	15,343
Deferred tax assets	18	7,183
Financial assets	9	8,642
Inventories	11	4,300
Accounts receivables		2,174
Other current assets		598
Cash and cash equivalents		144
Assets acquired		38,384
Provisions	19	16,734
Bank borrowings		5,916
Deferred tax liabilities	18	6,998
Accounts payables		3,385
Other liabilities		1,035
Liabilities acquired		34,068
Net assets acquired		4,316
Purchase Price		17,260
Fair value of the net assets acquired		(4,316)
Goodwill	7	12,944

The cash flow of the transactions was:

Purchase Price	17,260
Outstanding amount at the time of the acquisition	(3,622)
Amount paid	13,638
Cash and cash equivalents at the entity acquired	(144)
Outflow of cash on the acquisition	13,494

This goodwill resulting from the acquisition was attributed to the future profitability of the acquired business and the synergies expected to be obtained after the acquisition and its integration by the Group.

The fair value of the acquired assets and liabilities was assessed in accordance with the report of an independent expert. The main adjustments recognised corresponded to the valuation of fixed assets at fair value, as well as the registration of pre-existing contingent liabilities based on the valuation of potential risks of the acquired business.

The provisions were recorded at fair value for the estimated future cash outflow deemed possible and corresponded, mainly, to operating risks of the business, liabilities due to labour obligations, local tax risks and environmental risks. The provisions recognized within the business combination amounted to €16.7 million at the acquisition date.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The analysis of the business combination, as well as the process of assigning the purchase price to the fair value of the acquired assets and liabilities finalized in year 2023.

The total revenue, the operating profit and the profit for the year contributed by this business combination as of 31st December 2023 amounted to €17.5 million, €4.5 million positive and €3.0 million positive, respectively. In case the takeover had occurred on 1st January 2023, the total revenue, the operating profit and the profit for the year contributed by this business combination as of 31st December 2023 would have amounted to €24.9 million, €5.5 million positive and €3.5 million positive, respectively.

b) Salgglas Üvegipari, Z.r.t.

In the third quarter of year 2023, through its subsidiary CIE Roof Systems, S.L.U., the Group acquired the entire capital stock of the Hungarian company Salgglas Üvegipari, Z.r.t. ((currently named CIE Salgglas Üvegipari, Z.r.t. and henceforth "Salgglas"), whose acquisition cost, that includes both the amount paid for the company's shares and the financial debt assumed, amounted to €5 million. The takeover of this company by the Group was conditional on certain agreements and conditions that were finalized during September 2023, so the closing of the transaction was signed on October 11, 2023 once the precedent conditions were concluded.

The business combination for taking control of the company, referring to 100% of the corresponding equity stake, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized as follows:

Thousand euro	Note	Net assets at fair value
Fixed assets	7	11,967
Inventories	11	3,328
Accounts receivables		1,335
Financial assets	9	25
Other current assets		627
Cash and cash equivalents		552
Assets acquired		17,834
Deferred income		1,638
Provisions	19	186
Bank borrowings		851
Deferred tax liabilities	18	612
Accounts payables		6,975
Other liabilities		2,118
Liabilities acquired		12,380
Net assets acquired		5,454
Net assets acquired		5,454
Purchase price and financial debt assumed		(5,000)
Negative consolidation difference		454

The cash flow of the transactions was:

Purchase Price	-
Financial debt assumed	5,000
Amount paid	5,000
Cash and cash equivalents at the entity acquired	(552)
Outflow of cash on the acquisition	4,448

The fair value of the acquired assets and liabilities was assessed in accordance with the report of an independent expert. The main adjustments recognized correspond to the valuation of fixed assets at fair value. The land and buildings were registered accordingly to the report by independent third-party experts, while the machinery and the rest of operating fixed assets were assessed on the basis of internal reviews.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The analysis of the business combination, as well as the process of assigning the purchase price to the fair value of the acquired assets and liabilities finalized in year 2023.

The total revenue, the operating profit and the profit for the year contributed by this business combination as of 31st December 2023 amounted to 11.3 million, €2.1 million positive and €1.7 million positive, respectively. In case the takeover had occurred on 1st January 2023, the total revenue, the operating profit and the profit for the year contributed by this business combination as of 31st December 2023 would have amounted to €28.9 million, €1.0 million negative and €0.4 million negative, respectively.

3. **Basis of presentation and summary of significant accounting policies**

The principal accounting policies applied in the preparation of these Consolidated Annual Accounts are set out below, which have been consistently applied to all the years presented.

3.1 **Basis of presentation**

These Consolidated Annual Accounts for the year ended 31st December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the recommendations issued by the Interpretation Committee for IFRS (IFRIC) adopted for utilisation in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 31st December 2024.

The Consolidated Annual Accounts have been prepared under the historical cost approach, except for financial assets at fair value with changes in other comprehensive income, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, assets held for sale (fair value less disposal costs) and retirement benefit plans - pensions (assets of the plans).

The preparation of Consolidated Annual Accounts in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Annual Accounts are disclosed in Note 4.

The consolidated income statement for the years 2024 and 2023 does not include unusual items that require a detail or a conciliation of balances.

Certain International Financial Reporting Standards are effective from 1st January 2024, prompting the Group to adapt its Consolidated Annual Accounts. The standards which have entered into force are disclosed in Note 3.2.

The Consolidated Annual Accounts are not affected by any aspect that may contravene applicable presentation basis.

The figures contained in these Consolidated Annual Accounts are shown in thousand euro, except as expressly indicated in another unit.

The information contained in these Consolidated Annual Accounts referring to the 2024 financial year includes, for comparative purposes, information relating to 2023. In the 2024 financial year there have been no events that affect the comparability of the information.

3.2 **Summary of standards, amendments to standards and interpretations published to date**

a) **Standards, amendments, and mandatory interpretations for years beginning on or after 1st January 2024**

Adopted Standard		Group Impact
IAS 1 (Amendment) "Classification of liabilities as current or non-current"	This amendment clarifies that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or events subsequent to the year-end date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. This amendment applies for fiscal years beginning on or after 1st January 2024.	The application of this amendment had no significant effect on the Group's Consolidated Annual Accounts.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024
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IFRS 16 (Modification) "Lease liabilities in a sale with a forward lease"	IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction takes place. However, it did not specify how to record the transaction after that date. This amendment explains how it must be accounted a sale and leaseback after the date of the transaction. This amendment applies for fiscal years beginning on or after 1st January 2024.	The application of this amendment had no significant effect on the Group's Consolidated Annual Accounts.
IAS 1 (Amendment) "Non-current liabilities subject to conditions ("covenants")"	IASB has issued an amendment to IAS 1 "Presentation of financial statements", in response to concerns raised about the application of previous amendments to it (in January and July 2020) in relation to the classification of liabilities as current or non-current, which would have entered into force for years beginning on or after 1st January 2023. The new amendment aims to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions ("covenants") within twelve months after the reporting period. This amendment applies for fiscal years beginning on or after 1st January 2024.	The application of this amendment had no significant effect on the Group's Consolidated Annual Accounts.
IAS 7 and IFRS 7 (Amendment) "Supplier financing agreements"	The amendment to IAS 7 and IFRS 7 entails an additional requirement for disclosure of information for companies issuing financial statements in order to increase transparency on the impact of supplier financing agreements. The IASB has developed these new requirements to provide users of financial statements with information that enables them to: 1) assess how to improve supplier financing arrangements on the liabilities and cash flows of enterprises and 2) understand the effect of supplier financing agreements in the exposure to liquidity risk and know the effect on the financial statements in the hypothetical case that said agreements are cancelled. This amendment applies for fiscal years beginning on or after 1st January 2024. However, there is an exemption to the presentation of certain information in the exercise of the initial application.	The additional information required by this amendment, which resulted in no significant impact on the Group's Consolidated Annual Accounts, has been disclosed in Note 16 Trade and other payables.
IAS 12 "International Tax Reform-Pillar Two"	OECD released Pillar Two Model Rules on December 2021 to ensure that Multinational Enterprises (MNEs) are subject to a 15% minimum effective tax rate. IASB made urgent decisions in order to respond to the concern of stakeholder with reference to the uncertainty of deferred tax recognition stemmed from the application of the standards. The amendment to IAS 12 introduces a temporary exemption to the recognition of deferred tax assets for those territories that endorse the international tax reform. It will contribute to ensure that the consistency of the financial statements prevails and, likewise, it will enable an easier application of the standards and the disclosures required to help investors understand the exposure of a company to corporate taxes derived from the tax reform. Companies can benefit from the temporary exemption immediately, but disclosures requirements for investors exist for fiscal years beginning on or after 1st January 2023. Directive (EU) 2022/2523 has been transposed locally in December 2024 in the parent company's tax territory via regional act 04/2024.	The impacts resulting from the local transposition of Pillar 2 have been disclosed in Note 21 of the Consolidated Annual Statements.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024
(Denominated in thousand euro)

b) Standards, amendments and interpretations that have not yet come into force, but can be adopted in advance

Adopted Standard		Group Impact
IAS 21 (Amendment) “The Effects of Changes in Foreign Exchange Rates”	The amendment to IAS 21 clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking; as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. Under the amendment, a currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create “enforceable rights and obligations.” This amendment applies for fiscal years beginning on or after 1st January 2025. Its early adoption is permitted. At the date of preparation of this Consolidated Annual Accounts, the European Union has already endorsed the amendment.	This amendment is not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.

c) Standards, amendments and interpretations to existing standards that cannot be adopted in advance or that have not been endorsed by the European Union

At the date of preparation of these Consolidated Annual Accounts, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations detailed below, which are pending adoption by the European Union.

Adopted Standard		Group Impact
IFRS 7 and 9 (Amendment) “Amendments to the Classification and Measurement of the Financial Instruments”	The amendments to IFRS 7 and 9 address diversity in accounting practice by making the requirements more understandable and consistent. On the one hand, it is clarified how the contractual cash flows of ESG-linked financial assets should be assessed when determining whether they should be measured at amortised cost or fair value. Likewise, the IASB has also introduced additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income (FVOCI) and financial instruments with contingent features. On the other hand, it is clarified the derecognition date of financial assets and liabilities when the instrument is settled via electronic cash transfers. The IASB has also developed an accounting policy to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. This amendment applies for fiscal years beginning on or after 1st January 2026. Its early adoption is permitted, although it is pending approval by the European Union.	This amendment is not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.
IFRS 7 and 9 (Amendment) “Power Purchase Agreements”	This amendment aims to address the challenges that entities experience applying the requirements of IFRS 9 to contracts to buy and take delivery of electricity produced from nature-dependent sources. In this sense, the IFRS 9 includes the requirements that must be met for physical Power Purchase Agreements (PPA) to be considered as “own use”. It also includes the requirements for the application of hedge accounting for those companies that use these contracts as a hedging	This amendment is not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024
(Denominated in thousand euro)

	instrument. In addition, IFRS 7 is amended to add disclosure requirements on the financial performance of an entity and on the amount, timing and uncertainty of the future cash flows of entities invoked by this type of contract. This amendment applies for fiscal years beginning on or after 1st January 2026. Its early adoption is permitted, although it is pending approval by the European Union.	
Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	In accordance with the IASB's due process, proposed amendments to IFRS that are sufficiently minor or narrow in scope can be packaged together and exposed in one document, even though the amendments are unrelated. Such amendments are called "annual improvements". Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the Accounting Standards. Subject of proposed amendments are the following: - IFRS 1: hedge accounting by a first-time adopter. - IFRS 7: gain or loss on derecognition, introduction to the guidance on implementing IFRS 7, disclosure of deferred difference between fair value and transaction price and credit risk disclosures. - IFRS 9: derecognition of lease liabilities and transaction price. - IFRS 10: determination of a "de facto agent". - IAS 7: cost method. This amendment applies for fiscal years beginning on or after 1st January 2026. Its early adoption is permitted, although it is pending approval by the European Union.	These amendments are not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.
IFRS 18 "Presentation and Disclosure in Financial Statements"	IFRS 18 is a new IFRS Accounting Standard that replaces IAS 1 <i>Presentation of Financial Statements</i> and is aimed at improving the communication in the financial statements, with a focus on information about financial performance in the statement of profit or loss. The issuance of this new standard will improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures and adding new principles for aggregation and disaggregation of information. This amendment applies for fiscal years beginning on or after 1st January 2027. Its early adoption is permitted, although it is pending approval by the European Union.	This amendment is not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that may be disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by enabling subsidiaries to keep only one set of accounting records and reducing disclosure requirements.	This amendment is not expected to have a significant effect on the Group's Consolidated Annual Accounts in the future.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

	This amendment applies for fiscal years beginning on or after 1 st January 2027. Its early adoption is permitted, although it is pending approval by the European Union.	

3.3 Accounting policies

The main accounting policies used to prepare these Consolidated Annual Accounts have been the followings.

3.3.1 Consolidation principles

The consolidation methods used are described in Note 1. A breakdown of the identification data of the subsidiaries included in the scope of consolidation is provided in the Appendix I to these Notes.

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed, or has right, to obtain a few variable performances for his implication in the informed one and has aptitude to use his power on her to influence these performances.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The amount paid for the acquisition of a subsidiary consists of the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group, also including the fair value of any asset or liability that originates from a contingent consideration. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at fair value.

If the business combination is performed in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent compensation to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that termed as financial liability are recognised in profit. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share in the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, in case of an investment in favourable conditions, the difference is recognised directly in profit and loss account.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. The accounting policies followed by subsidiaries have been modified where necessary to ensure consistency with policies adopted by the Group.

The non-controlling interests in the results and equity of the subsidiaries are shown separately in the consolidated balance statement, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Annual accounts/financial statements used in the consolidation accounts are, in all cases, dates of 31st December of each year.

The accompanying Appendix I sets out the identification particulars of subsidiaries.

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b) Changes in ownership interests in subsidiaries without change of control

The Group recognises transactions involving non-controlling interests that do not result in loss of control as transactions with the owners of the Group's equity in their capacity as owners. In acquisitions of non-controlling interests, the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recognised in equity.

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d) Joint agreements

The Group applies IFRS 11 to all the joint agreements. The investments in joint agreements under IFRS 11 qualify as joint operations or as joint business, depending on the rights and commitments of every investor. The Group has evaluated the nature of his joint agreements and has determined that are joint business. Joint agreements are accounted for by applying the equity method, which is explained in section e) of this Note.

e) Associates

Associates (Note 9.c)) are all entities over which the Group has significant influence but not control, generally accompanying a shareholding lower than 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share in the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes any goodwill (net of impairment) identified on acquisition (Note 3.3.5.a)). Note 3.3.6 outlines the impairment policy in respect of non-financial assets, including goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share in the amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The Group's share of its associates post-acquisition profits or losses is recognised in the income statement and its share in post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share in losses in an associate company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred in implicit or legal obligations or made payments on behalf of the associate.

At each reporting date, the Group determines if there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment loss as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to "share in profit/(loss) of associates" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with policies adopted by the Group.

Dilution gains or losses arising in associates are recognised in the income statement.

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3.3.2 Operating segments' financial information

An operating segment is a component of the Group that develops business activities from which it can obtain ordinary income and incur expenses, whose operating results are reviewed on a regular basis by the highest decision making executives of the Group, to decide on the resources that should be allocated to the segment, evaluate its performance and in relation to which differentiated financial information is available.

The Board of Directors has been identified as the maximum decision-making body. Operating segments are reported consistently with the internal reporting provided to the Board of Directors. The highest decision-making body is responsible for allocating resources to and assessing the performance of the operating segments.

Financial information related to operating segments is disclosed in Note 6.

3.3.3 Foreign currency translation

a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). All Group companies use the currency of their country of origin as their functional currency, except, mainly, for the Mexican companies (Appendix I), whose functional currency was defined on 1st January 2009 as the US dollar.

The Consolidated Annual Accounts are presented in euro, which is the Group's functional currency and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Exchange gains and losses are presented in the income statement under "Net exchange differences".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates on the dates the fair value was determined. Translation differences in assets and liabilities recorded at fair value are presented as part of the gain or loss in fair value. For example, translation differences in non-monetary assets and liabilities such as equity interests held at fair value through profit or loss are recognized in profit or loss as part of the gain or loss in fair value and differences in equity. Translation into non-monetary assets such as equity investments classified as at fair value with changes in other comprehensive income are recognized in other comprehensive income.

c) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the other comprehensive income.

On consolidation, any exchange differences arising from the translation of net investments in foreign operations and loans and other instruments in foreign currency and designated as hedges of such investments are taken to equity. When realised, or when the investment ceases to be classified as a net investment in a foreign operation, these differences are recognised in the income statement as part of the gain or loss on the sale.

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Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

3.3.4 Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses, except for land, which is presented net of impairment losses.

Historic cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment transferred from equity.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Estimated useful lives
Buildings	10 – 50
Vehicles	3 – 15
Furniture, fittings and equipment	3 – 15

The depreciation policy historically applied by the Group to productive assets (plant, machinery and tools) is to systematically apply depreciation based on the useful lives of the assets concerned. These useful lives are estimated in accordance with the actual production levels attained by the assets (i.e. in accordance with the units of production method based on the understanding that this best reflects the expected pattern of consumption of the future economic benefits embodied by the assets) and their residual value, as well as a maximum useful life for each asset.

By using the units of production method, annual depreciation charges adapt to significant changes in production levels. Production levels are considered lower than normal when the components produced are lower than a number set by the Technical Management at each Group company. In cases where production levels vary significantly, the Group companies depreciate each asset based on the number of components produced. Regardless of the number of years of useful life of each asset based on normal production circumstances, in the event of significant declines in production levels there is a maximum useful life that each of the assets cannot exceed, due to both physical wear and tear and the passage of time.

The useful lives and annual depreciation rates for assets under normal production circumstances are as follows:

	Useful life (*)	Annual rate %
Machinery	10 – 20 years	5 – 10%
Plant	10 – 20 years	5 – 10%
Toollng	3 – 6.7 years	15% – 33.33%

(*) Years of useful life in accordance with estimated normalised units of production.

The residual value and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.3.6).

Rights of use assets are valued at cost including the following:

- The impact of the initial valuation of the lease liability,
- any lease payment made on or before the beginning date, less any lease incentive received for the period of the lease,
- any initial direct costs, and

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024

(Denominated in thousand euro)

- any restoration costs.

Rights of use assets are generally amortized on a straight-line basis during the lower period between the useful life of the asset and the lease term.

3.3.5 Intangible assets

a) Goodwill

Goodwill represents the excess of acquisition cost over the Group's interest in the acquisition-date fair value of the net identifiable assets, liabilities and contingent liabilities of the subsidiary acquired. Goodwill arising on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and is carried at cost less cumulative impairment losses; goodwill impairment cannot be reversed in the future. Gains and losses on the sale of an entity include the carrying amount of goodwill allocated to the entity sold.

For impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of each CGU group containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense.

b) Research and development expenses

Research expenditure is recognised as an expense as incurred. The costs incurred in development projects (associated with the design and testing of new products or product upgrades) are recognised as an intangible asset when the success of the development is deemed probable taking into account its technical and commercial feasibility, Group Management intends to complete the project and has the technical and financial resources to do so, has the ability to use or sell the asset and generate potential economic benefits and the costs involved may be reliably estimated. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the start of commercial production of the product on a straight-line basis over the period in which it is expected to generate economic benefits, which does not exceed five years.

Any intangible assets so recognised are subject to impairment testing under IAS 36.

c) Licences

The licenses acquired from third parties are presented at historical cost. Those acquired through business combinations are recognized at their fair value at the acquisition date. Amortization is calculated using the straight-line method to allocate the cost of the licenses during their estimated useful life.

After the acquisition of CIE Golde in 2019, the Group recorded an intangible asset related to licenses that said business had in force at the acquisition date for its fair value, which amounted to €11,784 thousand. Its useful life was estimated according to the period in which said licenses/patents will report economic benefits to the Group, which was estimated in 13 years.

d) Computer software

Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. Costs associated with developing or maintaining computer software programs are recognised as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are deemed likely to generate economic benefits more than costs beyond one year, are recognised as intangible assets. Directly attributable costs include software developer costs and an appropriate portion of relevant overheads.

Computer programs acquired from third parties or developed in-house that are capitalised are amortised over their estimated useful lives, which do not exceed 5 years and the period after which begin to be amortized once activated, is not greater than one year.

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e) Client contracts

The Group records the value associated with customers contracts acquired in the context of 2019 business combinations related to CIE Golde and CIE Aluminium Casting India, Ltd. for an amount of €6.6 million.

Customer contracts are initially valued at fair value in accordance with the valuation methodology “EMMI- Excess Method of Multi-period Income”, which is based on the current value of the cash flows of the business, deducted the amount for contributed assets. Upon recognition, the Group amortizes these assets linearly in the estimated period in which the cash flows will occur, which is generally between 5 and 10 years.

3.3.6 Impairment of non-financial asset

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.3.7 Non-current assets (disposal groups) held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group that is disposed of or classified as for sale and represents a line of business or geographical area separated from the rest. The results of discontinued operations are presented separately in the income statement.

3.3.8 Financial assets

Investments and financial assets

The Group classifies its financial assets in the following valuation categories:

- a) those that are valued subsequently at fair value (whether with changes in other comprehensive income or results), and
- b) those that are valued at amortized cost.

The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

For assets valued at fair value, losses and gains will be recognized in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, it will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for investments in equity at fair value with changes in other comprehensive income (FVOCI).

The Group reclassifies investments in financial assets when and only when its business model to manage those assets changes.

Conventional purchases or sales of financial assets will be recognized and written off, as appropriate, using the accounting for the trading date or the settlement date. Financial assets are derecognised when contractual rights over cash flows have expired or been transferred and the Group has transferred substantially all of its risks and rewards of ownership of the asset.

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At the time of initial recognition, the Group values a financial asset at its fair value plus, in the case of a financial asset other than at fair value through profit or loss, the costs of the transaction that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recorded with a charge to the income statement.

Debt instruments

The subsequent valuation of the debt instruments depends on the Group's business model to manage the asset and the characteristics of the cash flows of the asset. There are three valuation categories in which the Group classifies its debt instruments:

- **Amortized cost:** The assets held for the collection of contractual cash flows, when applicable, when these cash flows represent only payments of principal and interest are valued at amortized cost. Interest income from these financial assets is included in financial income according to the effective interest rate method. A gain or loss arising from the de-recognition of accounts is recognized directly in income and is presented in other gains/(losses), together with gains and losses from exchange differences, when applicable. Impairment losses are presented in a separate line in the income statement.
- **Fair value with changes in other comprehensive income (FVOCI):** The assets held for the collection of contractual cash flows and for selling the financial assets, when the cash flows of the assets represent only payments of principal and interest, they value at fair value with changes in other comprehensive income. Movements in the carrying amount are carried to other comprehensive income, except for the recognition of gains or losses from impairment of value, ordinary income from interest and gains or losses from exchange differences that are recognized in profit or loss. When the financial asset is written off, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in financial income according to the effective interest rate method. Gains and losses from exchange differences are presented in other gains/(losses) and the impairment expense is presented in a separate line item in the income statement.
- **Fair value with changes in results (FVPL):** Assets that do not meet the criteria for amortized cost or for fair value with changes in other comprehensive income are recognized at fair value through profit or loss. A gain or loss on an investment in debt that is recognized subsequent to fair value through profit or loss is recognized in income and is presented net within other gains/(losses) in the year in which it arises.

Impairment

The Group evaluates on a prospective basis the expected credit losses associated with its debt instruments recorded at amortized cost and at fair value with changes in other comprehensive income. The methodology applied to impairment of value depends on whether there has been a significant increase in credit risk.

The value correction for losses of financial assets is based on the hypothesis of compliance risk and expected loss rates. The Group uses the judgment in making these assumptions and selecting the variables for the calculation of the impairment of value based on historical impairment losses, the existing market conditions as well as the forward-looking estimates at the end of each year on which it is informed.

For trade accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires that the expected losses be recognized from the initial recognition of accounts receivable. The impairment provision to be recorded for the expected losses is carried out considering a single market, since most of the customers the Group provides are represented in the different geographies where it operates. For its calculation, a coefficient based on the historical defaults of the last years is applied, referenced to a multiplier in function of the macroeconomic conditions that affect the global automobile market, being its impact not material as a consequence of the credit worthiness of the Group's customers.

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3.3.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- a) Hedges of the fair value of recognised liabilities (fair value hedge);
- b) Hedges of a particular risk associated with a recognised asset/liability or a highly probable forecast transaction (cash flow hedge); or
- c) Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 8. Movements on the hedging reserve in equity are shown in Note 14. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the residual maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Derivatives and hedging activities

The effective part of the changes in the fair value of the derivatives that are designated and qualified as cash flow hedges is recognized in the cash flow hedge reserve in equity. The gain or loss related to the ineffective part is recognized immediately in results, within other income/(expenses).

The gain or loss corresponding to the effective part of the interest rate swaps generated by the floating rate loans is recognized in profit or loss under the heading "Financial expenses" at the same time that the interest expense is accrued by the covered loans.

When the option contracts are used to hedge forecasted transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

When forward contracts are used to hedge forecasted transactions, the Group generally designates only the change in the fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses related to the effective portion of the change in the spot component of forward contracts are recognized in the cash flow hedge reserve in equity. The change in the forward element of the contract related to the hedged item ("matured term element") is recognized in other comprehensive income in the costs of the hedge reserve within equity. In some cases, the entity may designate the total change in the fair value of the forward contract (including forward points) as a hedging instrument. In these cases, the gains or losses corresponding to the effective portion of the change in the fair value of the full-term contract are recognized in the cash flow hedge reserve in equity.

When a hedging instrument expires, is sold or terminated, or when a hedge fails to meet the criteria for hedge accounting, any cumulative deferred gain or loss and the deferred costs of the hedge at that time remain in equity until that the anticipated transaction occurs, resulting in the recognition of a non-financial asset such as inventories. When the anticipated transaction is no longer expected, the cumulative gain or loss and deferred hedging costs that were presented in equity are immediately reclassified to profit or loss for the year.

a) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement in the heading corresponding to the hedged underlying.

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Gains and losses accumulated in equity are included in the income statement when the foreign operation is sold.

The Group holds investments which net assets are exposed to the risk of conversion into foreign currency, as well as, financing loans whose main purpose is to support the Group's sustainable growth. In fiscal year 2024, the negative exchange difference generated by this financing, which amounted to €2,544 thousand, has been recognized under the heading "Net investment coverage" in the Consolidated Statement of Comprehensive Income; heading under "foreign currency translation differences" (positive exchange difference amounting to €2,830 thousand in fiscal year 2023).

b) Derivatives that do not qualify for hedge accounting

Certain derivatives do not qualify for hedge accounting and are recognised at fair value through profit or loss. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

3.3.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is basically determined as follows:

- Commercial: at acquisition cost, including certain direct costs incurred on the purchase.
- Raw materials and other supplies: at the acquisition price calculated by the methods of average price/FIFO. This acquisition price includes the purchase invoices as well as additional costs until their availability in the storehouse.
- Finished products and in process of manufacture: to pre-established costs, which do not present significant diversions with regard to the royal incurred costs. These costs include the raw materials, labour cost of direct work and direct and indirect expenses of manufacture (based on an operative normal capacity).

Obsolete or slow-moving items are written down to their realisable value.

The net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

3.3.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Given that this collection is expected in one year or less, they are classified as current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the original effective interest method, less valuation adjustments for impairment. For commercial accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires that the expected losses during its life be recognized from the initial recognition of accounts receivable. For the calculation, the Group considers the historical experience of the percentage of defaults in relation to its volumes of accounts receivable and another series of variables.

Financing through the discounting of bills of exchange is not written off from trade receivables until they are collected and is reflected as bank financing.

Financing through non-recourse factoring, or the sale of customer accounts, allows the account receivable to be cancelled for having transferred the risks associated with it to the financial institution.

3.3.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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3.3.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When a Group company acquires shares of the parent company (treasury shares), the amount paid, including any directly attributable incremental cost (net of income tax) is deducted from equity attributable to the parent's equity owners until the shares are cancelled, reissued or sold. When these shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the parent's equity owners.

3.3.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in deferred income as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets. Tax credits in respect of investments and R&D investment, deemed equivalent to grants under IAS 20, are recognised as operating grants in the income statement to the extent they relate to R&D expenditure that has not been capitalised (Note 3.3.17.b)).

The gain on a loan granted by a Government Body at below market interest rates is measured as the difference between the instrument's carrying amount and the amount received; a grant is recognised in the amount of this difference and is recorded in the income statement or in liabilities as a deferred government grant depending on whether the loan finances current expenses or investments in property, plant and equipment.

3.3.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Group registers its obligations with suppliers until their maturity, with the liabilities being derecognised at the time of settlement under the terms in which it has been contractually established.

The final settlement of trade payables managed by financial entities are presented in the heading of trade and other payables, to the extent that the Group has only transferred payment management to financial entities, remaining the principal obliged to pay debts with its trade creditors.

However, in those cases in which the modifying or extinguishing novation of the original financial liability occurs and not the mere subrogation of the liability with a new creditor, the reduction of the original financial liability with trade payables is recognized and a new financial liability is recognized with the financial entities.

3.3.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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Borrowings are classified as current liabilities unless the Group has an unconditional right to defer their settlement for at least 12 months after the end of the reporting period.

3.3.17 Current and deferred income taxes

a) Corporate Income tax

Corporate income tax expense for the year comprises current and deferred tax and is calculated on the basis of profit before tax, adjusted for any permanent and/or temporary differences envisaged in the tax laws enacted or substantively enacted at the balance sheet date regarding the calculation of taxable income in the countries where the company and its subsidiaries operate. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax credits and deductions and the tax effect of applying unused tax losses that have not been capitalised are treated as a reduction in income tax expense for the year in which they are applied or offset.

The parent company is taxed under the tax consolidation system in the regional territory of Bizkaia together with the subsidiaries listed below:

- CIE Berriz, S.L.
- Autokomp Ingeniería, S.A.U.
- CIE Mecauto, S.A.U.
- CIE Udalbide, S.A.U.
- Egaña 2, S.L.
- Gameko Fabricación de Componentes, S.A.
- Inyectametal, S.A.
- Leaz Valorización, S.L.U.
- Orbelan Plásticos, S.A.U. (absorbing company on the merger with AKT Plásticos, S.L.U. carried out in 2024)
- Transformaciones Metalúrgicas Norma, S.A.
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.
- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- Industrias Amaya Tellería, S.A.U.
- Mecanizaciones del Sur – Mecasur, S.A.
- CIE Automotive Goiain, S.L.U.
- CIE Automotive Boroa, S.L.U.
- CIE Roof Systems, S.L.U.
- Recogida de Aceites y Grasas Maresme, S.L.U.
- CIE Golde Holding, S.L.U.

In addition, the following companies tax under the regulation of Spanish Territory Regime:

- Grupo Componentes Vilanova, S.L. (representative of the Tax Group)
- Biosur Transformación, S.L.U.
- Advanced Comfort Systems Ibérica, S.L.U.
- Denat 2007, S.L.U.
- CIE Porriño, S.L.U.

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Outside Spain there are the following tax groups:

- In the United States:
 - o led by the company CIE Automotive USA Inc and in which also participate Century Plastics LLC, Newcor, Inc, Owosso Realty, LLC, Corunna Realty, Corp, Clifford Realty Corp, Machine, Tool and Gears, Inc, Rochester Gears, Inc, CIE Investments USA, Inc, Golde Auburn Hills, LLC and Golde South Africa, LLC.
 - o led by the company Somaschini International Inc. and in which also participate Somaschini North America, LLC and Somaschini Realty, LLC.
- In Italy: led by the company Somaschini, S.p.A. and in which also participates Somaschini Automotive SRL.

The other CIE Automotive Group companies file individual returns.

b) Deferred tax

Deferred income taxes are calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except when the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets deriving from the carryforward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised.

Investment and R&D&I tax credits are accounted for as grants in accordance with IAS 20 and are recognized as operating grants or as deferred income, in those cases where the accounting allocation to results of the assets that have generated the tax credits is longer than one year.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and the tax base of subsidiary companies, associates and joint ventures, when the Group is able to control the date on which the temporary differences will be reversed or it is probable that these will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the amounts recognised under these headings and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.3.18 **Employee benefits**

a) Pension obligations

The Group's plans are funded through payments to insurance companies or externally managed funds, determined by periodic actuarial calculations. The Group has defined benefit plans and defined contribution of non-significant amounts. A defined benefit plan defines the amount of benefits that an employee will receive, normally on the basis of one or more factors such as age, years of service and compensation.

A defined benefit plan is a plan under which the Group pays fixed contributions to a fund and is required to pay additional contributions if the fund does not have sufficient assets to pay all employees the benefits related to the services provided in the current year and prior years.

The liability recognised in the balance sheet in connection with defined benefit plans is the present value of defined benefit commitments at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is calculated by discounting the estimated future cash outflows using the interest rates of high quality corporate bonds denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related obligation.

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Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity (in other comprehensive income) in the period in which they arise in the case of post-employment benefits and in the income statement in the case of long-term employee benefits.

Past-service costs are recognised immediately in the income statement.

b) Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment contracts before the retirement age or when employees voluntarily agree to resign in return for benefits offered by the Company. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or as a result of an offer of termination benefits made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

c) Profit-sharing and bonus plans

The Group, for those companies where contractual obligations exist or as a consequence of past practices, an implicit obligation has been generated, recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to each subsidiaries' shareholders after certain adjustments.

3.3.19 Share-based payments

At 31st December 2023 CIE Automotive Group maintained several share-based payment plans settled in equity instruments in its subsidiary CIE Automotive India, Ltd, listed on the Indian stock market (Appendix I), whose fair value amounted to €1,318 thousand at 31st December 2023. At 31st December 2024, these plans are fully settled.

Likewise, at the General Meeting of shareholders held on 24th April 2018, a long-term incentive for the CEO was approved based on the evolution of the share price of CIE Automotive, S.A. This agreement was modified at the General Shareholders' Meeting on 5th May 2021 and at the General Shareholders' Meeting on 4th May 2023. At the last General Shareholders' Meeting hold on 8th May 2024, amendments to the terms of this long-term variable compensation have been approved, according to the extraordinary remuneration received by the CEO in year 2023 due to exceptional circumstances, and the Remuneration Policy approved in the last General Shareholders' Meeting, which included a proposal of a new fixed remuneration, it has also been considered appropriate to adjust the reference value of the share price for the execution of the long-term Incentive (Note 25).

The total estimated cost of this incentive is recognised as personnel expenses in the period when the conditions must be fulfilled.

3.3.20 Provisions

Provisions for specific liabilities and charges are recognised when:

- (i) The Group has a present legal or constructive obligation as a result of past events;
- (ii) It is probable that an outflow of resources will be required to settle the obligation; and
- (iii) The amount has been reliably estimated.

Restructuring provisions include employee termination payments. Provisions are not recognised for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the probability of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

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3.3.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable on the sale of goods in the ordinary course of the Group's business activities, stated net of discounts, returns and value added taxes and after the elimination of intragroup sales. Revenue from contracts with customers are recognised based on the fulfilment of performance obligations. Revenue depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

To recognise revenue, the Group applies the following five steps:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to each performance obligation.
- Recognise revenue when a performance obligation is satisfied.

Based on this revenue recognition model, sales of goods are recognised when the products have been delivered to the customer and the customer has accepted them, even though they have not been invoiced, or, if applicable, the services have been rendered and the collectability of the corresponding receivables is reasonably assured.

Revenue is recognised as follows:

a) Sales of goods

Revenue from sales of goods is recorded when control of the goods is transferred, which generally occurs when the goods are delivered (shipped to the customer's specific location).

The Group is engaged in the manufacture and sale of parts for the automotive sector. Although the parts are designed and manufactured exclusively for customers and have no alternative uses for the Group, revenue is recognised when control of such parts is transferred and not over time, as the Group does not have an unconditional right to collect for the execution carried out at the end of each financial year.

When the control over the products is transferred, the income is recorded for the amount of the consideration that is expected to be entitled in exchange for the transfer of promised goods and services derived from contracts with customers, as well as other income not derived from contracts with customers that constitute ordinary activity of the group. Accumulated experience is used to estimate and provide for returns at the time of sale.

In relation to the estimation and provision of discounts, the expected value method is used, and ordinary income is only recognized to the extent that it is highly probable that a significant reversal will not occur. If necessary, a reimbursement liability is recognized for volume discounts expected to be paid to customers in relation to sales made up to the end of the reporting period.

b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues updating the receivable as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

3.3.22 Leases

Contracts may contain lease and non-lease components. The Group assigns the consideration in the contract to the lease and non-lease components based on their independent prices. However, for real estate leases in which the Group is a lessee, it has decided not to separate the lease and non-lease components, counting them as a single lease component.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The terms of the lease are negotiated on an individual basis and contain a wide variety of terms and conditions. The lease agreements do not impose any other "covenant" other than the real guarantees on the leased assets that are maintained by the lessor. Leased assets cannot be used as collateral for the purpose of financial debt.

Leases are recognized as a right-of-use asset and the corresponding liability on the date the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially valued on a current value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including fixed payments in essence), less any lease incentive to collect,
- Variable lease payments that depend on an index or rate, initially valued according to the index or rate on the start date,
- Amounts that the Group is expected to pay for residual value guarantees,
- The price of a purchase option if the Group is reasonably certain that it will exercise that option, and
- Penalty payments for termination of the lease, if the term of the lease reflects the exercise by the Group of that option.

Lease payments to be made under reasonably certain extension options are also included in the valuation of the liability.

Lease payments are discounted using the implicit interest rate in the lease. If that rate cannot be easily determined, which is generally the case for leases in the Group, the lessee's incremental rate of indebtedness is used, being the rate that the lessee would have to pay to borrow the funds needed to obtain an asset of similar value to the asset for right of use in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental rate of indebtedness, the Group:

- When possible, uses recent third-party financing received by the individual tenant as a starting point, adjusted by the changes in financing conditions since third party financing was received,
- Uses an approach that begins with a risk-free interest rate adjusted by the credit risk for leases held by the Group, which do not have recent third-party financing, and
- Makes specific adjustments for the lease, such as term, country, currency and guarantee.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and financial cost. The financial cost is charged to income during the lease period so that they produce a constant periodic interest rate on the remaining balance of the liability for each period.

Rights of use assets are valued at cost including the following:

- The impact of the initial valuation of the lease liability,
- any lease payment made on or before the beginning date, less any lease incentive received,
- any initial direct costs, and
- any restoration costs.

Rights of use assets are generally amortized on a straight-line basis during the lower period between the useful life of the asset and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is amortized over the useful life of the underlying asset. Although the Group revalued its land and buildings that are presented in fixed assets, the Group has decided not to do so for the buildings.

Payments associated with short-term leases of machinery and vehicles and all leases of low-value assets are recognized on a linear basis as an expense in results. Short-term leases are leases with a lease term of 12 months or less. Reduced value assets include computer equipment and small items of office furniture.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

3.3.23 Dividend distribution

Dividend distribution to the parent company's shareholders is recognised as a liability in the Group's Consolidated Annual Accounts in the period in which the dividends are approved by the parent company's shareholders.

3.3.24 Environment

Costs incurred by the Group as part of its business activities that are intended to protect the environment and/or improve its environmental record are expensed currently. These costs are capitalised when the expenses represent additions to items of property, plant and equipment intended to make them more environmentally-friendly and minimise their impact on the environment.

3.3.25 Current and non-current balances

Those amounts with longer maturity to 12 months from the closing date of the period are considered as non-current balances, assets and liabilities.

3.3.26 Cash flow statement

The Group presents the statement of cash flow using the indirect method. The Group classifies interest and dividends collected as operating activities, except for the case of dividend collections from investments accounted for using the equity method. The Group presents agreements with trade payables as an operating activity. However, if a financial entity carries out a financing operation for the Group, it recognizes a payment for financing activity and a payment for operating activity. Subsequent reimbursement to the financial institution is recognized as a financing activity.

4. Accounting estimates and judgements

The preparation of these Consolidated Annual Accounts in accordance with IFRS-UE requires the application of relevant accounting estimates and making judgements, estimates and assumptions in the process of applying the Group's accounting policies. In this sense, the following is a summary in respect of the elements that have involved a greater degree of judgement and complexity or in which the assumptions and estimates are significant for the preparation of the consolidated financial statements.

4.1 Relevant accounting estimates and assumptions

a) Goodwill impairment

The Group assesses annually goodwill for impairment, in accordance with the accounting policy stated in Note 3.3.5.a). The recoverable amounts of cash-generating units, or where appropriate, cash-generating unit groups, have been determined based on value-in-use calculations. These calculations require the use of estimates. The results of this analysis and quantification of the resulting sensitivities are detailed in Note 8.

As of 31st December 2024, within the current macroeconomic and sectoral context, updated market projections have been taken into consideration, without modifying the conclusions regarding the recovery of goodwill, together with the possible effects that could derive from climate change and the transition towards a low-carbon economy (Note 5.5). In this sense, the projections made by the Management already include different considerations about potential future events that may affect the projected cash flows of each of its businesses.

b) Estimated fair value of assets, liabilities and contingent liabilities associated with a business combination

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair value.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual financial statements, broken down by nature. In the case of the fair value of property, plant and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

c) Deferred tax assets recognition

Deferred tax assets are recorded for all deductible temporary differences, tax credits and losses carried forward pending application for which it is probable that the tax companies/groups that make up the Group will have future tax profits that allow the application of such assets. To determine the amount of deferred tax assets may be recoverable, the amounts and periods in which future tax profits will be obtained and the reversal period of temporary differences are estimated, always considering the tax legislation and tax rates in force for each jurisdiction.

As of 31st December 2024, within the current macroeconomic and sectoral context, updated market projections have been taken into account, as well as the latest internal information available on the near future of each of the businesses owned by the Group. In this sense, the projections made by the Management already include different considerations about potential future events that may affect the projected tax results in each of its jurisdictions in accordance with the latest tax regulations and legislation approved by each of them as of 31st December 2024.

If the final outcome (on judgment areas) differs unfavourably by 10% from Management estimates, deferred assets would decrease and income tax expense would increase by approximately €16.2 million (2023: €24.0 million) and if these changes evolved favourably, these deferred tax assets would increase and the income tax expense would decrease by approximately €19.2 million (2023: €18.9 million). These estimates include, mainly, possible changes to the consolidated taxable income of the Basque tax group, as well as the remaining significant tax credits and losses carried forward, which are deemed recoverable within these assumptions.

d) Pension benefits

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The determination of the current value of the pension obligations is determined annually through actuarial valuations that imply the realization of several hypotheses that may differ from actual future events: discount rate, future salary increases, mortality rates, etc. Due to the complexity of the valuation and its long-term nature, the calculation of the obligation is very sensitive to changes in these assumptions, which are reviewed at each annual closing. Note 19 includes more information on the Group's pension obligations and assumptions adopted for the corresponding update.

Other key assumptions for employee benefits are based in part on current market conditions.

e) Product warranties

Product warranty risks are recognized when it is probable an outflow of resources not covered by the relevant insurance policy. In some specific technologies, such as the roof systems business, the Group records warranty reserves based on expected claims based related to the sale of goods.

5. Financial risk management

5.1 Financial risk factors

The Group's activities are exposed it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and raw material price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

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In the broadest sense, the goal of the management of financial risk is to control the incidents generated by fluctuations in exchange and interest rates and the price of raw materials. Management of these risk factors, which is the responsibility of the Group's Finance Department, focuses on the arrangement of financial instruments in order to build, as far as possible, exposure to favourable trends in exchange and interest rates, subject to compatibility with the mitigation, in part or in whole, of the adverse effects of an unfavourable environment.

a) Market risk

(i) Foreign exchange risk

CIE Automotive Group's presence in international markets obliges it to arrange an exchange rate risk management policy. The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, CIE Automotive Group uses the Management Scope concept. This concept encompasses all collection / payment flows in a currency other than the euro expected to materialise over a specific time period. The Management Scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the euro. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope would also apply to management if are expected to be recognised on the balance sheet within a period of no more than 18 months.

Once defined the Management Scope, CIE Automotive Group uses a series of financial instruments for risk management purposes that in some instances permit a certain degree of flexibility. These instruments are essentially the following:

- Current forwards: These contracts lock in an exchange rate for a specific date; the timing can be adjusted to match expected cash flows.
- Other instruments: Other hedging derivatives may also be used, the arrangement of which requires specific approval by the relevant management body. This body must be informed beforehand as to whether or not it complies with requirements for consideration as a hedging instrument, therefore qualifying for hedge accounting.

The protection against loss of value as a result of movements in the exchange rates other than the euro in which its investments in foreign operations are denominated by similarly denominating, to the extent possible, its borrowings in the currency of the countries of these operations if the market is sufficiently deep or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro. Correlation, estimated cost and depth of the debt and derivative markets determine policy in each country.

The Group has several investments in foreign operations whose net assets are exposed to foreign exchange translation risk. The exchange risk on the net assets of CIE Automotive Group's foreign operations is mainly managed through natural hedges achieved by borrowings (loans) denominated in the corresponding foreign currency.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations in countries outside the Eurozone is mitigated basically by borrowings denominated in these currencies.

If at 31st December 2024, the euro had been devalued/revalued by 10% with respect to all other functional currencies other than euro, all other variables remaining constant, equity would have increased/decreased by €320/€262 million (2023: increased/decreased by €303/€248 million), due to the impact of the net assets contributed by the subsidiaries operating in a functional currency different from the euro.

If the average exchange rate of the euro had devalued/revalued by 10% in 2024 with respect to all functional currencies other than the euro, all other variables remaining constant, profit after tax for the year attributable to the parent company would have been €27.6/€22.6 million higher/lower, respectively (2023: €26.6/€21.7 million higher/lower), mainly as a result of the exchange gains/losses on the translation of accounts receivable denominated in currencies other than the euro.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

If as of 31st December 2024, the euro had been devalued/revalued by 10% with respect to the following currencies, keeping the rest of the currencies and variables constant, the net worth and the profit after tax attributable to the parent company would have varied according to the following table:

	Equity (€ million)		Profit after tax (€ million)	
	Devalued euro 10%	Revalued euro 10%	Devalued euro 10%	Revalued euro 10%
Chinese yuan	75	(61)	3.7	(3.0)
US dollar	108	(88)	9.6	(7.9)
Indian rupee	73	(59)	5.8	(4.7)
Brazilian real	44	(36)	7.2	(5.9)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments that are classified on the consolidated balance sheet either at fair value through profit or loss or with changes in other comprehensive income. However, the scant weight of these securities as a percentage of total Group assets and equity means that this risk factor is not material.

(iii) Interest rate risk

Group's borrowings are largely benchmarked to floating rates, exposing it to interest rate risk, with a direct impact on the income statement. The general objective of interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

In order to attain this objective, the risk management strategy materialises in the arrangement of financial instruments designed to provide such flexibility. The strategy expressly contemplates the possibility of arranging hedges for identifiable and measurable portions of cash flows, which enables hedge efficiency testing as required to evidence that the hedging instrument reduces the risk of the hedged item in the portion designated and is not incompatible with the established strategy and objectives.

The Management Scope encompasses the borrowings recognised in the balance sheet of the Group and any of its companies. On occasion, hedges are arranged to cover loans committed and in the final stages of arrangement the principal on which needs to be hedged against rate increases.

In order to manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IFRS 9) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites for consideration as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are the following:

- Interest-rate swaps: Through these derivatives, the Group converts the benchmarked floating interest rate on a loan to a fixed benchmark with respect to all or part of the loan and affecting all or part of the term of the loan.
- Other instruments: As discussed in the section on foreign exchange risk management, other hedging derivatives may also be used, the arrangement of which requires the specific approval of the relevant management body. The management body must be informed beforehand as to whether the instrument meets the prerequisites for qualifying as a hedging instrument and, by extension, hedge accounting.

If during 2024 the average interest rate on borrowings denominated in euro had been 100 basis points higher/lower, all other variables remaining constant, profit after tax for the year would have been €10,521 thousand lower/higher (2023: €10,089 thousand), largely as a result of an increase/decrease in the interest expense on floating-rate loans.

b) Liquidity risk

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, usually transferring the related risks and rewards).

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Management monitors the Group's forecast liquidity requirements together with the trend in net financial debt. The calculation of liquidity and net financial debt at 31st December 2024 and 2023 is calculated as follows:

Thousand euro	Note	31.12.2024	31.12.2023
Cash and cash equivalents	12	947,454	839,921
Other financial assets	9	264,078	194,897
Undrawn lines of credit	15	561,748	690,004
Liquidity buffer		1,773,280	1,724,822
Bank borrowings	15	2,216,554	2,169,467
Other financial liabilities	9	42	24
Cash and cash equivalents	12	(947,454)	(839,921)
Other financial assets	9	(264,078)	(194,897)
Net financial debt		1,005,064	1,134,673

Additionally, as of 31st December 2024, Shanghai Golde Auto Parts, Co. Ltd., a joint venture in which the Group has a 50% share and consolidates using the equity method (Note 9), has a net treasury of €35 million (€16 million as of 31st December 2023).

The evolution of the Net Financial Debt in 2024 and 2023 is shown in the following table:

Thousand euro	Cash and cash equivalents (Note 12)	Other financial assets (Note 9)	Bank borrowings (Note 15)	Other financial liabilities (Note 9)	TOTAL
Net Financial debt 1st January 2023	732,053	125,283	(2,141,122)	(6,012)	(1,289,798)
Cash flow	109,676	53,834	(8,795)	-	154,715
Translation differences	(23,693)	(4,485)	5,546	-	(22,632)
Other non-monetary movements	-	(188)	(8,329)	5,988	(2,529)
Additions in consolidation scope (Note 2)	(17,942)	8,667	(6,767)	-	(16,042)
Disposal of the German forging business (Note 13)	39,267	11,786	(10,000)	-	41,053
Other transfers from discontinued activities	560	-	-	-	560
Net Financial debt 31st December 2023	839,921	194,897	(2,169,467)	(24)	(1,134,673)
Cash flow	138,287	37,297	(18,609)	-	156,975
Translation differences	(12,597)	2,843	(9,095)	-	(18,849)
Other non-monetary movements	-	3,110	(11,922)	(18)	(8,830)
Additions in consolidation scope (Note 2)	(18,157)	25,931	(7,461)	-	313
Net Financial debt 31st December 2024	947,454	264,078	(2,216,554)	(42)	(1,005,064)

The Group's treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In that sense, is considered that cash generation in 2025 will allow facing recurrent payments without increasing net financial debt.

The Group's treasury department monitors Group's liquidity needs forecasts in order to ensure that there is enough cash to meet operative needs at the same time that maintains undrawn credit facilities at any time to ensure Group doesn't fail limits and rates ("covenants") established by financial entities (Note 15).

The Group is strategically diversifying the financial markets and financing sources, it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

Amounts payable to credit institutions in the short term include recurring loans over time amounting to €6 million with financial institutions used for the management of operating working capital (€12 million as of 31st December 2023) (Note 15). Although this component of the bank debt is presented as a current liability for accounting purposes, it is stable as evidenced by the usual operation of the business, and therefore provides financing that is equivalent to long-term debt.

Noteworthy is the existence at 31st December 2024 of €562 million of undrawn credit lines and loans (31st December 2023: €690 million) (Note 15).

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The following table shows a breakdown of working capital in the Group's consolidated balance sheet as of 31st December 2024 and 2023:

Thousand euro	Note	31.12.2024	31.12.2023
Inventories	11	457,161	460,460
Trade and other receivables	10	201,131	241,897
Other current assets		73,898	64,071
Current tax assets		71,669	63,114
Current operating assets		803,859	829,542
Other current financial assets	9	183,462	126,875
Cash and other cash equivalents	12	947,454	839,921
Current assets		1,934,775	1,796,338
Trade and other payables	16	936,187	961,866
Current tax liabilities	17	82,504	74,256
Current provisions	19	118,730	114,475
Other current liabilities	17	163,582	175,078
Current operating liabilities		1,301,003	1,325,675
Current financial borrowings	15	642,858	511,662
Other current financial liabilities	9	42	24
Current liabilities		1,943,903	1,837,361
TOTAL WORKING CAPITAL		(9,128)	(41,023)

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short- and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (Just In Time) supplies to the Group's customers.

In parallel, the Group's Management efficiently controls the exercise of payment of expenses and the exercise of realization of current assets, carrying out an exhaustive monitoring of the treasury forecasts, in order to ensure that it has enough cash to meet the operation needs while maintaining sufficient availability of undrawn credit facilities at all times so that the Group does not breach the limits or the indices ("covenants") established by the financing entities. As of 31st December 2024 and 2023, the Group complies with all the ratios required in its financing. Therefore, it is estimated that cash generation in 2025 will sufficiently cover the needs to meet short-term commitments, avoiding any situation of tension in the liquidity position with the actions in progress.

As a result of the above, it may be confirmed that there is no liquidity risk at the Group.

In Notes 15 and 17 borrowings and other non-current liabilities are disclosed by maturity.

Likewise, there are no significant restrictions to the use of cash/other cash equivalents (Note 12).

c) Credit risk

Credit risk is managed by customer groups. Credit risk arising from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Group works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises the corresponding value adjustment for impairment if necessary (Note 9).

In addition, each management unit has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that Group policy is not to concentrate more than 10% of business volumes with individual customers or manufacturing platforms.

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Given the characteristics of the Group's customers, management historically deemed that receivables due within 60 days presented no credit risk. The Group continues to consider the credit quality of these outstanding balances to be strong, although it is determined the expected loss in accordance with what is described in Note 3.3.8.

An analysis of the maturity of receivables that are overdue by 60 days which are not impaired is provided in Note 10.

According to the entry into force of IFRS 9 of Financial Instruments, the Group has proceeded to estimate the expected loss in its commercial accounts receivable (Note 3.3.8).

d) Raw material price risk

The Group has not a significant risk in raw price variations. In these companies where the risk could exist in market specific situations (plants which use raw materials with market price), the risk is controlled thanks to price financing repercussion agreements to customers.

5.2 Hedge accounting

According to IFRS 9, the effectiveness of the hedge is determined at the beginning of the same and periodically through prospective reviews of its effectiveness to ensure that there is adequate hedge between the hedged risk and the hedging instrument.

The treatment and classification of the Group's hedging transactions are described below:

a) Fair value hedges of a recognised asset or liability or a firm commitment

Changes in the fair value of these derivatives are recognised in the income statement together with any change in the fair values of the assets or liabilities hedged which is attributable to the hedged risk.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the period in which the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or liability, the gains or losses previously deferred in equity are removed from equity and included in the initial cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the requirements for hedge accounting, any cumulative gain or loss that remains recognised in equity remains in equity and is reclassified to profit or loss when the forecast transaction occurs.

Occasionally, despite the goal of achieving a perfect hedge of flows, mismatches may arise between the characteristics of the hedges and the debts hedged. Once a mismatch is detected, and provided that this does not entail disproportionate costs, the derivative is fine-tuned in order to adapt it to the new characteristics of the underlying.

This circumstance may arise in the case of a hedge arranged in anticipation of a highly probable underlying which, when confirmed, requires the readjustment of the derivative to adapt it to the underlying to which it is designated. This situation may arise whether or not the derivative is designated as a hedge at inception i.e., if the underlying has been defined as a highly probable transaction.

c) Net investment hedges

The Group maintains investments whose net assets are exposed to the risk of conversion into foreign currency as well as foreign resources, which main purpose is to support the group's sustainable growth. In 2024, the negative exchange difference generated by this financing, which amounted to €2,544 thousand, was recognized under the heading "Net Investment Coverage" of the Consolidated Global Income Statement; heading under "foreign currency conversion differences" (2023: positive exchange difference amounting to €2,830 thousand).

d) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

5.3 Fair value estimation

IFRS 13, 'Fair value measurements' explains how to estimate fair value when other international accounting standards so require. This standard stipulates the fair value disclosure requirements applicable to non-financial assets and liabilities.

IFRS 13 defines fair value as the value that would be received or paid, in an orderly transaction on the measurement date, for an asset or liability, regardless of whether this value is directly observable or has been estimated using valuation techniques. To this end the data used must be consistent with the assumptions that market participants would use in considering such a transaction.

Although IFRS 13 leaves the principles set down in other standards intact, it does establish the overall framework for measuring assets and liabilities at fair value when doing so is mandatory under other standards and stipulates additional fair value disclosure requirements.

The Group complies with IFRS 13 requirements in measuring its assets and liabilities at fair value when such fair value measurement is required under other IFRS.

On the basis of the contents of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports on how it estimates fair value by level using the following fair value hierarchy:

- Listed prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31st December 2024 and 31st December 2023:

2024 – thousand euro	Note	Level 2	Level 3	TOTAL
Credits at fair value	9/22	–	12,845	12,845
Derivatives	9	705	–	705
Total assets at fair value		705	12,845	13,550
Derivatives	9	(42)	–	(42)
Debts from company acquisitions	17	–	(3,318)	(3,318)
Total liabilities at fair value		(42)	(3,318)	(3,360)
2023 – thousand euro	Note	Level 2	Level 3	TOTAL
Credits at fair value	9/22	–	15,415	15,415
Derivatives	9	11	–	11
Total assets at fair value		11	15,415	15,426
Derivatives	9	(24)	–	(24)
Debts from company acquisitions	17	–	(3,883)	(3,883)
Total liabilities at fair value		(24)	(3,883)	(3,907)

There were no transfers between levels during 2024 and 2023.

a) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at each balance sheet date. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in Level 2.

Specific financial instrument valuation techniques include:

- i) Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

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- ii) Fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
- iii) It is assumed that the carrying amount of trade receivables and payables is similar to their fair value.
- iv) The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to financial derivative instruments (Note 9).

b) Level 3 financial instruments

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Level 3.

As of 31st December 2024 there are loans granted to Group employees valued at fair value and amounting to €12,845 thousand (2023: €15,415 thousand) (Notes 9 and 22).

In the business combination of CIE Autometal Salto Indústria e Comércio, Ltda., the Group incorporated a contingent liability payable to the prior owner amounting to BRL 20,000 thousand (Note 2), being its fair value €3,318 thousand as of 31st December 2024 (€3,883 thousand as of 31st December 2023).

The Group has not agreements for the offset of financial assets and liabilities.

5.4 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group can adjust the number of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the leverage ratio. This ratio is calculated as net financial debt divided by total capital used. Net financial debt is calculated as total borrowings plus financial liabilities less cash, cash equivalents and financial assets, all of which are shown in the Consolidated Annual Accounts. Total capital employed is calculated as 'equity', as shown in the Consolidated Annual Accounts, plus net financial debt.

The Group's strategy, as in previous years, has been to maintain a leverage rate close to 0.50.

The gearing ratios at 31st December 2024 and 2023 are as follows:

Thousand euro	Note	2024	2023
Borrowings	15	2,216,554	2,169,467
Financial liabilities	9	42	24
Less: Cash and cash equivalents and financial assets	9/12	(1,211,532)	(1,034,818)
Net financial debt	5.1.b)	1,005,064	1,134,673
Equity		1,913,941	1,661,244
Total capital used		2,919,005	2,795,917
Gearing ratio		0.34	0.41

At 31st December 2024 and 2023, the Group has agreements formalised related with credit and bank loans that oblige it to comply with certain covenants (Note 15). As of 31st December 2024 and as of 31st December 2023, the Group complies with all the ratios required in its financing.

5.5 Climate risk factors

In recent years, the underlying risks of climate change been revealed, and the possible impact they may have on financial statements. Being the Company a holding entity, climate risk is directly associated with the impact on its operating plants and the cash flows expected to be received from them.

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The Corporate Engineering, Quality and Environment Department is responsible for establishing the guidelines and coordinating with the plants the actions related to the transition plan for climate change mitigation, which is included in the Group's 2025 Strategic Plan.

In this sense, the Group keeps updated its Environment Policy, where it was recognized as aligned with the Sustainable Development Goals. Thus, the Group develops products and processes under eco-design concepts, oriented to efficiency, providing necessary resources in continuous improvement through prevention and preservation, the minimization of risks, the reduction of the environmental footprint, the efficient use of natural resources, the minimization of waste, the circularity of materials and the collaboration of the people involved in the processes. Moreover, the Group is aligned with the United Nations 2030 Agenda by establishing environmental objectives to be met by each of the plants and regions where it operates, based on the *Global Reporting Initiative* standards.

In December 2022, the Group committed to setting targets, within 24 months, aligned with limiting global warming to 1.5°C, in line with the Paris Agreement, and the "net-zero" target by 2050, based on science. In 2024, the Group has fulfilled this commitment, joining a group of 235 companies in the automotive and components sector with targets approved by the "Science Based Targets initiative" (SBTi). With the latest available data, only 35 of these companies, including CIE Automotive, are aligned with meeting both objectives.

Action plans established to address each of the climate-related risks that have an impact on the Group's Consolidated Annual Accounts are disclosed as follows:

The risks arising from the transition to low-carbon economies

The authorities and governments of different countries have implemented policies to fight against climate change that have affected differently in the different countries where the Group operates. All of these policies and actions have been part of the analysis carried out by the Group when carrying out the Transition Plan, as well as the double materiality analysis. These policies basically consist of promoting sustainable energy consumption in industrial production through tax and operational incentives, while in other cases, the use of energies that have a direct impact on the climate has been penalized or no longer promoted.

Regarding the automotive industry, it has been possible to reduce polluting emissions from vehicles, although the latest regulations to fight climate change – the most restrictive in Europe and China – are forcing manufacturers and their suppliers to implement additional solutions to reduce their environmental footprint, as well as to promote the electrification of their vehicle platforms. In recent years, the Group has been adapting its production process, as well as the goods produced, to a changing environment, demonstrating its resilience to the challenges offered by the fight against climate change.

The Group aims to anticipate the aforementioned measures, having launched certain action plans that allow mitigating in advance the impact of new policies, regulations and trends that climate change has entailed. The lines of work established for this have been the following, and have as main axes the actions on the goods produced and actions on their productive process.

- Actions on goods produced

In the context of a changing environment and increasingly aware of the effects of global climate change, the Group has been adapting the sale of its assets to new challenges in the climate and environmental field, and they are directly related to the latest trends in the automotive sector. In this sense, the Group is immersed in a technological transformation, aimed at reducing its corporate footprint, as well as the goods it produces. To achieve these objectives, the Group develops different technologies that provide the efficiency and flexibility necessary to face all challenges with changing volumes and scenarios.

Technological diversity also allows to focus investments on those technologies most demanded by the market in each circumstance. Currently, the market is betting on the electrification of vehicles and more than 80% of the components and subassemblies produced by the Group can be used in any type of vehicle (combustion, electric, hybrid). Despite this considerable percentage of versatility in the goods it produces, the Group has proposed to take advantage of the opportunity offered by the decarbonization of transport to position itself in new products of high added value. These products are related to the engine and power electronics, gearboxes and batteries.

This commitment to batteries was materialized in the investment made by the Group in 2022 in the company Basquevolt, S.A. (Note 9) with an initial investment of €1.5 million.

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Additionally, the Group's technological commitment to meet these environmental objectives focuses on the eco-efficiency and circularity, the light-weighting of vehicles, the improvement of the user experience (noise reduction, light integration, etc.), the bet for electric and autonomous vehicles and Industry 4.0 as a key to competitiveness and eco-efficiency, always aiming at the path towards the decarbonization of transport.

These actions are naturally linked to the reduction of environmental impact and mitigation of climate change. For those products that do not yet have a clear substitute in zero-emission vehicles, the Group has defined a strategy with different action plans.

Thus, the Group's spirit of adaptation and flexibility in the products it markets, together with the ability to always be aligned with new market trends, are the Group's main measure to address any market risks to its goods, as well as those that may arise from the transition to low-carbon economies.

- Actions on the productive process

Some of the environmental actions on the production process, which are part of those mentioned above, for the realization of the goods sold to the market have been the following:

- a) *Environmental Investments*: the Group adapts its production facilities to the conditions required by the environmental legislation of the countries where it is located. Consequently, the Group makes investments aimed at minimizing environmental impact, protecting and improving the environment; and incurs expenses derived from environmental actions, which basically correspond to the ordinary expenses for the removal of waste, consulting, measurements and environmental certifications (Note 27).

The adaptation and incorporation of investments that meet the most current environmental requirements implies a direct mitigation of the risk derived from the transition to low-carbon economies in the recovery of the value of their productive assets.

- b) *Energetic efficiency*: the improvement of energy efficiency is a priority objective for the Group, since it contributes to reducing its environmental impact, in addition to implying a direct improvement in competitiveness. The main lines of action consist of energy saving, and emission control. In this line, the Group contracts clean energy for the operation of its facilities wherever this option is available; and with the same philosophy of reducing their emissions and their energy bill, photovoltaic panels have been installed in different facilities in Europe, where, in addition, in 2022 new contracts were signed for the supply of green energy for its own energy consumption starting 2023; and India, where investment in new solar power plants has continued (Note 9).

In this sense, it is expected that the action plans carried out by the Group in terms of efficiency will mean, in the medium and long term, an improvement in the margin on the goods it produces.

- c) *Water and material consumption*: in the Group's production process, an intensive use of water is carried out. In order to reduce discharges as much as possible, it has its own systems and facilities for water treatment, recirculation and recovery. With regard to raw materials, the Group constantly reviews all processes to make responsible use of raw materials. An example of these practices is the reduction of the gross weight of the products it manufactures, and that implies the reduction of the consumption of energy and other products necessary for the production process.

As in the case of energy efficiency action plans, it is estimated that these actions will also improve the margins of the goods produced.

- d) *Pollution control and waste management*: the Group's environmental management systems are based on the ISO14001 standard, and ensure that pollution does not exceed the levels established by current regulations. On the other hand, the Group's recycling system allows the reincorporation of recycled raw materials into its production process. Those materials that cannot be recycled are collected by specialized managers who prioritize their recycling over their landfill.

All of these action plans and expected results have been included for each plant in the projections used for the asset impairment analysis described in Note 8.

The risk of the impact on the margins of adapting to low-carbon economies

Cost pressure can occur on car producers. During the deployment phase of more sustainable vehicles, the final cost will be higher and, to maintain sales volumes, there is a risk of increased cost pressure on component suppliers.

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Faced with this type of scenarios and risks, the Group's model is very effective. Commercial diversification makes dependence on a project or its renovation low, so the freedom to invest in projects is key. To this is added another of the axes of the group, the investment discipline, which leads to a detailed analysis of the projects with volume sensitivity analysis, avoiding those projects with volumes lower than those initially announced have a definitive impact on the returns.

The Group not only adapts to the low-carbon economy through the final product it offers to the market, but also by modifies its production process, which is highlighted by signing of clean energy purchase agreements for the use of its operating plants. As a consequence, in Spain 100% of the energy consumed is green energy, which has resulted in emissions savings.

The direct physical risk posed by climate change in the production process and operations of a business

As of 31st December 2024 and 2023, the Group's production facilities, as well as the customers to which it provides, were not located in areas or geographical areas where an imminent climate risk is foreseen.

However, the Group is aware of the unpredictability of the effects of climate change and monitors the impacts that any adverse circumstance may generate in the valuation of the Group's assets, and therefore, in its Consolidated Financial Statements. In this sense, the Group is exposed to physical risks whose possible impacts it manages depending on the typology of each of them:

- a) *Water stress risks:* are the risks that can result in the lack of water supply.
- b) *Acute physical risks:* are the risks arising from the occurrence of acute climatic phenomena. These accidental risks are covered by the global Civil Liability policy. To strengthen the management of environmental and safety risks, the Group has initiated a collaboration project with the technical departments of its insurance companies, where risks are evaluated and monetized and an elimination plan is established, or where appropriate, mitigation.
- c) *Chronic physical risks:* they are risks that cause gradual changes with more lasting impact, such as rising average temperatures, rising sea levels or prolonged periods of heat.

Although the Group's production facilities are not directly threatened by the effect of these chronic physical risks, there are environmental objectives established to be met in all the plants and regions where it operates.
- d) *Protection of biodiversity:* due to the location of its production facilities, mostly in industrial estates, the impact of its activities on biodiversity is not considered significant.

In this sense, for the assumptions used in the impairment assessment of assets described in Note 8, the Group has considered macroeconomic variables that already take into account, implicitly, the impacts that climate change may have in each of the geographies where it operates. The growth rates, discount rates and risk rates used are market ratios that implicitly also reflect the valuation of climate risk. These rates do not show significant differences with those used in previous years. Due to the very nature of the activity, it is considered that there is no material impact of the risk of climate change that implies an indication of impairment, for any of the Group's cash-generating units.

As a consequence, based on the foregoing, it is not expected that there will be substantial changes in the Group's future estimates (provisions, changes in useful lives, etc.) nor significant impacts on the recovery analysis of non-financial assets taking into account that these impacts have already been incorporated into the Group's business plans.

6. Operating segment information

The Group produces parts and components for the automotive industry, operating as a TIER 2 supplier in most cases. Although the Group supplies certain automobile manufacturers (OEMs) directly, on these occasions the Group usually acts as a TIER 2 supplier, with the OEMs assuming the role of the TIER 1 supplier.

The Group's business model is based on two strategic axes: multi-technology and the global market, implying the ability to supply technology worldwide.

- **Multi-technology:** command of different technologies and processes enables the Group to offer complex high value-added products. The Group has the capacity to design and manufacture products using alternative or complementary technologies.
- **Global market:** worldwide industrialisation and supply capacity. The Group's customers are global and it has the ability to supply them from different geographic areas.

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(Denominated in thousand euro)

The Board of Directors has been identified as the Group's chief operating decision-making body, who reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to operating segments.

Management has determined the operating segments based on the structure of the reports reviewed by the Board of Directors, which analyses the business of the CIE Automotive Group from a geographical markets perspective in which it operates.

In this sense, the Group divides its area of activity into three geographic markets: America, Asia and Europe. In turn, the geographic markets of America and Europe are divided, respectively, into two different segments each, being North America and Brazil for the American market, and CIE Forging Europe and the rest of Europe for the European market. Thus, the Group's financial information is presented according to the following segments:

- North America: it includes, basically Group companies located in Mexico and United States.
- Brazil: it includes basically Group companies located in Brazil.
- Asia: it includes the Indian companies as well as the companies located in the People's Republic of China.
- CIE Forging Europe: it includes the business for the manufacture of European forges, dependent on the CIE Automotive India subgroup.
- Rest of Europe: it includes all non-dependent on CIE Automotive India subgroup manufacturing businesses basically located in Europe.

The Group manages the operating segments corresponding to continuing activities based, mainly, on the evolution of the main financial figures of each segment, such as the revenue, EBITDA (gross operating profit), EBIT (net operating profit) and investments in fixed assets. Meanwhile, financial income and expenses, as well as income tax expense and the allocation of results to minority shareholders are jointly analysed at the Group level, since they are managed centrally.

a) Operating segments information for continuing operations

Results per operating segments are as follows:

31 st December 2024						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,217,531	401,364	939,966	306,779	1,094,915	3,960,555
Other operating expenses and income (excluding depreciation and amortisation)	(988,830)	(321,799)	(765,908)	(257,325)	(898,817)	(3,232,679)
Depreciation, amortisation and impairment	(56,230)	(13,547)	(39,390)	(12,004)	(68,319)	(189,490)
Operating profit	172,471	66,018	134,668	37,450	127,779	538,386
EBITDA (*)	228,701	79,565	174,058	49,454	196,098	727,876

31 st December 2023						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,232,990	360,292	939,739	364,102	1,062,356	3,959,479
Other operating expenses and income (excluding depreciation and amortisation)	(1,005,028)	(290,124)	(769,686)	(302,042)	(879,400)	(3,246,280)
Depreciation, amortisation and impairment	(53,903)	(12,939)	(38,124)	(12,498)	(68,063)	(185,527)
Operating profit	174,059	57,229	131,929	49,562	114,893	527,672
EBITDA (*)	227,962	70,168	170,053	62,060	182,956	713,199

(*) EBITDA (gross operating income) results from summing depreciation, amortisation and impairment to the net operating profit.

Transactions between Group companies are performed under market conditions.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The reconciliation of the Operating profit and the Profit attributable to owners of the parent company is as follows:

Thousand euro	Note	2024	2023
Operating profit		538,386	527,672
Financial income (expense)	23	(86,017)	(92,989)
Share in profits in investments accounted by using the equity method	9	8,915	8,383
Gains / (losses) on the fair value of derivative financial instruments	9/23	1,347	6,576
Corporate income tax	24	(100,707)	(101,824)
Discontinued operations	13	1,033	13,371
Attributed to non-controlling interests	14	(37,297)	(41,014)
Profit attributable to the parent company		325,660	320,175

Segments' assets, liabilities and capital expenditure of the year are as follows:

31 st December 2024						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Investments accounted by using the equity method	10,397	3,825	39,661	-	1,434	55,317
Rest of assets	1,479,111	550,490	1,855,875	526,927	1,493,185	5,905,588
Total assets	1,489,508	554,315	1,895,536	526,927	1,494,619	5,960,905
Total liabilities	528,593	143,411	429,704	135,631	2,791,945	4,029,284
Fixed asset additions ^(*)	111,086	13,849	47,710	14,386	62,959	249,990
Disposal of assets net of depreciation and amortisation ^(*)	(31)	(714)	(5,647)	(57)	(566)	(7,015)
Net investments for the year	111,055	13,135	42,063	14,329	62,393	242,975

31 st December 2023						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Investments accounted by using the equity method	9,881	6,095	37,255	-	1,433	54,664
Rest of assets	1,352,664	575,495	1,774,903	575,763	1,335,510	5,614,335
Total assets	1,362,545	581,590	1,812,158	575,763	1,336,943	5,668,999
Total liabilities	608,825	162,284	443,985	174,310	2,601,952	3,991,356
Fixed asset additions ^(*)	69,844	13,446	53,912	16,602	69,055	222,859
Disposal of assets net of depreciation and amortisation ^(*)	(127)	(2,657)	(1,955)	(386)	(3,014)	(8,139)
Net investments for the year	69,717	10,789	51,957	16,216	66,041	214,720

(*) Fixed assets additions and disposals do not include IFRS 16 effects

Assets mainly include property, plant and equipment, intangible assets (including goodwill), deferred tax assets, inventories, accounts receivable and cash. Investments in subsidiaries accounted for by using the equity method are shown separately.

Liabilities include, mainly, operating liabilities and long and short-term financing, excluding intragroup liabilities eliminated on consolidation.

Investments in non-current assets include additions to property, plant and equipment (Note 7.1) and intangible assets (Note 7.2), excluding the right-of-use assets.

The figures corresponding to the net amount of the revenue and non-current assets, excluding deferred tax assets and non-current financial assets and investments in joint ventures and associates, by geographical areas are the following:

Thousand euro	Revenue		Non-current assets	
	2024	2023	31.12.2024	31.12.2023
Europe ^(*)	1,401,694	1,426,458	1,386,274	1,360,220
Brazil	401,364	360,292	204,044	246,878
North America	1,217,531	1,232,990	975,528	866,958
China	283,850	322,286	567,326	554,126
India	656,116	617,453	517,230	489,400
TOTAL	3,960,555	3,959,479	3,650,402	3,517,582

(*) Sales to Spain for the year 2024 have amounted to €251,251 thousand (2023: €198,772 thousand).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

7. Property, plant and equipment and intangible assets

7.1 Property, plant and equipment

Set out below is a breakdown of property, plant and equipment showing movements:

Thousand euro	01.01.2024	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	31.12.2024
Land and buildings	658,700	10,418	5,870	(119)	26,324	701,193
Plant and machinery	2,382,869	1,585	41,211	(34,856)	124,254	2,515,063
Other fixed assets	386,048	58	32,992	(6,638)	(4,640)	407,820
Down-payments and assets under construction	152,139	-	167,940	(7,283)	(108,292)	204,504
Right of use of Assets - IFRS 16 (Note 7.1.e))	136,538	3,073	16,918	(7,442)	137	149,224
TOTAL COST	3,716,294	15,134	264,931	(56,338)	37,783	3,977,804
Land and buildings	(250,169)	-	(15,020)	64	(297)	(265,422)
Plant and machinery	(1,455,366)	-	(114,453)	31,630	(5,007)	(1,543,196)
Other fixed assets	(264,739)	-	(23,135)	7,702	(10,731)	(290,903)
Right of use of Assets - IFRS 16 (Note 7.1.e))	(59,328)	-	(24,319)	5,890	863	(76,894)
TOTAL DEPRECIATION	(2,029,602)	-	(176,927)	45,286	(15,172)	(2,176,415)
Plant and machinery	(22,409)	-	(5,920)	2,592	372	(25,365)
TOTAL IMPAIRMENT	(22,409)	-	(5,920)	2,592	372	(25,365)
CARRYING AMOUNT	1,664,283					1,776,024

Thousand euro	01.01.2023	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	31.12.2023
Land and buildings	640,951	18,076	3,392	(1,344)	(2,375)	658,700
Plant and machinery	2,298,338	8,386	46,498	(40,810)	70,457	2,382,869
Other fixed assets	373,016	416	32,133	(7,223)	(12,294)	386,048
Down-payments and assets under construction	141,641	31	138,391	(4,284)	(123,640)	152,139
Right of use of Assets - IFRS 16 (Note 7.1.e))	128,757	218	22,775	(11,188)	(4,024)	136,538
TOTAL COST	3,582,703	27,127	243,189	(64,849)	(71,876)	3,716,294
Land and buildings	(238,345)	-	(14,007)	421	1,762	(250,169)
Plant and machinery	(1,401,580)	-	(120,744)	36,866	30,092	(1,455,366)
Other fixed assets	(256,668)	-	(17,600)	6,184	3,345	(264,739)
Right of use of Assets - IFRS 16 (Note 7.1.e))	(48,954)	-	(23,463)	10,655	2,434	(59,328)
TOTAL DEPRECIATION	(1,945,547)	-	(175,814)	54,126	37,633	(2,029,602)
Plant and machinery	(23,709)	-	(2,624)	2,329	1,595	(22,409)
TOTAL IMPAIRMENT	(23,709)	-	(2,624)	2,329	1,595	(22,409)
CARRYING AMOUNT	1,613,447					1,664,283

(*) It basically includes the effect of exchange rate fluctuations of PP&E currency of foreign subsidiaries and transfers from assets under construction to finished assets.

a) Property, plant and equipment by geographical area

Set out below is a breakdown of property, plant and equipment by geographical location at 31st December 2024 and 2023:

31 st December 2024				31 st December 2023		
€ Million	COST	ACCUMULATED DEPRECIATION/ IMPAIRMENT	CARRYING AMOUNT	COST	ACCUMULATED DEPRECIATION/ IMPAIRMENT	CARRYING AMOUNT
AMERICA	1,522	(727)	795	1,372	(652)	720
EUROPE	1,762	(1,127)	635	1,711	(1,095)	616
ASIA	694	(348)	346	633	(305)	328
TOTAL	3,978	(2,202)	1,776	3,716	(2,052)	1,664

b) Assets not used in operations

At 31st December 2024 and 2023 no significant items of property, plant and equipment are not used in operations.

c) Property, plant and equipment subject to guarantees

As of 31st December 2024 and 2023, the net book value of property, plant and equipment subject to guarantees related to debts with financial institutions was not significant (€0.1 million).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

d) Insurance

The Group has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The scope coverage of these policies is considered to be sufficient.

e) Right of use of assets and lease liabilities

Plant and equipment include the following amounts in respect of finance leases under which the Group is the lessee:

Thousand euro	RIGHT OF USE OF ASSETS				LEASE LIABILITIES (Note 17)		
	LAND AND BUILDINGS	OTHER FIXED ASSETS	ACCUMULATED AMORTIZATION	TOTAL ASSETS	LONG TERM	SHORT TERM	TOTAL LIABILITIES
1st January 2024	112,098	24,440	(59,328)	77,210	58,713	22,851	81,564
Additions in the consolidation scope	3,025	48	-	3,073	2,580	493	3,073
Additions	6,320	10,598	-	16,918	10,740	6,178	16,918
Disposals	(1,312)	(6,130)	5,890	(1,552)	(626)	(926)	(1,552)
Depreciation expense / Payments made	-	-	(24,319)	(24,319)	-	(27,298)	(27,298)
Debt update expenses	-	-	-	-	3,414	-	3,414
Long term/Short term transfers	-	-	-	-	(20,904)	20,904	-
Transfers and other ^(*)	764	(627)	863	1,000	(754)	1,884	1,130
31st December 2024	120,895	28,329	(76,894)	72,330	53,163	24,086	77,249

Thousand euro	RIGHT OF USE OF ASSETS				LEASE LIABILITIES (Note 17)		
	LAND AND BUILDINGS	OTHER FIXED ASSETS	ACCUMULATED AMORTIZATION	TOTAL ASSETS	LONG TERM	SHORT TERM	TOTAL LIABILITIES
1st January 2023	108,170	20,587	(48,954)	79,803	62,799	20,292	83,091
Additions in the consolidation scope	87	131	-	218	75	143	218
Additions	11,376	11,399	-	22,775	16,222	6,553	22,775
Disposals	(4,815)	(6,373)	10,655	(533)	(119)	(414)	(533)
Depreciation expense / Payments made	-	-	(23,463)	(23,463)	-	(25,283)	(25,283)
Debt update expenses	-	-	-	-	3,131	-	3,131
Long term/Short term transfers	-	-	-	-	(21,694)	21,694	-
Transfers and other ^(*)	(2,720)	(1,304)	2,434	(1,590)	(1,701)	(134)	(1,835)
31st December 2023	112,098	24,440	(59,328)	77,210	58,713	22,851	81,564

(*) It mainly includes the effect of the exchange rate fluctuations derived from foreign subsidiaries' property, plant and equipment.

The discount rates used have been estimated, for each of the CGUs, based on the Group's cost of financing on each of the markets where it operates. The breakdown of the discount rates used in each of the segments is as follows:

	2024	2023
Brazil	12.00%	12.00%
North America	6.00%	6.75%
Asia	4.00% - 7.50%	4.50% - 7.50%
CIE Forging Europe	3.75%	4.25%
Rest of Europe	3.75%	4.25%

f) Capitalisation of borrowing costs

The Group did not capitalise any borrowing cost in 2024 or 2023 involving significant amounts.

g) Commitments

Capital expenditure agreements committed for at the period end, but not yet incurred is as follows:

Thousand euro	31.12.2024	31.12.2023
Property, plant and equipment	73,834	101,875

These investments are financed mainly through the cash generated by the Group's activities and structured via payment agreements with suppliers and equipment vendors and if necessary, bank borrowings.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

7.2 Goodwill and other intangible assets of defined useful life

Set out below is an analysis of the main intangible asset classes showing movements in assets:

Thousand euro	01.01.2024	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER (*)	31.12.2024
Goodwill on consolidation	1,795,131	6,470	-	-	28,155	1,829,756
R&D (development)	38,179	-	407	(341)	(1,994)	36,251
Computer applications	45,084	71	691	(174)	955	46,627
Patents, licenses, trademarks and similar	12,784	-	-	-	5	12,789
Prepayments and other	12,256	-	879	(106)	(873)	12,156
TOTAL COST	1,903,434	6,541	1,977	(621)	26,248	1,937,579
TOTAL ACCUMULATED AMORTISATION	(81,290)	-	(6,640)	514	2,192	(85,224)
TOTAL IMPAIRMENT	(21)	-	(3)	-	-	(24)
CARRYING AMOUNT	1,822,123					1,852,331

Thousand euro	01.01.2023	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER (*)	31.12.2023
Goodwill on consolidation	1,827,378	12,944	-	-	(45,191)	1,795,131
R&D (development)	39,203	1	841	(762)	(1,104)	38,179
Computer applications	44,407	21	901	(920)	675	45,084
Patents, licenses, trademarks and similar	12,784	-	-	-	-	12,784
Prepayments and other	12,468	161	703	-	(1,076)	12,256
TOTAL COST	1,936,240	13,127	2,445	(1,682)	(46,696)	1,903,434
TOTAL ACCUMULATED AMORTISATION	(77,032)	-	(7,066)	1,373	1,435	(81,290)
TOTAL IMPAIRMENT	(184)	-	(23)	31	155	(21)
CARRYING AMOUNT	1,859,024					1,822,123

(*) Basically, includes the effect of exchange rate fluctuations of intangible assets and goodwill currency of foreign subsidiaries.

Goodwill is assigned to the Group's cash-generating unit groups on the basis of the criterion of grouping together under each CGU group all the Group's assets and liabilities that jointly and indivisibly generate cash flows in an area of the business from a technology and/or geographical and/or customer viewpoint, on the basis of the synergies and risks shared.

The breakdown of goodwill as of 31st December 2024 and 2023, assigned to each CGU group level, detailed by operating segment is set out below:

Thousand euro	31.12.2024	31.12.2023
North America	297,207	280,630
Brazil	72,590	85,719
Asia	728,385	703,961
CIE Forging Europe	332,106	332,106
Rest of Europe	399,468	392,715
TOTAL	1,829,756	1,795,131

8. Goodwill and fixed assets impairment

a) Methodology in the analysis of signs of impairment of fixed assets

The Group carries out, at least once each year, a recovery analysis on its tangible and intangible assets, including goodwill. This analysis is carried out on two levels:

- Productive and intangibles assets with a defined useful life
- Goodwill

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Productive and intangibles assets of defined use of life

The property, plant and equipment is subject to continuous assessments by the technicians of each production plant together with the management control team of each of them, keeping a control on the profitability of the projects according to the projections available continuously, and considering evidences of impairment of assets associated with projects with deficient returns.

Regardless of the continuous evaluation of these projects, the Group annually carries out an assessment to update the financial projections for each cash-generating unit which consists of a period of five years and which is used to formalize an analysis of the recovery of the net value accounted for all fixed and intangible assets of each production plant. Based on this annual assessment, as well as through the continuous evolution of each project, all possible impairment of the assets is recorded by the Group.

In the case of intangible assets with a defined useful life recognized by the Group in a business combination, which basically correspond to licenses and contracts related to customers, the Group verifies the evolution of cash flows considered for their initial calculation have not changed significantly, evidencing an impairment loss.

In years 2024 and 2023, the Group has not registered any significant impairment over its productive assets.

Goodwill

The recoverable amount of the goodwill assigned to each CGUs or group of CGUs is determined based on value in use calculations. These calculations use cash flow projections based on the financial budget approved by Management, which generally covers a period of five years. Cash flows beyond the five-year period are forecasted assuming a market hypothesis regarding growth rates, in any case lower than the long-term average growth rate for the country in which each CGU or group of CGUs has its businesses.

To calculate the value in use, assumptions of future cash flows are used in accordance with the global situation of the markets in which the Group operates, as well as with their expected future evolution.

b) Assumptions used in the calculation of value in use of the Group's businesses

The assumptions used by the Group are the sales and margins generated by each cash-generating unit for the period for which the projections are forecasted, in addition to the annual growth rate and discount rate applied to calculate the value in use of each one of the CGUs or group of CGUs, and detailed by segment.

Sales and margins projection

Sales estimates are made at the level of each CGU and below it, at the level of each project, taking into account the confirmed purchase orders at the time of the budget, the portfolio of the different customers for each project, the estimated production units for ongoing projects in the forecasted period and future projects for which the Group has already been nominated.

The gross operating margin (EBITDA) applied to forecasted sales are estimated based on the current profitability of the contracts in production corrected, if applicable, for adjustments, positive or negative, in future profitability already known at the time of preparation of the forecast; as well as expected future returns from each of the projects which production has not started.

The average ⁽¹⁾ of the margins projected by segment for the period of the projections has been as follows:

Segments	2024	2023
North America	20.31%	20.66%
Brazil	21.18%	21.25%
Asia	18.71%	18.45%
CIE Forging Europe	16.35%	15.81%
Rest of Europe	19.21%	19.15%

⁽¹⁾ The average of the detailed margins is the result of dividing the sum of the gross operating profits (EBITDA) by the sum of the sales of the years that make up the projection period for each CGU or CGU grouping detailed by segment.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Calculation of residual value

The residual value is calculated by applying the “normalized annual cash flow”, which is made up of the EBITDA of the last year of the budget, minus the maintenance investments necessary to keep the activity at each plant (in the case of the Group it amounts between 2% and 4% of revenue depending on the region and technology); discounted by the normalized payment of taxes in the face of a future recurrence according to the tax situation of each of the tax territories.

Annual growth rate

The growth rates (g) used for the period beyond the projections used in 2024 and 2023 in the CGUs and groups of CGUs, which are reported by segment, have been as follows:

Segments	2024	2023
North America	2.0%	2.5%
Brazil	5.0%	5.0%
Asia	2.5%-7.5%	4.5%-7.5%
CIE Forging Europe	1.5%	2.25%
Rest of Europe	1.5%	2.25%

The Group estimates the growth rate for each of the cash-generating units based on macroeconomic data related to inflation and growth in the economies of each of the countries where it operates, considering these as the main measurement factors for estimating the growth rate in current valuation models, due to the direct relationship between macroeconomic growth and the sale of vehicles.

Discount rate

The pre-tax discount rate was determined on the basis of the weighted average cost of capital (WACC) plus a premium to reflect the tax effect. The WACC was determined using the Capital Asset Pricing Model (CAPM), which is widely used for discount rate calculation purposes.

The methodology for calculating the discount rate used by the Group consists of adding to the risk-free rate of each market the specific risks of the assets assigned to each of the cash-generating units.

The risk-free rate corresponds to the 10-year Treasury in the market in question. In the case of countries with economies or currencies with doubtful solvency levels, the Group carries out an estimate of its own risk applicable to each country.

The specific risk premium assigned to the Group's assets corresponds to the specific risks of the Automotive business itself, for which an estimated beta is used, based on the betas assigned to comparable companies or groups of companies.

The discount rates applied to cash flow projections in 2024 and 2023 have been as follows:

Segments	2024	2023
North America	7.73%-11.14%	8.27%-11.64%
Brazil	14.61%	14.03%
Asia	6.11%-10.05%	6.60%-10.17%
CIE Forging Europe	6.27%-6.94%	6.69%-7.62%
Rest of Europe	6.18%-6.94%	6.59%-7.62%

c) Results of the impairment test

The value in use resulting from the impairment assessment are, to their lowest recoverable level, higher than the net book value of the total non-financial assets recognized by the Group, thus no impairment has been recorded in 2024 and 2023.

d) Impairment test sensitivity

The Group has carried out the following sensitiveness simulations, without detecting evidences of impairment of goodwill:

- Penalty of the discount rate by 10%.
- Consideration of the perpetual cash flow equal to the last year of budgeted cash flow, that is, applying a growth rate (g) between 0% and 2%.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Additionally, a joint penalty of assumptions has been carried out considering:

- Decrease of the forecasted EBITDA by 10 percentage points,
- Reduction of the growth rate (g) to 50% for each CGU (between 0% and 2%, depending on the geography).

The outcome of the sensitivity assessment has determined, both in 2024 and 2023, that there is sufficient margin in the recovery of the goodwill recognized by the Group.

The growth and discount rates are assumptions based on external factors on which the Group does not have the capacity to act; in this sense, a more conservative assessment of such factors is carried out to verify that any significant variation would not result at risk the recoverability of assets subject to evaluation. The assumptions used to estimate the discount rate and the perpetual growth rate have not historically shown significant deviations, which is why it is considered that 10% of the discount rate and the reductions made to the growth rate are sufficiently conservative considerations for the purpose of sufficiently stressing the impairment assessment performed.

The Group's track record in the Automotive business has shown that its annual budgets and strategic plans (from which projections for impairment analyses are taken) are modest and have been comfortably met, and even improved always. Therefore, the Group considers that a 10 percentage points cut in its gross operating margins is more than sufficient for sensitivity analyses.

With the external and internal information currently available, and with enough margin existing in the recovery of goodwill, it is not considered that possible future macroeconomic and political developments, in addition to those already contemplated in the projections, could substantially modify the conclusion of the impairment assessment carried out. Additionally, the projections made by each business unit include the effects on their cash flow generation accordingly to the measures adopted by the Group on energy transition, the actions carried out related to eco-efficiency and the impacts derived from the policies of the public administration to combat climate change.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024

(Denominated in thousand euro)

9. Financial assets and derivatives

Movements in the Group's financial assets as of 31st December 2024 and 2023 are as follows:

	01.01.2024	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	DISCONTINUED ACTIVITIES (Note 13)	TRANSFERS AND OTHER ^(*)	FAIR VALUE ADJUSTMENT		RESULTS OF INVESTMENTS ACCOUNTED APPLYING THE EQUITY METHOD	31.12.2024
							PROFIT OR LOSS	EQUITY		
Valued at their amortized cost										
Deposits	136,636	294	53,138	(3,992)	-	4,464	-	-	-	190,540
Current credits	28,982	7,515	16	(7,976)	892	9,469	153	-	-	39,051
Non-Current credits	8,653	18,122	750	(99)	-	(11,049)	660	-	-	17,037
Down-payments (Note 25.c)	5,200	-	-	(1,300)	-	-	-	-	-	3,900
Total loans and receivables at amortized cost	179,471	25,931	53,904	(13,367)	892	2,884	813	-	-	250,528
Valued at fair value										
Non-Current credits (Note 22)	15,415	-	-	(3,240)	-	-	670	-	-	12,845
Liability derivatives – Exchange rates	(24)	-	-	-	-	(1)	(17)	-	-	(42)
Asset derivatives – Equity Swap	11	-	-	-	-	-	694	-	-	705
Non-Current credits and derivatives	15,402	-	-	(3,240)	-	(1)	1,347	-	-	13,508
Investments accounted applying the equity method	54,664	-	577	-	-	(8,839)	-	-	8,915	55,317
TOTAL	249,537	25,931	54,481	(16,607)	892	(5,956)	2,160	-	8,915	319,353

(*) It mostly includes the effect of currency exchange change on the financial assets of foreign affiliates and transfers as well as the distribution on dividends from associates.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024
(Denominated in thousand euro)

	FAIR VALUE ADJUSTMENT									
	01.01.2023	ADDITIONS IN CONSOLIDATION SCOPE (Note 2)	ADDITIONS	DISPOSALS	DISCONTINUED ACTIVITIES (Note 13)	TRANSFERS AND OTHER ^(*)	PROFIT OR LOSS	EQUITY	RESULTS OF INVESTMENTS ACCOUNTED APPLYING THE EQUITY METHOD	31.12.2023
Valued at their amortized cost										
Deposits	85,410	268	55,935	(1,918)	-	(3,059)	-	-	-	136,636
Current credits	17,423	1,811	204	(47)	9,713	40	(162)	-	-	28,982
Non-Current credits	15	6,588	-	(15)	2,073	87	(95)	-	-	8,653
Down-payments (Note 25.c)	6,500	-	-	(1,300)	-	-	-	-	-	5,200
Total loans and receivables at amortized cost	109,348	8,667	56,139	(3,280)	11,786	(2,932)	(257)	-	-	179,471
Valued at fair value										
Non-Current credits (Note 22)	14,588	-	5,518	(4,543)	-	-	(148)	-	-	15,415
Liability derivatives – Exchange rates	(140)	-	-	-	-	4	112	-	-	(24)
Asset derivatives – Equity Swap	-	-	-	-	-	-	11	-	-	11
Liability derivatives – Equity Swap	(5,872)	-	-	-	-	-	5,872	-	-	-
Liability derivatives – interest rate swaps	1,347	-	-	(729)	-	-	729	(1,347)	-	-
Non- Current credits and derivatives	9,923	-	5,518	(5,272)	-	4	6,576	(1,347)	-	15,402
Investments accounted applying the equity method	57,929	-	835	-	-	(12,064)	-	(419)	8,383	54,664
TOTAL	177,200	8,667	62,492	(8,552)	11,786	(14,992)	6,319	(1,766)	8,383	249,537

(*) It mostly includes the effect of currency exchange change on the financial assets of foreign affiliates and transfers.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

a) Debt instruments

Term deposits and loans accrue interests at a market interest rate of the country where the financial asset is held.

Current credits mainly correspond to an account receivable the Group holds with possibility of immediate availability with INSSEC DOS which balance at 31st December 2024 and 2023 stood at €16,800 thousand (Note 25).

The maximum exposure to credit risk at the date of presentation of consolidated information is the carrying amount of the assets.

Debt instruments valued at amortized cost do not differ from their fair value.

b) Financial derivatives instruments

• Swaps (interest rate and other)

As of 31st December 2024 and 2023, the Group had no interest rate swaps. In 2023 the Group liquidated interest rate swaps for an amount of €729 thousand.

• Equity swap

On 6th August 2018 the parent company arranged a swap associated with the listed share price of CIE Automotive, S.A., which has been novated on 28th December 2022 and on 28th November 2024. The underlying asset of the operation amounts to 2 million shares with an initial value of €25.09 per share. This underlying's valuation amounts to €705 thousand positive at 31st December 2024 (€11 thousand positive at 31st December 2023), and is due in 2028.

c) Investments accounted applying the equity method

The companies of the Group, both associates and joint ventures, consolidated under the equity method, are as follows:

	% effective share	
	31.12.2024	31.12.2023
Galfor Eólica, S.L.	16%	16%
Gescrap - Autometal Comercio de Sucatas, Ltda.	30%	30%
Gescrap Autometal México, S.A. de C.V.	30%	30%
Soluciones de Gestión de Residuos Mexicana, S.A. de C.V. ⁽¹⁾	30%	30%
Ges Trading Nar, S.A. de C.V.	30%	30%
Gescrap India Pvt, Ltd.	20%	20%
Clean Max Deneb Power, LLP	17%	17%
Sunbarn Renewables Pvt, Ltd.	17%	17%
ReNew Surya Alok Pvt, Ltd.	20%	20%
Strongsun Solar Pvt, Ltd.	18%	18%
Sunseed Solar Pvt, Ltd.	17%	17%
Ohja Renewables Pvt, Ltd. ⁽²⁾	18%	-
ReNew Green (MHK Two) Pvt, Ltd. ⁽³⁾	20%	-
Shanghai Golde Automotive Parts Co., Ltd.	50%	50%
Golde Automotive Parts (Ningde) Co., Ltd.	50%	50%
Basquevolt, S.A.	15%	15%

(1) Subsidiary company of Gescrap Autometal México, S.A. de C.V. without activity (dormant).

(2) Subsidiary company of CIE Hosur, Ltd, consolidated by the equity method after determining that significant influence exists.

(3) Subsidiary company of CIE Automotive India, Ltd, consolidated by the equity method after determining that significant influence exists.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The detail of the main investments accounted applying the equity method, and their contribution to the results of the Group is as follows:

	2024			2023		
	Investment cost	Share in profit/(loss)	Dividends received	Investment cost	Share in profit/(loss)	Dividends received
Shanghai Golde Automotive Parts Co., Ltd. ^(*)	34,553	5,036	4,024	33,174	4,257	5,493
Gescrap de México associates	10,397	2,353	2,462	9,881	2,729	705
Gescrap - Autometal Comercio de Sucatas, Ltda.	3,825	1,228	2,599	6,095	1,615	1,276
Other	6,542	298	-	5,514	(218)	-
Total	55,317	8,915	9,085	54,664	8,383	7,474

There are no significant restrictions on the ability to access to those assets. There are no contingent liabilities related to these investments in associates. None of these companies is listed on a stock exchange.

The investment in Shanghai Golde Automotive Parts Co., Ltd. includes, in addition to the equity attributable to the Group based on its shareholding, an implied goodwill amounting to €29.9 million as of 31st December 2024 (€28.9 million at 31st December 2023) arising from the acquisition of the Golde roof systems business in the year 2019.

The complete detail, at 100%, of the assets and liabilities of the joint business Shanghai Golde Automotive Parts, Co. Ltd. as of 31st December 2024 and 2023, as well as the results generated in the year 2024 and 2023, is as follows:

BALANCE SHEET (Thousand euro)	31.12.2024	31.12.2023	BALANCE SHEET (Thousand euro)	31.12.2024	31.12.2023
Non-current assets	21,055	25,450	Equity	9,288	8,571
Current assets	62,206	58,252	Non-current liabilities	11,958	13,322
			Current liabilities	62,015	61,809
TOTAL ASSETS	83,261	83,702	TOTAL LIABILITIES	83,261	83,702

INCOME STATEMENT (Thousand euro)	2024	2023
Revenue	88,680	106,384
Operating profit	10,991	10,010
Profit before tax	11,014	10,167
Profit from continuing operations	9,762	8,513
Other comprehensive income	10,940	6,465

10. Trade and other receivables

The breakdown of trade and other receivables at 31st December 2024 and 2023 is as follows:

Thousand euro	31.12.2024	31.12.2023
Trade receivables	212,733	250,119
Other receivables	4,628	7,388
Less: Value adjustment for impairment of receivables	(16,230)	(15,610)
Total	201,131	241,897

The fair values of trade and other receivables arrived at by discounting the related cash flows at market rates do not differ from their carrying amounts.

The amounts covered by factoring or accounts receivable sales agreements at year-end have been derecognised from Customers because they meet the conditions to be considered non-recourse factoring as the risks and benefits associated to the accounts receivable have been transferred to the financial institutions and the Group has no continuing involvement. At 31st December 2024 this balance amounts to €330.9 million (2023: €342.1 million).

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers (Note 3.3.11).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Given the characteristics of the Group's customers, balances receivable due in less than 60 days have historically entailed no expected loss as they fall within the normal collection period in the sector. The Group considers that the credit quality of these outstanding balances, which it deems neither impaired nor non-performing, is high. They mostly relate to payments associated with business disagreements that are set to be resolved in the short term.

The breakdown by ageing of accounts receivable due more than 60 days is as follows:

Thousand euro	2024	2023
Between 2 and 4 months	4,914	8,261
Between 4 and 12 months	5,150	3,900
More than 12 months	4,490	4,075
Total	14,554	16,236

Since the entry into force of IFRS 9 for Financial Instruments, the Group has estimated the expected loss in its trading accounts receivable (Note 3.3.8).

The credit quality of trade receivables not due or impaired is considered high and free of credit risk.

Movements on the Group's value adjustments for impairment of trade receivables in 2024 and 2023 are as follows:

Thousand euro	Note	2024	2023
Opening balance		15,610	15,230
Additions in consolidation scope		-	89
Additions	21	2,727	1,933
Recoveries	21	(93)	(316)
Receivables written-off		(2,014)	(1,326)
Closing balance		16,230	15,610

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Thousand euro	31.12.2024	31.12.2023
Euro	39,234	50,960
US dollar	32,163	42,540
Brazilian real	31,414	35,716
Indian rupee	55,749	58,613
Chinese yuan	45,762	43,457
Other	8,411	18,833
TOTAL	212,733	250,119

11. Inventories

The disclosure of the inventories heading at 31st December 2024 and 2023 is as follows:

Thousand euro	31.12.2024	31.12.2023
Goods held for resale	245	2,991
Raw materials and supplies	242,193	242,780
Work in progress and semi-finished goods	89,246	95,285
Finished goods	113,890	106,435
Prepayments to suppliers	11,587	12,969
TOTAL	457,161	460,460

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The Group's policy is to formalize insurance policies to cover possible risks to which its inventories are exposed. In the opinion of the Directors of the parent company, the coverage of the policies contracted as of 31st December 2024 is adequate. The cost of inventories recognised as an expense and included in the cost of goods sold breaks down as follows:

2024

Thousand euro	Goods held for resale, raw materials and supplies	Work in progress and finished goods	Total
Opening balance 1 st January 2024	245,771	201,720	447,491
Additions in consolidation scope (Note 2)	1,621	649	2,270
Purchases / Reserve movement – continuing activities	2,268,847	(3,327)	2,265,520
Other movements ^(*)	(608)	756	148
Closing balance 31 st December 2024	(242,438)	(203,136)	(445,574)
COST OF SALES	2,273,193	(3,338)	2,269,855

(*) It mainly corresponds to the effect of exchange rate fluctuations on the companies located abroad.

2023

Thousand euro	Goods held for resale, raw materials and supplies	Work in progress and finished goods	Total
Opening balance 1 st January 2023	256,054	226,785	482,839
Additions in consolidation scope (Note 2)	4,212	2,524	6,736
Purchases / Reserve movement – continuing activities	2,321,382	(9,787)	2,311,595
Other movements ^(*)	(3,622)	(4,299)	(7,921)
Closing balance 31 st December 2023	(245,771)	(201,720)	(447,491)
COST OF SALES	2,332,255	13,503	2,345,758

(*) It mainly corresponds to the effect of exchange rate fluctuations on the companies located abroad.

The carrying amount of work in progress and finished goods includes the following value adjustments for obsolescence as presented below:

Thousand euro	Note	2024	2023
Opening balance		37,708	33,986
Additions in consolidation scope		-	643
Additions ^(*)	21	9,867	8,521
Cancellation of balances/Transfers		(3,182)	(5,442)
Closing balance		44,393	37,708

12. Cash and cash equivalents

Cash and other cash equivalents at 31st December 2024 and 2023 break down as follows:

Thousand euro	31.12.2024	31.12.2023
Cash and banks	486,623	503,446
Current bank deposits	460,831	336,475
TOTAL	947,454	839,921

Current bank deposits relate to investments of cash surpluses maturing in less than three months or available immediately. These deposits earn interest at a market rate depending on the currency.

The Group does not have significant bank accounts of cash and equivalents restricted as of 31st December 2024 and 2023.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The carrying amount of cash and cash equivalents at Group companies is denominated in the following currencies:

Thousand euro	31.12.2024	31.12.2023
Euro	152,286	103,134
US dollar	238,447	199,304
Chinese yuan	285,475	301,584
Brazilian real	224,314	184,323
Indian rupee	29,654	27,335
Mexican peso	9,835	5,315
South African rand	-	11,874
Other	7,443	7,052
TOTAL	947,454	839,921

13. Disposal groups classified as held for sale and discontinued operations

a) German Forging business

On 14th December 2022, the Board of Directors of CIE Automotive India, Ltd. made the decision to put the German forging business up for sale, corresponding to the company CIE Forging Germany GmbH and its subsidiaries, after receiving offers from potential buyers of this business.

On 9th August 2023, the Group signed, through its subsidiary CIE Forging Germany GmbH, a share purchase agreement whereby 100% of its stake in the operating companies of the German forging business Schöneweiss & Co. GmbH, Gesekschmiede Schneider GmbH, Falkenroth Umformtechnik GmbH and Jeco Jellinghaus GmbH was sold for a total amount of approximately €25 million. This compensation consisted of €22.5 million of fixed price and €2.5 million of contingent price subject to the collection of certain assets in the disposed companies. Out of the total agreed sale price, €11.7 million were collected in 2023. As of 31st December 2024, €12.5 million were outstanding, having been collected €10.0 million in January 2025.

In accordance with the accounting standard, as of 31st December 2023 and 31st December 2024, the Group has reclassified the assets and liabilities of CIE Forging Germany GmbH, the holding company of the disposed companies, according to their nature in the consolidated balance sheet, as the book value of the company is not expected to be recovered through its sale. On the other hand, the income statement remains classified as discontinued operations in both December 2023 and December 2024.

The net profit contributed by this business, after the relevant valuation adjustments, amounted to €12.7 million as of 31st December 2023, including both the consolidated profit contributed by the disposed companies, as well as the transaction outcome and the discount effect over the accounts receivable with the seller.

b) Biofuel business

On 13th September 2023, after the sale of its assets, the company Biocombustibles de Guatemala, S.A. was liquidated. The sale of assets and the subsequent liquidation of the company did not have significant impact on the income statement from discontinued operations (Note 1).

As of 31st December 2024 and 2023, the Group keeps the rest of the assets and liabilities associated with this business classified as a group of assets and liabilities held for sale. The net book value of the consolidated net assets allocated to the biofuel business is not significant.

c) British Forging business - Stokes

On 17th April 2023, the company Stokes Group Limited was liquidated, after the disposal of all the assets related to the business. The result generated by the sale of these assets and the subsequent liquidation of the business was not significant.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The following is the discontinued income statement for the years ended 31st December 2024 and 2023:

Thousand euro	2024	2023
OPERATING REVENUE	4,100	145,449
Revenue	4,106	121,029
Other operating income	(6)	16,775
Change in inventories of finished goods and work in progress	-	7,645
OPERATING EXPENSES	(3,779)	(124,045)
Consumption of raw materials and secondary materials	(1,868)	(66,050)
Employee benefit expenses	(1,132)	(26,001)
Depreciation, amortisation and impairment	(30)	(21,045)
Other operating income/(expenses)	(749)	(10,949)
OPERATING PROFIT	321	21,404
Financial costs	-	(1,737)
Financial income	934	681
Net exchange differences	-	(629)
PROFIT BEFORE TAX	1,255	19,719
Corporate income tax (Note 24)	(222)	(6,348)
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	1,033	13,371

As of 31st December 2024 and 2023, the disclosure of revenue from discontinued activities per geographic area is as follows:

Thousand euro	2024	2023
Rest of Europe	-	116,284
Spain	4,106	4,745
IMPORTE NETO DE LA CIFRA DE NEGOCIOS	4,106	121,029

The information of the assets and liabilities of the disposable group classified as held for sale related to discontinued operations described above are summarized in the following table on 31st December 2024 and 2023:

ASSETS (Thousand euro)	31.12.2024	31.12.2023	LIABILITIES (Thousand euro)	31.12.2024	31.12.2023
Non-current assets	282	313	Current liabilities	442	326
Property, plant and equipment	227	255	Trade and other payables	273	227
Other intangible assets	-	3	Current tax liabilities	128	61
Deferred tax assets	29	29	Other current liabilities	41	38
Other non-current assets	26	26			
Current assets	369	345			
Inventory	109	117			
Trade and other receivables	68	67			
Other current assets	12	8			
Current tax assets	6	3			
Cash and cash equivalents	174	150			
TOTAL ASSETS	651	658	TOTAL LIABILITIES	442	326

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The consolidated cash flow statement from discontinued operations for the years ended 31st December 2024 and 2023 is as follows:

Thousand euro	2024	2023
PROFIT BEFORE TAXES	1,255	19,719
Adjustments to year's profit	(904)	22,319
Depreciation, amortisation and impairment	30	21,045
Finance profit/(loss) and exchange rate differences	(934)	1,685
Other adjustments to year's profit	-	(411)
Changes in working capital	(327)	(17,910)
Net variation of provisions	-	(2,771)
Other changes in net working capital	(327)	(15,139)
Other cash flows from operating activities	-	(615)
Interests paid and collected	-	(733)
Corporate tax collection	-	118
CASH FLOWS FROM OPERATING ACTIVITIES	24	23,513
Acquisition of property, plant and equipment	-	(2,082)
Financial assets movement	-	175
Proceeds from the sale of property, plant and equipment, and intangible assets	-	411
CASH FLOWS FROM INVESTING ACTIVITIES	-	(1,496)
Income (net of reimbursements) from high-rotation borrowings	-	845
Lease payments	-	(704)
CASH FLOWS FROM FINANCING ACTIVITIES	-	141
Disposal of the German forging business, net of cash transferred	-	7,619
Cash distribution to discontinued activities	-	(39,267)
CASH GENERATED ON THE DISPOSAL OF THE GERMAN FORGING BUSINESS	-	(31,648)
OTHER CASH TRANSFERRED TO DISCONTINUED ACTIVITIES	-	(560)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	24	(10,050)
Cash and equivalents at beginning of the period	150	10,200
Cash and equivalents at end of the period	174	150

14. Equity

The main components of Shareholders' Equity are detailed below:

14.1 Capital, share premium and treasury shares

The variations during the years 2024 and 2023 of the number of shares, the share capital, the treasury shares and the share premium have been as follows:

31 st December 2024					
Movements in thousand euro	No. shares (thousands)	Share capital	Treasury shares	Share premium	Total
At 1 st January 2024	119,807	29,952	(1,202)	152,171	180,921
Acquisition of treasury shares	629	-	(16,130)	-	(16,130)
Sale of treasury shares	(615)	-	15,762	-	15,762
At 31st December 2024	119,821	29,952	(1,570)	152,171	180,553
31 st December 2023					
Movements in thousand euro	No. shares (thousands)	Share capital	Treasury shares	Share premium	Total
At 1 st January 2023	122,550	30,637	(60,326)	152,171	122,482
Share capital reduction	(2,743)	(685)	57,117	-	56,432
Acquisition of treasury shares	-	-	(8,856)	-	(8,856)
Sale of treasury shares	-	-	10,863	-	10,863
At 31st December 2023	119,807	29,952	(1,202)	152,171	180,921

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

a) Share capital

The share capital of CIE Automotive, S.A. at 31st December 2022 was represented by 122,550,000 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market. On 30th March 2023, a reduction of the share capital amounting €685 thousand was carried out through the redemption of 2,742,516 treasury shares, acquired during 2022. After that operation, the share capital of the parent company as of 31st December 2024 and 2023 is represented by 119,807,484 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market.

As of 31st December 2024 and 2023, the most relevant participations in the share capital of CIE Automotive S.A., that is, the companies that, directly or indirectly, participate in the share capital in a percentage equal to or greater than 10%, are the following:

Shareholding %	31.12.2024	31.12.2023
Acek Desarrollo y Gestión Industrial, S.L. ^(*)	16.05%	16.05%
Corporación Financiera Alba, S.A.	13.66%	13.66%
Elidoza Promoción de Empresas, S.L.	10.58%	10.58%

(*) 5.93% directly and 10.12% indirectly, through Risteel Corporation, B.V., as of 31st December 2024 and 2023.

The stock price of the parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €25.40 at 31st December 2024 (last listed session of the period).

b) Share premium

This reserve is freely available for distribution.

c) Treasury shares

The movement of treasury shares during the periods ended 31st December 2024 and 31st December 2023 is broken down in the following table:

	31 st December 2024		31 st December 2023	
	Number of shares	Amount (Thousand euro)	Number of shares	Amount (Thousand euro)
Opening balance	47,517	1,202	2,919,127	60,326
Share capital reduction	-	-	(2,742,516)	(57,117)
Acquisitions	629,446	16,130	337,952	8,856
(Sales) for the year	(614,915)	(15,762)	(467,046)	(10,863)
Ending balance	62,048	1,570	47,517	1,202

During 2024, the parent company has acquired a net amount of 14,531 treasury shares directly, up to a total of 62,048 shares (reaching 0.05% of the total voting rights issued by the Company), which are added to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights). During 2023, the parent company sold a net amount of 129,094 treasury shares directly. Likewise, a share capital reduction was carried out through the redemption of 2,742,516 treasury shares, being the ending balance 47,517 shares as of 31st December 2023 (reaching 0.04% of the total voting rights issued by the Company), which were added to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights).

Also, rescinding the resolution adopted by the General Meeting of Shareholders on 4th May 2023 for the unexecuted part, the General Meeting of Shareholders on 8th May 2024 agreed to authorize the Company, directly or through any of its subsidiaries, for a maximum of five years from the date of the General Meeting of Shareholders, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by Law, including against profits for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and related provisions of the Spanish Companies' Act.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Under this authorization framework, on 8th May 2024, the Company's General Shareholders' Meeting approved a program to repurchase the Company's treasury shares in order to reduce up to a maximum of 10% of the parent company's share capital through the redemption of treasury shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

d) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding in the year, excluding treasury shares acquired by the parent company (Note 14.1.c).

	2024	2023
Profit attributable to the parent company's shareholders (thousand euro)	325,660	320,175
Profit/(loss) from discontinued operations attributable to the parent company's shareholders (thousand euro) (*)	721	9,035
Weighted average number of ordinary shares outstanding (thousand)	119,748	119,711
BASIC EARNINGS	2.72	2.67
Basic earnings per share from continuing operations (euro per share)	2.71	2.60
Basic earnings per share from discontinued operations (euro per share)	0.01	0.07

(*) The profit/(loss) from discontinued operations of the Group (2024: €1,033 thousand, 2023: €13,371 thousand) which corresponds to the shareholders of the parent company is €721 thousand in 2024 and €9,035 thousand in 2023 (Note 13).

The basic earnings per share matches with the diluted ones, since there are no instruments that could be converted into ordinary shares during the years 2024 and 2023.

14.2 Retained earnings

Movements in retained earnings are as follows:

Thousand euro	Legal reserve	Reserve in consolidated companies and effect of first-time conversion (Note 14.2.d)	Profit and loss	SUBTOTAL	Translation differences (Note 14.3)	TOTAL
At 1st January 2023	6,450	984,315	300,120	1,290,885	(220,978)	1,069,907
Distribution of 2022 profit	-	200,882	(300,120)	(99,238)	-	(99,238)
Income/(expense) recognised directly in equity, net	-	(4,135)	320,175	316,040	(78,675)	237,365
Share capital reduction (Note 14.1)	-	(56,432)	-	(56,432)	-	(56,432)
Sale of treasury shares (Note 14.1)	-	797	-	797	-	797
Other changes	-	(2,878)	-	(2,878)	1	(2,877)
At 31st December 2023	6,450	1,122,549	320,175	1,449,174	(299,652)	1,149,522
Distribution of 2023 profit	-	212,397	(320,175)	(107,778)	-	(107,778)
Income/(expense) recognised directly in equity, net	-	(4,790)	325,660	320,870	12,811	333,681
Sale of treasury shares (Note 14.1)	-	100	-	100	-	100
Other changes	-	(3,076)	-	(3,076)	-	(3,076)
At 31st December 2024	6,450	1,327,180	325,660	1,659,290	(286,841)	1,372,449

a) Legal reserve

In accordance with Article 274 of the Consolidated Text of the Spanish Companies Act, 10% of profits must be transferred to the legal reserve each year until it represents at least 20% of share capital. Both in the fiscal years ended 31st December 2024 and 2023, the legal reserve is fully allocated.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

b) Dividends and shareholder remuneration

On 12th December 2024, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2024 for a gross amount of €0.46 per share entitled to a dividend, which has meant a total of €55,082 thousand (Note 25.c)). Payment has been made effective on 8th January 2025.

The amount to distribute did not exceed the profit of the parent company obtained since the last financial year, deducting the tax estimation, according to Article 277 of Spain Corporate Enterprise Act.

The provisional accounting statement of the parent company at 30th November 2024, which has been formulated according to legal requirements and shows the existence of enough cash-flow to distribute the dividend mentioned above, is as follows (thousand euro):

Provisional cash-flow statement	€ thousand
Profit forecast:	
- Available net profit for 2024	122,430
To deduct:	
- Legal reserve	-
Maximum amount to distribute	122,430
Amount distribution proposal	110,222
Treasury forecast for one year	212,598
Interim dividend	(55,111)

On 8th May 2024, the General Meeting of Shareholders of CIE Automotive, S.A. approved the distribution of the individual result for the 2023 year, approving a complementary dividend distribution for a gross amount of €0.45 per share entitled to a dividend, which has meant a total of €53,885 thousand. Payment was made effective on 8th July 2024.

On 14th December 2023, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2023 for a gross amount of €0.45 per share entitled to a dividend, which meant a total of €53,893 thousand (Note 25.c)). Payment was made effective on 5th January 2024.

On 4th May 2023, the General Meeting of Shareholders of CIE Automotive, S.A. approved the distribution of the individual result for the 2022 year, approving a complementary dividend distribution for a gross amount of €0.42 per share entitled to a dividend, which meant a total of €50,189 thousand. Payment was made effective on 7th July 2023.

On 15th December 2022, the Board of Directors of CIE Automotive, S.A. agreed the payment of an interim dividend charged to the profit of the year 2022 for a gross amount of €0.41 per share entitled to a dividend, which meant a total of €49,049 thousand. Payment was made effective on 5th January 2023.

c) Proposal for the distribution of results

The proposal of the Board of Directors on the distribution of the 2024 result of the parent company, determined in accordance with accounting principles generally accepted in Spain (legislation applicable to the parent company), that will be presented to the shareholders at the General Meeting, alongside the shareholder-approved distribution for 2023, is as follows:

Thousand euro under Spanish GAAP	2024	2023
Available for distribution		
Profit/(loss) for the year	122,430	111,972
Distribution		
To voluntary reserves	12,208	4,146
To Interim dividend	55,111	53,913
To Final dividend	55,111	53,913
PROFIT AND LOSS	122,430	111,972

d) Reserves in consolidated companies and effect of first conversion

The amount of the reserve in consolidated companies and the effect of first conversion amounts at €1,327,180 thousand and €1,122,549 thousand as of 31st December 2024 and 2023, respectively.

This heading records, in addition to the reserves in consolidated companies, the effects of the adjustments made in conjunction with transition to IFRS on the date of first-time adoption, 1st January 2005, and the effect of valuing certain financial assets/liabilities at market prices (Note 9).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

14.3 Translation differences

Translation differences collect the exchange rate differences generated as a result of the variation of the euro exchange rate with respect to the main currencies of the group's foreign companies.

The translation differences at year-end 2024 are negative for an amount of €286,841 thousand (2023: €299,652 thousand negative). The variations of the conversion differences corresponding to the exercises ended as of 31st December 2024 and 2023 are included in the consolidated state of changes in the net worth.

The detail by currency is as follows:

Currency	2024	2023	Variation
US dollar	54,071	4,757	49,314
Brazilian real	(273,300)	(198,680)	(74,620)
Chinese yuan	1,363	(24,668)	26,031
Indian rupee	(45,949)	(59,589)	13,640
Other	(23,026)	(21,472)	(1,554)
Translation differences	(286,841)	(299,652)	12,811

14.4 Non-controlling interests

Movements in non-controlling interests are as follows:

Thousand euro	2024	2023
Balance at 1st January of current period	384,694	361,309
Profit of the year	37,297	41,014
Difference in foreign currency conversion	6,870	(8,409)
Other (gross hedges of cash flows, tax effect, etc.)	(25)	15
Net income/(expense) recognized directly in equity	44,142	32,620
Dividends to non-dominant shares	(12,526)	(9,912)
Other movements	(289)	677
Balance at 31st December of current period	416,021	384,694

The breakdown of non-controlling interests by Company/Subgroup is as follows (in thousand euro):

31 st December 2024			
Thousand euro	% Non-controlling	Non-controlling interests	Income attributable to non-controlling interest
CIE Automotive India subgroup	34.30%	362,590	31,274
Other minor		53,431	6,023
Non-controlling interests		416,021	37,297
31 st December 2023			
Thousand euro	% Non-controlling	Non-controlling interests	Income attributable to non-controlling interest
CIE Automotive India subgroup	34.30%	332,221	34,699
Other minor		52,473	6,315
Non-controlling interests		384,694	41,014

The assets, liabilities and the profit for the year 2024 assigned to the CIE Automotive India subgroup incorporated to the Consolidated Annual Accounts amount to €1,493.8 million, €382.4 million and €91.2 million respectively (2023: €1,461.1 million, €440.8 million and €101.4 million respectively).

As of 31st December 2024, the equity value assignable to the Group amounts to €749.9 million (€689.1 million at 31st December 2023).

As of 31st December 2024, last trading day of year 2024, the share price quotation amounted to Rs 470.8 (Rs 470.7 as of 29th December 2023, last trading day of year 2023). At 31st December 2024 and 2023, the quoted value of the Group's investment in the CIE Automotive India subgroup is higher than the carrying value of its consolidated net assets. In addition, on the same date, the Group has assessed the possible existence of impairment with respect to the net assets allocated to this subgroup, with no evidence of impairment detected (Note 8).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

15. Borrowings

The detail of the resources of the Group as of 31st December 2024 and 31st December 2023 classified by concept is as follows:

Thousand euro	31.12.2024	31.12.2023
Bank borrowings (a)	1,573,696	1,657,805
Non-current borrowings	1,573,696	1,657,805
Bank borrowings (a)	268,713	225,223
Commercial paper programme (b)	367,800	274,420
Discounted bills pending maturity and prepayments on export bills	6,345	12,019
Current borrowings	642,858	511,662
TOTAL BORROWINGS	2,216,554	2,169,467

The Group's policy is to diversify its financing sources. There is no concentration of loan/credit risk in respect of its bank borrowings as the Group works with multiple entities.

The exposure of the Group's bank borrowings to interest rate changes is as follows:

Thousand euro	Note	Balance at 31 st December	At more than 1 year	At more than 5 years
Total borrowings		2,216,554	1,573,696	84,204
Total borrowings at initial fixed interest rate		(1,079,375)	(551,807)	(11,982)
Risk at 31st December 2024		1,137,179	1,021,889	72,222
Total borrowings		2,169,467	1,657,805	75,876
Total borrowings at initial fixed interest rate		(1,182,288)	(757,097)	(22,580)
Risk at 31st December 2023		987,179	900,708	53,296

a) Bank borrowings

Non-current borrowings have the following maturities:

Thousand euro	31.12.2024	31.12.2023
Between 1 and 2 years	395,594	315,667
Between 3 and 5 years	1,093,898	1,266,262
Over 5 years	84,204	75,876
TOTAL NON-CURRENT BORROWINGS	1,573,696	1,657,805

The effective interest rates at the balance sheet dates are the usual market rates (benchmark rate plus a market spread) and there are no significant differences with respect to other companies of a similar size and with similar risk and borrowing levels.

Bank borrowings carry interest at market rates, by currency, plus a spread that ranges between 95 and 550 basis points as of 31st December 2024 (95 and 720 basis points as of 31st December 2023).

The carrying amounts and fair values of current and non-current borrowings do not differ significantly since an important portion thereof has been arranged recently and, in all cases, they accrue interest at market rates.

The carrying amount of the Group's borrowings is denominated in the following currencies:

Thousand euro	31.12.2024	31.12.2023
Euro	2,119,562	1,989,122
US dollar	89,810	164,925
Other	7,182	15,420
TOTAL BORROWINGS	2,216,554	2,169,467

At 31st December 2024 the Group had drawn credit lines with financial institutions for an amount of €192 million (31st December 2023: €78 million). The total limit of the aforementioned lines of credit amounts to €754 million (31st December 2023: €768 million), so it has €562 million (31st December 2023: €690 million) of loans and credit lines undrawn at a fixed and floating interest rate.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Thousand euro	31.12.2024	31.12.2023
Expiring within one year	227,310	254,309
Expiring beyond one year	334,438	435,695
TOTAL AVAILABLE LINES OF CREDIT	561,748	690,004

Syndicated loan 2014

On 28th July 2014 CIE Automotive, S.A. entered into a new financing arrangement with a syndicate of six financial institutions for €450 million. The amortisation period stood at 5 years, with an average term of 4.7 years. This improved the average term of the Group's financing and also the economic terms and conditions of the former syndicated financing agreement. The subsequent amendments related to this financing were the following:

- On 13th April 2015 the syndicated loan was novated and a decrease in the initially negotiated spread was agreed. Similarly, it was agreed to extend the maturity periods, establishing the new final maturity date in April 2020.
- On 14th July 2016, the parent company signed a second novation with respect to the syndicated financing agreement. According to this novation, the total amount was increased by €150 million, to €600 million, the maturity period was extended for another year, the last payment therefore being due in April 2021 and a change was agreed in the margin initially negotiated and novated in 2015.
- On 6th June 2017, the parent company signed a third novation with respect to the syndicated financing agreement. According to this novation, the maturity period was extended by one year for most of finance institutions, being the last payment due in April 2022.
- On 27th April 2018, the parent company signed a fourth novation of this syndicated financing agreement. According to this novation, the maturity period was extended by one year, being the last payment due in April 2023.
- On 12th April 2019, the parent company signed a fifth novation with respect to the syndicated agreement. According to this novation, the limit was increased by €90 million, reaching a total of €690 million; and the maturity was extended until April 2024.
- On 27th February 2020, the parent company requested the extension of the maturity date until 13th April 2025, being approved by most of the financing entities.
- In June 2020, this finance agreement became a sustainable loan valued by an external agent annually with its subsequent adjustment to the margin based on the improvement of the annual ratios of the Group's Environmental, Social and Governance criteria.
- On 16th June 2021, the extension of this financing until April 2026 was signed, and said extension was unanimously approved by the financing entities.
- On 6th June 2022, the extension of this financing until April 2027 was signed, being this extension unanimously approved by the financing entities.
- On 7th June 2023, the extension of this financing until April 2028 was signed. This renewal prioritises sustainable financing as long as it continues to be tied to criteria for the improvement of the evolution of the activity in Environmental, Social and Governance (ESG) terms. The extension was unanimously approved by the financing entities.
- On 23rd April 2024, the parent company signed a novation of the syndicated loan, resulting in an extension on the maturity period by one year, being the last payment due in April 2029; with no substantial modification for the remaining conditions. This financing agreement continues to be linked to ESG criteria and the novation has been unanimously approved by the financing entities.

The drawn amount of this syndicated financing agreement on 31st December 2024 amounted to €430 million (31st December 2023: €310 million), and its interest rate is indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Other financing

On 14th July 2016, the parent company arranged a new loan with several financial and insurance institutions amounting to €85 million and with final maturity in 10 years. Part of this finance agreement was contracted to a fixed interest rate, and the other part to a floating interest rate indexed to Euribor. In July 2021, a 2-year extension was signed for this financing, bringing the final maturity to 2028 and becoming the same at a fixed market interest. The balance disposed as of 31st December 2024 and 2023 amounts to €68 million.

In 2014 and 2018, the Group signed financing agreements with the European Investment Bank (EIB) to finance various research and development projects in the automotive components sector. During the first half year of 2021 the Group paid-out the finance agreement signed in 2014. In addition, in September 2020 the Group signed a finance agreement with this institution amounting to €40 million, due in 2030. The final maturity of these financings is in 2031 and the outstanding balance as of 31st December 2024 amounts to €82 million (31st December 2023: €95 million). Additionally, on 31st May 2024, a new financing agreement has been signed whereby the Group has obtained a loan for a total amount of €36 million with an initial maturity of 10 years. The objective of this contract is to finance research and development activities that the Group is carrying out in Europe to support the competitiveness and growth through innovative technologies that contribute toward improved sustainability and material efficiency.

On 5th July 2018 the Group signed a financing contract amounting to USD150 million with International Finance Corporation (World Bank Group) and EDC (Export Development of Canada). This funding, that had a maturity of 10 years and was aimed to support sustainable growth of the CIE Automotive Group in Mexico in the coming years, has been fully settled in 2024. On 31st December 2023 the drawn amount of such funding was €82 million approximately.

All these financing facilities are subject to compliance with different financial ratios usual for these contracts in the market. As of 31st December 2024 and 2023, the Group complies with all the obligations that, in accordance with the financing contracts, were in force and were payable by the different lenders as of that date.

The rest of the Group's financing relates mainly to non-structural financing contracted by the parent company under market conditions. In addition to these, other significant financing agreements are as follows:

- On 11th May 2016, the Group arranged, through its US subsidiary CIE Investments USA, Inc., two loans of USD35 million each, with a final maturity of 3 and 5 years, respectively, at a floating interest rate, linked to a market interest rate. In 2020 and 2021, both loans were renewed, increasing the outstanding balance of one of the loans up to USD35 million. In 2023, the final maturity of the loans was extended until 2026, in turn increasing the amount of financing. The balance as of 31st December 2024 amounts to €34 million (31st December 2023: €45 million).
- In June 2018, the Group contracted a new loan of USD50 million from a financial institution, through the Mexican subsidiary CIE Automotive de México, S.A.P.I. de C.V., for a five years term and an eleven-month grace period, at a floating interest rate linked to a market interest rate, on conditions in line with current market price parameters. This loan was paid back in the first half of 2023.

In its commitment to sustainability and in accordance with its strategic plan, the Group has been incorporating sustainable financing criteria into its financing in its objective for 2025 of obtaining more than half of the Group's gross debt classified as sustainable debt.

In 2024, the Group has repaid €483 million (2023: €336 million) and has arranged €422 million of financing agreements, included those disclosed above (2023: €329 million).

b) Commercial paper program

On 19th July 2018, the parent company of the Group made public the formalization of a program of issuance of commercial paper program with a maximum amount of €200 million, which was registered in the Ireland Stock Market and which will serve as diversification of financing of working capital needs of the Group and as an alternative to bank financing for this purpose. On 18th July 2019, the program was renewed increasing the maximum amount to €300 million. On 18th March 2020, the maximum amount was increased to €400 million and on 21st July 2020 the program was renewed. As of 31st December 2024, the drawn balance amounts to €37 million (31st December 2023: €274 million).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

On 16th July 2024, the Group's parent company, CIE Automotive, S.A. has registered a new promissory note program in the Spanish Alternative Fixed Income Market (MARF), up to a limit of €400 million. Starting this date, this financing will be the main alternative to bank financing, and will replace the commercial paper program registered in Ireland in fiscal year 2018. Both programs will coexist until the last promissory notes issued in Ireland reach maturity, in the first quarter of 2025. As of 31st December 2024, the drawn balance amounts to €331 million.

16. Trade and other payables

The breakdown of trade and other payables as of 31st December 2024 and 2023 is as follows:

Thousand euro	31.12.2024	31.12.2023
Trade payables ^(*)	825,117	855,090
Interim dividend (Note 25.c))	55,082	53,893
Other account payables	55,988	52,883
TOTAL	936,187	961,866

^(*) On 31st December 2024, the Group keeps a historic agreement with a single raw material supplier for the extension of the original due dates. As of this date, the payable recorded with this supplier has an extended average maturity of 105 days and represents 4% of the total amount of the heading "trade and other payables".

The fair values of these payables do not differ from their carrying amounts.

The breakdown of trade payables settled during 2024 and 2023 to suppliers for the Spanish consolidated entities and those pending of payment at the year-end in relation to the legally-permitted payment terms stipulated in Spanish Law 15/2010 of 5th of July, is as follows:

Days	2024	2023
Paid operations ratio	80	77
Outstanding operations ratio	83	78
Average payment period to suppliers	75	75

Payments in thousand euro	2024	2023
Payments made	460,374	486,401
Outstanding payments	203,509	232,024

Additionally, and in accordance with the obligations required in the Spanish Law 18/2022 on creation and growth of companies, it is reported that the total amount of payments made in before than the maximum established by Law 5/2010 has amounted to €198,892 thousand (2023: €233,928 thousand) and 19,933 invoices (2023: 18,728 invoices), which represent 43% (2023: 48%) of the total payments made and 32% (2023: 30%) of the total invoices.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

17. Other liabilities

The breakdown of "other non-current liabilities", "current tax liabilities" and "other current liabilities" balance sheet's headings as of 31st December 2024 and 2023 is as follows:

Thousand euro	31.12.2024	31.12.2023
Capital creditors	9,237	4,082
Long-term payables to tax authorities	10,758	11,882
Other non-current debts	75,945	66,681
Debts from business combinations (Note 2)	777	935
Lease liabilities (Note 7.1.e)	53,163	58,713
Non-Current	149,880	142,293
Current tax liabilities	80,577	72,537
Short-term payables to tax authorities	1,927	1,719
Capital creditors	39,065	33,124
Accrued wages and salaries	82,452	82,420
Other current liabilities	5,982	4,680
Debts from business combinations (Note 2)	2,541	2,948
Accruals and deferred income	9,456	29,055
Lease liabilities (Note 7.1.e)	24,086	22,851
Current	246,086	249,334
TOTAL OTHER LIABILITIES	395,966	391,627

The fair value of these liabilities does not differ significantly from their carrying amounts.

The balances included under Payables to tax authorities within long and short term include liabilities generated by the deferral of VAT, personal income tax and social security payments as well as several other items (repayment of grants, court bonds and other).

Other current and non-current liabilities

At 31st December 2024 this heading includes loans to finance investment projects received from public financing institutions amounting to €15,434 thousand (2023: €8,968 thousand), being €10,384 thousand (2023: €5,223 thousand) classified as other long-term liabilities. Moreover, this heading also includes the granted loan in March 2019 by COFIDES, which at 31st December 2024 amounts to €29,932 thousand, being fully classified in the long term (2023: €49,901 thousand, fully classified in the long term), and accrues an interest at a rate benchmarked to Euribor plus a market spread.

Additionally, on 9th October 2024, the Group's parent company has signed a loan with a public financing institution for a total amount of €20,000 thousand and accrues an interest at a rate benchmarked to Euribor plus a market spread. This financing is due in the long term and includes sustainability clauses (ESG).

Other non-current liabilities have the following maturities:

Thousand euro	31.12.2024	31.12.2023
Between 1 and 2 years	41,354	23,702
Between 2 and 5 years	79,151	89,334
Over 5 years	29,375	29,257
TOTAL NON-CURRENT OTHER LIABILITIES	149,880	142,293

18. Deferred taxes

The breakdown of deferred tax assets and deferred tax liabilities is as follows:

Thousand euro	31.12.2024	31.12.2023
Deferred tax assets	238,691	231,735
Deferred tax liabilities	(220,603)	(206,495)
NET	18,088	25,240

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The overall movement in the deferred tax account is as follows:

Thousand euro	Note	2024	2023
Opening balance		25,240	21,766
Additions in consolidation scope	2	(7,326)	(427)
(Charged)/credited to the income tax expense	24	6,195	(6,547)
(Charged)/credited to equity		1,439	356
Transfers and others ^(*)		(7,460)	10,092
Closing balance		18,088	25,240

(*) Includes mainly movements on deferred items due to foreign currency exchange fluctuations.

The movement in deferred income tax assets and liabilities during 2024 and 2023 is as follows:

Deferred tax assets (thousand euro)	2024	2023
Non-deductible provisions and other temporary differences	153,437	146,909
Deferred tax assets – IFRS 16	18,359	19,082
Losses carried forward (tax losses)	34,654	33,388
Other tax credits	32,241	32,356
TOTAL	238,691	231,735

Deferred tax liabilities (thousand euro)	2024	2023
Goodwill	96,387	78,700
Fair value gains ^(*)	30,542	31,275
Deferred tax liabilities – IFRS 16	17,417	18,304
Accelerated depreciation and others	76,257	78,216
TOTAL	220,603	206,495

(*) It includes the effects of the fair value of first conversion assets and the allocation of capital gains in the acquisition of subsidiaries and the revaluation of credits.

As of 31st December 2024 and 2023, the detail of non-deductible provisions and other temporary differences corresponds, mainly, to the temporary limitation to the deduction of certain provisions and expenses of sundry nature.

The changes in deferred tax liabilities correspond to the deductibility of financial goodwill in several geographies for an amount of approximately €18 million in the financial year 2024 (€8 million in 2023), business combinations amounting to €11 million (€8 million in 2023) (Note 2) and the application of deferred taxes associated with withholding for dividends and tax provisions for a total amount of €11 million, as well as the bonus depreciation of certain assets, the tax impact of certain accounting capital gains resulting from the different business combinations carried out by the Group and the evolution of the exchange rate.

As of 1st January 2023, and according to accounting standard updates (IAS 12), deferred tax assets and liabilities related to the different tax and book value of Right of Use of Assets and lease liabilities were registered. This initial recognition caused a classification amounting to €18.4 million impacting deferred tax assets and liabilities.

The detail of recognised tax losses and credits by tax territories is as follows:

		2024		2023	
Thousand euro	Segment	NOLs	Tax credits	NOLs	Tax credits
Basque tax group	Rest of Europe	8,423	29,117	8,245	28,390
Spanish tax group	Rest of Europe	5,733	805	5,667	1,024
	Rest of Europe /CIE				
Rest of Europe	Forging Europe	753	830	-	918
Brazil	Brazil	6,318	832	7,860	1,000
United States	North America	10,285	657	9,466	1,024
Other territories	-	3,142	-	2,150	-
TOTAL		34,654	32,241	33,388	32,356

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Assessment for NOLs and tax credits

The Group performs, at least at the end of each fiscal year, an impairment assessment for its deferred tax assets based on the projections included in its budget (Note 8) and an estimate of adjustments to the taxable income for each year, based on the applicable tax regulations of each tax territory in force at the end of the evaluation exercise. In the context of this assessment, deferred tax assets evolve based on the results and estimates projected by each plant, together with the existing knowledge about the behaviour of the market in which they operate and the tax particularity of each tax territory.

Deferred tax assets are recognized when there is sufficient evidence of their recovery within a reasonable time horizon, and which the Group defines, in general, in a maximum period of 10 years. At 31st December 2024 and 2023, the Group has recognized recoverable tax credits and losses within the estimation period, except from very specific situations where other qualitative factors may challenge their recoverability.

As of 31st December 2024 and 2023, the Group had not recognized tax losses carried forward for €175 million and €241 million (base amount), respectively, in different jurisdictions since the necessary conditions for their recognition were not met. These losses carried forward mainly correspond to €87 million in the Spanish Tax Territory (€92 million as of 31st December 2023), €40 million in Brazil (€62 million as of 31st December 2023), €30 million in Germany (€42 million as of 31st December 2023) and €10 million in the Basque Country (€7 million as of 31st December 2023).

Likewise, the Group has not recognized tax credits (tax amount) amounting to €84 million (€78 million as of 31st December 2023), which mainly correspond to €80 million in the Basque Country (€74 million as of 31st December 2023) and €2 million in the United States of America (€2 million as of 31st December 2023), and which have not been recognized since their recovery is not estimated in the defined reasonable timeline.

19. Provisions

The detail of the provisions as of 31st December 2024 and 2023 is as follows:

Thousand euro	2024	2023
Provisions for commitments with employees	43,212	43,959
Other provisions	216,278	217,592
TOTAL	259,490	261,551

19.1 Provisions for commitments with employees

Set out below is a breakdown of employee benefit provisions classified by country:

Thousand euro	31.12.2024	31.12.2023
Germany	33,095	34,378
India	7,448	6,838
Italy	2,412	2,505
Mexico	257	238
TOTAL PENSIONS	43,212	43,959

The main commitments of post-employment plans and other long-term benefits to the personnel that several companies in the Group guarantee to certain groups disclosed by country are the following ones:

- 1) Post-employment benefit plans and other long-term employee benefits in Germany fully covered through in-house provisions, such as, length-of-service awards and supplements under phased retirement arrangements.
- 2) Post-employment benefit plans in India which are mostly under in-house provisions: lifetime retirement pensions, retirement awards financed externally under insurance contracts and retirement awards in the event of the termination of the employment contracts.
- 3) Post-employment benefit plans in Italy. The pension model is currently TFR. This was a defined benefit plan that was converted into a defined contribution plan as a result of the Pension Reform which took place in December 2005.

The Group estimates annually, through actuarial studies carried out by independent experts, the amount of the obligation and payments for pension and benefits similar to those that will have to be made in the following year, which are recorded as current liabilities in the Consolidated Balance Sheet.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The movement of the defined benefit obligation and the long-term benefits to personnel during 2024 and 2023 has been as follows:

31 st December 2024								
CALCULATION OF ASSESSMENTS								
Thousand euro	01.01.2024	CURRENT SERVICES COST	EXPENSES/ (INCOME) BY INTEREST	(PROFIT) / LOSSES FROM CHANGES IN FINANCIAL ASSETS	(PROFIT) / LOSSES FROM EXPERIENCE	PAYMENTS	TRANSLATION DIFFERENCES	31.12.2024
Post-employment benefits ⁽ⁱ⁾	43,721	1,042	1,363	(1,205)	(39)	(2,165)	238	42,955
Long-term benefits with staff	238	31	-	54	-	(80)	14	257
TOTAL PENSIONS	43,959	1,073	1,363	(1,151)	(39)	(2,245)	252	43,212

31 st December 2023								
CALCULATION OF ASSESSMENTS								
Thousand euro	01.01.2023	CURRENT SERVICES COST	EXPENSES/ (INCOME) BY INTEREST	(PROFIT) / LOSSES FROM CHANGES IN FINANCIAL ASSETS	(PROFIT) / LOSSES FROM EXPERIENCE	PAYMENTS	TRANSLATION DIFFERENCES	31.12.2023
Post-employment benefits ⁽ⁱ⁾	40,196	920	1,404	2,327	816	(1,862)	(80)	43,721
Long-term benefits with staff	172	158	-	(85)	-	-	(7)	238
TOTAL PENSIONS	40,368	1,078	1,404	2,242	816	(1,862)	(87)	43,959

⁽ⁱ⁾ It corresponds to retirement pensions for life in Germany and India, as well as retirement awards in India and post-employment benefit plans in Italy and Mexico.

The financial-actuarial assumptions used in the actuarial valuations are set out below:

2024					
	Germany	India	Italy	Mexico	
Interest rate		3.44%	6.90% - 7.15%	3.00% - 3.31%	9.99%
Expected performance active plan		N/A	6.90% - 7.50%	N/A	N/A
Future growth of wages		3.00%	7.00%-15.00%	0.00% - 0.50%	5.04%
Future growth of pensions		2.00%	7.00%-15.00%	3.00%	6.00%
Table of mortality	Dr. K.Heubeck		IALM 2012 y 2012-2014	RG48	EMSSAH 2009
Retirement age	65 years	58 years for workers, 60 years for the others		61 years - 65 years	65 years
Method of valuation	PUC		PUC	PUC	PUC

2023					
	Germany	India	Italy	Mexico	
Interest rate		3.16%	6.00% - 7.50%	3.00% - 3.11%	10.06%
Expected performance active plan		N/A	6.00% - 6.90%	N/A	N/A
Future growth of wages		3.00%	8.00%	0.00% - 0.50%	5.04%
Future growth of pensions		2.00%	0.00% - 8.00%	3.00%	6.00%
Table of mortality	Dr. K.Heubeck		IALM 2012 and 2012-2014	RG48	EMSSAH 2009
Retirement age	63 years	58 years for workers, 60 years for the others		59 years - 65 years	65 years
Method of valuation	PUC		PUC	PUC	PUC

The contributions to these plans in the next financial year 2025 would amount to approximately €3.2 million in relation to liabilities of continuing activities.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

19.2 Other current and non-current provisions

The breakdown of the movements in Group provisions in 2024 and 2023 is as follows:

Thousand euro	31.12.2024	31.12.2023
Opening balance	261,551	308,817
Additions in consolidation scope (Note 2)	2,467	16,920
Additions / (Reversals)	21,340	16,189
Income statement	22,530	13,131
Reserves	(1,190)	3,058
Application and payments	(16,917)	(84,662)
Transfers and other movements ^(*)	(8,951)	4,287
Ending balance	259,490	261,551
NON-CURRENT PROVISIONS	140,760	147,076
CURRENT PROVISIONS	118,730	114,475

(*) Mainly relate to exchange rate effects in subsidiaries.

Non-current provisions at 31st December 2024 mainly include the following:

- A €42.3 million provision (31st December 2023: €43.4 million) to cover the operating risks of the business which are considered to be payable in the long term, corresponding in a significant part to liabilities associated with contracts with clients for a value of €1.8 million (31st December 2023: €4.1 million) and the coverage of guarantees negotiated with clients related to the manufacture of sunroofs worth €11.6 million (31st December 2023: €10.5 million).
- A €47.2 million provision (31st December 2023: €51.2 million) corresponding almost entirely to tax contingencies in Brazil, mainly related to taxes and fiscal charges other than corporate tax, of which €1.1 million are on court deposit pending court rulings as of 31st December 2024 (31st December 2023: €1.5 million).

The current provisions as of 31st December 2024 are mainly intended to cover operational risks of the business in various Group companies considered payable in the short term (2024: €105.1 million; 2023: €100.8 million) corresponding in a significant part to the coverage of guarantees negotiated with customers relating to the manufacture of sunroofs worth €65.2 million (31st December 2023: €63.1 million) as well as the coverage of customer claims, recognized at fair value, and which the Group Management estimates will be resolved in the short term.

Additionally, the heading of other provisions, both non-current and current, includes the provisions established to meet obligations derived mainly from tax claims, litigation and arbitration, compensation and other responsibilities and the coverage of risks derived from the development of the business that in the year have been evolved according to each specific case and that in no case do they represent significant isolated amounts.

20. Operating income

The composition of the balances of this heading of the income statement for the years 2024 and 2023 is as follows:

Thousand euro	Note	2024	2023
Revenue			
- Sale of products		3,960,555	3,959,479
Changes in inventories of finished goods and work in progress	11	3,338	(13,503)
Other operating income		125,332	170,328
TOTAL		4,089,225	4,116,304

Other operating income includes scrap sales of €86.4 million (€101.7 million in 2023), provision of services other than the sale of automotive products, operating subsidies and the transfer to results of capital subsidies, net profit from the sale of fixed assets and other operating income.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The breakdown by currency of revenue invoiced in foreign currency (equivalent amounts in thousand euro) is as follows:

Thousand euro	2024	2023
US dollar	1,138,751	1,177,718
Chinese yuan	250,413	291,288
Brazilian real	401,365	360,292
Indian rupee	600,983	560,416
Other	160,120	132,168
TOTAL	2,551,632	2,521,882

21. Other operating expenses

The composition of the balances of this heading of the income statement for the years 2024 and 2023 is as follows:

Thousand euro	Note	2024	2023
Utilities		150,980	153,499
Transport		59,490	55,813
Repairs		53,060	52,590
Provision for impairment of accounts receivable	10	2,634	1,617
Provision for inventory impairment (obsolescence)	11	9,867	8,521
Independent professional services		20,451	20,880
Travel and representation expenses		8,070	8,042
Environmental expenses		6,000	7,274
Insurance and other taxes		32,666	33,266
Subcontracted services		56,415	44,632
Other operating expenses ^(*)		29,146	32,763
TOTAL		428,779	418,897

(*) It includes, among others, the registration of warranties and other operating contingencies.

22. Employee benefit expense

The composition of the balances of this heading of the income statement for the years 2024 and 2023 is as follows:

Thousand euro	2024	2023
Payroll expenses	495,669	497,930
Social security cost	92,960	89,731
Other welfare expenses	63,805	55,594
Severance payments and restructuring costs	6,943	8,698
TOTAL	659,377	651,953

The average Group headcount by category is as follows:

Category	2024	2023
Executives	1,036	1,012
University graduates, specialists and administrative employees	7,130	6,982
Semi-skilled workers	16,626	17,531
Total	24,792	25,525

Likewise, the average number of people employed in the course of the year with a functional disability greater than or equal to 33% is 257 people (2023: 242 people).

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The breakdown of the Group's staff and Board of Directors at 31st December 2024 and 2023 disclosed by women and men is as follows:

Category	2024			2023		
	Women	Men	Total ^(*)	Women	Men	Total ^(*)
Members of the Board of Directors ^(*)	5	8	13	5	9	14
Executives	130	890	1,020	123	880	1,003
University graduates, specialists and administrative employees	1,285	5,800	7,085	1,254	5,769	7,023
Semi-skilled workers	3,877	12,347	16,224	3,748	13,519	17,267
TOTAL	5,297	19,045	24,342	5,130	20,177	25,307

(*) As of 31st December 2024 and 2023 two of the members of the Board of Directors are also executive officers of the Group.

Long-term incentive

The Board of Directors of CIE Automotive, S.A. agreed in 2018 to implement a plan to allow the participation of certain Group employees in the Company's share capital, granting said employees a loan due at maturity at date of 31st December 2022, with zero interest rate. On December 2022, the maturity of these loans to executives was extended for a period of 5 years, as well as the incorporation of new employees to the long-term incentive plan. During year 2023, certain loan amounts increased, keeping the rest of the conditions of the plan unchanged. The objective of the plan is twofold: (i) to motivate, promote loyalty and encourage the most important members of the Group's management to achieve the strategic objectives for the next five years; and (ii) as a result of the commitment to the Group, to allow that the aforementioned employees benefit from any increase in the quoted price of the shares of CIE Automotive, S.A. from 1st January 2018 to 31st December 2027. These loans, which meet the conditions to be considered as full recourse, are valued at fair value, being classified under non-current financial assets in the consolidated balance sheet and, as of 31st December 2024, amount to €13 million (2023: €15 million) (Note 9).

23. Finance income and expenses

The detail of financial income and expenses is as follows:

Thousand euro	2024	2023
Finance costs:		
- Bank borrowings interest	(121,199)	(121,799)
- Interest expense related to discounted lease liabilities (Note 7)	(3,414)	(3,131)
- Interest expense related to present value of pensions (Note 19)	(1,363)	(1,404)
Interest income:		
- Other interest and finance income	41,733	34,884
Net gains/(losses) on foreign currency transactions	(1,774)	(1,539)
Net gains/(losses) on financial instruments at fair value (Note 9)	1,347	6,576
TOTAL	(84,670)	(86,413)

24. Income tax

The breakdown of the Group's consolidated corporate income tax expense is as follows:

Thousand euro	2024	2023
Current year tax	106,902	95,277
Net variation deferred tax (Note 18)	(6,195)	6,547
Income tax expense	100,707	101,824

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Below is the reconciliation between the income tax that would result from applying the general tax rate in force in the provincial regulations of Bizkaia to the profit before tax and the expense recorded for said tax that appears in the consolidated income statement corresponding to financial years 2024 and 2023:

Thousand euro	Note	2024	2023
PROFIT BEFORE TAX FROM CONTINUING AND DISCONTINUED ACTIVITIES		463,886	469,361
<i>Nominal tax rate of the parent company</i>		24%	24%
Theoretical expense resulting from applying the nominal rate of the parent company	-	111,333	112,646
Tax rates adjustments	-	10,180	7,548
Tax impact of local GAAP adjustments	-	3,564	(339)
Other permanent differences	-	(11,896)	(12,591)
Net impact of tax deductions	-	(3,794)	(3,393)
Other losses and tax credit movements	18	(12,702)	(10,013)
Recognition of temporary differences	18	4,854	5,987
Movement of tax provisions	18	(4,647)	3,989
Withholding taxes and other taxes	-	5,747	3,873
Other impacts	-	(1,860)	465
Minimum tax expense (Reginal act 04/2024)	-	150	-
Taxes from discontinued operations	13	(222)	(6,348)
Income tax expense		100,707	101,824

The income related to "other permanent differences" both in 2024 and 2023 corresponds to the application of tax incentives on a taxable basis in different jurisdictions, mainly in Brazil and China.

The heading "Other losses and tax credit movements" includes activations of tax credits that are estimated to be used in the final settlement of the tax for the year 2024.

The parent company, CIE Automotive, S.A., is taxed under the tax consolidation regime in the regional territory of Bizkaia together with the subsidiaries disclosed in Note 3.3.17.

The remaining subsidiary companies are taxed consistently with the information disclosed in Note 3.3.17. Tax groups are filled in the Spanish Common Regime Territory, and two in foreign countries (Italy and United States of America).

Generally, the Group companies have their tax returns open to inspection for the years not prescribed in accordance with the various tax laws applicable in each of the Group companies and whose period is set at 4 to 6 years from the date on which the obligation becomes due and the deadline for filing taxes expires.

The corporate income tax legislation applicable to the parent company of the Group in 2024 and 2023 is the one relating to Bizkaia Regional Regulation 11/2013 (5th December), modified by the Bizkaia Regional Regulation 2/2018, 12th March.

For the preparation of the Group's Consolidated Annual Accounts, with regard to the estimation of corporation tax, the Directors of the parent company consider tax regulations of the different jurisdictions / tax groups in which the Group operates. Likewise, this assessment includes the possible risks associated with the divergence between the interpretation of certain tax regulations by the tax authorities and the Group; as well as, where appropriate, the resolutions of completed inspections and communications with tax authorities in tax audits that may be in progress in the different countries. As of 31st December 2024 and 2023, no additional significant impact is expected for the periods opened to tax audits.

Minimum tax – Pillar 2

In December 2021, the OECD published the PILLAR 2 Model Rules with the objective of setting minimum taxation in each of the jurisdictions where large multinational corporations operate, setting a turnover threshold of more than 750 million for their application. Consequently, in December 2022, the European Union published Directive (EU) 2022/2523 on ensuring an overall minimum level of taxation for multinational business groups and large groups in the Union. This directive has been transposed in Bizkaia on 27th December 2024 – Regional Act 4/2024 and aims to ensure that the results of each constituent entity (legal companies) aggregated by country are subject to a minimum taxation of 15%.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The tax expense registered by the Group related to the transposition of Directive (EU) 2022/2523 in Bizkaia amounted to €0.2 million, the payment of which is estimated to be made in the 2026 financial year. In addition, it is not estimated that the implementation of such regulations will have any significant additional effect on the Group's Consolidated Financial Statements.

25. Related-parties transactions

The direct shareholders of the Group (including non-controlling interests), the Directors of the Board and the companies over which the former have significant influence or control, Senior Management and their close relatives as well as those companies consolidated using the equity method are considered as related parties.

The following transactions were carried out with related parties:

a) Compensation and loans to key management personnel

As of 31st December 2024 and 2023, the Group's Senior Management was made up of 4 women and 5 men. The total compensation accrued by key management personnel in 2024 amounted to €7,222 thousand (2023: €7,096 thousand). These amounts exclude the compensation related to the members of the Board of Directors, which have been disclosed in Note 25 b).

As explained in Note 22, the Board of Directors of CIE Automotive agreed in 2018 to implement a plan to allow the participation of certain employees in the company's share capital. The total nominal amount of loans to members of the key management, pending collection as of 31st December 2024 is €5,716 thousand, after the increase of the face value of certain loans that was carried out in year 2023 (€7,161 thousand as of 31st December 2023). Likewise, Senior Management personnel do not have life or civil liability insurance at the Group's expense.

The Group has entered into no commitments related to pensions or other types of complementary post-employment benefits with key management personnel.

b) Parent company Directors' compensation

Total compensation paid to the members of the Board of Directors has amounted to €7,881 thousand (2023: €25,785 thousand). The members of the Board of Directors received no compensation in respect of bonuses or profit-sharing arrangements. Nor did they receive shares or sell or exercise stock options or other rights related to pension plans or insurance policies of which they are beneficiaries.

The Group has entered into no commitments relating to pensions or other types of complementary retirement remuneration with the Directors of the parent company.

c) Balances and transactions during the year with Group companies and related parties

Balances in thousand euro	31.12.2024		
	Shareholders	Directors/ Key management	Other related parties
Receivables from related parties: trade receivables	10,345	-	5,329
Receivables from related parties: Loans	-	12,845	5,483
Payables to related parties: trade payables	(13,281)	-	(1,244)
Payables to related parties: Loans	-	-	(34,370)
Receivable balances with entities with significant influence	-	-	16,800
Dividend payable	-	-	(55,082)
Advances to related parties	-	3,900	-
Transactions in thousand euro	31.12.2024		
	Shareholders	Directors/ Key management	Other related parties
Product sales (*) and scrap sales (**)	265,450	-	48,933
Purchase (*)	45,946	-	-
Services provided	600	-	4,902
Services received	2,803	-	9,584
Finance expenses	264	-	1,712
Finance income	-	-	55

(*) Both product sales and purchases correspond, mainly, to trade transactions of parts with the Mahindra & Mahindra group for an amount of €243 million and €21 million as of 31st December 2024, respectively.

(**) Sales of scrap correspond mainly to sales to companies controlled by the Gescrap group (and CIE's associated companies with Gescrap (Note 9)) amounting to €64 million as of 31st December 2024, and are recorded under the heading "Other operating income" of the consolidated income statement.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

Balances in thousand euro	31.12.2023		
	Shareholders	Directors/ Key management	Other related parties
Receivables from related parties: trade receivables	12,561	-	4,987
Receivables from related parties: Loans	-	15,415	4,022
Payables to related parties: trade payables	(10,837)	-	(1,306)
Payables to related parties: Loans	-	-	(34,428)
Receivable balances with entities with significant influence	-	-	16,800
Dividend payable	-	-	(53,893)
Advances to related parties	-	5,200	-
Transactions in thousand euro	31.12.2023		
	Shareholders	Directors/ Key management	Other related parties
Product sales ^(*) and scrap sales ^(**)	248,405	-	67,097
Purchase ^(*)	43,582	-	-
Services provided	394	-	4,765
Services received	1,851	-	8,455
Finance expenses	24	-	645

(*) Both product sales and purchases correspond, mainly, to trade transactions of parts with the Mahindra & Mahindra group for an amount of €222 million and €18 million as of 31st December 2023, respectively.

(**) Sales of scrap correspond mainly to sales to companies controlled by the Gescrap group (and CIE's associated companies with Gescrap (Note 9)) amounting to €88 million as of 31st December 2023, and are recorded under the heading "Other operating income" of the consolidated income statement. Out of these scrap sales, as of 31st December 2023, €3 million and €8 million of scrap sales classified as discontinued activities were included, respectively.

The balances and transactions as of 31st December 2024 and 2023 have been broken down according to the definition of related entities applicable to listed companies included in Law 5/2021, and whose entry in force was made on 4th July 2021.

- Article 228 of the Spanish Companies Act

In the duty to avoid situations of conflict of interest of the parent company, during the year 2024 the administrators who have occupied charges in the Board of Directors have complied with the obligations foreseen in the article 228 of the re-casted text of the Law of Capital companies. Likewise, both managing directors and their relatives have abstained from incurring in the suppositions of conflict of interest foreseen in the article 229 of the aforementioned norm. No communication about direct or indirect conflicts of interest has been notified during the current year to the Board of Directors.

- Remuneration based on the share's price

At the General Shareholders' Meeting hold on 4th May 2023, a new remuneration plan 2024-2026 to the Board of Directors' members was approved (applicable starting 4th May 2023) as well as amendments to the terms of the long-term incentive of the CEO's based on the evolution of the share price of CIE Automotive, S.A., approved by the General Shareholders' Meeting in year 2018, due to the need to adjust the reality long-term incentive to the radical change in the socio-political, socio-economic and geostrategic premises that were taken into account when the compensation package was configured. As a consequence of the approved new policy regarding the Board members remuneration plan 2024-2026 and these amendments, (i) on the one side, in order to compensate the remuneration deficit which was not reachable given the evolution of the share price, a nonaggregating extraordinary remuneration was granted amounting to €20,000 thousand (Note 25.b)), being paid said compensation as of 31st December 2023; and (ii) likewise, the granting of the extraordinary compensation implied the need to adjust the reference value of quotation of the share price from which the incentive could be executed, setting a base quotation of €34.00 per share for successive executions in the scenario of revaluation of the share from the date the General Shareholders' Meeting was hold to 31st December 2027.

At the last General Shareholder's Meeting hold on 8th May 2024, the modification of certain terms of the long-term incentive based on the increase in value of the shares of CIE Automotive, S.A. in favour of the CEO approved by the General Shareholder's Meeting on 24th April 2018 and modified by the General Shareholder Meeting of 5th May 2021 and 4th May 2023 has been approved. According to the extraordinary remuneration received by the CEO in year 2023 due to exceptional circumstances, and the Remuneration Policy approved in the last General Shareholder's Meeting, which included a proposal of a new fixed remuneration, it has also been considered appropriate to adjust the reference value of the share price for the execution of the long-term Incentive. Thus, the benchmarked quotation has been set on €45.00 per share, ending the last reference period for the partial exercise of the Incentive on 31st December 2027.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

26. Fees of main auditors and companies in their group or related companies

The fees for auditing services and other services provided in the year to the companies of the CIE Automotive Group by KPMG Auditores, S.L and the companies in its network (KPMG), as well as those provided by other auditing firms, are presented below:

Thousand euro	2024	2023
Audit Services – Main auditor	1,416	1,605
Spain	674	580
Rest of the countries	742	1,025
Other services	356	353
KPMG Auditores, S.L.	216	119
Other companies in the KPMG network	140	234
Total KPMG	1,772	1,958

Thousand euro	2024	2023
Audit services – Other firms	827	879
Total	827	879

The heading “Audit services – Main auditor” includes the fees corresponding to audit services of the individual and consolidated annual accounts of CIE Automotive and of the companies that form part of the Group.

The heading “Other services” rendered by KPMG Auditores, S.L and other firms associated with the KPMG network have amounted to €356 thousand (2023: €353 thousand). Other assessment services different from audit fees rendered by KPMG Auditores, S.L. have amounted to €216 thousand in 2024 (2023: €119 thousand), and correspond mainly to reports on agreed upon procedures on ratios linked to financing agreements and agreed upon procedures on limited reviews of financial statements, review of information related to the Internal Control System on Financial Reporting (SCIIF), as well as verification of non-financial indicators and sustainability indicators. Likewise, fees from other companies in the KPMG network entirely correspond to other verification services rendered to the Group by the auditors amounting to €140 thousand (2023: €234 thousand).

27. Environmental matters

The parent company and its subsidiaries have adapted their production facilities to meet the legislative environmental requirements of the countries in which they are located.

The Group has a unique Management Model deployed in all production locations that guarantees compliance with both internal and external requirements in relation to the Environment. In line with this, one of the pillars of the Environmental Management Model is the approach based on the *PHVA* (Plan, Do, Verify and Act, for its initials in Spanish) cycle, which ensures continuous improvement in environmental matters:

- Plan: Identify environmental aspects, legal requirements and risks/opportunities; define environmental objectives and goals; and establish action plans.
- Do: Implement the designed plans and procedures.
- Verify: Supervise, measure, analyze and evaluate environmental performance, comparing it with the established objectives.
- Act: Correct and adjust the system as needed to improve its effectiveness.

Likewise, there are also two other keys to the Management Model:

- Monitoring, measurement and evaluation of performance: the Group continuously monitors environmental performance, assessing whether the requirements, both internal and external, and legislation, objectives and targets are being met.
- Continuous improvement: the Group periodically reviews the system, the identification of non-conformities and the implementation of corrective and preventive actions. This allows the system to constantly evolve and be more effective in achieving its goals.

Capital expenditure intended to make them more environmentally-friendly and to minimise their impact on the environment are capitalised in property, plant and equipment.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2024 (Denominated in thousand euro)

The expenses deriving from environmental action incurred during the year basically relate to waste removal expenses.

The Group's property, plant and equipment include facilities aimed at environmental protection and improvement. This work is carried out by in-house employees and external specialist providers, as part of the strategic environmental plan implemented to minimise the environmental risks associated with its operations and improve the Group's environmental management. The combined amounts of investments and expenses accrued in 2024 in relation to environmental protection and improvement works amounted to €10.5 million (2023: €9.7 million, without any expense from discontinued activities) and are recorded under the headings of "Property, plant and equipment" on the accompanying balance sheet and "Other operating expenses" on the accompanying consolidated income statement.

28. Events after the balance sheet date

At the date of preparation of these Annual Accounts, no significant subsequent event to the fiscal year 2024 has occurred which could arise on significant impacts to the financial statements of the period ended as of 31st December 2024.

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRENGEMENTS AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
CIE Berriz, S.L. (*)	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
CIE Udalbide, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
CIE Mecauto, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Mecanizaciones del Sur-Mecatur, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Gameko Fabricación de Componentes, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Grupo Componentes Vilanova, S.L.	CIE Berriz, S.L.	Manufacture of auto parts	Barcelona	-	100.00%
Componentes de Automoción Recytec, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Componentes de Dirección Recylan, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Navarre	-	100.00%
Nova Recyd, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Recyde, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Recyde CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Zdánice, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
Alcasting Legutiano, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
Egaña 2, S.L.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
Injectametal, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
Orbelan Plásticos, S.A.U. (3)	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Transformaciones Metalúrgicas Norma, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Gipuzkoa	-	100.00%
Plasfil Plásticos da Figueira, S.A. (4)	CIE Berriz, S.L.	Manufacture of auto parts	Portugal	-	100.00%
CIE Stratis-Tratamentos, Ltda.	Plasfil Plásticos da Figueira, S.A.	Manufacture of auto parts	Portugal	-	100.00%
CIE Metal CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Plasty CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Unitools Press, a.s.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Automotive Maroc, s.a.r.l. d'au	CIE Berriz, S.L.	Manufacture of auto parts	Morocco	-	100.00%
CIE Praga Louny, a.s.	CIE Berriz, S.L.	Manufacture of auto parts	Czechia	-	100.00%
CIE Deutschland, GmbH	CIE Berriz, S.L.	Facilities	Germany	-	100.00%
Leaz Valorización, S.L.U. (dormant)	CIE Berriz, S.L.	Waste management and recoveries	Biscay	-	100.00%
CIE Compiègne, S.A.S.	CIE Berriz, S.L.	Manufacture of auto parts	France	-	100.00%
Biosur Transformación, S.L.U.	CIE Berriz, S.L.	Biofuels	Huelva	-	100.00%
Gestión de Aceites Vegetales, S.L. (1) (2)	CIE Berriz, S.L.	Biofuels	Madrid	-	88.73%
Reciclado de Residuos Grasos, S.L.U. (2)	Gestión de Aceites Vegetales, S.L.	Biofuels	Madrid	-	88.73%
Recogida de Aceites y Grasas Maresme, S.L.U. (2)	CIE Berriz, S.L.	Biofuels	Barcelona	-	100.00%
Denat 2007, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Pontevedra	-	100.00%
Industrias Amaya Tellería, S.A.U.	CIE Berriz, S.L.	Manufacture of auto parts	Biscay	-	100.00%
MAR SK, s.r.o.	CIE Berriz, S.L.	Manufacture of auto parts	Slovakia	-	100.00%
Autocom Componentes Automotivos do Brasil Ltda.	CIE Berriz, S.L.	Manufacture of auto parts	Brazil	-	100.00%
GAT México, S.A. de C.V.	CIE Berriz, S.L.	Manufacture of auto parts	Mexico	-	100.00%
SC CIE Matricon, S.A.	CIE Berriz, S.L.	Manufacture of auto parts	Romania	-	100.00%
CIE Automotive Parts (Shanghai) Co., Ltd.	CIE Berriz, S.L.	Manufacture of auto parts	People's Republic of China	-	100.00%
CIE Automotive Rus, LLC	CIE Berriz, S.L.	Manufacture of auto parts	Russia	-	100.00%
CIE Automotive Goian, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Araba/Álava	-	100.00%
CIE Porriño, S.L.U.	CIE Berriz, S.L.	Manufacture of auto parts	Pontevedra	-	100.00%
Basquevolt, S.A.	CIE Berriz, S.L.	Sustainable batteries	Araba/Álava	-	14.63%
Somaschini, SPA (4)	CIE Berriz, S.L.	Manufacture of auto parts	Italy	-	100.00%
Somaschini Automotive, SRL (4)	Somaschini, SPA	Manufacture of auto parts	Italy	-	100.00%
Somaschini International, Inc (4)	Somaschini Automotive, SRL	Holding company	USA	-	100.00%
Somaschini North America, LLC	Somaschini International, Inc	Manufacture of auto parts	USA	-	100.00%
Somaschini Realty, LLC	Somaschini International, Inc	Real state	USA	-	100.00%
Autometal, Ltda. (4)	CIE Berriz, S.L.	Manufacture of auto parts	Brazil	-	100.00%
Durametal, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	84.88%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRENGEMENTS AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
Autometal SBC Injeção e Pintura de Plásticos Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Autometal Investimentos e Imóveis, Ltda. ^(*)	Autometal, Ltda.	Facilities	Brazil	-	100.00%
Gescrap-Autometal Comércio de Sucatas Ltda.	Autometal Investimentos e Imóveis, Ltda.	Scrap	Brazil	-	30.00%
Jardim Sistemas Automotivos e Industriais, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Metalúrgica Nakayone, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
Autometal Minas Cromação, Pintura e Injeção de Plásticos Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
CIE Autometal Salto Indústria e Comércio, Ltda.	Autometal, Ltda.	Manufacture of auto parts	Brazil	-	100.00%
CIE Automotive de México, S.A.P.I. de C.V. ^(*)	CIE Berriz, S.L.	Holding company	Mexico	-	100.00%
Pintura y Ensamblés de México, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Celaya, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Gescrap Autometal México, S.A. de C.V. ^(*)	CIE Automotive de México, S.A.P.I. de C.V.	Scrap	Mexico	-	30.00%
Soluciones de Gestión de Residuos Mexicana, S.A. de C.V.	Gescrap Autometal México, S.A. de C.V.	Facilities	Mexico	-	29.70%
Ges Trading Nar, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	Mexico	-	30.00%
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Berriz México Servicios Administrativos, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	Mexico	-	100.00%
Nugar, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
Maquinados de Precisión de México S. de R.L. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Plásticos México, S.A. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Metal Norte, S.A.P.I. de C.V.	CIE Automotive de México, S.A.P.I. de C.V.	Manufacture of auto parts	Mexico	-	100.00%
CIE Automotive USA Inc ^(*)	CIE Automotive de México, S.A.P.I. de C.V.	Facilities	USA	-	100.00%
CIE Investments USA, Inc	CIE Automotive USA Inc	Holding company	USA	-	100.00%
Century Plastics, LLC ^(*)	CIE Automotive USA Inc	Manufacture of auto parts	USA	-	100.00%
Century Plastics Real State Holdings, LLC	Century Plastics, LLC	Real state	USA	-	100.00%
Newcor, Inc ^(*)	CIE Automotive USA Inc	Holding company	USA	-	100.00%
Owosso Realty, LLC	Newcor, Inc	Real state	USA	-	100.00%
Corunna Realty, Corp.	Newcor, Inc	Real state	USA	-	100.00%
Clifford Realty, Corp.	Newcor, Inc	Real state	USA	-	100.00%
Machine, Tool and Gear, Inc	Newcor, Inc	Manufacture of auto parts	USA	-	100.00%
Rochester Gear, Inc	Newcor, Inc	Manufacture of auto parts	USA	-	100.00%
Golde South Africa, LLC	CIE Automotive USA Inc	Distributor company	USA	-	100.00%
Golde Auburn Hills, LLC	CIE Automotive USA Inc	Manufacture of auto parts	USA	-	100.00%
Participaciones Internacionales Autometal Dos, S.L.U. ^(*)	CIE Berriz, S.L.	Holding company	Biscay	-	100.00%
CIE Automotive India, Ltd. ^(*)	Participaciones Internacionales Autometal Dos S.L.U.	Manufacture of auto parts	India	-	65.70%
CIE Galfor, S.A.U. ^(*)	CIE Automotive India, Ltd.	Manufacture of auto parts	Orense	-	65.70%
CIE Forging Germany, GmbH	CIE Galfor, S.A.U.	Holding company	Germany	-	65.70%
CIE Legazpi, S.A.U.	CIE Galfor, S.A.U.	Manufacture of auto parts	Gipuzkoa	-	65.70%
UAB CIE LT Forge	CIE Galfor, S.A.U.	Manufacture of auto parts	Lithuania	-	65.70%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRENGEMENTS AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
Galfor Eólica, S.L.	CIE Galfor, S.A.U.	Power generation and trade	Orense	-	16.43%
Metalcastello S.p.A.	CIE Galfor, S.A.U.	Manufacture of auto parts	Italy	-	65.67%
BillForge de México, S.A. de C.V. ⁽⁴⁾	CIE Galfor, S.A.U.	Manufacture of auto parts	Mexico	-	65.70%
BF Precision Pvt. Ltd. (in liquidation)	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
CIE Aluminium Casting India, Ltd. ⁽¹⁾	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
Sunseed Solar Pvt, Ltd	CIE Aluminium Casting India, Ltd.	Power generation and trade	India	-	17.40%
CIE Hosur, Ltd ⁽¹⁾	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	65.70%
Ohja Renewables Pvt, Ltd. ⁽¹⁾	CIE Hosur, Ltd.	Power generation and trade	India	-	18.32%
Gescrap India Pvt. Ltd.	CIE Automotive India, Ltd.	Manufacture of auto parts	India	-	19.71%
Clean Max Deneb Power, LLP	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.08%
Sunbarn Renewables Pvt., Ltd.	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.16%
Renew Surya Alok Pvt, Ltd	CIE Automotive India, Ltd.	Power generation and trade	India	-	20.50%
Strongsun Solar Pvt, Ltd.	CIE Automotive India, Ltd.	Power generation and trade	India	-	17.97%
ReNew Green (MHK Two) Pvt, Ltd. ⁽¹⁾	CIE Automotive India, Ltd.	Power generation and trade	India	-	20.50%
Advanced Comfort Systems Ibérica, S.L.U.	CIE Automotive, S.A.	Manufacture of auto parts	Orense	100.00%	-
Advanced Comfort Systems France, S.A.S. ⁽¹⁾	CIE Automotive, S.A.	Manufacture of auto parts	France	100.00%	-
Advanced Comfort Systems Romania, S.R.L.	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	Romania	-	100.00%
Advanced Comfort Systems México, S.A. de C.V.	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	Mexico	-	100.00%
Advanced Comfort Systems Shanghai Co. Ltd. ⁽¹⁾	Advanced Comfort Systems France, S.A.S.	Manufacture of auto parts	People's Republic of China	-	100.00%
Wuhan Advanced Comfort Systems Co, Ltd.	Advanced Comfort Systems Shanghai Co. Ltd.	Manufacture of auto parts	People's Republic of China	-	100.00%
Autokomp Ingeniería, S.A.U. ⁽¹⁾	CIE Automotive, S.A.	Facilities	Biscay	100.00%	-
Forjas de Celaya, S.A. de C.V.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	Mexico	-	100.00%
Nanjing Automotive Forging Co., Ltd.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	People's Republic of China	-	50.00%
CIE Forjas Minas, Ltda.	Autokomp Ingeniería, S.A.U.	Manufacture of auto parts	Brazil	-	100.00%
CIE Automotive Boroa, S.L.U.	CIE Automotive, S.A.	Financing	Biscay	100.00%	-
CIE Automotive Roof systems Korea Ltd.	CIE Automotive, S.A.	Manufacture of auto parts	Republic of Korea	100.00%	-
CIE Roof Systems, S.L.U. ⁽¹⁾	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
Golde Tianjin Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Wuhan Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Shandong Co., Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
CIE Golde Holding, S.L.U. ⁽¹⁾	CIE Roof Systems, S.L.U.	Holding company	Biscay	-	100.00%
Inteva Products (Barbados), Ltd. (in liquidation)	CIE Golde Holding, S.L.U.	Holding company	Barbados	-	100.00%
Golde Shanghai Co., Ltd.	CIE Golde Holding, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
Golde Changchun Co., Ltd.	CIE Golde Holding, S.L.U.	Manufacture of auto parts	People's Republic of China	-	100.00%
CIE Golde Shanghai Innovation Co., Ltd.	CIE Golde Holding, S.L.U.	Technology center	People's Republic of China	-	100.00%
Golde Netherlands, BV ⁽¹⁾	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Mexico Holdings, LLC ⁽¹⁾	Golde Netherlands, BV	Holding company	USA	-	100.00%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
Automotive Mexico Body Systems, S. de R.L. de C.V.	Golde Mexico Holdings, LLC	Manufacture of auto parts	Mexico	-	100.00%
Golde Bengaluru India Pvt Ltd.	CIE Roof Systems, S.L.U.	Technology center	India	-	100.00%
Roof Systems Germany, GmbH	CIE Roof Systems, S.L.U.	Technology center	Germany	-	100.00%
Golde Oradea, SRL	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Romania	-	100.00%
Golde Lozorno Spol, s r.o.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Slovakia	-	100.00%
SIR S.A.S.	CIE Roof Systems, S.L.U.	Holding company	France	-	100.00%
CIE Salgglas Üvegipari, Zrt.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	Hungary	-	100.00%
Shanghai Golde Automotive Parts Co., Ltd. ^(*)	CIE Roof Systems, S.L.U.	Manufacture of auto parts	People's Republic of China	-	50.00%
Golde Automotive Parts (Ningde) Co., Ltd.	Shanghai Golde Automotive Parts Co., Ltd.	Manufacture of auto parts	People's Republic of China	-	50.00%
Golde Pune Automotive India Private Ltd.	CIE Roof Systems, S.L.U.	Manufacture of auto parts	India	-	100.00%

(1) Companies added to consolidation scope in 2024.

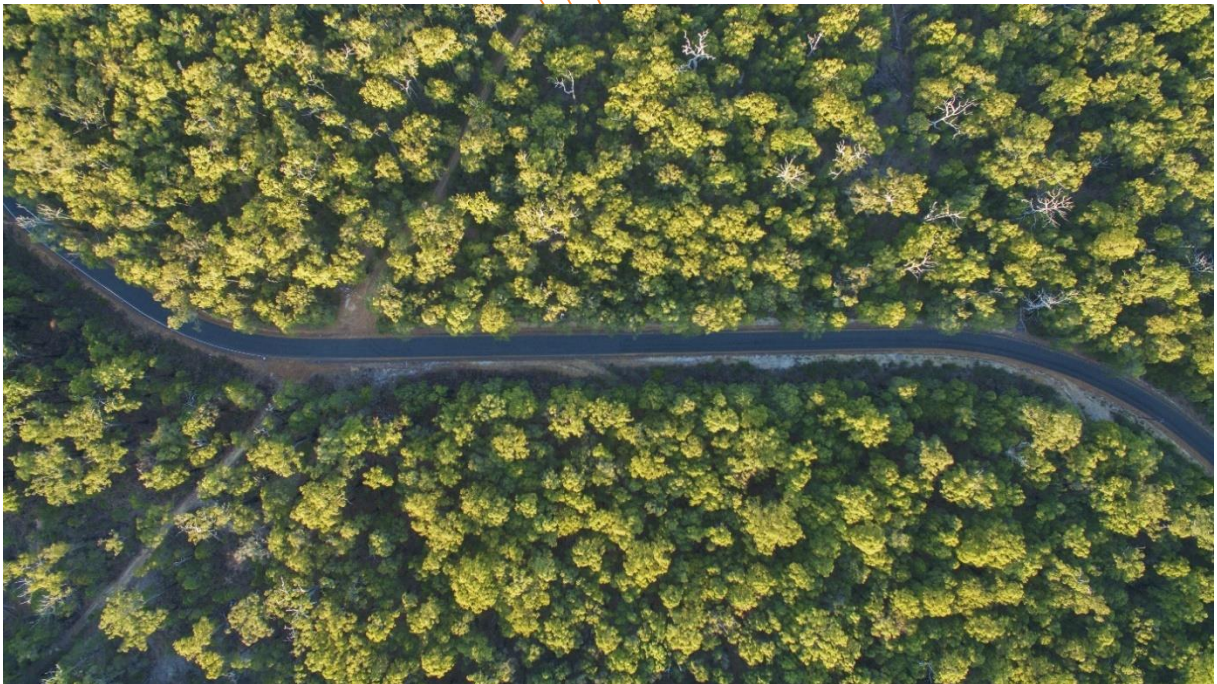
(2) Discontinued companies as of 31st December 2024.

(3) Absorbing Company in the merger by absorption carried out with the company AKT Plásticos, S.L.U. (Absorbed Company).

(4) In year 2024 the company CIE Galfor, S.A.U. has gained control over the company BillForge de México, S.A. de C.V. (previously controlled by CIE Automotive India, Ltd.).

(*) Parent company of all investees listed subsequently in the table.

Grupo CIE Automotive
CONSOLIDATED MANAGEMENT REPORT



***MANAGING HIGH VALUE
ADDED PROCESSES***

1. CIE AUTOMOTIVE GROUP

This management report has been prepared following the guidelines of the "Guide to recommendations for the preparation of management reports for listed entities", published by the CNMV in July 2013.

1.1 Profile of the Group

CIE Automotive (from now on, "CIE" or "The Group", interchangeably) is an industrial group specialist in high value-added processes, which develops its activity in the Automotive components business.

The business of Automotive components, which encompasses the design, production and distribution of integral services, components and sub-assemblies for the global automotive market, is CIE Automotive's main activity since its foundation.

CIE Automotive is an international industrial group that manages high added value processes. This concept of high value is applied in management, with a comprehensive vision in all phases of the value chain of sectors with good long-term projection.

CIE Automotive designs and manufactures components and subassemblies globally in 108 production centres. It owns plants in 109 different locations, which are spread over 15 countries on 4 continents, multi-location being the option chosen for the internationalization process, based on decentralized management and led by local teams.

1.2 Business units – auto parts

CIE is a comprehensive services supplier, components and sub-assemblies for the Automotive market.

It develops its entire line of products through seven basic processes or technologies: machining, stamping and tube forming, forging, plastic, aluminium injection, steel casting and ceiling systems. With them, components and subassemblies are manufactured for all parts of a vehicle, such as: engine and transmission, chassis and steering assemblies, and exterior and interior of the vehicle.

For 25 years, after its creation in 1996 and integrating more than a hundred companies, CIE Automotive's progress as a components and sub-assemblies supplier for the Automotive industry has been driven by cycles of economic prosperity and hampered by others of crisis, which the Group has overcome and avoided as a result of the features that define its business model: geographical balance, commercial diversification, multi-technology, investment discipline and decentralized management and integration of ESG standards.

1.3 Mission, Vision, and Values

Mission

CIE Automotive is a supplier of components, assemblies and sub-assemblies to the global Automotive market, global supplier with presence in 4 continents and multi-technological for its action based on the use of 7 technologies, complementary and various associated processes as well as with an integrated vision of the entire value chain.

We are a team committed to the development of a profitable automotive project that has been growing steadily for more than 25 years, positioning it as a reference partner through customer satisfaction with comprehensive, innovative and competitive with high added value solutions.

We seek excellence by providing value to all our stakeholders based on the following commitments:

- We guarantee quality and service.
- We are an innovating and participative team where each individual is proactive and feels proud to its belonging.
- We take care of the Earth by contributing to improve our environment and minimizing our environmental impact.

Vision

We aspire to being a benchmark industrial group specialised in managing highly value-added processes supplying the best solutions for the mobility of the future. Moreover, we strive to be the paradigm of a socially-responsible company through our permanent commitment and our responsibility with the consequences and impacts derived from our actions being the following:

- To be climate neutral.
- To become value chain tractors.

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- To be a social reference by warranting integrity, safety and health of the people.
- Management excellence by being transparent and integrity, as well as value generation.

Values

Honesty, fairness and integrity are the basis of all our values

- We commit with good practices.
- We innovate as a response to any challenge.
- We focus on people, their families and their environment.
- We protect diversity, we defend equality and we promote inclusion.
- We are self-critic and we take ownership.
- We protected the climate and local entities where we are based, acting locally.
- Last but not least, we respect legality.

Corporate policies

The company promotes the creation of working teams to develop specific aspects of its Corporate Governance System in where authorised representatives of the interest group affected in each case, professionals of the Company and experts external in the matter of the highest level participate.

To develop its mission and advance on its vision, CIE Automotive guides its actions in accordance with its corporate values, based on which it has created a series of Corporate Policies, mandatory for all members of the organisation, approved for the first time by the Board of Directors in December 2015 and which have since been reviewed, updated and approved again, mostly between 2019 and February 2024.

The ethical framework is developed in this series of corporate policies prepared by each of the responsible departments, being mandatory for all members of the company and which are structured into:

Environmental, Social and Governance Policies (ESG)

- Environmental policy
- Environmental, Social and Good Governance (ESG)
- Sustainable purchasing
- Human rights
- Anti-corruption and anti-fraud
- Community work

Governance policies

- Internal control over financial and non-financial reporting systems
- Risk control and management
- Corporate governance
- Tax policy
- Reporting to and communicating with shareholders and the market
- Shareholder remuneration policy
- Director selection and board diversity policy
- Recruitment and account auditor's relations policy
- Policy on Compliance and Compliance Risk Prevention
- Board members' compensation policy
- Internal Reporting System Policy
- Policy on Anti-Competitive Practices

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- Policy on Information Technologies and Cybersecurity Risks

2. BUSINESS AND FINANCIAL PERFORMANCE FOR THE YEAR

2.1 Summary of the year

Economic context

The automotive industry is undergoing a profound transformation of its production model to achieve the decarbonization of vehicles and increase their connectivity and comfort with contained prices. After a 2023 year of economic recovery, automobile production, stabilization of costs and increased demand, in 2024 global production has been contracted due to the negative evolution that Europe and North America specially, where the market situation, the economic uncertainty, high interest rate levels, and the transition to electric vehicles have had a direct impact on automobile demand.

The automobile market in particular is experiencing a change of era where variables such as the price war in the electric car market, the aging of the global vehicle fleet and low motorization in some developing countries are marking a change in trend. All this together with the global challenges that have led to the increase in financial costs and the economic slowdown. However, experts are already talking about changes in trends regarding the price war on the electric car as well as the interest it generates among the population, together with government grants from certain countries for its use.

Europe has been the region with the least favourable evolution of the automotive industry with production decreases of 4.5% to 16.6 million vehicles produced. This decrease is mainly the consequence of uncertainty in the market, as well as the weakening of the economy in the Eurozone and the rise of Chinese vehicle imports.

Vehicle production decreased in North America by 1.5%, to 15.4 million vehicles produced. Among others, market stagnation as well as union strikes in American assembly plants are the reasons behind this market decrease.

In the case of Brazil, the market has shown a significant increase compared to the previous year, with 8.0% more vehicles produced to 2.4 million.

On the other side of the globe, India has increased its vehicle manufacturing by 3.8% in 2024, to 5.7 million. These data are especially notable given the positive evolution of previous years. The main key to this evolution continues to be a very low level of motorization.

China has grown by 3.6%, with domestic demand for vehicles having slowed. In any case, production has been favoured by the extension of tax reductions for electric vehicles until 2027, along with an expansion of local manufacturers to more competitive markets and electric vehicle exports to other geographic markets.

Performance of the Group

2024 has been another record year for CIE Automotive. Despite the negative evolution of global demand and production, CIE Automotive has been able to overcome the effects of the increase in financial costs, breaking its historical record for turnover and profits in 2024.

In this complex context, revenue has reached €3,960.5 million, a level slightly higher than that of 2023, and the net result has increased by 1.7% compared to the previous year up to €326 million, thank to with the achievement of healthy operating margins even in the scenario of global market uncertainty, demonstrating the solidity of the business model and the success of the operational strategy in place.

All lines of the income statement reveal the good progress of the business, except for the financial result, which has been directly affected by the evolution of interest rates in Europe and North America. Thus, the gross operating result (EBITDA) rose by 2.1%, reaching €727.9 million, while the net result (EBIT) rose by 2.0%, to €538.4 million.

In 2024, all geographies and segments have led to contribute the Group's performance, by obtaining double digit margins. The detailed segment information is as follows:

Europe:

It is CIE Automotive's main market with presence in Spain, France, Germany, Italy, Portugal and Portugal in Western Europe and the Czech Republic, Lithuania, Romania, Hungary and Slovakia in Central and Eastern Europe. It also has a plant in Morocco.

CIE Automotive's sales in Europe stand at €1,401.4 million, with an increase in the sales/EBITDA margin of up to 17.5%, despite the decrease in demand. The EBIT margin, likewise, has increased to 11.8%.

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North America:

CIE Automotive has production centres in both Mexico and the US, which serve the North American light vehicle market and, to a lesser extent, Brazil, Europe and Asia.

In 2024, the North American plants reach a turnover of €1,217.5 million. The good results are more notable considering a decrease in demand, which is produced to a certain extent thanks to the automation of plants carried out the previous year to address the increase in labour costs. Despite the evolution of demand, CIE Automotive has grown above the market, obtaining strengthened EBITDA and EBIT margins on sales of 18.8% and 14.2% respectively.

Brazil:

CIE Automotive's Brazilian plants focus on the manufacturing of plastic components, stamping, forging, iron casting, aluminium injection and machining, being especially competitive in plastic technology, body-colour painting and chrome plating.

In 2024, CIE Automotive registered record sales of €401.3 million in Brazil – a growth of more than 20% –, with an EBITDA margin of 19.8% and EBIT of 16.4%, clearly showing a strengthened position of its plants. compared to the market, which has grown by 8%.

Asia:

The Group has several plants in Asia, a joint-venture and a technology centre. Its presence in India comes from the alliance with the Indian group Mahindra & Mahindra Ltd., while the presence in China was reinforced with the incorporation of companies from Golde's solar roof business. India is one of the development engines of the region and China, the main car producer in the world.

In India, CIE Automotive has invoiced €656.1 million in 2024, improving the already high operating margins (EBITDA 18.2% and EBIT 14.5%). The excellent margins would be related to the measures adopted to improve efficiency.

In China, CIE Automotive's sales have amounted to €283.9 million, with high EBITDA (19.3%) and EBIT (14.1%) margins, in a market with solid but very dynamic growth where electric car production by local producers is setting an important trend in this market. Despite the company's good results, the performance of sales has not been as good as the market's evolution, due to lower exposure to Chinese OEMs, which are driving the market.

Financial indicators of the consolidated group

(Thousand euro)	2024	2023
Consolidated revenue	3,960,555	3,959,479
Gross operating profit/(loss)-EBITDA	727,876	713,199
Profit/(loss) attributable to parent company	325,660	320,175
Total Equity	1,913,941	1,661,244
Net financial debt	1,005,064	1,134,673

The disclosure of this performance by operating segments is as follows:

31 st December 2024						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,217,531	401,364	939,966	306,779	1,094,915	3,960,555
EBITDA (*)	228,701	79,565	174,058	49,454	196,098	727,876

31 st December 2023						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	CIE FORGING EUROPE	REST OF EUROPE	TOTAL
Revenue	1,232,990	360,292	939,739	364,102	1,062,356	3,959,479
EBITDA (*)	227,962	70,168	170,053	62,060	182,956	713,199

(*) EBITDA (gross operating income) results from summing depreciation, amortisation and impairment to the net operating profit.

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR 2024

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

At the date of preparation of these Annual Accounts, no significant subsequent event to the fiscal year 2024 has occurred which could arise on significant impacts to the financial statements of the period ended as of 31st December 2024.

2.2 Predictable evolution of the Group

Market environment

According to estimates by the International Monetary Fund, global growth would have moderated to 3.2% in 2024, with expectations remaining in line for 2025 (3.3% growth). However, the perspectives are very different between geographies with more mature economies (with slower development) and growing economies.

In the automotive sector, fiscal year 2024 has been a year of stagnation, with 89.5 million vehicles having been produced, which has meant a decrease of 1.1% on the production volumes of 2023.

in the Automotive industry

In a context of transformation of the sector, which affects both demand and supply, in a dynamic scenario, component manufacturers are playing a crucial role in the transformation of the automotive sector by helping OEMs face various emerging trends, of the demands of society, and which are summarized in the following sections:

- 1- Climate change: Is the main threat to the planet and has led to the development of regulations that are accelerating and becoming increasingly ambitious and global, translating into the automotive sector in electrification as alternative energy and the reduction of the corporate environmental footprint.
- 2- Demographic developments: The distribution of the world population with greater weight in Asia (60%) and greater growth in Africa defines where the Automotive market should be driven in the coming years. In addition, other demographic factors converge that will promote changes in the automotive sector and its demand, such as the increase in life expectancy and the aging of the population or its growing urbanization, with various mobility options coexisting in large cities, with car sharing as an alternative. Although the number of vehicles could decrease, there would be a shorter useful life, with higher vehicle turnover. Therefore, it is expected that the total number of vehicles produced will maintain a trend similar to the current one.
- 3- Technology developments: We are moving towards a third industrial revolution where the best and most efficient vehicle architectures will prevail, where the use of the correct material will be decisive. The application of various technologies in the automotive sector will be decisive in this new generation.
- 4- Geopolitical developments: Strong growth is expected in the coming years in emerging markets without protectionist strategies having a significant impact on the automotive sector.
- 5- Sector changes: In addition to the challenge of advancing towards the electrification of the automobile for the decarbonization of the mobility system and curb climate change, the user experience with a commitment to comfort continues to be critical in the mega trends of the sector, mainly represented by the incorporation of roof systems, the safety and protection of passengers and the autonomy and connectivity of automobiles.
- 6- Changes in the supply chain: The car manufactures are concentrating on their core competencies and expanding production outsourcing to their suppliers. In addition, it is expected that in the coming years the digital company will be increasingly implanted in the automotive industry.

2.3 Business Strategy

In 2021, CIE began rolling out its 2025 Strategic Plan, a new comprehensive strategy to respond to automotive market trends and stakeholder concerns, and which sets the objectives to be followed in all aspects of its activity.

This 2025 Strategic Plan establishes for the first time a series of global commitments in Environmental, Social and Good Governance matters, to which all the Group's plants must contribute under the encouragement and supervision of the corporate cross-sectional areas.

For the coming years, and supported by this 2025 Strategic Plan, CIE has a project underway to advance sustainable profitability. The objectives set and financial commitments of this strategic plan are described below and take into account the evolution of the main trends in the automotive market.

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The main lines of this plan are:

- Operational strategic plan. The commitments of the strategic plan seek to increase sales by 20 percentage points above market growth, exceeding an EBITDA margin on sales of 19% in 2025, with an investment of €1 billion in the period, representing 5% over the annual sales.

The operational strategy will revolve around the following lines of work:

- o Electrification: The obvious trend towards electric cars has led CIE Automotive to increase its presence in electrified powertrains in order to position itself in the market with new components with high added value, mainly related to the engine and power electronics, gearboxes and batteries. Likewise, this objective that the Group sets is directly related to the mitigation of environmental impact and is part of the path to follow to help minimize its impact on climate change.
 - o Industry 4.0: CIE Automotive, in its search for intelligent manufacturing, develops and implements different industry 4.0 tools, which interact and provide feedback to each other, as well as sensitization capabilities, which allow it to capture data and analyse it through algorithms. This will result in an increase in the efficiency of the processes, reducing the use of resources and their environmental impact, achieving everything from a reduction in the number of prototypes to be made, energy consumption and raw materials, to the rejection and generation of scrap.
 - o Comfort: CIE Automotive's roof division works in a growing market, supported by the development of electric and autonomous driving.
 - o Internationalization: Throughout its history, CIE Automotive has expanded its geographical locations to become a leading global supplier in all the regions in which it operates and each of the automotive markets. This geographical positioning is a guarantee for success and will continue to strengthen day by day, with an increasingly balanced presence between the different regions, gaining weight in areas with the greatest growth potential such as China, India, Mexico or Brazil. The company has a global technological vision, but adapts the specific strategy of each of its divisions to the different geographical areas, depending on the reality of the different markets.
- The ESG 2025 Strategic Plan, published in November 2021, represents the successful integration of Environmental, Social and Good Governance aspects into CIE's strategy. Four lines of work are defined across the organization:
 - o CIE Culture: Identify, promote, retain and attract talent through collaboration with universities and training centres in the area in new technologies. Actively participating in the planning and supervision of DUAL training challenges.
 - o Ethical commitment: Respect, compliance and development of the ethical framework. Alignment of their actions with the CIE Automotive Code of Conduct and application of equivalent ethical standards, including Anti-Corruption, Bribery and Conflicts of Interest.
 - o Eco-efficiency: Efficiency in production and improvement of environmental impact. The efficient use of materials has been the basis of CIE Automotive's sustainability and competitiveness for years. For this reason, the initiatives to improve the ratios of raw material use compared to the final weight of the product and the weight reduction of the components are core projects year after year of the technological road map.
 - o Active listening: Proactivity and continuous communication with our stakeholders in order to meet their expectations.

Based on the foregoing, CIE Automotive expects to continue in 2025 with the growth path of its results, as it has done year after year since its creation.

3. RISK MANAGEMENT

CIE Automotive has a Risk Management System, which allows them to identify, evaluate and give response to eventual contingencies in the development of its activity, which, in case of materializing, might hinder the attainment of the corporate objectives.

This policy, whose supervision relapses into the Audit and Compliance Committee, identifies the different types of risks that the company faces –between them, the financials or economics, the contingent liabilities and other risks out of the balance sheet–, fixes the level of risks that are considered acceptable and establishes the opportune measures to mitigate its impact in case it was materialized. To put it into practice, the company possesses informational systems and internal control.

The procedure of global management of CIE Automotive's risks is based on the methodology ISO 31000, a process of constant cycle in nine phases: communication, setting the context, risks identification, risk analysis, risk evaluation, risk treatment, risk supervision, updating and acting against non-compliance.

Annually, a Corporate Map of Risks is drawn, which contemplates and values not only the risks inherent to the countries, markets and businesses where it operates, also internal operation of the company.

Risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and raw material price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

In the broadest sense, the goal of the management of financial risk is to control the incidents generated by fluctuations in exchange and interest rates and the price of raw materials. Management of these risk factors, which is the responsibility of the Group's Finance Management, focuses on the arrangement of financial instruments in order to build, as far as possible, exposure to favourable trends in exchange and interest rates, subject to compatibility with the mitigation, in part or in whole, of the adverse effects of an unfavourable environment.

a) Market risk

(i) Foreign exchange risk

CIE Automotive Group's presence in international markets obliges it to arrange an exchange rate risk management policy. The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, CIE Automotive Group uses the Management Scope concept. This concept encompasses all collection/payment flows in a currency other than the euro expected to materialise over a specific time period. The Management Scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the euro. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope would also apply to management if are expected to be recognised on the balance sheet within a period of no more than 18 months.

Once defined the Management Scope, CIE Automotive Group uses a series of financial instruments for risk management purposes that in some instances permit a certain degree of flexibility. These instruments are essentially the following:

- Current forwards: These contracts lock in an exchange rate for a specific date; the timing can be adjusted to match expected cash flows.
- Other instruments: Other hedging derivatives may also be used, the arrangement of which requires specific approval by the relevant management body. This body must be informed beforehand as to whether or not it complies with requirements for consideration as a hedging instrument, therefore qualifying for hedge accounting.

The protection against loss of value as a result of movements in the exchange rates other than the euro in which its investments in foreign operations are denominated by similarly denominating, to the extent possible, its borrowings in the currency of the countries of these operations if the market is sufficiently deep or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro. Correlation, estimated cost and depth of the debt and derivative markets determine policy in each country.

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The Group has several investments in foreign operations whose net assets are denominated in US dollars, exposing it to foreign exchange translation risk. The exchange risk on the net assets of CIE Automotive Group's foreign operations is mainly managed through natural hedges achieved by borrowings (loans) denominated in the corresponding foreign currency.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations in countries outside the Eurozone is mitigated basically by borrowings denominated in these currencies.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments that are classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. However, the scant weight of these securities as a percentage of total Group assets and equity means that this risk factor is not material.

(iii) Interest rate risk

Group's borrowings are largely benchmarked to floating rates, exposing it to interest rate risk, with a direct impact on the income statement. The general objective of interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

In order to attain this objective, the risk management strategy materialises in the arrangement of financial instruments designed to provide such flexibility. The strategy expressly contemplates the possibility of arranging hedges for identifiable and measurable portions of cash flows, which enables hedge efficiency testing as required to evidence that the hedging instrument reduces the risk of the hedged item in the portion designated and is not incompatible with the established strategy and objectives.

The Management Scope encompasses the borrowings recognised in the balance sheet of the Group and any of its companies. On occasion, hedges are arranged to cover loans committed and in the final stages of arrangement the principal on which needs to be hedged against rate increases.

In order to manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IFRS 9) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites for consideration as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are the following:

- Interest-rate swaps: Through these derivatives, the Group converts the benchmarked floating interest rate on a loan to a fixed benchmark with respect to all or part of the loan and affecting all or part of the term of the loan.
- Other instruments: As discussed in the section on foreign exchange risk management, other hedging derivatives may also be used, the arrangement of which requires the specific approval of the relevant management body. The management body must be informed beforehand as to whether the instrument meets the prerequisites for qualifying as a hedging instrument and, by extension, hedge accounting.

b) Liquidity risk

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, transferring the related risks and rewards).

Management monitors the Group's forecast liquidity requirements together with the trend in net financial debt.

The Group's treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In that sense, it is considered that cash generation in 2025 will allow facing recurrent payments without increasing the net financial debt.

The Group's treasury department monitors Group's liquidity needs forecasts in order to ensure that there is enough cash to meet operative needs at the same time that maintains undrawn credit facilities at any time to ensure Group that doesn't fail limits and rates ("covenants") established by financial entities.

The Group is strategically diversifying the financial markets and financing sources, it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

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Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short- and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (just in time) supplies to our customers.

Meanwhile, the Group's Management efficiently controls the payments for expenses and realization of current assets, carrying out an exhaustive follow-up of the treasury forecasts, in order to ensure that it has sufficient cash to meet the needs. operations while maintaining the availability of sufficient unused credit facilities at all times so that the Group does not breach the limits or indices ("covenants") established by the financing. Therefore, it is estimated that the generation of cash in 2025 will sufficiently cover the needs to meet the commitments in the short term, preventing any situation of tension in the cash position with the actions underway.

c) Credit risk

Credit risk is managed by customer groups. Credit risk arising from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Group works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises the corresponding impairment provisions if necessary.

In addition, each management unit has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that Group policy is not to concentrate more than 10% of business volumes with individual customers or manufacturing platforms.

Given the characteristics of the Group's customers, management historically deemed that receivables due within 60 days presented no credit risk. The Group continues to consider the credit quality of these outstanding balances to be strong, although it is determined the expected loss.

d) Raw material price risk

The Group has not a significant risk in raw price variations. In these companies where the risk could exist in market specific situations (plants which use raw materials with market price), the risk is controlled thanks to price financing repercussion agreements to customers.

e) Climate risk factors

The Corporate Engineering, Quality and Environment Department is responsible for establishing the guidelines and coordinating with the plants the actions related to the transition plan for climate change mitigation, which is included in the Group's 2025 Strategic Plan.

As shown in section *E1 – 1 – 14* of the Consolidated Non-Financial Statement and Sustainability Information Statement, included as a separate document from the Consolidated Management Report, this plan contains both an operational and an ESG part. The environmental aspect of the plan is periodically reviewed by the Group's Engineering, Quality and Environment department, reflected in the 2024 Environmental Management Plan. Within these periodic reviews, the following points have been analysed in 2024:

- The Group's Governance in the area of the environment and, especially, climate change, including the communication of points related to environmental performance.
- Assessment of dependencies, Impacts, Risks and Opportunities, with a focus on resilience analysis.
- Goals and metrics.
- Emissions by geography and technology.
- Response of the CIE Automotive Group.

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- Action Plan.

More detailed information on how Impacts, Risks and Opportunities (IROs) are managed can be found in section *ESRS 2 – SBM-3 – 19b* of the Consolidated Non-Financial Statement and Sustainability Information Statement. The analysis of IROs is performed with a unique approach. In this way, the process is unique, whether it is a general analysis, related to climate change, or to other areas such as water resources. To this end, the transition plan for climate change mitigation is provided with additional characteristics such as proactivity in the study, and includes tools such as vulnerability analysis, sensitivity and adaptation plans or actions. The process is fully integrated into the Group and is transversal, involving different instances and bodies, from the Board of Directors to the operational units.

In this sense, the Group keeps updated its Environment Policy, where it was recognized as aligned with the Sustainable Development Goals. Thus, the Group develops products and processes under eco-design concepts, oriented to efficiency, providing necessary resources in continuous improvement through prevention and preservation, the minimization of risks, the reduction of the environmental footprint, the efficient use of natural resources, the minimization of waste, the circularity of materials and the collaboration of the people involved in the processes. Moreover, the Group is aligned with the United Nations 2030 Agenda by establishing environmental objectives to be met by each of the plants and regions where it operates, based on the *Global Reporting Initiative* standards.

In December 2022, the Group committed to setting targets, within 24 months, aligned with limiting global warming to 1.5°C, in line with the Paris Agreement, and the “net-zero” target by 2050, based on science. In 2024, the Group has fulfilled this commitment, joining a group of 235 companies in the automotive and components sector with targets approved by the “Science Based Targets initiative” (SBTi). With the latest available data, only 35 of these companies, including CIE Automotive, are aligned with meeting both objectives.

Below are the action plans established to address each of the climate-related risks that have an impact on the Group's Consolidated Annual Accounts.

The risks arising from the transition to low-carbon economies

The authorities and governments of different countries have implemented policies to fight against climate change that have affected differently in the different countries where the Group operates. All of these policies and actions have been part of the analysis carried out by the Group when carrying out the Transition Plan, as well as the double materiality analysis. These policies basically consist of promoting sustainable energy consumption in industrial production through tax and operational incentives, while in other cases, the use of energies that have a direct impact on the climate has been penalized or no longer promoted.

Regarding the automotive industry, it has been possible to reduce polluting emissions from vehicles, although the latest regulations to fight climate change – the most restrictive in Europe and China – are forcing manufacturers and their suppliers to implement additional solutions to reduce their environmental footprint, as well as to promote the electrification of their vehicle platforms. In recent years, the Group has been adapting its production process, as well as the goods produced, to a changing environment, demonstrating its resilience to the challenges offered by the fight against climate change.

The Group aims to anticipate the aforementioned measures, having launched certain action plans that allow mitigating in advance the impact of new policies, regulations and trends that climate change has entailed. The lines of work established for this have been the following, and have as main axes the actions on the goods produced and actions on their productive process.

The Group aims to anticipate the aforementioned measures, having launched certain action plans that allow the impact of the new policies, regulations and trends caused by climate change to be mitigated in advance and to materialise the Group's capacity to adapt. The main axes of the established lines of work are actions on goods produced and actions on their production process, and are summarized as follows:

- Substitution of non-renewable fuels
- Purchase of renewable electricity
- Energy efficiency via Industry 4.0 initiatives
- Reduction of the gross weight vs net weight ratio
- Circularity projects
- Carbon Footprint Calculation of key products
- Digitization of environmental data management
- Supply Chain Race2Zero Project
- Ecodesign

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- CIE Automotive integral management model
- Implementation of an environmental management system
- Durability of auxiliary materials and products
- Repairability, reuse and end-of-life of vehicles
- Governance and involvement of senior management
- Increased water circularity
- Improvement in water treatment systems

- Actions on goods produced

In the context of a changing environment and increasingly aware of the effects of global climate change, the Group has been adapting the sale of its assets to new challenges in the climate and environmental field, and they are directly related to the latest trends in the automotive sector. In this sense, the Group is immersed in a technological transformation, aimed at reducing its corporate footprint, as well as the goods it produces. To achieve these objectives, the Group develops different technologies that provide the efficiency and flexibility necessary to face all challenges with changing volumes and scenarios.

Technological diversity also allows to focus investments on those technologies most demanded by the market in each circumstance. Currently, the market is betting on the electrification of vehicles and more than 80% of the components and subassemblies produced by the Group can be used in any type of vehicle (combustion, electric, hybrid). Despite this considerable percentage of versatility in the goods it produces, the Group has proposed to take advantage of the opportunity offered by the decarbonization of transport to position itself in new products of high added value. These products are related to the engine and power electronics, gearboxes and batteries.

Additionally, the Group's technological commitment to meet these environmental objectives focuses on the eco-efficiency and circularity, the light-weighting of vehicles, the improvement of the user experience (noise reduction, light integration, etc.), the bet for electric and autonomous vehicles and Industry 4.0 as a key to competitiveness and eco-efficiency, always aiming at the path towards the decarbonization of transport.

These actions are naturally linked to the reduction of environmental impact and mitigation of climate change. For those products that do not yet have a clear substitute in zero-emission vehicles, the Group has defined a strategy with different action plans.

Thus, the Group's spirit of adaptation and flexibility in the products it markets, together with the ability to always be aligned with new market trends, are the Group's main measure to address any market risks to its goods, as well as those that may arise from the transition to low-carbon economies.

- Actions on the productive process

Some of the environmental actions on the production process, which are part of those mentioned above, for the realization of the goods sold to the market have been the following:

- a) *Environmental Investments*: the Group adapts its production facilities to the conditions required by the environmental legislation of the countries where it is located. Consequently, the Group makes investments aimed at minimizing environmental impact, protecting and improving the environment; and incurs expenses derived from environmental actions, which basically correspond to the ordinary expenses for the removal of waste, consulting, measurements and environmental certifications.

The adaptation and incorporation of investments that meet the most current environmental requirements implies a direct mitigation of the risk derived from the transition to low-carbon economies in the recovery of the value of their productive assets.

- b) *Energetic efficiency*: the improvement of energy efficiency is a priority objective for the Group, since it contributes to reducing its environmental impact, in addition to implying a direct improvement in competitiveness. The main lines of action consist of energy saving, and emission control. In this line, the Group contracts clean energy for the operation of its facilities wherever this option is available; and with the same philosophy of reducing their emissions and their energy bill, photovoltaic panels have been installed in different facilities in Europe, where, in addition, in 2022 new contracts have been signed for the supply of green energy for own consumption starting 2023; and India, where investment in new solar power plants has continued.

In this sense, it is expected that the action plans carried out by the Group in terms of efficiency will mean, in the medium and long term, an improvement in the margin on the goods it produces.

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- c) *Water and material consumption:* in the Group's production process, an intensive use of water is carried out. In order to reduce discharges as much as possible, it has its own systems and facilities for water treatment, recirculation and recovery. With regard to raw materials, the Group constantly reviews all processes to make responsible use of raw materials. An example of these practices is the reduction of the gross weight of the products it manufactures, and that implies the reduction of the consumption of energy and other products necessary for the production process.

As in the case of energy efficiency action plans, it is estimated that these actions will also improve the margins of the goods produced.

- d) *Pollution control and waste management:* the Group's environmental management systems are based on the ISO14001 standard, and ensure that pollution does not exceed the levels established by current regulations. On the other hand, the Group's recycling system allows the reincorporation of recycled raw materials into its production process. Those materials that cannot be recycled are collected by specialized managers who prioritize their recycling over their landfill.

The risk of the impact on the margins of adaptation to low-carbon economies

Cost pressure can occur on car producers. During the deployment phase of more sustainable vehicles, the final cost will be higher and, to maintain sales volumes, there is a risk of increased cost pressure on component suppliers.

Faced with this type of scenarios and risks, the Group's model is very effective. Commercial diversification makes dependence on a project or its renovation low, so the freedom to invest in projects is key. To this is added another of the axes of the group, the investment discipline, which leads to a detailed analysis of the projects with volume sensitivity analysis, avoiding those projects with volumes lower than those initially announced have a definitive impact on the returns.

The Group not only adapts to the low-carbon economy through the final product it offers to the market, but also by modifies its production process, which is highlighted by signing of clean energy purchase agreements for the use of its operating plants. As a consequence, in Spain 100% of the energy consumed is green energy, which has resulted in emissions savings.

The direct physical risk posed by climate change in the production process and operations of a business

As of 31st December 2024 and 2023, the Group's production facilities, as well as the customers to which it provides, were not located in areas or geographical areas where an imminent climate risk is foreseen.

However, the Group is aware of the unpredictability of the effects of climate change and monitors the impacts that any adverse circumstance may generate in the valuation of the Group's assets, and therefore, in its Consolidated Financial Statements. In this sense, the Group is exposed to physical risks whose possible impacts it manages depending on the typology of each of them:

- a) *Water stress risks:* are the risks that can result in the lack of water supply.
- b) *Acute physical risks:* are the risks arising from the occurrence of acute climatic phenomena. These accidental risks are covered by the global Civil Liability policy. To strengthen the management of environmental and safety risks, the Group has initiated a collaboration project with the technical departments of its insurance companies, where risks are evaluated and monetized and an elimination plan is established, or where appropriate, mitigation.
- c) *Chronic physical risks:* they are risks that cause gradual changes with more lasting impact, such as rising average temperatures, rising sea levels or prolonged periods of heat.

Although the Group's production facilities are not directly threatened by the effect of these chronic physical risks, there are environmental objectives established to be met in all the plants and regions where it operates.

- d) *Protection of biodiversity:* due to the location of its production facilities, mostly in industrial estates, the impact of its activities on biodiversity is not considered significant.

4. ENVIRONMENT

CIE Automotive is strongly committed to environmental sustainability, this being a priority in the development of its activities and its business strategy. Climate change is a challenge on which CIE has been working proactively for years on its path towards "net-zero" through various initiatives that have a positive impact on reducing its environmental footprint.

The Environment Chapter of the Non-Financial and Sustainability Information of this Report sets out the objectives, strategies and lines of work carried out in the area of environmental management of the Group.

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5. HUMAN RESOURCES

People contribute one of the main assets of CIE Automotive, which bases its culture on values such as equality, diversity, equity, inclusion, teamwork, and talent development.

At year-end, the Group's workforce has decreased by 964 members up to 24,330 employees.

The distribution of the staff as of 31st December 2024 and 2023 between women and men is as follows:

	2024			2023		
	WOMEN	MEN	Total (*)	WOMEN	MEN	Total (*)
TOTAL	5,292	19,038	24,330	5,125	20,169	25,294

(*) As of 31st December 2024 and 2023, two members of the Board of Directors are, equally, executives of the Group.

In the specific section of the Non-Financial and Sustainability Information that forms part of this Report all the information relating to the Group's workforce is detailed.

6. R&D ACTIVITIES

CIE Automotive is proactive in technological transformation and decarbonization to reduce its product and corporate footprint, in accordance with market trends. With this purpose, it works in different lines to materialize the opportunities generated by the current scenario and mitigate or eliminate the risks that arise.

Especially relevant are the new technologies in the plants that provide the flexibility, agility and reaction capacity necessary to face all the challenges with changing volumes and scenarios.

2024 work lines

CIE Automotive is immersed in a technological transformation, which will allow it to reduce its corporate footprint and that of its products and improve its efficiency to compete in a competitive and changing market. In 2024, it continued to innovate and invest approximately 2% of its net profit to meet the objectives set out in its 2025 Strategic Plan. Its 10 research and development centres and the Engineering and R+D Areas work on development, innovation and improvement projects, following a roadmap based on 4 strategic lines: eco-efficiency, industry 4.0, new mobility concepts and electrification. Criteria are introduced for product and process eco-design, durability, repairability and reduction of environmental impact from the earliest phases of the product with a life cycle approach and taking into account the value chain. Innovation also plays a crucial role in achieving the goal of "net-zero".

The Group has continued to develop initiatives in the short, medium and long term, so that some of them are already reaching the market and others will gradually leave. Work in the technology area is entrusted to the 2025 Strategic Plan and develops five of the eight lines of action set:

- Vehicle lightness: reduction of the auto parts weight has a direct impact in its consumption and therefore, both in the emissions of combustion vehicles and autonomy of electric vehicles. CIE develops R&D and engineering projects in search of their maximum optimization.
- Electrification: technological progress in this area positions CIE Automotive as a key agent in mitigating environmental impact and is part of the way forward to help minimize climate change.
- Comfort: the line of innovation for the incorporation of circularity criteria through the use of new materials based on natural fibres and with a higher percentage of recycled material has an important market in the area of comfort and is linked, in turn, to the eco-efficiency.
- Industry 4.0: Sensorisation, capture, analysis and visualization of the parameters of the critical process variables.
- Eco-efficiency: the efficient use of materials, which has been the basis of the Group's sustainability and competitiveness for years.

As a prominent member of the automotive components industry, CIE Automotive works for a fair and responsible management of its activity for the benefit of the sector, its stakeholders and society.

In addition, the Group maintains its presence in regional, national and international forums (members of the board of directors of the Automotive cluster of the Basque Country ACICAE, members of the board of directors of the National Association of component manufacturers SERNAUTO, members of the executive committee of the TECNALIA technology center, we continue to participate in EGVIA and other R&D&i Industrial forums).

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7. TRADING WITH TREASURY SHARES

At 31st December 2024 and 2023, the share capital of the parent company is represented by 119,807,484 ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, fully paid, listed on the Madrid stock market.

The balance of treasury shares held by the parent company at the end of 2024 amounted to 62,048 shares, being the movement of the year as follows:

31 st December 2024		
	Number of shares	Amount (Thousands euro)
Initial balance	47,517	1,202
Acquisitions of the year	629,446	16,130
(Sales) for the year	(614,915)	(15,762)
Ending Balance	62,048	1,570

During 2024, the Company acquired a net amount of 14,531 treasury shares directly, with an ending balance of 62,048 shares (reaching 0.05% of the total voting rights issued by the Company), which are in addition the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights).

Also, rescinding the resolution adopted by the General Meeting of Shareholders on 4th May 2023 for the unexecuted part, the General Meeting of Shareholders on 8th May 2024 agreed to authorize the Company, directly or through any of its subsidiaries, for a maximum of five years from the date of the General Meeting of Shareholders, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by Law, including against profits for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and related provisions of the Company's Act.

Under this authorization framework, on 8th May 2024, the Company's General Shareholders' Meeting approved a program to repurchase the Company's treasury shares in order to reduce up to a maximum of 10% of the parent company's share capital through the redemption of treasury shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

8. AVERAGE PAYMENT PERIOD TO SUPPLIERS

The breakdown of trade payables settled during 2024 and 2023 to suppliers for the Spanish consolidated entities and those pending of payment at the year-end in relation to the legally-set payment terms stipulated in Spanish Law 15/2010 of 5th of July, is as follows:

Days	2024	2023
Paid operations ratio	80	77
Outstanding operations ratio	83	78
Average payment period to suppliers	75	75
Payments in thousand euro	2024	2023
Payments made	460,374	486,401
Outstanding payments	203,509	232,024

Additionally, and in accordance with the obligations required in the Spanish Law 18/2022 on creation and growth of companies, it is reported that the total amount of payments made in before than the maximum established by Law 5/2010 has amounted to €198,892 thousand (2023: €233,928 thousand) and 19,933 invoices (2023: 18,728 invoices), which represent 43% of the total payments made and 32% of the total invoices (2023: 48% and 30% respectively).

While some companies have exceeded the time limit to domestic suppliers established in Law 15/2010, the Group has launched a series of measures have been launched essentially intended to the identification of the deviations through the monitoring and periodic analysis of the accounts payable to suppliers, of the review and improvement of internal management procedures of suppliers as well as the compliance and, in its case update, of the conditions laid down in the commercial operations subject to the applicable regulations.

9. STOCK EXCHANGE INFORMATION

Listing price

CIE Automotive's share price fell by 1%, reaching a quotation of €25.40 euro on 31st December 2024. In a complex macroeconomic and sector backdrop, CIE Automotive is delivering excellent results for 2024, confirming its resilience and strengthening its position as one of the most profitable companies in the industry. Despite the challenging environment, CIE Automotive has outperformed the sector, with a stock market performance of -1% compared to the worst performance of the Stoxx Europe 600 Automobiles & Parts index (-12%). This resilience reflects the strength of its business model and its ability to generate value on a sustained basis.

The gap between CIE Automotive's fundamentals and its share price persisted throughout the year. The share price remained significantly below its potential, set at more than €33 by the consensus of analysts who follow the company. Unlike other component companies, the company has maintained its strategic objectives unchanged for years despite the complex context and remains on the podium of the most profitable companies with the best future in its sector.

Shareholder remuneration

CIE Automotive once again fulfilled its commitment to allocate a third of its profits to shareholders in 2024. The company distributed €107.8 million in dividends corresponding to the previous year, making two payments of €0.45 gross per share, the first on 5th January and the second on 7th July.

In line with its remuneration policy, the Board of Directors, at the meeting held on 14th December, agreed to pay an interim dividend charged to the results of the 2024 financial year of €0.46 per share. Payment has been made effective on 8th January 2025.

10. CONSOLIDATED NON-FINANCIAL STATEMENT AND SUTAINABILITY INFORMATION STATEMENT

In accordance with the provisions of Law 11/2018, of 28th December, on non-financial information and diversity, the CIE Automotive Group has prepared the "NON-FINANCIAL INFORMATION STATEMENT" for the year 2024, additionally including the sustainability information compliant to all the requirements considered by the CSRD framework and its European Sustainability Reporting Standards (ESRS), as well as the information relating to the EU Taxonomy in accordance with the provisions of article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18th June, 2020.

This report is part, as established in article 44 of the Spanish Commercial Code, of the present Consolidated Management Report and is shown as an annex below.

11. ANNUAL REPORT ON CORPORATE GOVERNANCE AND REPORT ON REMUNERATION TO DIRECTORS

In order to guarantee transparency, both the legal framework defined by the Group as well as the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration are available on the corporate website www.cieautomotive.com, in line with the technical specifications and legal regulations established by the National Securities Market Commission in its Circular 3/2015, of 23th June.

Additionally, considered as part of this Management Report, both the Annual Corporate Governance Report and the Annual Directors' Remuneration Report are incorporated by reference and may be consulted on the website of the National Securities Market Commission after being published by the Group:

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A-20014452>

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-20014452>

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and Sustainability Reporting
for the year ended
31 December 2024**

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1.1.1.1 Disclosure Requirement (DR) BP-1: General basis for preparation of the Sustainability Statement

ESRS 2- BP-1- 5 a)	<i>The undertaking shall disclose: (a) whether the sustainability statement has been prepared on a consolidated or individual basis;</i>

This report is the 2024 Consolidated Non-Financial and Sustainability Reporting of CIE Automotive, is submitted as an annex of its Consolidated Directors' Report, and it provides information on the sustainability activity of CIE Automotive S.A., and its investees during the year in the countries in which it operates. The Chinese joint venture SAMAP is excluded from this scope, as it is consolidated by the equity method.

ESRS 2- BP- 1-5 b) i	<i>The undertaking shall disclose: b) for consolidated sustainability statements: i. a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the reporting undertaking is not required to draw-up financial statements or that the reporting undertaking is preparing consolidated sustainability reporting pursuant to Article 48i of Directive 2013/34/EU; and</i>

The scope of the information included in the Consolidated Non-Financial and Sustainability Reporting refers to the financial scope considered in CIE Automotive's Consolidated 2024 Financial Statements.

ESRS 2- BP- 1-5 b) ii	<i>The undertaking shall disclose the following information: b) for consolidated sustainability statements: ii. where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU.</i>

Under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the following subsidiaries are exempted from the obligation to publish individual Consolidated Non-Financial and Sustainability Reporting

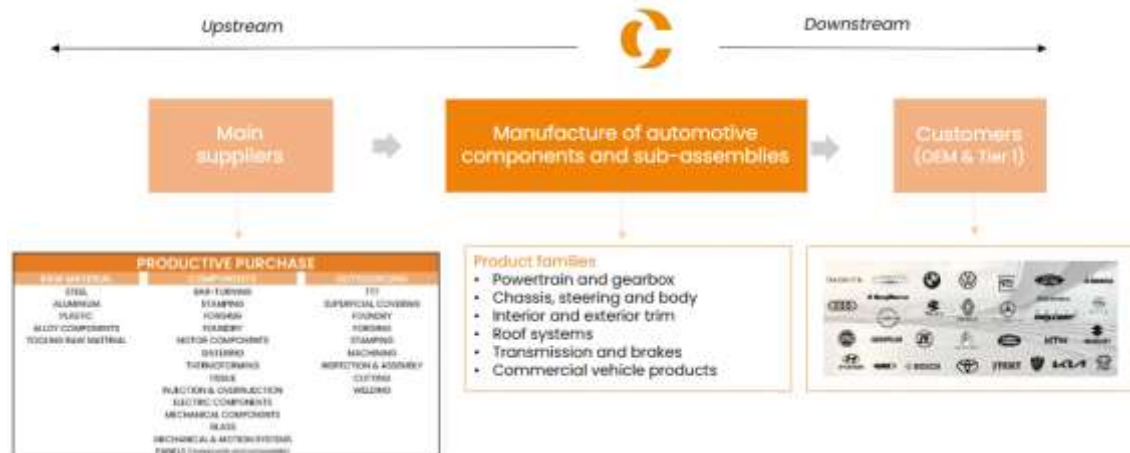
- a) Subsidiaries within the European Union that comply with the CSRD but whose data are included in the group's consolidated Consolidated Non-Financial and Sustainability Reporting.
- b) Subsidiaries in Spain subject to the Spanish Non-Financial Disclosures and Diversity Reporting Act [*Ley 11/2018 en materia de Información No Financiera y Diversidad*], which were exempt until the full entry into force of the CSRD in 2024.
- c) Subsidiaries outside the scope of the CSRD.

CIE Automotive does not have any subsidiaries or affiliates to which these points apply.

ESRS 2- BP- 1-5 c) AR 1	<i>The undertaking shall disclose the following information: (c) to what extent the sustainability statement covers the undertaking's upstream and downstream value chain (see ESRS 1 section 5.1 Reporting undertaking and value chain);</i>

This report takes into account CIE Automotive's value chain, both upstream, considering production suppliers, including raw material suppliers, which make up the vast majority of the Group's supply chain, and downstream, including its Original Equipment Manufacturers (OEM) and Tier 1 customers.

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ESRS 2-BP- 1-5 d)	The undertaking shall disclose the following information: (d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see ESRS 1 section 7.7 Classified and sensitive information and information on intellectual property, know-how or results of innovation); and

In preparing the 2024 Consolidated Non-Financial and Sustainability Reporting, CIE Automotive has not omitted any specific item of information on intellectual property, know-how or the results of innovation, as set out in ESRS 1, section 7.7. Classified and sensitive information and information on intellectual property, know-how or results of innovation).

ESRS 2-BP- 1-5 e)	The undertaking shall disclose the following information: (e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU, whether the undertaking has used that exemption.

In preparing the 2024 Consolidated Non-Financial and Sustainability Reporting, CIE Automotive has not used the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

1.1.1.2 DR BP-2: Disclosures in relation to specific circumstances

ESRS 2-BP-2-9 a)	When the undertaking has deviated from the medium- or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe: (a) its definitions of medium- or long-term time horizons.

CIE Automotive has considered the following time horizons, aligned with section 6.4 of indicator ESRS 1:

- Short term: the same period adopted by the company as the reference period in its financial statements, i.e. the reporting period of financial year 2024.
- Medium-term time horizon: from the end of the short-term reporting period defined in (a) up to 5 years.
- Long term: over five years.

However, as stated in section 1.1.2.5 DR GOV-5: Risk management and internal controls over sustainability reporting, ESRS indicator 2-GOV-5-36 e), the time horizon for climate risks varies, a time horizon of 2050 would be considered for them, in line with the company's temporal target for climate neutrality, established based on EU targets.

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ESRS 2- BP- 2-9 b)	<i>When the undertaking has deviated from the medium- or long-term time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes, it shall describe: (b) the reasons for applying those definitions.</i>

As stated in section 2.2.2.2. *DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model* in indicator ESRS 2 - SBM-3- 19 b) AR 7 and 13, various time horizons and climate change scenarios were included to make the analysis more robust.

Three climate horizons: optimist, intermediate and pessimist, and three-time scenarios:

- Current or short term: 2020-2025.
- Medium term: 2030.
- Long term: 2050.

In relation to the current or short term horizon, as stated in the response to ESRS indicator 2-SBM-3-19 b) AR 7 and 13, the current year 2024 is not indicated, but a period 2020-2025, given that many of the variables and parameters are not accessible for 2024, or are not accessible in 2024 in all geographical areas, therefore the closest data to 2024 that is accessible in all geographical areas is used, and in the worst case it could refer to 2020.

ESRS 2- BP-2-10 a); b); c); d)	<i>When metrics include upstream and/or downstream value chain data estimated using indirect sources, such as sector-average data or other proxies, the undertaking shall: (a) identify the metrics; (b) describe the basis for preparation; (c) describe the resulting level of accuracy; and (d) where applicable, describe the planned actions to improve the accuracy in the future (see ESRS 1 chapter 5 Value chain).</i>

Throughout this Consolidated Non-Financial and Sustainability Reporting, the requirements of this indicator will be included wherever data on upstream or downstream stages of the Value Chain are estimated using proxies, such as average sectoral data or other proxies.

The sustainability indicators included in this Consolidated Non-Financial and Sustainability Reporting are based on primary, secondary or modelled data, as appropriate. Where direct data cannot be obtained, estimates based on actual data trends, sectoral information or expert analysis were used, complying with the qualitative criteria defined by the European Sustainability Reporting Standards (ESRS).

Examples include the use of proxy data for emissions indicators along the Value Chain. All the information will be referenced and detailed where appropriate throughout this report.

In the context of an evolving report, it is anticipated that the calculation methodologies and available data will improve in the coming years. This may entail adjusting historical data or projected trajectories to better reflect the most recent and reliable information, especially in relation to information on the Value Chain.

ESRS 2- BP-2-11 a); b) i; b) ii	<i>In accordance with ESRS 1 section 7.2 Sources of estimation and outcome uncertainty, the undertaking shall: (a) identify the quantitative metrics and monetary amounts it has disclosed that are subject to a high level of measurement uncertainty; (b) in relation to each quantitative metric and monetary amount identified: i. disclose information about the sources of measurement uncertainty (for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's upstream and/or downstream value chain); and ii. disclose the assumptions, approximations and judgements the entity has made in measuring it</i>

As indicated in ESRS 2-BP-2-10 a); b); c); d), the requirements of this indicator will be included throughout this Consolidated Non-Financial and Sustainability Reporting where sources of estimation and outcome uncertainty are included.

Examples include the use of proxy data for emissions indicators along the Value Chain. All the information will be referenced and detailed where appropriate throughout this report.

In the context of an evolving report, it is anticipated that the calculation methodologies and available data will improve in the coming years. This may entail adjusting historical data or projected trajectories to better reflect the most recent and reliable information, especially in relation to information on the Value Chain.

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ESRS 2- BP-2-13 a); b); c)	<i>When changes in the preparation and presentation of sustainability information occur compared to the previous reporting period(s), (see ESRS 1 section 7.4 Changes in preparation or presentation in sustainability information), the undertaking shall: (a) explain the changes and the reasons for them, including why the replaced metric provides more useful information; (b) disclose revised comparative figures, unless it is impracticable to do so. When it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose that fact; and (c) disclose the difference between the figure disclosed in the preceding period and the revised comparative figure.</i>

Throughout this Consolidated Non-Financial and Sustainability Reporting, this indicator's requirements will be included when there have been changes in preparation or presentation in sustainability information compared to the previous reporting period(s).

ESRS 2- BP-2-14 a); b); c)	<i>When the undertaking identifies material prior period errors (see ESRS 1 section 7.5 Reporting errors in prior periods), it shall disclose: (a) the nature of the prior period material error; (b) to the extent practicable, the correction for each prior period included in the sustainability statement; and (c) if correction of the error is not practicable, the circumstances that led to the existence of that condition.</i>

Throughout this Consolidated Non-Financial and Sustainability Reporting this indicator's requirements will be included when the company has detected material prior period errors.

ESRS 2- BP-2- 15	<i>When the undertaking includes in its sustainability statement information stemming from other legislation which requires the undertaking to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks (see ESRS 1 section 8.2 Content and structure of the sustainability statement), in addition to the information prescribed by ESRS, it shall disclose this fact. In case of partial application of other reporting standards or frameworks, the undertaking shall provide a precise reference to the paragraphs of the standard or framework applied.</i>

In its Consolidated Non-Financial and Sustainability Reporting, CIE Automotive has included the disclosures required under the Non-Financial Information and Diversity Reporting Act, in addition to the disclosures required under the European Union's Corporate Sustainability Reporting Directive (CSRD).

This information is included in section 6. Indicators under the Non-Financial Disclosures and Diversity Reporting Act not covered by the European Sustainability Reporting Standards.

ESRS 2- BP-2- 16	<i>When the undertaking incorporates information by reference (see ESRS 1 section 9.1 Incorporation by reference), it shall disclose a list of the disclosure requirements of ESRS, or the specific datapoints mandated by a Disclosure Requirement, that have been incorporated by reference.</i>

Throughout this Consolidated Non-Financial and Sustainability Reporting, cross-references have been incorporated between the various disclosure requirements of the ESRS, as well as, where appropriate, cross-references to the Consolidated Financial Statements for the year ended 31 December 2024.

1.1.2 Governance

1.1.2.1 DR GOV-1: The role of the administrative, management and supervisory bodies

ESRS 2- GOV-1 -21 a)	<i>The undertaking shall disclose the composition of the administrative, management and supervisory bodies: (a) the composition and diversity of the administrative, management and supervisory bodies;</i>

Based on ESRS 2 Appendix C - Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, this information is included in this report under ESRS G1 4.1.1.1. ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies, indicators ESRS 2 - GOV-1-5 a) and ESRS 2 - GOV-1-5 b).

ESRS 2- GOV-1 -21 b)	<i>The undertaking shall disclose the composition of the administrative, management and supervisory bodies: (b) representation of employees and other workers;</i>

Based on ESRS 2 Appendix C - Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, this information is included in this report under section 4.1.1.1. ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies, indicators ESRS 2 - GOV-1-5 a) and ESRS 2 - GOV-1-5 b).

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ESRS 2- GOV-1 –21 c)	<i>The undertaking shall disclose the composition of the administrative, management and supervisory bodies: (c) experience relevant to the sectors, products and geographic locations of the undertaking;</i>

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, this information is included in this report under section 4.1.1.1. ESRS 2 GOV-1 – *The role of the administrative, management and supervisory bodies, indicator ESRS 2 – GOV-1-5 b).*

ESRS 2- GOV-1 –21 d)	<i>The company will disclose the following information on the composition and diversity of the members of its administrative, management and supervisory bodies: (d) percentage by gender and other aspects of diversity that the undertaking considers. The board's gender diversity shall be calculated as an average ratio of female to male board members.</i>

At year-end 2024, the Board of Directors of CIE Automotive had 13 members, five of whom are women and eight of whom are men. Thus, the ratio of females to males is 38.5%.

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, the details of the members of the Board are included in this report under section 4.1.1.1. ESRS 2 GOV-1 – *The role of the administrative, management and supervisory bodies, indicator ESRS 2 – GOV-1-5 a).*

ESRS 2- GOV-1 –21 e)	<i>The undertaking shall disclose the composition of the administrative, management and supervisory bodies: (e) the percentage of independent board members. For undertakings with a unitary board, this corresponds to the percentage of independent non-executive board members. For undertakings with a dual board, it corresponds to the percentage of independent members of the supervisory body.</i>

At year-end 2024, the Board of Directors of CIE Automotive had 13 members, of whom three are independent, two are executive and eight are shareholder-nominated board members. As a result, the percentage of independent board members is 23.1%.

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, the details of the members of the Board are included in this report under section 4.1.1.1. ESRS 2 GOV-1 – *The role of the administrative, management and supervisory bodies, indicator ESRS 2 – GOV-1-5 a).*

ESRS 2- GOV-1 – 22 a)	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies; (a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;</i>

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, the details of the members of the Board are included in this report under section 4.1.1.1. ESRS 2 GOV-1 – *The role of the administrative, management and supervisory bodies, indicator ESRS 2 – GOV-1-5 a).*

ESRS 2- GOV-1 – 22 b) AR 3	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies; (b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies;</i>

CIE Automotive incorporates Environmental, Social and Governance (ESG) considerations into all its business decisions, from strategic planning to operational execution. With this approach, it not only responds to the demands of its customers and increasing sustainability regulation but also ensures long-term profitability by driving efficiency and innovation to minimise its negative impacts.

Oversight of ESG and sustainability management is the responsibility of the Board's ESG Committee, which has delegated the Horizontal ESG Committee to track how well these principles are being applied. This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 ESG Strategic Plan in aspects linked to sustainability.

In 2024, the ESG Committee's monitoring and approval of the double materiality assessment bears special mention, which is the source for identifying material impacts, risks and opportunities (IROs) in the area of sustainability, facilitating the integration of this understanding into the company's management mechanisms.

NON-FINANCIAL AND SUSTAINABILITY REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

Duties of the ESG Committee

The Committee is constituted as an internal body of an informational and advisory nature without executive duties, with powers of information, consultancy and proposal within the scope of its operations.

For this purpose, the Committee will have the following responsibilities:

- i. Promote the existence of a Code of Conduct in the Company, propose its adoption to the Board, along with subsequent amendments, and adopt the necessary measures to encourage awareness and compliance with the Code of Conduct.
- ii. Issue the any reports that, within the scope of the matters within its competence, should be prepared in relation to complaints received by the Company through its whistleblowing channel or any other similar channel that may be established.
- iii. Periodically review the environmental policies, including the climate change, social and corporate governance policies, and propose to the Board, for approval or forwarding to the General Shareholders Meeting, the amendments and updates that will contribute to the development and continuous improvement of company policies.
- iv. Understand, promote, guide and supervise the corporate governance strategy and performance in the area of sustainability, and report on them to the Board.
- v. Supervise compliance with legal requirements and other corporate governance legislation.
- vi. Supervise and assess the processes related to the various stakeholders.
- vii. Evaluate and review the Company's plans in the execution of the ESG responsibility policies and monitor their degree of compliance.
- viii. Report on the performance by non-profit institutions linked to the Group regarding the general interest and ESG activities entrusted to them.
- ix. Submit, before its approval, the Company's Annual Corporate Governance Report, gathering for this purpose the reports of the Audit and Compliance Committee and the Appointment and Remuneration Committee with regard to those sections of the report falling under their purview, and the Annual Report.
- x. Any other duties resolved by the Company's Board.

It is important to note that the Board is ultimately responsible to all its stakeholders for the existence and operation of the company's Risk Management System (RMS), and it ensures its existence and design, and supervises it through the activities carried out by the Audit and Compliance Committee.

Duties of the Audit and Compliance Committee (ACC)

The Audit and Compliance Committee's function is to help the Company's Board supervise its financial and non-financial statements, and to exercise its oversight over CIE Automotive, S.A., and its Group companies.

For this purpose, the Committee will have the following responsibilities:

- i. Periodically review the risk policies and propose amendments and updates to the Board.
- ii. Approve the policy on hiring the auditor.
- iii. Inform the General Shareholders Meeting on matters raised by shareholders that fall within the Committee's scope of competence.
- iv. Supervise the effectiveness of the internal control mechanisms of the Company and its Group, as well as its system for managing financial and non-financial risks, including tax risks and risks related to corruption.
- v. Generally ensure that the established internal control policies and systems are being implemented effectively in practice.
- vi. Analyse, together with the auditors, any major weaknesses of the internal control system detected during the audit.
- vii. Supervise the process for preparing and reporting regulated financial and non-financial information.
- viii. Propose to the Board, for submission to the General Shareholders Meeting, the appointment, re-election or replacement of the auditors, as well as the terms of their engagement, in accordance with the applicable legislation, and to regularly receive information about the audit plan and its execution from the auditors, as well as preserving their independence in the exercise of their functions.
- ix. Supervise the activity of the Compliance and Internal Audit areas, which will report fee on the Audit and Compliance Committee and ensure their independence.

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- x. Propose the selection, appointment and dismissal of the heads of the Compliance and Internal Audit services; propose the budget for these services; approve their focus and annual work plan, ensuring that their activity is mainly focused on relevant risks; receive regular reports on their activities; and verify that senior management takes into account the conclusions and recommendations of their reports.
- xi. Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter that may compromise their independence, to be examined by the Audit Committee, and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in legislation regarding auditing of accounts and auditing standards.
- xii. In any event, the audit committee should annually receive from the external auditor written confirmation of the latter's independence versus the Company or institutions directly or indirectly related to the Company, as well as information on additional services of any kind provided by the above auditor or by related persons or institutions and the fees received from those entities, in accordance with the legislation governing the auditing of accounts
- xiii. Annually issue, prior to the issuance of the audit report, a report in which it expresses an opinion on the independence of the auditor. This report must contain, in any case, a summary of the additional services provided as referred to in the above paragraph, in the terms established by law.
- xiv. Inform the Board in advance of the financial and non-financial information that, due to the Company's listed status, it must periodically make public, ensuring that the interim financial statements are prepared with the same accounting criteria as the financial statements and, for this purpose, consider the appropriateness of a limited review by the auditor.
- xv. Inform the Board, prior to passing the relevant resolution, of the creation or acquisition of equity investments in special-purpose vehicles or entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the Group's transparency.
- xvi. Generally supervise the functioning of the whistleblowing channel or any other similar channel established, receiving regular information on the functioning of the channel (at least the number of complaints received, their origin and types, and the results of the investigations, together with the measures and lines of action proposed or adopted), proposing the appropriate actions to improve its functioning and reduce the risk of irregularities in the future, with the possibility of bringing in other committees, the internal audit function (including the Compliance Officer) or an external adviser when, due to the case's importance or complexity, this is considered appropriate.
- xvii. Any other duties decided by the Company's Board or that are attributed to it by the corporate or accounting legislation in force from time to time.

ESRS 2-GOV-1 – 22 c) i AR 4	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including: whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee;</i>

It is important to note that the Board is ultimately responsible to all its stakeholders for the existence and operation of the company's Risk Management System (RMS), and it ensures its existence and design, and supervises it through the activities carried out by the Audit and Compliance Committee.

As stated in *ESRS 2-GOV-1 – 22 b) AR 3*, the Audit and Compliance Committee is responsible for overseeing the process of preparing and presenting the required financial and non-financial information. However, oversight of ESG and sustainability management is the responsibility of the Board's ESG Committee, which has delegated the Horizontal ESG Committee to track how well these principles are being applied. This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 ESG Strategic Plan in aspects linked to sustainability.

In 2024, the ESG Committee's monitoring and approval of the double materiality assessment bears special mention, which is the source for identifying material impacts, risks and opportunities (IROs) in the area of sustainability, facilitating the integration of this understanding into the company's management mechanisms, and thus progressing towards their effective management.

The industrial conglomerate's social responsibility extends to its supply chain. CIE Automotive has a Supplier Platform for managing and assessing ESG aspects.

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All the information is consolidated in a global ESG scorecard, kept on the group's corporate intranet, and its evolution is reported to the ESG Committee and the CEO, who makes the Horizontal ESG Committee responsible for monitoring each indicator.

The Board and the Management Committee are engaged in the fight against climate change. The ultimate responsibility for environment-related activities rests with the Board. Within the Board, the environmental representative is the ESG Committee. The chair of this committee has experience and knowledge regarding climate change.

The company's CEO, in turn, is involved in sustainable growth and is ultimately responsible for the achievement of the Strategic Plan, which integrates the ESG Plan. The ESG Committee is a body that reports and makes proposals to CIE Automotive's ESG Committee.

ESRS 2-GOV-1 – 22 c) ii	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:</i> ii. information about the reporting lines to the administrative, management and supervisory bodies;

All the sustainability information from the 2025 ESG Strategic Plan is consolidated in a global ESG scorecard, kept on the group's corporate intranet, and its evolution is reported to the ESG Committee and the CEO, who makes the Horizontal ESG Committee responsible for monitoring each indicator.

This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 ESG Strategic Plan in aspects linked to sustainability.

In 2024, the ESG Committee's monitoring and approval of the double materiality assessment bears special mention, which is the source for identifying material impacts, risks and opportunities (IROs) in the area of sustainability, facilitating the integration of this understanding into the company's management mechanisms, and thus progressing towards their effective management.

Lastly, it should again be emphasised that the Board is ultimately responsible to all the stakeholders for the existence and functioning of the company's Risk Management System (RMS), and it guarantees its existence and design, and it supervises it through the activities carried out by the Audit and Compliance Committee, which, as stated in *ESRS 2-GOV-1 – 22 b) AR 3*, is responsible for supervising the process of preparing and presenting the mandatory financial and non-financial information.

However, oversight of ESG and sustainability management is the responsibility of the Board's ESG Committee, which has delegated the Horizontal ESG Committee to track how well these principles are being applied. This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 ESG Strategic Plan in aspects linked to sustainability.

ESRS 2-GOV-1 – 22 c) iii	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:</i> iii. whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions;

Compliance with the 2025 ESG Strategic Plan in the area of sustainability is tracked Environmental, Social and Governance (ESG) indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 ESG Strategic Plan in aspects linked to sustainability.

These indicators are linked to compliance with certain controls that mitigate certain sustainability risks included in the company's general Risk Map, which is updated annually.

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In 2024, the ESG Committee's monitoring and approval of the double materiality assessment bears special mention, which is the source for identifying material impacts, risks and opportunities (IROs) in the area of sustainability, facilitating the integration of this understanding into the company's management mechanisms, and thus progressing towards their effective management.

ESRS 2-GOV-1 – 22 d)	<i>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them.</i>

The Board is ultimately responsible to all its stakeholders for the existence and operation of the company's Risk Management System (RMS), and it ensures its existence and design, and supervises it through the activities carried out by the Audit and Compliance Committee.

As stated in *ESRS 2-GOV-1 – 22 b) AR 3*, the Audit and Compliance Committee is responsible for overseeing the process of preparing and presenting the required financial and non-financial information. However, oversight of Environmental, Social and Governance (ESG) and sustainability matters is the responsibility of the Board's ESG Committee, which has delegated the Horizontal ESG Committee to track how well these principles are being applied. This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 Strategic Plan in aspects linked to sustainability.

All the information is consolidated in a global ESG scorecard, kept on the group's corporate intranet, and its evolution is reported to the ESG Committee and the CEO, who makes the Horizontal ESG Committee responsible for monitoring each indicator.

The targets included in the 2025 ESG Strategic Plan, published in 2021, are not directly related to the material impacts, risks and opportunities identified during the dual materiality assessment. However, they will be taken into account in the new Strategic Sustainability Plan that will be prepared and published.

ESRS 2-GOV-1 – 23 a) AR 5	<i>The disclosure shall include a description of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters, including: (a) the sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage, for example through access to experts or training;</i>

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, the details of the members of the Board are included in this report under section 4.1.1.1. *ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies*, indicator *ESRS 2 – GOV-1-5 a)*.

It should be noted that in 2023 the focus was placed on the training of Board members in matters relating to sustainability in general, good governance and the new reporting, taxonomy and environmental legislation, without leaving social aspects behind. A specific training session was given to all the Board members, a more general session was given on a training platform to the rest of the organisation, and an exclusive session was given to the members of the ESG Committee together with the members of the Horizontal ESG Committee. All of this is in line with the company's commitment to making firm progress in these aspects, which are integrated into its business model and corporate strategy.

In 2024, CIE Automotive once again trained all the company's employees, including the members of the Board, in its Professional Code of Conduct, which is not only the cornerstone of all the Group's corporate policies and procedures, but also the document that provides the guidelines for the conduct expected of the company's employees, including in relation to sustainability.

Lastly, in preparing this 2024 Sustainability Report, in accordance with the ESRS, CIE Automotive relied for the first time on the external services offered by a consultancy firm with extensive experience in the area, both to provide ongoing training and support, and to respond to the indicators and draft the report.

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ESRS 2- GOV-1 – 23 b)	<i>The disclosure shall include a description of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters, including: (b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.</i>

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, the expertise and experience of the members of the Board are included in this report under section 4.1.1.1. *ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies*, indicator ESRS 2 – GOV-1-5 a).

The Board is ultimately responsible to all its stakeholders for the existence and operation of the company's Risk Management System (RMS), and it ensures its existence and design, and supervises it through the activities carried out by the Audit and Compliance Committee.

As stated in *ESRS 2-GOV-1 – 22 b) AR 3*, the Audit and Compliance Committee is responsible for overseeing the process of preparing and presenting the required financial and non-financial information. However, oversight of Environmental, Social and Governance (ESG) and sustainability matters is the responsibility of the Board's ESG Committee, which has delegated the Horizontal ESG Committee to track how well these principles are being applied. This tracking is carried out by means of ESG indicators that measure the progress of the various areas. The indicators are included in the management plans of each plant and serve to monitor the evolution of the 2025 Strategic Plan in aspects linked to sustainability.

The Board and the Management Committee are engaged in the fight against climate change. The ultimate responsibility for environment-related activities rests with the Board. Within the Board, the environmental representative is the ESG Committee. The chair of this committee has experience and knowledge regarding climate change.

The company's CEO, in turn, is involved in sustainable growth and is ultimately responsible for the achievement of the Strategic Plan, which integrates the 2025 ESG Plan. The ESG Committee is a body that reports and makes proposals to CIE Automotive's ESG Committee.

It is important to highlight that, when preparing the dual materiality assessment, not only was supervision and approval of the result required from the ESG Committee, but they were also involved in the project from the start, actively contributing value through their knowledge of the sector and the company, as well as through the knowledge they have gained in this area throughout their extensive careers. They made this contribution both during the three internal meetings of the ESG Committee where the project was discussed, and through individual interviews with the external consultant that assisted CIE Automotive in the dual materiality assessment.

1.1.2.2 DR GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2- GOV-2 – 26 a)	<i>The undertaking shall disclose the following information: (a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;</i>

CIE Automotive has implemented, updated and enhanced a Risk Management and Control System (RMS) to mitigate risks that, should they materialise, could threaten its strategic goals. Similarly, the RMS is a system where work is already underway to also include the management of the impacts and opportunities that are affecting or may affect the company. This model, developed in its Risk Management and Control Policy, follows the methodology of the ISO 31000 standard.

CIE Automotive's risk management system provides reasonable assurance of the prevention, identification, assessment and ongoing monitoring of all the material impacts, risks and opportunities, covering strategic, operational, financial, environmental, social and governance (ESG) aspects, as well as compliance. While the current RMS is primarily focused on managing the company's risks, it will be enhanced to include managing impacts and opportunities.

These risks, approved annually by the Board, are managed in accordance with the established risk appetite and tolerance levels. The model, included under the Risk Control and Management Policy, follows ISO 31000 methodology and is under the direct responsibility of the Board, which has delegated its supervision and correct functioning to the Audit and Compliance Committee, with the participation of the ESG Committee in areas directly related to sustainability.

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Of note in 2024, the Chair of the ESG Committee, and even the company's Chair and CEO, participated in the preparation of the dual materiality assessment this year. Similarly, members of Senior Management and the Management Team were present in various committee meetings held where the main topic was the dual materiality assessment.

A general Risk Map is drawn up annually, with over 300 employees helping draft it in 2024. All those involved responded by considering the scope of each of the risks within the time horizon 2025-2029 (except in the case of climate risk where the horizon is 2050), and for their geographical and technological scope, so there are employees who can assess a risk for more than one region and more than one technology.

This process is coordinated by the Compliance Body, which annually submits the result to the Audit and Compliance Committee for supervision and approval and subsequently reports to the Board. In addition, this Risk Map is also presented to the ESG Committee for its information.

As in previous years, the analysis of the international and national context in which the company operates, taking as a reference studies and analyses such as those of the World Economic Forum, was the basis for drawing up the global Risk Map, by region and technology, which shows an estimate in euros of the impact on EBITDA of the possible materialisation of each risk, according to the defined parameters, as well as the evolution of the main risks in the last two years in all the detailed categories. The map also shows the total number of controls launched in the year for each region and technology, and internal control compliance by plant, with details of the controls, risk owners and specific evidence. The entire process is monitored by the SAP GRC internal management tool.

ESRS 2- GOV-2 – 26 b)	<i>The undertaking shall disclose the following information: (b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities;</i>

The persons with responsibility for implementing this policy are CIE Automotive's Board members and the internal employees, all within their scope of management, and in each case, they must coordinate their responses to the impacts, risks and opportunities with any other management bodies and departments affected.

In this context, the roles and responsibilities of each of the members of the organisation involved in the Risk Management System ("RMS"), a system in which work is already underway to also include managing impacts and opportunities, are as follows:

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Body	Responsibilities
Board of Directors (via the Audit and Compliance Committee)	✓ Highest level of responsibility to the stakeholders for the existence and functioning of the RMS. ✓ Ensuring the existence and suitable design of the RMS. ✓ Overseeing the RMS via the activities performed by the ACC.
Compliance Body	✓ Responsible for designing and implementing the RMS, and for its functioning. ✓ Defining CIE Automotive's methodology, procedures, and criteria for identifying, assessing, classifying, approving, and responding to risks. ✓ Responsible for producing the Risk Map. ✓ Designing controls to prevent or mitigate identified risks and monitor compliance. ✓ Periodic reporting to the ACC regarding the evolution of the risks and the overall functioning of the RMS.
Internal Audit Department	✓ Assessing the effectiveness of the RMS and reporting periodically to the ACC, Senior Management, and Management Team, regarding any weaknesses detected and scheduling of the proposed corrective measures, in addition to proposing recommendations to improve them.
Senior Management and Management Team	✓ Identifying and assessing impacts, risks and opportunities. ✓ Ensuring implementation and conveyance of a risk-focused culture at the company. ✓ Defining, establishing and/or modifying the risk tolerance level, which must be sent to the Board for its approval. ✓ Approving the plans and actions proposed by the Compliance Body that could be considered necessary for addressing the identified risks. ✓ Conducting a dynamic self-assessment process containing information on compliance with policies and procedures, the controls in place, and the risks arising from its day-to-day activities. ✓ Reporting to the Compliance Body on an annual basis on the evolution of risks, the prevention measures adopted, and the additional measures proposed.
Other own employees	✓ Persons responsible for identifying risks that threaten compliance with their objectives, and reporting these to the person responsible from the area. ✓ Collaborating with the persons responsible from the area during risk assessment and classification; proposing action plans to handle the identified risks; and collaborating during execution of those plans.

Table showing the separation of duties for the RMS:

	Board	Compliance Body	Internal Audit Department	Senior Management and Management Team	Other own employees
Risk identification		X		X	X
Risk assessment		X		X	
Risk handling		X			
Risk oversight	X	X	X		
Updating		X		X	
Breaches			X		X

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ESRS 2-GOV-2 – 26 c)	<i>The undertaking shall disclose the following information: (c) a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.</i>

A list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period is provided below. These IROs will be managed directly by Senior Management and the Management Team and will form part of the new Strategic Sustainability Plan to be developed after the current 2025 ESG Strategic Plan comes to an end in 2025.

Category	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
Impact	E1	Climate change	Climate change mitigation	N/A	Use of environmentally friendly materials such as green steel coils and recycled resins.
Impact	E1	Climate change	Climate change adaptation	N/A	Generation of greenhouse gas emissions associated with energy-intensive material production processes. This would be the case for the production of materials such as steel coils and aluminium ingots.
Impact	E1	Climate change	Climate change mitigation	N/A	Contributing to the decarbonisation of transport by building components for electric vehicles.
Impact	E1	Climate change	Energy	N/A	Reducing emissions of pollutants by self-generating green energy.
Risk and Opportunity	E1	Climate change	Climate change adaptation	N/A	Financial impacts arising from: Accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of ESG data in the upstream Value Chain.
Risk and Opportunity	E1	Climate change			Increasing the price of emission allowances.
Risk and Opportunity	E1	Climate change			Development of environmental legislation imposing more stringent climate change mitigation and adaptation targets.
Risk and Opportunity	E1	Climate change			Varying degrees of maturity of suppliers on ESG issues, e.g. renewable energy use, carbon footprint, workers' rights, etc.
Risk and Opportunity	E1	Climate change	Climate change mitigation	N/A	Financial impacts arising from: Contribution to the decarbonisation of transport through the manufacture of components for electric vehicles.
Risk and Opportunity	E1	Climate change	Energy	N/A	Financial effects derived from: Reduction of pollutant emissions through self-generation of green energy.
Risk and Opportunity	E1	Climate change	Climate change mitigation	N/A	Financial effects derived from: Generation of emissions linked to the company's data centres.
Impact	E2	Pollution	Air pollution	N/A	Air pollution associated with generation of Scope 3 emissions.
Impact	E2	Pollution	Water pollution	N/A	Reduced potable water consumption due to increased use of recycled water.
Impact	E2	Pollution	Air pollution	N/A	Reduction of Scope 1 and 2 emissions due to the use of renewable energy and self-generation of energy to supply the company's facilities.

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Category	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
Impact	E2	Pollution	Air pollution	N/A	Increase in the company's environmental footprint due to selling parts manufactured in other geographic locations to meet the requirements of certain customers.
Risk and Opportunity	E2	Pollution	Pollution of soil	N/A	Financial impacts arising from: Soil contamination through chemical soil erosion during the extraction of raw materials.
Risk and Opportunity	E2	Pollution	Air pollution	N/A	Financial effects arising from: Increase in the company's environmental footprint due to the marketing of components manufactured in other geographical locations to meet the requirements of certain customers.
Risk and Opportunity	E2	Pollution	Water pollution	N/A	Financial impacts arising from: Increased eutrophication of seawater as a result of discharges from non-recycled water.
Risk and Opportunity	E2	Pollution	Water pollution	N/A	Financial effects arising from: Increased ecotoxicity of freshwater as a result of non-recycled waste in production processes.
Risk and Opportunity	E2	Pollution	Air pollution	N/A	Financial effects due to: Reduction of Scope 1 and 2 emissions as a result of the use of renewable energy and self-generation of energy to supply the company's facilities.
Impact	E3	Water and marine resources	Water	Extraction of water	Decrease in the volume and quality of water sources near the plants due to the intensive use of this resource, especially in industrial processes that require processing materials at high temperatures.
Impact	E3	Water and marine resources	Water	Water consumption	Increased water consumption due to increased production of products linked to water-intensive technologies.
Impact	E5	Circular economy	Resource inputs, including resource use	N/A	Use of recycled materials in production processes involving aluminium.
Impact	E5	Circular economy	Resource inputs, including resource use	N/A	Use of returnable packaging that can be used for other products, thus reducing waste and extending the packages' life cycle.
Impact	E5	Circular economy	Resource inputs, including resource use	N/A	Internal reuse of returns from the company's various production processes through its own recycling system.
Impact	E5	Circular economy	Resource outflows related to products and services	N/A	Development of products under eco-design criteria and with a life cycle approach that improves their reparability, disassembly and separation, and thus increases their recyclability.
Impact	E5	Circular economy	Resource outflows related to products and services	N/A	Recirculation of water from high-temperature material processing through internal water treatment systems and facilities.
Impact	E5	Circular economy	Resource inputs, including resource use	N/A	Reduction in the volume of materials used in production processes due to a reduction in the gross weight of the products manufactured by the company.

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Category	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
Risk and Opportunity	E5	Circular economy	Waste	N/A	Financial impacts arising from: Generation of toxic waste during the process of extracting raw materials.
Risk and Opportunity	E5	Circular economy	Waste	N/A	Financial impacts arising from: Generation of waste associated with the use of technical plastics.
Risk and Opportunity	E5	Circular economy	Waste	N/A	Financial impacts arising from: Sale of non-recyclable steel waste to local suppliers for reuse.
Risk and Opportunity	E5	Circular economy	Resource inputs, including resource use	N/A	Financial effects derived from: Internal reuse of returns from the company's different production processes through its own recycling system.
Risk and Opportunity	E5	Circular economy	Resource outflows related to products and services	N/A	Financial effects derived from: Development of products under eco-design criteria and with a life cycle approach, which improves the reparability of products, their disassembly and separation, thus increasing their recyclability.
Impact	ES	Consumers	Personal safety of users and end-consumers	Personal safety	Designing more robust parts that help boost vehicle safety.
Risk and Opportunity	ES	Consumers	Personal safety of users and end-consumers	Personal safety	Financial effects arising from: Design of more robust parts with an impact on increased vehicle safety.
Impact	G1	Business conduct	Corporate culture	N/A	High security of OEM data, including information relating to part moulds and prototypes.
Impact	G1	Business conduct	Corporate culture	N/A	Fostering a corporate culture of high ethical standards, transparency and integrity.
Impact	G1	Business conduct	Corporate culture	N/A	Promotion of a corporate culture that includes respect for human rights as a pillar through awareness-raising and training of professionals.
Impact	G1	Business conduct	Corruption and bribery	Prevention and detection	Existence of cases of corruption, fraud, bribery and money laundering, among other illicit practices.
Impact	G1	Business conduct	Corruption and bribery	Prevention and detection	Ineffectiveness of the Whistleblowing Channel for detecting and punishing illicit practices.
Impact	G1	Business conduct	Corruption and bribery	Prevention and detection	Breaches of the principles of the Code of Ethics and loss of trust among the company's stakeholders.
Impact	G1	Business conduct	Management of relationships with suppliers, including payment practices	N/A	Relations with suppliers based on objectivity, transparency and fair and non-discriminatory treatment.
Impact	G1	Business conduct	Protection of whistleblowers	N/A	Economic or social duress on employees of the company or its Value Chain, placed on them by powerful figures in the company because they filed complaints.
Impact	G1	Business conduct	Management of relationships with suppliers, including payment practices	N/A	Helping suppliers develop their processes by partnering with them.

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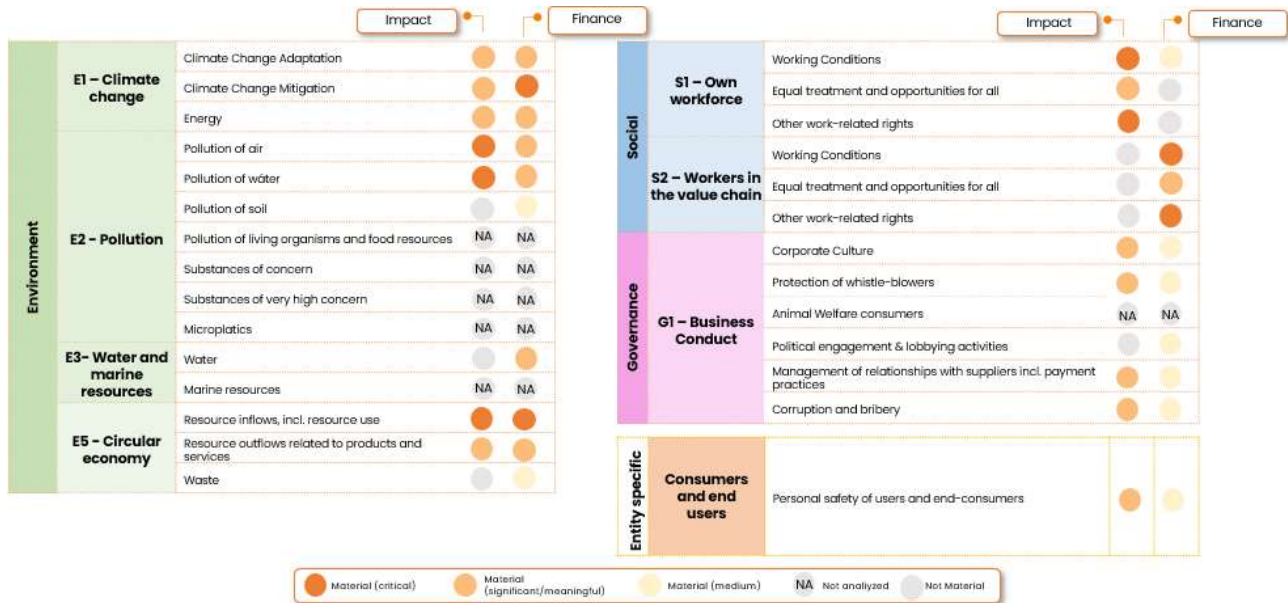
Category	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
Risk and Opportunity	G1	Business conduct	Corporate culture	N/A	Financial impacts arising from: Increasing information security demands from the OEMs.
Risk and Opportunity	G1	Business conduct	Political participation and lobbying	N/A	Financial impacts arising from: Promotion of ESG issues through participation in key automotive associations and clusters.
Risk and Opportunity	G1	Business conduct	Political participation and lobbying	N/A	Financial impacts arising from: Collaboration with Public Administrations as a key Stakeholder Group to achieve improved services for communities.
Risk and Opportunity	G1	Business conduct	Management of relationships with suppliers, including payment practices	N/A	Financial effects arising from: Contribution to the development of suppliers' processes through the establishment of partners.
Risk and Opportunity	G1	Business conduct	Corporate culture	N/A	Financial effects derived from: Promotion of a corporate culture that includes respect for human rights as a backbone through awareness-raising and training of professionals.
Risk and Opportunity	G1	Business conduct	Corruption and bribery	Prevention and detection	Financial effects derived from: Corruption cases involving company employees and local authorities.
Risk and Opportunity	G1	Business conduct	Corruption and bribery	Prevention and detection	Financial effects derived from: Corruption cases and non-compliance with requirements by clients (OEMs).
Risk and Opportunity	G1	Business conduct	Management of relationships with suppliers, including payment practices	N/A	Financial effects arising from: Relations with suppliers based on objectivity, transparency and fair, non-discriminatory treatment.
Risk and Opportunity	N/A	Strategic			Supply chain disruptions as a result of geopolitical conflicts, natural disasters or health crises.
Risk and Opportunity	N/A	Strategic			Development of non-financial reporting legislation requiring the publication of sensitive and/or confidential company data and information.
Impact	SI	Own workforce	Working conditions (own workers)	Secure employment	Job and financial security for workers through stable long-term employment opportunities.
Impact	SI	Own workforce	Equal treatment and opportunities for all (own workers)	Training and skills development	Training policies that promote professional development and careers.
Impact	SI	Own workforce	Equal treatment and opportunities for all (own workers)	Measures against violence and harassment in the workplace	Cases of violence or harassment due to discrimination (racial, gender or sexual) in the company.
Impact	SI	Own workforce	Equal treatment and opportunities for all (own workers)	Diversity	Lack of representation of women in management and executive positions in the company.

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Category	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
Impact	S1	Own workforce	Other work-related rights	Forced labour	Vulnerable workers, especially cross-border workers, due to modern slavery practices in the company's facilities.
Impact	S1	Own workforce	Other work-related rights	Child labour	Lack of protection for children due to cases of child labour in the company's plants.
Risk and Opportunity	S1	Own workforce	Working conditions (own workers)	Secure employment	Financial impacts arising from: Increased job insecurity due to outsourcing operations to BRICs countries.
Risk and Opportunity	S1	Own workforce	Working conditions (own workers)	Work-life balance	Financial impacts arising from: Work-life balance due to working conditions including flexible working hours and measures to combat excessive working hours.
Risk and Opportunity	S1	Own workforce	Working conditions (own workers)	Health and safety	Financial impacts arising from: Fatalities due to accidents during working hours.
Risk and Opportunity	S1	Own workforce	Working conditions (own workers)	Secure employment	Financial impacts arising from: Job losses and reduced value generation due to downsizing in company plants.
Risk and Opportunity	S2	Workers in the value chain	Equal treatment and opportunities for all in the Value Chain	Diversity	Financial impacts arising from: Increased diversity and inclusion of employees in the Value Chain due to the company's influence to improve ESG policies.
Risk and Opportunity	S2	Workers in the value chain	Equal treatment and opportunities for all in the Value Chain	Measures against violence and harassment in the workplace	Financial impacts arising from: Cases of violence or harassment due to discrimination (racial, gender or sexual) on the premises of the companies in the Value Chain.
Risk and Opportunity	S2	Workers in the value chain	Other work-related rights	Forced labour	Financial impacts arising from: Unprotection of vulnerable workers, especially cross-border workers, due to modern slavery practices in suppliers' facilities.
Risk and Opportunity	S2	Workers in the value chain	Other work-related rights	Child labour	Financial impacts arising from: De-protection of children due to the presence of child labour on suppliers' premises.
Risk and Opportunity	S2	Workers in the value chain	Working conditions in the value chain	Freedom of association	Financial impacts arising from: Infringement of the right to freedom of association of workers in the value chain due to the lack of control of ethical commitments by the company.
Risk and Opportunity	S2	Workers in the value chain	Working conditions in the value chain	Health and safety	Financial effects derived from: Decrease in the accident rate in the value chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company.

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In addition, the final results of the dual materiality assessment are shown below in a table that shows, with an indication of which topics are material and their importance.



1.1.2.3 DR GOV-3: Integration of sustainability-related performance in incentive schemes

ESRS 2-GOV-3-29 a) AR 7	The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: (a) a description of the key characteristics of the incentive schemes

In 2024, members of the company's senior management had an incentive scheme linked to sustainability matters. Sustainability at CIE Automotive was measured by compliance with the objectives and indicators of the 2025 ESG Strategic Plan.

ESRS 2-GOV-3-29 b)	The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: (b) whether performance is being assessed against specific sustainability-related targets and/or impacts, and if so, which ones;

Performance is being assessed against the specific targets and impacts related to the objectives and indicators of the 2025 ESG Strategic Plan.

ESRS 2-GOV-3-29 c)	The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: (c) whether and how sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies.

The degree of compliance with the objectives and indicators of the 2025 ESG Strategic Plan are considered as benchmarks of sustainability-related performance.

ESRS 2-GOV-3-29 d)	The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: (d) the proportion of variable remuneration dependent on sustainability-related targets and/or impacts.

In 2024, the proportion of variable remuneration dependant on sustainability-related targets or impacts was 10% of total incentives, which are a percentage of gross remuneration, with the percentage varying according to the responsibilities of each member of senior management.

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ESRS 2-GOV-3-29 e)	<i>The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies, where they exist: (e) the level in the undertaking at which the terms of incentive schemes are approved and updated.</i>

The CEO is the level in the company at which the terms of incentive sustainability-related schemes are approved and updated.

1.1.2.4 DR GOV-4: Statement on due diligence

ESRS 2-GOV-4-30; 32 AR 8-AR 10	<i>The undertaking shall provide a mapping that explains how and where its application of the main aspects and steps of the due diligence process are reflected in its sustainability statement, to allow a depiction of the actual practices of the undertaking with regard to due diligence.</i>

CORE ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE CONSOLIDATED NON-FINANCIAL AND SUSTAINABILITY REPORTING
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2: Interests and views of stakeholders ESRS 2 IRO-1 ESRS 2 MDR-P Thematic ESRS: - DR SI-1 – Policies related to own workforce. - ESRS S2-1 – Policies related to value chain workers - DR GI-2 – Management of relationships with suppliers
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 (including Application Requirements related to specific sustainability matters in the relevant ESRS); ESRS SBM-3 Thematic ESRS: - DR SI-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns - DR GI-3 – Prevention and detection of corruption and bribery
d) Taking actions to address those adverse impacts	ESRS 2 MDR- A Thematic ESRS: - DR SI-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions - DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions - DR GI-3 – Prevention and detection of corruption and bribery
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T Thematic ESRS: - DR SI-17 – Incidents, complaints and severe human rights impacts - DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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1.1.2.5 DR GOV-5: Risk management and internal controls over sustainability reporting

ESRS 2- GOV-5- 36 a) AR 11	<i>The undertaking shall disclose the following information: (a) the scope, main features and components of the risk management and internal control processes and systems in relation to sustainability reporting;</i>

System of Internal Control over Non-Financial Reporting (ICNFR)

As with the Internal Control over Financial Reporting System (ICFR), the ICNFR (or system of internal control over sustainability reporting) is defined as the set of processes that the company carries out to provide reasonable assurance regarding the reliability of the non-financial information it discloses to the market.

This means that CIE Automotive's ICNFR system, of implementation and establishment at CIE Automotive level, 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 and Sustainability Reporting, 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 Audit and Compliance Committee ("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 Environmental, Social, and Governance Committee ("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 monitoring compliance with the objectives on that subject found in the 2025 ESG 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.

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✓ **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 its stakeholders regarding 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.
- ✓ Corporate intranet: all information related to this subject is recorded and managed using the specific module developed for the Environmental Department.
- ✓ 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, S/4 HANA 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.

ESRS 2-GOV-5-36 b)	<i>The undertaking shall disclose the following information: b) the risk assessment approach followed, including the risk prioritisation methodology;</i>

CIE Automotive's Risk Control Management Policy establishes the general framework for action, as well as the procedures and responsibilities to control and manage the risks that CIE Automotive must face efficiently and effectively.

Risk identification

The risk identification process consists of searching for events (associated with internal or external factors) that could affect CIE Automotive's objectives from the Strategic Plan (a combination of business and sustainability) or the annual budgeting.

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That identification includes analysis of:

- ✓ Events that could affect (create or prevent, improve or worsen, accelerate or delay) achievement of the objectives.
- ✓ The sources of risk, including those that are under the company's control and those that are not.
- ✓ The areas of the company or project where the risks could have an impact.
- ✓ The causes and potential consequences, the cumulative or domino effects, and the risk scenarios.
- ✓ The locations where the risks originate.
- ✓ Identifying those with responsibility for managing the risks.

The identification process should be performed in various sessions:

- ✓ Prior to initiation of new operations, processes, or activities.
- ✓ Periodically (at least half-yearly).
- ✓ On an ad hoc basis (whenever relevant changes are detected).

The following risk categories are defined:

- ✓ **Strategic:** risks that affect high-level objectives directly related to the Strategic Plan.
- ✓ **Operational:** risks that affect the objectives linked to effective and efficient use of resources.
- ✓ **Financial:** risks that affect the financial objectives.
- ✓ **Compliance:** risks related to infringements by Senior Management or the company's own employees of external legislation or standards, or internal rules.
- ✓ **Environmental, Social, and Governance (ESG):** these risks affect environmental, social, ethical, and corporate governance aspects, or compliance with laws or standards.

It is important to understand the **external factors**, to ensure that the objectives and concerns of the stakeholders are taken into account. The external context may include, but is not limited to:

- a) The social, cultural, political, legal, financial, technological, economic, natural, and competitive environment existing at the international, national, regional, or local level.
- b) The factors and trends that could have an impact on the organisation's objectives.
- c) Stakeholder relations.

The **internal factors** are those that the organisation is able to influence and therefore manage the risk. The risk management process must be consistent with the organisation's culture, processes, structure, and strategy.

A list of risks is compiled as a result of the risk identification process, with the following information included:

- ✓ The risk coding (ID).
- ✓ Each risk's effect (threat or opportunity) and type (strategic, financial, operational, ESG, or compliance).
- ✓ A description or definition of the risk.
- ✓ The objective affected by the risk.

Risk assessment

Risk assessment is the process of comparing the level of risk with the established risk criteria, so that decisions can be made about how to prioritise and handle each risk.

There is a synergy between the general risks that the company considers may have an impact on achieving the objectives of the Strategic Plan and the impacts, risks and opportunities (IROs) that were identified when performing the dual materiality assessment, as those IROs are considered a fundamental part of the company's overall risk assessment.

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The following table shows the relationship between some of the main general risks that form part of the company's Risk Map and the IROs considered in the dual materiality assessment:

Risk Map	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
✓ CIE Culture ✓ Breaches of the Professional Code of Conduct ✓ Compliance with the Global Compact and the SDGs ✓ Sustainable supply chain ✓ Compliance with legislation	G1	Business conduct	Resource inputs, including resource use	N/A	Use of recycled materials in production processes involving aluminium.
	G1	Business conduct	Corporate culture	N/A	Promotion of a corporate culture that includes respect for human rights as a pillar through awareness-raising and training of professionals.
	G1	Business conduct	Corruption and bribery	Prevention and detection	Existence of cases of corruption, fraud, bribery and money laundering, among other illicit practices.
	G1	Business conduct	Corruption and bribery	Prevention and detection	Ineffectiveness of the Whistleblowing Channel for detecting and punishing illicit practices.
	G1	Business conduct	Corruption and bribery	Prevention and detection	Breaches of the principles of the Code of Ethics and loss of trust among the company's stakeholders.
✓ Talent attraction and retention ✓ Team for growth ✓ Compliance with the Global Compact and the SDGs ✓ Health and safety	S1	Own workforce	Working conditions (own workers)	Secure employment	Job and financial security for workers through stable long-term employment opportunities.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Diversity	Integration of workers from various backgrounds and cultures due to promoting inclusive practices at all levels of the company.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Diversity	Lack of representation of women in management and executive positions in the company.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Training and skills development	Training policies that promote professional development and careers.
	S1	Own workforce	Other work-related rights	Child labour	Lack of protection for children due to cases of child labour in the company's plants.
	S1	Own workforce	Other work-related rights	Forced labour	Vulnerable workers, especially cross-border workers, due to modern slavery practices in the company's facilities.
✓ Compliance with the Global Compact and the SDGs ✓ Sustainable supply chain ✓ Health and safety	S2	Workers in the value chain	Working conditions in the value chain	Health and safety	Reduction in the accident rate in the Value Chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company.
	S2	Workers in the value chain	Other work-related rights	Forced labour	Lack of protection of vulnerable workers, especially cross-border workers, due to modern slavery practices in suppliers' facilities.
	S2	Workers in the value chain	Other work-related rights	Child labour	Lack of protection for children due to cases of child labour in suppliers' plants.
✓ Climate change	E1	Climate change	Climate change mitigation	N/A	Use of environmentally friendly materials such as green steel coils and recycled resins.
	E1	Climate change	Climate change adaptation	N/A	Generation of greenhouse gas emissions associated with energy-intensive material production processes. This would be the case for the production of materials such as steel coils and aluminium ingots.
	E1	Climate change	Climate change mitigation	N/A	Contributing to the decarbonisation of transport by building components for electric vehicles.

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Risk Map	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
	EI	Climate change	Energy	N/A	Reducing emissions of pollutants by self-generating green energy.
	EI	Climate change	Climate change mitigation	N/A	Generation of emissions linked to the company's data centres.
	EI	Climate change	Climate change mitigation	N/A	Financial impacts arising from: Refusal of OEMs to take on the extra cost of production with sustainable materials.
	EI	Climate change	Climate change adaptation	N/A	Financial impacts arising from: Accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of ESG data in the upstream Value Chain.

Assessment scales were defined for probability of occurrence and impact, to create a standardised way of assessing the risks.

Risk Level (R) = Probability of Occurrence (P) x Impact (I)

The following general Probability of Occurrence (P) values are established:

	5 - Very high	4 - High	3 - Moderate	2 - Low	1 - Very Low
	> 80%	61% - 80%	31% - 60%	10% - 30%	< 10%
Past occurrence	The risk has materialised more than 5 times in the last 2 years.	The risk has materialised more than 5 times in the last 5 years.	The risk has materialised more than 5 times in the last 10 years.	The risk has materialised 1 to 4 times in the last 10 years.	The risk has not materialised, or materialised more than 10 years ago.
Future occurrence	If the risk materialises it will affect the organisation immediately (during the current financial year).	If the risk materialises it will affect the organisation within one year (the following financial year).	If the risk materialises it will affect the organisation within the next two years.	If the risk materialises it will affect the organisation within the next five years.	If the risk materialises it will only affect the organisation after more than five years.

Probability of occurrence for climate change risks:

	5 - Very high	4 - High	3 - Moderate	2 - Low	1 - Very Low
	> 80%	61% - 80%	31% - 60%	10% - 30%	< 10%
Future occurrence	If the risk materialises it will affect the organisation soon (within the next three years).	If the risk materialises it will affect the organisation before the year 2030.	If the risk materialises it will affect the organisation between the years 2030 and 2040.	If the risk materialises it will affect the organisation within 20 years after the year 2040.	If the risk materialises it will not affect the organisation until after the year 2050.

The (P) value must be based on the best possible estimate, using the information available.

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The Impact (I) values are established in relation to three categories: financial, organisational, and reputational. These scales are used to position each risk on the Risk Map, which is the primary risk assessment tool.

5 - Very high	4 - High	3 - Moderate	2 - Low	1 - Very Low
EBITDA would decrease very sharply. Generates a negative impact on the P&L of more than 5%.	EBITDA would decrease sharply. Generates a negative impact on the P&L of more than 3.5%, up to 5%.	EBITDA forecasts would decrease significantly. Generates a negative impact on the P&L of more than 1.5%, up to 3.5%.	EBITDA forecasts would decrease slightly. Generates a negative impact on the P&L of more than 0%, up to 1.5%.	The current EBITDA level would be maintained.
Organisational impact				
If the risk materialises the Board would have to become involved.	If the risk materialises the CEO would have to become involved.	If the risk materialises it could be resolved at the corporate level.	If the risk materialises it could be resolved at the level of each division.	If the risk materialises it could be resolved at the level of each facility.
Reputational impact				
Loss of reputation by various activities that have a severe effect on the image and share price.	Loss of reputation by various activities that have an effect on the image and share price.	Occurrence of an event that is reported in major media sources and becomes known to the regulator/analysts.	Occurrence of an event that is reported in local media sources.	No impact.

¹ Operating Account

The event will generate either a negative risk (threat) or positive risk (opportunity), depending on whether its impact on the Group is negative or positive.

Also, when the risks are being assessed based on their type, the speed of occurrence may also be considered, which is defined as the amount of time that passes from materialisation of the risk until that risk directly or indirectly affects CIE Automotive's objectives.

The Compliance Body is responsible for the risk assessment process, and it must assess the risks identified within the time periods established.

Once the risk assessments are completed, they must be consolidated to produce the Risk Map, where the risk levels are represented as a table of probabilities of occurrence and impacts, using the following risk criteria:

Risk Level	Risk decision ¹
High or Very High	The assessed risk (threat/opportunity) is considered unacceptable. It must be actively handled and controls must be established.
Moderate	The assessed risk (threat/opportunity) is considered potentially unacceptable. That way it must be handled depends on the context, but controls must be established.
Low or Very Low	The assessed risk (threat/opportunity) is considered acceptable. That way it must be handled depends on the context, but controls do not have to be established.

¹ The Compliance Body has final decision-making authority regarding the need to handle a risk or establish controls for it.

The Compliance Body performs consolidation of the risks, taking into account the specific weights of the assessments performed by each of the persons responsible and each geographic area, for each type of risk. This results in a global vision for CIE Automotive and allows the risks to be prioritised.

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ESRS 2-GOV-5-36 c)	<i>The undertaking shall disclose the following information (c)</i> <i>the main risks identified and their mitigation strategies including related controls</i>

The result of the 2024 Risk Map shows that the main risks that may affect the organisation in achieving the strategic, operational, financial, compliance and sustainability objectives of its budget for 2025 and subsequent years, are as follows:

	Main risks 2024	vs 2023
1	Change in market trends	-
2	Geopolitical risk	-
3	Cybersecurity and data privacy	▲ 2
4	Sustainable supply chain	▲ 2
5	Talent attraction and retention	▲ 2
6	Team for growth	▲ 3
7	Reliability of the sustainability report	▲ 3

Risks are supervised and managed by using the Risk Management and Process Control modules of the SAP GRC tool, which operates globally at all production sites, regardless of whether or not they have an ERP (Enterprise Resource Planning) system in the SAP environment.

For each risk, specific controls are established, many of which are automatic, and they are assigned to the various employees in charge of them and, in the event of incidents, action plans are established with traceability over time. In total, the Compliance department supervises compliance with more than 250 controls, applicable to each production plant, business division or corporate office, under its Internal Control Over Financial Reporting system (ICFR) and its Internal Control Over Non-Financial Reporting (ICNFR) system, which also includes ESG, criminal and regulatory compliance, IT and data protection controls under the GDPR.

The results are reviewed in the Internal Audit Department's Annual Audit Plan and must be reviewed and approved by Senior Management. All the internal audit work is managed through the SAP GRC Audit Management module, which is operational for the various local internal audit departments in Brazil, Mexico, India, China and Europe. As risk management, controls and internal audit are integrated into the same control tool (SAP GRC), the synergy obtained makes the work more efficient and provides greater value to the business divisions by letting them share their experiences and success stories.

ESRS 2-GOV-5-36 d)	<i>The undertaking shall disclose the following information: (d) a description of how the undertaking integrates the findings of its risk assessment and internal controls as regards the sustainability reporting process into relevant internal functions and processes;</i>

Integration into the process map

ESG criteria are fully integrated into all of CIE Automotive's activities and decisions. In the group's Process Map, climate change occupies a central position and, in addition, it also includes fundamental elements of CIE's culture.

In 2024, the company continued to make progress on various ESG aspects, in addition to meeting the 79 specific KPIs set out in the 2025 ESG Strategic Plan.

An important milestone was the effort to adapt the company to the requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD), a directive proposed by the European Commission that seeks to improve sustainability reporting by companies, for which the company carried out a major project to perform the required dual materiality assessment. When the analysis was complete, the results were thoroughly checked with the various areas of the organisation. This cross-checking process was essential to ensure that the results obtained accurately and realistically reflect the perspectives of stakeholders related to the various areas, and the company's management capacity and influence in relation to the issues identified as material. Each area reviewed the information in detail that will be reported in relation to the material issues previously identified. Doing this made it possible to identify and correct any discrepancies between the material issues and the relevance of the various disclosure requirements and indicators linked to each topic.

The following table shows the relationship between some of the main general risks that form part of the company's Risk Map and the IROs considered in the dual materiality assessment:

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Main risks 2024 Risk Map	ESRS	Topic	Subtopic	Sub-subtopic	Description of the IRO
✓ Talent attraction and retention ✓ Team for growth	S1	Own workforce	Working conditions (own workers)	Secure employment	Job and financial security for workers through stable long-term employment opportunities.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Diversity	Integration of workers from various backgrounds and cultures due to promoting inclusive practices at all levels of the company.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Diversity	Lack of representation of women in management and executive positions in the company.
	S1	Own workforce	Equal treatment and opportunities for all (own workers)	Training and skills development	Training policies that promote professional development and careers.
	S1	Own workforce	Other work-related rights	Child labour	Lack of protection for children due to cases of child labour in the company's plants.
	S1	Own workforce	Other work-related rights	Forced labour	Vulnerable workers, especially cross-border workers, due to modern slavery practices in the company's facilities.
✓ Sustainable supply chain	S2	Workers in the value chain	Working conditions in the value chain	Health and safety	Reduction in the accident rate in the Value Chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company.
	S2	Workers in the value chain	Other work-related rights	Forced labour	Lack of protection of vulnerable workers, especially cross-border workers, due to modern slavery practices in suppliers' facilities.
	S2	Workers in the value chain	Other work-related rights	Child labour	Lack of protection for children due to cases of child labour in suppliers' plants.

ESRS 2-GOV-5-36 e)	The undertaking shall disclose the following information: (e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies.

A general Risk Map is drawn up annually, with over 300 employees helping draft it in 2024. All those involved responded by considering the scope of each of the risks within the time horizon 2025–2029 (except in the case of climate risk where the horizon is 2050), and for their geographical and technological scope, so there are employees who can assess a risk for more than one region and more than one technology.

This process is coordinated by the Compliance Body, which annually submits the result to the Audit and Compliance Committee for supervision and approval and subsequently reports to the Board. In addition, this Risk Map is also presented to the ESG Committee for its information.

NON-FINANCIAL AND SUSTAINABILITY REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

1.1.3 Strategy

1.1.3.1 DR SBM-1: Strategy, business model and value chain

ESRS 2- - SBM-1- 40 a) i	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (a) a description of: i. significant groups of products and/or services offered, including changes in the reporting period (new/removed products and/or services);

CIE Automotive produces over 7,000 parts and sub-assemblies developed using seven different core processes or technologies: aluminium injection moulding, forging, tube stamping and forming, machining, plastic injection moulding, cast iron and roof systems.

Its mastery of various technologies positions the group provides its customers one-stop shopping. They can opt for different technical proposals for the same part or choose a sub-assembly manufactured using a wide range of technologies.

The Group's technological versatility not only provides its customers various options but also allows it to direct its investments toward the technologies most in demand in the market in each situation. At present, the predominant market focus is on electric and hybrid electric vehicles. Over 80% of the components and sub-assemblies CIE Automotive builds can be adapted to these types of vehicles.

This helps prioritise sustainability issues such as: carbon emissions reduction (e.g., through parts adapted for electric vehicles); resource efficiency (e.g., more sustainable processes in injection moulding or machining); circular economy (e.g., initiatives to recycle and reuse materials in production); social innovation (e.g., creating jobs in key sectors for the energy transition).

ESRS 2- - SBM-1- 40 a) ii	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (a) a description of: ii. significant markets and/or customer groups served, including changes in the reporting period (new/removed markets and/or customer groups);

CIE Automotive supports its more than 80 customers transform mobility with a range of more than 7,000 parts and sub-assemblies, manufactured at over 100 production plants of the countries in which it operates, which are adapted to their demanding quality, efficiency and sustainability needs and to the trends in the automotive sector: electrification, comfort and safety.

The company works closely with OEMs and tier-1 suppliers to optimise designs and overcome the technological and economic challenges associated with sustainable mobility. It thus offers them various technological alternatives for manufacturing the same part or sub-assembly, providing "one-stop shopping" for automotive platforms.

This proactive approach demonstrates CIE Automotive's commitment to innovation and its readiness to play a key role in the field of sustainable transport.

The company is technologically prepared to play a significant role in the transition towards electric vehicles. This is reflected in the fact that over 80% of its extensive portfolio is adaptable to various types of vehicles, including those with electric and hybrid propulsion.

In recent years, the company has consolidated its presence in the electric vehicle segment, especially in crucial areas such as batteries, motors and electronics. This strategic positioning responds to the forecast increase in market demand, in line with the guidelines of the 2025 Strategic Plan.

ESRS 2- - SBM-1- 40 a) iii	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (a) a description of: iii. headcount of employees by geographical areas.

Based on ESRS 2 Appendix C – Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2, the information on the number of employees by geographical areas is included in this report in section 3.1.3.2 DR SI-6 – Characteristics of the undertaking's employees.

NON-FINANCIAL AND SUSTAINABILITY REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

ESRS 2– – SBM–1– 40 a) iv	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (a) a description of: iv. where applicable and material, products and services that are banned in certain markets;

CIE Automotive confirms that in 2024, the number of products and services banned in certain markets was zero.

ESRS 2– – SBM–1– 40 b) AR 12 and 13	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (b) a breakdown of total revenue, as included in its financial statements, by significant ESRS sectors. When the undertaking provides segment reporting as required by IFRS 8 Operating segments in its financial statements, this sector revenue information shall be, as far as possible, reconciled with IFRS 8 information;

As indicated in Appendix C of ESRS 1, the disclosure of this requirement may be omitted until significant sectors of the ESRS are published.

ESRS 2– – SBM–1– 40 c) AR 12 and 13	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (c) a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts. The identification of these additional ESRS sectors shall be consistent with the way they have been considered by the undertaking when performing its materiality assessment and with the way it discloses material sector-specific information;

CIE Automotive does not have a list of the additional significant ESRS sectors beyond the ones reflected under paragraph 40(b), such as activities that give rise to intercompany revenues, in which the undertaking develops significant activities, or in which it is or may be connected to material impacts.

ESRS 2– – SBM–1– 40 e)	The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (e) its sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders

CIE Automotive continues to take firm steps in its commitment to corporate responsibility and sustainability, as evidenced by its 2025 ESG Strategic Plan, a plan primarily motivated by the preferences, needs and requirements of all its stakeholders.

Based on four strategic lines (CIE culture, ethical commitment, eco-efficiency and active listening), this 2025 ESG Strategic Plan undoubtedly marks a turning point in CIE Automotive's growing public commitment to sustainability, taking into account, on the one hand, its full integration into the company's day-to-day operations, on the other, total transparency in communicating it to the market

The 2025 ESG Strategic Plan marks a milestone in CIE Automotive's history by establishing global commitments for the first time in the Environmental, Social and Governance (ESG) areas, which each plant must contribute to under the impetus and supervision of the horizontal corporate areas. These objectives apply globally to all the company's products and customers and to its entire value chain, regardless of where they are located.

To define and assess its progress toward these qualitative objectives, CIE Automotive uses 79 specific indicators with specific targets and deadlines. These indicators are integrated into the management plans of all the plants, which report their performance to the areas on a quarterly, half-yearly or annual basis, according to the established periodicity.

All the information is consolidated in a global ESG scorecard, kept on the group's corporate intranet, and its evolution is reported to the ESG Committee and the CEO, who makes the Horizontal ESG Committee responsible for monitoring each indicator. The indicators are subject to periodic reviews aligned with the latest analyses of the context, which considers, among other aspects, new trends in the automotive industry, stakeholder demands and the legislation in force. These objectives and the work of the corporate areas that carry them out are organised along four strategic lines: CIE culture, ethical commitment, eco-efficiency and active listening.

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Compliance with the indicators under the 2025 ESG Strategic Plan, by area

Environment

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	Reduction in energy consumption (kWh/value added)	2% annual average	2025
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	Emission intensity reduction (TCO2e/value added)	2% annual average	2025
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	Reduction of indirect GHG emissions from power generation (Scope 2) (TCO2e)	5% annual average	2025
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	Emission intensity reduction (TCO2e/value added)	3% annual average	2025

Supply chain

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 8 Decent work and economic growth - 10 Reduce inequalities	No. of countries with ESG criteria in their procurement processes / Total number of countries in which the group operates	100%	2021
- 8 Decent work and economic growth - 10 Reduce inequalities	% local suppliers / All suppliers, out of total expenditure for the period	>70%	2023
- 8 Decent work and economic growth - 10 Reduce inequalities - 13 Climate action	No. of suppliers with annual purchasing volume > EUR 1M audited and/or self-assessed for ESG criteria in the period	25%	2022

Human Resources

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 5 Gender equality - 10 Reduce inequalities	No. of plants with diversity assessment / Total number of plants in the group	100%	2025
- 3 Health and wellness - 8 Decent work and economic growth	No. of plants with ISO 45001 certification / Total number of plants in the group	100%	2025
- 3 Health and wellness - 8 Decent work and economic growth	No. of employees trained / Total no. of employees to be trained in ESG	100%	2025

Compliance

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 3 Health and Wellness - 8 Decent work and economic growth	Employees trained in the Professional Code of Conduct	>95%	2021
- 3 Health and Wellness - 8 Decent work and economic growth	Holding ESG workshops	100%	2025
- 4 Quality education - 8 Decent work and economic growth	Global implementation of the compliance model	100%	2025

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Sales

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 17 Partnerships for the goals	No. of plants self-assessed in NQC with scores above 80%	75%	2021
- 17 Partnerships for the goals	Compile which platforms each plant uses with its customers for ESG self-assessment	100%	2021
- 17 Partnerships for the goals	No. of sales representatives trained / Total no. of sales representatives	80%	2021

Engineering

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	No. of production lines with Industry 4.0 technology initiatives implemented, by division or technology	Europe: 3 Asia: 1 Americas: 1	2024
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	Introduction of circular economy projects to improve energy consumption (No.)	Develop a circular economy project in Europe and extend it to another region	2024
- 9 Industry, innovation and infrastructure - 12 Responsible consumption and production - 13 Climate action	% improvement in ratio of gross weight to net weight	Europe: 3% improvement in 2 relevant products in 3 technologies Rest of the world: 3% improvement in 3 relevant products in 3 technologies	2025

Corporate Development

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 3 Health and wellness - 8 Decent work and economic growth	New hires with the ESG Manual implemented / Total new hires	100%	2021

Financial

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 8 Decent work and economic growth	Compliance with the requirements of the first sustainable financing throughout the life of the financing (%)	100%	2021
- 8 Decent work and economic growth	ESG financing agreements published (%)	100%	2023
- 8 Decent work and economic growth	Gross sustainable financing debt / Gross debt of the group	>50%	2025

Investor relations

Sustainable Development Goal	Indicator	Objective	Year of compliance
- 8 Decent work and economic growth	No. of key ESG analysts who responded/ Total number of key ESG analysts who have contacted CIE Automotive	100%	2021
- 8 Decent work and economic growth	Publication of the ESG Plan on the corporate website and on the intranet	100%	2021

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ESRS 2- - SBM-1- 40 f)	<i>The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals</i>

CIE Automotive produces over 7,000 parts and sub-assemblies developed using seven different core processes or technologies: aluminium injection moulding, forging, tube stamping and forming, machining, plastic injection moulding, cast iron and roof systems.

Its mastery of various technologies positions the group provides its customers one-stop shopping. They can opt for different technical proposals for the same part or choose a sub-assembly manufactured using a wide range of technologies.

The Group's technological versatility not only provides its customers various options but also allows it to direct its investments toward the technologies most in demand in the market in each situation. At present, the predominant market focus is on electric and hybrid electric vehicles. Over 80% of the components and sub-assemblies CIE Automotive builds can be adapted to these types of vehicles.

This helps prioritise sustainability issues such as: carbon emissions reduction (e.g., through parts adapted for electric vehicles); resource efficiency (e.g., more sustainable processes in injection moulding or machining); circular economy (e.g., initiatives to recycle and reuse materials in production); social innovation (e.g., creating jobs in key sectors for the energy transition).

One of the main markets in which CIE Automotive operates is Europe, a region where both legislation and customers are aligned with sustainability priorities. This makes it necessary to manufacture products that are in line with sustainability objectives.

In addition, the company's main customers are leading electric and hybrid vehicle manufacturers, which demand innovative and sustainable solutions and can lead CIE Automotive to invest in technologies that promote energy efficiency and emissions reduction throughout the value chain.

ESRS 2- - SBM-1- 40 g)	<i>The undertaking shall disclose the following information about the key elements of its general strategy that relate to or affect sustainability matters: (g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.</i>

CIE Automotive constantly monitors market developments to detect risks and opportunities in sustainability issues that could condition its business in the future. This constant scrutiny enables it to mitigate key market risks and leverage its competitive advantages.

One of the main challenges and opportunities are the major investments required for electric vehicles. The transition to electric mobility is forcing the company's customers to make significant investments to innovate in battery technologies, vehicle range and electric propulsion systems. In addition, these manufacturers must design specific vehicle platforms, which requires considerable investments in engineering and design. Automotive suppliers, including CIE Automotive, must upgrade their production lines to adapt them to electric vehicles, which requires, in addition to capital, investment in training for workers.

Parts manufacturers are playing a crucial role in the transformation of the automotive sector by helping OEMs (the customers) meet the latest trends demanded by society. These trends are giving rise to new forms of mobility and are leading to changes in manufacturing models. Studying these trends is a crucial aspect of how CIE Automotive manages market risks.

To contain climate change, the automotive industry is investing heavily in R&D&I to achieve the decarbonisation of transport. Despite these efforts, the penetration of electric vehicles is very different in each automotive market, and vehicles powered by various energy sources may coexist with each other in future

Despite these negative factors, analysts are already starting to talk about a new cycle in the automotive industry, taking into account, among others, the following factors:

- Public interest in the new electric vehicles: Growing environmental awareness and legislation that prevent the most polluting vehicles from entering cities are driving consumers' interest in electric vehicles. As prices come down, charging points multiply and range increases, the share of electric vehicles will rise

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- Government subsidies for the transition to electric cars: Governments are implementing incentive programmes to encourage people to trade in their old vehicles for more efficient, environmentally friendly models. This is creating opportunities for manufacturers who align themselves with sustainability and efficiency initiatives. It is worth noting that three quarters of EU countries offer incentives for purchasing electric cars.

ESRS 2- - SBM-1-41	<i>If the undertaking is based in an EU Member State that allows for an exemption from the disclosure of the information referred to in Article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU, and if the undertaking has made use of that exemption, it may omit the breakdown of revenue by significant ESRS sector required by paragraph 40(b). In this case the undertaking shall nevertheless disclose the list of ESRS sectors that are significant for the undertaking.</i>

CIE Automotive is not based in an EU Member State with a cut-out for the disclosure requirement under Article 18(1)(a) of Directive 2013/34/EU.

ESRS 2- - SBM-1- 42 a) AR 14	<i>The undertaking shall disclose a description of its business model and value chain, including: (a) its inputs and its approach to gathering, developing and securing those inputs;</i>

To meet the challenges of the automotive sector and help it progress towards sustainability, CIE Automotive has a business model that has proven to be effective for over 25 years. This approach is underpinned by commercial, technological and geographical diversification, investment discipline and decentralised decision-making. In recent years, the model was enhanced by integrating Environmental, Social and Governance (ESG) aspects into it.

While the model is resilient in the face of sustainability challenges, there are three pillars of the model to highlight:

Multi-technology

CIE Automotive produces over 7,000 parts and sub-assemblies developed using seven different core processes or technologies: aluminium injection moulding, forging, tube stamping and forming, machining, plastic injection moulding, cast iron and roof systems.

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The group's technological versatility not only provides its customers various options but also allows it to direct its investments toward the technologies most in demand in the market in each situation. At present, the predominant market focus is on electric and hybrid electric vehicles.

Over 80% of the components and sub-assemblies CIE Automotive builds can be adapted to these types of vehicles.

Customer diversification

CIE Automotive has strategic business relationships with more than 80 customers worldwide, including the world's leading multinational automotive manufacturers (75%) and Tier-1 parts users (25%).

Its sales policy is based on not being overly reliant on a small number of customers. This strategic approach not only strengthens its position in price negotiations but has also been fundamental to its growth during periods of crisis.

Procurement management

CIE Automotive manages its procurement efficiently. The full details of how it manages this are included in section 3.2. *Value Chain Workers (ESRS S2)*, discussed throughout the Consolidated Non-Financial and Sustainability Reporting. The main inputs in each technology are those the group refers to as productive or direct purchases, and are mainly: bar steel in forging technology, coiled steel in metal or stamping technology, plastic resins in plastic injection technology, ingot aluminium (mainly in aluminium injection technology), and embeddable components and glass in ceiling systems technology; and finally, forged steel components in machining technology.

The quality of raw materials and components is defined when the order is placed by the customer, representing around 65% of the group's total purchases in 2024.

These key suppliers show a degree of compliance with ESG criteria that CIE Automotive measures each year through the ESG risk matrix by purchasing families and through the ESG Supplier Portal.

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The selection of sources of supply, prices, delivery terms, quality and delivery frequency of the inputs to the group's various plants are managed locally by each production unit in accordance with the customers' manufacturing schedules.

The purchasing procedures together with the corporate Sustainable Purchasing Policy, General Purchasing Conditions, Global Supply Chain Manual, ESG Commitment for Suppliers, are standardised and obligatory for both suppliers of productive or direct materials, as well as those of non-productive or indirect materials (mainly consumables, spare parts, services, energy, logistics, etc.).

The external ISO 20400 sustainable procurement certification that CIE Automotive obtained in 2022 and that is renewed annually, confirms compliance with ESG requirements in the supply chain management model and its exigency, monitoring and controls.

Integration of ESG standards

In 2019, CIE Automotive officially incorporated Environmental, Social and Governance (ESG) standards into its business model. This step reinforced its commitment to the 10 Principles of the Global Compact and to the Sustainable Development Goals.

The integration of ESG standards extends beyond the company itself and includes its supply chain, which it assesses according to responsibility criteria. In addition, it actively participates in various business associations and forums to positively impact the business community.

ESRS 2- - SBM-1- 42 b)	<i>The undertaking shall disclose a description of its business model and value chain, including: (b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders;</i>

As indicated under *ESRS 2- SBM-1-42 (a) AR 14* and the response to *ESRS 2-SBM-1-40 (f)*, CIE Automotive produces over 7,000 parts and sub-assemblies developed using seven different core processes or technologies: aluminium injection moulding, forging, tube stamping and forming, machining, plastic injection moulding, cast iron and roof systems.

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One of the main markets in which CIE Automotive operates is Europe, a region where both legislation and customers are aligned with sustainability priorities. This makes it necessary to manufacture products that are in line with sustainability objectives.

In addition, the company's main customers are leading electric and hybrid vehicle manufacturers, which demand innovative and sustainable solutions and can lead CIE Automotive to invest in technologies that promote energy efficiency and emissions reduction throughout the value chain.

There are also current and future positive impacts on other stakeholders. For example, in the communities in which CIE Automotive's production plants are located, where job creation and other indirect economic impacts are generated; in the workers in the value chain, the mere fact that the company promotes compliance with certain ESG criteria in its supply chain contributes to better working conditions for workers in its upstream value chain; and of course for its own employees, since by aligning itself with market trends in innovative technologies and electrification, CIE Automotive ensures that its employees have training and skills adapted to the latest developments, so that they do not lose competitiveness.

Lastly, in relation to shareholders and investors, irrespective of their stake in the company, all shareholders are treated equally in terms of information, participation and voting rights at the General Shareholders' Meeting, as required under the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*].

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Investor relations are governed by the criteria of transparency and accessibility, in line with the Policy on information, communication and contacts with shareholders, markets and other stakeholders. This policy sets out the general principles of action that guide the Investor Relations Department, which is responsible for providing accurate and regular information to the entire financial and sustainability community.

The Board monitors all information disclosed to the market and takes measures to safeguard the rights of shareholders and investors in the corporate interest.

Information is disseminated through various channels, especially through the Spanish Securities and Exchange Commission (CNMV), where the most relevant events are published, and the Group's corporate website, which has a specific "Shareholders and Investors" section. All the relevant news of the group are published in this section of the website, together with contact details.

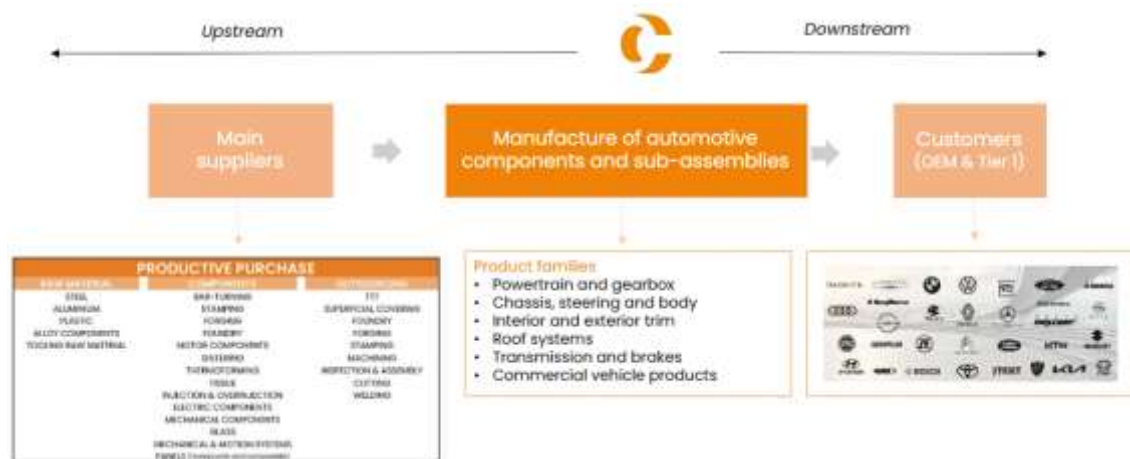
These principles will apply to the information and to the Company's relationships with the shareholders, with the markets, and with all other stakeholders, such as proxy advisors, financial intermediaries, managers and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, credit rating agencies, and reporting agencies, among others.

While still complying with the principles of equal treatment, non-discrimination, and information symmetry, the Company may adapt the information instruments, communication channels, and other the initiatives on the subject of information and communication with the shareholders and institutional and retail investors, markets, and all other shareholders on the basis of the groups that will be receiving the information.

With regard to regulatory compliance, special emphasis must be placed on the rules regarding market abuse, particularly those relating to the handling of inside information and other price-sensitive or regulated information, as contained in the applicable laws or in the Company's corporate governance rules.

ESRS 2- - SBM-1- 42 c)	<i>The undertaking shall disclose a description of its business model and value chain, including: (c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers, distribution channels and end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.</i>

The following figure shows CIE Automotive's value chain, both upstream, considering production suppliers, including raw material suppliers, which make up the vast majority of the Group's supply chain, and downstream, including its Original Equipment Manufacturers (OEM) and Tier 1 customers.



The description of the main business actors (such as key suppliers, customers, distribution channels and end-users) and their relationship to the company are included in the Global Supply Chain Manual available on the Group's corporate website.

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1.1.3.2 DR SBM-2: Interests and views of stakeholders

ESRS 2- - SBM-2- 45 a) i AR 16	<i>The undertaking shall disclose a summarised description of: (a) its stakeholder engagement, including: i. the undertaking's key stakeholders</i>

CIE Automotive builds professional relationships based on trust, responsibility and mutual benefit with the thousands of people, organisations, groups and communities that work with it in creating its value offering. The company groups all of these stakeholders into nine main categories to homogenise its relations and drive engagement, establishing the communication channels necessary for it to understand their aspirations and recognise their contribution to the progress of all.

Shareholders	- Generate shareholder value through dividends. - Provide transparent, accurate and regular information to the investment community. - Inspire confidence in the market.
Professionals	- Offer decent employment and training in all countries - Protect the health and safety of employees - Facilitate collective bargaining. - Respect for human rights, with an emphasis on the countries most at risk.
Customers	- Commit to innovate so as to meet their demands. - Guarantee the quality and safety of products. - Continuously refine the products supplied. - Efficiently manages resources to keep prices down.
Business partners	- Strategic partnerships with Mahindra & Mahindra Ltd., in India and with Donghua Automotive Industrial, and the SAIC Group in China, allow for better understanding and adaptation to the local market.
Supply chain	- Ensure a level playing field. - Promote transparency and optimal pricing. - Apply fair payment terms. - Seek cooperation and dialogue to ensure customer satisfaction.
Society	- In its work, promote the development of the areas where it operates. - Finance social actions aimed at disadvantaged groups. - Contribute to creating safer, more comfortable and environmentally friendly cars. - The fight against climate change.
Public Administrations	- Work with local governments to improve various services. - Integrate their requirements into the company's facilities, in accordance with legality, transparency and cooperation.
Sector	- Actively participate in, and hold relevant positions in, various Spanish and European business associations.
Lenders	- Negotiate the best terms, according to investment needs and market terms.

ESRS 2- - SBM-2- 45 a) ii-v AR 16	<i>The undertaking shall disclose a summarised description of: (a) its stakeholder engagement, including: ii. whether engagement with them occurs and for which categories of stakeholders; iii. How it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking;</i>

The company has a wide range of information and engagement channels, the most important of which is its corporate website, where its stakeholders can consult all the company's information or access different forms of dialogue and contact.

The company remains continuously engaged with its stakeholders, as this is necessary for it to carry out its work properly, for example, from selling its products to paying the relevant taxes.

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Channels of communication and engagement

Corporate Website	The corporate website www.cieautomotive.com contains relevant information about the company: in addition to information for potential employees in the "Human Resources" section, it provides access to the new Supplier Portal in the "Suppliers" section, has a "Press Room" with the company's press releases, and offers an extensive information section aimed at "Investors and Shareholders", which complies with Circular 3/2015 of the National Securities Market Commission (CNMV).
Specific contact with each stakeholder group	- ESG and Society: Susana Molinuevo - esg@cieautomotive.com - Professionals: Aitor Zazpe - hr@cieautomotive.com - Relations with investors and business partners: Lorea Aristizabal - ir@cieautomotive.com - Customers and the sector: Mikel Orbegoza - sales@cieautomotive.com - Supply chain: Irache Pardo - purchasing@cieautomotive.com - Lenders: Irache Pardo - financierocie@cieautomotive.com - Compliance: compliance@cieautomotive.com
By post	Any stakeholder may contact the relevant department at the following postal address: AIC - Automotive Intelligence Center. Parque Empresarial Boroa, Parcela 2A - 4, 48340 Amorebieta (Bizkaia), Spain.
Whistleblowing channel	Anyone may report breaches of the guidelines of conduct set out in CIE Automotive's Professional Code of Conduct through the channel provided on the corporate website and on the corporate intranet.

Under ESRS 2- IRO-2-59, CIE Automotive has provided an explanation of how it has determined the material information to be disclosed related to the impacts, risks and opportunities it has assessed to be material, where the information received from its stakeholders is part of the process.

ESRS 2- - SBM-2- 45 b)	<i>The undertaking shall disclose a summarised description of: (b) the undertaking's understanding of the interests and views of its key stakeholders as they relate to the undertaking's strategy and business model, to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment process (see Disclosure Requirement IRO-1 of this Standard);</i>

The results of from the company's engagement with its stakeholders were also used to identify sustainability issues in the dual materiality assessment. Although no explicit consultation with external stakeholders was carried out to understand the interests and views of the company's key stakeholders as they relate to its strategy and business model, interviews were conducted with individuals within the company (either from the Board or senior management) who have extensive knowledge of specific stakeholders, as well as an analysis of public documentation about them.

In addition, in the dual materiality process, key interviews were held with the company's regional representatives. These individuals were chosen for their specific role within the Group, as well as for their understanding of the interests and views of the various stakeholders concerned.

With this approach, opinions were taken into account indirectly from the company's own professionals, customers, society, as well as from suppliers and lenders, among others.

Topic analysed	Process and scope	Documentation reviewed
Business model	Determination of the essential characteristics of the business model. Including: geographic presence, commercial diversification, multi-technology, decentralised management, ESG integration.	Internal documentation available on the corporate website:
Products	- Mapping of the product families that make up CIE Automotive's offering, by region and technology applied in manufacturing. - Turnover by region	- 2023 Annual Report - Company presentation. Managing high value-added processes. - ESG Policy - 2025 ESG Strategic Plan
Industry and sector	Study of the main trends in the automotive sector and in the autoparts sub-sector.	Sectoral reports prepared by EY: - Key trends in automotive retail - Why EY automotive - Outlook of autoparts manufacturers

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Supply chain	- Understanding and scope of the automotive supply chain - Understanding of the TIER 1, TIER 2 and OEMs and CIE's positioning. - How ESG aspects are managed in the Value Chain - Purchasing model	Internal documentation available on the corporate website: - Human Rights Policy - Anti-Corruption and Fraud Policy - Code of Conduct - Environmental, Social and Corporate Governance Commitment for Suppliers - Global Supply Chain Manual

ESRS 2- - SBM-2- 45 c) i	The undertaking shall disclose a summarised description of: (c) where applicable, amendments to its strategy and/or business model, including: i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders;

As shown under ESRS 2-SBM-1-40 (e), CIE Automotive continues to take firm steps in its commitment to corporate responsibility and sustainability, as evidenced by its 2025 ESG Strategic Plan, a plan primarily motivated by the preferences, needs and requirements of all its stakeholders.

No amendments or adaptations were made to its strategy and/or business model in this context in 2024.

ESRS 2- - SBM-2- 45 c) ii	The undertaking shall disclose a summarised description of: (c) where applicable, amendments to its strategy and/or business model, including: ii. any further steps that are being planned and in what timeline; and

CIE Automotive is in constant communication with its stakeholders. Once the period has expired and the objectives included in its current 2025 ESG Strategic Plan have been met, a new phase will begin, taking into account the results of the dual materiality assessment carried out in 2024, to establish a new Strategic Plan starting in 2026, in which sustainability will be the backbone.

ESRS 2- - SBM-2- 45 c) iii	The undertaking shall disclose a summarised description of: (c) where applicable, amendments to its strategy and/or business model, including: iii. whether these steps are likely to modify the relationship with and views of stakeholders

As shown under ESRS 2-SBM-2-45 (c) (ii), CIE Automotive is in continuous communication with its stakeholders. Once the period has expired and the objectives included in its current 2025 ESG Strategic Plan have been met, a new phase will begin, taking into account the results of the dual materiality assessment carried out in 2024, to establish a new Strategic Plan starting in 2026, in which sustainability will be the backbone.

As this new plan is implemented, it will be possible to determine whether it is having any impact on the relationship with stakeholders' views, which were a key input in the dual materiality assessment.

ESRS 2- - SBM-2- 45 d)	The undertaking shall disclose a summarised description of: (d) whether and how the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts.

As shown under ESRS 2-SBM-1-40 e), the information from the 2025 ESG Strategic Plan is consolidated in a global ESG scorecard, kept on the group's corporate intranet, and its evolution is reported to the ESG Committee and the CEO, who makes the Horizontal ESG Committee responsible for monitoring each indicator. The indicators are subject to periodic reviews aligned with the latest analyses of the context, which considers, among other aspects, new trends in the automotive industry, stakeholder demands and the legislation in force. These objectives and the work of the corporate areas that carry them out are organised along four strategic lines: CIE culture, ethical commitment, eco-efficiency and active listening.

The ESG Committee's engagement in carrying out and reviewing the dual materiality assessment should also be highlighted.

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1.1.3.3 DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2- - SBM-3- 48 a) AR 17 and 18	<i>The undertaking shall disclose: (a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;</i>

The information on this indicator is provided in the response to ESRS 2-SBM-3-48 h).

ESRS 2- - SBM-3- 48 b)	<i>The undertaking shall disclose: (b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</i>

The list of material impacts, risks and opportunities (IROs) addressed by the administrative, management and supervisory bodies or their relevant committees during the reporting period is shown in ESRS 2-GOV-2-26 c). These IROs will be managed directly by Senior Management and the Management Team and will form part of the new Strategic Sustainability Plan to be developed after the current 2025 ESG Strategic Plan comes to an end in 2025.

ESRS 2- - SBM-3- 48 c) i-ii	<i>The undertaking shall disclose: c) with reference to the undertaking's material impacts:</i> i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment; ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model

In general, the environmental, social and governance impacts, as well as those related to the material entity-specific indicators identified by CIE Automotive in its dual materiality assessment, originate from, or are related to, the company's strategy and business model. Due to its business model as a manufacturer of automotive parts, there are multiple impacts, risks and opportunities related to emissions, pollution, water consumption, circular economy, as well as those related to its own workers, workers in its value chain, customers, etc. Its strategy also has impacts, risks and opportunities associated with governance, relations with suppliers, protection of human rights both in its own operations and in its value chain, etc.

ESRS 2- - SBM-3- 48 c) iii	<i>The undertaking shall disclose: c) with reference to the undertaking's material impacts:</i> iii. the reasonably expected time horizons of the impacts;

The information on this indicator is provided in the response to ESRS 2-BP-2-9 (a).

ESRS 2- - SBM-3- 48 c) iv	<i>The undertaking shall disclose: c) with reference to the undertaking's material impacts:</i> iv. whether the undertaking is involved with the material impacts through its activities or because of its business relationships, describing the nature of the activities or business relationships concerned;

Most of the impacts identified in the dual materiality assessment arise from the type of activity the company performs: from the companies in its Value Chain extracting raw materials, to manufacturing parts and sub-assemblies using technologies.

In turn, the impacts derived from or linked to its Value Chain arise from its business relationships. All this information is contained in ESRS 2-GOV-2 -26 (c).

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ESRS 2- - SBM-3- 48 d)	<i>The undertaking shall disclose: (d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;</i>

The material risks and opportunities identified in the dual materiality assessment are included in the table in the response to **ESRS 2- SBM-3- 48 (h)**, included below in this section.

The financial effects related to these risks and opportunities are related to economic impacts on the company's EBITDA. The event will generate either a negative risk (threat) or positive risk (opportunity), depending on whether its impact on the Group is negative or positive. Reputational impacts, which could incur financial effects, have also been taken into account. However, since this is a new assessment for the company, it should be noted that the estimate is based on a preliminary analysis and that the company is working on developing more robust methodologies.

Based on the work performed during the dual materiality assessment and taking into account the time horizons considered, the company does not consider that there will be a material risk of a materiality adjustment to the carrying amounts of the assets and liabilities disclosed in the relevant financial statements for the identified impacts, risks and opportunities in the next annual reporting period.

ESRS 2- - SBM-3- 48 e)	<i>The undertaking shall disclose: (e) the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration: i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and ii. its planned sources of funding to implement its strategy.</i>

CIE Automotive assessed the possibility of gathering information on the expected financial effects of the company's material risks and opportunities on its financial position, financial performance and cash flows in the short, medium and long term, including the reasonably expected time horizons for those impacts, applying an approach based on the principle of reasonable effort, which takes into account both the impact and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data gathering effort.

In this first year of the Directive being applicable, no information will be reported on the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects.

ESRS 2- - SBM-3- 48 f)	<i>The undertaking shall disclose: (f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6. Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;</i>

To address the material impacts and risks and take advantage of the material opportunities identified in the dual materiality assessment (IROs), CIE Automotive has a resilient strategy and business model. The thematic chapters include management measures throughout them to address the material impacts, risks and opportunities related to environmental, social and governance issues.

Identifying material IROs validates and strengthens the resilience of the strategy by aligning it with the most relevant sustainability issues, with a commitment to strengthening this alignment in the next version of the Strategic Plan. This would help strengthen the resilience of the business model, enhancing CIE Automotive's ability to address the challenges arising from its business and maximise the opportunities identified.

These actions include:

- In environmental matters, actions and targets for reducing emissions, measures to optimise the use of resources, etc. Specifically, the information is included under **ESRS E1 Climate change**.

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- In social matters: actions to promote professional development through training programmes, evaluation of suppliers according to social standards, etc.
- In the area of Governance: integration of good corporate governance practices, ensuring transparency and regulatory compliance.

ESRS 2- - SBM-3- 48 h)	<i>The undertaking shall disclose: (h) a specification of those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by the undertaking using additional entity-specific disclosure.</i>

Impacts, Risks and Opportunities (IROs)

+: positive impact // -: negative impact // R: risk // O: opportunity

Topic / Sub-topic	Point in the Value Chain	Time horizon	IROs
ESRS – E1 Climate change Climate change adaptation	Upstream Upstream	Short term	(-) Generation of greenhouse gas emissions associated with energy-intensive material production processes. This would be the case for the production of materials such as steel coils and aluminium ingots. (O) Financial impacts arising from: Accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of ESG data in the upstream Value Chain.
Climate change mitigation	Company Company Upstream Downstream	Short-/ medium- term	(+) Use of environmentally friendly materials such as green steel coils and recycled resins. (+) Contributing to the decarbonisation of transport by building components for electric vehicles. (R) Financial impacts arising from: Generation of emissions linked to the company's data centres. (R) Financial impacts arising from: Refusal of OEMs to take on the extra cost of production with sustainable materials.
Energy	Company	Short-/ medium- term	(+ and O) Reducing emissions of pollutants by self-generating green energy.
ESRS – E2 Pollution Air pollution	Upstream Company Company	Medium term	(-) Air pollution associated with generation of Scope 3 emissions. (- and R) Increase in the company's environmental footprint due to selling parts manufactured in other geographic locations to meet the requirements of certain customers. (+ and O) Reduction of Scope 1 and 2 emissions due to the use of renewable energy and self-generation of energy to supply the company's facilities.
Water pollution	Company Company Company	Medium term	(+) Reduced potable water consumption due to increased use of recycled water. (R) Financial impacts arising from: Increased eutrophication of water due to discharges from non-recycled water. (R) Financial impacts arising from: Increased ecotoxicity of freshwater due to non-recycled waste in production processes.
Pollution of soil	Upstream	Medium term	(R) Financial impacts arising from: Soil contamination through chemical soil erosion during the extraction of raw materials.
ESRS – E3 Water and marine resources Water	Company Company	Medium term	(R) Financial impacts arising from: Decrease in the volume and quality of water sources near the plants due to the intensive use of this resource, especially in industrial processes that require processing materials at high temperatures. (R) Financial impacts arising from: Increased water consumption due to increased production of products linked to water-intensive technologies.
ESRS – E5 Resource use and circular economy Resource inputs, including resource use	Company Company Company Company Company	Short term	(+) Use of recycled materials in production processes involving aluminium. (+) Use of returnable packaging that can be used for other products, thus reducing waste and extending the packages' life cycle. (+) Internal reuse of returns from the company's various production processes through its own recycling system. (+) Reduction in the volume of materials used in production processes due to a reduction in the gross weight of the products manufactured by the company. (O) Financial impacts arising from: Internal reuse of returns from the company's various production processes through its own recycling system.

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Topic / Sub-topic	Point in the Value Chain	Time horizon	IROs
Resource outflows related to products and services	Company Company Company	Short term	(+) Development of products under eco-design criteria and with a life cycle approach that improves their reparability, disassembly and separation, and thus increases their recyclability. (+) Recirculation of water from high-temperature material processing through internal water treatment systems and facilities. (O) Financial impacts arising from: Development of products under eco-design criteria and with a life cycle approach that improves their reparability, disassembly and separation, and thus increases their recyclability.
Waste	Upstream Company Company	Long term	(R) Financial impacts arising from: Generation of toxic waste during the process of extracting raw materials. (R) Financial impacts arising from: Generation of waste associated with the use of technical plastics. (O) Financial impacts arising from: Sale of non-recyclable steel waste to local suppliers for reuse.
ESRS – S1 Own workforce Working conditions (own workers)	Company Company Company Company	Short term	(+) Job and financial security for workers through stable long-term employment opportunities. (R) Job losses and reduced value generation due to downsizing in company plants. (O) Work-life balance due to working conditions including flexible working hours and measures to combat excessive working hours. (R) Fatalities due to accidents during working hours.
Equal treatment and opportunities for all	Company Company Company	Short/medium term	(+) Training policies that promote professional development and careers. (-) Cases of violence or harassment due to discrimination (racial, gender or sexual) in the company. (-) Lack of representation of women in management and executive positions in the company.
Other work-related rights	Company Company	Long term	(-) Vulnerable workers, especially cross-border workers, due to modern slavery practices in the company's facilities. (-) Lack of protection for children due to cases of child labour in the company's plants.
ESRS – S2 Workers in the value chain Working conditions in the value chain	Upstream Upstream	Long term	(R) Financial impacts arising from: Infringement of the right to freedom of association of workers in the Value Chain due to the company's lack of control of ethical commitments. (O) Financial impacts arising from: Reduction in the accident rate in the Value Chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company.
Equal treatment and opportunities for all	Upstream Upstream	Medium/Long term	(O) Financial impacts arising from: Increased diversity and inclusion of employees in the Value Chain due to the company's influence to improve ESG policies. (R) Financial impacts arising from: Cases of violence or harassment due to discrimination (racial, gender or sexual) on the premises of the companies in the Value Chain.
Other work-related rights	Upstream Upstream	Long term	(R) Financial impacts arising from: Lack of protection of vulnerable workers, especially cross-border workers, due to modern slavery practices in suppliers' facilities. (R) Financial impacts arising from: Lack of protection for children due to cases of child labour in suppliers' plants.
ESRS – ES Customers Personal safety of users and end-consumers	Downstream Downstream	Medium/Short term	(+) Designing more robust parts that help boost vehicle safety. (O) Financial impacts arising from: Designing more robust parts that help boost vehicle safety.
ESRS – G1 Business conduct Corporate culture	Company Company Company	Medium/Short term	(+ and R) High security of OEM data, including information relating to part moulds and prototypes. (+) Fostering a corporate culture of high ethical standards, transparency and integrity. (+ and O) Promotion of a corporate culture that includes respect for human rights as a pillar through awareness-raising and training of professionals.

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Topic / Sub-topic	Point in the Value Chain	Time horizon	IROs
Corruption and bribery	Company Company Company	Medium/ Long term	(- and R) Existence of cases of corruption, fraud, bribery and money laundering, among other illicit practices. (-) Ineffectiveness of the Whistleblowing Channel for detecting and punishing illicit practices. (- and R) Breaches of the principles of the Code of Ethics and loss of trust among the company's stakeholders.
Management of relationships with suppliers, including payment practices	Company Company	Medium term	(+ and O) Relations with suppliers based on objectivity, transparency and fair and non-discriminatory treatment. (+ and O) Helping suppliers develop their processes by partnering with them.
Protection of whistleblowers	Company	Long term	(-) Economic or social duress on employees of the company or its Value Chain, placed on them by powerful figures in the company because they filed complaints.
Political participation and lobbying	Company	Long term	(O) Collaboration with Public Administrations as a key Stakeholder Group to achieve improved services for communities.

1.1.4 Management of impacts, risks and opportunities
1.1.4.1 Information on the materiality assessment process
1.1.4.1.1 DR IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

ESRS 2- - IRO-1-53 a); b); c); and g)	<i>The undertaking shall disclose the following information:</i> <i>(a) a description of the methodologies and assumptions applied in the described process</i> <i>(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, including an explanation of whether and how the process:</i> <i>i. focusses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts;</i> <i>ii. considers the impacts with which the undertaking is involved through its own operations or as a result of its business relationships;</i> <i>iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts</i> <i>iv. prioritises negative impacts based on their relative severity and likelihood, (see ESRS 1 section 3.4 Impact materiality) and, if applicable, positive impacts on their relative scale, scope and likelihood, and determines which sustainability matters are material for reporting purposes, including the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.4 Impact materiality;</i> <i>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include:</i> <i>i. how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies;</i> <i>ii. how the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality);</i> <i>iii. how the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;</i> <i>(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions).</i>

All the information relating to this indicator is set out below in section 1.1.4.1.2 DR IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement indicator ESRS 2-IRO-2-59.

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ESRS 2- - IRO-1-53 d)	The undertaking shall disclose the following information: (d) a description of the decision-making process and the related internal control procedures;

The dual materiality assessment and its results were supervised by CIE Automotive's Environmental, Social and Governance (ESG) Committee. In addition, the same information has been submitted to the company's Audit and Compliance Committee.

ESRS 2- - IRO-1-53 e) and f)	The undertaking shall disclose the following information: (e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes; (f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;

All the information relating to this indicator is set out below in section 1.1.4.1.2 DR IRO-2: Disclosure Requirements in ESRS covered by the undertaking's Consolidated Non-Financial and Sustainability Reporting indicator ESRS 2-IRO-2-59.

1.1.4.1.2 DR IRO-2: Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement

ESRS 2- - IRO-2-56	The undertaking shall include a list of the Disclosure Requirements complied with in preparing the sustainability statement, following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement. This may be presented as a content index. The undertaking shall also include a table of all the datapoints that derive from other EU legislation as listed in Appendix B of this standard, indicating where they can be found in the sustainability statement and including those that the undertaking has assessed as not material, in which case the undertaking shall indicate "Not material" in the table in accordance with ESRS 1 paragraph 35.

The list of the disclosure requirements (DR) complied with in preparing the Sustainability Statement, following the outcome of the materiality assessment (see ESRS 1 chapter 3), including the page numbers and/or paragraphs where the related disclosures are located in the Consolidated Non-Financial and Sustainability Reporting, are provided in this document's contents index.

A table of all the datapoints that derive from other EU legislation as listed in Appendix B of this standard is also included below, indicating where they can be found in the Consolidated Non-Financial and Sustainability Reporting and including those that the undertaking has assessed as not material, in which case the undertaking shall indicate "Not material" in the table in accordance with ESRS 1 paragraph 35.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation:

Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Gender diversity of the Board Article 21 (d)	8	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	8			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Due diligence statement paragraph 30	22	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Participation in fossil fuel activities paragraph 40(d)(i)	n/a	Indicator number 4 Table #1 Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in	n/a	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	

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Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
activities related to chemical production paragraph 40(d)(ii)					
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)(iii)	n/a	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)	n/a			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS EI-1 Transition plan to reach climate neutrality by 2050 paragraph 14	62-63				Regulation (EU) 2021/1119, Article 2(1)
ESRS EI-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)	65		(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 (1) (d) to (g), and Article 12 (2)	
ESRS EI-4 GHG Emission Reduction Targets paragraph 34	91-96	Indicator number 4 Table #2 of Annex 1	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS EI-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	97	Indicator no. 5 Table #1 and Indicator no. 5 Table #2 of Annex 1			
ESRS EI-5 Energy consumption and mix paragraph 37	96-97	Indicator number 5 Table #1 of Annex 1			
ESRS EI-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	97-98	Indicator number 6 Table #1 of Annex 1			
ESRS EI-6 – Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	99-100	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS EI-6 Gross GHG emissions intensity paragraphs 53 to 55	105	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk:	Delegated Regulation (EU) 2020/1818, Article 8(1)	

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Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
			alignment metrics		
ESRS E1-7 GHG removals and carbon credits paragraph 56	n/a				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	107			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	107		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5. Banking book. Exposures subject to physical risk		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	107		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	108			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	128-129	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	n/a	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	131-132	Indicator number 8 Table #2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	144	Indicator number 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	144	Indicator number 6.1 Table #2 of Annex 1			
ESRS 2 - IRO 1 - E4 paragraph 16(a)(i)	Not material	Indicator number 7 Table #1 of Annex 1			
ESRS 2 - IRO 1 - E4 paragraph 16(b)	Not material	Indicator number 10 Table #2 of Annex 1			
ESRS 2 - IRO 1 - E4 paragraph 16(c)	Not material	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies	Not material	Indicator number 11 Table #2 of Annex 1			

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Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
paragraph 24(b)					
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24(c)	Not material	Indicator number 12 Table 2 of Annex I			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material	Indicator number 15 Table #2 of Annex I			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	172	Indicator number 13 Table #2 of Annex I			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	n/a	Indicator number 9 Table #1 of Annex I			
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	175	Indicator number 13 Table #3 of Annex I			
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	176	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy commitments paragraph 20	180-183	Indicator number 9 Table 3 and indicator number 11 Table 1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	183			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	183	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	183	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	192	Indicator number 5 Table #3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	214-215	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	215	Indicator number 3 Table #3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	216	Indicator number 12 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	217	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	217-218	Indicator number 7 Table #3 of Annex I			

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Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-17. Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104(a)	219	Indicator number 10 Table 1 and indicator no. 14 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	223	Indicators 12 and 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	231-233	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I			
ESRS S2-1 Policies related to value chain workers, paragraph 18	233	Indicators 11 and 4 Table #3 of Annex I			
ESRS S2-1. Non respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19	234	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	234			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	248	Indicator number 14 Table #3 of Annex I			
ESRS S3-1 Human rights policy commitments paragraph 16	Not material	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Not material	Indicator number 10 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S3-4 Human rights problems and incidents (36)	Not material	Indicator number 14 Table #3 of Annex I			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not material	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Not material	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Not material	Indicator number 14 Table #3 of Annex I			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	n/a	Indicator number 15 Table #3 of Annex I			

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Disclosure requirement and related datapoint	Page	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS G1-1 Protection of whistle-blowers 10(d)	n/a	Indicator number 6 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	286	Indicator number 17 Table #3 of Annex 1			
ESRS G1-4 Anti-corruption and anti-bribery laws paragraph 24(b)	286	Indicator number 16 Table #3 of Annex 1			

ESRS 2- - IRO-2-58	<i>If the undertaking concludes that a topic other than climate change is not material and therefore omits all the Disclosure Requirements in the corresponding topical ESRS, it may provide a brief explanation of the conclusions of its materiality assessment for that topic.</i>

The topics other than climate change that were not assessed as material and that therefore have no disclosures regarding them are: ESRS E4 Biodiversity and ecosystems, ESRS S3 Affected communities, and ESRS S4 Consumers and end-users.

ESRS E4 and S3 are not being reported as they were assessed as being below the materiality limit.

However, ESRS S4 was initially supposed to be reported as it was assessed to be above the materiality limit, namely due to having an impact on the safety of people. However, after comparing the results of the dual materiality with internal areas of the company, it was concluded that this standard was affecting two stakeholders: on the one hand the consumers and end-users of the parts, and on the other hand the customers who provide these parts to the consumers and end-users.

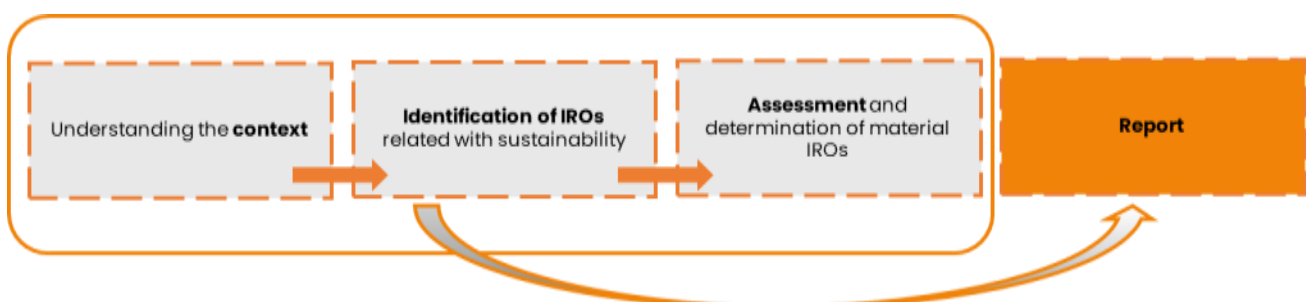
As CIE Automotive is a company that exchanges services, information and/or products from one company to another, it influences its consumers and end-users through its customers, rather than directly. Therefore, after analysis, it was concluded that this is best addressed through its impact on its customers, rather than on consumers and end-users, so this section will be dealt with in an institution-specific disclosure ESRS.

ESRS 2- - IRO-2-59	<i>The undertaking shall provide an explanation of how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds and/or how it has implemented the criteria in ESRS 1 section 3.2 Material matters and materiality of information. Material matters and materiality of information.</i>

In 2024 CIE Automotive updated its materiality assessment in line with the requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD), the requirements of ESRS 1 and ESRS 2, and European Financial Reporting Advisory Group (EFRAG) guidance.

The scope of the dual materiality assessment includes the actual and potential impacts, the risks and opportunities (IROs) related to CIE Automotive's own operations, as well as its upstream and downstream value chain, and taking into account its products, services and business relationships, covering all the regions in which it operates.

The method used for the dual materiality assessment comprises the following steps:



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Understanding the context:

The first phase of the dual materiality study was to gain a full understanding of CIE Automotive's context, including its business model and its relationships with its stakeholders. The processes involved were a review of internal and external documentation, to also take into account the perspectives of external stakeholders, on the one hand, and consultations with the company's expert strategic partners, on the other hand.

Preparation of the list of Impacts, Risks and Opportunities (IROs):

To develop the list of IROs, the list of topics, subtopics and sub-subtopics of AR 16 of ESRS 1 was taken as a starting point. This selection was based on the information obtained during the initial phase of understanding the context, in which, as detailed in the relevant section, two rounds of interviews were conducted with internal interlocutors, and various internal and external sources of information were examined.

Once the list of potentially material issues was finalised, the impacts that could affect people or the environment, and the risks and opportunities arising from the company's impacts, were associated with each of the topics, sub-topics and sub-sub-topics. In addition, impacts that do not have linked risks and opportunities (R&O) were assessed as to whether they could generate financial impacts on the company.

Characterisation of the universe of IROs:

Once the list of IROs was completed, the relevant impact characterisation was carried out. This classification was carried out following the main findings of the context analysis, according to the following characteristics:

- **By ESRS, sub-topics and sub-sub-topics:** as set out in ESRS 1 AR 16 *Sustainability matters to be included in the materiality assessment*.
- **By status:** actual or potential, considering whether the impact is occurring, has occurred in the last five years or, conversely, has not yet occurred.
- **By type:** positive or negative, depending on the effects that the impact generates on the affected stakeholders.
- **By time horizon:** according to whether it was observed to have a short (reporting period), medium (next 5 years) or long term (from the next 5 years onwards) impact, in line with ESRS 1 section 6.4. *Definition of short-, medium- and long-term for reporting purposes*.
- **By point in the value chain:** depending on whether the source of the impact was in CIE Automotive's own operations or in its upstream or downstream value chain.
- **By stakeholder affected:** in accordance with the company's stakeholder model, depending on whether it affects society, public administrations, the industry, or CIE Automotive's business partners, shareholders, customers, suppliers and/or funders.

The risks and opportunities were classified according to the following metrics:

- **By type:** risk or opportunity, depending on whether they imply a decrease or an increase in EBITDA.
- **By origin:** depending on whether the origin is in the impact itself or in a dependency.

Assessment and determination of material IROs:

For the assessment, a differentiated scoring system has been established for impacts and risks and opportunities, respectively.

Impact materiality assessment system

According to ESRS 1 (paragraphs 45 and 46), the materiality of actual negative impacts is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. In turn, the severity is based on three factors: (1) the scale; (2) the scope; and (3) the irremediable character of the impact.

On the other hand, for positive impacts, materiality is based on the scale and scope of the impact for actual impacts, and the scale, scope and likelihood of the impact for potential impacts. A chart of the system is shown below.

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According to AR 10, the characteristics of severity are described as follows:

- **Scale:** refers to the negative or positive severity of the impact on people or the environment.
- **Scope:** indicates the extent of the impacts on people or the environment.
- **Irremediability:** relates to the ability to remedy negative impacts: i.e., the possibility of restoring the previous state of the environment or of the people affected.

In addition, for potential impacts, the probability of occurrence must be taken into account:

- **Probability:** the likelihood that a potential impact will materialise, in the short, medium or long term. The time horizons established in the probability ranges are aligned with those set out in the corporate Risk Management and Control Policy.

For each of these metrics, related ranges were established to ensure the analysis was objective.

The impact assessment process has been carried out as an integrated process consisting of various phases with constant feedback. On the one hand, the company assessed the aggregate impacts by means of questionnaires and, on the other, the consultancy firm supporting CIE Automotive conducted a second impact assessment in parallel, based on external information analysed and inputs taken from two rounds of strategic interviews with CIE Automotive's stakeholders.

Financial assessment system

According to ESIS 1 paragraph 51, the materiality of risks and opportunities is based on their likelihood of occurrence, and the potential scale of the financial impacts determined on the basis of appropriate thresholds. The contribution of those risks and opportunities to financial effects in the short-, medium- and long-term was also considered.



For the ranges of these parameters, CIE Automotive's Risk Control and Management Policy was used as an input to align them as closely as possible with the company's risk map. Specifically, for the scale of the financial impact, impacts on EBITDA and on the company's reputation were considered, and the time horizons for assessing the likelihood are also aligned with this policy.

The risk and opportunity assessment process were carried out through questionnaires distributed to the company's stakeholders, which assessed the financial impact and probability of the company's previously identified aggregate impacts.

Consolidation of the impact materiality results

When determining the criteria to be used to consolidate CIE Automotive's assessments, the first step is to consider the assessments based on the internal work performed, the second step is to consider the assessments based on external sources, and the third step is to consider the final consolidation of both processes.

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Final consolidation of the assessments

Once the discrepancies identified between the internal and external assessments had been resolved, it was determined that the impact scores would be the average of the results obtained from the assessments by CIE Automotive and EY (the consultant CIE Automotive used for this assessment), with the exception of the impacts for which discrepancies were identified and for which it was decided to prioritise one assessment or the other.

The dual materiality study is the starting point for the sustainability reporting. Dual materiality is the result of the sum of two dimensions: on the one hand, the impact perspective, which takes into account the impact that the company's activity generates on the environment in which it operates, and on the other hand, the financial perspective, which considers how conditions external to the company affect its economic performance.

Accordingly, an issue will be considered material when it falls into one of the following three categories:

- **Material aspect from an impact perspective:** A sustainability issue is material from an impact perspective when it generates actual or potential positive or negative impacts on people or the environment in the short, medium or long term.
- **Material from a financial perspective:** A sustainability issue is material from a financial perspective if it produces, or could reasonably be expected to produce, financial impacts on the company (development, financial position, financial performance, cash flows, access to financing or cost of capital) in the short, medium and long term.
- **Material aspect from both perspectives:** A sustainability issue is material from both perspectives.

The final results of the dual materiality assessment are shown below in a table that shows, with an indication of which topics are material and their importance. In total, seven topics and one entity-specific disclosure topic have been identified.

defined.

		Impact		Finance				Impact		Finance	
Environment	E1 – Climate change	Climate Change Adaptation				Social	S1 – Own workforce	Working Conditions			
		Climate Change Mitigation						Equal treatment and opportunities for all			
		Energy						Other work-related rights			
	E2 – Pollution	Pollution of air					S2 – Workers in the value chain	Working Conditions			
		Pollution of water						Equal treatment and opportunities for all			
		Pollution of soil						Other work-related rights			
		Pollution of living organisms and food resources	NA	NA		Governance	G1 – Business Conduct	Corporate Culture			
		Substances of concern	NA	NA				Protection of whistle-blowers			
		Substances of very high concern	NA	NA				Animal Welfare consumers	NA	NA	
		Microplastics	NA	NA				Political engagement & lobbying activities			
	E3 – Water and marine resources	Water					Entity specific	Management of relationships with suppliers incl. payment practices			
		Marine resources	NA	NA				Corruption and bribery			
	E5 – Circular economy	Resource inflows, incl. resource use						Consumers and end users	Personal safety of users and end-consumers		
		Resource outflows related to products and services									
		Waste									

Material (critical)

Material (significant/meaningful)

Material (medium)

NA Not analyzed

Not Material

● Material (critical)	● Material (significant/meaningful)	● Material (medium)	NA Not analyzed	● Not Material

1.1.4.2 Minimum disclosure requirement (DR) of the policies and actions

1.1.4.2.1 DR – Policies MDR-P: Policies adopted to manage material sustainability matters

The policies adopted by CIE Automotive to manage material sustainability matters are discussed throughout the Sustainability Report in the relevant sections:

- 2.2.3.2. DR E1-2: Policies related to climate change mitigation and adaptation
- 2.3.3.1.2 DR E2-1: Policies related to pollution
- 2.4.1.2 DR E3-1: Policies related to water and marine resources
- 2.5.1.2 DR E5-1: Policies related to resource use and circular economy
- 3.1.2.1. DR S1-1 – Policies related to own workforce
- 3.2.2.1. ESRs S2-1 – Policies related to value chain workers
- 4.1.2.2. DR G1-1 – Corporate culture and business conduct policies and corporate culture

1.1.4.2.2 DR – Actions MDR–A: Actions and resources in relation to material sustainability matters

The actions and resources related to material sustainability matters adopted by CIE Automotive are addressed throughout the Sustainability Report in the corresponding sections:

- 2.2.3.3. DR E1-3: Actions and resources in relation to climate change policies
- 2.3.3.1.3 DR E2-2: Actions and resources related to pollution
- 2.4.1.3 DR E3-2: Actions and resources related to water and marine resources
- 2.5.1.3 DR E5-2: Actions and resources related to resource use and circular economy
- 3.1.2.2. DR S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
- 3.1.2.3. DR S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
- 3.1.2.4. DR S1-4 – Taking action on material impacts on own workforce, and approaches to managing risks
- 3.2.2.2. DR S2-2 – Processes for engaging with value chain workers about impacts
- 3.2.2.3. DR S2-3 – Processes to remediate negative impacts and channels for value chain workforce to raise concerns
- 3.2.2.4. DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
- 4.1.2.3. DR G1-2 – Management of relationships with suppliers
- 4.1.2.4. DR G1-3 – Prevention and detection of corruption and bribery

1.1.5 Metrics and targets
1.1.5.1 DR – Metrics MDR–M: Metrics in relation to material sustainability matters

The metrics related to material sustainability matters adopted by CIE Automotive are addressed throughout the Sustainability Report in the corresponding sections:

- 2.2.4. Metrics and targets
- 2.3.2 Metrics and targets
- 2.4.2 Metrics and targets
- 2.5.2 Metrics and targets
- 3.1.3. Metrics and targets
- 3.2.3. Metrics and targets
- 4.1.3. Metrics and targets

1.1.5.2 DR – Targets MDR–T: Tracking effectiveness of policies and actions through targets

The metrics related to material sustainability matters adopted by CIE Automotive are addressed throughout the Sustainability Report in the corresponding sections:

- 2.2.4. Metrics and targets
- 2.3.2 Metrics and targets
- 2.4.2 Metrics and targets
- 2.5.2 Metrics and targets
- 3.1.3. Metrics and targets
- 3.2.3. Metrics and targets
- 4.1.3. Metrics and targets

2. Environmental disclosures

2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

2.1.1 Compliance with the Climate Taxonomy Regulation (Regulation (EU) 2020/852)

CIE Automotive's business makes a decisive contribution to the decarbonisation of road transport because its parts can be used to manufacture zero-emission vehicles.

The climate taxonomy is a classification system of economic activities that breaks down the conditions of substantial contribution to attaining one or more of the six environmental objectives set by the European Union while doing no significant harm to the other five, in compliance with human rights and a series of minimum social safeguards defined by the ILO and the OECD.

Its main objective is to redirect economic investment flows towards decarbonisation ("Net Zero") through a dual action plan: helping financial sector companies decarbonise their portfolios, both in terms of assets and liabilities, and helping non-financial institutions (such as CIE Automotive) have greater opportunities to invest in technologies, products and services in line with the guidelines set out in the framework of the ecological transition.

An analysis of CIE Automotive's activity showed that its production processes, based on the application of various methodologies, fall under Spanish national economic activities code (CNAE) C29.3.2. Manufacture of components, parts and accessories for motor vehicles.

This economic activity is identified in Delegated Regulation 2023/2485 of 27 June 2023 under the environmental mitigation objective under code 3.18. Manufacture of automotive and mobility components, defined as follows:

*Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts as defined in Article 3, points (18) to (21) and (23) of Regulation (EU) 2018/858 of the European Parliament and of the Council, type approved, designed, and constructed for use only in vehicles and buses of category M1, M2, M3, N1, N2 and N3, and in Article 3, points (15) to (18) and (21) in Regulation (EU) No 168/2013 of the European Parliament and of the Council*2, type approved, designed, and constructed for use only in vehicles of category L meeting the criteria set out in this Section and which are essential for delivering and improving the environmental performance of the vehicle.*

Consequently, as stated in Article 5 of Delegated Regulation 2023/2486 of 27 June 2023, the 2023 financial year was the first reporting year for this activity and therefore it was only mandatory to report on its eligibility, with the 2024 financial year being the first reporting year for alignment.

In addition, to comply with the requirements of the Regulations, a materiality analysis of the three indicators (turnover, CAPEX and OPEX) it was also carried out for the other activities described in the Regulations as follows.

Turnover

The key turnover indicator is calculated as the proportion of the company's revenues derived from eligible activities (numerator) over its total revenues (denominator). This revenue corresponds to revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

For 2024, CIE Automotive, S.A.'s eligibility indicator for revenue from CNAE activity code 3.18 was 14.17% (EUR 561,084 thousand in sales). This percentage was obtained by allocating each automotive part manufactured by each plant to each of the world's existing vehicle manufacturing platforms. To obtain the percentage of electric vehicles produced by all platforms, CIE Automotive uses information reported by *IHS Markit*, one of the world's largest global analyst firms in the industrial world, with a strong presence in the automotive industry. This company reports the percentage of pure electric vehicles manufactured globally by each platform, so that CIE Automotive was able to estimate, based on this data and its sales to each platform, the volume of its business linked to zero-emission vehicles

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CAPEX

This indicator is calculated as the ratio of fixed assets invested in eligible economic activities (numerator) to total assets acquired in 2024 (denominator). That denominator (total CapEx) is obtained as the additions to tangible and intangible assets before depreciation, amortisation, revaluations and impairments excluding changes in fair value. It also includes additions resulting from business combinations. Thus, total CAPEX covers costs that are accounted for in accordance with certain items of IAS 16, IAS 38, IAS 40, IAS 41 and IFRS 16. In 2024, the CIE Automotive Group's total CAPEX amounted to EUR 282,113 thousand.

Regarding activity 3.18. Manufacture of automotive and mobility components, the total CAPEX was EUR 105,541 thousand. This amount is the result of work carried out under the direction of the corporate Controlling and Tax department, divided into two parts:

- First, the investment items were identified on a plant-by-plant basis using a homogeneous model and structure for the entire Group.
- Second, each line item under CapEx was linked with each of the existing vehicle manufacturing platforms in the world, using the same procedure that was used to identify the sales. In other words, it is cross-checked with the information extracted from the *IHS Markit* platform mentioned above.

In addition, in order to comply with the requirements of the Regulation, the analysis of the rest of the taxonomic activities has been carried out, with the aim of identifying whether there is CAPEX linked to other activities other than the main activity previously mentioned (3.18). Specifically, CAPEX associated with activities 7.3 Installation, maintenance and repair of energy efficient equipment and 7.6 Installation, maintenance and repair of renewable energy technologies has been identified. We conclude that this is close to 0% and therefore we have not proceeded to assess their alignment, focusing our calculation of eligible and aligned CAPEX on the main activity.

OPEX

This indicator is defined as the ratio of taxonomic eligible OPEX (numerator) to total taxonomic OPEX (denominator). This denominator reduces total operating expenses to non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of tangible fixed assets by the company or a third party to whom activities are outsourced and that are necessary to ensure the continuous and efficient operation of these assets.

In 2024, the CIE Automotive Group's total taxonomic-eligible OPEX amounted to EUR 58,210 thousand, which represents 1.6% of the CIE Automotive Group's total OPEX in 2024 (EUR 3,551 million). Therefore, the taxonomic OpEx is considered non-material and, in accordance with section 1.1.3.2 of Annex I of the Delegated Regulation of 6 July 2021, the numerator of the indicator is reported as 0 and the denominator is also reported.

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2.1.2 Table of Annex II Delegated Regulation (EU) 2021/2178

Material contribution criteria										Do no significant harm criteria ("Do No Significant Harm")									
Economic activities	Code	Turnover [thousands of €]	2024 turnover proportion	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of turnover conforming to taxonomy (A.1) or eligible under taxonomy (A.2), 2023	Enabling activity category	Transition activity category
ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (complying with the taxonomy)																			
Manufacture of automotive and mobility components	CCM 3.18	561,084	14.17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Turnover from environmentally sustainable activities (which comply with the Taxonomy) A.1.		561,084	14.17%	14.17%	0	0	0	0	0										
Of which: enabling		561,084	14.17%	14.17%	0%	0%	0%	0%	0%									E	
Of which: transition		0	0%	0%															
A.2. Eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy)																			
Manufacture of automotive and mobility components	CCM 3.18	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.43%		
Turnover from eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy) A.2.		0	0%	0%	0%	0%	0%	0%	0%								13.43%		
A. Turnover from ineligible activities according to the Taxonomy (A.1. + A.2.)		561,084	14.17%	14.17%	0%	0%	0%	0%	0%								13.43%		
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
Turnover from ineligible activities according to the taxonomy		3,399,471	85.83%																
Total A + B		3,960,555	100%	Note: FY2023 was the first reporting year for this activity and therefore only eligibility reporting was mandatory, with FY2024 being the first reporting year for alignment.															

Note: FY2023 was the first reporting year for this activity and therefore only eligibility reporting was mandatory, with FY2024 being the first reporting year for alignment.

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Material contribution criteria										Do no significant harm criteria ("Do No Significant Harm")									
Economic activities	Code	Absolute CapEx [thousands of €]	2024 proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx conforming to taxonomy (A.1) or eligible under taxonomy (A.2), 2023	Enabling activity category	Transition activity category
ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (complying with the taxonomy)																			
Manufacture of automotive and mobility components	CCM 3.18	105,541	37.41%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Total CapEx of environmentally sustainable activities (which comply with the Taxonomy) A.1.		105,541	37.41%	37.41%	0%	0%	0%	0%	0%										
Of which: enabling		105,541	37.41%	37.41%	0%	0%	0%	0%	0%									E	
Of which: transition		0	0%	0%															
A.2. Eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy)																			
Total CapEx from eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy) A.2.		0	0%	0%	0%	0%	0%	0%	0%										
A. CapEx from ineligible activities according to the taxonomy (A.1. + A.2.)		105,541	37.41%	37.41%	0%	0%	0%	0%	0%										
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
Total CapEx of activities not eligible under the taxonomy		176,572	62.59%	<i>Note:</i> CAPEX information for the year 2023 is not included because the calculation methodology has been revised and therefore the information is not comparable. Comparison will be included from next years onwards.															
Total A + B		282,113	100%																

Note: CAPEX information for the year 2023 is not included because the calculation methodology has been revised and therefore the information is not comparable. Comparison will be included from next years onwards.

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Material contribution criteria										Do no significant harm criteria ("Do No Significant Harm")									
Economic activities	Code	Absolute OpEx [thousands of €]	2024 proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of OpEx conforming to taxonomy (A.1) or eligible under taxonomy (A.2), 2023	Enabling activity category	Transitional activity category
ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (complying with the taxonomy)																			
Total OpEx of environmentally sustainable activities (which comply with the Taxonomy) A.1.		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which: enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which: transition		0	0%	0%	0%	0%	0%	0%	0%								0%		
A.2. Eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy)																			
Total OpEx from eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy) A.2.		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx from ineligible activities according to the taxonomy (A.1. + A.2.)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																			
Total OpEx of activities not eligible under the taxonomy		58,210	100%																
Total A + B		58,210	100%																

2.2 Climate change (ESRS EI)

2.2.1 Governance

2.2.1.1 DR related to ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes

EI-GOV-3-13	<i>The undertaking shall disclose whether and how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies, including if their performance has been assessed against the GHG emission reduction targets reported under Disclosure Requirement EI-4 and the percentage of the remuneration recognised in the current period that is linked to climate related considerations, with an explanation of what the climate considerations are.</i>

As stated in the response to *ESRS 2-GOV-3-29 a)*, the company has an incentive scheme for senior management linked to sustainability issues. Sustainability at CIE Automotive has been measured through compliance with the objectives and indicators of the ESG 2025 Strategic Plan, which include climate-related considerations, including, among others, the GHG emissions reduction targets reported under Disclosure Requirement EI-4.

In 2024, the proportion of variable remuneration dependant on sustainability-related targets or impacts was 10% of total incentives, which are a percentage of gross remuneration, with the percentage varying according to the responsibilities of each member of senior management.

The bonuses related to sustainability goals or impacts include climate considerations, with their weigh varying according to the responsibility of each member of senior management

2.2.2 Strategy

2.2.2.1 DR EI-1: Transition plan for climate change mitigation

EI-1-14 AR 1	<i>The undertaking shall disclose its transition plan for climate change mitigation.</i>

In 2021, CIE Automotive published its Strategic Plan, which contains both an operational part and an Environmental, Social and Governance (ESG) part, and was published under the name "2025 ESG Strategic Plan".

The environmental part of the plan is periodically reviewed by the Group's Engineering, Quality and Environment department. This review is included in the **Environmental Management Plan**, with the following aspects reviewed in the 2024 edition:

- The Group's governance regarding the environment, in particular, climate change, including reporting of environmental performance issues.
- A dependency analysis of the Impacts, Risks and Opportunities (IROs), with a focus on resilience analysis. The dependencies follow the approach of the Carbon Disclosure Project (CDP), which is part of the double materiality analysis, showing the dependencies that the company has on the various factors. This analysis includes:
 - o Management of IROs
 - o Analysis procedure
 - o Risks and opportunities
 - Transition climate IROs.
 - Physical climate IROs.
 - Circularity.
 - Pollution.
 - Water.
- Targets and metrics
 - o Short term.
 - o Medium term.
 - o Net-Zero.
 - o Tracking.
- Emissions by region and technology

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- CIE Automotive's response
 - o CIE Automotive's Model.
 - o Flexibility.
 - o Resilience.
 - o *Supply Chain Race2Zero* project.
- Action Plan:
 - o Levers.
 - o Projects.
 - o Blocked assets.
 - o Metrics.
 - o Performance indicators.

In December 2022 CIE Automotive committed to set targets within 24 months, aligned with limiting global warming to 1.5°C in line with the Paris Agreement and the EU's 2050 net-zero target, based on science.

By 2024, the company fulfilled this commitment by joining the 235 companies in the automotive and parts sector with targets approved by the *Science Based Targets initiative* (SBTi). As of 11 December 2024, of these 235 companies, only 35 (including CIE Automotive) have targets aligned with both 1.5°C and climate neutrality targets (Net Zero).

This 2024 **Environmental Management Plan** is in line with the structure of a transition plan.

<i>EI – 1 – 16 a)</i> <i>AR 2</i>	<i>The information required by paragraph 14 shall include: (a) by reference to GHG emission reduction targets (as required by Disclosure Requirement EI-4), an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement</i>

The *Science Based Targets initiative* (SBTi) has validated that the science-based greenhouse gas emission reduction targets presented by CIE Automotive are in line with its criteria and recommendations. The SBTi classified the company's scope 1 and 2 targets as being in line with the 1.5°C trajectory.

In this regard, CIE is committed to:

- Overall Net-Zero Target: to meet the net-zero target for greenhouse gas emissions across the Value Chain by 2050.
- Short- to medium-term targets: to reduce its absolute Scope 1 and 2 GHG emissions by 57.9% by 2033 from base year 2021. In addition, CIE Automotive is committed to reducing its absolute Scope 3 GHG emissions by 54.6% by 2033 from 2021 as a base year.
- Long-term targets: to reduce its absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050 from 2021 as a base year.

In addition, CIE Automotive is pursuing the objectives set out in its ESG Strategic Plan, which fall due in 2025 and that are incorporated into the plan to achieve its commitment to limit global warming to 1.5°C in line with the Paris Agreement.

	Objective Cumulative 2021-2025	Compliance, 2024 vs. 2023	Cumulative Compliance, 2021-2024
Reduction of energy consumption intensity within the organisation			
– Reduction of energy consumption (electricity)	-8.24%	2.5%	-15.37%
– Reduction of energy consumption (gas)			
Reduction of direct (Scope 1) GHG emissions	-8.24%	5.69%	-8.76%
Reduction of indirect (Scope 2) GHG emissions generating energy	-21.55%	-2.57%	-40.25%
Reduction of intensity of direct and indirect (Scopes 1+2) GHG emissions	-12.55%	-0.18%	-44.76%
Decrease the total amount of waste generated and not recycled	-5%	17%	-19%
Reduce the intensity of water abstraction	-2%	3%	-14%

As indicated under *EI-1-14*, these targets are part of the environmental management plan in line with the structure of a transition plan.

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EI – 1 – 16 b)	<i>The information required by paragraph 14 shall include: (b) by reference to GHG emission reduction targets (as required by Disclosure Requirement EI-4) and the climate change mitigation actions (as required by Disclosure Requirement EI-3), an explanation of the decarbonisation levers identified, and key actions planned, including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain</i>

Key levers and projects were identified in the Environmental Management Plan that will help achieve the targets and objectives mentioned in the previous points and in that plan.

Adopt technologies to attain:

- Reduced energy and raw material consumption:
 - o Ecodesign with a product and process approach.
 - o Efficiency through Industry 4.0 technologies.
- Switch to natural gas from non-renewable sources such as:
 - o Induction.
 - o Oxy-combustion.
 - o Use of biogas.
 - o Electrification.
 - o Use of green hydrogen.
- Use of secondary or recycled materials:
 - o Steel.
 - o Aluminium.
 - o Technical or decorative plastics.
 - o Chemical bonding elements.
 - o Fabrics.

Supply Chain Race2Zero project, to work together with the value chain to ensure its alignment, consulting and training.

Digitilization of the environmental data management process and connection with the Value Chain.

Launch of Product Carbon Footprint analysis to identify opportunities and actions for more effective impact reduction.

The action plan for decarbonisation and guidelines to be implemented throughout the period up to the target date of 2033 have also been communicated to the Group's various plants:

- Eco-design.
- Improve gross-to-net weight ratio.
- Industry 4.0.
- Waste reduction.
- Eco-efficiency.
- Renewable electricity (where available)
- Replacement of forklifts.
- Fleet electrification.
- Applicability study for photovoltaic installations.

Similarly, CIE Automotive's strategic plan has already envisaged pillars to address changes in the products and technologies the Group offers:

- Electrification: actively working to incorporate parts designed for electric and electrified vehicles.
- Internationalization, as a key to flexibility and resilience.
- Comfort, as a key trend in electric, autonomous and connected vehicles, where user experience plays a main role. Increasing actions to promote the products supplied in this area.
- Industry 4.0 as a fundamental to resource efficiency and a lever for competitiveness.
- CIE Culture. A solid foundation of flexibility, resilience, commitment to people and their environment.
- Ethical commitment.
- Eco-efficiency for managing all our resources and assets.
- Active listening.

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EI – 1 – 16 c)	<i>The information required by paragraph 14 shall include: (c) by reference to the climate change mitigation actions (as required by Disclosure Requirement EI-3), an explanation and quantification of the undertaking's investments and funding supporting the implementation of its transition plan, with a reference to the key performance indicators of taxonomy-aligned CapEx, and where relevant the CapEx plans, that the undertaking discloses in accordance with Commission Delegated Regulation (EU) 2021/2178.</i>

As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures given are for the Strategic Plan as a whole and not just for one action or just for the environment area.

EI – 1 – 16 d) AR 3	<i>The information required by paragraph 14 shall include: (d) a qualitative assessment of the potential locked-in GHG emissions from the undertaking's key assets and products. This shall include an explanation of if and how these emissions may jeopardise the achievement of the undertaking's GHG emission reduction targets and drive transition risk, and if applicable, an explanation of the undertaking's plans to manage its GHG-intensive and energy-intensive assets and products.</i>

As part of the analysis carried out, the assets and products with the greatest difficulty in decarbonisation were identified.

With regard to Scope 1 emissions, the main assets are furnaces that use natural gas as their base energy. As explained under EI-1-16b, one of the levers and projects that have been launched are linked to this point, with the objective of eliminating this decarbonisation barrier, as perfectly identified lines that aim to provide a solution to this problem in the medium and long term. The phased introduction of the following technologies is explained above:

- Induction.
- Oxy-combustion.
- Use of biogas.
- Electrification.
- Use of green hydrogen.

CIE Automotive's strategy is based on using generic means, which means that no high risk was identified on the product side. This is one of the strengths of the Group's flexible model and its position as a provider of technologies and processes to systems suppliers.

While the analysis of the use phase category for scope 3 emissions was included for this year (2024), CIE Automotive is a technology provider, which means the OEMs are the ones that are responsible for reducing use phase emissions and defining their product sales mix.

CIE Automotive helps reduce this category by aligning its value chain to achieve decarbonisation of the fleet of vehicles sold. However, it has almost no relevant participation or influence in this category.

EI – 1 – 16 e) AR 4	<i>The information required by paragraph 14 shall include: (e) For undertakings with economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation, an explanation of any objective or plans (CapEx, CapEx plans, OpEx) that the undertaking has for aligning its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139.</i>

As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above.

EI – 1 – 16 g)	<i>The information required by paragraph 14 shall include: (g) A disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks.</i>

CIE Automotive is not excluded from the European Union's Paris Agreement Benchmarks.

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<i>E1 – 1 – 16 h)</i>	<i>The information required by paragraph 14 shall include: (h) An explanation of how the transition plan is embedded in and aligned with the undertaking's overall business strategy and financial planning.</i>

The above points have described the overlap between the company's Environmental Management Plan and its Strategic Plan, as well as the fact that the 2024 Environmental Management Plan is in line with the structure of a transition plan.

The Environmental Management Plan arose, in essence, from the revision of the 2025 Strategic Plan and is therefore fully integrated and aligned with it, with the strategic lines being especially oriented towards facing the challenges generated at a global level, in the automotive sector and in the automotive components sector. In these areas, the fight against climate change is key and the source of many of the changes in which the sector is involved. This is why the financing of the strategic plan contemplates and integrates the lines mentioned in the previous points.

<i>E1 – 1 – 16 i)</i>	<i>The information required by paragraph 14 shall include: (i) Whether the transition plan is approved by the administrative, management and supervisory bodies.</i>

The Environmental Management Plan was presented to CIE Automotive's ESG Committee under CIE Automotive's *ESG Roadmap* in the first quarter of 2024, after being submitted to, and accepted by, the company's CEO.

<i>E1 – 1 – 16 j)</i>	<i>The information required by paragraph 14 shall include: (j) An explanation of the undertaking's progress in implementing the transition plan.</i>

The Environmental Management Plan has a long-term horizon. However, projects have already been launched that are associated with key levers such as:

- Furnace project.
- Project to digitalise the environmental data management process.
- Materials project, focusing on sustainable materials.
- *Supply Chain Race2Zero* project.
- Launch of global guidelines.
- Launch of Product Carbon Footprint Calculation.

As mentioned under E1-1-16a, there is already significant progress in reducing our environmental impact as measured by the indicators shown in the table under that standard.

In addition, the engineering division has achieved the objectives of the following indicators:

- Implementation of Industry 4.0 initiatives
- Circularity projects

In turn, the project to improve the ratio between the gross and net weight of key projects is one of the actions in the plan that has a cross-cutting impact on various objectives and targets, as explained under E1-3-28 and E1-4-32, with excellent progress during the period.

2.2.2.2 DR related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

<i>ESRS 2 – SBM-3 – 18</i>	<i>The undertaking shall explain for each material climate-related risk it has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.</i>

The climate risks the group is exposed to and that were assessed in the course of drawing up its risk map are listed below:

Climate-related transition risks

1. Market risk (as a weighting of the following risks)
 - a. Margin risks: It falls under climate change adaptation and climate change mitigation.
 - b. Product mix risks: It falls under climate change adaptation and climate change mitigation.
 - c. Location risks: It falls under climate change adaptation and climate change mitigation.
 - d. Investment risks: It falls under climate change adaptation, climate change mitigation and energy.
2. Technology risk (as a weighting of the following risks)
 - a. Technological risks: It falls under climate change adaptation and climate change mitigation.
 - b. Manufacturing process risks: It falls under climate change adaptation and climate change mitigation.
 - c. Supply chain risks: It falls under climate change adaptation and climate change mitigation.
3. Political and legal risks: It falls under climate change adaptation, climate change mitigation and energy.

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4. Reputational risks: It falls under climate change adaptation, climate change mitigation and energy

Physical climate risks

5. Acute physical risks: Under climate change adaptation and climate change mitigation.
- a. Increased water accumulation in rainy periods.
 - b. River flooding.
 - c. Increased heat index.
 - d. Water scarcity.
6. Chronic physical risks: It falls under climate change adaptation and climate change mitigation.
- a. Average temperature increase.
 - b. Increase in the number of extremely hot days.
 - c. Threat to the state of ecosystem services.
 - d. Increased droughts.
 - e. Decreased precipitation.
 - f. Fewer rainy days.

ESRS 2 – SBM-3- 19 a) AR 6	<i>The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include: (a) the scope of the resilience analysis.</i>

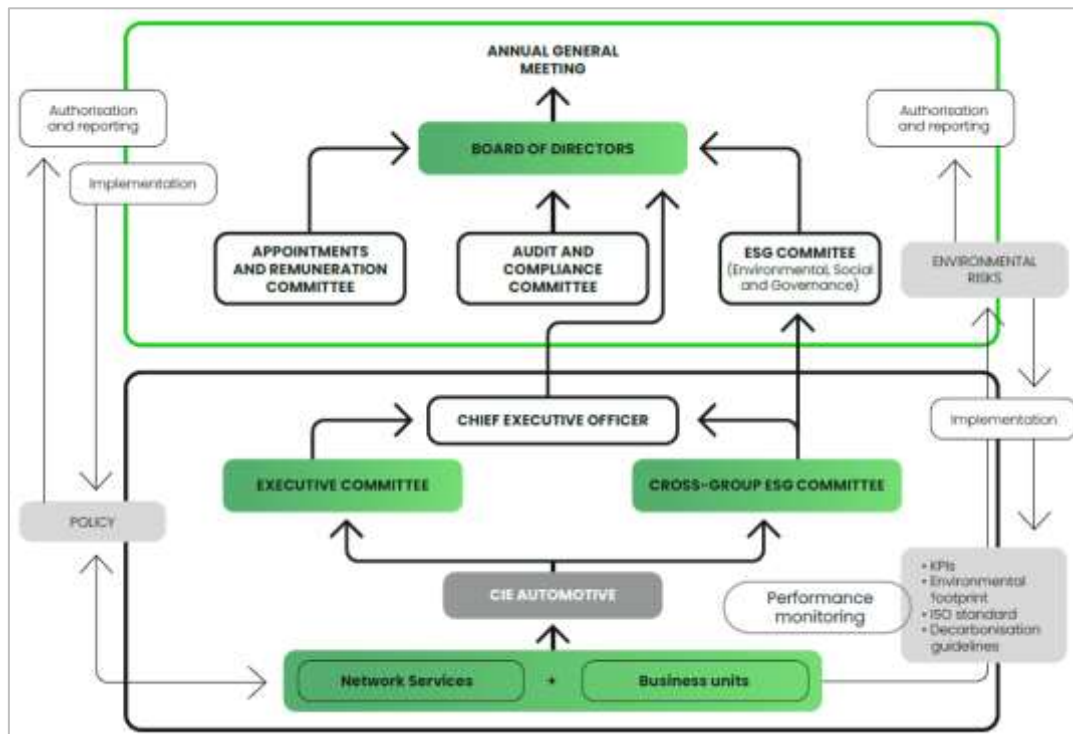
The resilience analysis is based on external and internal analyses, including of the management model and business strategy. This is all part of the dependency and impact analysis supporting the analysis of risks and opportunities. As noted above, the dependencies follow the approach of the Carbon Disclosure Project (CDP), which is part of the double materiality analysis, showing the dependencies that the company has on the various factors. The internal analysis seeks to study how the company is progressing and the various aspects that condition it internally, and the external analysis looks at how the external context is evolving with a value chain approach and how the company depends on both analyses for its development. This process covers all of CIE Automotive's locations, technologies and divisions, as mentioned with the inclusion of the value chain. The Group's sensitivity and adaptation and its ability to take mitigation measures demonstrate its resilience.

ESRS 2 – SBM-3-19 b) AR 7a and AR 13	<i>The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include: (b) how and when the resilience analysis has been conducted, including the use of climate scenario analysis as referenced in the Disclosure Requirement related to ESRS 2 IRO-1 and the related application requirement paragraphs.</i>

The Group's resilience and impacts, risks and opportunities (IROs) are analysed together. This way the analysis is done in a single process, whether for general analyses, related to climate change, or for other areas such as water resources. To this end, additional features are added to the climate change analysis, such as proactivity in the study, including tools such as an analysis of vulnerability, sensitivity and adaptation plans or actions.

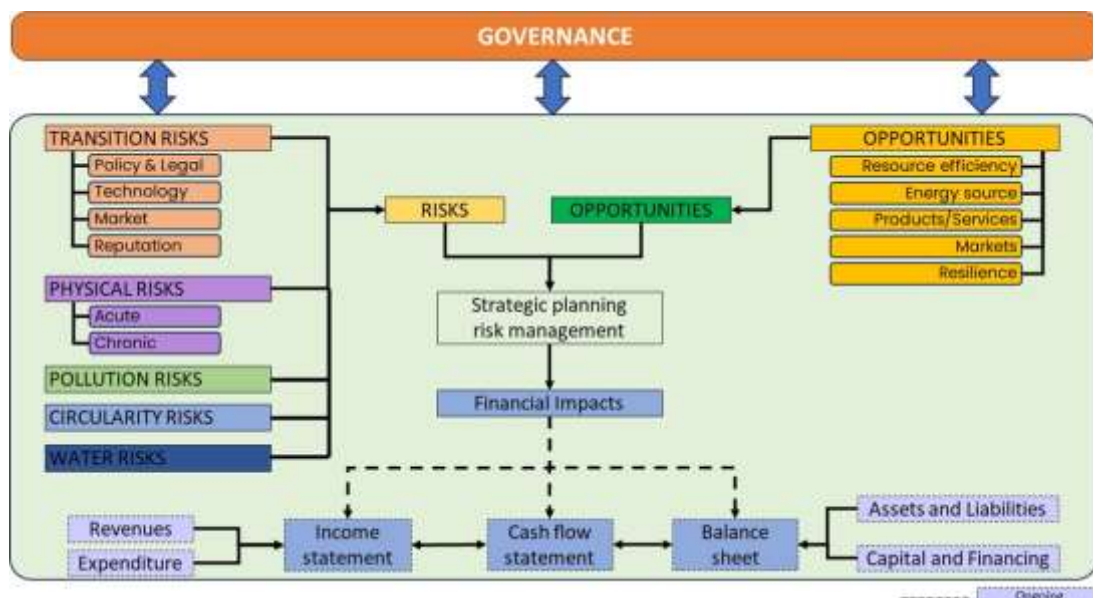
One of the reasons for pursuing a single analysis model is the high-level integration with the overall process (ESRS E1) which is described in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*.

For the entire environmental domain, in particular, the process of risk and opportunity analysis and resilience is explained below. The process is fully integrated in the Group, with levels involved from the General Meeting to the operating units, as shown in the illustration below:



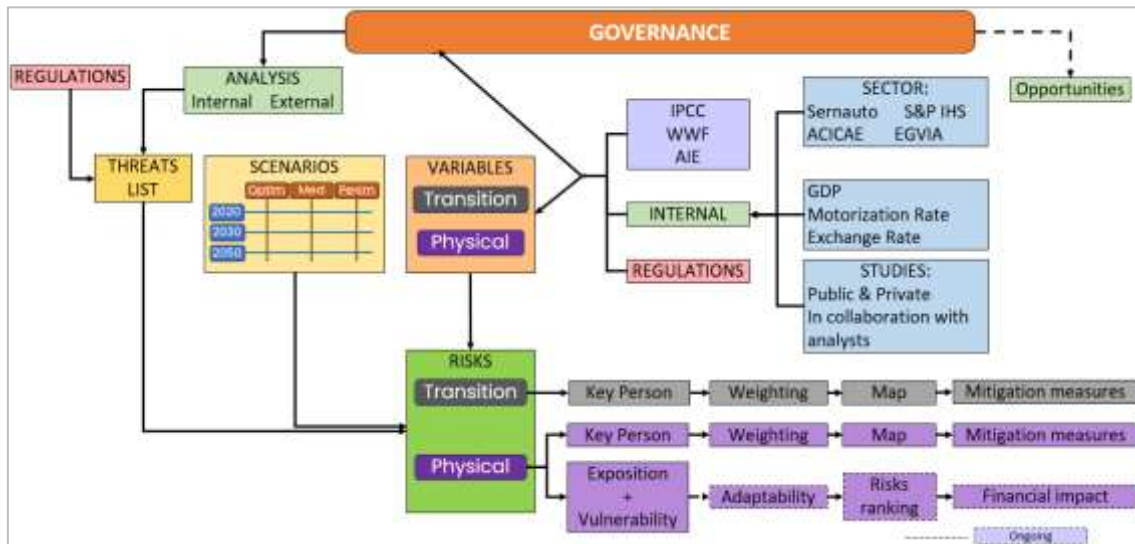
The chart illustrates the environmental governance system, which includes setting and implementation of policies, environmental and climate risk management, tracking and implementation of measures, and mitigation actions through indicators and monitoring tools. It shows how all levels of the company are involved, from the General Meeting to the Operating Units.

The details of the system and duties are set out in the Regulations of the Board and the Committees, including the ESG Committee, which are posted on the company's website in the Corporate Governance section. This governance model will appear as the top layer in the climate risk management discussed in detail below.



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The resilience analysis begins with a study of vulnerabilities which is fed by the above external and internal analysis, in which quantitative and qualitative variables are considered, and this process yields, among other concepts, the threats that need to be assessed. This is shown in the following illustration:



The threat and impact selection process are based on the analysis of quantitative data, such as vehicle productions and sales in all regions in the short, medium and long term provided by S&P IHS, motorisation rates, and GDP per country or the evolution of different types of vehicle propulsion. Public and private quantitative studies are also analysed, along with those from sectoral entities such as EGVA, SERNAUTO or ACICAE.

This reflects the impacts and dependencies between the forces stemming from trends, macroeconomic policies, energy use and mix, and technological assumptions.

This process has been evolving over several years and is part of reviewing the 2025 Strategic Plan. It was re-launched in 2024 and is contrasted with the results of the process explained in *ESRS 2 IRO-1*.

To make the analysis more robust, various time horizons and climate scenarios have been included:

Three climate scenarios:

- Optimist: Based on the representative concentration pathway RCP2.6 and shared socioeconomic pathway SSP1 in line with the Intergovernmental Panel on Climate Change (IPCC).
- Current trend: Based on RCP4.5 and SSP2 pathway in line with the IPCC.
- Pessimist: Based on RCP7.0 and SSP3 pathway in line with the IPCC.

The Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) are frameworks developed by the Intergovernmental Panel on Climate Change (IPCC) to model future climate change.

- Representative Concentration Pathways (RCPs): These are greenhouse gas emission scenarios based on different concentrations of CO₂ in the atmosphere until 2100. The main ones are RCP2.6, RCP4.5, RCP6.0 and RCP8.5, where higher numbers indicate higher levels of emissions and global warming.
- Shared Socioeconomic Pathways (SSPs): These represent various global socioeconomic futures (e.g. economic growth, climate policies, inequality) that affect mitigation and adaptation capacity. They are combined with the RCPs to generate more realistic projections of climate change.

And three time horizons:

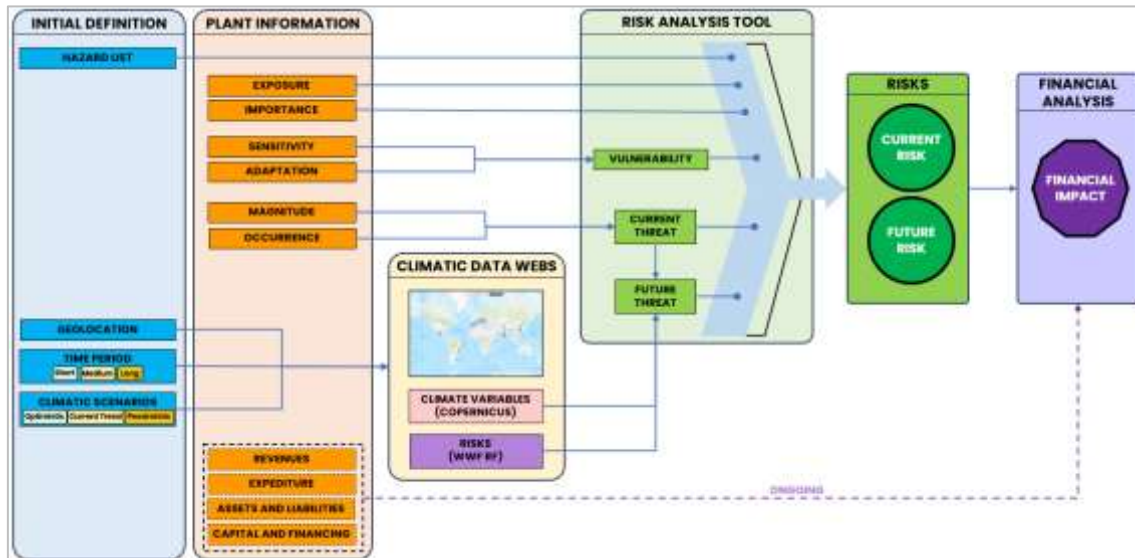
- Current or short term (2020–25).
- Medium term (2030).
- Long term (2050).

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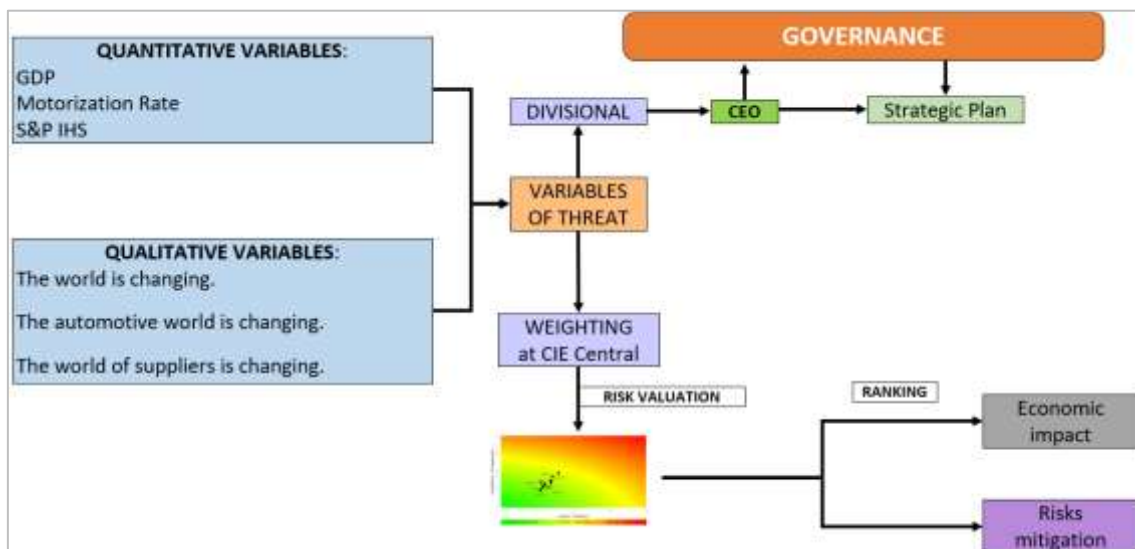
In the current or short-term horizon, the current year 2024 is not indicated, but rather a period 2020-2025, given that many of the variables and parameters are not accessible for 2024, or are not accessible in 2024 in all geographical areas, therefore the closest data to 2024 that is accessible in all geographical areas is used, and in the worst case it can refer to 2020.

For **physical climate IROs** (including those associated with water and marine resources), a more detailed study is performed with a greater level of detail for chronic and acute risks, taking into account the GPS positioning of CIE Automotive's various production plants.

The complete process is shown in the following chart:



For the grouped **physical risks**, as in the case of **transitional climate risks**, pollution, circularity and the qualitative part of the water-related risks (mainly potential pollution, materiality and financial impact) the process is different, as it is not linked as closely to the physical location of the production plants and is explained in the following chart:



This approach has the advantage of also assessing risk from an economic point of view. This assessment is based on surveys sent to key people in the organisation.

In this case, the climate scenarios are based on the evolution of the price of carbon rights according to the International Energy Agency (IEA). The criteria for the selection of scenarios is more aligned with the objective of also looking for economic impacts.

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Three climate scenarios:

- Stated Policies Scenario (STEPS): this scenario reflects not only current policies, but also policy plans announced to date. It focuses only on initiatives that have already been announced, highlighting the consequences of current decisions, without speculating on possible future changes.
- Announced Pledges Scenarios (APS): this shows the extent to which the stated targets and ambitions can reduce emissions to achieve carbon neutrality by 2050. It includes all recent national announcements up to August 2024, both 2030 targets and long-term commitments, regardless of whether they are backed by legislation. It assumes that countries will meet their targets on time, which will influence global demand for fossil fuels and clean energy.
- Net Zero Emissions Scenario: this is a policy scenario showing a pathway for the global power sector to achieve net zero CO₂ emissions by 2050, with advanced economies reaching this target earlier. It also meets key sustainable development goals, such as universal energy access by 2030 and significant improvements in air quality. This scenario is consistent with limiting global temperature increase to 1.5°C, according to the IPCC's Sixth Assessment Report.

And three time horizons:

- Current or short term (2020-25).
- Medium term (2030).
- Long term (2050).

As can be seen in the various graphs, the financial impact is envisaged to be concluded as a future step, although initial estimates are currently being made. It should be noted that the financial data shown below were obtained from these surveys sent to key personnel, which subjectively assess the risk and its economic impact. Therefore, there is no reconciliation to relevant items or notes in the company's published financial statements.

As can be seen, the vulnerability part is followed by the adaptability analysis part. The mitigation plan entails linkage with metrics for monitoring and continuously correcting the actions and the plan according to its evolution. This exercise is therefore reviewed on a regular basis.

Of course, as mentioned above, this process is shown to be integrated with the analysis of impacts, risks and opportunities (IROs). This aspect will therefore be addressed below under *ESRS 2 - IRO-1 - 20 a-c* and *ESRS 2- IRO-1 - 21*.

ESRS 2 - SBM-3- 19 c) AR 8a and 8b	<i>The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include: (c) the results of the resilience analysis including the results from the use of scenario analysis.</i>

The climate risks the group is exposed to and that were assessed in the course of drawing up its risk map are listed below:

Climate-related transition risks

1. Market risk (as a weighting of the following risks):
 - a. Margin risks (RS06.10).
 - b. Product Mix Risks (RS06.4).
 - c. Location risks (RS06.12).
 - d. Investment risks (RS06.11).
2. Technology risk (as a weighting of the following risks):
 - a. Technological risks (RS06.2).
 - b. Manufacturing process risks (RS06.3).
 - c. Supply chain risks (RS06.9).
3. Political and legal risks (RS06.1).
4. Reputational risks (RS06.5).

Physical climate risks

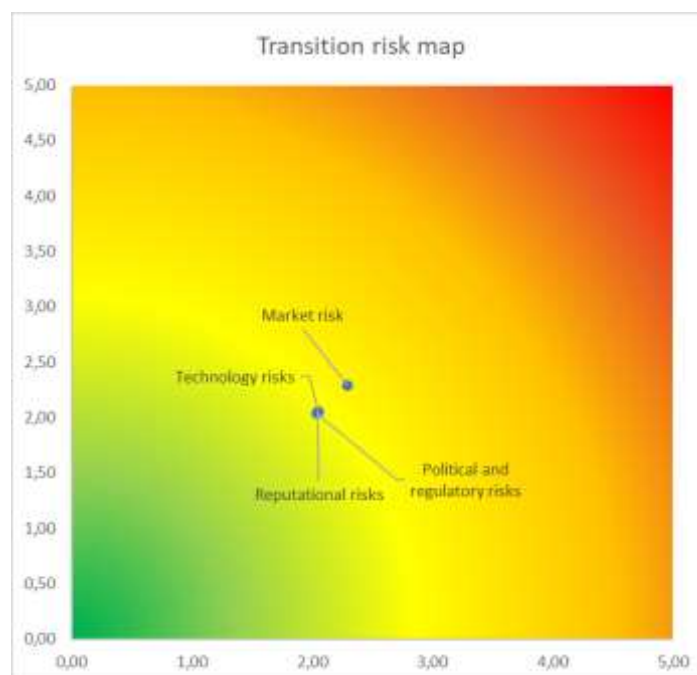
5. Acute physical hazards (RS06.6):
 - a. Increased water accumulation in rainy periods.
 - b. River flooding.
 - c. Increased heat index.
 - d. Water scarcity.

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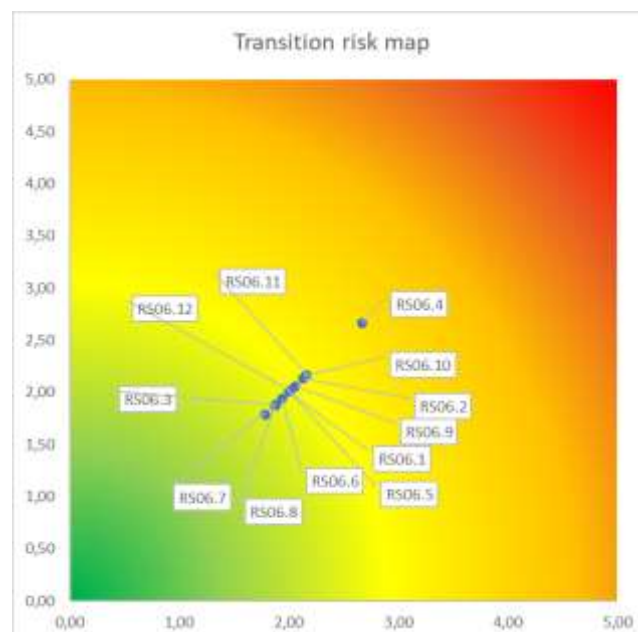
6. Chronic physical risks (RS06.7):
 - a. Average temperature increase.
 - b. Increase in the number of extremely hot days.
 - c. Threat to the state of ecosystem services.
 - d. Increased droughts.
 - e. Decreased precipitation.
 - f. Fewer rainy days.

Regarding the transition risks, none of them in any of the scenario and time horizon combinations has a risk higher than 3 (medium). The highest risk occurs in the product mix risk in 2050, in conjunction with the Net Zero Emissions scenario, with a value of 2.8. There is also no risk with a probability greater than 3 out of 5.

This heat map illustrates the transition risks projected for the year 2050 under the APS (Announced Pledges Scenario). The y-axis represents the risk level, while the x-axis indicates the probability of occurrence.

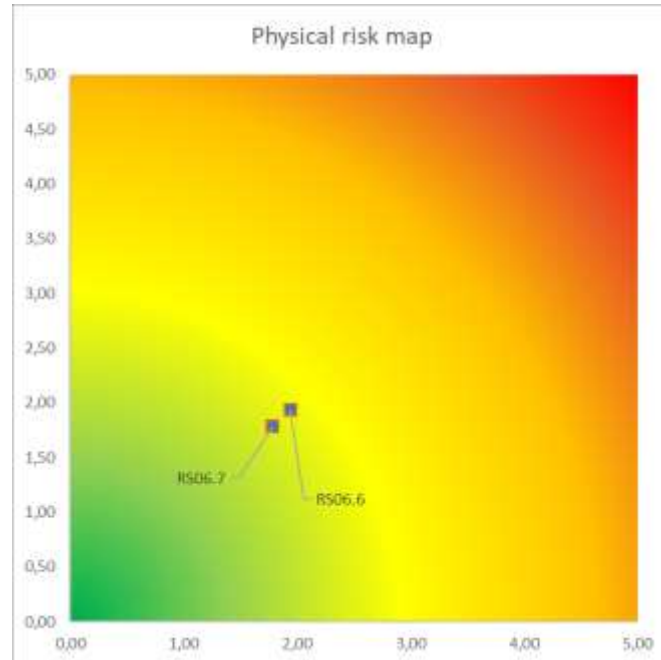


If the risks are broken down:



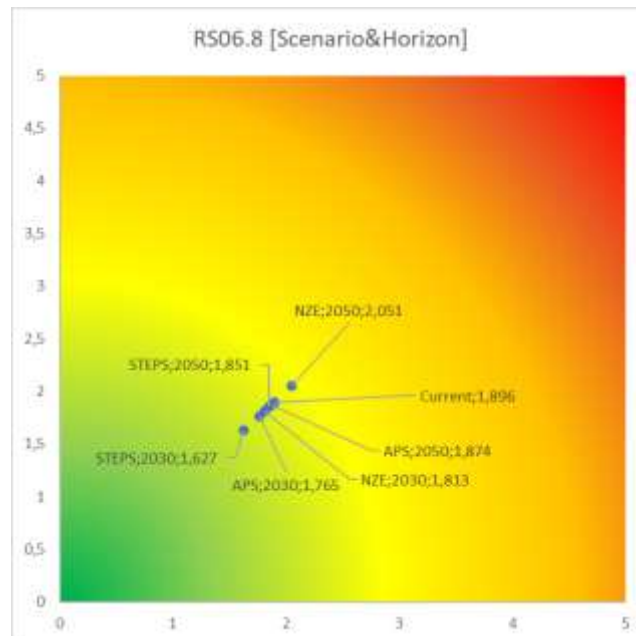
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In the case of physical risks, a double analysis has been carried out, the first based on the same methodology as the rest of the risks. In this way, economic impacts can be obtained, albeit quantitatively, by assessing the impact in terms of EBITDA. The results of this first simple analysis are shown in the following graph, grouped together. The detailed analysis of physical risks, with their specific methodology, is detailed later in this section:



In addition, as an example of how the outcome of the scenario analysis affects the level of risk, the following illustration shows the evolution of transition risk RS06.4 (market mix risk) as a function of the scenario and the time horizon.

The following graph shows Risk RS06.8 (water stress risk) and its evolution in the various scenarios and time horizons.



To support the nomenclature of the graphs, the risks have previously been classified according to a coding. For example, RS06.8 is the risk of water stress. In "STEPS;2050;1.851", "STEPS" refers to the scenario used in that point, "2050" to the time horizon and "1.851" to the value of that point in risk level.

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For physical risks, the assessment process was done with a more detailed analysis. It is based on the OCARA methodology, in which the analysis carried out is detailed at the level of each relevant process affecting each of the locations.

The *Outil de Cartographie des Risques et des Attaques* (OCARA) methodology is a French approach designed for risk analysis in information systems. It is based on mapping risks and attacks to identify and assess threats to critical assets. This was then supplemented with the methodological approaches proposed by the IPCC and the French Ecological Transition Agency. This methodology divides the company's environment into scopes, with Scope A being the most internal and Scope B involving external elements. Within each scope, an exhaustive analysis is made of each macro-process that the company carries out in the course of its business. Then they are broken down to a higher level of detail which are the processes, which are shown in the following table, divided into scope A and scope B.

This methodology ensures that all of the processes and aspects arising in the company's activity are taken into account with a value chain approach.

Processes analysed:

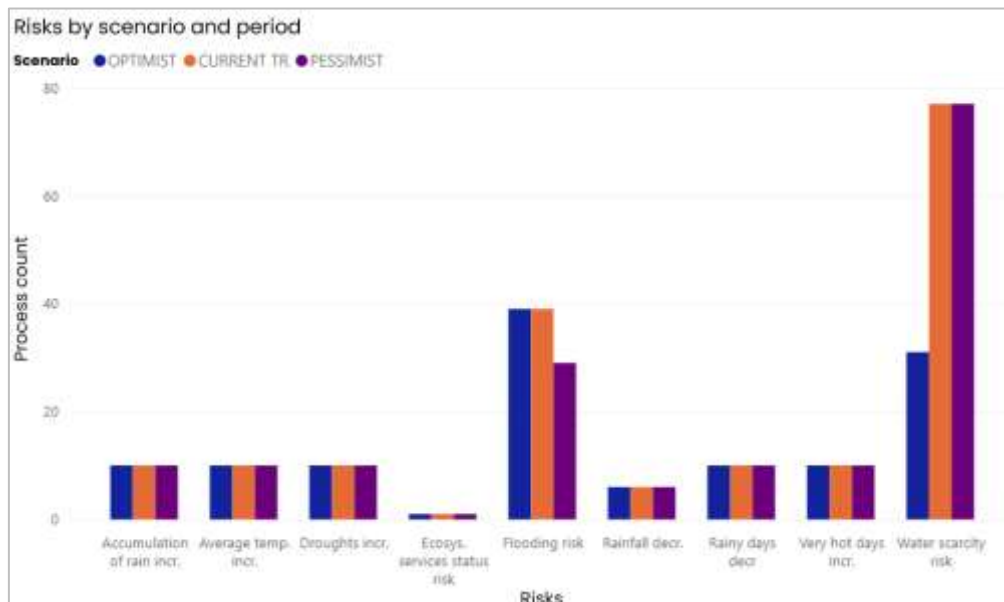
Scope	No.	Process
A	1.1	Commercial buildings
	1.2	Warehouses
	1.3	Industrial buildings
	1.4	Internal roads
	2.1	Dry products
	2.5	Storage of hazardous waste (toxic, chemical)
	3.1	Indoor production conditions
	3.2	Outdoor production conditions
	3.3	Working conditions of employees and providers of indoor on-site transport services
	3.4	Working conditions of employees and providers of outdoor on-site transport services
	4.1	Network and on-site data centres, other data capture/transmission equipment
	4.2	Power supply equipment
	4.3	Mechanical production equipment
	4.4	Electronic production equipment
	4.5	Cold production equipment
	4.6	Water supply equipment
	4.7	Water treatment equipment
	6.1	Fleet of conventional road vehicles
B	7.8	Equipment and machinery repair and installation suppliers
	9.1	Transport to the company - by road
	9.5	Transport to the company - by rail
	9.6	Transport from the company - by road
	9.10	Transport from the company - by rail
	9.11	Transport between company premises - by road
	10.1	Employee commutes: by road
	10.2	Employee commutes: providers of on-site transport services - by road
	10.3	Employee commutes: by rail
	10.4	Employee commutes: providers of on-site transport services - by rail
	11.1	Power supply - Mains electricity
	11.2	Power supply - Solar self-consumption
	12.1	Gas supply

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13.1	Water network - water quality
13.2	Water network - quantity available
13.3	Groundwater - water quality
13.4	Groundwater - quantity available
13.5	Surface water - water quality
13.6	Surface water - quantity available
13.7	Other water used (rain, sea, recycled water, etc.) - water quality
13.8	Other water used (rain, sea, recycled water, etc.) - quantity available
14.1	Availability and quality of telecommunications networks and internet

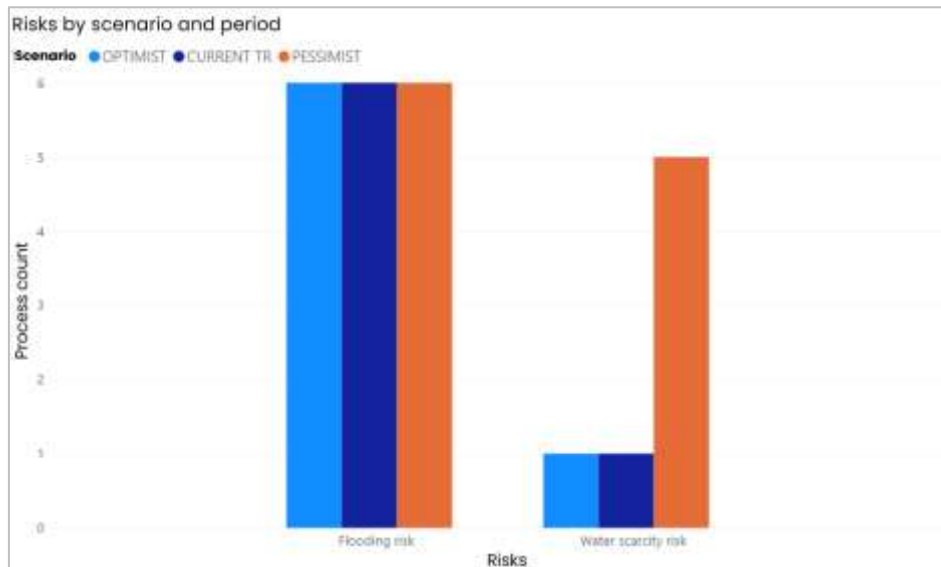
As is to be expected, when broken down to such a detailed level, the processes carried out at each plant and location appear as specific points with higher risks, although the overall risk of the plant remains low. This allows for much more effective decision-making and a more proactive approach to adaptive measures.

The risks that most affect the processes analysed are flooding and water scarcity as shown in the chart below, which reflects the number of processes with high or very high risk affected by each risk in the 2050 time horizon.



In fact, only the risks of flooding and water scarcity have plant processes at very high risk.

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In the 2050 time horizon with pessimist scenario, less than 7% of the processes of the plants or locations have a high and very high risk.

The actions to adapt to the physical climate risks being assessed in the various locations are:

Climate change adaptation actions	
Financial adaptation actions	
AF1	The company/suppliers and/or Tier 1 customers have a dedicated treasury and financing plan to improve resilience to climate change threats.
AF2	The company/suppliers and/or Tier 1 customers have insurance to cover business interruption due to various sudden and/or periodic damage, interruption of resource supplies or services, or failures in transport infrastructure caused by climate change threats.
AF3	In its financial management, the company foresees additional costs arising from the interruption of supply of resources or services, due to various sudden and/or periodic damage caused to the facilities of its main Tier 1 suppliers or transport infrastructures caused by climate change threats.
AF4	The company conducts regular assessments of political and economic risks in the regions where it operates.
Human resources adaptation actions	
AH1	The company/suppliers and/or Tier 1 customers have established a policy for managing the working conditions of their employees and suppliers that takes into account climate hazards.
AH2	The company/suppliers and/or Tier 1 customers have flexible working policies, such as flexitime and work from home, to allow employees to adapt to adverse weather conditions or emergency situations without compromising business continuity.
AH3	The company/suppliers and/or Tier 1 customers provide health and wellness programmes, benefits and/or compensation to employees that address specific risks related to climate change. This includes managing heat stress, access to mental health services, first aid training, commuting subsidies during extreme weather events, support for medical care for health problems caused by climate threats, or similar actions.
AH4	The company/suppliers and/or Tier 1 customers carry out regular assessments of site-specific climate risks and their impact on the health and safety of employees.
AH5	The company/suppliers and/or Tier 1 customers provide regular safety and crisis management training so that employees are prepared to respond to emergency situations caused by extreme weather events.
AH6	The company has established a human resources management policy to ensure the availability of competent employees required for the activity in case transport is disrupted by climate threats.
Technical adaptation actions	
AT1	The company/suppliers and/or Tier 1 customers have developed a maintenance policy for their buildings, structures, critical equipment and/or facilities, which takes into account climatic hazards.
AT2	The site/suppliers and/or Tier 1 customers have implemented technical solutions to improve the adaptive capacity of their buildings, structures, critical equipment and/or facilities to climate change threats.
AT3	The site/suppliers and/or Tier 1 customers have implemented technical solutions to improve the adaptability of their working and production conditions to climate change threats.
AT4	The site/suppliers and/or Tier 1 customers have implemented technical solutions to improve the adaptive capacity of the natural and other assets necessary for their operations in the face of climate change threats.

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AT5	The centre has measures in place to reduce its dependence on utilities in extreme weather events, such as gas and/or water tanks, electrical generators and/or emergency batteries, waste disposal alternatives, etc.
AT6	The centre has initiated a dialogue with its utility providers on the resilience and recovery times of its utilities to extreme weather events.
AT7	The company keeps spare parts and equipment in stock for critical components independently from the component suppliers.
AT8	The centre has continuity plans for all or most of its processes in case of extreme weather events.
AT9	There is an analysis of best technologies and sustainable practices to improve operational efficiency and that incorporate environmental, social and governance criteria in operations and decision making, in compliance with market expectations and as required by law.
Organisational adaptation actions	
AO1	The company ensures that its activities are not concentrated in a limited number of sites.
AO2	The company/suppliers and/or Tier 1 customers have put a resource sourcing and supply diversification policy in place taking into account their own and their suppliers' climate threats.
AO3	The company has established a policy of diversification of transport and routes, sales outlets and product stocks, taking into account climatic threats and the interests of its main suppliers and Tier 1 customers.
AO4	The company stays up to date with environmental and climate legislation and standards to ensure compliance and minimise legal risks, and with the latest research to take advantage of climate-inclusive consumer trends.
AO5	The company gives preference to suppliers and business partners that share its sustainability values.
AO6	Work is done to obtain recognised environmental certifications that support the sustainability of the company's products and processes.

These actions and those indicated below for transition risks demonstrate the Group's ability to adapt and therefore its resilience to the impacts and risks identified.

It should be noted that in recent years the sector has suffered a crisis with a drop in manufacturing volumes since 2019, for various reasons such as COVID-19 in 2020, the semiconductor crisis, logistics and supply chain problems, as well as the conflict between Ukraine and Russia.

However, in such a scenario, the Group's year-on-year results and track record are the best illustration of the resilient nature of CIE Automotive's model.

In the overall risk analysis, market risk is the greatest risk for the company, even though it is classified as medium/low. While there is an action plan for the various risks and the adaptability of the company, a description of the market risk and its action plan is shown below.

As stated in the document, market risk is affected by, and interacts with, other risks, such as product mix, margin, location and investment risk. Changes in the automotive market may lead to a shift in the product mix towards more climate-neutral solutions (e.g., electric vehicles). In this way, certain technologies could become a smaller proportion of sales, which may lead to increased competition for the remaining sales and thus to a reduction in volume or margins for certain products or technologies.

Plan for action and mitigating risks

It is still too early to say when the automotive sector will return to pre-pandemic levels of production and sales, especially in view of the various trends that have already been mentioned and that are introducing changes in the market at a very high speed. The company will reinforce its flexibility model to adapt to current or future customer needs and the latest trends.

The diversification of its product portfolio will make it more adaptive, which will set it apart from its competitors: a portfolio where more than 8 out of 10 products are independent of the vehicle's propulsion system and therefore not impacted by the electrification process of the sector. For the remaining components, work is being done from both a technological and market perspective to maximise the opportunities that are emerging in the areas of batteries, engines and power electronics or gearboxes.

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With regard to the risk of products that have no clear substitute in zero-emission vehicles, CIE Automotive intends to increase its presence in products that make the greatest contribution to making vehicles lighter (forged chassis and suspension components), and in shafts and gears machining, and to be active in outsourcing traditional technologies that customers will outsource, to focus on new challenges such as connectivity, autonomous driving and offering in-vehicle software-based solutions. At the same time, it emphasises the innovation processes in these areas that, through their deployment in the coming years, will set the company apart from its competitors, to ensure that it is a winner in the process of taking advantage of the opportunity to consolidate the resulting market.

The move towards a more decarbonised economy will highlight the efforts that companies such as CIE Automotive have been making for years to introduce eco-design concepts from early stages of development and to pursue circularity in all of the company's processes. What does seem clear is that, in the medium term, automotive companies can emerge from the crisis stronger if they are able to adapt to the new scenario, which is likely to be characterised by the following factors, where CIE Automotive is already working:

- Reducing overcapacity in the sector.
- Mergers and acquisitions: fewer players, but larger, more diversified and more resilient to future crises.
- Strategic partnerships to streamline investments to adapt to changes in the sector.
- Increased financial control and discipline of companies.
- Eco-efficiency and circularity.
- A commitment to mitigating environmental impacts.

CIE Automotive's business model has already demonstrated its resilience and countercyclicality in various crises by combining geographic, commercial and technological diversity with a decentralised management model and strict financial discipline. Lastly, in the short term, the company's current focus is on guaranteeing the availability of raw materials. That is why it is strengthening its Global Management with Local Application (GLOCAL) purchasing model, along with one of the group's pillars, multi-location, so it will stay close to its manufacturers and not depend on global supply chains.

As mentioned above, the environmental management plan is coordinated and linked to the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures given are for the Strategic Plan as a whole and not just for one action or just for the environmental area.

The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget, with this not being material in the company's OpEx as shown in note 21 to the 2024 Consolidated Financial Statements. Therefore, it does not provide a breakdown by action, lever or line of work.

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2.2.3 Management of impacts, risks and opportunities

2.2.3.1 DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

ESRS 2 – IRO-1 – 20 a) AR 9 and 10	<i>The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: (a) impacts on climate change, in particular, the undertaking's GHG emissions (as required by Disclosure Requirement ESRS EI-6).</i>

Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R: risk // O: opportunity

Subtopics	IROs
Climate change adaptation	(-) Generation of greenhouse gas (GHG) emissions associated with energy-intensive (O) Financial impacts arising from: Accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of Environmental, Social and Governance (ESG) data in the upstream Value Chain.
Climate change mitigation	(+) Use of environmentally friendly materials such as green steel coils and recycled resins. (+ and O) Contributing to the decarbonisation of transport by building components for electric vehicles. (- and R) Generation of emissions linked to the company's data centres. (R) Financial impacts arising from: Refusal of car manufacturers (OEMs) to take on the extra cost of production with sustainable materials.
Energy	(+ and O) Reducing emissions of pollutants by self-generating green energy.

ESRS 2 – IRO-1 – 20 b) AR 13 and 14	<i>The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: (b) climate-related physical risks in own operations and along the upstream and downstream value chain, in particular: i. the identification of climate-related hazards, considering at least high emission climate scenarios; and ii. the assessment of how its assets and business activities may be exposed and are sensitive to these climate-related hazards, creating gross physical risks for the undertaking.</i>

The process for identifying and assessing climate-related and resilience impacts, risks and opportunities is included under ESRS 2 – SBM-3– 19 a) and b).

ESRS 2 – IRO-1 – 20 c) AR 13 and 14	<i>The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: (c) climate-related transition risks and opportunities in own operations and along the upstream and downstream value chain, in particular: i. the identification of climate-related transition events, considering at least a climate scenario in line with limiting global warming to 1.5°C with no or limited overshoot; and ii. the assessment of how its assets and business activities may be exposed to these climate-related transition events, creating gross transition risks or opportunities for the undertaking.</i>

The process for identifying and assessing climate-related and resilience impacts, risks and opportunities is included under ESRS 2 – SBM-3– 19 a) and b).

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ESRS 2 – IRO-1 – 21 AR 13 and 14	<i>When disclosing the information required under paragraphs 20 (b) and 20 (c) the undertaking shall explain how it has used climate-related scenario analysis, including a range of climate scenarios, to inform the identification and assessment of physical risks and transition risks and opportunities over the short-, medium- and long-term.</i>

The analysis of climate-related scenarios, including a range of climate scenarios, to disclose the identification and assessment of physical and transitional risks and opportunities in the short, medium and long term is included under ESRS 2 – SBM-3- 19 a) and b).

2.2.3.2 DR EI-2: Policies related to climate change mitigation and adaptation

EI – 2 – 24	<i>The disclosure required by paragraph 22 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</i>

Title	Environmental policy
Description	CIE Automotive Group's environmental policy.
Objective	The purpose of this policy is to integrate environmental practices throughout the Value Chain. Doing this will contribute to achieving the United Nations Sustainable Development Goals (SDGs), and ensure transparency in the reporting on our environmental performance. The commitments in this policy are articulated as a key tool to achieve the group's goal of being a net zero emissions company by 2050 and the 1.5°C target aligned with the Paris Agreement, in addition to its legal commitments and those of its stakeholders. As a leading global multi-technology supplier to the automotive industry, CIE Automotive has a clear commitment to sustainable development, the environment, biodiversity and the fight against climate change. We also recognise our responsibility to minimise the environmental impact of our activities, products and services, in line with the principles of sustainability and current legislation, our stakeholders' requirements and the voluntary commitments undertaken by the company. This commitment is reflected in our Environmental Policy, which guides our strategic and operational decisions towards a more sustainable business model.
Material Impacts, Risks and Opportunities	As part of the continuous reviews of the Strategic Plan, the Management Plan and the potential Transition Plan, the dependencies, impacts, risks and opportunities are assessed to ensure that the risks are mitigated and the opportunities are taken advantage of. For the environmental risks, at minimum, any acute physical, chronic physical and transitional climate risks will be addressed and risk analyses of pollution, circularity, water and biodiversity will be launched. The risk map is integrated into CIE Automotive's Risk Management System (RMS), which follows the ISO 31000 methodology and provides reasonable assurance that all significant environmental risks are prevented, identified, assessed and monitored on an ongoing basis. These risks are approved by the Board and managed according to risk tolerance levels. The Environmental Policy forms part of the company's governance process, along with the dual materiality analysis and the IROs identified in it. The policy therefore addresses the material IROs from this analysis.
Scope of the policy	The scope of this policy covers all of CIE Automotive's subsidiaries and affiliates where the company exercises financial and operational control. There are no geographical or technological exclusions. This policy has also been established to allow monitoring of the supply chain, to ensure that all its participants have commitments in line with those of the company; and to manage information security when the products sold are being developed and manufactured.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy applies globally.
Value Chain	The policy includes a commitment to promote and require environmental commitments in line with those of the company throughout the Value Chain.

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Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy. The ESG Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by the corporate Engineering, Quality and Environment Department and the Horizontal ESG Committee.
Publication	Public document posted on the corporate website and on the Group's intranet.

ESRS E1-3-28 stresses the importance of implementing integrated management systems, and more specifically for them to include environmental management systems (EMS) and how to ensure their effectiveness and continuous improvement. At this point it should be emphasised that these ISO 14001 based systems ensure a Value Chain and stakeholder focus with key points of the Value Chain being ensured via internal audits and third-party audits.

Some of these key points of the EMS, where the Environmental Policy is a key point and focus of this audit and review process, are:

1. Organisational context and stakeholder analysis

The standard states that the organisation must:

- Identify relevant stakeholders (customers, suppliers, contractors, regulators, community, etc.) and understand their needs and expectations related to environmental performance.
- Incorporate these expectations into the environmental management system, to ensure that stakeholders' concerns are taken into account.

2. Value chain management

The ISO 14001 standard includes a clear focus on the value chain, ensuring that environmental impacts are not just limited to internal operations, but are considered at all stages, such as:

- Supply of raw materials: Promote purchases of materials from suppliers that comply with environmental requirements.
- Design of products and services: Promote a life-cycle approach, considering environmental impacts from the extraction of raw materials to the end of the product's useful life.
- Management of suppliers and contractors: The standard requires organisations to establish environmental requirements for their suppliers and subcontractors. This may include contractual clauses, audits and training programmes.

3. Product life cycle (life cycle approach)

The ISO 14001 standard incorporates the concept of "life cycle", which means that organisations must assess and minimise environmental impacts at all stages of their value chain:

- Extraction of raw materials.
- Production/distribution.
- Product use.
- Final disposal or recycling.

This obliges the organisation to work closely with its partners in its value chain to identify and manage environmental impacts at each stage.

4. Communication with stakeholders

The standard promotes effective communication with internal and external stakeholders to:

- Report on environmental performance and risk management.
- Encourage collaboration with partners, suppliers and customers on environmental initiatives.
- Strengthen transparency and trust with the community and other stakeholders.

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<i>EI – 2 – 25 AR 16 and 18</i>	<i>The undertaking shall indicate whether and how its policies address the following areas: (a) climate change mitigation; (b) climate change adaptation; (c) energy efficiency; (d) renewable energy deployment; and (e) other.</i>

CIE Automotive's environmental policy addresses the following areas:

- Climate change mitigation.
- Climate change adaptation.
- Energy efficiency.
- Renewable energy deployment.
- Design of Sustainable products and processes under Eco-design concepts.
- Protection of biodiversity and responsible use of water resources.
- Preservation of air, soil and water quality.
- Mandatory and voluntary compliance.
- Human engagement.
- Prevention and management of accidents and emergency situations.
- Transparency.

To achieve this, targets are set, measured and corrected through action plans and mitigation plans.

2.2.3.3 DR EI-3: Actions and resources in relation to climate change policies

<i>EI – 3 – 28 AR 16 and 18</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: The description of the actions and resources related to climate change mitigation and adaptation shall follow the principles stated in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</i>

Action	Substitution of non-renewable fuels
Results	Scope 1 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy subtopics.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Since 2021, a reduction of 8.76% reduction in Scope 1 emissions. The furnace project was launched to lead the transition in these critical assets.
Information	Natural gas-based furnaces are one of the critical assets and their decarbonisation is a technical/economic barrier for the whole industry.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Purchase of renewable electricity
Results	Scope 2 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy subtopics.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Since 2021, a reduction of 40.25% percent reduction in Scope 2 emissions. The opportunity and cost of introducing higher renewable electricity content in an increasing number of countries is being piloted on a recurring basis.
Information	The availability and cost of renewable electricity does not follow the same timing in all geographic locations.
Description of associated CapEx and OpEx	No specific CapEx required.

Action	Energy efficiency through Industry 4.0 initiatives
Results	Scope 1 and 2 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy subtopics.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. The engineering department is piloting compliance with this action.
Information	The KPI associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Reduction of gross-weight-to-net-weight ratio
Results	Scope 1, 2 and 3 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy subtopics.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. The engineering department is piloting compliance with this action.
Information	The KPI associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Circularity projects
Results	Reduction of scope 3 emissions, with an impact on the generation of greenhouse gas emissions associated with energy-intensive material production processes, thereby contributing to climate change adaptation and the use of environmentally friendly materials as part of the company's climate change mitigation efforts.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Since 2021, a reduction of 19.5% reduction in Scope 3 emissions. The engineering department is piloting compliance with this action.
Information	The first tracking milestone of the KPI associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Adaptation of the Azkoitia landfill site to current legislation
Results	Mitigation of climate risks.
Scope	Azkoitia inert waste landfill.
Horizon	Short term.
Actions	Since 2022, a stabilisation and adaptation plan were launched for the installation to avoid environmental risks and to adapt it to the new legislation.
Information	Although it is a discontinued activity, mitigating any environmental risk is one of the Group's priorities.
Description of associated CapEx and OpEx	No specific CapEx required.

Action	Calculation of the carbon footprint of key products
Results	Identification of levers and barriers, along the lines of the Climate Change Adaptation and Mitigation subtopics.
Scope	Key products due to their impact on the group, including sunroofs, getting the Value Chain involved.
Horizon	Short term
Actions	Calculating the products' footprint makes it possible to identify the key emission factors linked to them from a product/process point of view.
Information	Based on the results of this analysis, actions are taken at product level to reduce the impact. In addition, the work can be done with the Value Chain, from customers to suppliers, to align the efforts
Description of associated CapEx and OpEx	No specific CapEx required. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Digitisation of environmental data management
Results	Identification of key factors and tracking, along the lines of the Climate Change Adaptation and Mitigation subtopics.
Scope	The entire CIE Automotive Group, getting its whole value chain involved.
Horizon	Short term
Actions	An environmental data collection and management project was launched in 2024.
Information	Proper data management is essential for effective action and tracking to be able to react to irregularities. This must also be adapted to the latest requirements of all the company's stakeholders.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Supply Chain Race2Zero project
Results	Adaptation and mitigation of climate change in the Value Chain, within the lines of the Climate Change Adaptation and Mitigation group, in clear alignment with accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of ESG data in the upstream Value Chain.
Scope	Key suppliers to CIE Automotive.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	This project was launched in 2022 and aims to align the objectives and actions of the value chain with those of CIE Automotive and, in turn, with those of its stakeholders.
Information	Scope 3 accounts for the largest percentage of the Group's emissions, with category 1 having the greatest impact, which is why suppliers are key to aligning the entire value chain.
Description of associated CapEx and OpEx	No specific CapEx required. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines and therefore into the recurrent R&D budget, together with the efforts of the purchasing division. As mentioned in Note 21 to the 2024 Consolidated Financial Statements, the OPEX associated with R&D is immaterial for the company.

Action	Materials project
Results	Adaptation and mitigation of climate risks in the use of materials.
Scope	Key materials consumed throughout the Group, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Materials are the group with the greatest impact on CIE Automotive's emissions. This project aims, in combination with the <i>Supply Chain Race2Zero</i> project, to significantly reduce Scope 3 emissions.
Information	The materials should be analysed from the point of view of sustainability and functionality, especially where they have high mechanical or aesthetic requirements.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Optional equipment project
Results	Climate Change Adaptation and Mitigation subtopics.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the Value Chain involved.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. Improving optional equipment such as compressors and waste heat recovery systems helps reduce energy consumption.
Information	For years, recurring studies have been carried out on the main optional equipment of each plant to see if it is possible to improve its efficiency.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Eco-design
Results	Climate change adaptation and mitigation subtopics.
Scope	Eco-design criteria were incorporated into process 3 of CIE Automotive's management model, which affects all the Group's plants and involves the entire value chain.
Horizon	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Eco-design criteria were incorporated during the product and process development process. Eco-design manuals have also been implemented to take advantage of opportunities to reduce environmental impact throughout the development chain.
Information	Considering eco-design factors at the earliest stages of project definition makes this option more feasible.
Description of associated CapEx and OpEx	No specific CapEx required. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

One of the foundations of the integrated management system is to close the circle of strategy, policies, actions and objectives or goals by ensuring the processes and actions are effective. To this end, actions are linked to targets or objectives that are continuously reviewed as metrics of the effectiveness of each action and of the system.

It should be recalled that one of the pillars of environmental management systems certified with the ISO 14001 standard is the Plan-Do-Check-Act (PDCA) cycle approach, which ensures continuous improvement:

- **Plan:** Identify environmental aspects, legal requirements and risks/opportunities; define environmental objectives and targets; and establish action plans.
- **Do:** Implement the plans and procedures designed.
- **Check:** Monitor, measure, analyse and evaluate environmental performance against the established objectives.
- **Act:** Correct and adjust the system as necessary to improve its effectiveness.

This pillar is combined with two other key pillars:

Monitor, measure and assess performance

- The standard requires organisations to continuously monitor their environmental performance, assessing whether the objectives and targets are being met.
- Internal audits are a key tool to verify the effectiveness of the system. In the case of CIE Automotive, these are corroborated by third-party certification

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Continuous improvement

The standard encourages continual improvement through periodic reviews of the system, identification of non-conformities and implementation of corrective and preventive actions. This allows the system to constantly progress and become more effective in achieving its goals.

For this purpose, a matrix has been set up to ensure that all the actions are linked to objectives or goals. This matrix is shown in the table below.

		Obj1	Obj2	Obj3	Obj4	Obj5	Obj6	Obj7	Obj8	Obj9	Obj10	Obj11	Obj12	Obj13
		Energy consumption intensity reduction	Direct GHG emissions reduction (Scope 1)	Indirect GHG emissions reduction (Scope 2)	Direct and indirect GHG emissions intensity reduction (Scope 1 and 2)	Reduction of total non-recycled waste generated	Reduction of water extraction intensity	General Net Zero target	Short-medium term reduction targets for Scope 1+2	Short-medium term reduction target for Scope 3	Improvement of gross weight-net weight ratio	Industry 4.0 initiatives	Circularity projects	ISO 14001 certification
Acc1	Non-renewable fuel substitution	X	X	X*	X			X	X	X				X
Acc2	Purchase of renewable electricity			X	X		X*							
Acc3	Energy efficiency via Industry 4.0 initiatives	X	X	X	X	X		X	X	X*		X		X
Acc4	Reduction of gross weight-net weight ratio	X	X	X	X	X	X*	X	X	X	X	X		
Acc5	Circularity projects	X*	X*	X*	X*	X*		X	X*	X			X	X
Acc6	Adaptation of Azkoitia landfill to current legislation													X
Acc7	Key product carbon footprint calculation	X	X	X	X	X	X	X	X	X	X		X	
Acc8	Environmental data management digitization	X	X	X	X	X	X	X	X	X	X	X	X	X
Acc9	Supply Chain Race2Zero project	X*	X*	X*	X*	X*	X*	X	X*	X	X*	X*	X*	X*
Acc10	"Materials" project	X*	X*	X*	X*	X*	X*	X	X*	X	X*	X*	X*	X*
Acc11	Auxiliary equipment project	X	X	X	X		X*	X*	X	X*		X*		X*
Acc12	Eco-design	X	X	X	X	X	X	X	X	X	X	X	X	X

The entries identified with an asterisk (*) are those that are mainly involved in the Value Chain.

The relationship between the actions with the IROs is shown in the following table, as well as in the answers to *indicator EI-4-32*, through the objectives they pursue.

	EI		
	Adaptation	Mitigation	Energy
Reduction of energy consumption intensity	X	X	X
Reduction of direct GHG emissions (Scope 1)	X	X	X
Reduction of direct GHG emissions (scope 2)	X	X	X
Reduction of direct and indirect GHG emissions intensity (scope 1+ 2)	X	X	X
Reduction of the total amount of waste generated and not recycled	X		
Reduce water withdrawal intensity	X		
Overall Net-Zero target	X		
Short-medium term reduction targets scope 1 + 2	X		
Short-medium term targets for scope 3 reductions	X		

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<i>EI – 3 – 29 a)</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: (a) when listing key actions taken in the reporting year and planned for the future, present the climate change mitigation actions by decarbonisation lever including the nature- based solutions.</i>

The key actions being implemented are designed to directly and interdependently address the levers and forces identified under *EI – 1 – 16 b)*. These are all aligned and managed through the Environmental Management Plan, structured as a transition plan. These actions include:

- Adopting sustainable technologies:
 - o Reducing consumption of energy and raw materials.
 - o Replacing natural gas from non-renewable sources with alternative sources.
 - o Using reused materials or materials from recycling processes.
- Collaboration and mentoring initiatives: The *Supply Chain Race2Zero* project, focused on the alignment and sustainable improvement of the Value Chain.
- Digitisation of environmental management: Automating and improving environmental data management, integrating the connection with the links in the Value Chain.
- Analysis of the carbon footprint of products: Identifying opportunities to reduce environmental impacts through highly effective actions.
- Action plan for decarbonisation: Implementation of a detailed roadmap of measures to be rolled out until the target date of 2033.
- CIE Automotive's Strategic Plan: Reinforcement of the strategic pillars for adapting the group's products and technologies, through its 8 basic lines of action.

These measures reflect a comprehensive approach aligned with sustainability requirements, geared towards the ecological transition and reaching the strategic targets set.

<i>EI – 3 – 29 b)</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: (b) when describing the outcome of the actions for climate change mitigation, include the achieved and expected GHG emission reductions.</i>

Each of the actions mentioned under *EI-3-28* specifies the scope it will have an impact on, as well as the timeframe in which the action will materialise.

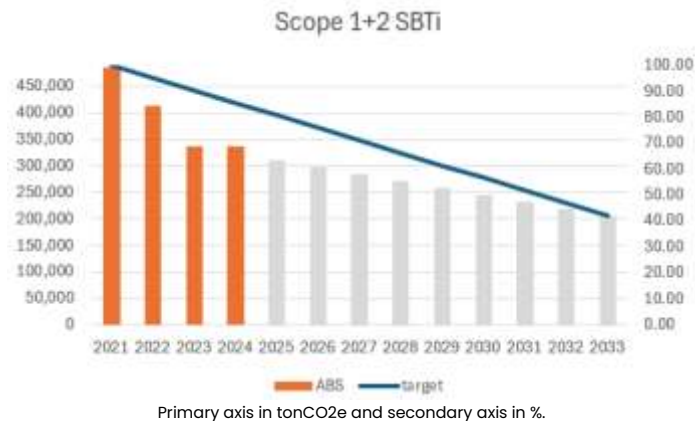
In the short term, aligned with the ongoing 2025 Strategic Plan period, all targets related to GHG reduction and energy – closely interconnected – are being met. The following graph illustrates the progress made toward the total commitments for the 2021-2025 period in relation to the key targets in this area. It is important to note that 2021 serves as the baseline year for our targets.



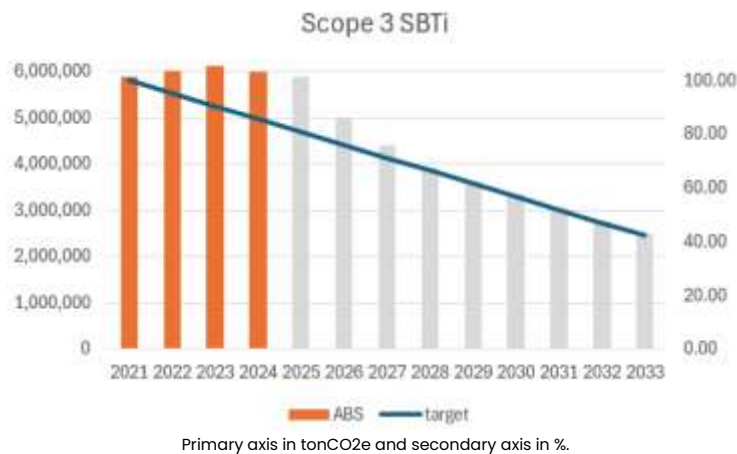
In the summary graph, on the left is the definition of the indicator or KPI with its units, followed by the value of the average annual target. Below, the reduction already achieved from 2021 to 2024 and the committed value for the whole period.

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In the short and medium term, the target already validated by SBTi (Science Based Target initiative), is a reduction based on the year 2021 and target date 2033. The blue trend line shows a linear decrease year by year until the target is achieved, and the bars show the emission values for each year, with the values up to 2024 being actual values and from 2024 to 2033 extrapolations of trends according to the introduction of the actions, levers and projects mentioned in this report. This is shown in the graph below, in which the above information is shown for the scope 1 plus scope 2 target.

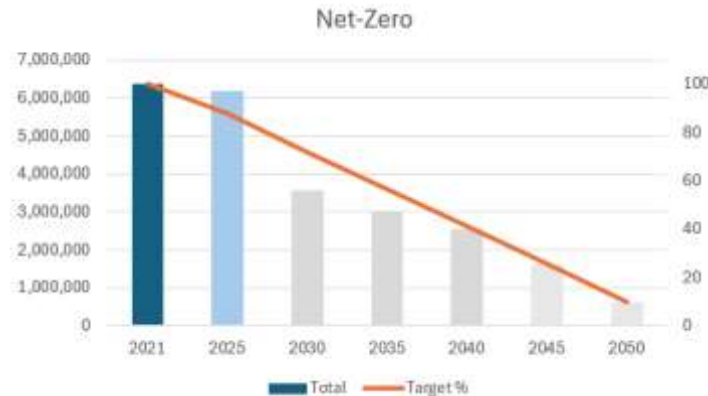


Similarly, the graph below shows the above information for Scope 3. At this point it should be recalled that the availability of materials of recycled or secondary origin, where renewable energies have been used in their manufacture, is not expected to be available until after 2028 with partial introduction from 2025 to 2028. Further acceleration in the electrification of vehicles is also expected in the coming years with a significant impact on in-use emissions.



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Finally, the last graph in this section shows the aforementioned information for the 'net-zero' target. In this case, the target date is 2050 and the reasoning for the evolution of emissions is largely conditioned, especially in the early years, by the afore mentioned evolution of Scope 3 emissions, since these account for most of the total emissions



<i>EI – 3 – 29 c) i AR 20</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: (c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: i. the relevant line items or notes in the financial statements.</i>

As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures given are for the Strategic Plan as a whole, not just for one action or just for the environmental area.

The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company, making a more detailed breakdown unnecessary.

<i>EI – 3 – 29 c) ii AR 22</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: (c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: ii. the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178.</i>

As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures given are for the Strategic Plan as a whole, not just for one action or just for the environmental area.

The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company and does not need to be broken down in further detail.

<i>EI – 3 – 29 c) iii AR 20</i>	<i>In addition to ESRS 2 MDR-A, the undertaking shall: (c) relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: iii. if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.</i>

As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures given are for the Strategic Plan as a whole, not just for one action or just for the environmental area.

The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company, making a more detailed breakdown unnecessary.

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2.2.4 Metrics and targets

2.2.4.1 DR EI-4: Targets related to climate change mitigation and adaptation

EI – 4 – 32	<i>The disclosure of the targets required in paragraph 30 shall contain the information required in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</i>

Objective	Reduce intensity of energy consumption
Description	The aim is to make more efficient use of the energy resources consumed by the company as set out in the environmental policy.
Target level	Intensity target for sales. This is calculated by dividing the company's energy consumption by its annual sales.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 – 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Objective	Reduction of direct (Scope 1) GHG emissions
Description	Reflects the company's commitment to reducing emissions from the direct use of non-renewable fuels
Target level	Absolute objective. This is calculated as the sum of all the company's Scope 1 emissions in the year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 – 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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Objective	Reduction of direct (Scope 2) GHG emissions
Description	Reflects the company's commitment to reducing emissions from indirect use of non-renewable energies.
Target level	Absolute objective. This is calculated as the sum of all the company's Scope 2 emissions in the year.
Scope	The entire Group, getting its whole value chain involved
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections
Geographical regions	The whole Group
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Objective	Reduction of intensity of direct and indirect (Scopes 1+2) GHG emissions
Description	Reflects the company's commitment to reducing emissions from direct and indirect use of non-renewable energies.
Target level	Intensity target for sales. This is calculated by dividing the company's total Scope 2 emissions from the year by its sales in the year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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Objective	Decrease the total amount of waste generated and not recycled
Description	Reflects the company's commitment to reducing the impact of waste generated.
Target level	Absolute objective. Total weight of waste not sent for recycling or reuse in a year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aimed at reducing Scope 3 emissions.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections
Geographical regions	The whole Group
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Progressing positively, however, the disruption of the Value Chain in foundry sand recycling may pose a compliance risk.

Objective	Reduce the intensity of water abstraction
Description	Reflects the company's commitment to reducing water consumption.
Target level	Intensity target for sales. The total volume of water extracted by the company in a year divided by its sales in that year.
Scope	The entire Group, getting its whole value chain involved
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Focuses on reducing and mitigating one of the risks identified in the company's IRO analysis.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe. However, changes in the availability of certain sources of supply in Asia may pose a risk.

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Objective	Overall Net-Zero target
Description	Meet the net-zero target for greenhouse gas emissions across the Value Chain by 2050.
Target level	Absolute target, in line with SBTi requirements, to achieve Net-Zero throughout the company by 2050 at the latest.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2050
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement and the net-zero strategy
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	Most of the reduction is expected from 2030 onwards when the use phase will be decarbonised, and lower emitting materials will become competitively available in all regions

Objective	Short/medium-term range reduction of scopes 1 + 2
Description	Short- to medium-term targets: to reduce its absolute Scope 1 and 2 GHG emissions by 57.9% by 2033 from base year 2021.
Target level	Absolute objective. Calculated as the sum of Scope 1 and Scope 2 emissions according to the GHG protocol.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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Objective	Short/medium-term range reduction of scope 3
Description	Short- to medium-term objectives: CIE Automotive is committed to reducing its absolute Scope 3 GHG emissions by 54.6% by 2033 from 2021 as a base year.
Target level	Absolute objective. Calculated as total Scope 3 emissions according to the GHG protocol.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

The alignment of the targets and sub-topics of the Impacts, Risks and Opportunities (IROs) analysis is shown below:

	EI		
	Adaptation	Mitigation	Energy
Reduce intensity of energy consumption	x	x	x
Reduction of direct (Scope 1) GHG emissions	x	x	x
Reduction of direct (Scope 2) GHG emissions	x	x	x
Reduction of intensity of direct and indirect (Scopes 1+2) GHG emissions	x	x	x
Decrease the total amount of waste generated and not recycled	x		
Reduce the intensity of water abstraction	x		
Overall Net-Zero target	x		
Short/medium-term range reduction of scopes 1 + 2	x		
Short/medium-term range reduction of scope 3	x		

<i>EI – 4 – 33 AR 27 and 29</i>	<i>For the disclosure required by paragraph 30, the undertaking shall disclose whether and how it has set GHG emissions reduction targets and/or any other targets to manage material climate-related impacts, risks and opportunities, for example, renewable energy deployment, energy efficiency, climate change adaptation, and physical or transition risk mitigation.</i>

Various GHG emission reduction targets are set out above under EI-4-32. In addition, the Group's guidelines for recommendations include buying renewable electricity in locations and markets where this is possible.

<i>EI – 4 – 34 a) AR 23, 24, 27, 29 and 31</i>	<i>If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply: (a) GHG emission reduction targets shall be disclosed in absolute value (either in tonnes of CO₂eq or as a percentage of the emissions of a base year) and, where relevant, in intensity value.</i>

This information is included above under EI-4-32.

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EI – 4 – 34 b)	If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply: (b) GHG emission reduction targets shall be disclosed for Scope 1, 2 and 3 GHG emissions, either separately or combined. The undertaking shall specify, in case of combined GHG emission reduction targets, which GHG emission Scopes (1, 2 and/or 3) are covered by the target, the share related to each respective GHG emission Scope and which GHGs are covered. The undertaking shall explain how the consistency of these targets with its GHG inventory boundaries is ensured (as required by Disclosure Requirement EI-6). The GHG emission reduction targets shall be gross targets, meaning that the undertaking shall not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets.

This information is included above under EI-4-32.

EI – 4 – 34 c)	If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply; (c) the undertaking shall disclose its current base year and baseline value, and from 2030 onwards, update the base year for its GHG emission reduction targets after every five-year period thereafter. The undertaking may disclose the past progress made in meeting its targets before its current base year provided that this information is consistent with the requirements of this Standard.

This information is included above under EI-4-32.

EI – 4 – 34 e) AR 26	If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply; (e) The undertaking shall state whether the GHG emission reduction targets are science-based and compatible with limiting global warming to 1.5°C. The undertaking shall state which framework and methodology has been used to determine these targets including whether they are derived using a sectoral decarbonisation pathway and what the underlying climate and policy scenarios are and whether the targets have been externally assured. As part of the critical assumptions for setting GHG emission reduction targets, the undertaking shall briefly explain how it has considered future developments (e.g., changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and new technologies) and how these will potentially impact both its GHG emissions and emissions reductions.

This information is included above under EI-4-32.

EI – 4 – 34 f) AR 30	If the undertaking has set GHG emission reduction targets, ESRS 2 MDR-T and the following requirements shall apply; f) The undertaking shall describe the expected decarbonisation levers and their overall quantitative contributions to achieve the GHG emission reduction targets (e.g., energy or material efficiency and consumption reduction, fuel switching, use of renewable energy, phase out or substitution of product and process).

This information is included under EI – 1 – 16 b), EI – 1 – 16 c) and EI – 3 – 29 a).

2.2.4.2 DR EI-5: Energy consumption and mix

EI – 5 – 37 a) AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (a) Total energy consumption from fossil sources

841,434.08 MWh

EI – 5 – 37 b) AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (b) Total energy consumption from nuclear sources.

44,003.04 MWh

EI – 5 – 37 c) AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (c) Total energy consumption from renewable sources.

704,655.84 MWh (2023: 670,042.99 MWh)

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<i>EI – 5 – 37 c)</i> <i>i</i> AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (c) Total energy consumption from renewable sources disaggregated by: i. Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.

5,376.98 MWh (2023: 8,853.12 MWh)

<i>EI – 5 – 37 c)</i> <i>ii</i> AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (c) Total energy consumption from renewable sources disaggregated by: ii. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources.

699,278.87 MWh (2023: 661,189.87 MWh)

<i>EI – 5 – 37 c)</i> <i>iii</i> AR 32 and 33	The disclosure required by paragraph 35 shall include the total energy consumption in MWh related to own operations disaggregated by: (c) Total energy consumption from renewable sources disaggregated by: iii. Consumption of self-generated non-fuel renewable energy.

3,422.22 MWh (2023: 9,938.85 MWh)

<i>EI – 5 – 38</i> <i>a)</i> AR 33	The undertaking with operations in high climate impact sectors shall further disaggregate their total energy consumption from fossil sources by: (a) Fuel consumption from coal and coal products.

1,493.57 MWh (2023: 153.70 MWh)

<i>EI – 5 – 38</i> <i>b)</i> AR 33	The undertaking with operations in high climate impact sectors shall further disaggregate their total energy consumption from fossil sources by: b) Fuel consumption from crude oil and petroleum products.

91,969.91 MWh (2023: 95,739.91 MWh)

<i>EI – 5 – 38 c)</i> AR 33	The company with operations in high climate impact sectors will further disaggregate its total energy consumption from fossil sources by: c) Fuel consumption from natural gas.

414,123.28 MWh (2023: 393,185.50 MWh)

<i>EI – 5 – 38</i> <i>d)</i> AR 33	The undertaking with operations in high climate impact sectors shall further disaggregate their total energy consumption from fossil sources by: d) Fuel consumption from other fossil sources.

0 MWh (2023: 0 MWh)

<i>EI – 5 – 38</i> <i>e)</i> AR 33	The undertaking with operations in high climate impact sectors shall further disaggregate their total energy consumption from fossil sources by: e) consumption of electricity, heat, steam and refrigeration purchased or procured from fossil sources.

339,224.29 MWh

<i>EI – 5 – 39</i>	Where applicable, the undertaking shall disaggregate and disclose separately its non-renewable energy production and renewable energy production in MWh.

Energy production (MWh)	2024	2023
Non-renewable	0	0
Renewable	3,422.22	9,938.85

<i>EI – 5 – 40</i> AR 36	The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.

0.43 MWh/k€ (2023: 0.40 MWh/k€)

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<i>E1 – 5 – 41</i>	<i>The disclosure on energy intensity required by paragraph 40 shall only be derived from the total energy consumption and net revenue from activities in high climate impact sectors.</i>

CIE Automotive confirms that the energy intensity required by paragraph 40 is only derived from the total energy consumption and net revenue from activities in high climate impact sectors.

<i>E1 – 5 – 42</i>	<i>The undertaking shall specify the high climate impact sectors that are used to determine the energy intensity required by paragraph 40.</i>

Due to CIE Automotive's business model, all of its activities fall within high climate impact sectors.

<i>E1 – 5 – 43 AR 38</i>	<i>The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amount from activities in high climate impact sectors (the denominator in the calculation of the energy intensity required by paragraph 40).</i>

Due to CIE Automotive's business model, all of its activities fall within high climate impact sectors.

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2.2.4.3 DR EI-6: Gross Scopes 1, 2, 3 and Total GHG emissions

<i>EI – 6 – 44 AR 39</i>	<i>The undertaking shall disclose in metric tonnes of CO₂eq its: (a) gross Scope 1 GHG emissions; (b) gross Scope 2 GHG emissions; (c) gross Scope 3 GHG emissions; and (d) total GHG emissions.</i>

	Retrospective								
	Base year	Comparative	N	%N/N-1	2025	2030	2033	(2050)	Annual % target/Base year
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions (tCO ₂ eq)	2021	99,072.80	104,709.47	5.69%	-2%	NA*	-57.87%*	-	-7.92%*
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0	0%	0%	0%	0%	0%
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	2021	467,572.14	438,470.58	-6.22%	-	NA*	-	-	NA
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	2021	238,864.91	232,718.21	-2.57%	-5%	NA*	-57.87%*	-	-7.92%*
Significant Scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	2021	7,396,237.55	5,430,942.54	-26.57%	-	NA*	-54.60%	-	-7.92%*
1. Purchased goods and services	2021	4,255,415.58	3,790,569.79	-10.92%	-	NA*	-	-	-7.92%*
2. Capital goods	-	-	-	-	-	NA*	-	-	-
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2021	68,096.96	73,054.92	7.28%	-	NA*	-	-	-7.92%*
4. Upstream transportation and distribution	2021	35,306.79	39,801.10	12.73%	-	NA*	-	-	-7.92%*
5. Waste generated in operations	2021	27,458.44	29,280.23	6.63%	-	NA*	-	-	-7.92%*
6. Business traveling	-	-	-	-	-	NA*	-	-	-
7. Employee commuting	-	-	-	-	-	NA*	-	-	-
8. Upstream leased assets	-	-	-	-	-	NA*	-	-	-
9. Downstream transportation	2021	40,330.43	50,126.43	24.29%	-	NA*	-	-	-7.92%*
10. Processing of sold products	2021	36,437.88	24,654.50	-32.34%	-	NA*	-	-	-7.92%*
11. Use of sold products	2021	2,630,465.64	1,136,921.09	-56.78%	-	NA*	-	-	-7.92%*
12. End-of-life treatment of sold products	2021	271,852.02	269,934.25	0.71%	-	NA*	-	-	-7.92%*
13. Downstream leased assets	-	-	-	-	-	NA*	-	-	-
14. Franchises	-	-	-	-	-	NA*	-	-	-
15. Investments	2021	30,873.80	16,603.22	-46.22%	-	NA*	-	-	-7.92%*

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Total GHG emissions									
Total GHG emissions (location-based) (tCO ₂ eq)	2021	7,962,882.49	5,974,122.59	-24.98%	-	NA*	-	-	NA
Total GHG emissions (market-based) (tCO ₂ eq)	2021	7,734,175.26	5,768,370.22	-25.42%	-	NA*	-	-90%	-7.92%*

* CIE Automotive does not have reduction targets for the year 2030.

* CIE Automotive commits to reduce its absolute Scope 1 and 2 GHG emissions by 57.87% by 2033 from 2021 as a base year.

* CIE Automotive is committed to reducing its absolute GHG Scope 1, 2 and 3 emissions by 90% by 2050, starting in 2021 as the base year. Therefore, from the current period, it shall reduce annually 7.95% of absolute GHG emissions of Scope 1, 2 and 3.

El - 6 - 47	<i>In case of significant changes in the definition of what constitutes the reporting undertaking and its upstream and downstream value chain, the undertaking shall disclose these changes and explain their effect on the year-to-year comparability of its reported GHG emissions (i.e., the effect on the comparability of current versus previous reporting period GHG emissions).</i>

In the 2024 variations with respect to the 2023 reporting period, it should be noted that the CIE AKT (integrated into CIE Orbelan at the end of the year), CIE Salgglas and CIE Autometal Salto plants were added to the emissions report. These plants are of medium to low-medium size and it was decided to maintain the initial reduction and decarbonisation targets in the short term, even with these additions.

On the other hand, the 2023 Non-Financial Reporting Statement already noted that the forging plants in Germany would be removed from the perimeter in the middle of the year. That report gave details of the consumption and emissions of these forging plants. This allows for a detailed analysis of the influence on the total perimeter.

El - 6 - 48 a) AR 43	<i>The disclosure on gross Scope 1 GHG emissions required by paragraph 44 (a) shall include:</i> (a) the gross Scope 1 GHG emissions in metric tonnes of CO₂eq.

The gross Scope 1 GHG emissions in metric tonnes CO₂eq are 104,709.47.

Below is the breakdown of Scope 1 emissions in metric tonnes of CO₂eq by continent, country and technology:

Continent	Gross Scope 1 GHG emissions in metric tonnes CO ₂ eq
Europe	32,558.24
Asia	20,271.37
North America	26,992.31
South America	24,887.55
Total	104,709.47

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Country	Gross Scope 1 GHG emissions in metric tonnes CO₂eq
India	20,238.79
China	32.59
France	566.66
Spain	23,370.70
Romania	3,509.39
Lithuania	1,294.62
Slovakia	515.16
Morocco	40.89
Hungary	421.75
Czech Republic	685.68
Portugal	302.71
Italy	1,850.69
Germany	0.00
Mexico	20,916.08
United States	6,076.23
Brazil	24,887.55
Total	104,709.47

Technology	Gross Scope 1 GHG emissions in metric tonnes CO₂eq
Aluminium injection moulding	35,581.23
Forging	27,362.19
Iron casting	4,795.19
Machining	11,487.68
Stamping and tube forming	15,552.59
Plastic	8,536.01
Roof systems	1,394.38
Total	104,709.27

*CIE Boroa, CIE Automotive's head office located in the province of Bizkaia (Spain), Golde Dietzenbach, CIE Automotive's office located in Germany and Golde Bangalore, CIE Automotive's office located in India, have gross Scope 1 GHG emissions of 0.20 metric tonnes of CO₂eq.

<i>EI – 6 – 49 a) AR 45 and 47</i>	<i>The disclosure on gross Scope 2 GHG emissions required by paragraph 44 (b) shall include: (a) the gross location-based Scope 2 GHG emissions in metric tonnes of CO₂eq.</i>

The gross location-based Scope 2 GHG emissions in metric tonnes of Co₂eq are 438,470.58.

Below is the breakdown of location-based Scope 2 emissions in metric tonnes of CO₂eq by continent, country and technology:

Continent	Gross location-based Scope 2 GHG emissions in metric tonnes CO₂eq
Europe	64,130.29
Asia	270,751.30
North America	68,638.12
South America	34,950.87
Total	438,470.58

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Country	Gross location-based Scope 2 GHG emissions in metric tonnes CO2eq
India	244,407.56
China	26,343.75
France	389.38
Spain	30,612.58
Romania	4,550.91
Lithuania	4,545.93
Slovakia	2,414.85
Morocco	1,462.51
Hungary	6,869.77
Czech Republic	6,984.06
Portugal	1,078.67
Italy	4,965.35
Germany	256.27
Mexico	46,787.78
United States	21,850.34
Brazil	34,950.87
Total	438,470.58

Technology	Gross location-based Scope 2 GHG emissions in metric tonnes CO2eq
Aluminium injection moulding	65,363.96
Forging	129,212.31
Iron casting	97,671.10
Machining	47,704.63
Stamping and tube forming	50,992.25
Plastic	31,566.89
Roof systems	15,541.16
Total	438,052.30

*CIE Boroa, CIE Automotive's head office located in the province of Bizkaia (Spain), Golde Dietzenbach, CIE Automotive's office located in Germany and Golde Bangalore, CIE Automotive's office located in India, have gross location-based Scope 2 GHG emissions of 418.28 metric tonnes of CO2eq.

<i>EI – 6 – 49 b) AR 45 and 47</i>	<i>The disclosure on gross Scope 2 GHG emissions required by paragraph 44 (b) shall include: (b) the gross market-based Scope 2 GHG emissions in metric tonnes of CO2eq.</i>

The gross market-based Scope 2 GHG emissions in metric tonnes of CO2eq. are 232,718.21.

Below is the breakdown of market-based Scope 2 emissions in metric tonnes CO2eq by continent, country and technology:

Continent	Gross market-based Scope 2 GHG emissions in metric tonnes CO2eq
Europe	23,975.03
Asia	140,862.62
North America	67,880.56
South America	0
Total	232,718.21

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Country	Gross market-based Scope 2 GHG emissions in metric tonnes CO₂eq
India	120,929.82
China	19,932.79
France	389.38
Spain	1,069.07
Romania	1,797.21
Lithuania	0
Slovakia	643.28
Morocco	1,462.51
Hungary	6,869.77
Czech Republic	6,984.06
Portugal	0
Italy	4,503.48
Germany	256.27
Mexico	46,030.22
United States	21,850.34
Brazil	0
Total	232,718.21

Technology	Gross market-based Scope 2 GHG emissions in metric tonnes CO₂eq
Aluminium injection moulding	44,929.72
Forging	42,454.03
Iron casting	30,186.82
Machining	35,733.23
Stamping and tube forming	44,364.69
Plastic	20,377.54
Roof systems	14,366.20
Total	232,412.22

*CIE Boroa, CIE Automotive's head office located in the province of Bizkaia (Spain), Golde Dietzenbach, CIE Automotive's office located in Germany and Golde Bangalore, CIE Automotive's office located in India, have gross market-based Scope 2 GHG emissions of 305.99 metric tonnes of CO₂eq.

<i>EI – 6 – 50 AR 40 and 41</i>	<i>For Scope 1 and Scope 2 emissions disclosed as required by paragraphs 44 (a) and (b) the undertaking shall disaggregate the information, separately disclosing emissions from: (a) the consolidated accounting group (the parent and subsidiaries); and (b) investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.</i>

- The Scope 1 and Scope 2 emissions disclosed for the consolidated accounting group are as indicated in *EI-6-48 a)* and *EI-6-49 b)*, respectively.
- CIE Automotive does not have investees such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group, as well as contractual arrangements that are joint arrangements not structured through an entity (i.e., jointly controlled operations and assets), for which it has operational control.

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<i>EI – 6 – 51 AR 46</i>	<i>The disclosure of gross Scope 3 GHG emissions required by paragraph 44 (c) shall include GHG emissions in metric tonnes of CO₂eq from each significant Scope 3 category (i.e. each Scope 3 category that is a priority for the undertaking).</i>

The gross GHG emissions of Scope 3 in metric tons of CO₂eq are 5,430,492.540

The significant categories of gross GHG emissions for Scope 3 for the company are as follows:

- Category 1. Purchased goods and services.
- Category 3. Fuel- and energy-related activities not included in Scope 1 or Scope 2.
- Category 4. Upstream transportation and distribution.
- Category 5. Waste generated in operations.
- Category 9. Downstream transportation and distribution.
- Category 10. Processing of sold products.
- Category 11. Use of sold products.
- Category 12. End-of-life treatment of sold products.
- Category 15. Investments.

Below are the gross GHG emissions for Scope 3 from the mentioned categories, broken down by continent, as well as the total value:

Scope 3 Categories	Gross Scope 3 GHG Emissions by continent (Metric tons of CO₂eq)				
	Europe	North America	South America	Asia	Total
Category 1	1,086,320.37	1,233,163.51	368,854.22	1,102,228.68	3,790,566.79
Category 3	17,470.93	17,119.74	23,001.56	15,462.69	73,054.92
Category 4	6,785.53	12,049.94	4,532.62	16,433.00	39,801.10
Category 5	2,487.95	1,564.81	10,868.69	14,358.77	29,280.23
Category 9	10,479.88	24,274.57	6,001.67	9,370.31	50,126.43
Category 10	8,725.56	7,579.14	2,498.50	5,851.30	24,654.50
Category 11	348,952.94	276,364.25	124,525.37	387,078.54	1,136,921.09
Category 12	56,971.30	56,241.30	43,416.17	113,305.49	269,934.25
Category 15	0.00	779.96	0.00	15,823.26	16,603.22
TOTAL	1,538,194.47	1,629,137.23	583,698.80	1,679,912.03	5,430,942.54

Regarding the remaining categories, they are considered exclusions from the study due to:

- Category 2. Capital goods: This category has been excluded due to several studies conducted by the company, where machines were selected as a representative sample of the company's productive activity. The result showed that the carbon footprint of this category does not exceed 0.1% of the company's total carbon footprint.
- Category 6. Business travel: This category has been excluded because it represents 0.1% or less of the company's total carbon footprint.
- Category 7. Employee commuting: This category has been excluded because it represents 0.1% or less of the company's total carbon footprint.
- Category 8. Upstream leased assets: This category has been excluded because it represents 0.01% or less of the company's total carbon footprint.
- Category 13. Downstream leased assets: This category is not applicable to our company.
- Category 14. Franchises: This category has been excluded since CIE Automotive does not have franchises.

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<i>EI – 6 – 52 a)</i> AR 47	<i>The disclosure of total GHG emissions required by paragraph 44 (d) shall be the sum of Scope 1, 2 and 3 GHG emissions required by paragraphs 44 (a) to (c). The total GHG emissions shall be disclosed with a disaggregation that makes a distinction of:</i> (a) the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the location-based method

Gross Scope 1 GHG emissions (t CO ₂ eq)	104,709.47
Gross Scope 2 GHG emissions (t CO ₂ eq)	438,470.58
Gross Scope 3 GHG emissions (t CO ₂ eq)	5,430,942.54
Total GHG emissions (t CO₂ eq)	5,974,122.59

<i>EI – 6 – 52 b)</i> AR 47	<i>The disclosure of total GHG emissions required by paragraph 44 (d) shall be the sum of Scope 1, 2 and 3 GHG emissions required by paragraphs 44 (a) to (c). The total GHG emissions shall be disclosed with a disaggregation that makes a distinction of:</i> (b) the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the market-based method.

Gross Scope 1 GHG emissions (t CO ₂ eq)	104,709.47
Gross Scope 2 GHG emissions (t CO ₂ eq)	232,718.21
Gross Scope 3 GHG emissions (t CO ₂ eq)	5,430,942.54
Total GHG emissions (t CO₂ eq)	5,768,370.22

<i>EI – 6 – 53</i> AR 5	<i>The undertaking shall disclose its GHG emissions intensity (total GHG emissions per net revenue).</i>

Total GHG emissions intensity (location-based) (tCO ₂ eq/k€)	1.51
Total GHG emissions intensity (market-based) (tCO ₂ eq/k€)	1.46

<i>EI – 6 – 54</i> AR 5	<i>The GHG intensity information required in paragraph 53 shall provide the total GHG emissions in metric tonnes of CO₂ equivalent (required in paragraph 44(d)) per net revenue.</i>

Total GHG emissions intensity (location-based) (tCO ₂ eq/k€)	1.51
Total GHG emissions intensity (market-based) (tCO ₂ eq/k€)	1.46

<i>EI – 6 – 55</i>	<i>The undertaking shall disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amounts (the denominator in the calculation of the GHG emissions intensity required by paragraph 53).</i>

The 2024 CIE Automotive net revenue is 3,960,550,000.00 Euro.

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2.2.4.4 DR EI-7: GHG removals and GHG mitigation projects financed through carbon credits

The following indicators do not apply to CIE Automotive because the company does not have GHG mitigation projects financed with carbon credits; nor does it have GHG absorption projects to neutralise emissions: EI-7-56 a) AR 56 and 57, EI-7-56 b), EI-7-58 a) AR 56 and 59, EI-7-58 b), EI-7-59 a), EI-7-59 b), EI-7-61 a), EI-7-61 b), and EI-7-61 c).

EI - 7 - 60	<i>In the case where the undertaking discloses a net-zero target in addition to the gross GHG emission reduction targets in accordance with Disclosure Requirement EI-4, paragraph 30, it shall explain the scope, methodologies and frameworks applied and how the residual GHG emissions (after approximately 90-95% of GHG emission reduction with the possibility for justified sectoral variations in line with a recognised sectoral decarbonisation pathway) are intended to be neutralised by, for example, GHG removals in its own operations and upstream and downstream value chain.</i>

The scope of the net-zero emissions target in addition to the gross GHG emissions reduction targets in accordance with Disclosure Requirement EI-4, paragraph 30, includes the entire CIE Automotive Group, including its value chain. To obtain a share of no more than 10% by 2050, greenhouse gas elimination policies will be considered in the supply chain to achieve zero impact. Nevertheless, the methodologies and frameworks to be applied in 2050 have not yet been finalised.

2.2.4.5 DR EI-8: Internal carbon pricing

EI - 8 - 63 a)	<i>The information required by paragraph 62 shall include: the type of internal carbon pricing scheme, for example, the shadow prices applied for CapEX or research and development (R&D) investment decision making, internal carbon fees or internal carbon funds.</i>

CIE Automotive does not use carbon credits, but does use internal carbon pricing to monetise the impact of its operations on climate change and the environment. This is an internal carbon rate used to measure the improvement and environmental performance of the plants to draw a comparative analysis.

EI - 8 - 63 b)	<i>The information required by paragraph 62 shall include: the specific scope of application of the carbon pricing schemes (activities, geographies, entities, etc.)</i>

The scope of application of the carbon pricing schemes (activities, geographies, entities, etc.) is CIE Automotive, and it affects the energy categories (fuels and electricity).

EI - 8 - 63 c)	<i>The information required by paragraph 62 shall include: (c) the carbon prices applied according to the type of scheme and critical assumptions made to determine the prices, including the source of the applied carbon prices and why these are deemed relevant for their chosen application. The undertaking may disclose the calculation methodology of the carbon prices including the extent to which these have been set using scientific guidance and how their future development is related to science-based carbon pricing trajectories.</i>

The internal price is obtained from the Sendeco2 website and is regularly updated for calculation.

CO2 prices	EU Allowance
Annual average €65.29	
January	€65.09
February	€55.79
March	€57.77
April	€64.40
May	€71.09
June	€68.24
July	€66.99
August	€70.37
September	€64.91
October	€63.57
November	€67.28
December	€67.01

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EI – 8 – 63 d)	The information required by paragraph 62 shall include: (d) the current year approximate gross GHG emission volumes by Scopes 1, 2 and, where applicable, Scope 3 in metric tonnes of CO ₂ eq covered by these schemes, as well as their share of the undertaking's overall GHG emissions for each respective Scope.

The current year approximate gross GHG emission volumes by Scopes 1 and 2 in metric tonnes of CO₂eq covered by these schemes, as well as their share of the company's overall GHG emissions for each respective Scope, are 99% for Scope 1 and Scope 2.

2.2.4.6 DR EI-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

As regards the information required by indicators EI-9-66 a), EI-9-70 and AR 72 and 79, CIE Automotive is working to be able to report them within one year, in accordance with the moratorium allowed therein.

EI – 9 – 66 b)	The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) (the undertaking shall disclose its anticipated financial effects from material physical risks) shall include: (b) the proportion of assets at material physical risk addressed by the climate change adaptation actions.

The adaptation actions are included under ESRS 2– SBM-3 –19 c) and cover 100% of CIE Automotive's assets and locations.

EI – 9 – 66 c) AR 70	The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) (the undertaking shall disclose its anticipated financial effects from material physical risks) shall include: (c) the location of significant assets at material physical risk.

The analysis under EI-9-66 d) is carried out for all of the CIE Automotive Group's locations.

EI – 9 – 66 d) AR 71	The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) (the undertaking shall disclose its anticipated financial effects from material physical risks) shall include: (d) the monetary amount and proportion (percentage) of net revenue from its business activities at material physical risk over the short-, medium- and long-term.

As detailed under ESRS 2– SBM-3 –19 c), both the chronic and acute physical risks have come out with a risk level of less than 2.12 on a scale of 5 for the 2050 time horizon and the Net Zero Emissions scenario (the worst-case scenario). This process, detailed above, is based on surveys of key people in the organisation at the plant, regional and technology level. This procedure calculates the percentage of EBITDA and amount of revenues at risk. The level of risk is low and, accordingly, the potentially affected revenues are immaterial and none of CIE Automotive's targets or commitments are jeopardised.

EI – 9 – 67 a)	The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) (the undertaking shall disclose its anticipated financial effects from material transition risks) shall include: (a) the monetary amount and proportion (percentage) of assets at material transition risk over the short-, medium- and long-term before considering climate mitigation actions.

This year CIE Automotive will not disclose any financial impacts on assets at material transition risk over the short-, medium- and long-term.

EI – 9 – 67 b)	The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) (the undertaking shall disclose its anticipated financial effects from material transition risks) shall include: (b) the proportion of assets at material transition risk addressed by the climate change mitigation actions.

The adaptation actions are shown under ESRS 2– SBM-3 –19 c) and cover 100% of CIE Automotive's assets and locations.

EI – 9 – 67 c) and d)	The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) (the undertaking shall disclose its anticipated financial effects from material transition risks) shall include: (c) a breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency classes. (d) liabilities that may have to be recognised in financial statements over the short-, medium- and long-term.

This year CIE Automotive will not disclose information relating to these indicators.

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<i>E1 – 9 – 67 e)</i>	<i>The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) (the undertaking shall disclose its anticipated financial effects from material transition risks) shall include: (e) the monetary amount and proportion (percentage) of net revenue from its business activities at material transition risk over the short-, medium- and long-term including, where relevant, the net revenue from the undertaking's customers operating in coal, oil and gas-related activities.</i>

As shown under *ESRS 2- SBM-3 –19 c)*, the transition risks have come out with a risk level of less than 2,429 on a scale of 5 for the 2050 time horizon and the Net Zero Emissions scenario (the worst-case scenario). This process, detailed above, is based on surveys of key people in the organisation at the plant, regional and technology level.

This procedure calculates the percentage of EBITDA and amount of revenues at risk. The level of risk is low and, accordingly, the potentially affected revenues are immaterial and none of CIE Automotive's targets or commitments are jeopardised.

On the other hand, CIE Automotive has no activities related to coal, oil and gas.

<i>E1 – 9 – 68 a) and b)</i>	<i>The undertaking shall disclose reconciliations to the relevant line items or notes in the financial statements of the following: (a) significant amounts of the assets and net revenue at material physical risk (as required by paragraph 66). (b) significant amounts of the assets, liabilities, and net revenue at material transition risk (as required by paragraph 67).</i>

This year CIE Automotive will not disclose information relating to these indicators.

<i>E1 – 9 – 69 a) AR 80 and b) AR 81</i>	<i>For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) (the undertaking shall disclose its potential to benefit from material climate-related opportunities), the undertaking shall consider: (a) its expected cost savings from climate change mitigation and adaptation actions. (b) the potential market size or expected changes to net revenue from low-carbon products and services or adaptation solutions to which the undertaking has or may have access.</i>

This year CIE Automotive will not disclose information relating to these indicators.

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2.3 Pollution (ESRS E2)

2.3.1 Management of impacts, risks and opportunities

2.3.1.1 DR related to ESRS 2 IRO-1 – Description of the process to identify and assess impacts, risks and opportunities related to pollution

<i>E2-IRO-1-11 a)</i> AR 1-AR 9	<i>The undertaking shall describe the process to identify material impacts, risks and opportunities, and shall provide information on: (a) whether the undertaking has screened its site locations and business activities in order to identify its actual and potential pollution-related impacts, risks and opportunities in its own operations and upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening;</i>

As stated in the response to *ESRS 2 – SBM-3- 19 b) AR 7a and AR 13*, there is a single process for determining the material impacts, risks and opportunities related to the environmental area.

One of the reasons for pursuing a single analysis model is the high-level integration with the overall process (ESRS E1) which is described in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*.

Of course, this process can be seen to be integrated with the overall analysis of impacts, risks and opportunities (IROs) included as the response to *ESRS 2 IRO-1*, whose part in the overall impacts risks and opportunities arising from pollution are shown below.

Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R: risk // O: opportunity

Subtopics	IROs
Air pollution	(-) Air pollution associated with generation of Scope 3 emissions.
	(- and R) Increase in the company's environmental footprint due to selling parts manufactured in other geographic locations to meet the requirements of certain customers.
	(+ and O) Reduction of Scope 1 and 2 emissions due to the use of renewable energy and self-generation of energy to supply the company's facilities.
Water pollution	(+) Reduced potable water consumption due to increased use of recycled water.
	(R) Financial impacts arising from: Increased eutrophication of water due to discharges from non-recycled water.
	(R) Financial impacts arising from: Increased ecotoxicity of freshwater due to non-recycled waste in production processes.
Pollution of soil	(R) Financial impacts arising from: Soil contamination through chemical soil erosion during the extraction of raw materials.

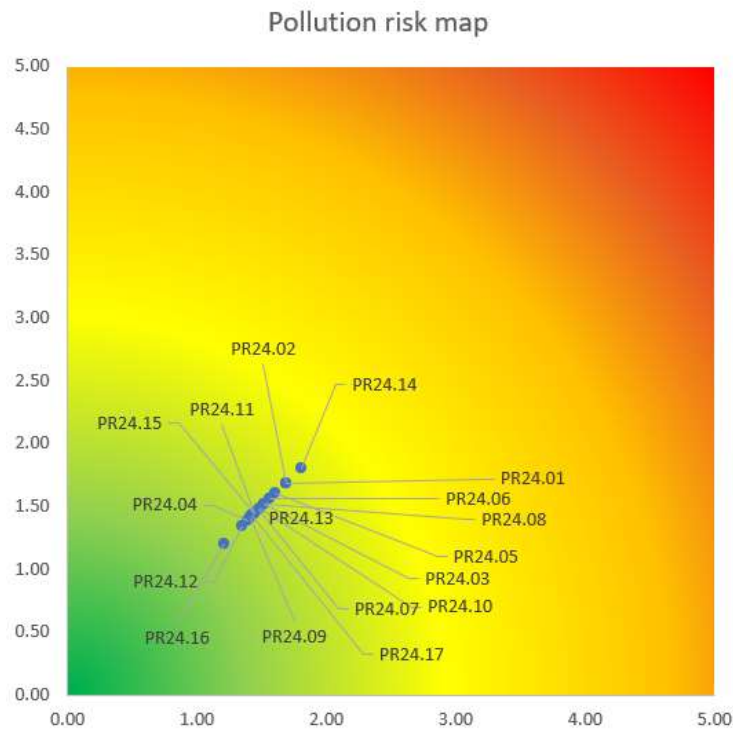
For a more detailed analysis of the risks arising from pollution, the following risks are analysed:

- PR24.01 : Risk of generating hazardous waste.
- PR24.02 : Risk of accidental spills.
- PR24.03 : Risk of mismanagement of solid waste.
- PR24.04 : Risk of using polluting materials.
- PR24.05: Risk of greenhouse gas (GHG) emissions.
- PR24.06: Risk of fine particulate matter (PM) emissions.
- PR24.07: Risk of volatile and toxic organic substances.
- PR24.08 : Risk of energy inefficiency.
- PR24.09 : Risk of untreated discharges.
- PR24.10 : Risks of chemical leaks.
- PR24.11: Risk of excessive water consumption.
- PR24.12 : Risk of alteration of aquatic ecosystems.
- PR24.13: Risk of noise in logistics areas.

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- PR24.14: Risk of impact on workers.
- PR24.15: Risk of impact on nearby communities.
- PR24.16 : Risk of excessive artificial lighting.
- PR24.17 : Risk of improper handling of plastic materials.

None of these risks reaches a value of 2 (medium) on a scale of 5 as shown in the heat map below, where the risk level is shown on the y-axis and the probability on the x-axis.



E2-IRO-1- 11 b) AR 1-AR 9	The undertaking shall describe the process to identify material impacts, risks and opportunities, and shall provide information on: (b) whether and how the undertaking has conducted consultations, in particular, with affected communities.

The overall process followed to identify and assess the impacts, risks and opportunities related to pollution, as well as whether consultations were carried out, are described under ESRS 2 IRO-1 *Description of the process to identify and assess material impacts, risks and opportunities*.

The entire environmental domain, in particular the risk, opportunity and resilience analysis process, is included and explained under the preceding indicator *ESRS 2 – SBM-3- 19 a) and b)* above.

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2.3.1.2 DR E2-1 – Policies related to pollution

<i>E2-1-14 AR 10</i>	<i>The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to pollution in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</i>

Title	Environmental policy
Description	CIE Automotive Group's environmental policy.
Objective	The purpose of this policy is to integrate environmental practices throughout the Value Chain. Doing this will contribute to achieving the United Nations Sustainable Development Goals (SDGs), and ensure transparency in the reporting on our environmental performance. The commitments in this policy are articulated as a key tool to achieve the group's goal of being a net zero emissions company by 2050 and the 1.5°C target aligned with the Paris Agreement, in addition to its legal commitments and those of its stakeholders. As a leading global multi-technology supplier to the automotive industry, CIE Automotive has a clear commitment to sustainable development, the environment, biodiversity and the fight against climate change. We also recognise our responsibility to minimise the environmental impact of our activities, products and services, in line with the principles of sustainability and current legislation, our stakeholders' requirements and the voluntary commitments undertaken by the company. This commitment is reflected in our Environmental Policy, which guides our strategic and operational decisions towards a more sustainable business model.
Material Impacts, Risks and Opportunities	As part of the continuous reviews of the Strategic Plan, the Management Plan and the potential Transition Plan, the dependencies, impacts, risks and opportunities are assessed to ensure that the risks are mitigated and the opportunities are taken advantage of. For the environmental risks, at minimum, any acute physical, chronic physical and transitional climate risks will be addressed and risk analyses of pollution, circularity, water and biodiversity will be launched. The risk map is integrated into CIE Automotive's Risk Management System (RMS), which follows the ISO 31000 methodology and provides reasonable assurance that all significant environmental risks are prevented, identified, assessed and monitored on an ongoing basis. These risks are approved by the Board and managed according to risk tolerance levels. The Environmental Policy forms part of the company's governance process, along with the dual materiality analysis and the IROs identified in it. The policy therefore addresses the material IROs of the above analysis, and this is also reflected in the response to <i>ESRS 2-SBM-3-19 a)</i>, <i>E1-2-25</i> and <i>E5-3-23</i>.
Scope of the policy	The scope of this policy covers all of CIE Automotive's subsidiaries and affiliates where the company exercises financial and operational control. There are no geographical or technological exclusions. This policy has also been established to allow monitoring of the supply chain, to ensure that all its participants have commitments in line with those of the company; and to manage information security when the products sold are being developed and manufactured. The Group's environmental policy addresses prevention, preparation for reuse, recycling, energy recovery and disposal of waste, prioritising them in that order. Similarly, waste avoidance or minimisation is prioritised over waste treatment.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy applies globally.
Value Chain	The policy includes a commitment to promote and require environmental commitments in line with those of the company throughout the Value Chain.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy. The ESG Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by the corporate Engineering, Quality and Environment Department and the Horizontal ESG Committee.

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Publication	Public document posted on the corporate website, and available to all Group employees through the corporate intranet and the Management Model.

The response to E2-3-22 discussed the importance of implementing integrated management systems, and more specifically for them to include environmental management systems (EMS) and how to ensure their effectiveness and continuous improvement.

At this point it should be emphasised that these ISO 14001 based systems ensure a value chain and stakeholder focus with key points of the value chain being ensured via internal audits and third-party audits.

Some of these key points of the EMS, where the Environmental Policy is a key point and focus of this audit and review process, are:

1. Organisational context and stakeholder analysis

The standard states that the organisation must:

- Identify relevant stakeholders (customers, suppliers, contractors, regulators, community, etc.) and understand their needs and expectations related to environmental performance.
- Incorporate these expectations into the environmental management system, to ensure that stakeholders' concerns are taken into account.

2. Value chain management

The ISO 14001 standard includes a clear focus on the value chain, ensuring that environmental impacts are not just limited to internal operations, but are considered at all stages, such as:

- Supply of raw materials: Promote purchases of materials from suppliers that comply with environmental requirements.
- Design of products and services: Promote a life-cycle approach, considering environmental impacts from the extraction of raw materials to the end of the product's useful life.
- Management of suppliers and contractors: The standard requires organisations to establish environmental requirements for their suppliers and subcontractors. This may include contractual clauses, audits and training programmes.

3. Product life cycle (life cycle approach)

The ISO 14001 standard incorporates the concept of "life cycle", which means that organisations must assess and minimise environmental impacts at all stages of their value chain:

- Extraction of raw materials.
- Production/distribution.
- Product use.
- Final disposal or recycling.

This obliges the organisation to work closely with its partners in its value chain to identify and manage environmental impacts at each stage.

4. Communication with stakeholders

The standard promotes effective communication with internal and external stakeholders to:

- Report on environmental performance and risk management.
- Encourage collaboration with partners, suppliers and customers on environmental initiatives.

Strengthen transparency and trust with the community and other stakeholders.

E2-1-15 a) AR II	<i>The undertaking shall indicate, with regard to its own operations and its upstream and downstream value chain, whether and how its policies address the following areas where material: (a) mitigating negative impacts related to pollution of air, water and soil including prevention and control.</i>

The group's environmental policy includes these aspects and commitments, among others:

1. Mandatory and voluntary compliance

We ensure compliance with all applicable environmental legislation, stakeholder requirements and voluntary commitments, ensuring transparent and documented environmental management.

2. The fight against climate change. Incorporating strategies of:

- Climate change mitigation.
- Climate change adaptation.

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3. Preservation of air, soil and water quality

- Pollution prevention: Soil, Water, Air and Noise.
- Reduction of the acoustic impact of our activities.
- Location of our production plants, avoiding deforestation and impacts on biodiversity.

4. Energy Efficiency and Reducing Emissions

- We promote energy efficiency in our operations by implementing clean technologies and transitioning to renewable energy sources.
- We are committed to progressively reducing our greenhouse gas (GHG) emissions, aligning ourselves with the objectives of the Paris Agreement.

5. Management of Resources and Waste

- We optimise the use of materials in our production processes, prioritising recycled and sustainable raw materials.
- We implement circular economy practices, minimising waste generation and maximising reuse or recycling.

6. Design of Sustainable Products and Processes under Eco-design concepts

We incorporate sustainability principles into the design of our components, their manufacturing process and their life cycle, including:

- Lightweight and recyclable materials that improve fuel efficiency.
- Products designed for easy repair, reuse or recycling.
- Circularity of materials.
- Efficient and sustainable processes.
- Ensuring the safety of our products throughout the value chain and in their end use.

7. Protection of Biodiversity and Responsible Use of water resources

- We conduct environmental impact assessments of our facilities to minimise disruption to local ecosystems.
- We manage our water use responsibly, reducing consumption and guaranteeing the quality of the water we discharge. Including:
 - o The use and sourcing of water resources in our own operations
 - o Water treatment as a step towards more sustainable water use.
 - o Prevention and abatement of water pollution resulting from our activities.
- Protecting water resources, including river and marine resources.

8. Getting people engaged: "we can all improve our environment"

9. Promoting and requiring environmental commitments in line with those of the company throughout the value chain

10. Prevention and management of accidents and emergency situations, mitigating the negative impact on people and the environment

11. Transparency and Reporting

- We publish annual sustainability reports in accordance with the Corporate Sustainability Reporting Directive (CSRD), providing verifiable data on our environmental actions, targets and results.
- We establish key performance indicators to measure and show our progress.

12. We set targets and measure our performance through the scorecard, with indicators such as:

- Energy efficiency.
- Reducing emissions.
- Water consumption.
- Generation of waste.
- Circularity.
- Use of renewable energy.
- Product safety.
- Accidents and emergencies.

E2-1-15 c) AR 11	The undertaking shall indicate, with regard to its own operations and its upstream and downstream value chain, whether and how its policies address the following areas where material: (c) avoiding incidents and emergency situations, and if and when they occur, controlling and limiting their impact on people and the environment.

The response to this indicator is provided under E2-1-14 and E2-1-15 a)

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2.3.1.3 DR E2-2 – Actions and resources related to pollution

E2-2-18	<i>The description of the pollution-related action plans and resources shall contain the information prescribed in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</i>

Action	CIE Automotive's integrated management model
Results	Ensure the Group's best practices are implemented at all CIE Automotive locations, seeking continuous improvement and reduction of impacts on the environment, soil, air and water, along with appropriate use of water and marine resources.
Scope	The entire Group, including areas of high-water stress and getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	Continuous improvement every year
Actions	Elaboration of a Management Model applicable to all the group's plants. This model is strengthened with the best practices detected in any of the locations and with requests transmitted by stakeholders.
Information	To ensure its implementation, both internal and third-party assessments are carried out in accordance with various standards such as ISO 14001 and ISO 50001. By 2024, over 98% of CIE's locations were ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Implementation of an environmental management system
Results	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness.
Scope	The entire Group, including areas of high water stress and getting the value chain involved.
Horizon	Continuous improvement every year
Actions	Group requirement for all plants to obtain ISO 14001 certification. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Information	The implementation and certification according to ISO 14001 helps reduce the environmental impact in several ways: 1. Identification and Management of Environmental Impacts ISO 14001 requires organisations to identify aspects of their activities, products or services that affect the environment (such as emissions, resource use, waste generation), and to develop strategies to mitigate them. 2. Legal compliance The certification ensures that the organisation complies with local, national and international environmental legislation, reducing the risk of sanctions for non-compliance. 3. Efficiency in resource consumption Implementing ISO 14001 encourages the optimisation of the use of resources such as water, energy and raw materials, which reduces the environmental impact associated with their extraction, production and consumption. 4. Pollution Prevention The standard incentivises action to prevent pollution, rather than to correct it afterwards. This includes minimising emissions, reducing waste and handling chemicals safely. 5. Promoting continuous improvement ISO 14001 requires a continual improvement approach, ensuring that organisations regularly implement actions to reduce their long-term environmental impacts.

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	6. Environmental awareness The certification promotes awareness and training of employees and stakeholders on sustainable practices, thus fostering a more environmentally responsible organisational culture. 7. Reputation and competitiveness Certified companies are valued more highly by stakeholders, who prioritise sustainability, promoting environmentally responsible business practices throughout the supply chain. Currently over 98% of the Group's locations are ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Eco-design
Results	Introduction of eco-design criteria in the process of launching and industrialising new projects, as well as the dissemination of eco-design manuals and tools.
Scope	The entire Group, including areas of high water stress and getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	This has already been introduced into the management system and is updated on a recurring basis to ensure its effectiveness.
Actions	Introduction into the processes and procedures for developing and launching new products and projects.
Information	CIE Automotive's Process 3 contains a series of checklists that coincide with each step of the Advanced Product Quality Planning (APQP) process, which are reviewed by plant and project management to move on to the next phase, and that incorporate the review of eco-design concepts in the project. Eco-design tools have been developed to help achieve this.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Active listening
Results	Membership in associations aligned with CIE Automotive's objectives and policy
Scope	Organisations aligned with eco-design, circularity, climate change, emission reduction and environmental impact reduction objectives, with a special focus on the value chain and stakeholders.
Horizon	This is an action with a long-term horizon
Actions	Align sector objectives, both downstream and upstream. Promote the objectives reflected in the group's policy and commitments in entities that have difficulties in applying them, such as SMEs in particular. Identify new challenges and trends. Stimulate joint proposals.
Information	At the institutional level, CIE Automotive works through the Board of the Spanish Association of Automotive Suppliers (Sernauto) to promote actions to achieve climate neutrality and collaborates to set more ambitious targets for the sector. The group is a founding member of the Basque Ecodesign Center, where it works together with various government representatives and different industrial sectors to promote circularity, decarbonisation and the fight against climate change. CIE Automotive has been involved in new mobility solutions focused on zero-emission vehicles from the early stages of development. This strategy has led it to participate in Basquevolt since 2021, the Basque initiative for producing solid-state batteries. It also belongs to Forética's Climate Change Cluster [<i>Clúster del Cambio Climático de Forética</i>], a group of companies that translates the main trends and conversations on climate change worldwide into the Spanish context. It is also a member of the Spanish Quality Association [<i>Asociación Española de Calidad</i>], which has various working groups in the environmental area to influence the development of new legislation and provide guidelines and training to help the industry manage climate change.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

Action	Governance and involvement of senior management
Results	Incorporate environmental and sustainability criteria into all the company's decisions and therefore into its strategy
Scope	The CIE Automotive Group, including those working in areas of high water stress.
Horizon	This is an action with a long-term horizon
Actions	Boost interaction between all levels of the company by fostering fluid information and communication.
Information	The Board and the Management Committee are engaged in the fight against climate change. The ultimate responsibility for environment-related activities rests with the Board. Within the Board, the environmental representative is the ESG Committee. The chair of this committee has experience and knowledge regarding climate change. The company's CEO, in turn, is involved in sustainable growth and is ultimately responsible for the achievement of the Strategic Plan, which integrates the ESG Plan. The ESG Committee is a body that reports and makes proposals to CIE Automotive's ESG Committee. The Director of Engineering, Quality and Environment is part of this committee and manages the deployment of the strategic plan in the environmental area. Bringing engineering and environment together under one Director ensures that all the environmental objectives are addressed upstream and at the R&D stage.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

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Action	Durability
Results	Increase the robustness of products through design processes with durability prediction and improved life prediction through simulation.
Scope	Products that CIE Automotive helps manufacture or design. Getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The process of improvement is continuous. However, in recent years, improvements were made to the systematic approach.
Actions	Implementation of design processes that incorporate simulation of events the component may undergo in real life and correlating them through physical testing to close the design loop.
Information	Durability simulation significantly boosts the robustness of automotive components by making it possible to predict, evaluate and improve their performance under various conditions of use throughout their life cycle. For this purpose, integrating virtual and physical validation is crucial, and can lead to the following improvements or advantages: 1. Early detection of potential malfunctions: - The simulations make it possible to identify weak points or failure-prone areas in components before the physical prototypes are manufactured. - This reduces the risk of problems during physical tests or in actual use of the vehicle. 2. Design optimisation - The simulation tools help adjust the design parameters, such as geometry, materials and manufacturing processes, to improve the component's robustness to fatigue, vibration and other stresses. - This makes it possible to create more robust designs without the need to oversize the components. 3. Validation under real conditions - The simulations can replicate real-world conditions of use, such as dynamic loads, thermal variations, corrosion and load/unload cycles. - This ensures that the components maintain their functionality and safety even under adverse conditions. 4. Reduced costs and development time - By replacing some physical tests with virtual simulations, the costs and development times associated with manufacturing and testing multiple prototypes are minimised. - This allows for faster design iteration and a focus on more robust solutions. 5. Improvements in reliability and safety - By anticipating the components' limits, the simulations help ensure that they will perform correctly throughout their lifetime, increasing consumer confidence in the quality and safety of the vehicle. 6. Compliance with the law and industry standards - The durability simulations help ensure that the components meet stringent automotive industry standards, such as those relating to structural fatigue, impacts and vibrations.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Repairability, reusability and end-of-life of vehicles
Results	Improved component designs to make them easier to repair, reuse, disassemble, recycle and recover at the end of their useful life.
Scope	Products that CIE Automotive helps manufacture or design. Getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The process of improvement is continuous. However, in recent years, improvements were made to the systematic approach.
Actions	The requirements that customers indicate with respect to these points in the specifications of their development projects must be taken into account, but in any case, laws such as EU Directives 2000/53/EC and 2005/64/EC seek to promote these points
Information	Directive 2000/53/EC on End-of-Life of Vehicles This directive, also known as the ELV Directive, establishes measures to prevent and reduce the environmental impact of the end-of-life of vehicles. The key points include: - Design for disassembly and recycling: Manufacturers should consider, during design and production, the ease of dismantling, re-use and recovery of vehicles. - Limitation of hazardous substances: The use of materials such as lead, mercury, cadmium and hexavalent chromium is prohibited in the manufacture of vehicles, with some specific exceptions. - Reuse and recycling objectives: New vehicles must be reusable and/or recyclable for at least 85% of their weight, and at least 95% reusable and/or recoverable. Directive 2005/64/EC on the type-approval of motor vehicles with regard to their reusability This directive complements the previous one, focusing on the type-approval of motor vehicles with regard to their suitability for re-use, recycling and recovery. It establishes requirements to ensure that vehicles meet the minimum reuse and recycling rates mentioned above. More recently, actions have been promoted that are in line with the "right to repair".
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

One of the foundations of the integrated management system is to close the circle of strategy, policies, actions and objectives or goals by ensuring the processes and actions are effective. To this end, actions are linked to targets or objectives that are continuously reviewed as metrics of the effectiveness of each action and of the system.

It should be recalled that one of the pillars of environmental management systems certified with the ISO 14001 standard is the Plan-Do-Check-Act (PDCA) cycle approach, which ensures continuous improvement:

- **Plan:** Identify environmental aspects, legal requirements and risks/opportunities; define environmental objectives and targets; and establish action plans.
- **Do:** Implement the plans and procedures designed.
- **Check:** Monitor, measure, analyse and evaluate environmental performance against the established objectives.
- **Act:** Correct and adjust the system as necessary to improve its effectiveness.

This pillar is combined with two other key pillars:

Monitor, measure and assess performance

- The standard requires organisations to continuously monitor their environmental performance, assessing whether the objectives and targets are being met.
- Internal audits are a key tool to verify the effectiveness of the system. In the case of CIE Automotive, these are corroborated by third-party certification

Continuous improvement

The standard encourages continual improvement through periodic reviews of the system, identification of non-conformities and implementation of corrective and preventive actions. This allows the system to constantly progress and become more effective in achieving its goals.

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For this purpose, a matrix has been set up to ensure that all the actions are linked to objectives or goals. This is shown in the table below, where the entries identified with an asterisk (*) are those that are mainly involved in the value chain.

		Obj1	Obj2	Obj3	Obj4	Obj5	Obj6	Obj7	Obj8	Obj9	Obj13
		Energy consumption intensity reduction	Direct GHG emissions reduction (Scope 1)	Indirect GHG emissions reduction (Scope 2)	Direct and indirect GHG emissions intensity reduction (Scope 1 and 2)	Reduction of total non-recycled waste generated	Reduction of water extraction intensity	General Net-Zero target	Short-medium term reduction targets for Scope 1+2	Short-medium term reduction target for Scope 3	ISO 14001 certification
Act 1	Non-renewable fuel substitution	x	x	x*	x			x	x	x	x
Acc2	Purchase of renewable electricity			x	x		x*				
Acc3	Energy efficiency via Industry 4.0 initiatives	x	x	x	x	x		x	x	x*	x
Acc4	Reduction of gross weight-net weight ratio	x	x	x	x	x	x*	x	x	x	
Acc5	Circularity projects	x*	x*	x*	x*	x*		x	x*	x	x
Acc6	Adaptation of Azkoitia landfill to current legislation										x
Acc7	Key product carbon footprint calculation	x	x	x	x	x	x	x	x	x	
Acc8	Environmental data management digitization	x	x	x	x	x	x	x	x	x	x
Acc9	Supply Chain Race2Zero project	x*	x*	x*	x*	x*	x*	x	x*	x	x*
Acc10	"Materials" project	x*	x*	x*	x*	x*	x*	x	x*	x	x*
Acc11	Auxiliary equipment	x	x	x	x		x*	x*	x	x*	x*
Acc12	Eco-design	x	x	x	x	x	x	x	x	x	x
Acc13	Integrated Management Model CIE Automotive	x	x	x	x	x	x	x	x	x	x
Acc14	Implementation of an Environmental Management System	x	x	x	x	x	x	x	x	x	x
Acc15	Durability					x*	x*	x		x	x
Acc16	Repairability, reuse, and end-of-life of vehicles					x*	x*	x		x	x
Acc17	Active listening	x	x	x	x	x	x	x	x	x	x
Acc18	Governance and involvement of top management	x	x	x	x	x	x	x	x	x	x
Acc19	Increase in water	x*	x*	x*	x*	x	x	x*	x*	x*	x
Acc20	Improvement in water treatment systems	x*	x*	x*	x*	x	x	x*	x*	x*	x

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The relationship between the actions with the IROs is shown in the following table, as well as in the answers to *indicator E2-3-22*, through the objectives they pursue.

	E2		
	Water	Air	Ground
Reduction of energy consumption intensity		x	
Reduction of direct GHG emissions (Scope 1)		x	
Reduction of direct GHG emissions (scope 2)		x	
Reduction of direct and indirect GHG emissions intensity (scope 1+ 2)		x	
Reduction of the total amount of waste generated and not recycled	x	x	x
Reduce water withdrawal intensity	x		
Overall Net-Zero target	x	x	x
Short-medium term reduction targets scope 1 + 2		x	
Short-medium term targets for reduction of scope 3	x	x	x
Improve gross weight to net weight ratio			
Industry 4.0 initiatives			
Circularity projects			
Certification according to ISO 14001	x	x	x

E2-2-19 a), b) and c) AR 14	<i>In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the following mitigation hierarchy an action and resources can be allocated: (a) avoid pollution including any phase out of materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution); and (c) restore, regenerate and transform ecosystems where pollution has occurred (control of the impacts both from regular activities and incidents).</i>

Action	CIE Automotive's integrated management model
Levels of allocation of the action	(a) avoid pollution including phasing out materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution); and (c) restore, regenerate and transform ecosystems where pollution has occurred (control of the impacts both from regular activities and incidents).

Action	Implementation of an environmental management system
Levels of allocation of the action	(a) avoid pollution including phasing out materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution); and (c) restore, regenerate and transform ecosystems where pollution has occurred (control of the impacts both from regular activities and incidents).

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Action	Eco-design
Levels of allocation of the action	(a) avoid pollution including phasing out materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution);

Action	Durability
Levels of allocation of the action	(a) avoid pollution including phasing out materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution);

Action	Repairability, reusability and end-of-life of vehicles
Levels of allocation of the action	(a) avoid pollution including phasing out materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution);

Action	Active listening
Levels of allocation of the action	(a) avoid pollution including any phase out of materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution)

Action	Governance and involvement of senior management
Levels of allocation of the action	(a) avoid pollution including any phase out of materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution); and (c) restore, regenerate and transform ecosystems where pollution has occurred (control of the impacts both from regular activities and incidents).

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2.3.2 Metrics and targets

2.3.2.1 DR E2-3: Pollution-related targets

E2-3-22 AR 19	<i>The description of targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</i>

In the analysis of the IROs, there are several linked to the emissions of the various scopes, which is why part of the objectives have already been detailed as a response to EI-4-32, and are described again below

Objective	Reduction of direct (Scope 1) GHG emissions
Description	Reflects the company's commitment to reducing emissions from the direct use of non-renewable fuels
Target level	Absolute objective. This is calculated as the sum of all the company's Scope 1 emissions in the year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Objective	Reduction of direct (Scope 2) GHG emissions
Description	Reflects the company's commitment to reducing emissions from indirect use of non-renewable energies.
Target level	Absolute objective. This is calculated as the sum of all the company's Scope 2 emissions in the year.
Scope	The entire Group, getting its whole value chain involved
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections
Geographical regions	The whole Group
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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Objective	Reduction of intensity of direct and indirect (Scopes 1+2) GHG emissions
Description	Reflects the company's commitment to reducing emissions from direct and indirect use of non-renewable energies.
Target level	Intensity target for sales. This is calculated by dividing the company's total Scope 2 emissions from the year by its sales in the year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 - 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Objective	Overall Net-Zero target
Description	Meet the net-zero target for greenhouse gas emissions across the Value Chain by 2050.
Target level	Absolute target, in line with SBTi requirements, to achieve Net-Zero throughout the company by 2050 at the latest.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2050
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement and the net-zero strategy
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	Most of the reduction is expected from 2030 onwards when the use phase will be decarbonised and lower emitting materials will become competitively available in all regions

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Objective	Short/medium-term range reduction of scopes 1 + 2
Description	Short- to medium-term targets: to reduce its absolute Scope 1 and 2 GHG emissions by 57.9% by 2033 from base year 2021.
Target level	Absolute objective. Calculated as the sum of Scope 1 and Scope 2 emissions according to the GHG protocol.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Objective	Short/medium-term range reduction of scope 3
Description	Short- to medium-term objectives: CIE Automotive is committed to reducing its absolute Scope 3 GHG emissions by 54.6% by 2033 from 2021 as a base year.
Target level	Absolute objective. Calculated as total Scope 3 emissions according to the GHG protocol.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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In addition to the more focused emission targets, targets have also been set that are indirectly related to emissions, such as energy consumption, which also has an impact on the rest of the pollution risks by setting a target for more efficient use of the resources available and therefore has an impact on the other pollution risks:

Objective	Reduce intensity of energy consumption
Description	The aim is to make more efficient use of the energy resources consumed by the company as set out in the environmental policy.
Target level	Intensity target for sales. This is calculated by dividing the company's energy consumption by its annual sales.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

Similarly, objectives were also discussed in the corresponding section on water:

Objective	Reduce the intensity of water abstraction
Description	Reflects the company's commitment to reducing water consumption.
Target level	Intensity target for sales. The total volume of water extracted by the company in a year divided by its sales in that year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Focuses on reducing and mitigating one of the risks identified in the company's IRO analysis.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe. However, changes in the availability of certain sources of supply in Asia may pose a risk.

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As waste is an important part of the company's potential impact, a related target has also been set. This target was not detailed as a response to indicator *EI-4-32*.

Objective	Decrease the total amount of waste generated and not recycled
Description	Reflects the company's commitment to reducing the impact of waste generated.
Target level	Absolute objective. Total weight of waste not sent for recycling or reuse in a year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aimed at reducing Scope 3 emissions.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Progressing positively, however, the disruption of the value chain in foundry sand recycling may pose a compliance risk.

Lastly, associated with system control and standardisation, the objective is to certify the group's plants in accordance with ISO 14001:

Objective	ISO 14001 certification
Description	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Target level	Absolute objective.
Scope	The whole Group.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the risk assessment.
Scientific evidence	It is widely accepted that implementing environmental management systems helps organisations improve their environmental performance, also in the area of pollution. They help them identify risks and opportunities and establish action plans to mitigate risks, exploit opportunities and measure their effectiveness.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections. The concept of the standard is based on a value chain concept.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained. It is true that the certification process for plants joining the group or <i>green fields</i> takes 15 to 24 months.
Performance	It is evolving positively, taking into account the timelines of the certification process mentioned under "variations".

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The alignment of the objectives and sub-topics of the IRO analysis are shown below:

	E2		
	Water	Air	Soil
Reduce intensity of energy consumption		x	
Reduction of direct (Scope 1) GHG emissions		x	
Reduction of direct (Scope 2) GHG emissions		x	
Reduction of intensity of direct and indirect (Scopes 1+2) GHG emissions		x	
Decrease the total amount of waste generated and not recycled	x	x	x
Reduce the intensity of water abstraction	x		
Overall Net-Zero target	x	x	x
Short/medium-term range reduction of scopes 1 + 2		x	
Short/medium-term range reduction of scope 3	x	x	x
Improvement of gross-weight-to-net-weight ratio			
Industry 4.0 initiatives			
Circularity projects			
ISO 14001 certification	x	x	x

<i>E2-3-23 a)</i>	<i>The disclosure required by paragraph 20 shall indicate whether and how its targets relate to the prevention and control of: (a) air pollutants and their respective specific loads.</i>

One of the impacts detected is GHG emissions and their influence on air pollution. Therefore, the objectives of the first block have a direct impact on this point. In addition, an integrated environmental management model based on the ISO 14001 standard has a direct impact on reducing air pollution impacts.

On the other hand, more efficient use of energy results in lower impacts arising from different parts of the value chain.

<i>E2-3-23 b)</i>	<i>The disclosure required by paragraph 20 shall indicate whether and how its targets relate to the prevention and control of: (b) emissions to water and respective specific loads.</i>

One of the objectives is to reduce water extraction and thus make more efficient use of water resources with fewer water discharges. In addition, an integrated environmental management model based on the ISO 14001 standard has a direct impact on reducing water pollution impacts.

On the other hand, more efficient use of energy results in lower impacts arising from different parts of the value chain.

<i>E2-3-23 c)</i>	<i>The disclosure required by paragraph 20 shall indicate whether and how its targets relate to the prevention and control of: (c) pollution to soil and respective specific loads.</i>

The aim of reducing waste generation results in a reduced risk of impact on soils. In addition, an integrated environmental management model based on the ISO 14001 standard has a direct impact on reducing water pollution impacts.

On the other hand, more efficient use of energy results in lower impacts arising from different parts of the value chain.

<i>E2-3-25</i>	<i>The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary.</i>

The targets included in response to E2-3-22 are voluntary, although obtaining ISO 14001 certification and complying with the Group's policy requires compliance with all mandatory objectives and requirements at each plant.

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2.3.2.2 DRE2-4: Air pollution

E2-4-28 a) AR 21 and 22	<i>The undertaking shall disclose the amounts of: (a) each pollutant listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "E-PRTR Regulation") emitted to air, water and soil, with the exception of emissions of GHGs which are disclosed in accordance with ESRS E1 Climate Change.</i>

This table shows the sum of all the emissions from CIE Automotive's plants, including the amount of pollutants emitted into the air, water and soil in kilograms/year.

POLLUTANTS	ATMOSPHERE emissions (kg/year)	WATER emissions (kg/year)	GROUND emissions (kg/year)
Methane (CH ₄)	46.74	0.88	0
Carbon monoxide (CO)	44,096.82	1	0
Carbon dioxide (CO ₂)	5,182,998.90	1	0
Hydrofluorocarbons (HFCs)	2	1	0
Nitrous oxide (N ₂ O)	48.30	0	0
Ammonia (NH ₃)	0	35.45	0
Volatile organic compounds other than methane (VOCMD)	231,781.33	1	0
Nitrogen oxides (NO _x /NO ₂)	26,894.99	0.84	0
Sulphur hexafluoride (SF ₆)	0.00014	0	0
Sulfur oxides (SO _x /SO ₂)	4,317.40	84.54	0
Total nitrogen	0	458.22	0
Total Phosphorus	79.37	15.15	0
Hydrochlorofluorocarbons (HCFCs)	2	1	0
Halons	0.000006	0	0
Arsenic and compounds (as As)	0	4.25	0
Cadmium and compounds (as Cd)	0	2.67	0
Chromium and compounds (as Cr)	0	8.06	0
Copper and compounds (as Cu)	0	50.30	0
Mercury and compounds (as Hg)	0.70	0.36	0
Nickel and compounds (as Ni)	0.0000012	18.91	0
Lead and compounds (as Pb)	0	8.00	0
Zinc and compounds (as Zn)	0	176.72	0
Halogenated organic compounds (such as AOX)	0	0.02	0
PCDD + PCDF (dioxins + furans)	5.90	0	0
Anthracene	0.00012	0	0
Benzene	0.001	0	0
Ethylbenzene	88.20	0	0
Organotin compounds (as total Sn)	0	5.51	0
Phenols (as total C)	0	0.38	0
Toluene	3	0	0
Tributyltin & Compounds	0	0.0010	0
Total organic carbon (TOC) (as total C or COD/3)	7,856.05	0	0
Xylenes	11	0	0
Chlorides (as total Cl)	0	1,043.24	0
Chlorine and inorganic compounds (such as HCl)	92.28	2.97	0
Cyanides (as total NC)	0	0.03	0
Fluorides (as total F)	0	0.0102	0
Fluorine and inorganic compounds (such as HF)	40.34	0.72	0
Hydrogen cyanide (HCN)	0.00032	0	0
Particulate Matter (PM ₁₀)	11,157.93	8.16	0
Fluoranthene	0.3	0	0
Total suspended particulates (PST) (18)	11,456.76	27	0
COD	0	116,629.10	0

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<i>E2-4-28 b)</i> <i>AR 20</i>	<i>The undertaking shall disclose the amounts of: (b)</i> microplastics generated or used by the undertaking.

The indicators related to microplastics will not be reported, as CIE Automotive's activity does not involve this type of pollutant.

<i>E2-4-30 a)</i>	<i>The undertaking shall put its disclosure into context and describe: (a) the changes over time.</i>

As this is the first year that the data on pollutants have been collected at group level, no information on the evolution of these values over time is available.

<i>E2-4-30 b)</i> <i>AR 26 and 27</i>	<i>The undertaking shall put its disclosure into context and describe: (b)</i> the measurement methodologies.

The methodologies used for pollutant measurements are diverse, in accordance with local legislation and adapted to the activity of each plant. In plants that have specific emissions sources (those where emissions are channelled through ducts), measurements are carried out in accordance with local legislation, such as those required under the E-PRTR Regulation.

These measurements are usually periodic and are taken on days that are representative of the activity. They are taken on days when the scheduled activity is sufficiently representative of the usual activity, so that measurements can be made that reflect reality as closely as possible. Several measurements are made and are verified by an auditor, and the final values are obtained by extrapolation.

As can be seen from the measured values, the collected values correspond to air pollutants and water pollutants. No soil-related contaminants have been identified.

Although the plants in the group had already been measuring pollutants for some time, this requirement is new at group level, so the data had to be collected on a plant-by-plant basis, using questionnaires.

<i>E2-4-30 c)</i> <i>AR 27</i>	<i>The undertaking shall put its disclosure into context and describe (c) the process(es) to collect data for pollution -related accounting and reporting, including the type of data needed and the information sources.</i>

To collect emissions data, each CIE plant has been asked to fill in a form indicating which pollutants it emits and in what quantity. The plants report the data in kg/year, indicating whether their reported emissions are for air/atmosphere, water or soil.

In a subsequent step, each plant's responses are collected in a table format that compiles the emissions, differentiating between air, water and soil emissions. Then a new table is generated with the same characteristics, in which the responses from all the plants are added together, thus obtaining a table that shows CIE Automotive's overall emissions. This table can be seen in section E2-4- 28 a).

<i>E2-4-31</i> <i>AR 27</i>	<i>When an inferior methodology compared to direct measurement of emissions is chosen to quantify emissions, the reasons for choosing this inferior methodology shall be outlined by the undertaking. If the undertaking uses estimates, it shall disclose the standard, sectoral study or sources which form the basis of its estimates, as well as the possible degree of uncertainty and the range of estimates reflecting the measurement uncertainty.</i>

The measurements are taken periodically because the conditions under which the measurements are taken are considered to be representative, which allows an appropriate extrapolation to be made in terms of annual emissions.

The measurement methodology is supported by the local legislation of each plant's location and the laws governing its activity. In all cases, the measurements are taken on days when the activity to be analysed is representative of normal activity, and several measurements are taken to ensure the data collected are robust. In this way, the extrapolation of the measurements to the whole year provides an accurate view of the reality for the year. These measurements are carried out by external measurement companies and verified by an auditor.

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2.3.2.3 DR E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities

E2-6-39 a) AR 32 and 34	<i>The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering pollution-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information)</i>

As stated under *ESRS 2- SBM-3 -19 c)*, the pollution risks have come out with a risk level of less than 2 on a scale of 5 for the 2050 time horizon and the Net Zero Emissions scenario (the worst-case scenario).

This process, detailed above, is based on surveys of key people in the organisation at the plant, regional and technology level. This procedure calculates the percentage of EBITDA and amount of revenues at risk. The level of risk is low and, accordingly, the potentially affected revenues are immaterial and none of CIE Automotive's targets or commitments are jeopardised.

2.4 Water and marine resources (ESRS E3)

2.4.1 Management of impacts, risks and opportunities

2.4.1.1 DR related to ESRS 2 IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

E3-IRO-1-8 a) AR 1 and 15	<i>The undertaking shall describe the process to identify material impacts, risks and opportunities, and shall provide information on: (a) whether and how the undertaking it has screened its assets and activities in order to identify its actual and potential water and marine resources-related impacts, risks and opportunities in its own operations and its upstream and downstream value chain, and if so the methodologies, assumptions and tools used in the screening;</i>

As stated in the response to *ESRS 2 – SBM-3- 19 b) AR 7a and AR 13*, there is a single process for determining the material impacts, risks and opportunities related to the environmental area.

One of the reasons for pursuing a single analysis model is the high-level integration with the overall process (ESRS E1) which is described in *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*.

Of course, this process can be seen to be integrated with the overall analysis of impacts, risks and opportunities (IROs) included as the response to *ESRS 2 IRO-1*, whose part in the overall impacts risks and opportunities arising from water and marine resources are shown below.

Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R: risk // O: opportunity

Subtopics	IROs
Water	(R) Financial impacts arising from: Decrease in the volume and quality of water sources near the plants due to the intensive use of this resource, especially in industrial processes
	(R) Financial impacts arising from: Increased water consumption due to increased production of products linked to water-intensive technologies.

E3-IRO-1-8 b) AR 1 and 15	<i>The undertaking shall describe the process to identify material impacts, risks and opportunities, and shall provide information on: (b) whether and how the undertaking has conducted consultations, in particular, with affected communities.</i>

The overall process followed to identify and assess the impacts, risks and opportunities related to water and marine resources, as well as whether consultations were carried out, are described under *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*.

The entire environmental domain, in particular the risk, opportunity and resilience analysis process, is included and explained under the preceding indicator *ESRS 2-SBM-3-19 a) and b)* above.

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2.4.1.2 DR E3-I: Policies related to water and marine resources

Title	Environmental policy
Description	CIE Automotive Group's environmental policy.
Objective	The purpose of this policy is to integrate environmental practices throughout the Value Chain. Doing this will contribute to achieving the United Nations Sustainable Development Goals (SDGs) and ensure transparency in the reporting on our environmental performance. The commitments in this policy are articulated as a key tool to achieve the group's goal of being a net zero emissions company by 2050 and the 1.5°C target aligned with the Paris Agreement, in addition to its legal commitments and those of its stakeholders. As a leading global multi-technology supplier to the automotive industry, CIE Automotive has a clear commitment to sustainable development, the environment, biodiversity and the fight against climate change. We also recognise our responsibility to minimise the environmental impact of our activities, products and services, in line with the principles of sustainability and current legislation, our stakeholders' requirements and the voluntary commitments undertaken by the company. This commitment is reflected in our Environmental Policy, which guides our strategic and operational decisions towards a more sustainable business model.
Material Impacts, Risks and Opportunities	As part of the continuous reviews of the Strategic Plan, the Management Plan and the potential Transition Plan, the dependencies, impacts, risks and opportunities are assessed to ensure that the risks are mitigated and the opportunities are taken advantage of. For the environmental risks, at minimum, any acute physical, chronic physical and transitional climate risks will be addressed and risk analyses of pollution, circularity, water and biodiversity will be launched. The risk map is integrated into CIE Automotive's Risk Management System (RMS), which follows the ISO 31000 methodology and provides reasonable assurance that all significant environmental risks are prevented, identified, assessed and monitored on an ongoing basis. These risks are approved by the Board and managed according to risk tolerance levels. The Environmental Policy forms part of the company's governance process, along with the dual materiality analysis and the IROs identified in it. The policy therefore addresses the material IROs of the above analysis, and this is also reflected in the response to <i>ESRS 2-SBM-3-19 a)</i>, <i>E1-2-25</i> and <i>E5-3-23</i>.
Scope of the policy	The scope of this policy covers all of CIE Automotive's subsidiaries and affiliates where the company exercises financial and operational control. There are no geographical or technological exclusions. This policy has also been established to allow monitoring of the supply chain, to ensure that all its participants have commitments in line with those of the company; and to manage information security when the products sold are being developed and manufactured. The Group's environmental policy addresses prevention, preparation for reuse, recycling, energy recovery and disposal of the waste, prioritising them in that order. Similarly, waste avoidance or minimisation is prioritised over waste treatment.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy applies globally.
Value Chain	The policy includes a commitment to promote and require environmental commitments in line with those of the company throughout the Value Chain.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy. The ESG Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by the corporate Engineering, Quality and Environment Department and the Horizontal ESG Committee.
Publication	Public document posted on the corporate website, and available to all Group employees through the corporate intranet and the Management Model.

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The response to E2-3-22 discussed the importance of implementing integrated management systems, and more specifically for them to include environmental management systems (EMS) and how to ensure their effectiveness and continuous improvement.

At this point it should be emphasised that these ISO 14001 based systems ensure a value chain and stakeholder focus with key points of the value chain being ensured via internal audits and third-party audits.

Some of these key points of the EMS, where the Environmental Policy is a key point and focus of this audit and review process, are:

1. Organisational context and stakeholder analysis

The standard states that the organisation must:

- Identify relevant stakeholders (customers, suppliers, contractors, regulators, community, etc.) and understand their needs and expectations related to environmental performance.
- Incorporate these expectations into the environmental management system, to ensure that stakeholders' concerns are taken into account.

2. Value chain management

The ISO 14001 standard includes a clear focus on the value chain, ensuring that environmental impacts are not just limited to internal operations, but are considered at all stages, such as:

- Supply of raw materials: Promote purchases of materials from suppliers that comply with environmental requirements.
- Design of products and services: Promote a life-cycle approach, considering environmental impacts from the extraction of raw materials to the end of the product's useful life.
- Management of suppliers and contractors: The standard requires organisations to establish environmental requirements for their suppliers and subcontractors. This may include contractual clauses, audits and training programmes.

3. Product life cycle (life cycle approach)

The ISO 14001 standard incorporates the concept of "life cycle", which means that organisations must assess and minimise environmental impacts at all stages of their value chain:

- Extraction of raw materials.
- Production/distribution.
- Product use.
- Final disposal or recycling.

This obliges the organisation to work closely with its partners in its value chain to identify and manage environmental impacts at each stage.

4. Communication with stakeholders

The standard promotes effective communication with internal and external stakeholders to:

- Report on environmental performance and risk management.
- Encourage collaboration with partners, suppliers and customers on environmental initiatives.
- Strengthen transparency and trust with the community and other stakeholders.

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E3 – 1 – 12 a) AR 16 and 18	<i>The undertaking shall indicate whether and how its policies address the following matters where material: (a) water management including:</i> i. the use and sourcing of water and marine resources in its own operations; ii. water treatment as a step towards more sustainable sourcing of water; and iii. the prevention and abatement of water pollution resulting from its activities.

The group's environmental policy includes these aspects and commitments, among others:

1. Mandatory and voluntary compliance

We ensure compliance with all applicable environmental legislation, stakeholder requirements and voluntary commitments, ensuring transparent and documented environmental management.

2. The fight against climate change. Incorporating strategies of:

- Climate change mitigation.
- Climate change adaptation.

3. Preservation of air, soil and water quality

- Pollution prevention: Soil, Water, Air and Noise.
- Reduction of the acoustic impact of our activities.
- Location of our production plants, avoiding deforestation and impacts on biodiversity.

4. Energy Efficiency and Reducing Emissions

- We promote energy efficiency in our operations by implementing clean technologies and transitioning to renewable energy sources.
- We are committed to progressively reducing our greenhouse gas (GHG) emissions, aligning ourselves with the objectives of the Paris Agreement.

5. Management of Resources and Waste

- We optimise the use of materials in our production processes, prioritising recycled and sustainable raw materials.
- We implement circular economy practices, minimising waste generation and maximising reuse or recycling.

6. Design of Sustainable Products and Processes under Eco-design concepts

We incorporate sustainability principles into the design of our components, their manufacturing process and their life cycle, including:

- Lightweight and recyclable materials that improve fuel efficiency.
- Products designed for easy repair, reuse or recycling.
- Circularity of materials.
- Efficient and sustainable processes.
- Ensuring the safety of our products throughout the value chain and in their end use.

7. Protection of Biodiversity and Responsible Use of water resources

- We conduct environmental impact assessments of our facilities to minimise disruption to local ecosystems.
- We manage our water use responsibly, reducing consumption and guaranteeing the quality of the water we discharge. Including:
 - o The use and sourcing of water resources in our own operations
 - o Water treatment as a step towards more sustainable water use.
 - o Prevention and abatement of water pollution resulting from our activities.
- Protecting water resources, including river and marine resources.

8. Getting people engaged: "we can all improve our environment"
9. Promoting and requiring environmental commitments in line with those of the company throughout the value chain
10. Prevention and management of accidents and emergency situations, mitigating the negative impact on people and the environment
11. Transparency and Reporting

- We publish annual sustainability reports in accordance with the Corporate Sustainability Reporting Directive (CSRD), providing verifiable data on our environmental actions, targets and results.
- We establish key performance indicators to measure and show our progress.

12. We set targets and measure our performance through the scorecard, with indicators such as:

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- Energy efficiency.
- Reducing emissions.
- Water consumption.
- Generation of waste.
- Circularity.
- Use of renewable energy.
- Product safety.
- Accidents and emergencies.

E3 – 1 – 12 b) AR 16 and 18	<i>The undertaking shall indicate whether and how its policies address the following matters where material: (b) product and service design in view of addressing water-related issues and the preservation of marine resources.</i>

As stated in items 5 and 6 detailed in the response to E3-1-12 a) AR 16 and 18 above, the product and service design in view of addressing water-related issues and the preservation of marine resources does take CIE Automotive's policy into account.

E3 – 1 – 12 c) AR 16 and 18	<i>The undertaking shall indicate whether and how its policies address the following matters where material: (c) Commitment to reduce material water consumption in areas at water risk in its own operations and along the upstream and downstream value chain.</i>

Within the Group's indicators and specific objectives, the policy explicitly expresses the target of reducing water consumption in point 12, as detailed in the response to the previous indicator, E3-1-12 a) AR 16 and 18. The policy explicitly mentions that the scope includes areas of high water stress.

E3 – 1 – 13 AR 16 and 18	<i>If at least one of the sites of the undertaking is located in an area of high-water stress and it is not covered by a policy, the undertaking shall state this to be the case and provide reasons for not having adopted such a policy. The undertaking may disclose a timeframe in which it aims to adopt such a policy.</i>

CIE Automotive's Environmental Policy is global in scope, so there is no location with high water stress that it does not cover.

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2.4.1.3 DRE E3-2: Actions and resources related to water and marine resources

E3 – 2 – 17 AR 16 and 18	<i>The description of the actions and resources shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. In addition to ESRS 2 MDR-A, the undertaking may specify which layer in the mitigation hierarchy an action and resources can be allocated to</i>

Due to the integrated approach of CIE Automotive's management system that includes environmental issues, and the dependencies between key factors such as climate change, pollution and water and marine resource management, part of the actions have already been mentioned in response to E2-2-18.

Action	CIE Automotive's integrated management model
Results	Ensure the Group's best practices are implemented at all CIE Automotive locations, seeking continuous improvement and reduction of impacts on the environment, soil, air and water, along with appropriate use of water and marine resources.
Scope	The entire Group, including areas of high water stress and getting the value chain involved.
Horizon	Continuous improvement every year
Actions	Elaboration of a Management Model applicable to all the group's plants. This model is strengthened with the best practices detected in any of the locations and with requests transmitted by stakeholders.
Information	To ensure its implementation, both internal and third-party assessments are carried out in accordance with various standards such as ISO 14001 and ISO 50001. By 2024, over 98% of CIE's locations were ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures commented are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Implementation of an environmental management system
Results	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness.
Scope	The entire Group, including areas of high water stress and getting the value chain involved.
Horizon	Continuous improvement every year
Actions	Group requirement for all plants to obtain ISO 14001 certification. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Information	The implementation and certification according to ISO 14001 helps reduce the environmental impact in several ways: 1. Identification and Management of Environmental Impacts ISO 14001 requires organisations to identify aspects of their activities, products or services that affect the environment (such as emissions, resource use, waste generation), and to develop strategies to mitigate them. 2. Legal compliance The certification ensures that the organisation complies with local, national and international environmental legislation, reducing the risk of sanctions for non-compliance. 3. Efficiency in resource consumption Implementing ISO 14001 encourages the optimisation of the use of resources such as water, energy and raw materials, which reduces the environmental impact associated with their extraction, production and consumption. 4. Pollution Prevention The standard incentivises action to prevent pollution, rather than to correct it afterwards. This includes minimising emissions, reducing waste and handling chemicals safely. 5. Promoting continuous improvement ISO 14001 requires a continual improvement approach, ensuring that organisations regularly implement actions to reduce their long-term environmental impacts. 6. Environmental awareness The certification promotes awareness and training of employees and stakeholders on sustainable practices, thus fostering a more environmentally responsible organisational culture. 7. Reputation and competitiveness Certified companies are valued more highly by stakeholders, who prioritise sustainability, promoting environmentally responsible business practices throughout the supply chain. Currently over 98% of the Group's locations are ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures commented are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Eco-design
Results	Introduction of eco-design criteria in the process of launching and industrialising new projects, as well as the dissemination of eco-design manuals and tools.
Scope	The entire Group, including areas of high water stress and getting the value chain involved.
Horizon	This has already been introduced into the management system and is updated on a recurring basis to ensure its effectiveness.
Actions	Introduction of eco-design criteria into processes and procedures for developing and launching new products and projects.
Information	CIE Automotive's Process 3 contains a series of checklists that coincide with each step of the Advanced Product Quality Planning (APQP) process, which are reviewed by plant and project management to move on to the next phase, and that incorporate the review of eco-design concepts in the project. Eco-design tools have been developed to help achieve this.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures commented are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Active listening
Results	Membership in associations aligned with CIE Automotive's objectives and policy
Scope	Organisations aligned with eco-design, circularity, climate change, emission reduction and environmental impact reduction objectives, with a special focus on the value chain and stakeholders.
Horizon	This is an action with a long-term horizon.
Actions	Align sector objectives, both downstream and upstream. Promote the objectives reflected in the group's policy and commitments in entities that have difficulties in applying them, such as SMEs in particular. Identify new challenges and trends. Stimulate joint proposals.
Information	At the institutional level, CIE Automotive works through the Board of the Spanish Association of Automotive Suppliers (Sernauto) to promote actions to achieve climate neutrality and collaborates to set more ambitious targets for the sector. The group is a founding member of the Basque Ecodesign Center, where it works together with various government representatives and different industrial sectors to promote circularity, decarbonisation and the fight against climate change. CIE Automotive has been involved in new mobility solutions focused on zero-emission vehicles from the early stages of development. This strategy has led it to participate in Basquevolt since 2021, the Basque initiative for producing solid-state batteries. It also belongs to Forética's Climate Change Cluster [<i>Clúster del Cambio Climático de Forética</i>], a group of companies that translates the main trends and conversations on climate change worldwide into the Spanish context. It is also a member of the Spanish Quality Association [<i>Asociación Española de Calidad</i>], which has various working groups in the environmental area to influence the development of new legislation and provide guidelines and training to help the industry manage climate change.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

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Action	Governance and involvement of senior management
Results	Incorporate environmental and sustainability criteria into all the company's decisions and therefore into its strategy
Scope	The CIE Automotive Group, including those working in areas of high water stress.
Horizon	This is an action with a long-term horizon
Actions	Boost interaction between all levels of the company by fostering fluid information and communication.
Information	The Board and the Management Committee are engaged in the fight against climate change. The ultimate responsibility for environment-related activities rests with the Board. Within the Board, the environmental representative is the ESG Committee. The chair of this committee has experience and knowledge regarding climate change. The company's CEO, in turn, is involved in sustainable growth and is ultimately responsible for the achievement of the Strategic Plan, which integrates the ESG Plan. The ESG Committee is a body that reports and makes proposals to CIE Automotive's ESG Committee. The Director of Engineering, Quality and Environment is part of this committee and manages the deployment of the strategic plan in the environmental area. Bringing engineering and environment together under one Director ensures that all the environmental objectives are addressed upstream and at the R&D stage.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

The following two actions are specific and were not mentioned in the previous points:

Action	Increased water recirculation
Results	Reducing water extraction by extending the use of closed loops.
Scope	The CIE Automotive Group, including those working in areas of high water stress.
Horizon	This is an action with a long-term horizon
Actions	Increase the use of closed circuits, especially in cooling areas.
Information	The Group's production process is water-intensive. To minimise extraction and discharges, the company has its own systems and facilities for water treatment, recirculation and recovery
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures commented are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Improving water treatment systems
Results	Reducing water extraction by extending the use of closed loops.
Scope	Certain plants located in India
Horizon	2023-2026
Actions	Improvements to pre-discharge water treatment systems
Information	The Group's production process is water-intensive. To minimise extraction and discharges, the company has its own systems and facilities for water treatment, recirculation and recovery
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The figures commented are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

One of the foundations of the integrated management system is to close the circle of strategy, policies, actions and objectives or goals by ensuring the processes and actions are effective. To this end, actions are linked to targets or objectives that are continuously reviewed as metrics of the effectiveness of each action and of the system.

It should be recalled that one of the pillars of environmental management systems certified with the ISO 14001 standard is the Plan-Do-Check-Act (PDCA) cycle approach, which ensures continuous improvement:

- **Plan:** Identify environmental aspects, legal requirements and risks/opportunities; define environmental objectives and targets; and establish action plans.
- **Do:** Implement the plans and procedures designed.
- **Check:** Monitor, measure, analyse and evaluate environmental performance against the established objectives.
- **Act:** Correct and adjust the system as necessary to improve its effectiveness.

This pillar is combined with two other key pillars:

Monitor, measure and assess performance

- The standard requires organisations to continuously monitor their environmental performance, assessing whether the objectives and targets are being met.
- Internal audits are a key tool to verify the effectiveness of the system. In the case of CIE Automotive, these are corroborated by third-party certification

Continuous improvement

The standard encourages continual improvement through periodic reviews of the system, identification of non-conformities and implementation of corrective and preventive actions. This allows the system to constantly progress and become more effective in achieving its goals.

For this purpose, a matrix has been set up to ensure that all the actions are linked to objectives or goals. This is shown in the table below, where the entries identified with an asterisk (*) are those that are mainly involved in the value chain.

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		Obj6	Obj13
		Reduce the intensity of water extraction	Certification according to ISO 14.001
Acc1	Substitution of non-renewable fuels		x
Acc2	Purchasing Renewable Electricity	x*	
Acc3	Energy efficiency via Industry 4.0 initiatives		x
Acc4	Reduction of the gross weight to net weight ratio	x*	
Acc5	Circularity projects		x
Acc6	Adaptation of the Azkoitia landfill to current legislation		x
Acc7	Key Product Carbon Footprint Calculation	x	
Acc8	Digitalization Environmental Data Management	x	x
Acc9	Supply Chain Race2Zero Project	x*	x*
Acc10	Project Materials	x*	x*
Acc11	Auxiliary Equipment Project	x*	x*
Acc12	Eco-design	x	x
Acc13	CIE Automotive Integrated Management Model	x	x
Acc14	Implementation of an environmental management system	x	x
Acc15	Durability	x*	x
Acc16	Repairability, reuse and end-of-life of vehicles	x*	x
Acc17	Active listening	x	x
Acc18	Governance and Senior Management Engagement	x	x
Acc19	Increased water circularity	x	x
Acc20	Improvement in water treatment systems	x	x

The relationship between the actions with the IROs is shown in the following table, as well as in the response to indicator E3-3-22 through the objectives they pursue.

	E3
	Water
Reducing the intensity of water abstraction	x
Certification according to ISO 14001	x

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<i>E3-2-18 AR 19 and 21</i>	<i>Resources can be allocated to: (a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water; or (d) restoration and regeneration of aquatic ecosystem and water bodies.</i>

Action	CIE Automotive's integrated management model
Associated with:	(a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water

Action	Implementation of an environmental management system
Associated with:	(a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water

Action	Ecodesign
Associated with:	(a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water

Action	Active listening
Associated with:	(a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water

Action	Governance and involvement of senior management
Associated with:	(a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water

<i>E3-2-19 AR 19 and 21</i>	<i>The undertaking shall specify actions and resources in relation to areas at water risk, including areas of high-water stress.</i>

The actions discussed above cover the entire Group, including areas of high-water stress.

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2.4.2 Metrics and targets

2.4.2.1 DR E3-3: Targets related to water and marine resources

E3-3-22	<i>The description of targets shall contain the information requirements defined in ESRS 2 MDR-T Tracking effectiveness of policies and actions through targets.</i>

In the response to E2-3-22, water-related targets were already reflected in the response to E2-3-22 because of the high dependency between the various environmental domains, including the following:

Objective	Reduce the intensity of water abstraction
Description	Reflects the company's commitment to reducing water consumption.
Target level	Intensity target for sales. The total volume of water extracted by the company in a year divided by its sales in that year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Focuses on reducing and mitigating one of the risks identified in the company's IRO analysis.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe. However, changes in the availability of certain sources of supply in Asia may pose a risk.

Objective	ISO 14001 certification
Description	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Target level	Absolute objective.
Scope	The whole Group.
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the risk assessment.
Scientific evidence	It is widely accepted that implementing environmental management systems helps organisations improve their environmental performance, also in the area of pollution. They help them identify risks and opportunities and establish action plans to mitigate risks, exploit opportunities and measure their effectiveness.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections. The concept of the standard is based on a value chain concept.
Geographical regions	The whole Group.

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Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained. It is true that the certification process for plants joining the group or <i>green fields</i> takes 15 to 24 months.
Performance	It is evolving positively, taking into account the timelines of the certification process mentioned under "variations".

The alignment of the objectives and sub-topics of the IRO analysis are shown below. In this case both targets affect the water sub-topic and therefore their related actions

	E3
	Water
Reduce the intensity of water abstraction	x
ISO 14001 certification	x

E3-3-23 a)	<i>The disclosure required by paragraph 20 (The undertaking shall disclose the water and marine resources-related targets it has set) shall indicate whether and how its targets relate to: (a) the management of material impacts, risks and opportunities related to areas at water risk, including improvement of the water quality.</i>

As explained in previous indicators, and specifically shown in the response to indicator E3-3-22, targets are a measure of the effectiveness of actions taken. These actions arise from the need to mitigate risks or to take advantage of opportunities detected in the analysis of dependencies and IROs carried out. They are therefore aligned within a common, integrated process.

E3-3-23 b)	<i>The disclosure required by paragraph 20 (The undertaking shall disclose the water and marine resources-related targets it has set) shall indicate whether and how its targets relate to: (b) the responsible management of marine resources impacts, risks and opportunities including the nature and quantity of marine resources-related commodities (such as gravels, deep-sea minerals, seafood) used by the undertaking.</i>

The use of marine resources such as gravels or seafood is not relevant for the Group.

E3-3-23 c)	<i>The disclosure required by paragraph 20 (The undertaking shall disclose the water and marine resources-related targets it has set) shall indicate whether and how its targets relate to: (c) the reduction of water consumption, including an explanation of how those targets relate to areas at water risk, including areas of high water-stress.</i>

The targets aim at taking a systemic approach to water use by implementing a single management model and third-party certification of the model based on the ISO 14001 standard. It also sets an explicit target for reducing water extraction.

These targets are set for the entire Group and therefore also for locations in areas of high-water stress.

E3-3-25	<i>The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary.</i>

The targets described in response to E3-3-22 are voluntary, although obtaining ISO 14001 certification and complying with the Group's policy requires compliance with all mandatory objectives and requirements at each plant.

2.4.2.2 DR E3-4: Water consumption

E3-4-28 a)	<i>The disclosure required by paragraph 26 relates to own operations and shall include: (a) total water consumption in m3.</i>

1,671,250.76 m3 in 2024, and 1,625,246.72 m3 in 2023.

E3-4-28 b) AR 28	<i>The disclosure required by paragraph 26 relates to own operations and shall include: (b) total water consumption in m3 in areas at water risk, including areas of high-water stress.</i>

941,423.83 m3

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<i>E3-4-28 c)</i>	<i>The disclosure required by paragraph 26 relates to own operations and shall include: (c) total water recycled and reused in m3.</i>

56,011,406.72 m3 in 2024 and 48,694,678.44 m3 in 2023.

<i>E3-4-28 d)</i>	<i>The disclosure required by paragraph 26 relates to own operations and shall include: (d) total water stored and changes in storage in m3.</i>

339,753.88 m3

<i>E3-4-28 e)</i> <i>AR 29</i>	<i>The disclosure required by paragraph 26 relates to own operations and shall include: (e) any contextual information necessary regarding points (a) to (d), including the water basins' water quality and quantity, how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</i>

At CIE Automotive, we manage and report our water indicators based on traceable data and standardised procedures that ensure accuracy and alignment with applicable legislation, including the requirements of the Corporate Sustainability Reporting Directive (CSRD).

The methods used are described below:

1. Mains water: The consumption of mains water is recorded directly from the invoices issued by the water company. This approach ensures full traceability of the data, as the information comes from an official auditable source.

2. Well water, surface water and rainwater: The volumes of water taken from wells, surface sources and collected rainwater are measured using meters installed at the catchment or collection points.

- This method provides accurate and verifiable data on the use of these resources.
- The meters undergo regular maintenance to ensure their correct functioning and the reliability of their measurements.

3. Recirculated Water: The volume of recirculated water in our processes is calculated using a method based on:

- The recirculation capacity of the cooling towers, determined by technical specifications.
- The actual hours of operation of the towers, recorded automatically.

<i>E3-4-29</i>	<i>The undertaking shall provide information on its water intensity: total water consumption in its own operations in m3 per million EUR net revenue.</i>

In 2024, 0.0004 m3 per million EUR net revenue, whereas in 2023, 0.0004 m3 per million EUR net revenue.

2.4.2.3 DR E3-5: Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

<i>E3-5-33 a)</i> <i>AR 29</i>	<i>The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering water and marine resources-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information).</i>

As stated under *ESRS 2-SBM-3-19 c)* and *E3-IRO-1-8 a)*, the water risks have come out with a risk level of less than 2.05 on a scale of 5 for the 2050 time horizon and the Net Zero Emissions scenario (the worst-case scenario).

This process, detailed above, is based on surveys of key people in the organisation at the plant, regional and technology levels, whereby a percentage of EBITDA at risk is calculated, and as a proportion, the amount of revenue at risk.

The level of risk is low and, accordingly, the potentially affected revenues are immaterial and none of CIE Automotive's targets or commitments are jeopardised.

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2.5 Resource use and circular economy (ESRS E5)

2.5.1 Management of impacts, risks and opportunities

2.5.1.1 DR related to ESRS 2 IRO-1: Description of the processes to identify and assess effects from resource use and circular economy-related risks and opportunities

ESRS 2-IRO 1-11 a)	<i>The undertaking shall describe the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities, and shall provide information on (a) whether the undertaking has screened its site locations and business activities in order to identify its actual and potential pollution -related impacts, risks and opportunities in its own operations and upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening.</i>

As stated in the response to ESRS 2 – SBM-3- 19 b) AR 7a and AR 13, there is a single process for determining the material impacts, risks and opportunities related to the environmental area.

One of the reasons for pursuing a single analysis model is the high-level integration with the overall process (ESRS E1) which is described in ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities.

Of course, this process can be seen to be integrated with the overall analysis of impacts, risks and opportunities (IROs) addressed in the response to ESRS 2 IRO-1, whose part in the overall impacts risks and opportunities of resource use and the circular economy are shown below.

Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R: risk // O: opportunity

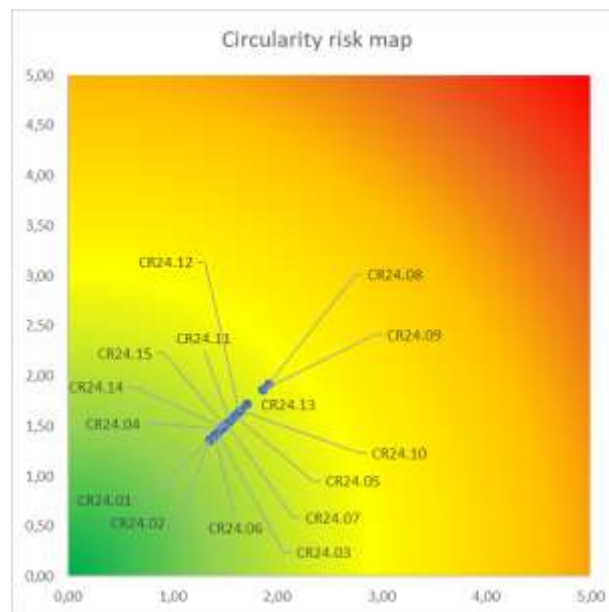
Subtopics	IROs
Resource inputs, including resource use	(+) Use of recycled materials in production processes involving
	(+) Use of returnable packaging that can be used for other products, thus reducing waste and extending the packages' life cycle.
	(+) Internal reuse of returns from the company's various production processes through its own recycling system.
	(+) Reduction in the volume of materials used in production processes due to a reduction in the gross weight of the products manufactured by the company.
	(O) Financial impacts arising from: Internal reuse of returns from the company's various production processes through its own recycling system.
Resource outflows related to products and services	(+) Development of products under eco-design criteria and with a life cycle approach that improves their reparability, disassembly and separation, and thus increases their recyclability.
	(+) Recirculation of water from high-temperature material processing through internal water treatment systems and facilities.
	(O) Financial impacts arising from: Development of products under eco-design criteria and with a life cycle approach that improves their reparability, disassembly and separation, and thus increases their recyclability.
Waste	(R) Financial impacts arising from: Generation of toxic waste during the process of extracting raw materials.
	(R) Financial impacts arising from: Generation of waste associated with the use of technical plastics.
	(O) Financial impacts arising from: Sale of non-recyclable steel waste to local suppliers for reuse.

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For a more detailed analysis of the risks of resource use and circular economy, the following risks are analysed:

- CR24.01 Risk of lack of effective recycling.
- CR24.02 Risk of not reusing hazardous by-products.
- CR24.03 Risk of contaminated materials.
- CR24.04 Risk of use of virgin raw materials.
- CR24.05 Risk of lack of integration of recycled materials.
- CR24.06 Risk of by-products not used for circular economy.
- CR24.07 Risk of linear product design.
- CR24.08 Risk of suppliers with poor environmental practices.
- CR24.09 Risk of environmental footprint from transport.
- CR24.10 Risk of using mixed or non-recyclable composite materials.
- CR24.11 Risk of lack of quality standards in recyclable materials.
- CR24.12 Risk of pollution from recycling processes.
- CR24.13 Risk of high energy consumption for recovery.
- CR24.14 Risk of lack of attention to durability and repairability.
- CR24.15 Risk of products with toxic substances.

None of these risks reaches a value of 2.15 (medium) on a scale of 5 as shown in the heat map below, where the risk level is shown on the y-axis and the probability on the x-axis. The results are shown for the 2050 time horizon and the NZE scenario.



ESRS 2-IRO 1-11 b)	The undertaking shall describe the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities, and shall provide information on: b) whether and how the undertaking has conducted consultations, in particular, with affected communities.

The overall process followed to identify and assess the impacts, risks and opportunities related to resources and the circular economy, as well as whether consultations were carried out, are described under *ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*. The entire environmental domain, in particular the risk, opportunity and resilience analysis process, is integrated and explained under the preceding indicator *ESRS 2-SBM-3-19 a) and b)* above.

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2.5.1.2 DR E5-1: Policies related to resource use and circular economy

E5 -1 - 14	<i>The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to resource use and circular economy in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</i>

Title	Environmental policy
Description	CIE Automotive Group's environmental policy.
Objective	The purpose of this policy is to integrate environmental practices throughout the Value Chain. Doing this will contribute to achieving the United Nations Sustainable Development Goals (SDGs), and ensure transparency in the reporting on our environmental performance. The commitments in this policy are articulated as a key tool to achieve the group's goal of being a net zero emissions company by 2050 and the 1.5°C target aligned with the Paris Agreement, in addition to its legal commitments and those of its stakeholders. As a leading global multi-technology supplier to the automotive industry, CIE Automotive has a clear commitment to sustainable development, the environment, biodiversity and the fight against climate change. We also recognise our responsibility to minimise the environmental impact of our activities, products and services, in line with the principles of sustainability and current legislation, our stakeholders' requirements and the voluntary commitments undertaken by the company. This commitment is reflected in our Environmental Policy, which guides our strategic and operational decisions towards a more sustainable business model.
Material Impacts, Risks and Opportunities	As part of the continuous reviews of the Strategic Plan, the Management Plan and the potential Transition Plan, the dependencies, impacts, risks and opportunities are assessed to ensure that the risks are mitigated and the opportunities are taken advantage of. For the environmental risks, at minimum, any acute physical, chronic physical and transitional climate risks will be addressed and risk analyses of pollution, circularity, water and biodiversity will be launched. The risk map is integrated into CIE Automotive's Risk Management System (RMS), which follows the ISO 31000 methodology and provides reasonable assurance that all significant environmental risks are prevented, identified, assessed and monitored on an ongoing basis. These risks are approved by the Board and managed according to risk tolerance levels. The Environmental Policy forms part of the company's governance process, along with the dual materiality analysis and the IROs identified in it. The policy therefore addresses the material IROs of the above analysis, and this is also reflected in the response to <i>ESRS 2-SBM-3-19 a)</i>, <i>E1-2-25</i> and <i>E5-3-23</i>.
Scope of the policy	The scope of this policy covers all of CIE Automotive's subsidiaries and affiliates where the company exercises financial and operational control. There are no geographical or technological exclusions. This policy has also been established to allow monitoring of the supply chain, to ensure that all its participants have commitments in line with those of the company; and to manage information security when the products sold are being developed and manufactured. The Group's environmental policy addresses prevention, preparation for reuse, recycling, energy recovery and disposal of waste, prioritising them in that order. Similarly, waste avoidance or minimisation is prioritised over waste treatment.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy applies globally.
Value Chain	The policy includes a commitment to promote and require environmental commitments in line with those of the company throughout the Value Chain.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy. The ESG Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by

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	the corporate Engineering, Quality and Environment Department and the Horizontal ESG Committee.
Publication	Public document posted on the corporate website, and available to all Group employees through the corporate intranet and the Management Model.

The response to *ESRS EI-3-28* discussed the importance of implementing integrated management systems, and more specifically for them to include environmental management systems (EMS) and how to ensure their effectiveness and continuous improvement.

At this point it should be emphasised that these ISO 14001 based systems ensure a value chain and stakeholder focus with key points of the value chain being ensured via internal audits and third-party audits.

Some of these key points of the EMS, where the Environmental Policy is a key point and focus of this audit and review process, are:

1. Organisational context and stakeholder analysis

The standard states that the organisation must:

- Identify relevant stakeholders (customers, suppliers, contractors, regulators, community, etc.) and understand their needs and expectations related to environmental performance.
- Incorporate these expectations into the environmental management system, to ensure that stakeholders' concerns are taken into account.

2. Value chain management

The ISO 14001 standard includes a clear focus on the value chain, ensuring that environmental impacts are not just limited to internal operations, but are considered at all stages, such as:

- Supply of raw materials: Promote purchases of materials from suppliers that comply with environmental requirements.
- Design of products and services: Promote a life-cycle approach, considering environmental impacts from the extraction of raw materials to the end of the product's useful life.
- Management of suppliers and contractors: The standard requires organisations to establish environmental requirements for their suppliers and subcontractors. This may include contractual clauses, audits and training programmes.

3. Product life cycle (life cycle approach)

The ISO 14001 standard incorporates the concept of "life cycle", which means that organisations must assess and minimise environmental impacts at all stages of their value chain:

- Extraction of raw materials.
- Production/distribution.
- Product use.
- Final disposal or recycling.

This obliges the organisation to work closely with its partners in its value chain to identify and manage environmental impacts at each stage.

4. Communication with stakeholders

The standard promotes effective communication with internal and external stakeholders to:

- Report on environmental performance and risk management.
- Encourage collaboration with partners, suppliers and customers on environmental initiatives.
- Strengthen transparency and trust with the community and other stakeholders.

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E5 –1 – 15 a)	<i>In the summary, the undertaking shall indicate whether and how its policies address the following matters where material: (a) transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources</i>

The group's environmental policy includes these aspects and commitments, among others:

1. Mandatory and voluntary compliance

We ensure compliance with all applicable environmental legislation, stakeholder requirements and voluntary commitments, ensuring transparent and documented environmental management.

2. The fight against climate change. Incorporating strategies of:

- Climate change mitigation.
- Climate change adaptation.

3. Preservation of air, soil and water quality

- Pollution prevention: Soil, Water, Air and Noise.
- Reduction of the acoustic impact of our activities.
- Location of our production plants, avoiding deforestation and impacts on biodiversity.

4. Energy Efficiency and Reducing Emissions

- We promote energy efficiency in our operations by implementing clean technologies and transitioning to renewable energy sources.
- We are committed to progressively reducing our greenhouse gas (GHG) emissions, aligning ourselves with the objectives of the Paris Agreement.

5. Management of Resources and Waste

- We optimise the use of materials in our production processes, prioritising recycled and sustainable raw materials.
- We implement circular economy practices, minimising waste generation and maximising reuse or recycling.

6. Design of Sustainable Products and Processes under Eco-design concepts

We incorporate sustainability principles into the design of our components, their manufacturing process and their life cycle, including:

- Lightweight and recyclable materials that improve fuel efficiency.
- Products designed for easy repair, reuse or recycling.
- Circularity of materials.
- Efficient and sustainable processes.
- Ensuring the safety of our products throughout the value chain and in their end use.

7. Protection of Biodiversity and Responsible Use of water resources

- We conduct environmental impact assessments of our facilities to minimise disruption to local ecosystems.
- We manage our water use responsibly, reducing consumption and guaranteeing the quality of the water we discharge. Including:
 - o The use and sourcing of water resources in our own operations
 - o Water treatment as a step towards more sustainable water use.
 - o Prevention and abatement of water pollution resulting from our activities.
- Protecting water resources, including river and marine resources.

8. Getting people engaged: "we can all improve our environment"
9. Promoting and requiring environmental commitments in line with those of the company throughout the value chain
10. Prevention and management of accidents and emergency situations, mitigating the negative impact on people and the environment
11. Transparency and Reporting

- We publish annual sustainability reports in accordance with the Corporate Sustainability Reporting Directive (CSRD), providing verifiable data on our environmental actions, targets and results.
- We establish key performance indicators to measure and show our progress.

12. We set targets and measure our performance through the scorecard, with indicators such as:

- Energy efficiency.
- Reducing emissions.

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- Water consumption.
- Generation of waste.
- Circularity.
- Use of renewable energy.
- Product safety.
- Accidents and emergencies.

<i>E5 –1 – 15 b)</i> <i>AR 9</i>	<i>In the summary, the undertaking shall indicate whether and how its policies address the following matters where material: (b) sustainable sourcing and use of renewable resources.</i>

The response to this indicator is provided under *E5-1-15 a)* and *E5-1-14*, especially in the section on scope.

CIE Automotive has adopted the waste hierarchy as the basis for its environmental management strategy, prioritising the minimisation of negative impacts and following the principles of the circular economy. Our waste policy follows a structured approach based on the following order of priority:

1. Prevent:

- We design our processes to optimise the use of materials, minimising the generation of waste at source.
- We implement continuous improvement initiatives, such as optimising cuts of metal and plastic materials in a way that maximises the use of raw materials.

2. Reuse:

- We encourage the reuse of materials such as returnable packaging and reusable containers in our logistics chains.
- In our plants, we repair equipment and components whenever possible, extending their life cycle.

3. Recycle:

- Separation and integrated waste management to maximise the recycling of materials such as metals, plastics and paper.
- We work with authorised waste managers to ensure that recyclable waste is reintegrated into the value chain as a secondary raw material.

4. Recover:

- We use non-recyclable waste for energy recovery, contributing to the reduction of waste destined for landfill.
- At some facilities, we use organic waste to generate compost or biogas, where local infrastructure allows.

5. Elimination (last option):

- Non-recoverable waste is managed responsibly through authorised landfills, minimising the environmental impact.
- We constantly review these practices to minimise the waste destined for this category.

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2.5.1.3 DR E5-2: Actions and resources related to resource use and circular economy

E5-2-19	<i>The description of the resource use and circular economy-related actions and resources allocated shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</i>

Action	CIE Automotive's integrated management model
Results	Ensure the Group's best practices are implemented at all CIE Automotive locations, seeking continuous improvement and reduction of impacts on the environment, soil, air and water, along with appropriate use of water and marine resources
Scope	The entire Group, including areas of high water stress and getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	Continuous improvement every year
Actions	Elaboration of a Management Model applicable to all the group's plants. This model is strengthened with the best practices detected in any of the locations and with requests transmitted by stakeholders.
Information	To ensure its implementation, both internal and third-party assessments are carried out in accordance with various standards such as ISO 14001 and ISO 50001. By 2024, over 98% of CIE's locations were ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Implementation of an environmental management system
Results	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness.
Scope	The entire Group, including areas of high water stress and getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	Continuous improvement every year
Actions	Group requirement for all plants to obtain ISO 14001 certification. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Information	The implementation and certification according to ISO 14001 helps reduce the environmental impact in several ways: 1. Identification and Management of Environmental Impacts ISO 14001 requires organisations to identify aspects of their activities, products or services that affect the environment (such as emissions, resource use, waste generation), and to develop strategies to mitigate them. 2. Legal compliance The certification ensures that the organisation complies with local, national and international environmental legislation, reducing the risk of sanctions for non-compliance. 3. Efficiency in resource consumption Implementing ISO 14001 encourages the optimisation of the use of resources such as water, energy and raw materials, which reduces the environmental impact associated with their extraction, production and consumption. 4. Pollution Prevention The standard incentivises action to prevent pollution, rather than to correct it afterwards. This includes minimising emissions, reducing waste and handling chemicals safely.

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	5. Promoting continuous improvement ISO 14001 requires a continual improvement approach, ensuring that organisations regularly implement actions to reduce their long-term environmental impacts. 6. Environmental awareness The certification promotes awareness and training of employees and stakeholders on sustainable practices, thus fostering a more environmentally responsible organisational culture. 7. Reputation and competitiveness Certified companies are valued more highly by stakeholders, who prioritise sustainability, promoting environmentally responsible business practices throughout the supply chain. Currently over 98% of the Group's locations are ISO 14001 certified.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Eco-design
Results	Introduction of eco-design criteria in the process of launching and industrialising new projects, as well as the dissemination of eco-design manuals and tools
Scope	The entire Group, including areas of high water stress and getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	This has already been introduced into the management system and is updated on a recurring basis to ensure its effectiveness.
Actions	Introduction of eco-design criteria into the processes and procedures for developing and launching new products and projects
Information	CIE Automotive's Process 3 contains a series of checklists that coincide with each step of the Advanced Product Quality Planning (APQP) process, which are reviewed by plant and project management to move on to the next phase, and that incorporate the review of eco-design concepts in the project. Eco-design tools have been developed to help achieve this.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Active listening
Results	Membership in associations aligned with CIE Automotive's objectives and policy
Scope	Organisations aligned with eco-design, circularity, climate change, emission reduction and environmental impact reduction objectives, with a special focus on the value chain and stakeholders.
Horizon	This is an action with a long-term horizon
Actions	Align sector objectives, both downstream and upstream. Promote the objectives reflected in the group's policy and commitments in entities that have difficulties in applying them, such as SMEs in particular. Identify new challenges and trends. Stimulate joint proposals.
Information	At the institutional level, CIE Automotive works through the Board of the Spanish Association of Automotive Suppliers (Sernauto) to promote actions to achieve climate neutrality and collaborates to set more ambitious targets for the sector. The group is a founding member of the Basque Ecodesign Center, where it works together with various government representatives and different industrial sectors to promote circularity, decarbonisation and the fight against climate change. CIE Automotive has been involved in new mobility solutions focused on zero-emission vehicles from the early stages of development. This strategy has led it to participate in Basquevolt since 2021, the Basque initiative for producing solid-state batteries. It also belongs to Forética's Climate Change Cluster [<i>Clúster del Cambio Climático de Forética</i>], a group of companies that translates the main trends and conversations on climate change worldwide into the Spanish context. It is also a member of the Spanish Quality Association [<i>Asociación Española de Calidad</i>], which has various working groups in the environmental area to influence the development of new legislation and provide guidelines and training to help the industry manage climate change.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

Action	Governance and involvement of senior management
Results	Incorporate environmental and sustainability criteria into all the company's decisions and therefore into its strategy
Scope	The CIE Automotive Group, including those working in areas of high water stress.
Horizon	This is an action with a long-term horizon
Actions	Boost interaction between all levels of the company by fostering fluid information and communication.
Information	The Board and the Management Committee are engaged in the fight against climate change. The ultimate responsibility for environment-related activities rests with the Board. Within the Board, the environmental representative is the ESG Committee. The chair of this committee has experience and knowledge regarding climate change. The company's CEO, in turn, is involved in sustainable growth and is ultimately responsible for the achievement of the Strategic Plan, which integrates the ESG Plan. The ESG Committee is a body that reports and makes proposals to CIE Automotive's ESG Committee. The Director of Engineering, Quality and Environment is part of this committee and manages the deployment of the strategic plan in the environmental area. Bringing engineering and environment together under one Director ensures that all the environmental objectives are addressed upstream and at the R&D stage.
Description of associated CapEx and OpEx	No specific CapEx or OpEx is required.

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Action	Increased water recirculation
Results	Reducing water extraction by extending the use of closed loops.
Scope	The CIE Automotive Group
Horizon	This is an action with a long-term horizon
Actions	Increase the use of closed circuits, especially in cooling areas.
Information	The Group's production process is water-intensive. To minimise extraction and discharges, the company has its own systems and facilities for water treatment, recirculation and recovery
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Improving water treatment systems
Results	Reducing water extraction by extending the use of closed loops.
Scope	Certain plants located in India
Horizon	2023-2026
Actions	Improvements to pre-discharge water treatment systems
Information	The Group's production process is water-intensive. To minimise extraction and discharges, the company has its own systems and facilities for water treatment, recirculation and recovery
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Energy efficiency through Industry 4.0 initiatives
Results	Scope 1 and 2 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy group.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050.
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. The engineering department is piloting compliance with this action.
Information	The indicator associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Reduction of gross-weight-to-net-weight ratio
Results	Scope 1, 2 and 3 emission reductions, within the lines of the Climate Change Adaptation and Mitigation and energy group.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. The engineering department is piloting compliance with this action.
Information	The indicator associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Circularity projects
Results	Reduction of scope 3 emissions, with an impact on the generation of greenhouse gas emissions associated with energy-intensive material production processes, thereby contributing to climate change adaptation and the use of environmentally friendly materials as part of the company's climate change mitigation efforts.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the value chain involved.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Since 2021, a reduction of 19.5% reduction in Scope 3 emissions.. The engineering department is piloting compliance with this action.
Information	The first tracking milestone of the indicator associated with this action was successfully completed in 2024.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Supply Chain Race2Zero project
Results	Adaptation and mitigation of climate change in the value chain, within the lines of the Climate Change Adaptation and Mitigation group, in clear alignment with accompanying the company's suppliers in the adoption of environmental management systems, which facilitates traceability and control of ESG data in the upstream value chain.
Scope	Key suppliers to CIE Automotive.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	This project was launched in 2022 and aims to align the objectives and actions of the value chain with those of CIE Automotive and, in turn, with those of its stakeholders.
Information	Scope 3 accounts for the largest percentage of the Group's emissions, with category 1 having the greatest impact, which is why suppliers are key to aligning the entire value chain.
Description of associated CapEx and OpEx	No specific CapEx required. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines and therefore into the recurrent R&D budget, together with the efforts of the purchasing division. As mentioned in Note 21 to the 2024 Consolidated Financial Statements, the OPEX associated with R&D is immaterial for the company.

Action	Materials Project
Results	Adaptation and mitigation of climate risks in the use of materials.
Scope	Key materials consumed throughout the Group, getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Materials are the group with the greatest impact on CIE Automotive's emissions. This project aims, in combination with the <i>Supply Chain Race2Zero</i> project, to significantly reduce Scope 3 emissions.
Information	The materials should be analysed from the point of view of sustainability and functionality, especially where they have high mechanical or aesthetic requirements.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

Action	Optional Equipment Project
Results	Climate Change Adaptation and Mitigation.
Scope	A guide of recommendations was launched for implementation in the group's plants including this action, getting the value chain involved.
Horizon	The short term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	Since 2021, a reduction of 33.08% reduction in Scope 1 and 2 emissions. Improving optional equipment such as compressors and waste heat recovery systems helps reduce energy consumption.
Information	For years, recurring studies have been carried out on the main optional equipment of each plant to see if it is possible to improve its efficiency.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Durability
Results	Increase the robustness of products through design processes with durability prediction and improved life prediction through simulation.
Scope	Products that CIE Automotive helps manufacture or design. Getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The process of improvement is continuous. However, in recent years, improvements were made to the systematic approach.
Actions	Implementation of design processes that incorporate simulation of events the component may undergo in real life, and correlating them through physical testing to close the design loop.
Information	Durability simulation significantly boosts the robustness of automotive components by making it possible to predict, evaluate and improve their performance under various conditions of use throughout their life cycle. For this purpose, integrating virtual and physical validation is crucial, and can lead to the following improvements or advantages: 1. Early detection of potential malfunctions - The simulations make it possible to identify weak points or failure-prone areas in components before the physical prototypes are manufactured. - This reduces the risk of problems during physical tests or in actual use of the vehicle. 2. Design optimisation - The simulation tools help adjust the design parameters, such as geometry, materials and manufacturing processes, to improve the component's robustness to fatigue, vibration and other stresses. - This makes it possible to create more robust designs without the need to oversize the components. 3. Validation under real conditions - The simulations can replicate real-world conditions of use, such as dynamic loads, thermal variations, corrosion and load/unload cycles. - This ensures that the components maintain their functionality and safety even under adverse conditions. 4. Reduced costs and development time - By replacing some physical tests with virtual simulations, the costs and development times associated with manufacturing and testing multiple prototypes are minimised. - This allows for faster design iteration and a focus on more robust solutions. 5. Improvements in reliability and safety - By anticipating the components' limits, the simulations help ensure that they will perform correctly throughout their lifetime, increasing consumer confidence in the quality and safety of the vehicle. 6. Compliance with the law and industry standards - The durability simulations help ensure that the components meet stringent automotive industry standards, such as those relating to structural fatigue, impacts and vibrations.
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

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Action	Repairability, reusability and end-of-life of vehicles
Results	Improved component designs to make them easier to repair, reuse, disassemble, recycle and recover at the end of their useful life.
Scope	Products that CIE Automotive helps manufacture or design. Getting the value chain involved. This action also focuses on optimising waste management in line with the waste hierarchy.
Horizon	The process of improvement is continuous. However, in recent years, improvements were made to the systematic approach.
Actions	The requirements that customers indicate with respect to these points in the specifications of their development projects must be taken into account, but in any case, laws such as EU Directives 2000/53/EC and 2005/64/EC seek to promote these points
Information	Directive 2000/53/EC on End-of-Life of Vehicles This directive, also known as the ELV Directive, establishes measures to prevent and reduce the environmental impact of the end-of-life of vehicles. The key points include: - Design for disassembly and recycling: Manufacturers should consider, during design and production, the ease of dismantling, re-use and recovery of vehicles. - Limitation of hazardous substances: The use of materials such as lead, mercury, cadmium and hexavalent chromium is prohibited in the manufacture of vehicles, with some specific exceptions. - Reuse and recycling objectives: New vehicles must be reusable and/or recyclable for at least 85% of their weight, and at least 95% reusable and/or recoverable. Directive 2005/64/EC on the type-approval of motor vehicles with regard to their reusability This directive complements the previous one, focusing on the type-approval of motor vehicles with regard to their suitability for re-use, recycling and recovery. It establishes requirements to ensure that vehicles meet the minimum reuse and recycling rates mentioned above. More recently, actions have been promoted that are in line with the "right to repair".
Description of associated CapEx and OpEx	As can be seen from the previous points, the Environmental Management Plan is interwoven into the company's Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. This plan incorporates the environmental actions discussed above. The above figures are for the Strategic Plan as a whole, not just for one action or just for the environmental area. The OpEx are mainly related to the Group's R&D activities and have been incorporated into its strategic lines and therefore into its ongoing R&D budget. As mentioned, note 21 to the 2024 Consolidated Financial Statements, the OpEx associated with R&D is immaterial for the company.

One of the foundations of the integrated management system is to close the circle of strategy, policies, actions and objectives or goals by ensuring the processes and actions are effective. To this end, actions are linked to targets or objectives that are continuously reviewed as metrics of the effectiveness of each action and of the system.

It should be recalled that one of the pillars of environmental management systems certified with the ISO 14001 standard is the Plan-Do-Check-Act (PDCA) cycle approach, which ensures continuous improvement:

- **Plan:** Identify environmental aspects, legal requirements and risks/opportunities; define environmental objectives and targets; and establish action plans.
- **Do:** Implement the plans and procedures designed.
- **Check:** Monitor, measure, analyse and evaluate environmental performance against the established objectives.
- **Act:** Correct and adjust the system as necessary to improve its effectiveness.

This pillar is combined with two other key pillars:

Monitor, measure and assess performance

- The standard requires organisations to continuously monitor their environmental performance, assessing whether the objectives and targets are being met.
- Internal audits are a key tool to verify the effectiveness of the system. In the case of CIE Automotive, these are corroborated by third-party certification

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Continuous improvement

The standard encourages continual improvement through periodic reviews of the system, identification of non-conformities and implementation of corrective and preventive actions. This allows the system to constantly progress and become more effective in achieving its goals.

For this purpose, a matrix has been set up to ensure that all the actions are linked to objectives or goals. This is shown in the table below, where the entries identified with an asterisk (*) are those that are mainly involved in the value chain.

		Obj1	Obj2	Obj3	Obj4	Obj5	Obj6	Obj7	Obj8	Obj9	Obj10	Obj11	Obj12	Obj13
		Reduction of energy consumption intensity	Reduction of direct GHG emissions (scope 1)	Reduction of direct GHG emissions (scope 2)	Reduction in the intensity of direct and indirect GHG emissions (scope 1+2)	Decrease in the total amount of non-recycled waste generated	Reduce the intensity of water extraction	Overall Net-Zero Goal	Short-term-medium-term objectives of scope reduction 1 + 2	Short-term-medium-term scope reduction objectives 3	Improvement of the gross weight-to-net weight ratio	Industry 4.0 Initiatives	Circularity projects	Certification according to ISO 14.001
Acc3	Energy efficiency via Industry 4.0 initiatives	x	x	x	x	x		x	x	x*		x		x
Acc4	Reduction of the gross weight to net weight ratio	x	x	x	x	x	x*	x	x	x	x	x		
Acc5	Circularity projects	x*	x*	x*	x*	x*		x	x*	x			x	x
Acc9	Supply Chain Race2Zero Project	x*	x*	x*	x*	x*	x*	x	x*	x	x*	x*	x*	x*
Acc10	Project Materials	x*	x*	x*	x*	x*	x*	x	x*	x	x*	x*	x*	x*
Acc11	Auxiliary Equipment Project	x	x	x	x		x*	x*	x	x*		x*		x*
Acc13	CIE Automotive Integrated Management Model	x	x	x	x	x	x	x	x	x	x	x	x	x
Acc14	Implementation of an environmental management system	x	x	x	x	x	x	x	x	x	x	x	x	x
Acc15	Durability					x*	x*	x		x		x		x
Acc16	Repairability, reuse and end-of-life of vehicles					x*	x*	x		x		x		x
Acc17	Active listening	x	x	x	x	x	x	x	x	x	x	x	x	x
Acc18	Governance and Senior Management Engagement	x	x	x	x	x	x	x	x	x	x	x	x	x
Acc19	Increased water circularity	x*	x*	x*	x*	x	x	x*	x*	x*				x
Acc20	Improvement in water treatment systems	x*	x*	x*	x*	x	x	x*	x*	x*				x

The relationship between the actions with the IROs is shown in the following table, as well as in the responses to indicator E5-3-23 through the objectives they pursue.

Objective	Resource input	Resource output	Waste
Decrease in the total amount of waste generated that is not recycled.			x
Reduce water withdrawal intensity			x
Overall Net-Zero target	x	x	x
Short-medium term targets for reduction in scope 3	x	x	x
Improve gross weight to net weight ratio	x	x	x
Industry 4.0 initiatives	x	x	x
Circularity projects	x	x	x
Certification according to ISO 14001	x	x	x

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E5-2-20 a)	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (a) higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths as listed in the Raw Materials Information System.

The response to this indicator is included under E5-2-19.

E5-2-20 b)	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (b) higher rates of use of secondary raw materials (recyclates).

The response to this indicator is included under E5-2-19, with a special focus on materials, eco-design and the Supply Chain Race2Zero project.

E5-2-20 c)	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (c) application of circular design, leading to increased product durability and optimisation of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling.

The response to this indicator is included under E5-2-19. This includes actions such as the project to improve gross-weight-to-net-weight ratio, reparability, durability and, as a basis for the whole circular design process, eco-design.

E5-2-20 d)	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (d) application of circular business practices such as (i) value retention actions (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (recycling, upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis).

The response to this indicator is included under E5-2-19.

E5-2-20 e) AR 13	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (e) actions taken to prevent waste generation in the undertaking's upstream and downstream value chain.

The response to this indicator is included under E5-2-19. Here the actions of the Supply Chain Race2Zero project should be noted, together with the management model featuring a value chain and life cycle approach

E5-2-20 f)	In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover: (f) optimisation of waste management in line with the waste hierarchy.

The response to this indicator is included under E5-2-19. This includes prioritising actions such as the project to improve gross-weight-to-net-weight ratio, reparability and durability, in accordance with the hierarchy established in the point on environmental policy.

This is in addition to the circularity project and an integrated management system based on ISO 14001.

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2.5.2 Metrics and targets

2.5.2.1 DR E5-3: Targets related to resource use and the circular economy

E5-3-23	<i>The description of the targets shall contain the information requirements defined in the ESRS 2 MDR-T. Monitoring the effectiveness of policies and actions through targets.</i>

Some of the objectives and targets, such as the following, have already been indicated throughout 2024 Consolidated Non-Financial and Sustainability Reporting:

Objective	Decrease the total amount of waste generated and not recycled
Description	Reflects the company's commitment to reducing the impact of waste generated.
Target level	Absolute objective. Total weight of waste not sent for recycling or reuse in a year.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2021 – 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aimed at reducing Scope 3 emissions.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections
Geographical regions	The whole Group
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Progressing positively, however, the disruption of the Value Chain in foundry sand recycling may pose a compliance risk.

Objective	Reduce the intensity of water abstraction
Description	Reflects the company's commitment to reducing water consumption.
Target level	Intensity target for sales. The total volume of water extracted by the company in a year divided by its sales in that year.
Scope	The entire Group, getting its whole value chain involved
Base year	2021
Period	2021 – 2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Focuses on reducing and mitigating one of the risks identified in the company's IRO analysis.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe. However, changes in the availability of certain sources of supply in Asia may pose a risk.

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Objective	Overall Net-Zero target
Description	Meet the net-zero target for greenhouse gas emissions across the Value Chain by 2050.
Target level	Absolute target, in line with SBTi requirements, to achieve Net-Zero throughout the company by 2050 at the latest.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2050
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement and the net-zero strategy
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	Most of the reduction is expected from 2030 onwards when the use phase will be decarbonised and lower emitting materials will become competitively available in all regions

Objective	Short/medium-term range reduction of scope 3
Description	Short- to medium-term objectives: CIE Automotive is committed to reducing its absolute Scope 3 GHG emissions by 54.6% by 2033 from 2021 as a base year.
Target level	Absolute objective. Calculated as total Scope 3 emissions according to the GHG protocol.
Scope	The entire Group, getting its whole value chain involved.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aligned with the 1.5°C strategy of the Paris Agreement.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	No significant variations.
Performance	It is progressing positively and is expected to be achieved within the committed timeframe.

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In addition to these objectives, there are three objectives closely linked to resource efficiency and circularity:

Objective	Improvement of gross-weight-to-net-weight ratio
Description	Using less starting material to obtain the same functionality results in less raw material used, less scrap and less waste associated with the manufacturing processes used. On the other hand, processing less material means using fewer energy resources.
Target level	Absolute objective.
Scope	CIE Automotive
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Raw materials have the greatest impact on the company's footprint. In addition, it generates less waste. The aim is to reduce Scope 3 emissions and to a lesser extent Scope 2, by reducing energy use in transformation.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Progressing positively, with expected attainment in the first part of 2025.

Objective	Industry 4.0 initiatives
Description	The tools that Industry 4.0 provides companies can generate various advantages and, undoubtedly, one of them is improved efficiency and use of the company's resources.
Target level	Absolute objective.
Scope	CIE Automotive and its value chain.
Base year	2021
Period	2021-2024
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	The first step in reducing the impact on Scopes 1 and 2 is to reduce energy use. Efficiency is the key lever. The aim is to reduce Scope 1 and 2 emissions.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Completed in 2024 with the introduction of initiatives in Europe, Asia and the Americas.

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Objective	Circularity projects
Description	Product circularity reduces the footprint of products, especially in scope 3.
Target level	Absolute objective.
Scope	CIE Automotive and its value chain
Base year	2021
Period	2021-2024
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios.
Scientific evidence	Aimed at reducing Scope 3 emissions.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained.
Performance	Introducing circularity strategies into the cycle of a material as crucial as steel, generating more efficient recycling loops in the steel value chain, has improved the efficiency of the circularity of this key product in Europe, Asia and the Americas. Initiatives have also been launched in the field of aluminium and plastics.

The importance of integrated management systems has also been emphasised in other sections, and an objective associated with system control and standardisation was mentioned above, namely the certification of the Group's plants in accordance with ISO 14001:

Objective	ISO 14001 certification
Description	As part of its management model, CIE Automotive's environmental management system guarantees the analysis of risks and opportunities at local level and their improvement and mitigation plan, using metrics and measuring their impact and effectiveness. Additionally, the certification body is global so that any deviations can be tracked more closely, compliance with the Management Model can be better ensured, and the lessons learned and best practices can be optimally applied horizontally.
Target level	Absolute objective.
Scope	CIE Automotive and its value chain
Base year	2021
Period	2021-2025
Hypothesis	The hypotheses and assumptions are those set out in the risk assessment.
Scientific evidence	It is widely accepted that implementing environmental management systems helps organisations improve their environmental performance, also in the area of pollution. They help them identify risks and opportunities and establish action plans to mitigate risks, exploit opportunities and measure their effectiveness.
Stakeholders concerned	Definition of objectives in accordance with the environmental policy and governance shown in previous sections. The concept of the standard is based on a value chain concept.
Geographical regions	The whole Group.
Variations	Despite the addition of new companies to the Group since 2021, the commitment has been maintained. It is true that the certification process for plants joining the group or <i>green fields</i> takes 15 to 24 months.
Performance	It is evolving positively, taking into account the timelines of the certification process mentioned under "variations".

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The alignment of the objectives and sub-topics of the IRO analysis are shown below:

Objective	Resource inflows	Resource outflows	Waste
Decrease the total amount of waste generated and not recycled			x
Reduce the intensity of water abstraction			x
Overall Net-Zero target	x	x	x
Short/medium-term range reduction of scope 3	x	x	x
Improvement of gross-weight-to-net-weight ratio	x	x	x
Industry 4.0 initiatives	x	x	x
Circularity projects	x	x	x
ISO 14001 certification	x	x	x

E5-3-24 24 a)-f) AR 16 and 17	<i>The disclosure required by paragraph 21 shall indicate whether and how the undertaking's targets relate to resource inflows and resource outflows, including waste and products and materials, and, more specifically to:</i> <i>(a) the increase of circular product design (including for instance design for durability, dismantling, reparability, recyclability etc);</i> <i>(b) the increase of circular material use rate;</i> <i>(c) the minimisation of primary raw material;</i> <i>(d) sustainable sourcing and use (in line with the cascading principle) of renewable resources;</i> <i>(e) the waste management, including preparation for proper treatment; and</i> <i>(f) other matters related to resource use or circular economy</i>

The response to this indicator is included under E5-3-23, stressing that projects such as efficiency through the incorporation of Industry 4.0 initiatives and improving the gross-to-net-weight ratio, together with their objectives, insist on making sustainable use of resources, irrespective of whether they come from renewable sources or origins.

E5-3-25	<i>The undertaking shall specify to which layer of the waste hierarchy the target relates.</i>

The relationship of the objectives to the hierarchy expressed in the policy is shown in the following table:

Objective	Hierarchy				
	Prevent	Reuse	Recycle	Energy recovery	Eliminate
Decrease the total amount of waste generated and not recycled	x	x	x		
Reduce the intensity of water abstraction	x		x	x	x
Overall Net-Zero target	x	x	x	x	x
Short/medium-term range reduction of scope 3	x	x	x	x	x
Improvement of gross-weight-to-net-weight ratio	x	x	x		
Industry 4.0 initiatives	x	x	x	x	x
Circularity projects	x	x	x	x	x
ISO 14001 certification	x	x	x	x	x

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E5-3-26 a)-c) AR 14	<i>In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets. If so, the undertaking may specify:</i> (a) the ecological thresholds identified, and the methodology used to identify such thresholds (b) whether or not the thresholds are entity-specific and if so, how they were determined (c) how responsibility for respecting identified ecological thresholds is allocated in the undertaking.

CIE Automotive has assessed its capacity to collect information relating to the ecological thresholds identified and the methodology used to identify these thresholds, applying an approach based on the principle of reasonable effort, which takes into account both the level of influence and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of implementation of the directive, the information on the ecological thresholds identified and the methodology used to identify these thresholds will not be reported. To report on this in years to come, work will be done on compiling this information.

E5-3-27 AR 20	<i>The undertaking shall specify as part of the contextual information, whether the targets it has set and presented are mandatory (required by legislation) or voluntary.</i>

The objectives described in response to E5-3-23 and 24 a)-f) are voluntary, although obtaining ISO 14001 certification and complying with the Group's policy requires compliance with all mandatory objectives and requirements at each plant.

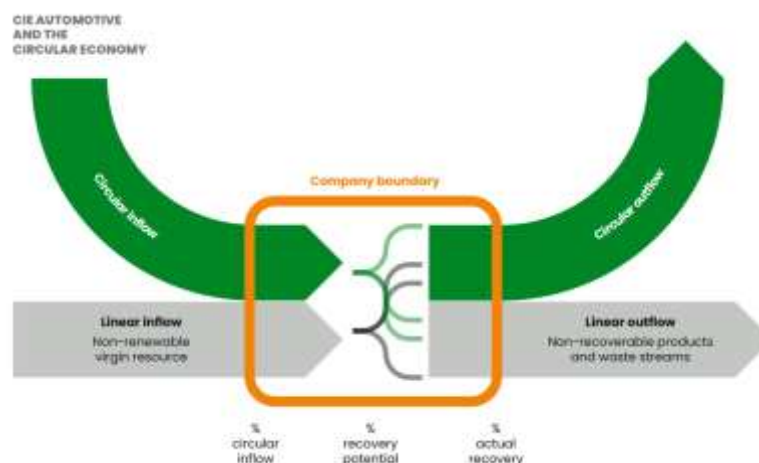
2.5.2.2 DR E5-4: Resource inflows

E5-4-30 AR 21	<i>The disclosure required by paragraph 28 shall include a description of its resource inflows where material: products (including packaging) and materials (specifying critical raw materials and rare earths), water and property, plant and equipment used in the undertaking's own operations and along its upstream value chain.</i>

CIE Automotive develops products under the criteria of eco-design and efficiency, with a life-cycle approach, so that product repairability, disassembly and separation are improved as early as the design phase to increase their recyclability. Manufacturing any product involves an analysis of the environmental aspects associated with its production, from raw materials to waste disposal.

Thus, when selecting materials, guidelines and lessons learnt are used, and in the final phase the marking of polymeric materials is followed to promote their separation and recyclability. To further advance the circular economy, the 2025 Strategic Plan includes a series of indicators on circularity, based on the World Business Council for Sustainable Development (WBCSD) manual. The data collected indicate, for example, how often the collected water is used, which waste is recyclable and which is not, and what effects the plants' production are having on biodiversity.

CIE Automotive follows a circular production model, where products are designed according to design criteria, resources are used efficiently, and waste is minimised and recycled. In 2024, various projects related to recyclability were carried out.



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Main inputs:

- Steel.
- Aluminium.
- Plastics.
- Glass.
- Steel scrap.
- Aluminium scrap.
- Alloying elements for foundries
- Pig iron.
- Wood.
- Cardboard.
- Packaging plastics.
- Water.

As main semi-finished materials:

- Injection and over-injection moulded components (plastic and compound and natural rubber).
- Glass components.
- Aluminium castings (including pre-machined).
- Other metal components.
- Other plastic components.
- Fabric components.
- Forging (primary steel) (including pre-machined parts).
- Steel castings (primary steel) (including pre-machined parts).
- Steel formats (primary steel) (stamping process).

At CIE Automotive, the main materials are steel and aluminium, which are fundamental to both the company's own operations and its value chain.

- **Steel:** Steel can come in various forms, including primary steel, secondary steel and forged steel, as well as in various shapes and forms, such as iron ore, pipes, coils and frames. In terms of the supply chain, steel may contain a higher or lower percentage of recycled material, depending on the supplier's origin and processes. However, regardless of its input form, steel is 100% recyclable.
- **Aluminium:** Aluminium can enter the organisation in the form of primary aluminium, secondary aluminium, or as aluminium forgings. Like steel, aluminium is 100% recyclable, which reinforces our commitment to the circular economy.

These features allow us to optimise the sustainability of our operations, aligning us with best practices and environmental impact reduction targets.

The manufacturers the Group uses are general manufacturers that can work with a flexible range of SKUs, especially:

- Presses.
- Aluminium injection machines.
- Plastic injection moulding machines.
- Aluminium and iron melting furnaces.
- Assembly and welding cells.
- Machine tools for cutting and machining.
- Heat treatment furnaces.
- Painting lines.

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E5-4-31 a)	When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes: (a) the overall total weight of products and technical and biological materials used during the reporting period.

Tonnes	2024	2023
Biological materials	6,863.27	6,810.62
Technical materials	1,743,210.76	1,484,151.95
Raw materials	840,778.60	673,948.38
Process-related materials	69,627.32	62,815.14
Semi-fabricated articles or parts	398,154.65	313,831.47
Packaging materials	15,323.49	15,834.24
Externally recycled raw materials	194,911.10	308,739.68
Internally recycled raw materials	190,098.40	108,983.04
Semi-fabricated articles or parts - Intercompany transfers	34,317.20	(not registered)

E5-4-31 b)	When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes: (b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle.

0.39% biological materials out of total materials (2023: 0.46%)

E5-4-31 c)	When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes: (c) the weight in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging).

The weight in absolute value of reused or recycled secondary components, secondary intermediate products and secondary materials used to manufacture the company's products and services is 84,950.80 tonnes (2023: 76,649.39 tonnes), which represents 4.85% (2023: 4.49%) of the total raw materials used by the company.

E5-4-32	The undertaking shall provide information on the methodologies used to calculate the data. It shall specify whether the data is sourced from direct measurement or estimations, and disclose the key assumptions used.

The data were obtained from the invoices for the various products and should therefore be considered direct data.

2.5.2.3 DR E5-5: Resource outflows

E5-5-35	<i>The undertaking shall provide a description of the key products and materials that come out of the undertaking's production process and that are designed along circular principles, including durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models.</i>

On the one hand, it should be noted that CIE Automotive delivers its products in a B2B scheme where it is the final assembler of the vehicle, which ends up selling it to the end consumer and that has control of the assembled vehicle's marketing, use, end of life and final specifications in terms of durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models.

However, the Group's focus on processes with high circularity, reusability and recyclability is remarkable. CIE Automotive's product and process development processes also incorporate eco-design criteria and methodologies from the earliest stages. In line with all this are its initiatives to introduce eco-design procedures in the launching and industrialisation process of new products and projects, as well as its objectives and actions to increase the percentage of recyclability of waste and improve the gross-weight-to-net-weight ratio of its products.

In addition, it should be remembered that the main obligations of Directive 2000/53/EC on End-of-Life of Vehicles, which applies to the sector and that the Group's customers pass on as requirements in their standard specifications or as part of the design of the products we supply to them, are as follows:

- Reuse and recycle at least 85% of the vehicle's weight.
- Reuse 95% of the vehicle, including energy recovery.
- Ban on hazardous materials such as lead, mercury, cadmium and hexavalent chromium in car manufacturing.
- Obligation for manufacturers to design recyclable vehicles and to provide dismantling information.
- Dismantling and recycling must be carried out by authorised processing centres.
- Free for consumers: The scrapping of the vehicle must be free of charge at authorised centres.

This is coupled with the specific battery regulation (Regulation (EU) 2023/1542), with some features such as:

- Recycling targets: 70% recovery of lithium and 95% recovery of cobalt, nickel and copper by 2031.
- Manufacturers must use recycled materials in new batteries.
- A digital battery passport with component traceability

As far as durability is concerned, the various vehicle manufacturers pass on durability requirements that guarantee compliance with the relevant legislation such as Euro 6 and Euro 7

- Engines and emission control systems (particulate filters, catalytic converters) must operate effectively for a longer period.
- The emission durability requirements were increased to 160,000 km or 10 years under Euro 6 and become more restrictive under Euro 7, with specific requirements for batteries.
- Manufacturers must ensure that their emission reduction systems do not lose effectiveness prematurely.

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E5-5-36 a)	<i>Undertakings for which outflows are material shall disclose:</i> (a) The expected durability of the products placed on the market by the undertaking, in relation to the industry average for each product group.

CIE Automotive does not have its own products and does not sell directly to end consumers. In addition, it supplies all the major automotive manufacturers, which have different requirements.

However, as explained in the response to E5-5-35, the sector's durability criteria are strict, ensuring a robust product for customers. The standardisation of the sector at the point of quality is highlighted by its internal standard IATF 16949, which is characterised by:

1. Integration of the quality approach in design:

The standard obliges manufacturers and suppliers to apply a **structured approach to product development**, ensuring that their products are robust and meet durability requirements.

Advanced Product Quality Planning (APQP):

- A rigorous planning process is required before a new component or vehicle can be manufactured.
- Reliability, durability and safety requirements are defined at the design stage.
- Methodologies such as Design Failure Mode and Effect Analysis (DFMEA) are applied to prevent design failures.

Risk management and validation tests:

- Validation tests must be carried out under extreme conditions to ensure the resistance of the product.
- Tools such as Design of Experiments (DOE) must be applied to optimise designs prior to production.

2. Process control to maintain robustness:

The standard imposes strict controls on production to ensure that robust designs are manufactured without deviations or defects.

Precision manufacturing and process control

- Strict control plans must be applied to ensure that each part meets design specifications.
- The use of Statistical Process Control (SPC) is required to detect variations and maintain quality.
- Critical parameters are monitored using the Production Part Approval Process (PPAP) prior to mass production.

Traceability and management of defects

- Problems should be documented and tracked to avoid repeated design failures.
- Use of the Eight Disciplines Problem Solving (8D) method to correct defects and improve design robustness.

3. Continuous improvement and reduction of variabilities

The standard obliges companies to constantly improve the quality and robustness of their designs.

Use of Plan-Do-Check-Act (PDCA) cycles:

- The processes must be continuously reviewed to identify opportunities for improvement.
- Reduced variability in materials and manufacturing is encouraged to ensure greater reliability.

Internal audits and supplier evaluations:

- Regular audits are required to ensure that the design and manufacturing processes remain robust.
- Suppliers must meet strict quality requirements to ensure that their materials and components are reliable.

E5-5-36 b)	<i>Undertakings for which outflows are material shall disclose:</i> (b) The reparability products, using an established rating system, where possible.

CIE Automotive does not have its own products, and does not sell directly to end consumers, as stated in the response to E5-5-35.

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E5-5-36 c)	Undertakings for which outflows are material shall disclose: (c) The rates of recyclable content in products and their packaging.

Directive 2000/53/EC on End-of-Life of Vehicles sets mandatory recovery and reuse thresholds.

Current EU Recyclability Requirements

- 85% recycling and reuse → 85% of the weight of the vehicle must be reused or recycled.
- 95% total recovery → Including energy recovery, 95% of the total weight should be recovered.
- Disposal of hazardous materials → Ban on lead, mercury, cadmium and hexavalent chromium.
- Free of charge for owners → Authorised recycling centres must accept vehicles free of charge.

E5-5-37 a)	The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: (a) the total amount of waste generated.

In 2024 it was 357,869.23 tonnes, while in 2023 it was 380,071.23 tonnes.

E5-5-37 b) AR 31	The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: (b) the total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types: i. preparation for reuse; ii. recycling; and iii. other recovery operations.

2024	Hazardous	Non-hazardous
Reuse	4,020.96	35,511.01
Recycling	7,006.29	254,878.55
Other recovery operations	58.07	0.00
Total tonnes	11,085.32	290,389.56

2023	Hazardous	Non-hazardous
Reuse	3,672.48	42,670.61
Recycling	8,097.73	278,179.00
Other recovery operations	187.13	0,00
Total tonnes	11,957.34	320,849.61

E5-5-37 c) AR 32	The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: (c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are: i. incineration; ii. landfill; and iii. other disposal operations.

2024	Hazardous	Non-hazardous
Incineration	4,192.64	47,139.41
Landfill	1,329.49	1,184.35
Other disposal operations	2,367.51	180.96
Total tonnes	7,889.63	48,504.72

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	2023	Hazardous	Non-hazardous
Incineration		4,407.32	28,762.10
Landfill		1,727.27	4,700.45
Other disposal operations		4,169.37	4,317.42
Total tonnes		10,303.97	37,779.97

E5-5-37 d) AR 27	The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: (d) the total amount and percentage of non-recycled waste.

	2024	2023
Total amount of non-recycled waste (tonnes)	56,394.35	48,083.93
% waste not recycled	15.76%	12.65%

E5-5-38 a)	When disclosing the composition of the waste, the undertaking shall specify: (a) the waste streams relevant to its sector or activities (e.g. tailings for the undertaking in the mining sector, electronic waste for the undertaking in the consumer electronics sector, or food waste for the undertaking in the agriculture or in the hospitality sector).

The waste streams relevant to our sector are mainly related to metal waste, in particular those from steel and aluminium scrap. These materials are key to our operations and represent a significant waste stream in terms of recycling and sustainable management within our industry.

E5-5-38 b)	When disclosing the composition of the waste, the undertaking shall specify: (b) the materials that are present in the waste (e.g. biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials and rare earths).

- Steel scrap: 237,708,951Kg
- Aluminium scrap: 17,169,544 Kg

E5-5-40 AR 33	The undertaking shall provide contextual information on the methodologies used to calculate the data and in particular the criteria and assumptions used to determine and classify products designed along circular principles under paragraph 35. It shall specify whether the data is sourced from direct measurement or estimations; and disclose the key assumptions used.

The data were obtained from the invoices for the various products and should therefore be considered direct data.

2.5.2.4 DR E5-6: Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

E5-6-43 a) AR 36	The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information).

As stated under ESRS 2- SBM-3 -19 c), the resources and circularity risks have come out with a risk level of less than 2.15 on a scale of 5 for the 2050 time horizon and the Net Zero Emissions scenario (the worst-case scenario).

This process, detailed above, is based on surveys of key people in the organisation at the plant, regional and technology level. This procedure calculates the percentage of EBITDA and amount of revenues at risk. The level of risk is low and, accordingly, the potentially affected revenues are immaterial and none of CIE Automotive's targets or commitments are jeopardised.

3. **Social Information**

3.1 **Own workforce (ESRS S1)**

3.1.1 **Strategy**

3.1.1.1 **DR related to ESRS 2 SBM-2 – Interests and views of stakeholders**

ESRS 2 – SBM – 12	<i>When responding to ESRS 2 SBM-2, the undertaking shall disclose how the interests, views, and rights of people in its own workforce, including respect for their human rights, inform its strategy and business model. The undertaking's own workforce is a key group of affected stakeholders</i>

CIE Automotive gathers its employees' opinions about their employment situation through various channels, the most recurrent of which are the corporate intranet, the biannual work climate surveys conducted at all the plants, and the half-yearly newsletter.

Likewise, most of the plants have their own agreements and regular meetings are held with workers' representatives to discuss various labour issues and to learn about concerns in the social sphere.

In addition, in the case of new initiatives, such as the launch of the diversity and inclusion diagnostic at the beginning of the 2025 ESG Strategic Plan, workshops with employees and specific meetings can be held for this purpose.

3.1.1.2 **DR Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model**

ESRS 2 – SBM – 13	<i>When responding to ESRS 2 SBM-3, paragraph 48, the undertaking shall disclose: (a) whether and how actual and potential occurrences on its own personnel, as determined in accordance with ESIS 2 IRO-1. Description of the processes for identifying and assessing material impacts, risks and opportunities: (i) arise from or relate to the firm's strategy and business models; and (ii) inform and contribute to the alignment of the firm's strategy and business model; and (b) the relationship between its material risks and opportunities arising from impacts on, and dependencies on, its own personnel and its strategy and business model.</i>

The overall process followed to identify and assess the impacts, risks and opportunities related to own workforce is described under ESRS 2 IRO-1 *Description of the process to identify and assess material impacts, risks and opportunities.*

Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R : risk // O : opportunity

Subtopics	Sub-subtopics	IROs
Working conditions (own workers)	Secure employment	(+) Job and financial security for workers through stable
		(R) Job losses and reduced value generation due to downsizing in company plants.
		(R) Increased job insecurity due to outsourcing operations to BRICs countries.
	Work-life balance	(O) Work-life balance due to working conditions including flexible working hours and measures to combat excessive working hours.
	Health and safety	(R) Increase in frequency and severity rates and in accident rates.
Equal treatment and opportunities for all	Training and skills development	(+) Training policies that promote professional development and careers.
	Measures against violence and harassment in the workplace	(-) Cases of violence or harassment due to discrimination (racial, gender or sexual) in the company, although these are managed by means of the harassment protocol
	Diversity	(-) Lack of representation of women at the entry levels of the company, where their presence is lower than in Senior Management or on the Board.
Other work-related rights	Forced labour*	(-) Vulnerable workers, due to modern slavery practices in the company's facilities.

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	Child labour*	(-) Lack of protection for children due to cases of child labour in the company's plants.

* The company is not aware of any cases of forced and child labour and associated impacts.

ESRS 2 – SBM-3-14 a)	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (a) a brief description of the types of employees and non-employees in its own workforce subject to material impacts by its operations, and specify whether they are employees, self- employed people, or people provided by third party undertakings primarily engaged in employment activities.

Virtually all of CIE Automotive's workforce are employees under contract who are classified by hierarchical level as officers, middle management and executives or, functionally, as direct, indirect or structural personnel.

Although on a much more limited scale (and specific to certain geographic areas and not others), our plants are also accessible to employees from suppliers and temporary employment agencies.

ESRS 2 – SBM-3-14 b)	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (b) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking operates (for example, child labour or forced labour or compulsory labour in specific countries or regions outside the EU), or (ii) related to individual incidents (for example, an industrial accident or an oil spill); by its operations, and specify whether they are employees, self- employed people, or people provided by third party undertakings primarily engaged in employment activities.

In 2024, there were no potential negative impacts related to forced or child labour related to CIE Automotive's own operations and/or its value chain.

ESRS 2 – SBM-3-14 c)	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (c) in the case of material positive impacts, a brief description of the activities that result in the positive impacts, the types of employees and non-employees in its own workforce that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions.

The actual positive impacts related to workers' employment and financial stability, and to their training and skills development through training programmes, have a global reach in the regions where the company operates.

All the actions derived from the 2025 ESG Strategic Plan have an impact on all the production plants:

- All the plants will be ISO 45001 certified. Right now, practically all of them are already certified, with a level already above 95%, and they will carry out the CIE SAFETY questionnaire in which they must obtain more than 85 points or propose an action plan to improve the indicators to reach this objective, in addition to working according to the guidelines of the corporate policy of Occupational Risk Prevention and Health and Safety.
- A diversity diagnosis is carried out in all the plants, to take measures that will benefit the entire workforce.
- All the plant managers and human resources directors have formalised their commitment to human rights by signing the Human Rights Policy, with a consequent positive impact on the company's own employees.
- All the plant managers and members of the plant Management Committees have been trained in ESG matters, meeting the target set one year before the end of the 2025 ESG Strategic Plan.

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- Lastly, all the employees have guaranteed access to both the whistleblowing channel and to the mechanisms of the company's protocol for preventing and dealing with harassment situations.

ESRS 2 – SBM-3-14 d) AR 44	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (d) any material risks and opportunities for the undertaking arising from impacts and dependencies on its own workforce.

All the material risks and opportunities for CIE Automotive arising from the impacts and dependencies of its own workforce are included in the response to the previous section 3.1.1.2 DR related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

ESRS 2 – SBM-3-14 e)	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (e) any material impacts on its own workforce that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate- neutral operations, including information on the impacts on own workforce caused by the undertaking's plans and actions to reduce carbon emissions in line with international agreements. Impacts, risks and opportunities include restructuring and employment loss as well as opportunities arising from job creation and reskilling or upskilling.

All the material risks and opportunities for CIE Automotive arising from the impacts and dependencies of its own workforce are included in the response to the previous section 3.1.1.2 DR related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

ESRS 2 – SBM-3-14 f) i	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (f) operations at significant risk of incidents of forced labour or compulsory labour either in terms of: i. type of operation (such as manufacturing plant).

CIE Automotive ensures that none of its activities, particularly at its manufacturing sites, involve forced or compulsory labour. To ensure compliance, an annual survey is carried out to identify the plants at risk of these rights being violated and to take appropriate measures if necessary.

In the surveys conducted to date, no manufacturing plants with significant risk were identified in CIE Automotive's operations. However, continuous monitoring is maintained to ensure all the worksites are in compliance.

ESRS 2 – SBM-3-14 f) ii	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (f) operations at significant risk of incidents of forced labour or compulsory labour either in terms of: ii. countries or geographic areas with operations considered at risk.

CIE Automotive ensures that none of its activities, regardless of their country or region, involve forced or compulsory labour. To ensure compliance, an annual survey is carried out to identify the plants at risk of these rights being violated and to take appropriate measures if necessary. In the surveys conducted to date, no countries or regions with significant risk were identified in CIE Automotive's operations. However, continuous monitoring is maintained to ensure compliance in all the regions where we operate.

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ESRS 2 – SBM-3-14 g) i	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (g) operations at significant risk of incidents of child labour either in terms of: i. type of operation (such as manufacturing plant).

CIE Automotive ensures that none of its activities, especially in its manufacturing plants or in any type of operation, involve child labour.

In its contractual relations, it implements prevention and control measures related to the minimum working age, in conformity with the standards of the International Labour Organization, or in conformity with the applicable legislation whenever it is more restrictive. In the surveys conducted to date, no manufacturing plants with significant risk were identified in CIE Automotive's operations. However, continuous monitoring is maintained to ensure all the worksites are in compliance.

ESRS 2 – SBM-3-14 g) ii	When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all people in its own workforce who could be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2. These material impacts shall include impacts that are connected with the undertaking's own operations and its value chain, including through its products or services, as well as through its business relationships. In addition, the undertaking shall provide the following information: (g) operations at significant risk of incidents of child labour either in terms of: ii. countries or geographic areas with operations considered at risk.

CIE Automotive ensures that none of its activities, regardless of their country or region, involve child labour.

In its contractual relations, it implements prevention and control measures related to the minimum working age, in conformity with the standards of the International Labour Organization, or in conformity with the applicable legislation whenever it is more restrictive. In the surveys conducted to date, no manufacturing plants with significant risk were identified in CIE Automotive's operations. However, continuous monitoring is maintained to ensure all the worksites are in compliance.

ESRS 2 – SBM-3-15	In describing the main types of people in its own workforce who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO 1, the undertaking shall disclose whether and how it has developed an understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.

CIE Automotive actively works to understand the specific risks faced by the workers in its various operations. To this end, we have integrated international standards, such as those set by the International Labour Organisation (ILO), into our policies and processes. In addition, we conduct regular health and safety assessments at our sites, which enable us to identify and mitigate the specific risks associated with particular work contexts, activities or worker characteristics. This approach ensures a safe, respectful and inclusive working environment.

ESRS 2 – SBM-3-16 AR 9	The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on people in its own workforce relate to specific groups of people (for example, particular age groups, or people working in a particular factory or country) rather than to all of its own workforce (for example, a general pay cut, or training offered to all people in its own workforce).

At CIE Automotive there is a risk, and in turn an opportunity, arising from the impacts and dependencies on people in its own workforce that relate to specific groups of people rather than its entire workforce, and that is the lack of representation of women at the company's entry levels, where their presence is lower than in Senior Management or on the Board.

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3.1.2 Management of impacts, risks and opportunities

3.1.2.1 DR SI-1 – Policies related to own workforce

SI-1-19	<i>The disclosure required by paragraph 17 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to its own workforce in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify if such policies cover specific groups within its own workforce or all of its own workforce.</i>

CIE Automotive has policies in place to manage the material impacts related to its own workforce.

CIE Automotive's ethical framework is developed through a series of corporate policies that must be complied with by all members of the company. These policies were first approved by the Board in December 2015 and last reviewed in 2024. It should be noted that a new Board Member Remuneration Policy was approved in 2023, and is in force until 2026. All of CIE Automotive's policies can be consulted on the corporate website.

Title	Professional Code of Conduct
Description	CIE Automotive conducts its business and professional activities in accordance with a Professional Code of Conduct, which serves as an ethical guide at all levels of the organisation.
Objective	To provide ethical guidelines and principles of conduct for all directors, managers, employees and workers of all the companies that comprise the Group, determining the values and commitments that must govern their work activities within the Group. It was drawn up with the aim of meeting the demands of both stakeholders and society in general, and thus continue to earn the commitment and trust they have placed in the Group.
Material Impacts, Risks and Opportunities	IROs related to the subtopics corporate culture, corruption and bribery, supplier relationship management, including payment practices, political participation and lobbying, and whistleblower protection, as well as those IROS related to working conditions, other work-related rights, Equal treatment for all, both for own workers and the entire value chain.
Scope	This Code of Conduct is binding for all members of the Group without exception. All employees have the obligation to understand and comply with these rules of conduct, and in no jurisdiction will ignorance of the law exempt them from compliance. CIE Automotive will also encourage its business partners or business associates (joint ventures, temporary joint ventures, suppliers, customers, contractors and collaborating companies) to act in accordance with this Code and to apply ethical programmes that are consistent with its standards. The Group will take appropriate action if it becomes clear that they have not complied with their policies or contractual obligations.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	The Professional Code of Conduct applies globally.
Value Chain	CIE Automotive will encourage its Value Chain to act in accordance with this Professional Code of Conduct and to implement ethical programmes that are consistent with its standards. The Group will take appropriate action if it becomes clear that they have not complied with their policies or contractual obligations.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of the Professional Code of Conduct.
Availability	Public document posted on the corporate website and on the Group's intranet.

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Policy	Health and Safety
Description	CIE Automotive's Health and Safety Policy
Objective	To provide safe and healthy working conditions and promote people's health
Material Impacts, Risks and Opportunities	Working conditions, Other work-related rights, Equal treatment for all, both for the company's own workers and its entire value chain.
Scope	All CIE Automotive subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions.
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present
Body responsible for implementation	The CEO, supported by the corporate Human Resources and Occupational Risk Prevention Department.
Availability	Document on the Group's corporate intranet.

Policy	Human Rights Policy
Description	This policy formalises the company's commitment in this area, in a manner consistent with the Professional Code of Conduct and the ten principles of the United Nations Global Compact (https://www.pactomundial.org/).
Objective	To minimise the risk of human rights violations, by establishing principles and guidelines for due diligence in relation to those rights, so that this Policy can be used to identify, prevent, mitigate, and remedy all potential negative impacts
Material Impacts, Risks and Opportunities	ROs related to the subtopics of working conditions, other work-related rights, equal treatment for all,
Scope of the policy	Compliance with this Policy is compulsory for all members of the Group, without exception. In addition, the rules 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.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	CIE Automotive's Human Rights Policy applies to all of the Group's activities, regardless of the worldwide location where they are being performed.
Value Chain	CIE Automotive must distribute its commitment to human rights across its entire value chain. Likewise, CIE Automotive is committed to disseminating this policy to its suppliers, contractors, collaborating companies and customers, promoting and incentivising the various components of the value chain to implement their own policy in relation to this matter and, if they do not have one, to adhere to the Group's policy.
Body responsible for implementation	The Board, through its ESG Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the corporate website and on the Group's intranet.

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Policy	Environmental, Social and Governance (ESG) policy
Description	Describes the company's overall ESG objectives and criteria.
Objective	The policy establishes the basic principles and general framework for managing CIE Automotive's ESG practices, and serves as the basis for integrating ESG into CIE Automotive's business model and strategy, thereby creating long-term value for all of CIE Automotive's stakeholders and for the Company itself, making use of the corporate website as the main instrument for channelling stakeholder relations
Material Impacts, Risks and Opportunities	IROs related to the subtopics of working conditions and other work-related rights.
Scope of the policy	Compliance with this Policy is compulsory for all members of the Group, without exception. In addition, the rules 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.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy must be applied in relation to all of the Group's activities, regardless of the worldwide location where they are performed.
Body responsible for implementation	The Board, through its ESG Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the corporate website and on the Group's intranet.

Policy	Social Action Policy
Description	CIE Automotive, S.A., believes that the Group should engage in social action, to help provide solutions for the difficulties and needs existing in the communities where it operates. This is based on its understanding that a company's success should go hand-in-hand with a commitment to working towards a more prosperous society. One of the objectives of the Group's commercial activities is to create wealth and improve quality of life in the communities where it operates. It is therefore based on a model of sustainable action, in which specific contributions are combined with more lasting forms of contribution.
Objective	- To contribute to improving the communities where CIE Automotive operates. - To increase employee satisfaction. - To enhance the Group's reputation.
Material Impacts, Risks and Opportunities	IROs related to the subtopic of equal treatment for all.
Scope of the policy	Compliance with this Policy is compulsory for all members of the Group, without exception.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This policy must be applied in relation to all of the Group's activities, regardless of the worldwide location where they are performed.
Body responsible for implementation	The Board, through its ESG Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the corporate website and on the Group's intranet.

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Document	Protocol for preventing and handling harassment situations
Description	This protocol, which demonstrates CIE's commitment to ESG in general and its zero tolerance of this type of situation in particular, applies to mobbing and sexual and gender-based harassment, and is designed to detect, evaluate and propose solutions if those situations arise.
Objective	This protocol aims to prevent harassment from occurring in the workplace and, if it does occur, to ensure that appropriate procedures are in place to deal with the problem and prevent it from recurring. These measures are intended to ensure a working environment free of harassment, in which all employees respect the dignity of their coworkers in the professional and personal sphere
Material Impacts, Risks and Opportunities	IROs related to the subtopic of equal treatment for all.
Scope	This protocol is compulsory for all members of the Group, without exception.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	This protocol and its corresponding principles must be applied in relation to all of the Group's activities, regardless of the worldwide location where they are performed.
Body responsible for implementation	The Audit and Compliance Committee is ultimately responsible for the existence and application of this protocol.
Availability	Public document posted on the corporate website and on the Group's intranet.

SI-1-20	<i>The undertaking shall describe its human rights policy commitments that are relevant to its own workforce, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach.</i>

CIE Automotive formalises its commitment to human rights through its Human Rights Policy, which is aligned with the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines. The policy guarantees:

- Respect and prevention of discrimination on the basis of personal, political or socio-economic characteristics.
- Prohibition of child and forced labour, with measures to prevent and correct possible risks.
- Decent working conditions, the right to rest, and health and safety measures.
- Freedom of association and collective bargaining.
- Promotion of human rights throughout the value chain.

CIE Automotive assesses compliance with this policy through:

- Whistleblowing Channel: Available to employees and third parties, managed by the Compliance body, as Head of the Internal Whistleblowing System, where possible violations can be reported in full confidentiality and without retaliation.
- Periodic audits and reviews: Supervised by the ESG Committee.
- Training and awareness-raising: Promoting respect for human rights, especially in high-risk regions.

The policy is reviewed annually to keep it in line with international best practices.

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S1-1-20 a)	<i>The undertaking shall describe its human rights policy commitments that are relevant to its own workforce, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach. (a) respect for the human rights, including labour rights, of people in its own workforce.</i>

CIE Automotive upholds the inherent rights of all people, which are universally recognised and enshrined in the United Nations Global Compact, which it became a signatory of in 2015.

This commitment to human rights is embodied in its Human Rights Policy, which formalises its commitment to respecting human rights in all its activities and applies not only to its employees, but also to its customers, suppliers and the communities surrounding its facilities, including indigenous peoples.

In this way, it rejects child or forced labour and discrimination in employment and occupation, and promotes respect for freedom of association and the right to collective bargaining and compliance with the legislation of the countries where it operates, in accordance with internationally recognised rights and its own Human Rights Policy.

CIE Automotive offers its employees decent working conditions, fair pay for the work they perform, and the training and safety they need to perform their jobs. In addition, it respects their freedom of association and their right to collective bargaining, regardless of the country in which they are based.

These commitments are defined in its Human Rights Policy, which is signed by all the plant managers and HR managers and is drafted in accordance with the core conventions of the International Labour Organisation and the universal labour principles set out in the United Nations Global Compact.

To ensure compliance, an annual survey is carried out to identify the plants at risk of these rights being violated and to take appropriate measures if necessary. In 2024, 100% of the plants reported that they have not identified any risks in this area.

CIE Automotive ensures that no use of forced labour or child labour exploitation takes place in any of its activities. In its contractual relations, it implements prevention and control measures related to the minimum working age, in conformity with the standards of the International Labour Organization, or in conformity with the applicable legislation whenever it is more restrictive. In 2024, there were no cases of child or forced labour.

S1-1-20 b)	<i>The undertaking shall describe its human rights policy commitments that are relevant to its own workforce, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach. (b) engagement with people in its own workforce.</i>

CIE Automotive's relationship with its employees is governed by ethical principles and is based on respect for people. CIE Automotive values and respects freedom of association, fostering collective bargaining through ongoing dialogue with employee representatives, both at its European plants and in countries with a weaker trade union tradition.

In 2024, 62% of its workers were covered by collective bargaining agreements. During the year, 34 collective agreements or pacts (geographical, sectoral or production centre) were signed in several of its worksites in the following countries: Mexico, Brazil, Spain, Germany, the Czech Republic, Romania and India. These agreements incorporate specific company obligations negotiated with its labour partners at each plant, including the importance given to essential issues such as prevention, safety and health for employees.

Human Rights Policy

CIE Automotive's Human Rights Policy formalises its commitment in this area, in a manner consistent with its Code of Conduct and the ten principles of the United Nations Global Compact.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

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- The United Nations Sustainable Development Goals (SDGs). Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its value chain workers, customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

CIE Automotive performs all of its activities in accordance with the principle of respect for human rights, and it is committed to:

- Avoiding discriminatory practices: Ensuring a work environment free from any discrimination based on gender, race, ethnicity, religion, age, disability, political views, union affiliation, sexual orientation, nationality, marital status, or socio-economic or hierarchical status, or any other form of discrimination.
- Rejecting any use of forced labour or child labour: Ensuring that no use of forced labour or child labour exploitation is taking place during any of its activities. CIE Automotive must therefore ensure that its procurement and contracting policies stipulate prevention and control measures related to the minimum working age, in conformity with the standards of the International Labour Organization, or in conformity with the applicable legislation whenever it is more restrictive. It is furthermore committed to complying with the labour legislation in force in the countries where it operates, and to implementing the appropriate corrective measures whenever necessary.
- Offering decent employment: Offering its employees fair pay, in accordance with the skills and knowledge they possess. In addition, it ensures compliance with the labour legislation in force in all of its locations, as well as its employees' right to time off. In line with this commitment, it also strives to implement measures that allow for flexible working hours. Its employee pay packages equal or exceed the legal minimums in each region, thus showing its commitment to paying a living wage. To ensure equal pay in all its operations, each year the Company will publish the ratio between the statutory minimum wage and the lowest-paid employees at its latest acquisitions, and it is committed to taking corrective action if this ratio falls below the minimum wage commitment.
In 2024 the company AKT Plastics was integrated into the Group, and its wage ratio is 1.2 (i.e., the lowest paid employee in the acquired plant is paid 20% above the local minimum wage).
- Protecting people's health: offering its employees a safe and healthy workplace, including strict compliance with all applicable legal requirements on occupational health and occupational risk prevention.
- Facilitating collective bargaining and freedom of association: CIE Automotive respects its employees' rights to collective bargaining and freedom of association. To the greatest extent possible, the Group must make it possible for its employees to freely gather and discuss pertinent issues related to their employment.
- Encouraging a culture of respect for human rights, and raising employees' awareness of this subject. This especially applies to locations with the greatest risk of those rights being violated.

S1-I-20 c)	<i>The undertaking shall describe its human rights policy commitments that are relevant to its own workforce, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach. (c) measures to provide and/or enable remedy for human rights impacts.</i>

As stipulated in its Human Rights Policy, all CIE Automotive employees have an obligation to report any potential breaches of the commitments described in this policy, as well as any related to the other guidelines and rules of conduct established in the Professional Code of Conduct. They must also be allowed to file those reports anonymously if they wish.

Any reports that are filed must be treated as strictly confidential, with safeguards against retaliation for anyone filing a report in good faith. Reports may also be filed by anyone who observes any potentially improper practices, even if they are not employees of the Group.

The company makes a fully confidential Whistleblowing Channel available to facilitate reporting of irregular conduct or activities, and that channel can also be used by anyone from the Group to ask questions about any form of potentially improper conduct. The functioning of the Whistleblowing Channel is managed by the Compliance Body, and all reporting received via that channel is analysed in compliance with the Whistleblowing Channel Rules. Once the filed reports are duly analysed, they are then submitted to the Audit and Compliance Committee.

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As in previous years, in 2024, training activities were carried out in the area of human rights. Specifically, over 47 thousand hours of training in human rights-related matters were provided to over 6,500 employees throughout the Group.

SI-1-21 AR 21	<i>The undertaking shall disclose whether and how its policies with regard to its own workforce are aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights.</i>

Human Rights Policy

CIE Automotive's Human Rights Policy formalises its commitment in this area, in a manner consistent with its Code of Conduct and the ten principles of the United Nations Global Compact.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The United Nations Sustainable Development Goals (SDGs). Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

SI-1-22	<i>The undertaking shall state whether its policies in relation to its own workforce explicitly address trafficking in human beings, forced labour.</i>

CIE Automotive upholds the inherent rights of all people, which are universally recognised and enshrined in the United Nations Global Compact, which it became a signatory of in 2015. This commitment to human rights is embodied in its Human Rights Policy, which formalises its commitment to respecting human rights in all its activities and applies not only to its employees, but also to its customers, suppliers and the communities surrounding its facilities, including indigenous peoples.

In this way, it rejects child or forced labour and discrimination in employment and occupation, rejects human trafficking and forced labour, and promotes respect for freedom of association and the right to collective bargaining and compliance with the legislation of the countries where it operates, in accordance with internationally recognised rights and its own Human Rights Policy, which mentions the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining.

On the other hand, by rejecting discrimination in all its forms, as well as the various policies and audit mechanisms it has in place, the Group ensures there is no human trafficking in its perimeter. With its Sustainable Procurement policy, it has made a specific stipulation regarding human trafficking in its value chain, where it states that the company is committed to promoting and respecting human rights throughout its supply chain, ensuring non-discrimination of any kind, the right to freedom of association, and the eradication of child and forced labour, as well as human trafficking.

SI-1-23	<i>The undertaking shall state whether it has a workplace accident prevention policy or management system.</i>

CIE Automotive has a Health and Safety Policy and an Occupational Risk Prevention or Process 12 Framework System. Both the policy and the framework system are based on the ISO 45001 certification system and each plant obtains its own ISO certification.

The scope of the Health and Safety policy and framework system is Group-wide, and the latest revision of the policy was approved in November 2021.

In addition, the Group has determined in its 2025 ESG Strategic Plan that all sites within the Group's scope at the beginning of the Plan (2020) must be ISO 45001 certified by the end of 2025 and must complete the CIE SAFETY questionnaire annually. If they do not obtain a minimum of 85 out of 100 points, they will have to establish action plans to this effect.

These stringent rules have made it possible in recent years to reduce the number of accidents and the frequency and severity rates associated with them.

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S1-1-24 a)	<i>The undertaking shall disclose: (a) the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion.</i>

CIE Automotive has adopted a set of values, codes and mechanisms to guarantee the integrity and ethics of its actions. This ethical framework, set out in its Professional Code of Conduct, forms a solid basis, subject to continuous review. In 2024, it developed its Whistleblowing Channel by carrying out numerous training activities to make it better understood and more efficient.

Since 2020, CIE Automotive has also had a Harassment Prevention and Treatment Protocol in place, which is mandatory at all Group facilities. This protocol addresses the prevention of mobbing, sexual and gender-based harassment, and includes various preventive measures, such as zero-tolerance for harassment, making all employees responsible for monitoring work-related behaviour, and implementing communication programmes. The full protocol is available on the corporate website.

On the other hand, diversity management is one of the main challenges for the company, which strives to bring together people of different culture, gender, generation and ability. For this reason, the 2025 Strategic Plan called for 100% of its plants to carry out a diversity and inclusion diagnosis (an objective that was already met this year (2024), one year ahead of the target) to obtain an overall picture of the diversity throughout the Group and take the appropriate corrective measures.

S1-1-24 b) AR 15 and 16	<i>The undertaking shall disclose: (b) whether the following grounds for discrimination are specifically covered in the policy: racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulation and national law.</i>

The response to this indicator is provided under S1-1-24 a) above.

S1-1-24 c)	<i>The undertaking shall disclose: (c) whether the undertaking has specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce and, if so, what these commitments are.</i>

Diversity management is one of the main challenges for the company, which strives to bring together people of different culture, gender, generation and ability. For this reason, the 2025 Strategic Plan called for 100% of its production plants to carry out a diversity and inclusion diagnosis (an objective that was already met this year (2024), one year ahead of the target) to obtain an overall picture of the diversity throughout the Group and take the appropriate corrective measures.

The diagnostics were carried out using a shared diversity and inclusion tool, which assesses diversity in terms of gender, age, multiculturalism and functional diversity. This is done through diversity metrics and talent-related practices such as recruitment, hiring, promotion, training, compensation, performance and turnover, among others. In addition, a questionnaire is used to analyse plant-specific sensitivities.

The Diversity, Equity and Inclusion Committee, established in 2021 and composed of 14 representatives from all the divisions and regions, is the body in charge of these diagnostics. In situations where common problems are identified, corporate actions are being considered for implementation in the coming years, either for several plants or for the whole Group.

S1-1-24 d)	<i>The undertaking shall disclose: (d) whether and how these policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion in general.</i>

Protocol for preventing and handling harassment situations.

This protocol aims to prevent harassment from occurring in the workplace and, if it does occur, to ensure that appropriate procedures are in place to deal with the problem and prevent it from reoccurring. These measures are intended to ensure a harassment-free working environment, in which everyone respects the dignity of their colleagues, both professionally and personally.

The scope of application of this protocol is CIE Automotive. Production plants that have their own protocol in this area may apply their own specific protocol, but will ensure that such protocol is consistent with the minimum measures and procedures set out in this corporate protocol.

Similarly, CIE Automotive has mechanisms, protocols and tools in place to facilitate the reporting of infractions and irregularities at the Company or breaches of its Professional Code of Conduct, including reporting harassment.

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In 2023, it strengthened its Whistleblowing Channel by installing a digital platform on its corporate website and its corporate intranet, which ensures the security of the whistleblowing process and simplifies how the Company manages each case.

It is a cutting-edge and intuitive system in all the languages of the countries where the company is present, which offers the possibility of opening a secure mailbox where users can submit reports and provide complementary information in various formats (in writing, voice messages, etc.). All the information is confidential and, if the whistleblower wishes, anonymous.

The new digital channel has been implemented in accordance with the requirements of the Spanish Whistleblower Protection Act [*Ley 2/2023, de 20 de febrero, de protección de las personas que informen de incumplimientos normativos y de la corrupción*] and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 (the "Whistleblowing Directive").

In all the cases reported in 2024 and communicated to both the Audit and Compliance Committee and the ESG Committee, the appropriate actions were taken to study, monitor and resolve or close the cases. The actions may include specific training plans, conciliatory measures, disciplinary proceedings and also dismissal. In the latter case, ten persons were dismissed due to the actions taken following the relevant internal investigations: three persons related to cases of bullying, two due to reports of breaches of the Professional Code of Conduct, two in cases of sexual harassment, two in the cases of human resource management, and one in relation to a report of a conflict of interest.

3.1.2.2 DR SI-2 - Processes for engaging with own workforce and workers' representatives about impacts

SI-2-27	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce.</i>

CIE Automotive recognises the importance of its own workforce's perspectives in managing the actual and potential impacts on its employees. To this end, the Company conducts work climate surveys every two years in each production centre, to comprehensively capture the opinions and concerns of its workers.

In 2024, 38 surveys were carried out, with an average score of 7.6 out of 10, reflecting an overall positive level of satisfaction.

The results of these surveys were instrumental in informing specific decisions and actions aimed at improving the working environment and addressing staff concerns. Thus, although the average results of the surveys were positive (given that the average result was 7.6 out of 10), there are always subjects that score better than others, and this makes it possible to draw up action plans with the idea of improving the points that were rated less positively by the employees and, after that, in the next survey, the same topic will be measured again, to also assess the effectiveness of the action plan that was implemented.

The main measures taken on the basis of feedback from employees include:

- In India, the key actions included streamlining how workloads are organised and providing more flexible working hours, in addition to launching an employee referral policy, which encourages the active participation of the team in hiring processes.
- In Spain, training plans were put in place that focus on time management, stress and making meetings more effective. In addition, work was done to strengthen the preventive and corrective activities in the field of Occupational Risk Prevention, along with hiring temporary replacements.
- In the US, improvements were made to internal communications through regular newsletters on CIE Automotive's global activity. The wage policy has also been reviewed to ensure competitiveness in the local market.
- In Brazil, inspections and improvements to the working environment were carried out, such as replacing lighting and assessing noise and gas levels. Improvements were made in the rest areas and in the replenishment of hygiene products, and training was carried out in leadership and internal relations to strengthen teamwork.

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SI-2-27 a)	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of: (a) whether engagement occurs directly with the undertaking's own workforce or workers' representatives.</i>

Communication with employees takes place mainly through the corporate scorecard and the corporate intranet. There is also a biannual internal newsletter, "Noticias", in which the company discusses the most significant financial, business, social and environmental developments. To gauge its employees' concerns, CIE Automotive conducts a work climate survey at each production centre every two years.

CIE Automotive's relationship with its employees is governed by ethical principles and is based on respect for people. CIE Automotive values and respects freedom of association, fostering collective bargaining through ongoing dialogue with employee representatives, both at its European plants and in countries with a weaker trade union tradition.

In 2024, 62% of its workers were covered by collective bargaining agreements. During the year, 36 collective agreements or pacts (geographical, sectoral or production centre) were signed in several of its worksites in the following countries: Mexico, Brazil, Spain, Germany, the Czech Republic, Romania and India. These agreements incorporate specific company obligations negotiated with its labour partners at each plant, including the importance given to essential issues such as prevention, safety and health for employees.

On the other hand, it should be noted that it is common for the agreements negotiated between companies and their unions to lead to the creation of committees made up of representatives of management and the workers at the plants, particularly in plants operating in more demanding regulatory frameworks, such as those in the EU.

These joint committees exist not only for health and safety issues, but also for other issues such as staff training. By way of example, the CIE Legazpi agreement calls for the creation of "a Joint Committee for the Company" made up of representatives of the company's management and trade union representatives, with the aim of analysing the company's training needs, as well as determining which training courses may be of interest to the company's activity and suitable for completing its workers' training, and which workers should participate in them.

SI-2-27 b) AR 19	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of: (b) the stage(s) at which engagement occurs, the type of engagement and frequency of the engagement.</i>

Communication with employees takes place mainly through the corporate scorecard and the corporate intranet. There is also a biannual internal newsletter, in which the company discusses the most significant financial, business, social and environmental developments. To gauge its employees' concerns, CIE Automotive conducts a work climate survey at each production centre every two years.

CIE Automotive's relationship with its employees is governed by ethical principles and is based on respect for people. CIE Automotive values and respects freedom of association, fostering collective bargaining through ongoing dialogue with employee representatives, both at its European plants and in countries with a weaker trade union tradition.

In 2024, 62% of its workers were covered by collective bargaining agreements. During the year, 36 collective agreements or pacts (geographical, sectoral or production centre) were signed in several of its worksites in the following countries: Mexico, Brazil, Spain, Germany, the Czech Republic, Romania and India. These agreements incorporate specific company obligations negotiated with its labour partners at each plant, including the importance given to essential issues such as prevention, safety and health for employees.

Below is an example of the issues agreed in the agreement at the CIE Legazpi plant in Gipuzkoa, Spain:

- **Workers' Meetings:** The companies will authorise the workers to hold paid meetings, both inside and outside working hours, up to a maximum of 8 meetings and 4 hours per year. The meetings will be convened by the Works Council, on its own initiative or at the request of the Shop Steward, as stipulated in the following paragraph and up to a limit of 8 meetings and 4 hours. The Works Councils will be obliged to convene the paid meetings within the established limit, when they are requested to do so by the delegate of a Works Council Section, provided that the relevant Works Council represents at least 33% of the company's total workforce, or directly at the request of one third of its workforce. Notice of meetings will be given at least 48 hours in advance to the management of the company, stating the date of the meeting and the agenda. The time of the meeting will be fixed in agreement with the management of the company.

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For exceptional and justified reasons, the company may change the date of the meeting, and the workers' representatives may reduce the period of notice to 24 hours.

- **Joint Committee:** The Joint Committee will meet whenever 1/3 of any of the representatives request a meeting under the powers attributed to them. The Committee will meet upon a minimum of seven days before the meeting. The meeting notice must be accompanied by a written statement setting out the issue to be discussed.
- **Information about the company:** Companies with more than 500 employees must provide the Works Council at least quarterly information on the progress of the business, the company's production situation, the market prospects and the planned investment plan. Companies with less than 500 employees must provide the workers' representative or Works Council regular information on the situation and general progress of the company. This is without prejudice to the information obligations under section 64 of the Spanish the Workers' Statute [*Estatuto de los Trabajadores*], the Spanish Freedom of Association Act [*Ley Orgánica de Libertad Sindical*] and concordant provisions. Any confidential information provided by the management of the Company at the meetings with the Committee will be treated as secret. The members of the Works Council or workers' representatives will be obliged to keep this information secret even from the company's own employees.
- **Universal guarantees:** A) The right to use, with the prior knowledge of the company, a notice board to post communications of a trade union or labour nature. b) The right to be provided meeting rooms for common use, within the possibilities of each company, without prejudice to section 8 Freedom of Association Act. Works Council meetings must be notified at least 24 hours in advance, except in urgent and well-founded cases where shorter notice may be given. Works Council meetings must be scheduled sufficiently in advance. c) Before any disciplinary measure for serious or very serious misconduct and during the limitation period, the proposed sanction will be notified 24 hours in advance to: - In the case of workers' representatives, to the Works Council. In the case of trade union delegates, the local or provincial trade union to which they belong. Within 48 hours, these bodies must issue a report, which will not be binding, and the company may adopt, without further formality, the sanction it deems appropriate. This guarantee will remain in force for two years after the expiry of the mandate.

SI-2-27 c) AR 18 and 19	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of: c) the function and the most senior role within the undertaking that has operational responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach.</i>

The Manager of the production plant in question, together with the plant's Management Committee, will have operational responsibility for ensuring that this engagement happens and that the results inform the company's approach.

It must report to the corporate HR Department, which is ultimately responsible for ensuring that this engagement takes place and that the results inform the company's approach.

SI-2-27 d) AR 20	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of: d) where applicable, a Global Framework Agreement or other agreements that the undertaking has with workers' representatives related to the respect of human rights of its own workforce, including an explanation of how the agreement enables the undertaking to gain insight into the perspectives of its own workforce.</i>

CIE Automotive's relationship with its employees is governed by ethical principles and is based on respect for people. CIE Automotive values and respects freedom of association, fostering collective bargaining through ongoing dialogue with employee representatives, both at its European plants and in countries with a weaker trade union tradition.

In 2024, 62% of its workers were covered by collective bargaining agreements. During the year, 36 collective agreements or pacts (geographical, sectoral or production centre) were signed in several of its worksites in the following countries: Mexico, Brazil, Spain, Germany, the Czech Republic, Romania and India. These agreements incorporate specific company obligations negotiated with its labour partners at each plant, including the importance given to essential issues such as prevention, safety and health for employees.

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Below is an example of the issues agreed in the agreement at the CIE Legazpi plant in Gipuzkoa, Spain:

- Trade union guarantees: Non-discrimination. To exercise their trade union rights, workers will be guaranteed that any acts or agreements aimed at trade union discrimination will be considered null and void, specifically those entailing: a) Making the employment of a worker conditional on membership or non-membership in a central trade union. b) The employer favouring a central trade union or trade union section of a company by means of financial or other assistance. c) Dismissing workers, punishing them, discriminating against them or causing them any kind of prejudice on the grounds of their membership or non-membership in a central trade union, provided that the union complies with the legislation in force.
- Promoting equal opportunities in hiring: Prohibition of discrimination on grounds of sex or age. The signatories to this agreement, aware of the need to include women in the labour market and for this to be carried out without discrimination of any kind and with respect for equal opportunities, agree that the following are objectives for achieving equality: 1. Both women and men must enjoy equal opportunities in terms of employment, training, promotion and development in their work. 2. Women and men must receive equal pay for equal work, as well as equality in terms and conditions of employment in all other aspects of employment. Any discrimination on grounds of sex or age in matters of pay will be prohibited and different pay for employees in similar jobs in the same enterprise on grounds of sex or age will be prohibited. If an employer fails to comply with this prohibition, the discriminated employees will be entitled to the appropriate wage differentials. 3. The jobs, working practices, work organisation and working conditions must be geared in such a way that they are suitable for both women and men.
- Fifth additional provision: Promoting equal opportunities. The workers' representatives and central trade unions express the need to promote equal opportunities for women and men. To this end, they agree to create a Committee to carry out a general diagnosis of the situation in the sector, and to establish the necessary actions to raise awareness among companies, workers and employees in the sector regarding equal opportunities, favouring respect among all people and increasing the presence of women in the industrial sphere, through proactive measures in the areas of hiring, training and promotion. The Committee will resolve, within a maximum of three months, on the information to be sent to it by the companies so it can carry out the general diagnosis referred to in the previous paragraph.

SI-2-27 e)	<i>The undertaking shall disclose whether and how the perspectives of its own workforce inform its decisions or activities aimed at managing the actual and potential impacts on its own workforce. This shall include, where relevant, an explanation of: (e) where applicable, how the undertaking assesses the effectiveness of its engagement with its own workforce, including, where relevant, any agreements or outcomes that result.</i>

The aim of the work climate and staff satisfaction surveys is to find out the employees' opinions on the work climate, in order to improve it and prevent possible situations of disrespect between people.

According to its procedure, the results must be received by the plant's Human Resources Department, which will work with the plant's Manager and/or Management Committee to assess the general degree of satisfaction in the company and of each of the five large blocks, and will establish the action plan to improve the results in future editions of the survey.

The results obtained will be grouped and presented in their entirety, anonymised on a personal and departmental level, and with transparency, for the company as a whole within a period of two months, always with a guarantee of privacy of the individual information received. Once the evaluation has been carried out and the results are presented to the employees, the previously defined action plan to improve the working environment will be implemented, the success of which will be evaluated in the next survey.

In 2024, 38 surveys were carried out, with an average score of 7.6 out of 10, reflecting an overall positive level of satisfaction.

The results of these surveys were instrumental in informing specific decisions and actions aimed at improving the working environment and addressing staff concerns. The main measures taken on the basis of feedback from employees include:

- In India, the key actions included streamlining how workloads are organised and providing more flexible working hours, in addition to launching an employee referral policy, which encourages the active participation of the team in hiring processes.
- In Spain, training plans were put in place that focus on time management, stress and making meetings more effective. In addition, work was done to strengthen the preventive and corrective activities in the field of Occupational Risk Prevention, along with hiring temporary replacements.

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- In the US, improvements were made to internal communications through regular newsletters on CIE Automotive's global activity. The wage policy has also been reviewed to ensure competitiveness in the local market.
- In Brazil, inspections and improvements to the working environment were carried out, such as replacing lighting and assessing noise and gas levels. Improvements were made in the rest areas and in the replenishment of hygiene products, and training was carried out in leadership and internal relations to strengthen teamwork.

SI-2-28	<i>Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of people in its own workforce who may be particularly vulnerable to impacts and/or marginalised (for example, women, migrants, people with disabilities).</i>

Diversity management is one of the main challenges for the company, which strives to bring together people of different culture, gender, generation and ability. For this reason, the 2025 Strategic Plan called for 100% of its production plants to carry out a diversity and inclusion diagnosis to obtain an overall picture of the diversity throughout the Group and take the appropriate corrective measures.

The diagnostics are being carried out using a shared Diversity and Inclusion Tool, which assesses diversity in terms of gender, age, multiculturalism and functional diversity. This is done through diversity metrics and talent-related practices such as recruitment, hiring, promotion, training, compensation, performance and turnover, among others. In addition, a questionnaire is used to analyse plant-specific sensitivities.

The Diversity, Equity and Inclusion Committee, established in 2021 and composed of 14 representatives from all the divisions and regions, is the body in charge of these diagnostics. In situations where common problems are identified, corporate actions are being considered for implementation in the coming years, either for several plants or for the whole Group.

To adopt specific measures for potentially vulnerable groups, CIE Automotive has implemented Equality Plans in accordance with the prevailing legislation, which include specific initiatives to ensure that women's perspectives are understood and addressed at the company. These plans address issues such as work-life balance and preventing harassment at work and sexual harassment.

This protocol aims to prevent harassment from occurring in the workplace and, if it does occur, to ensure that appropriate procedures are in place to deal with the problem and prevent it from reoccurring. These measures are intended to ensure a harassment-free working environment, in which everyone respects the dignity of their colleagues, both professionally and personally.

The scope of application of this protocol is CIE Automotive. Production plants that have their own protocol in this area may apply their own specific protocol, but will ensure that such protocol is consistent with the minimum measures and procedures set out in this corporate protocol.

3.1.2.3 RD SI-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

SI-3-32 a) AR 27	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information: (a) its general approach to and processes for providing or contributing to remedy where it has caused or contributed to a material negative impact on people in its own workforce, including whether and how the undertaking assesses that the remedy provided is effective.</i>

As stated in its Human Rights Policy, CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The United Nations Sustainable Development Goals (SDGs).

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Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development. This Policy's objective is to minimise the risk of human rights violations, by establishing principles and guidelines for due diligence in relation to those rights, so that this Policy can be used to identify, prevent, mitigate, and remedy all potential negative impacts. As a result of this, CIE Automotive's activities must include:

- Establishing commitments.
- Assigning responsibilities.
- Periodically evaluating the due diligence system's effectiveness.
- Correcting errors and improper practices.
- Providing training on the subject of human rights and promoting a culture of respect for them.

CIE Automotive's Human Rights Policy applies to all of the Group's activities, regardless of the worldwide location where they are being performed. The Company performs all of its activities in accordance with the principle of respect for human rights, and it is committed to:

- Avoiding discriminatory practices.
- Rejecting any use of forced labour or child labour.
- Offering decent employment.
- Protecting personal health.
- Facilitating collective bargaining and freedom of association.
- Encouraging a culture of respect for human rights, and raising employees' awareness of this subject.
- Promoting a commitment to human rights across the entire value chain.
- Respecting the environmental rights of all the communities in which it operates, taking into account their expectations and needs.
- Respecting indigenous communities and their traditional ways of life
- Contributing to the fight against corruption and implementing measures on protection of privacy.

CIE Automotive will include respect for human rights when assessing investment projects and analysing social and environmental impacts. It will also take that subject into consideration during its due diligence processes before entering into collaboration agreements, by evaluating the human rights policies and practices of its counterparties.

In addition, CIE Automotive's current Environmental, Social and Governance (ESG) Policy also includes the following aspects:

- Protecting the health and safety of all of the Group's personnel, and everyone else performing work at any of CIE Automotive's facilities.
- Promoting personal and professional development for everyone at CIE Automotive, giving them the necessary means (training, equality plans, and social benefits) to help them improve their capacities for initiative, creativity, and innovation, while also increasing and encouraging participation and teamwork. CIE Automotive will also ensure that all persons are complying with the Professional Code of Conduct.
- Ensuring the well-being of CIE Automotive's employees by providing equal opportunities and a positive work environment, and preventing occupational risks. Specifically, CIE Automotive is committed to maintaining an occupational risk prevention system that provides a healthy workplace.

Lastly, as indicated in its Anti-Corruption and Fraud Policy, CIE Automotive has measures in place to implement appropriate actions in accordance with labour legislation.

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S1-3-32 b) AR28	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information; (b) any specific channels it has in place for its own workforce to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through participation in third-party mechanisms.</i>

Whistleblowing Channel:

As part of its firm commitment to ethical conduct, and as an essential element of its anti-corruption strategy, CIE Automotive has implemented and maintain a comprehensive set of ethics tools. This includes an Internal Whistleblowing System that is in full compliance with EU legislation and the highest standards existing on the subject. This includes, among other elements, an internal reporting channel known as the Whistleblowing Channel, which is made available through the corresponding online platform. There is also a set of Whistleblowing Channel Rules that have been implemented and duly distributed. These tools play a fundamental role in promoting an organisational culture based on ethics, integrity, and transparency.

The Whistleblowing Channel, which is available via an online platform accessible through the corporate website, has been designed to serve as a means of communicating information about potential legal infringements (including infringements of EU law, criminal offences, administrative infractions, occupational health and safety violations, and possible non-compliances with the Professional Code of Conduct and all the other internal rules that are part of its Compliance Management System). The Whistleblowing Channel offers various ways of communicating the information being reported, and whistleblowers may select any of those options.

In 2023, CIE Automotive strengthened its Whistleblowing Channel by installing a digital platform on its corporate website, which ensures the security of the whistleblowing process and simplifies how the Company manages each case. It is a cutting-edge and intuitive system in all the languages of the countries where the company is present, which offers the possibility of opening a secure mailbox where users can submit reports and provide complementary information in various formats (in writing, voice messages, etc.). All the information is confidential and, if the whistleblower wishes, anonymous.

The new digital channel has been implemented in accordance with the requirements of the Whistleblower Protection Act and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council.

Compliance with this new law has led to the modification of the Whistleblowing Channel Rules, which set out the general principles of the system and how it is managed.

Whistleblowing Channel Rules:

The Whistleblowing Channel may be used by anyone who is part of CIE Automotive, i.e., all persons professionally related to the company (employees, regardless of their status, including trainees, whether due to being shareholders, executives or members of the Board, as well as applicants in hiring processes, interns, trainees, retirees, etc.) may submit information on alleged breaches or raise queries through the internal channel, either directly or through counsel.

It may also be used by external third parties, freelancers, suppliers, contractors and subcontractors (and their employees), provided that they comply with the established requirements and procedures.

Protocol for preventing and handling harassment situations

The company has a protocol for the prevention and treatment of harassment situations with the aim of preventing harassment from occurring in the workplace and, if it does occur, to ensure that appropriate procedures are in place to deal with the problem and prevent it from reoccurring. These measures are intended to ensure a harassment-free working environment, in which everyone respects the dignity of their colleagues, both professionally and personally.

The Whistleblowing Channel includes all available avenues for people in this situation to communicate information legitimately obtained in the context of an employment or professional relationship, in relation to issues relating to gender equality and non-discrimination policies, as well as those that may constitute harassment according to the definitions contained in this document.

For matters not covered in this document, the provisions set out in the Ethics Channel Regulations will apply.

In the cases envisaged here, each plant or production centre of the Group will have its own committee, which may be made up of:

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- The HR Director of the plant or production centre where the report is filed, or failing that, the HR Director of the division or the person designated by Senior Management.
- The Occupational Risk Prevention Officer.
- The Prevention Delegate or, failing this, the legal representative of the workers or, if there is no such representative or if it is impossible for them to take part in the process, the person with the longest seniority in the contract/service.

The plant or production centre committees must report all the information related to the investigation carried out to the corporate committee.

SI-3-32 c)	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information; (c) whether or not the undertaking has a grievance /complaints handling mechanism related to employee matters.</i>

Whistleblowing Channel:

As part of its firm commitment to ethical conduct, and as an essential element of its anti-corruption strategy, CIE Automotive has implemented and maintain a comprehensive set of ethics tools. This includes an Internal Whistleblowing System that is in full compliance with EU legislation and the highest standards existing on the subject. This includes, among other elements, an internal reporting channel known as the Whistleblowing Channel, which is made available through the corresponding online platform. There is also a set of Whistleblowing Channel Rules that have been implemented and duly distributed. These tools play a fundamental role in promoting an organisational culture based on ethics, integrity, and transparency.

The Whistleblowing Channel, which is available via an online platform accessible through the corporate website, has been designed to serve as a means of communicating information about potential legal infringements (including infringements of EU law, criminal offences, administrative infractions, occupational health and safety violations, and possible non-compliances with the Professional Code of Conduct and all the other internal rules that are part of its Compliance Management System). The Whistleblowing Channel offers various ways of communicating the information being reported, and whistleblowers may select any of those options.

SI-3-32 d)	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information; (d) the processes through which the undertaking supports the availability of such channels in the workplace of its own workforce.</i>

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in 2024 in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

Internal communications

In view of the update of its entire regulatory framework and its approval by the Board in February 2024, the company has carried out both specific campaigns to launch emails to managers and senior managers, as well as global communications to all its stakeholders, including those who make up the Group, via the half-yearly corporate magazine.

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SI-3-32 e) AR 32	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information; (e) how it tracks and monitors issues raised and addressed, and, how it ensures the effectiveness of the channels, including through the involvement of stakeholders who are intended users.</i>

Number of complaints received in 2024

In 2024, 91 complaints were received through the Whistleblowing Channel, 35 more than in 2023, although a total of 25 of these reports were closed as no evidence was found to justify them during the internal investigations carried out.

The complaints received in 2024 related to:

- Human resource management in the day-to-day work planning in the factories: 40 complaints, eight of which were closed with no action to be taken, as no evidence was found during the internal investigation to justify them.
- Bullying: 26 cases of improper attitudes by hierarchical superiors towards permanent employees. Of the total of 26 cases reported, 6 were closed with no action to be taken, as no evidence was found during the internal investigation to justify them.
- Business management: 10 cases related to the company's operations with its stakeholders. Of this total, five were closed with no action to be taken, as no supporting evidence was found during the internal investigations.
- Bribery and corruption: four reported cases of improper practices at various plants by individuals in the Procurement and HR departments, who breached CIE Automotive's General Purchasing Conditions for their own benefit. Although the amounts were not significant, and the size of the contracts with the related supplier companies did not materially affect the economic performance of the plants involved, their existence affected the group's image and ethical commitment. One of the reported cases was closed as the internal investigation did not produce sufficient evidence to justify the complaint.
- Fraud: four reported cases of improper practices in two plants by employees from the Administration and Finance department and the Purchasing department. It should be noted that three of the four complaints were closed due to a lack of evidence found during the internal investigation.
- Breaches of the Professional Code of Conduct: a total of three cases of breaches of the Code of Conduct by certain employees. In this case too, one of the reported cases was closed due to lack of evidence.
- Sexual harassment: two cases of improper attitudes by hierarchical superiors towards permanent employees.
- Discrimination: one case of discrimination was reported.
- Conflicts of interest: one complaint was received.

In 2023, by contrast, the complaints related to human resources management in day-to-day factory work planning (20), workplace harassment (16), fraud and corruption (seven), breaches of the Professional Code of Conduct's guidelines (six), business management (four), discrimination (two) and sexual harassment (one).

In all the cases reported in 2024 and communicated to the ESG Committee, the appropriate actions were taken to study, monitor and resolve or close the cases.

The actions may include specific training plans, conciliatory measures, disciplinary proceedings and also dismissal. In the latter case, ten persons were dismissed due to the actions taken following the relevant internal investigations: three persons related to cases of bullying, two due to reports of breaches of the Professional Code of Conduct, two in cases of sexual harassment, two in cases of human resource management, and one in relation to a report of a conflict of interest.

In 2023, nine persons were dismissed as a result of actions taken: three persons related to allegations of fraud and corruption, two persons related to non-compliance with the Code of Professional Conduct, two persons related to the business management cases, one person involved in one of the harassment cases and one person related to one of the discrimination allegations.

In addition, employees from the Management Team and the relevant HR departments mediated to resolve reported cases of bullying, sexual harassment and discrimination, and to prevent their recurrence, by further educating employees on the company's values and the guidelines of the Professional Code of Conduct. External professionals also helped carry out detailed investigations in those cases where required.

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SI-3-33 AR 31	<i>The undertaking shall describe the processes in place to cover the matters defined within paragraph 2 of the Objective section by disclosing the following information; (e) how it tracks and monitors issues raised and addressed, and, how it ensures the effectiveness of the channels, including through the involvement of stakeholders who are intended users.</i>

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in 2024 in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

The basic principles on which the Internal System is based are: communication, anonymous reporting, truthfulness, presumption of innocence, confidentiality, effective protection, proportionality, impartiality, fairness, the right to a hearing, equal opportunities, data protection and non-retaliation.

As indicated in both the Professional Code of Conduct and the Rules themselves, any kind of direct or indirect retaliation against those who have made due use of the Whistleblowing Channel, in good faith, is prohibited, and attempted or consummated retaliation against those who have reported in good faith will be definitively sanctioned.

The prohibition of retaliation will not prevent the adoption of appropriate disciplinary measures when the internal investigation determines that the information communicated through the internal channel is false and that the reporting person has made the report knowing it to be false and acting in bad faith.

Whistleblowing Channel Rules

Security and confidentiality measures

CIE Automotive will ensure that all necessary technical and organisational measures are taken to preserve the security of the data collected to protect them from unauthorised disclosure or access.

In this respect, whistleblowers may decide whether they want to identify themselves when making a report. Anonymous complaints are therefore admissible. In any case, maximum confidentiality will be guaranteed regarding the identity of the informants who initially or subsequently wish to identify themselves.

To this end, CIE Automotive has adopted appropriate measures to guarantee the confidentiality of all the data and will ensure that the data relating to the identity of the whistleblower is not disclosed to the accused during the investigation, while respecting the person's fundamental rights, without prejudice to any action that may be taken by the competent judicial authorities. The identity of the whistleblower may only be disclosed to the administrative and judicial authorities, where legally appropriate, for the proper handling of any administrative or judicial proceedings that may arise from the complaint lodged.

In this regard, the identity of the reporting person will only be known to the persons in charge of managing the System and investigating the report, as well as to the areas that are strictly necessary for the investigation of the facts and resolution of the reports made. Lastly, persons who, by reason of their duties, have knowledge of the complaints made, are personally bound to keep all information to which they have access secret.

Avoiding discriminatory practices

Since 2020, CIE Automotive has had a Harassment Prevention and Treatment Protocol in place, which is mandatory at all Group facilities. This protocol addresses the prevention of mobbing, sexual harassment, discriminatory harassment (on grounds of sex, gender or other discriminatory grounds), acts of violence in the workplace and cyberbullying.

It includes a number of preventive measures, such as zero tolerance of harassment, making all employees responsible for monitoring conduct at work, and implementing communication programmes. The full protocol is available on the corporate website under "Protocol for the Prevention and Treatment of Harassment Situations."

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3.1.2.4 RD SI-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

SI-4-37	<i>The undertaking shall provide a summarised description of the action plans and resources to manage its material impacts, risks, and opportunities related to its own workforce in accordance with ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</i>

The company's action plans and resources to manage its material impacts, risks and opportunities are integrated into its strategic planning and supported by its senior executives and management.

CIE Automotive's Risk Management System (SGR) provides reasonable assurance of the prevention, identification, assessment and ongoing monitoring of all the material risks, covering strategic, operational, financial, environmental, social and governance (ESG) aspects, as well as compliance. These risks, approved by the Board, are managed in accordance with the established risk appetite and tolerance levels.

The model, included under the Risk Control and Management Policy, follows ISO 31000 methodology and is under the direct responsibility of the Board, which has delegated its supervision and correct functioning to the Audit and Compliance Committee.

With a sustained commitment from senior management and the executive team, backed by rigorous strategic planning, CIE Automotive seeks to create an environment where risks can be managed in a controlled manner. The objective is to manage these risks actively so that, through appropriate management and value generation, new opportunities will arise.

To gauge its employees' concerns, CIE Automotive conducts a work climate survey at each production centre every two years. Thus in 2024, 38 surveys were carried out, with an average score of 7.6 out of 10, reflecting an overall positive level of satisfaction.

The results of these surveys were instrumental in informing specific decisions and actions aimed at improving the working environment and addressing staff concerns. The main measures taken on the basis of feedback from employees include:

- In India, the key actions included streamlining how workloads are organised and providing more flexible working hours, in addition to launching an employee referral policy, which encourages the active participation of the team in hiring processes.
- In Spain, training plans were put in place that focus on time management, stress and making meetings more effective. In addition, work was done to strengthen the preventive and corrective activities in the field of Occupational Risk Prevention, along with hiring temporary replacements.
- In the US, improvements were made to internal communications through regular newsletters on CIE Automotive's global activity. The wage policy has also been reviewed to ensure competitiveness in the local market.
- In Brazil, inspections and improvements to the working environment were carried out, such as replacing lighting and assessing noise and gas levels. Improvements were made in the rest areas and in the replenishment of hygiene products, and training was carried out in leadership and internal relations to strengthen teamwork.

SI-4-38 a) AR 42	<i>In relation to the material impacts related to its own workforce, the undertaking shall describe: (a) actions taken, planned or underway to prevent or mitigate material negative impacts on its own workforce.</i>

Since its inception, the Company has striven to offer attractive pay and benefit packages, as well as safe working conditions negotiated with employee representatives. Thus, the training hours the company offers its employees are in line with best practices in the sector, its accident rate is comparatively low, and its working conditions in terms of working hours and remuneration are generally better than the thresholds set by each government.

In addition, employee satisfaction is assessed every two years and, where appropriate, action plans are implemented to improve the weaknesses of each production plant based on the results of these climate surveys, with a view to making CIE Automotive more attractive to potential new employees on a daily basis.

Therefore, although the availability of human resources for growth is in itself a risk, the Company has demonstrated its ability to integrate talent from acquired companies inorganically, and make it part of the talent available even at the corporate level. In fact, this has already happened on several occasions throughout the company's history, given that the current heads of the company's main business divisions were once employees of companies acquired by CIE Automotive, thereby ensuring that the employees it incorporates inorganically become part of its corporate talent pool and consequently assume new corporate responsibilities, in addition to those of an inorganic nature.

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SI-4-38 b)	<i>In relation to the material impacts related to its own workforce, the undertaking shall describe: b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact.</i>

The aim of the work climate and staff satisfaction surveys is to find out the employees' opinions on the work climate, in order to improve it and prevent possible situations of disrespect between people.

According to its procedure, the results must be received by the plant's Human Resources Department, which will work with the plant's Manager and/or Management Committee to assess the general degree of satisfaction in the company and of each of the five large blocks, and will establish the action plan to improve the results in future editions of the survey.

The results obtained will be grouped and presented in their entirety, anonymised on a personal and departmental level, and with transparency, for the company as a whole within a period of two months, always with a guarantee of privacy of the individual information received. Once the evaluation has been carried out and the results are presented to the employees, the previously defined action plan to improve the working environment will be implemented, the success of which will be evaluated in the next survey.

In 2024, 38 surveys were carried out, with an average score of 7.6 out of 10, reflecting an overall positive level of satisfaction.

The results of these surveys were instrumental in informing specific decisions and actions aimed at improving the working environment and addressing staff concerns. The main measures taken on the basis of feedback from employees include:

- In India, the key actions included streamlining how workloads are organised and providing more flexible working hours, in addition to launching an employee referral policy, which encourages the active participation of the team in hiring processes.
- In Spain, training plans were put in place that focus on time management, stress and making meetings more effective. In addition, work was done to strengthen the preventive and corrective activities in the field of Occupational Risk Prevention, along with hiring temporary replacements.
- In the US, improvements were made to internal communications through regular newsletters on CIE Automotive's global activity. The wage policy has also been reviewed to ensure competitiveness in the local market.
- In Brazil, inspections and improvements to the working environment were carried out, such as replacing lighting and assessing noise and gas levels. Improvements were made in the rest areas and in the replenishment of hygiene products, and training was carried out in leadership and internal relations to strengthen teamwork.

SI-4-38 c) AR 42	<i>In relation to the material impacts related to its own workforce, the undertaking shall describe: (c) any additional actions or initiatives it has in place with the primary purpose of delivering positive impacts for its own workforce.</i>

Diversity

Diversity management is one of the main challenges for the company, which strives to bring together people of different culture, gender, generation and ability. For this reason, the 2025 ESG Strategic Plan called for 100% of its plants to carry out a diversity and inclusion diagnosis to obtain an overall picture of the diversity throughout the Group and take the appropriate corrective measures.

The diagnostics were carried out using a shared Diversity and Inclusion Tool, which assesses diversity in terms of gender, age, multiculturalism and functional diversity. This is done through diversity metrics and talent-related practices such as recruitment, hiring, promotion, training, compensation, performance and turnover, among others.

In addition, a questionnaire is used to analyse plant-specific sensitivities. The Diversity, Equity and Inclusion Committee, established in 2021 and composed of 14 representatives from all the divisions and regions, is the body in charge of these diagnostics. In situations where common problems are identified, corporate actions are being considered for implementation in the coming years, either for several plants or for the whole Group.

Support for workers

- Over EUR 24 million in private insurance or medical services.
- Over EUR 8 million in food services.
- Approximately EUR 8 million in transport-related benefits.
- Approximately EUR 0.5 million in education.

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Ulysses Programme

This is an initiative that combines employee mobility and attraction. Through it, young professionals from various plants and nationalities participate in a training centre of excellence in the Basque Country, and then continue their training in the group's flagship plants in Spain, Mexico and Italy. The programme achieves four key goals: internalising the group's values, facilitating future communication between countries, fostering intra-group relations, and obtaining highly trained employees.

Labour climate surveys

In 2024, 38 surveys were carried out, with an average score of 7.6 out of 10, reflecting an overall positive level of satisfaction.

The results of these surveys were instrumental in informing specific decisions and actions aimed at improving the working environment and addressing staff concerns. The main measures taken on the basis of feedback from employees include:

- In India, the key actions included streamlining how workloads are organised and providing more flexible working hours, in addition to launching an employee referral policy, which encourages the active participation of the team in hiring processes.
- In Spain, training plans were put in place that focus on time management, stress and making meetings more effective. In addition, work was done to strengthen the preventive and corrective activities in the field of Occupational Risk Prevention, along with hiring temporary replacements.
- In the US, improvements were made to internal communications through regular newsletters on CIE Automotive's global activity. The wage policy has also been reviewed to ensure competitiveness in the local market.
- In Brazil, inspections and improvements to the working environment were carried out, such as replacing lighting and assessing noise and gas levels. Improvements were made in the rest areas and in the replenishment of hygiene products, and training was carried out in leadership and internal relations to strengthen teamwork.

SI-4-38 d) AR 38 and 39	<i>In relation to the material impacts related to its own workforce, the undertaking shall describe: (d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering outcomes for its own workforce.</i>

The response to this indicator is provided under SI-4-38 b) above.

SI-4-39 AR 34	<i>In relation to paragraph 36, the undertaking shall describe the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on its own workforce.</i>

The Professional Code of Conduct provides for monitoring mechanisms and procedures in case of non-compliance. Thus, it establishes that the Board's ESG Committee is responsible for supervising the proper implementation of the Professional Code of Conduct and details how queries should be made and irregularities and breaches should be reported through the Whistleblowing Channel.

As included in the response to SI-3-32 e) AR 32, the actions may include specific training plans, conciliation, disciplinary proceedings and also dismissals. In the latter case, ten persons were dismissed in 2024 due to the actions taken following the relevant internal investigations: three persons related to cases of bullying, two due to reports of breaches of the Professional Code of Conduct, two in cases of sexual harassment, two in cases of human resource management, and one in relation to a report of a conflict of interest.

SI-4-40 a) AR 44, 45 and 47	<i>In relation to material risks and opportunities, the undertaking shall describe: (a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workforce and how it tracks effectiveness in practice.</i>

CIE Automotive has not identified any cases of forced or child labour in its workforce. This is monitored through internal audits and regular human rights related surveys. The Professional Code of Conduct, which applies to both employees and suppliers, establishes an explicit commitment against any form of labour exploitation. In addition, the company has implemented confidential reporting mechanisms that allow employees to report possible violations without fear of retaliation, which reinforces compliance with these standards and mitigates reputational and legal risks.

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CIE Automotive has identified key skills shortages and high staff turnover as material risks in its Risk Map. To mitigate these risks, a set of actions focused on talent retention and skills development has been implemented. These measures include:

- Continuous training programmes, which ensure that employees can develop the necessary skills to meet new challenges.
- Career plans and internal promotion, such as the Professional Development Programme (PDP), which seeks to retain quality talent and align employees' skills with the company's needs.
- International exchanges through the Ulysses Programme, which helps increase inter-cultural and leadership competencies among the workforce.

CIE Automotive is committed to paying fair wages to all Group employees, regardless of where they work. This fact is duly reflected in our Human Rights Policy which, in addition to laying out CIE Automotive's commitment to protecting people's health, avoiding discriminatory practices and rejecting the use of forced and child labour, it has also committed to offering decent employment, undertaking to provide its employees fair pay commensurate with their skills and expertise, to comply with labour legislation wherever it operates, to guarantee its employees' right to rest regardless of the legal framework in force and, as far as possible, to establish measures aimed at flexible working hours.

In addition to their wages, the company also supports its employees with a range of benefits, which improve their quality of life and that of their families and create a sense of belonging among employees. These support measures have led to an investment of more than EUR 40 million in 2024.

SI-4-40 b)	<i>In relation to material risks and opportunities, the undertaking shall describe: (b) what action is planned or underway to pursue material opportunities for the undertaking in relation to its own workforce.</i>

- The Ulysses programme has been continued, with over 15 participants of four different nationalities, consolidating the achievement of the programme's strategic objective one year ahead of the 2025 deadline.
- Increase in the percentage of ISO 45001 certified plants to 98%: 99 certified plants out of 101 certifiable plants, which includes all plants in the Group except those acquired or developed after 2020, the date of publication of our 2025 ESG Strategic Plan, and those we have divested from in recent years.
- Training of all the Group's managers in Environmental, Social and Governance aspects, achieving the strategic objective one year before the target date (2025). 100% of plant management committee members trained in ESG, excluding plants acquired or developed after 2020, the date of publication of our 2025 ESG Strategic Plan, and those we have divested from in recent years.
- Diversity and Inclusion diagnostics completed at 100% of the Group's sites, reaching the strategic objective one year ahead of the target date (2025). This achievement reaffirms the Company's commitment to inclusion and diversity.
- After exceeding 20% female representation for the first time in 2023, we reached 22% in 2024, consolidating an upward trend in gender diversity within the Company despite the specific difficulties of the industrial sector in terms of gender diversity
- Conducting diversity diagnostics at all of the Company's sites every two years to monitor and continuously track compliance with diversity and inclusion standards
- Continuing to increase the percentage of women and other groups that may be under-represented in the Group.
- Detection of new training needs and increasing the training offered to all groups.

SI-4-41	<i>The undertaking shall disclose whether and how it ensures that its own practices do not cause or contribute to material negative impacts on own workforce, including, where relevant, its practices in relation to procurement, sales and data use. This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.</i>

Data protection and security

CIE Automotive works in partnership with its customers to offer innovative solutions. Given the nature of this work, it is crucial to ensure the confidentiality of sensitive information, both at corporate and divisional level. To this end, it is implementing a project to protect information, guided by the following guidelines:

- Compliance with international reference standards, including ISO 27001, ISO 27005 and ISO/IEC 27002/2005. CIE Automotive's central engineering department in Spain obtained TISAX certification in 2021, which is based on ISO27001 criteria, and in 2022 and 2023 it extended this certification to several countries.
- Process re-engineering and social engineering tailored to the specific needs of the organisation.

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- Real-time management of information security status. In 2024, no significant fines were received for breaches of data protection laws and regulations. No fines were received as a result of legal proceedings related to marketing and labelling infringements in the reporting period, in millions of the reporting currency. The Chief Information Officer is the chief executive responsible for security, acting as the CIO.

Sending and receiving CVs

The data sent to the Corporate Portal by persons interested in sending their CVs will at all times receive the most appropriate treatment in accordance with the General Data Protection Regulation (EU) 2016/679 of 27 April 2016 on the protection of individuals with regard to the processing of personal data and the free movement of such data.

Candidates expressly consent to the Company processing, whether automatically or not, the personal data they send to the Company's portal, including any operations and technical procedures of an automated nature or not, which allow for collection, recording, storage, processing, modification, blocking and cancellation. Candidates also consent to having their personal data transferred, for the purposes of the proper implementation and control of the Group's global human resources policies, to any of the Group's companies that the company deems appropriate, including those located abroad.

In all other cases, CIE Automotive will not transfer candidates' personal data to other persons or entities, whether private or public, without their prior consent. The candidates' personal data will be kept for a period of six months. After that, the personal data will be deleted. However, this period may be renewed by candidates when they enter into the portal and update their data.

General privacy policy

INFORMATIVE CONTENT

In accordance with the General Data Protection Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 ("the GDPR"), the purpose of this Privacy Policy is to outline the manner in which CIE Automotive collects, processes and protects the personal data of persons accessing or using its services.

DATA CONTROLLER

- CIE AUTOMOTIVE S.A.
- Tax Identification Number: A20014452
- Postal address: Alameda Mazarredo 69, 8º - 48009 Bilbao (Vizcaya), Spain
- Telephone no.: +34 946 054 835
- Email address: gdpr@cieautomotive.com

PURPOSES OF THE PERSONAL DATA PROCESSING

CIE Automotive processes the personal data collected for the provision of services to customers and for its relations with suppliers, and also for the provision of its own services to potential customers and the security of the buildings and assets of CIE Automotive. For each of the services offered, the users will find a specific information policy at this privacy portal regarding how the personal data requested from them will be processed to perform the service involved.

SOURCES OF THE DATA

The personal data collected comes directly from the information provided by the data subjects.

ACCURACY AND VERACITY OF THE DATA PROVIDED

Users of CIE Automotive's services warrant and are liable, in all cases, for the accuracy, validity and authenticity of the personal data they provide, and they agree to keep them duly updated.

STORAGE

The personal data provided will be kept for as long as they are necessary to meet the purposes for which, in each case, they were collected to maintain the data subject's relationship or link with CIE AUTOMOTIVE, and their deletion is not requested by the data subject. They will also be retained in accordance with the limitation periods for complying with legal obligations incumbent on CIE Automotive.

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LEGAL BASIS. LEGAL BASIS FOR USING THE DATA:

CIE Automotive will be entitled to process the data in accordance with Article 6 GDPR, relating to ordinary data, and the data subject will be informed of the lawful title(s) by which it may provide each service, which may be consent, the performance of a legal relationship to which the data subject is a party, compliance with a legal obligation, or the legitimate interest of CIE Automotive in performance of its services and competencies.

RECIPIENTS

During the processing of personal data, CIE Automotive will not transfer the data unless required by law or following authorisation of the data subject, which will be requested where necessary, informing the data subject of the consequences of not transferring the data and more specifically, the impossibility of providing the service in question.

RIGHTS:

CIE Automotive facilitates the data subjects' exercise of the following rights connected to processing of their personal data:

- The right to request access to their personal data, and the right to know which personal data are being processed and the processing operations carried out on them.
- The right to request their rectification or erasure.
- The right to request restriction of processing of their personal data where the accuracy, lawfulness or necessity of the data processing is in doubt, in which case the data may be retained for the purpose of pursuing or defending against claims
- The right to object to the processing of personal data, where the lawful basis for processing them is a legitimate interest. The Company will stop processing the data, unless it has a compelling legitimate interest otherwise, or to bring, exercise or defend against claims.
- The right to data portability, when the legal basis for processing the data is the existence of a contractual relationship or the data subject's consent.
- Right to revoke consent.

Data subjects have the right to obtain confirmation of whether CIE Automotive is processing the personal data that affect them, and if it is, to access their personal data, and to request to have any imprecise data rectified, or if applicable, to request to have them erased for reasons such as the data no longer being necessary for the purposes for which they were collected. In certain circumstances, data subjects may also request to have the processing of their data restricted. In these cases, they will only be retained to exercise or defend against claims. In certain circumstances and on grounds relating to their particular situation, data subjects may object to the processing of their data.

In that case, CIE Automotive will stop processing the data, except where legitimate purposes prevail, or to exercise or defend against possible claims. Data subjects who have given consent for a specific purpose have the right to withdraw their consent at any time, without affecting the lawfulness of the processing based on the consent before its withdrawal.

Any of these rights may be asserted by writing to CIE Automotive at: Alameda Mazarredo 69, 8º - 48009 Bilbao (Bizkaia), or by email at gdpr@cieautomotive.com, indicating the right being asserted and the data subject's identification details.

SI-4-43	<i>The undertaking shall disclose what resources are allocated to the management of its material impacts, with information that allows users to gain an understanding of how the material impacts are managed.</i>

As mentioned in the responses to various indicators throughout this Sustainability Statement, the Company's Management Plan is coordinated with and linked to its Strategic Plan.

The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. However, it should be noted that the figures given are for the Strategic Plan as a whole and not just for one action or just for the Human Resources area.

The company's OpEx for this specific action is not material and is included in the amounts indicated in this paragraph. In addition, the Company's corporate and plant human resources departments have employees dedicated to managing these IROs. In particular, there are over 100 people from the organisation involved, including plant and corporate employees.

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3.1.3 Metrics and targets

3.1.3.1 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SI-5-46	<i>The summarised description of the targets set to manage its material impacts, risks and opportunities related to the undertaking's own workforce shall contain the information requirements defined in ESRS 2 MDR-T.</i>

CIE Automotive made commendable progress on its social commitments in 2024, which form part of its material sustainability issues. This includes the expansion of the Ulysses programme, a high level of ISO 45001 certification among factories, a reduction in workplace injuries, extensive ESG training for management, and significant completion of diversity and inclusion assessments. This progress demonstrates that the Company is not only meeting but also exceeding some of its strategic targets well ahead of the 2025 deadline.

2024 MILESTONES

- Continuation of the Ulysses programme after the 2025 targets were met in 2023. This year (2024), at least 15 students of at least 3 nationalities were involved in the programme, once again meeting the target already achieved in 2023 when the Ulysses programme was extended to 17 people and 4 nationalities, which meant that the strategic objective of the Ulysses programme was met two years ahead of target (2025).
- Increase in the percentage of ISO 45001 certified plants to 98%: 99 certified plants out of 101 certifiable plants, which includes all plants in the Group except those acquired or developed after 2020, the date of publication of our 2025 ESG Strategic Plan, and those we have divested from in recent years.
- Increase in % of women in the Group, which rose by X mainly due to..... and.....
- Training of all the Group's managers in Environmental, Social and Governance aspects, achieving the strategic objective one year before the target date set. 100% of plant management committee members trained in ASG, excluding production plants acquired or developed after 2020, the date of publication of our 2025 ESG Strategic Plan, and those we have divested from in recent years. S
- Diversity and Inclusion diagnostics completed at 100% of the Group's sites, reaching the strategic objective one year ahead of the target date (2025). This achievement reaffirms the Company's commitment to inclusion and diversity.
- After exceeding 20% female representation for the first time in 2023, we reached 22% in 2024, consolidating an upward trend in gender diversity within the Company despite the specific difficulties of the industrial sector in terms of gender diversity

Target	Ulysses Programme
Description	A training programme designed to develop talent (2025 target: 15 students and 3 countries) from different geographical areas where the Group operates. Training is provided at prestigious educational centers near the headquarters, as well as in Group plants that share technology with the participant's home plant, both in Spain and in Mexico and Italy.
Material impacts, risks and opportunities	Training policies that promote professional development and career growth.
Scope	CIE Automotive Group
Target Year	2025
Period	Annual
Performance	Achieved. By 2023, more than 3 countries and over 15 students had already participated.

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Target	ISO 45001 Certification
Description	The Group aims to certify all plants that were within the Group's perimeter at the beginning of the Plan (2020) under ISO 45001.
Material impacts, risks and opportunities	Increase in frequency and severity rates, as well as workplace accidents.
Scope	CIE Automotive Group
Target Year	2025
Period	Annual
Performance	98% of certifiable plants have been certified.

Target	ESG Training for Management Committees
Description	A training programme designed to educate all members of plant Management Committees on Environmental, Social, and Governance (ESG) topics.
Material impacts, risks and opportunities	- Training policies that promote professional development and career growth. - Cases of violence or harassment due to discrimination (racial, gender, or sexual) within the company, although these are managed through the harassment protocol. - Lack of female representation at entry-level positions, where their presence is lower than in senior management or on the Board of Directors. - Vulnerable workers due to modern slavery practices within company facilities.
Scope	CIE Automotive Group
Target Year	2025
Period	Annual
Performance	Achieved. By 2024, all members of plant Management Committees had been trained in ESG matters.

Target	Diversity & Inclusion Diagnostics
Description	A training programme designed to educate all members of plant Management Committees on Environmental, Social, and Governance (ESG) topics.
Material impacts, risks and opportunities	- Training policies that promote professional development and career growth. - Cases of violence or harassment due to discrimination (racial, gender, or sexual) within the company, although these are managed through the harassment protocol. - Lack of female representation at entry-level positions, where their presence is lower than in senior management or on the Board of Directors. - Vulnerable workers due to modern slavery practices within company facilities.
Scope	CIE Automotive Group
Target Year	2025
Period	Annual
Performance	Achieved. By 2024, all members of plant Management Committees had been trained in ESG matters.

CHALLENGES FOR 2025

- Analysis of needs and initial drafting of the new ESG Strategic Plan.
- Continuing to increase the percentage of women and other groups that may be under-represented in the Group.
- Reduction in accidents and improvement in associated indices, as in previous years.
- Detection of new training needs and increasing the training offered to all groups.
- Scope of the actions: CIE Automotive's entire internal workforce in all the regions in which it operates.
- The Company aims to complete each action within the time horizons set out in its 2025 ESG Strategic Plan.

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SI-5-47 a)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with its own workforce or workers' representatives in: (a) setting any such targets.</i>

CIE Automotive uses its dual materiality analysis to identify impacts and set targets. It also works to get all of its workers involved through the various channels for receiving proposals, so it can set benchmarks and adapt its internal policies, procedures and requirements.

CIE Automotive gathers its employees' opinions about their employment situation through various channels, the most recurrent of which are the corporate intranet, the biannual work climate surveys conducted at all the plants, and the half-yearly newsletter.

Likewise, most of the plants have their own agreements and regular meetings are held with workers' representatives to discuss various labour issues and to learn about concerns in the social sphere.

SI-5-47 b)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with its own workforce or workers' representatives in: (b) tracking the undertaking's performance against them.</i>

The response to this indicator is included throughout the responses provided for SI-2-27, SI-2-27 (a), (b), (c) and (d).

SI-5-47 c)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with its own workforce or workers' representatives in: (c) identifying any lessons or improvements as a result of the undertaking's performance.</i>

The response to this indicator is included throughout the responses provided for SI-2-27, SI-2-27 (a), (b), (c) and (d) and SI-4-38 (a), (b), (c) and (d).

3.1.3.2 RD SI-6 – Characteristics of the undertaking's employees

SI-6-50 a) AR 57	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: (a) the total number of employees by head count, and breakdowns by gender and by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees.</i>

	2023	2024
Sex	Number of employees (head count)	Number of employees (head count)
Men	20,169	19,038
Women	5,125	5,292
Others	0	0
Not notified	0	0
Total number of employees	25,294	24,330

	2023				2024			
Significant countries	Number of employees (headcount)				Number of employees (headcount)			
	Men	Women	Others	Not notified	Men	Women	Other	Not notified
BRAZIL	2,715	670	0	0	3,106	885	0	0
SPAIN	1,923	376	0	0	2,064	490	0	0
INDIA	7,372	129	0	0	6,275	96	0	0
MEXICO	3,676	2,024	0	0	3,584	2,075	0	0

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S1-6-50 b)	In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: (b) the total number by head count or full time equivalent (FTE) of: i. permanent employees, and breakdown by gender; ii. temporary employees, and breakdown by gender; and iii. non-guaranteed hours employees, and breakdown by gender.

	2023					2024				
	Men	Women	Others	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Permanent employees	16,663	4,196	0	0	20,859	16,836	4,487	0	0	21,323
Temporary employees	3,506	929	0	0	4,435	2,202	805	0	0	3,007
Total	20,169	5,125	0	0	25,294	19,038	5,292	0	0	24,330

	2023					2024				
Head count	Women	Men	Other	Not disclosed	Total	Women	Men	Other	Not disclosed	Total
Number of employees	5,125	20,169	0	0	25,294	5,292	19,038	0	0	24,330
Number of permanent employees	4,196	16,663	0	0	20,859	4,487	16,836	0	0	21,323
Number of temporary employees	929	3,506	0	0	4,435	805	2,202	0	0	3,007
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	5,074	20,108	0	0	25,182	5,237	18,972	0	0	24,209
Number of part-time employees	51	61	0	0	112	55	66	0	0	121

2024	ASIA	BRAZIL	EUROPE	NORTH AMERICA	TOTAL
Number of employees (head count)					
Number of permanent employees	6,223	3,825	5,582	5,693	21,323
Number of temporary employees	1,415	166	201	1,225	3,007
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	7,638	3,958	5,696	6,917	24,209
Number of part-time employees	0	33	87	1	121

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SI-6-50 c) AR 59	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: (c) the total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period.</i>

In 2024, the total number of dismissals from the permanent workforce amounted to 5,131, a turnover rate of 24%. Of these, 3,170 were voluntary resignations, representing a 15% voluntary turnover.

The calculation of the turnover ratio follows the steps described below, taking into account 100% of CIE Automotive's perimeter:

1. Determination of the total number of dismissals: All dismissals of permanent employees during the year are accounted for, including voluntary resignations, firings, retirements and deaths in service. In this case, the total is 5,131, of which 3,170 were voluntary.
2. Calculation of average headcount: This is obtained by adding the number of permanent employees at the beginning and at the end of the year and dividing this total by two.
3. Calculation of turnover rates:
 - a. Voluntary turnover rate: Total number of dismissals (5,131) divided by the average number of permanent employees, multiplied by 100.
 - b. Voluntary turnover rate: Number of voluntary dismissals (3,170) divided by the average number of permanent employees, multiplied by 100.

SI-6-50 d) AR 60	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: d) a description of the methodologies and assumptions used to compile the data.</i>

The employee information is collected on a monthly basis through reports sent by each plant. These reports include information on employees based on two main criteria: Full-Time Equivalent (FTE) and headcount.

The FTE is reported for direct, structural and indirect labour categories. "FTE" means full-time equivalence, which makes it possible to standardise the analysis of the workforce, regardless of the different working hours that employees may have.

The headcount is used to report the hires, dismissals and headcount at the end of each month. This information is broken down by type of contract (permanent or temporary), type of working day (full or part-time), as well as by gender and age group. This provides a clear and accurate picture of the active employees and staffing fluctuations.

All the data received are reviewed internally at Corporate, where it is audited to ensure that it meets established standards of accuracy and consistency. Once they have been verified, the data are consolidated to provide an overview of the organisation's human resources status at the end of each month.

SI-6-50 d) i.	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: d) a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count or full-time equivalent (FTE) (including an explanation of how FTE is defined).</i>

The response to this indicator is included under SI-6-50 (d) above.

SI-6-50 d) ii.	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: d) a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: ii. at the end of the reporting period, as an average across the reporting period, or using another methodology.</i>

Personnel data are collected on a monthly basis, with the plants reporting at the close of each month. The data are usually sent in around the tenth working day of the following month, ensuring that the figures reflect the staffing situation at the end of each reporting period.

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S1-6-50 e)	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: (e) where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period).</i>

High employee turnover was mainly observed in the Indian, US and Mexican plants. In India, most of the employees who left were on temporary contracts due to local legislation limiting the duration of employment and for personal reasons of the workers. In the US, the turnover was high due to factors such as reduced customer orders, competition in the labour market, and the labour-intensive nature of the work. In Mexico, the turnover is influenced by fluctuations in customer requirements, internal restructuring and labour supply in the region. These factors contribute to variations in the number of employees during the year.

S1-6-50 f)	<i>In addition to the information required by paragraph 40(a)iii of ESRS 2 General Disclosures, the undertaking shall disclose: (e) where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period).</i>

The information on the total number of employees included in indicator S1-6-50 a) AR 57 is included in Note 22 to the Consolidated Financial Statements for the year ended 31 December 2024.

S1-6-52 a)	<i>The undertaking may disclose by head count or full time equivalent (FTE) the following information: (a) full-time employees, and breakdowns by gender and by region.</i>

	2023					2024				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of full-time employees (head count)	5,074	20,108	0	0	25,182	5,237	18,972	0	0	24,209

Head count	ASIA	BRAZIL	EUROPE	NORTH AMERICA	TOTAL
Number of full-time employees	7,638	3,958	5,696	6,917	24,209

S1-6-52 b)	<i>The undertaking may disclose by head count or full time equivalent (FTE) the following information: (b) part-time employees, and breakdowns by gender and by region.</i>

Head count	2023					2024				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of part-time employees	51	61	0	0	112	55	66	0	0	121

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2024	ASIA	BRAZIL	EUROPE	NORTH AMERICA	TOTAL
Number of part-time employees (head count)	0	33	87	1	121

Information on employees by contract type, broken down by region (head count):

3.1.3.3 DR SI-7 – Characteristics of non-employees in the undertaking's own workforce

SI-7-55 a)	<i>The disclosure required by paragraph 53 shall include: A disclosure of the total number of non-employees in the undertaking's own workforce, i.e., either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78).</i>

CIE Automotive assessed the capacity to collect information on the total number of non-employees in its workforce, i.e., people who have contracts with the company to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE code N78), applying an approach based on the principle of reasonable effort, which takes into account both the level of impact and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of implementation of the Directive, information will not be reported on the total number of non-employees in the undertaking's own workforce, i.e., either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78). To report on this in years to come, work will be done on compiling this information.

SI-7-55 b) i	<i>The disclosure required by paragraph 53 shall include: b) an explanation of the methodologies and assumptions used to compile the data, including whether the number of non-employees is reported: i. in headcount or full-time equivalent (FTE) (including a definition of how FTE is defined).</i>

The employee information is collected on a monthly basis through reports sent by each plant. These reports include information on employees based on two main criteria: Full-Time Equivalent (FTE) and headcount.

The methodology applied is explained in the response to indicator SI-6-50 (d) AR 60.

SI-7-55 b) i	<i>The disclosure required by paragraph 53 shall include: b) an explanation of the methodologies and assumptions used to compile the data, including whether the number of non-employees is reported: ii. at the end of the reporting period, as an average across the reporting period, or using another methodology.</i>

The methodology applied is explained in the response to indicator SI-6-50 (d) AR 60

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SI-7-55 c) AR 64 and 65	<i>The disclosure required by paragraph 53 shall include: (c) where applicable, a provision of contextual information necessary to understand the data (for example, significant fluctuations in the number of non-employees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period).</i>

CIE Automotive has assessed the ability to collect information relating to a provision of contextual information necessary to understand the data (for example, significant fluctuations in the number of non-employees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period), applying an approach based on the principle of reasonable effort, which takes into account both the level of impact and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of implementation of the directive, information will not be reported relating to a provision of contextual information necessary to understand the data (for example, significant fluctuations in the number of non-employees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period). To report on this in years to come, work will be done on compiling this information.

SI-7-56 AR 62	<i>Related to the information on non-employees, the undertaking may disclose the most common types of non-employees (for example, self-employed people, people provided by undertakings primarily engaged in employment activities, and other types relevant to the undertaking), their relationship with the undertaking, and the type of work that they perform.</i>

The most common non-salaried employees at CIE Automotive are workers hired through temporary employment agencies, mainly for direct labour. This type of contracting allows the company to respond quickly to fluctuations in demand, optimise operational resources and guarantee the continuity of production operations according to the specific needs of each period.

SI-7-57 AR 63	<i>Where data is not available, the undertaking shall estimate the number and state that it has done so. When the undertaking performs estimates, it shall describe the basis of preparation of this estimation.</i>

The response to this indicator is conditioned by what was stated above under SI-7-55(a) and SI-7-55(c) AR 64 and 65.

3.1.3.4 DR SI-8 – Collective bargaining coverage and social dialogue

SI-8-60 a) AR 66	<i>The undertaking shall disclose: (a) the percentage of its total employees covered by collective bargaining agreements.</i>

In 2024, 62% of CIE Automotive's total employees are covered by collective bargaining agreements, representing an increase compared to 56% in 2023. It is important to note that although the percentage of office employees covered by these agreements is lower (13%), this is because these employees have working conditions and wages that are already above the standards set out in the agreements. This reflects the Company's commitment to offering competitive and attractive conditions for all its employees, beyond legal or sectoral requirements.

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SI-8-60 b)	<i>The undertaking shall disclose: (b) in the EEA, whether it has one or more collective bargaining agreements and, if so, the overall percentage of its employees covered by such agreement(s) for each country in which it has significant employment, defined as at least 50 employees by head count representing at least 10% of its total number of employees.</i>

In the European Economic Area (EEA), Spain is the only country where CIE Automotive has significant employment, with 22 of its production plants covered by collective bargaining agreements. In this context, 97% of the employees in Spain are covered by collective agreements. The remaining small percentage corresponds to office employees who, although not formally included in collective bargaining agreements, enjoy working conditions and wages that are above the standards set out in these agreements.

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only)(for countries with >50 empl. representing >10% total empl.)
0 – 19%			
20 – 39%			
40 – 59%		India	
60 – 79%		Mexico	
80 – 100%	Spain	Brazil	Spain

SI-8-60 c)	<i>The undertaking shall disclose: (c) outside the EEA, the percentage of its own employees covered by collective bargaining agreements by region.</i>

Outside the European Economic Area (EEA), CIE Automotive discloses the percentage of employees covered by collective bargaining agreements in each region where it operates. A detailed breakdown is given below:

	2023			2024		
Countries outside the EEA	Headcount at the end of the year	Number of employees covered by collective bargaining agreements	Percentage of employees covered by collective bargaining agreements	Headcount at the end of the year	Number of employees covered by collective bargaining agreements	Percentage of employees covered by collective bargaining agreements
BRAZIL	3,385	3,376	100%	3,991	3,826	96%
CHINA	1,365	360	26%	1,261	359	28%
SOUTH KOREA	6	0	0%	6	0	0%
INDIA	7,501	2,647	35%	6,371	2,672	42%
MOROCCO	62	0	0%	61	0	0%
MEXICO	5,700	3,683	65%	5,659	3,854	68%
RUSSIA	31	0	0%	14	0	0%
US	1,620	0	0%	1,259	0	0%

SI-8-61	<i>For employees not covered by collective bargaining agreements, the undertaking may disclose whether it determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other undertakings.</i>

In general, for employees not covered by collective bargaining agreements, CIE Automotive determines their working conditions and terms of employment based on the collective bargaining agreements covering other employees at the company or on benchmark collective bargaining agreements of other companies, and in most of these cases, these terms actually exceed the terms of the collective bargaining agreement.

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SI-8-62	<i>Disclose the extent to which the working conditions and terms of employment of non-employees in its own workforce are determined or influenced by collective bargaining agreements, including an estimate of the coverage rate.</i>

CIE Automotive ensures that the working conditions and terms of employment of the non-salaried employees linked to its workforce comply with prevailing labour legislation and, where applicable, with the relevant collective bargaining agreements. The Company works closely with its suppliers to promote responsible labour practices that contribute to the well-being and protection of workers.

SI-8-63 a) AR 69	<i>The undertaking shall disclose the following information in relation to social dialogue: (a) the global percentage of employees covered by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment.</i>

With regard to social dialogue, 100% of the employees at CIE Automotive's production plants in Spain (the only EEA country with significant employment), are covered by workers' representatives.

SI-8-63 b)	<i>The undertaking shall disclose the following information in relation to social dialogue: (b) the existence of any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.</i>

CIE Automotive does not have any agreements with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

3.1.3.5 DR SI-9 – Diversity metrics

SI-9-66 a)	<i>The undertaking shall disclose: (a) the gender distribution in number and percentage at top management level.</i>

Senior management is composed of 10 people, 6 of whom are men (60%) and 4 of whom are women (40%). Included under Senior Management are the 10 persons who form part of the Group's Executive Committee, as shown on the Group's corporate website in the section on *Key Management – Steering Committee Composition*.

SI-9-66 b)	<i>The undertaking shall disclose: (b) the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old.</i>

Age group	2023	%	2024	%
Under 30	6,624	26%	5,562	23%
Between 30 and 50	14,509	57%	14,431	59%
Over 50	4,161	17%	4,337	18%

3.1.3.6 DR SI-10 – Adequate wages

SI-10-69 AR 72 and 74	<i>The undertaking shall disclose whether all its employees are paid an adequate wage, in line with applicable benchmarks. If so, stating this will be sufficient to fulfil this disclosure requirement and no further information is needed.</i>

CIE Automotive is committed to paying fair wages to all Group employees, regardless of where they work. This fact is duly reflected in CIE Automotive's Human Rights Policy which, in addition to laying out its commitment to protecting people's health, avoiding discriminatory practices and rejecting the use of forced and child labour, it has also committed to offering decent employment, undertaking to provide its employees fair pay commensurate with their skills and expertise, to comply with labour legislation wherever it operates, to guarantee its employees' right to rest regardless of the legal framework in force and, as far as possible, to establish measures aimed at flexible working hours.

This policy is signed by all the plant managers and human resources directors.

As part of the controls established in relation to a living wage, CIE Automotive verifies the wage situation of the employees of the companies it acquires in the first year of acquisition, to ensure that the wages of the lowest paid employee exceed local minimums, and to obtain evidence, albeit limited, that the pay offered by the companies it acquires is at least reasonable in the market in which they operate.

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In this regard, in the case of the Spanish company AKT Plásticos acquired this year (2024), the male employee with the lowest wage is paid 1.2 times the local minimum wage (the ratio is the same in the case of the female employee with the lowest wage). This ratio is calculated as follows: lowest wage vs. local minimum wage, i.e. the local minimum wage is always taken as a reference and compared to the lowest wage in the plant.

SI-10-70	<i>If not all its employees are paid an adequate wage in line with applicable benchmarks, the undertaking shall disclose the countries where employees earn below the applicable adequate wage benchmark and the percentage of employees that earn below the applicable adequate wage benchmark for each of these countries.</i>

All of CIE Automotive's salaried employees receive an appropriate wage in line with the applicable benchmarks in the countries in which it operates. Therefore, there are no countries in which non-salaried employees are paid below the applicable adequate wage benchmark.

3.1.3.7 DR SI-II – Social protection

SI-II-74 a) AR 75	<i>The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: (a) sickness.</i>

CIE Automotive's employees are covered by social protection against loss of income in the event of illness in accordance with the legislation of the country in which they work. The fact that most of CIE Automotive's plants are located in places with high levels of social protection means that most of CIE Automotive's employees do have sickness cover.

It should be noted here that the Group has numerous agreements with mutual insurance companies and organisations responsible for covering these eventualities.

SI-II-74 b) AR 75	<i>The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: (b) unemployment starting from when the own worker is working for the undertaking.</i>

CIE Automotive's employees are covered by social protection against loss of income in the event of unemployment in accordance with the legislation of the country in which they work. The fact that most of CIE Automotive's plants are located in places with high levels of social protection means that most of CIE Automotive's employees do have unemployment cover.

SI-II-74 c) AR 75	<i>The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: (c) employment injury and acquired disability.</i>

CIE Automotive's employees are covered by social protection against loss of income in the event of occupational injury and disability in accordance with the legislation of the country in which they work. The fact that most of CIE's plants are located in places with high levels of social protection (Europe, North and South America, etc.) means that most of CIE Automotive's employees are covered by unemployment insurance.

It should be noted here that as a result of negotiations with workers' representatives, many of the plants have private life and accident insurance that covers these events.

SI-II-74 d) AR 75	<i>The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: (d) parental leave.</i>

CIE Automotive's employees are covered by social protection against loss of income in the event of parental leave in accordance with the legislation of the country in which they work. The fact that most of CIE's plants are in locations with high levels of social protection (Europe, North and South America, etc.) means that most CIE Automotive employees do have parental leave coverage and, it should be noted, many of the Group's plant agreements provide for additional coverage or extra bonuses in the event of the birth of a child.

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SI-11-74 e) AR 75	<i>The undertaking shall disclose whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: (e) retirement.</i>

CIE Automotive's employees are covered by social protection against loss of income in the event of retirement in accordance with the legislation of the country in which they work. The fact that most of CIE's plants are located in places with high levels of social protection (Europe, North and South America, etc.) means that most of CIE Automotive's employees have pensions. In addition, the Group's contributions to private retirement plans to supplement its employees' pensions are many and varied, for example, GEROA in certain plants in the Basque Country.

3.1.3.8 DR SI-12 – Persons with disabilities

SI-12-79	<i>The undertaking shall disclose the percentage of persons with disabilities amongst its employees, subject to legal restrictions on the collection of data.</i>

In line with the previous year, at year-end 2024, the percentage of CIE Automotive employees with disabilities was, subject to the legal restrictions on data collection, 1.1%.

SI-12-80	<i>The undertaking may disclose the percentage of employees with disabilities with a breakdown by gender.</i>

Employees with disabilities	Men	Women	Total
Number	194	63	257
Percentage	1.0%	1.2%	1.1%

The information on people with disabilities employed by CIE Automotive is compiled on a monthly basis through reports sent by each plant to the corporate Human Resources Department.

These reports include month-end staffing data, including the number of workers with disabilities broken down by professional category and gender.

It should be noted that definitions and legal requirements related to the employment of persons with disabilities vary from country to country. In some cases, plants are subject to local laws that require them to employ a minimum number of people with disabilities depending on the size of the company (e.g., in Brazil and the EEA countries).

It should also be mentioned that hiring persons with disabilities is not the only means of integrating this community into the Company, since in several countries of the Group, tasks are often subcontracted to Special Employment Centres or similar entities that directly hire persons with disabilities who subsequently provide the Group various services.

3.1.3.9 DR SI-13 – Training and Skills Development Metrics

SI-13-83 a) AR 77	<i>The disclosure required by paragraph 81 shall include: (a) the percentage of employees that participated in regular performance and career development reviews; such information shall be broken down by gender.</i>

Employees with reviews	Men	Women	Total
Percentage	44%	50%	45%

In 2023, 43% of all employees participated in regular performance reviews, but a gender breakdown was not available. In 2024, with the new criteria set by the ESRS, the calculation includes this differentiation, so the comparison is only possible at the total level, but not by gender.

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<i>S1-13-83 b)</i> <i>AR 78</i>	<i>The disclosure required by paragraph 81 shall include: (b) the average number of training hours per employee and by gender.</i>

2023	TOTAL TRAINING HOURS			TOTAL NUMBER OF PEOPLE TRAINED			HOURS PER TRAINED EMPLOYEE			HOURS PER EMPLOYEE		
Region	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL
ASIA	200,623	17,292	217,915	5,219	346	5,565	38.4	50.0	39.2	23.8	40.6	24.6
BRAZIL	98,093	27,038	125,131	2,291	439	2,730	42.8	61.6	45.8	36.1	40.4	37.0
EUROPE	116,802	58,397	175,200	3,454	1,252	4,706	33.8	46.7	37.2	27.3	40.4	30.6
NORTH AMERICA	184,455	105,106	289,561	4,799	2,483	7,282	38.4	42.3	39.8	39.0	40.7	39.6
TOTAL	599,973	207,833	807,806	15,763	4,520	20,283	38.1	46.0	39.8	29.7	40.6	31.9

2024	TOTAL TRAINING HOURS			TOTAL NUMBER OF PEOPLE TRAINED			HOURS PER TRAINED EMPLOYEE			HOURS PER EMPLOYEE		
Region	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL
ASIA	186,550	23,251	209,802	5,634	339	5,973	33.1	68.6	35.1	25.7	62.0	27.5
BRAZIL	120,160	46,427	166,587	2,716	579	3,295	44.2	80.2	50.6	38.7	52.5	41.7
EUROPE	127,423	64,830	192,254	3,744	1,417	5,161	34.0	45.8	37.3	30.0	42.4	33.2
NORTH AMERICA	150,641	87,809	238,450	4,012	2,381	6,393	37.5	36.9	37.3	34.1	35.1	34.5
TOTAL	584,775	222,318	807,093	16,106	4,716	20,822	36.3	47.1	38.8	30.7	42.0	33.2

M: Men // W: Women

<i>S1-13-84</i> <i>AR 79</i>	<i>The undertaking may disclose breakdowns by employee category for the percentage of employees that participated in regular performance and career development and for the average number of training hours per employee.</i>

	2023	2024
Employee category	Average hours of training	Average hours of training
Senior management	142	118
Degree holders	40	37
Supervisors	35	36
CIE Automotive Average	40	39

Employee category	Percentage participating in performance reviews
Senior management	86%
Degree holders	71%
Supervisors	31%
CIE Automotive Average	45%

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3.1.3.10 DR SI-14 – Health and Safety Metrics

SI-14-88 a) AR 80	<i>The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites: (a) the percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines.</i>

At year-end 2024, CIE Automotive had 99 plants with ISO 45001 certification. The total number of people employed in these plants is 23,033, 95% of the Group's total. Therefore, it can be confirmed that 95% of the workforce is covered by the health and safety management system based on recognised standards.

SI-14-88 b) AR 82 and 91	<i>The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites: (b) the number of fatalities as a result of work-related injuries and work-related ill health. The information for (b) shall also be reported for other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.</i>

In 2024 CIE Automotive had zero fatalities as a result of work-related injuries and work-related health problems, as shown in the tables below. In addition, it has been verified that there have also been no fatalities among value chain workers operating at the company's sites.

	2023	2024
Number of accidents	345	361
Number of occupational illnesses	27	23

	Accidents by severity			
Year	Minor	Severe	Fatal	Total
2023	339	6	0	345
2024	351	10	0	361

Occupational illnesses by sex and region:

	2023			2024		
Region	Men	Women	Total	Men	Women	Total
ASIA	0	0	0	0	0	0
BRAZIL	2	4	6	3	1	4
EUROPE	13	8	21	13	6	19
NORTH AMERICA	0	0	0	0	0	0
TOTAL	15	12	27	16	7	23

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SI-14-88 c) AR 89 and 91	<i>The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites: (c) the number and rate of recordable work-related accidents.</i>

	2023	2024
Number of accidents	345	361
Frequency rate	6.19	6.74

Accidents that do not cause sick leave and/or are of an itinere nature are not included in the table above and are reported separately.

SI-14-88 d)	<i>The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites: (d) with regard to the undertaking's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data.</i>

In 2024, CIE Automotive recorded 23 cases of work-related health problems, 4 fewer than at the end of the previous year.

SI-14-88 e)	<i>The undertaking shall disclose information on the extent to which its own workforce is covered by its health and safety management system and the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce. In addition, it shall disclose the number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites: (e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.</i>

In 2024 CIE Automotive recorded 7,238 days lost due to work-related injuries and/or work-related health problems. In no case were there any deaths due to occupational accidents or work-related health problems.

SI-14-89	<i>Disclose the information specified in points (d) and (e) of paragraph 88 with regard to non-employees.</i>

CIE Automotive has assessed the ability to collect information with respect to non-employees on the number of cases of recordable work-related health problems, subject to legal restrictions on data collection, and the number of days lost due to work-related injuries and deaths due to work-related accidents, work-related health problems and deaths due to health problems, applying an approach based on the principle of reasonable effort, which takes into account both the level of impact and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of implementation of the Directive, the information will not be reported on the number of cases of recordable work-related health problems, subject to legal restrictions on data collection, and the number of days lost due to work-related injuries and deaths due to occupational accidents, work-related health problems and deaths due to health problems. To report on this in years to come, work will be done on compiling this information.

CIE Automotive is fully committed to the health and safety of all its employees and associates. Through strict safety policies, training programmes and advanced management systems, CIE Automotive constantly works to minimise occupational hazards and ensure a safe and healthy working environment for all its workforce.

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SI-14-90	<i>In addition, the undertaking may include the following additional information on the health and safety coverage: the percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party.</i>

At year-end 2024, CIE Automotive had 99 plants with ISO 45001 certification. The total number of people employed in these plants is 23,033, 95% of the Group's total. Therefore, it can be confirmed that 95% of the workforce is covered by the health and safety management system based on recognised standards, and that was internally audited and certified by an external party.

3.1.3.11 DR SI-15 – Work-Life Balance Metrics

SI-15-93 a) AR 96 and 97	<i>The disclosure required by paragraph 91 shall include: (a) the percentage of employees entitled to take family-related leave</i>

100% of CIE Automotive's employees are entitled to take family leave under national legislation and/or the collective bargaining agreements applicable at each plant. The applicability of this leave varies according to local legislation and plant-specific agreements.

SI-15-93 b)	<i>The disclosure required by paragraph 91 shall include: (b) the percentage of entitled employees that took family-related leave, and a breakdown by gender.</i>

100% of CIE Automotive's employees are entitled to take family leave under national legislation and/or the collective bargaining agreements applicable at each plant. This leave is tailored to the individual needs of each employee and the operational particularities of each worksite. In 2024, the leave was used in line with the company's work and social context.

SI-15-94	<i>If all of the undertaking's employees are entitled to family-related leave through social policy and/or collective bargaining agreements, it is sufficient to disclose this in order to meet the requirement of paragraph 93 (a).</i>

As stated under SI-15-93 a) AR 96 and 97, all of CIE Automotive's employees are entitled to take family leave under national legislation and/or the collective bargaining agreements applicable at each plant. The applicability of this leave varies according to local legislation and plant-specific agreements.

3.1.3.12 DR SI-16 – Remuneration metrics (pay gap and total remuneration)

SI-16-97 a) AR 98 and 100	<i>The disclosure required by paragraph 95 shall include: (a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees.</i>

In 2024, the wage gap was 6.9%: women earn on average 6.9% less per hour than men.

2024	Men	Women
Remuneration in average EUR per hour: (A / B)	8.7	8.1

$$\text{Wage gap formula: } ((8.7 - 8.1) / 8.7) \times 100 = 6.9\%$$

In 2023, the average wage of women during the year was 92.4% the average wage of men.

Starting in 2024, the pay gap will be calculated on the basis of average pay per hour worked, whereas in 2023 the comparison was made only on the basis of average pay, without taking into account hours worked. The data for the two years are therefore not directly comparable.

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SI-16-97 b) AR 101	<i>The disclosure required by paragraph 95 shall include: (b) the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).</i>

Total remuneration	2024
CEO	EUR 5,923 thousand
Median for all employees	EUR 17 thousand
Ratio	347

SI-16-97 c) AR 99 and 102	<i>The disclosure required by paragraph 95 shall include: (c) where applicable, any contextual information necessary to understand the data and how the data has been compiled and other changes to the underlying data that are to be considered.</i>

In terms of the contextual information needed to understand the data and how they were collected, this year, for the first time, the analysis of the gender pay gap was done considering hours worked, in line with the definition set out in the required disclosure. *In 2023 the comparison was made only on average pay, without taking into account hours worked. The data for the two years are therefore not directly comparable.*

The study covers 100% of the perimeter, which is dynamic due to the incorporation of new plants and the exit of others. These changes in the perimeter may influence the results, as each new addition or adjustment in the Group's structure may have an impact on the overall composition of the data analysed. Also, the CEO's remuneration has not been included in the pay gap calculation, as there is no woman in a comparable position within the organisation.

3.1.3.13 RD SI-17 – Incidents, complaints and severe human rights impacts

SI-17-103 a) AR 103 and 106	<i>The undertaking shall disclose: (a) the total number of incidents of discrimination, including harassment, reported in the reporting period.</i>

Since 2020, CIE Automotive has had a Harassment Prevention and Treatment Protocol in place, which is mandatory at all Group facilities. This protocol addresses the prevention of mobbing, sexual harassment, discriminatory harassment (on grounds of sex, gender or other discriminatory grounds), acts of violence in the workplace and cyberbullying.

It includes a number of preventive measures, such as zero tolerance of harassment, making all employees responsible for monitoring conduct at work, and implementing communication programmes. The full protocol is available on the corporate website.

In 2024, there were 29 incidents of harassment in total, including harassment as contemplated in the protocol, 6 of which were closed due to insufficient evidence having been found after the relevant internal investigation, as indicated in the Whistleblowing Channel Rules.

- Bullying: 26 cases of improper attitudes by hierarchical superiors towards permanent employees. Of the total of 26 cases reported, 6 were closed with no action to be taken, as no evidence was found during the internal investigation to justify them.
- Sexual harassment: two cases of improper attitudes by hierarchical superiors towards permanent employees.
- Discrimination: one case of discrimination was reported.

The actions taken due to internal investigations may include specific training plans, conciliatory measures, disciplinary proceedings and also dismissal. In the latter case, five persons were dismissed due to actions taken following the relevant internal investigations: three in relation to the bullying cases and two in relation to the sexual harassment cases.

It should be borne in mind that when CIE Automotive acquires new companies, as was the case this year with the Spanish plants CIE AKT Amorebieta and CIE AKT Urnieta, for example, the plant's Manager and HR Director are asked to sign the Protocol and the Human Rights Policy to confirm their assent to them, so that, from the outset, both the Protocol and the Human Rights Policy apply to the newly acquired plants.

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In 2023, on the other hand, there were 19 complaints related to incidents of harassment as covered by the protocol, 16 of which were for harassment at work, two for discrimination and one for sexual harassment.

SI-17-103 b) AR 103 and 106	<i>The undertaking shall disclose: (b) the number of complaints filed through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above.</i>

In 2024, zero complaints were filed through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above.

SI-17-103 c) AR 103 and 106	<i>The undertaking shall disclose: (c) the total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements.</i>

In 2024, the total amount of fines, sanctions and damages resulting from the above cases and grievances was EUR 0.

SI-17-103 d) AR 103 and 106	<i>The undertaking shall disclose: (d) where applicable, contextual information necessary to understand the data and how such data has been compiled.</i>

As part of its firm commitment to ethical conduct, and as an essential element of its work to eradicate discrimination and harassment, CIE Automotive has implemented and maintain a comprehensive set of ethics tools. This includes an Internal Whistleblowing System that is in full compliance with EU legislation, the relevant national laws, and the highest standards existing on the subject. This includes, among other elements, an internal reporting channel known as the Whistleblowing Channel, which is made available through the corresponding online platform. There is also a set of Whistleblowing Channel Rules that have been implemented and duly distributed. These tools play a fundamental role in promoting an organisational culture based on ethics, integrity, and transparency.

The Whistleblowing Channel, which is available via an online platform accessible through the corporate website, has been designed to serve as a means of communicating information about potential legal infringements (including infringements of EU law, criminal offences, administrative infractions, occupational health and safety violations, and possible non-compliances with the Professional Code of Conduct and all the other internal rules that are part of its Compliance Management System). The Whistleblowing Channel offers various ways of communicating the information being reported, and whistleblowers may select any of those options.

In 2023, CIE Automotive strengthened its Whistleblowing Channel by installing a digital platform on its corporate website, which ensures the security of the whistleblowing process and simplifies how the Company manages each case. It is a cutting-edge and intuitive system in all the languages of the countries where the company is present, which offers the possibility of opening a secure mailbox where users can submit reports and provide complementary information in various formats (in writing, voice messages, etc.). All the information is confidential and, if the whistleblower wishes, anonymous.

The new digital channel has been implemented in accordance with the requirements of the Whistleblower Protection Act and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council.

Compliance with this new law has led to the modification of the Whistleblowing Channel Rules, which set out the general principles of the system and how it is managed.

The Whistleblowing Channel includes all available avenues for people to report incidents of discrimination, including harassment, with information legitimately obtained in the context of an employment or professional relationship, in relation to issues relating to gender equality and non-discrimination policies, as well as those that may constitute harassment according to the definitions contained in this document.

All members, understood as all people who comprise the company, whether they are employees —whatever their status, including trainees—, shareholders, executives, or members of the Board of Directors, as well as applicants in hiring processes, trainees, retirees, etc., may submit information on alleged harassment.

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External third parties such as suppliers, contractors and subcontractors may also use the Whistleblowing Channel. They may report the breaches referred to above through the Whistleblowing Channel in full compliance with its requirements and procedures.

All employees have a responsibility to build a working environment in which harassing behaviour is unacceptable and undesirable, and are therefore obliged to report any actions that they may become aware of that could constitute harassment.

SI-17-104 a) AR 103 and 106	The undertaking shall disclose the following information regarding identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour): (a) the number of severe human rights incidents connected to the undertaking's workforce in the reporting period, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the undertaking shall state this.

Defence of Human Rights

CIE Automotive upholds the inherent rights of all people, which are universally recognised and enshrined in the United Nations Global Compact, which it became a signatory of in 2015.

This commitment to human rights is embodied in its Human Rights Policy, which formalises its commitment to respecting human rights in all its activities and applies not only to its employees, but also to its customers, suppliers and the communities surrounding its facilities, including indigenous peoples.

In this way, it rejects child or forced labour and discrimination in employment and occupation, and promotes respect for freedom of association and the right to collective bargaining, and it complies with the legislation of the countries where it operates, in accordance with internationally recognised rights and its own Human Rights Policy.

The Human Rights Policy complies with the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining, as well as with measures on prevention of child labour and compliance with the minimum work age.

It should be noted that, as in 2023, 0 complaints were received in 2024 in relation to human rights violations, which the United Nations Declaration defines as the right to work and to just and fair pay, ensuring an existence worthy of human dignity. Likewise, no reports were received regarding cases of child or forced labour.

SI-17-104 b) AR 103 and 106	The undertaking shall disclose the following information regarding identified cases of severe human rights incidents (e.g., forced labour, human trafficking or child labour): (b) the total amount of fines, penalties and compensation for damages for the incidents described in (a) above, and a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements.

In 2024, as in 2023, there were no payments for fines, sanctions or damages for the incidents described in the response to SI-17-104(a).

3.2 ESRs 2: Workers in the value chain

3.2.1 Strategy

3.2.1.1 DR related to ESRs 2 SBM-2 – Interests and views of stakeholders

S2 – SBM – 2- 9	<i>When responding to ESRs 2 SBM-2 paragraph 43, the undertaking shall disclose how the interests, views, and rights of its value chain workers could be materially impacted by the undertaking, including respect for their human rights, inform its strategy and business model. Value chain workers are a key group of affected stakeholders.</i>

According to the 2025 ESG Strategic Plan, the Supply Chain is considered (Materiality Matrix) to be of high importance with respect to management. Accordingly, CIE Automotive has defined a number of ESG indicators related to its supply chain, three of which are public and are included in the 2025 ESG Strategic Plan available on the corporate website.

Value chain workers are a key group of CIE Automotive's affected stakeholders. This is why the Company focuses on this affected group and attaches increasing importance to it in its internal and external policies, procedures and requirements.

CIE Automotive's supply chain management strategy is based on a Local Management of Local Application (GLOCAL) model, in which local purchasing is promoted in each of the locations in which it operates, always following the global guidelines and procedures established by the Corporation. This decentralisation is particularly efficient because it reduces logistics and customs costs, lowers exchange rate risk, and facilitates flows by overcoming cultural and linguistic differences and time zones. At the same time, it promotes sustainable procurement by reducing CO2 emissions from transport.

Some of the documents and procedures that ensure the safety of workers in the value chain in particular, and human rights in general, are:

General Purchasing Conditions:

Mandatory and signed together with every order/purchase of all the Group's plants. They have various environmental and human rights clauses that promote the well-being of workers in the value chain. A new feature this year is the inclusion of three points that reinforce CIE Automotive's commitment to workers' human rights:

- Requiring the supplier to have a system for detecting risks and/or breaches of human rights. This procedure is intended not only to identify irregularities at an early stage, but also to identify irregularities in a partner's employees, thus covering as large a part of the supply chain as possible.
- CIE Automotive has the unilateral right to carry out a physical audit at the employee's premises if it suspects or has identified a risk of a human rights violation and/or a violation of environmental legislation. It gives it the right to act swiftly and verify any irregularities without relying on the third party.
- The Group's right to terminate the business relationship without compensation if it identifies any unrectified human rights or environmental violation. It allows us to distance ourselves from any suspicions or associates who are not acting according to our standards.

Global Supply Chain Manual:

This manual is a faithful reflection of the supply chain's systems and procedures. It provides a simple visual description of the Mission and Procurement Policy, the types of product and service purchases, the procurement flowchart and the internal procedures associated with it, and the ESG requirements that suppliers must comply with to work with CIE Automotive.

Supplier ESG commitment (Supplier Code of Conduct):

A document containing environmental, social and governance (ESG) clauses, acceptance of which is a prerequisite for working with CIE Automotive, regardless of the country where the supplier is located. Specific points on conditions for workers in the Group's value chain, in which CIE Automotive's partners agree to care for their workers in areas such as: fair pay and social benefits, freedom of association, non-discrimination of any kind, decent working hours, zero forced labour, child labour or any kind of modern slavery, health and safety in accordance with legislation, and respect for the environment. Many of the requirements in this Commitment are aligned with the clauses of the International Labour Organisation (ILO), the United Nations specialised agency dealing with labour and industrial relations issues.

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ISO 20400 Certification in Sustainable Procurement:

The ISO 20400 certification reinforces the Group's sustainability policies by extending them to its entire supply chain and lays the foundation for further progress in ESG:

- Ensuring supply chain safety.
- Avoiding human and labour rights, financial, environmental, and reputational risks.
- Instilling confidence in investors, customers and other stakeholders.
- Promoting employee welfare and helping open new markets for products and services.
- Being prepared to achieve decarbonisation targets.

Supplier ESG Portal:

A tool exclusively dedicated to managing the Environmental, Social and Governance aspects of the supply chain. Obligation to register and pass the ESG assessment for productive or direct suppliers, as well as non-productive or indirect suppliers with a purchase volume of over EUR 0.5 million/year.

External audit and ESG alerts, Moody's Analytics:

Assessment by one of the world's leading ESG rating and rating companies to verify the ESG compliance of over 90% of the global procurement volume, and to identify potential violations of environmental, social, human rights, etc., criteria. Covering topics such as:

- RED FLAGS: understood as limits not to be exceeded in the following areas: sanctions, human rights, environment, business behaviour, corporate governance, etc., among others.
- ESG alerts.
- Sanctions (local and international).
- Risk of default or insolvency.
- News on breaches of the law.
- Anti-bribery and corruption alerts.

Quarterly ESG indicators:

To underscore CIE Automotive's commitment and dedication to human rights and the environment, each quarter it monitors the ESG indicators set out in the 2020–25 ESG Strategic Plan, which includes ESG requirements in the supply chain.

Sustainable Procurement Policy:

This policy, which is mandatory for all Group employees, was created in 2024 and complements all the procedures mentioned above. It focuses on environmental and human rights requirements for the entire value chain, and has specific points of relevance such as:

- Workers in the Value Chain: The key point of this policy focuses on the rights of workers in the value chain. Upholding good human rights practices in the supply chain, and promoting the conditions, welfare and rights of all workers in the CIE Automotive Group's value chain.
- Rectifying non-compliance: processes and means for reporting any non-compliance, as well as the steps to be followed for identifying and reporting them, as well as processes for curing them, and the consequences of not correcting them.
- Whistleblowing channels: instructions on where and how any worker in the value chain can report or raise a suspicion of any type of human rights or environmental violation.

Conflict minerals policy:

The Minerals Policy was approved in 2021 to reinforce the requirement in this area, although the Global Supply Chain Manual and the General Purchasing Conditions already prohibited their use and required this through the "Conflict Minerals" questionnaire on the Supplier Portal. All suppliers must warrant that they do not use "Conflict Minerals", or ensure that their minerals do not originate from conflict zones, if they work with any of them. This policy is aimed at combating child and forced labour in areas designated as "conflict zones".

Supply Chain Race2Zero:

A project focused on measuring CIE Automotive's carbon footprint by getting its suppliers engaged in its commitment to achieve climate neutrality by 2050.

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Supplier audits including ESG criteria:

CIE Automotive seeks to anticipate potential risks in its supply chain by implementing transparent procedures and regular audits of its suppliers. In these processes, ESG aspects are becoming increasingly important.

3.2.1.2 DR related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 – SBM – 3 – 10	<i>When fulfilling the requirements of paragraph the undertaking shall disclose: (a) whether and how actual and potential occurrences on its own personnel, as determined in accordance with ESIS 2 IRO-1. Description of the processes for identifying and assessing material impacts, risks and opportunities: (i) arise from or relate to the company's strategy and business models, and (ii) inform and contribute to the alignment of the company's strategy and business model; and (b) the relationship between, on the one hand, its material risks and opportunities arising from impacts on, and dependencies on, employees in the value chain and, on the other hand, its strategy and business model.</i>

The overall process followed for the identification and assessment of impacts, risks and opportunities related to workers in the value chain, and of the units in relation to them, are described in *ESRS 2 IRO-1 Description of processes for identifying and assessing material impacts, risks and opportunities*, and within the response to ESRS indicator 2-SBM-3-48 h).

S2 – SBM – 3 – 11	<i>When fulfilling the requirements of paragraph ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose whether all value chain workers who are likely to be materially impacted by the undertaking, including impacts that are connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2.</i>

As CIE Automotive has not identified any material impacts on the employees upstream or downstream in its value chain in its dual materiality analysis of its value chain, the Group defines procedures to ensure that this stakeholder group is considered in a general sense (without distinguishing, for example, whether they are subcontractors or direct employees of the company or of a supplier), rather than identifying specific factors that may place the employees at greater risk than others.

Therefore, the scope of the requirements of ESRS 2 SBM-3 includes all workers in the value chain who could be affected by the Company.

S2 – SBM – 3 – 11 a)	<i>In addition, the undertaking shall provide the following information: (a) a brief description of the types of value chain workers who could be materially impacted by the undertaking, including impacts that connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, and specify whether they are:</i> <i>i. workers working on the undertaking site but who are not part of own workforce, i.e., who are not self-employed workers or workers provided by third party undertakings primarily engaged in employment activities (covered through ESRS S1);</i> <i>ii. workers working for entities in the undertaking's upstream value chain (e.g., those involved in the extraction of metals or minerals or harvesting of commodities, in refining, manufacturing or other forms of processing);</i> <i>iii. workers working for entities in the undertaking's downstream value chain (e.g., those involved in the activities of logistics or distribution providers, franchisees, retailers);</i> <i>iv. workers working in the operations of a joint venture or special purpose vehicle involving the reporting undertaking;</i> <i>v. workers who (within the prior categories or additionally) are particularly vulnerable to negative impacts whether due to their inherent characteristics or to the particular context, such as trade unionists, migrant workers, home workers, women or young workers.</i>

CIE Automotive's IRO analysis has not identified specific groups of workers at higher risk in its value chain. The policies and procedures described in this report apply equally to all suppliers, irrespective of their purchasing family, and regardless of whether the suppliers' workers are subcontracted or employed by it directly.

The company places special emphasis on ensuring that no other minority group is harmed, whether in terms of approval, hiring or contractual terms, with mandatory policies and procedures such as the Supplier Code of Conduct (referred to as the Supplier ESG Commitment in this document), the Supplier Portal, the Sustainable Procurement Policy, etc., among other corporate documents, where special relevance is given to workers who are particularly vulnerable to negative

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impacts due to their inherent characteristics or their particular context, such as underage workers, employees working under duress, women, workers of any race or sexual condition, etc. All these documents are identified in this report.

S2 – SBM – 3 – 11 b)	<i>In addition, the undertaking shall provide the following information: (b) any geographies, at country level or other levels, or commodities for which there is a significant risk of child labour, or of forced labour or compulsory labour, among workers in the undertaking's value chain.</i>

A double materiality analysis was carried out to identify potential ESG disruptions by identifying greater vulnerabilities by region or by purchasing families. Both of these are detailed below:

- **Geopolitical Matrix + CatNat** (Extreme event of natural or man-made origin that may cause damage to our physical or human assets): The analysis of the location of the Group's production plants worldwide and the employees that supply them, and based on statistics and data from specialised third parties, showed that there is no region with a significant risk of non-compliance. All the regions scored under 2, which places them outside the danger zone of the risk matrix heat map.
- **Matrix of ESG compliance by procurement family:** to be able to carry out an analysis of risk differentiated by impact on various types of purchases, this Matrix shows that the core businesses have been working longer on compliance and investing more in ESG matters. At the same time, the non-core businesses are the ones that evolve the most year after year. No specific businesses have been identified as being less compliant or at risk.

S2 – SBM – 3 – 11 c)	<i>In addition, the undertaking shall provide the following information: (c) in the case of material negative impacts, whether they are either (i) widespread or systemic in contexts where the undertaking operates or has sourcing or other business relationships (e.g., child labour or forced labour in particular commodity supply chains in specific countries or regions), or (ii) related to individual incidents (e.g., an industrial accident or an oil spill) or to specific business relationships. This includes consideration of impacts on value chain workers that may arise from the transition to greener and climate-neutral operations. Potential impacts include impacts associated with innovation and restructuring, closure of mines, increased mining of minerals needed for the transition to a sustainable economy, and solar panel production.</i>

According to the response included under S2-SBM-3-11 b), no significant risks have been identified and the indicator does not apply. However, the Conflict Minerals Policy, referred to under S2-SBM-2- 9, reinforces any potential non-compliance in this regard.

S2 – SBM – 3 – 11 d)	<i>In addition, the undertaking shall provide the following information: (d) in the case of material positive impacts, a brief description of the activities that result in the positive impacts (e.g., updated purchasing practices, capacity-building to supply chain workers), including providing opportunities for the workforce such as job creation and upskilling in the context of a 'just transition', and the types of value chain workers that are positively affected or could be positively affected; the undertaking may also disclose whether the positive impacts occur in specific countries or regions.</i>

By applying local purchasing management (92% of the number of our suppliers in the world are local, representing 77% of the total purchase volume in 2024) and thus favouring the local and nearby market where we operate and improving the conditions of the workers in our value chain, especially in countries with lower development indexes, opportunities were identified in the dual materiality analysis:

- Local economies are strengthened.
- The conditions of value chain workers are improved.
- Irregularities are mitigated and minority groups are empowered.
- Job stability for workers in the value chain due to solid contracts that guarantee a long-term business relationship (potential).
- Fair pay, so workers in the Value Chain can live in dignity due to the labour terms set out in the contracts signed by the company (potential).
- Establishment of social dialogue procedures that encourage the participation of workers in the Value Chain due to the terms established in the contracts signed by the company (potential).
- Reduction in the accident rate in the Value Chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company (potential).
- Increased diversity and inclusion of employees in the Value Chain due to the company's influence to improve ESG policies (potential).

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- CIE Automotive is a leader in the Global Compact training programme on sustainability criteria for small and medium-sized enterprises (SMEs).

S2 – SBM – 3 – 11 e)	<i>In addition, the undertaking shall provide the following information: (e) any material risks and opportunities for the undertaking arising from impacts and dependencies on value chain workers.</i>

Impacts, Risks and Opportunities (IROs)

+: positive impact // -: negative impact // R: risk // O: opportunity

Subtopics	Sub-subtopics	IROs
Other work-related rights	Forced labour	(R) Financial impacts arising from: Lack of protection of vulnerable workers,
	Child labour	(R) Financial impacts arising from: Lack of protection for children due to cases of child labour in suppliers' plants.
	Freedom of association	(R) Financial impacts arising from: Infringement of the right to freedom of association of workers in the Value Chain due to the company's lack of control of ethical commitments.
	Health and safety	(O) Financial impacts arising from: Reduction in the accident rate in the Value Chain thanks to the efficiency of the monitoring and controls carried out on suppliers within the framework of contracts with the company.
	Diversity	(O) Financial impacts arising from: Increased diversity and inclusion of employees in the Value Chain due to the company's influence to improve ESG policies.
	Measures against violence and harassment in the workplace	(R) Financial impacts arising from: Cases of violence or harassment due to discrimination (racial, gender or sexual) on the premises of the companies in the Value Chain.

Each risk and opportunity identified above as material has been included in the compliance policies and the approval and business relationship monitoring procedures for the supply chain.

Failure to comply with any of them entails termination of the commercial relationship with the supplier under the General Purchasing Conditions, which grant CIE Automotive the right to terminate the contractual relationship for failure to cure any ESG breach, with no liquidated damages due by the Group, as reflected under S2-SBM-2-9.

In addition, the identified impacts are monitored on a quarterly basis through the group's internal platform.

S2 – SBM – 3 – 12 AR 8	<i>In describing the main types of value chain workers who are or could be negatively affected, based on the materiality assessment set out in ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.</i>

As described under S2-SBM-3-11, the dual materiality analysis conducted led CIE Automotive to perform a general analysis of the workers in its value chain, and no specific groups were identified as being at high risk, since the internal policies, procedures and requirements apply equally to the entire supply chain, with no exceptions in terms of region, type of purchase, etc.

Historically, CIE Automotive has been increasing its strictness and compliance with the law and improving how the most vulnerable groups are treated, for example through its policies and procedures that encourage diversity, inclusion, non-violation of human rights in any form, racial, sexual, political, etc.

The depth and granularity of this year's analysis has not allowed us to ascertain how workers with particular characteristics, those working in particular contexts or those engaged in particular activities may be at greater risk of harm at this level of detail.

Implementing best practices and attaining a clearer understanding of the standards should allow this level of detail to be achieved in the years to come.

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S2 – SBM – 3 – 13 AR 9	<i>The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on its value chain workers relate to specific groups of value chain workers (for example, particular age groups, workers in a particular factory or country) rather than to all of the value chain workers.</i>

As described under S2-SBM-3-11, the dual materiality analysis conducted led CIE Automotive to perform a general analysis of the workers in its value chain, and no specific groups were identified as being at high risk, since the internal policies, procedures and requirements apply equally to the entire supply chain, with no exceptions in terms of region, type of purchase, etc.

Historically, CIE Automotive has been increasing its strictness and compliance with the law and improving how the most vulnerable groups are treated, for example through its policies and procedures that encourage diversity, inclusion, non-violation of human rights in any form, racial, sexual, political, etc.

The depth and granularity of this year's analysis did not allow for a disaggregation of risks and opportunities by specific groups in the value chain.

Implementing best practices and attaining a clearer understanding of the standards should allow this level of detail to be achieved in the years to come.

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3.2.2 Management of impacts, risks and opportunities

3.2.2.1 ESRS S2-1 – Policies related to value chain workers

S2 – 1 – 16 AR 10 and 13	<i>The disclosure required by paragraph 14 shall contain the information on the undertaking's policies to manage its material impacts, risks and opportunities related to value chain workers in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. In addition, the undertaking shall specify whether such policies cover specific groups of value chain workers or all value chain workers.</i>

Title	Sustainable Procurement Policy
Description	Sustainable Procurement Policy
Objective	The purpose of this policy is to integrate sustainable practices and human rights throughout the value chain. Doing this will contribute to achieving the United Nations Sustainable Development Goals (SDGs) and ensure transparency in the reporting on the Group's performance with regard to the environment, sustainability and human rights. The commitments in this policy are articulated as a key tool to achieve the Group's objective of being a proactive company and defender of the human rights of the workers in its value chain (VC), the environment, and sustainable purchasing in all the regions where it operates. This policy, which is mandatory for all CIE Automotive associates, contains an exclusive section on "Workers in the Value Chain", which upholds the best practices of the companies in the value chain with regard to their employees. It has a whistleblowing and communication channel for any worker in the value chain to anonymously report or denounce any non-compliance. Another relevant element is the section on "Remediation" where steps and consequences are indicated in the event of a non-compliance and a failure to remediate it.
Material Impacts, Risks and Opportunities	As part of the continuous reviews of the Strategic Plan, the dependencies, impacts, risks and opportunities are assessed to ensure that the risks are mitigated and the opportunities are taken advantage of. Within the risks of workers in the value chain, an attempt was made to identify the impacts of the various possible types of workers, as well as their impact on the various purchasing families. This analysis of IROs provides reasonable assurance that all material value chain worker risks are prevented, identified, assessed and monitored on an ongoing basis. This policy has been created for that purpose: i.e., to prevent any breach of human rights for all employees of the value chain, regardless of their origin and nature. These requirements also do not differentiate between workers based on the type or purchasing family that applies to them. It is considered a positive impact as well as an opportunity to be proactive on these human rights criteria in the value chain, and to have these policies and procedures that strengthen the entire supply chain and minimise its risks. This policy addresses all the material IROs identified in the dual materiality analysis; - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Scope of the policy	The scope of this policy covers all of CIE Automotive's subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions. In addition, this policy aims to monitor the supply chain to ensure that its commitments are aligned with those of the Company.
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present.
Value Chain	The policy includes a commitment to promote and require commitments throughout the value chain regarding sustainability and human rights that are in line with those of the Company.
Body responsible for implementation	The Environment, Social and Governance (ESG) Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO,

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	who in turn will be supported by Procurement and Supply Chain Management and the Horizontal ESG Committee.
Availability	The policy is available and publicly accessible on CIE Automotive's corporate website.

Title	Supplier ESG commitment (Supplier Code of Conduct)
Description	ESG Commitment and Code of Conduct to be signed and accepted by all suppliers.
Objective	The purpose of this document is to integrate sustainable practices and human rights throughout the value chain by implementing an initial filter in which suppliers must first be approved to be able to work with CIE Automotive. By including various clauses that protect the interests of the workers and employees in the supply chain and that impose environmental and social criteria we contribute to the fulfilment of the UN's Sustainable Development Goals (SDGs) and guarantee transparency in the disclosure of our environmental, sustainability and human rights performance. 100% of suppliers have signed or tacitly accept the Supplier Code of Conduct through the General Purchasing Conditions. This information is verified by an accredited external auditor (AERCE).
Material Impacts, Risks and Opportunities	This document is mandatory for any company that intends to work with the Group, and is aligned with the clauses of the International Labour Organisation (ILO), the United Nations specialised agency dealing with labour and industrial relations issues. This policy addresses all the material IROs identified in the dual materiality analysis; - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Scope	All CIE Automotive subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions. It also aims to monitor the supply chain to ensure that its commitments are aligned with those of the Company. 100% of suppliers have signed or tacitly accept the Supplier Code of Conduct through the General Purchasing Conditions. This information is verified by an accredited external auditor (AERCE).
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present
Value Chain	The policy includes a commitment to promote and require commitments throughout the value chain regarding sustainability and human rights that are in line with those of the Company.
Body responsible for implementation	The Environment, Social and Governance (ESG) Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by Procurement and Supply Chain Management and the Horizontal ESG Committee.
Availability	The policy is available and publicly accessible on CIE Automotive's corporate website.

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Title	General Purchasing Conditions
Description	General Purchasing Conditions accepted by all suppliers and included in each order/purchase.
Objective	Mandatory and signed together with every order/purchase of all the Group's plants. They have various environmental and human rights clauses that promote the well-being of workers in the value chain. A new feature this year is the inclusion of three points that reinforce CIE Automotive's commitment to workers' human rights: - Requiring the supplier to have a system for detecting risks and/or breaches of human rights. This procedure is intended not only to identify irregularities at an early stage, but also to identify irregularities in a partner's employees, thus covering as large a part of the supply chain as possible. - CIE Automotive has the unilateral right to carry out a physical audit at the employee's premises if it suspects or has identified a risk of a human rights violation and/or a violation of environmental legislation. It gives it the right to act swiftly and verify any irregularities without relying on the third party. - The Group's right to terminate the business relationship without compensation if it identifies any unrectified human rights or environmental violation. It allows us to distance ourselves from any suspicions or associates who are not acting according to our standards.
Material Impacts, Risks and Opportunities	The same applies as for the Sustainable Procurement Policy (see table above). The IRO analysis matrix identified the risk of non-compliance with any of the clauses as a risk, but concluded that the procedures and their disclosure are sound, and if a risk is identified, it is guaranteed to be remediated or the associate is replaced (see the three detailed points in the "Target" box above). This document addresses all the material IROs identified in the dual materiality analysis; - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Scope	All CIE Automotive subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions. It also aims to monitor the supply chain to ensure that its commitments are aligned with those of the Company.
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present
Value Chain	The policy includes a commitment to promote and require commitments throughout the value chain regarding sustainability and human rights that are in line with those of the Company.
Body responsible for implementation	The Environment, Social and Governance (ESG) Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by Procurement and Supply Chain Management and the Horizontal ESG Committee.
Availability	The policy is available and publicly accessible on CIE Automotive's corporate website.

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Title	Global Supply Chain Manual
Description	Document summarising the actions, requirements, procedures and methods for managing the Group's supply chain.
Objective	This manual is a faithful reflection of the supply chain's systems and procedures. It provides a simple visual description of the Mission and Procurement Policy, the types of product and service purchases, the procurement flowchart and the internal procedures associated with it, and the ESG requirements that suppliers must comply with to work with CIE Automotive, and the minimum requirements for the workers in its value chain.
Material Impacts, Risks and Opportunities	The same applies as for the Sustainable Procurement Policy (see table above). The IRO analysis matrix identified the risk of non-compliance with any of the clauses as a risk, but concluded that the procedures and their disclosure are sound, and if a risk is identified, it is guaranteed to be remediated or the associate is replaced (see the three detailed points in the "Target" box above). This manual addresses all the material IROs identified in the dual materiality analysis; - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Scope	All CIE Automotive subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions. It also aims to monitor the supply chain to ensure that its commitments are aligned with those of the Company.
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present
Value Chain	The policy includes a commitment to promote and require commitments throughout the value chain regarding sustainability and human rights that are in line with those of the Company.
Body responsible for implementation	The Environment, Social and Governance (ESG) Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by Procurement and Supply Chain Management and the Horizontal ESG Committee.
Availability	The policy is available and publicly accessible on CIE Automotive's corporate website.

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Title	ISO 20400 – Sustainable Procurement
Description	Certification in Sustainable Purchasing and Procurement.
Objective	The ISO 20400 certification reinforces the Group's sustainability policies by extending them to its entire supply chain and lays the foundation for further progress in ESG: - Ensuring supply chain safety. - Avoiding human and labour rights, financial, environmental, and reputational risks. - Instilling confidence in investors, customers and other stakeholders. - Promoting employee welfare and helping open new markets for products and services. - Being prepared to achieve the decarbonisation targets set in the Strategic Plan.
Material Impacts, Risks and Opportunities	In the IRO analysis matrix, this is identified as an opportunity given the official nature of the certification (issued by a recognised external party), and the updated requirements over time, as it is a standard that requires annual renewal with the corresponding audit. It is considered an opportunity because these renewals are based on new requirements and legislation, are regularly verified by a specialised and are recognised third party. It is an opportunity because of the official nature of the certification and because the market or sector sees it as a distinction that sets the Company apart. In Spain, CIE Automotive is currently the only company in the automotive sector to be certified in the ISO 20400 Sustainable Procurement standard.
Scope	All CIE Automotive subsidiaries and affiliates where the company exercises financial and operational control. Applies to all workers in the Value Chain. There are no geographical or technological exclusions. It also aims to monitor the supply chain to ensure that its commitments are aligned with those of the Company.
Stakeholders concerned	Value Chain Workers, Shareholders, Funders, Professionals, Customers, Business Partners, Suppliers, Society, Public Administrations and the Sector.
Geographical regions	The policy covers all regions where CIE Automotive is present
Value Chain	The policy includes a commitment to promote and require commitments throughout the value chain regarding sustainability and human rights that are in line with those of the Company.
Body responsible for implementation	The Environment, Social and Governance (ESG) Committee will oversee the implementation of this policy and ensure it is aligned with the strategic and regulatory goals, with the support of the CEO, who in turn will be supported by Procurement and Supply Chain Management and the Horizontal ESG Committee.
Availability	The policy is available and publicly accessible on CIE Automotive's corporate website.

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S2-1-17	<i>The undertaking shall describe its human rights policy commitments that are relevant to value chain workers, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.</i>

Human Rights Policy:

CIE Automotive's Human Rights Policy formalises its commitment in this area, in a manner consistent with its Code of Conduct and the ten principles of the United Nations Global Compact.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The United Nations Sustainable Development Goals (SDGs). Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its value chain workers, customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

The Clauses of the ESG Commitment for Suppliers (or Supplier Code of Conduct), described in the previous section, defines the requirements that all suppliers must meet with their employees to form part of CIE Automotive's supply chain. These clauses are aligned with, and identified in the document itself with, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

The Group's Sustainable Procurement Policy defines the Group's objectives, with an exclusive point referring to "Workers in the Value Chain", as well as the requirements to be met and the procedures in the event of non-compliance.

The commitments under these policies and procedures are to always defend all the workers in the value chain, to minimise the impact that could be posed to them in any region, to continuously adapt to new and changing legislation, and to be proactive and train any SMEs that want to work with the Group and would need adapt their procedures.

S2-1-17 a)	<i>In its disclosure, it shall focus on those matters that are material in relation to, as well as the general approach to: (a) respect for the human rights, including labour rights, of workers;</i>

Human Rights Policy:

CIE Automotive's Human Rights Policy formalises its commitment in this area, in a manner consistent with its Code of Conduct and the ten principles of the United Nations Global Compact.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The United Nations Sustainable Development Goals (SDGs). Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its value chain workers, customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

The information contained in this policy is also contained in the Global Supply Chain Manual, which sets out the minimum required standards that suppliers and their subcontracting partners must respect and comply with.

These requirements are based on CIE Automotive's commitments to the following international standards:

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- The OECD's Guidelines for Multinational Companies.
- The UN's Sustainable Development Goals.
- The International Labour Organisation (ILO).
- The Ten Principles of the United Nations Global Compact.

All products and services delivered by our suppliers and their subcontracted partners must comply with the occupational health and safety standards required by applicable law, including training, information and emergency measures at the workplace, such as the availability of protective and safety equipment and medical examinations to ensure adequate physical and physiological fitness.

The Supplier Code of Conduct or ESG Commitment for Suppliers defines, through its clauses, the points that all suppliers must meet with their employees to form part of CIE Automotive's supply chain.

These clauses are aligned with, and identified in the document itself with, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. This document explicitly mentions, in various clauses, the working conditions of the workers in the value chain and need for any Group associate to comply with them.

The Group's Sustainable Procurement Policy defines the Group's objectives, with an exclusive point referring to "Workers in the Value Chain", as well as the requirements to be met and the procedures in the event of non-compliance. This sub-section of the policy requires suppliers to respect the human rights of workers, including labour rights.

An example of one of these points is shown below: "Decent working conditions: Ensure that suppliers and subcontractors guarantee decent working conditions for all workers in the value chain, including fair wages, reasonable working hours and a safe and dignified working environment.

S2-I-17 b)	<i>In its disclosure, it shall focus on those matters that are material in relation to, as well as the general approach to: (b) engagement with value chain workers.</i>

As set out in the Global Supply Chain Manual, CIE Automotive has a Supplier Environmental, Social and Governance (ESG) Portal, which is an online platform focused solely on ESG management, that is free of charge and accessible at the following web address: <https://supplychain.cieautomotive.com/Home/Login>, and technical support is also available at: Tel: +34 910 770 157 and email: atencionalcustomere@fullstep.com

This platform, which in turn is an interactive channel, is designed to fulfil two objectives:

1. To help companies interested in working with CIE Automotive register with it by standardising the assessment required for them to be included on the supplier list.
2. To provide a reference tool for purchasing managers worldwide.

Once they are registered on the Portal, suppliers must answer four questionnaires covering the following areas:

- Business management
- Environmental management
- ESG management
- Conflict mineral management

CIE Automotive ensures that its procurement processes are standardised, following the criteria of objectivity, impartiality and equal opportunity. Registration through the Supplier Portal, (verified and renewed every four years), becomes a necessary requirement for these production suppliers working with CIE Automotive, and will bring multiple benefits to their company:

- Inclusion on the CIE Automotive Group's global supplier list.
- Expedited submission of the minimum documentation required to become a supplier to CIE Automotive.
- An easy tool for managing updates to the company's data and users.

Signing the Supplier ESG Commitment is mandatory for both regular suppliers, as they are part of CIE Automotive's supplier list, and new suppliers.

The CIE Automotive Group demonstrates its commitment to the workers in its value chain with its procedures and requirements for all its associates in this area. Specifically, there is the recently created Sustainable Procurement Policy with a section dedicated exclusively to "Workers in the Value Chain".

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Another commitment demonstrated by the Group in its commitment to the workers in its value chain is its willingness to continue to be certified in the ISO 20400 standard, whose annual audits for renewal require showing evidence to the external auditors of the Group's work and continuous compliance in this area.

S2-1-17 c)	<i>In its disclosure, it shall focus on those matters that are material in relation to, as well as the general approach to: (c) measures to provide and/or enable remedy for human rights impacts.</i>

Section 5 of the Sustainable Procurement Policy: *Remediation of non-compliance*, defines and details the procedures and steps for rectifying and remediating any negative impacts on workers. The steps defined there will redress and remedy any possible negative impacts on the workers' human rights.

Examples of these measures to provide and/or facilitate remedies for impacts on human rights include:

- Disclosing the non-compliance to the affected parties and analysing its impact. This may lead to the supplier being suspended, depending on whether the non-compliance is remedied.
- Corrective and preventive action plans, which should be drawn up in consultation with the affected groups where appropriate, establishing monitoring mechanisms to evaluate the application and effectiveness of the established prevention and mitigation measures.
- To ensure the effectiveness of these measures, the business and operational managers must allocate resources and responsibility for prevention and mitigation to appropriate levels and duties within the organisation.

In addition, the Group's General Purchasing Conditions contain three clauses on identifying and mitigating negative impacts on workers, and the Group may even terminate its business relationship with the supplier (unilaterally and without liquidated damages) if the non-compliance is not rectified, as detailed in the response to S2-SBM-2-9.

S2-1-18	<i>The undertaking shall state whether its policies in relation to value chain workers explicitly address trafficking in human beings, forced labour or compulsory labour and child labour. It shall also state whether the undertaking has a supplier code of conduct.</i>

Human Rights Policy:

CIE Automotive's Human Rights Policy formalises its commitment in this area, in a manner consistent with its Code of Conduct and the ten principles of the United Nations Global Compact.

CIE Automotive bases its definition on the International Bill of Human Rights and also:

- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Due Diligence Guidance.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The United Nations Sustainable Development Goals (SDGs). Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its value chain workers, customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

In the ESG Commitment of the Supplier Code of Conduct, which suppliers are required to sign, the suppliers acknowledge that they have been informed of this, in terms of respect for human rights, and they agree to apply it in their company or group of companies, regardless of the country in which they operate. In turn, upon acceptance of this document, they agree to obtain the same commitment from their own suppliers as they have made to CIE Automotive.

The same document explicitly addresses issues such as human trafficking, forced or compulsory labour, and child labour, among others. In addition, these requirements are also explicitly mentioned in the General Purchasing Conditions as well as in the Sustainable Procurement Policy, as detailed throughout this report.

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S2-I-19 AR 14	<i>The undertaking shall disclose whether and how its policies with regard to value chain workers are aligned with internationally recognised instruments relevant to value chain workers, including the United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers have been reported in its upstream and downstream value chain and, if applicable, an indication of the nature of such cases.</i>

CIE Automotive formalises its commitment to human rights through its Human Rights Policy, which is aligned with the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; the United Nations Guiding Principles on Multinational Enterprises; the OECD's Due Diligence Guidance; the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy; and the Sustainable Development Goals (SDGs) adopted by the United Nations.

Respect for human rights is one of CIE Automotive's fundamental commitments, as well as an aspect inseparably linked to the United Nations 2030 Agenda for Sustainable Development.

The policy guarantees:

- Respect and prevention of discrimination on the basis of personal, political or socio-economic characteristics.
- Prohibition of child and forced labour, with measures to prevent and correct possible risks.
- Decent working conditions, the right to rest, and health and safety measures.
- Freedom of association and collective bargaining.
- Promotion of human rights throughout the value chain.

CIE Automotive assesses compliance with this policy through:

- Whistleblowing Channel: Available to employees and third parties, managed by the Compliance body, where possible violations can be reported in full confidentiality and without retaliation.
- Periodic audits and reviews: Supervised by the Corporate Social Responsibility Committee.
- Training and awareness-raising: Promoting respect for human rights, especially in high-risk regions

The policy is reviewed annually to keep it in line with international best practices. CIE Automotive believes that all enterprises and organisations, including those from the public sector and those from the private sector, must make a commitment to respecting human rights, and it is therefore committed to respecting those rights during all of its activities. It applies that commitment not only to the Group's employees, but also to its customers and suppliers, and to the communities where its facilities are located, including indigenous peoples.

The ESG requirements for CIE Automotive's supply chain are set out in the Supplier ESG Commitment, a document that includes mandatory compliance criteria on matters relating to worker safety, human trafficking and the use of forced or child labour, and whether these provisions are fully compliant with the applicable ILO standards.

In this regard, as in 2023, no complaints were received in 2024 related to violations of the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that have value chain workers in their upstream and downstream value chain.

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3.2.2.2 DR S2-2 – Processes for engaging with value chain workers about impacts

S2-2-22 AR 20	<i>The undertaking shall disclose whether and how the perspectives of value chain workers inform its decisions or activities aimed at managing the actual and potential impacts on value chain workers.</i>

When managing actual and potential impacts on workers in the value chain, the Group mainly takes into account legislation and laws in force in the various regions in which it operates, as well as legislation and recommendations of official and internationally recognised bodies for value chain workers, including the United Nations (UN) Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

The depth and granularity of this year's analysis did not allow for a disaggregation of risks and opportunities by specific groups in the value chain. Implementing best practices and attaining a clearer understanding of the standards should allow this level of detail to be achieved in the years to come.

S2-2-22 a)	<i>This shall include, where relevant, an explanation of: (a) whether engagement occurs with value chain workers or their legitimate representatives directly, or with credible proxies that have insight into their situation.</i>

As reflected in the Group's Sustainable Procurement Policy, various communication channels have been established with the workers in the value chain to receive both reports of possible irregularities and first-hand information from workers on their interests or demands.

In any case, the Group regularly updates its policies and procedures and aligns itself with international reference bodies or proxies, as described in response to S2 -1-19.

S2-2-22 b) AR 18	<i>This shall include, where relevant, an explanation of: (b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement.</i>

As reflected in the Group's Sustainable Procurement Policy, various communication channels have been established with the workers in the value chain to receive both reports of possible irregularities and first-hand information from workers on their interests or demands.

In any case, the Group regularly updates its policies and procedures and aligns itself with international reference bodies or proxies, as described in response to S2 -1-19. These processes are carried out at least annually.

S2-2-22 c) AR 17 and 18	<i>This shall include, where relevant, an explanation of: (c) the function and the most senior role within the undertaking that has operational responsibility for ensuring that this engagement happens, and that the results inform the undertaking's approach.</i>

Procurement Department of each region is responsible for engaging with its specific value chain to identify any irregularities or demands from workers in its independent value chain, following the regulatory requirements of its own country as well as corporate governance requirements.

S2-2-22 d) AR 19	<i>This shall include, where relevant, an explanation of: (d) where applicable, Global Framework Agreements or for agreements that the undertaking has with global union federations related to respect of human rights of workers in the value chain, including their right to bargain collectively, and including an explanation of how the agreement enables the undertaking to gain insight into those workers' perspectives.</i>

The ESG requirements of the Global Framework Agreements or commercial agreements with suppliers will never be less than those established in the General Purchasing Conditions, with common minimum clauses in all regions, which include clauses and requirements related to the human rights of workers, including their right to collective bargaining (a point also present in the mandatory ESG Commitment for suppliers).

The Company has no current Global Framework Agreements with global union federations.

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S2-2-22 e)	<i>This shall include, where relevant, an explanation of: (e) where applicable, how the undertaking assesses the effectiveness of its engagement with workers in the value chain, including, where relevant, any agreements or outcomes that result.</i>

CIE Automotive measures the effectiveness of its commitments and engagement with workers in the value chain by conducting a study and quantifying the complaints or reports it receives from the workers through the various channels, whether anonymous or not, which are available to them and publicly disclosed on its corporate website and in its Sustainable Procurement Policy.

S2-2-23	<i>Where applicable, the undertaking shall disclose the steps it takes to gain insight into the perspectives of workers that may be particularly vulnerable to impacts and/or marginalised (for example, women workers, migrant workers, workers with disabilities).</i>

CIE Automotive provides all the workers in its value chain with various communications channels, anonymous or otherwise, so they can submit any information or proposals regarding human rights, the environment or any other concerns. These channels are publicly disclosed on its corporate website and in its Sustainable Procurement Policy.

The depth and granularity of this year's analysis did not allow for a disaggregation of risks and opportunities by specific groups in the value chain. Implementing best practices and attaining a clearer understanding of the standards should allow this level of detail to be achieved in the years to come.

3.2.2.3 DR S2-3 – Processes to remediate negative impacts and channels for value chain workforce to raise concerns

S2-3-27 a) AR 21	<i>The undertaking shall describe: (a) its general approach to and processes for providing or contributing to remedy where it has caused or contributed to a material negative impact on value chain workers, including whether and how the undertaking assesses that the remedy provided is effective.</i>

CIE Automotive is guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.

The Sustainable Procurement policy, detailed above, sets out the procedures and steps to be followed in the event of non-compliance, with an exclusive section in the policy on "Remediation of non-compliance". The General Purchasing Conditions stipulate measures to mitigate possible risks or to terminate relations with suppliers who may commit irregularities, as stated under S2-SBM-2-9.

Some of the measures included in the General Purchasing Conditions that are intended to mitigate these risks include:

- Suppliers are required to be proactive and have a specific system in place to identify human rights violations of all kinds, including for workers in their value chain.
- If either party identifies a risk of non-compliance, there is a clause in the General Purchasing Conditions that allows CIE Automotive to conduct an audit at the supplier's facilities at any time to verify and quantify the potential non-compliance and thus mitigate its impact.
- If the supplier fails to remedy the breach, under another clause, CIE Automotive has the right to terminate the commercial relationship with the non-compliant partner, without of any kind liquidated damages.

S2-3-27 b) AR 22	<i>The undertaking shall describe: (b) any specific channels it has in place for value chain workers to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself and/or whether they are third-party mechanisms.</i>

CIE Automotive has mechanisms, protocols and tools in place to facilitate the reporting of infractions and irregularities at the Company or breaches of its Professional Code of Conduct. These mechanisms focus mainly on the Whistleblowing Channel.

In 2023, it strengthened its whistleblowing channel by installing a digital platform on its corporate website, which ensures the security of the whistleblowing process and simplifies how the Company manages each case.

It is a cutting-edge and intuitive system in all the languages of the countries where the company is present, which offers the possibility of opening a secure mailbox where users can submit reports and provide complementary information in various formats (in writing, voice messages, etc.). All the information is confidential and, if the whistleblower wishes, anonymous.

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The new digital channel has been implemented in accordance with the requirements of the Whistleblower Protection Act and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 (the "Whistleblowing Directive").

Compliance with this new law has led to the modification of the Whistleblowing Channel Rules, which set out the general principles of the system and how it is managed

The Group provides all the workers in its value chain with various communications channels, anonymous or otherwise, so they can submit any information or proposals regarding human rights, the environment or any other concerns, and they are publicly accessible both on the corporate website and in the Sustainable Procurement Policy.

S2-3-27 c)	<i>The undertaking shall describe: (c) the processes through which it supports or requires the availability of such channels in the workplace of value chain workers.</i>

As indicated in the Sustainable Procurement Policy, workers may access these channels for submitting reports and communications whenever they wish. They are anonymous if the worker so requests at the time. The communications and/or reports received are reviewed and studied in detail by the Compliance Body, which is responsible for the company's Internal Whistleblowing System.

S2-3-27 d) AR 27	<i>The undertaking shall describe: (d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users.</i>

As indicated in the Sustainable Procurement Policy, workers may access these channels for submitting reports and communications whenever they wish. They are anonymous if the worker so requests at the time. The communications and/or reports received are reviewed and studied in detail by the Compliance Body, which is responsible for the company's Internal Whistleblowing System.

The Whistleblowing Channel Rules state that all internal and/or external persons may report irregularities or breaches that are unethical, lack integrity or violate the guidelines set out in the Professional Code of Conduct, and that all communications received will be treated confidentially.

S2-3-28 AR 25 and AR 26	<i>The undertaking shall disclose whether and how it assesses that value chain workers are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. In addition, the undertaking shall disclose whether it has policies in place regarding the protection of individuals that use them against retaliation. If such information has been disclosed in accordance with ESRS G1-1, the undertaking may refer to that information.</i>

The information relating to this indicator was disclosed under ESRS G1-1. However, the Company would like to stress that, as stated in its Sustainable Procurement Policy, workers may access these channels for submitting reports and communications whenever they wish. They are anonymous if the worker so requests at the time. The communications and/or reports received are reviewed and studied in detail by the Compliance Body, which is responsible for the company's Internal Whistleblowing System.

These whistleblowing and communication channels are mentioned in both the Sustainable Procurement Policy and in the Supplier ESG Commitment or Code of Conduct.

These documents must be complied with and accepted by all of CIE Automotive's suppliers. Therefore, all of its workers are aware and cognizant of the existence of these whistleblowing and communication channels.

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3.2.2.4 DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2-4-31 AR 28	<i>The undertaking shall provide a summarised description of the action plans and resources to manage its material impacts, risks, and opportunities related to value chain workers as per ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</i>

Action	Performance ESG IRO Analysis (IRO Matrix, Geopolitic-CatNat Matrix, ESG Matrix by type of purchase)
Results	Status check and mitigation of Supply Chain Risks.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term (2025)
Actions	Carry out IRO studies to establish the Group's risk situation and determine the possible groups of workers, types of purchases and regions that are more susceptible or at greater risk in the value chain. The results do not require further action due to the quantification of the impacts of the identified IROS. This analysis addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	The results obtained from the matrices were not considered material, or it was not considered necessary to allocate further resources given the current mitigation projects.
Description of associated CapEx and OpEx	No specific CapEx required.

Action	ISO 20400 Certification in Sustainable Procurement
Results	International reference standard issued by an external international expert in Sustainable Procurement. Adoption of sustainable processes and standards in the procurement process throughout the CIE Automotive Group.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Medium term. The certification expires in three years, but requires an annual renewal with the corresponding annual external audit.
Actions	Satisfactory assessment in the annual audits required to obtain ISO 20400 Certification. To this end, the procedures/requirements/policies/manuals are updated with regard to sustainability, human rights and environmental matters, as well as any points arising from the audits carried out by the external specialist. This certification and each of its reassessments address all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	The ISO 20400 certification reinforces the Group's sustainability policies by extending them to its entire supply chain and lays the foundation for further progress in ESG: - Ensuring supply chain safety. - Avoiding human and labour rights, financial, environmental, and reputational risks. - Instilling confidence in investors, customers and other stakeholders. - Promoting employee welfare and helping open new markets for products and services. - Being prepared to achieve decarbonisation targets.

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Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

Action	Annual review and roll-out of supply chain management procedures
Results	Updating to regulatory changes as well as customer requirements. Mitigation of risks in the supply chain.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term. Annual review.
Actions	Annual review and deployment of common supply chain management procedures aligned with the legal requirements of each country and the 2025 ESG Strategic Plan. Special mention of the Sustainable Procurement Policy, created and published in 2024 to strengthen the Group's relationship with workers in its value chain. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	Study of developments in ESG criteria globally and locally in each region where the Group operates, to adapt to continuous regulatory changes and market requirements. Annual review and deployment of common supply chain management procedures aligned with the legal requirements of each country and the Group's ESG strategy. The necessary channels to raise concerns or needs have been made available to the value chain, as per AR28, including grievance mechanisms, hotlines, trade unions (where workers are unionised), works councils, engagement processes and other means through which the company's own workers and workers' representatives can raise concerns about impacts, or explain needs they would like the company to address.
Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

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Action	Dual Control and monitoring of supply chain ESG/health
Results	Monitoring and rating of the degree of compliance of the associates in the Group's value chain. Mitigation of risks in the supply chain.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term. Annual review.
Actions	- <u>Internal</u>: Supplier ESG portal: Provide the company an objective monitoring system for the ESG rating of its supply chain. Discrimination is made according to purchasing families, with the purchase of productive/direct materials being more stringent, establishing common minimum ESG requirements for all suppliers in the supply chain. - <u>External</u>: Through collaboration with Moody's Analytics, a leading global expert in human rights, environmental and governance risk detection systems. Constant monitoring of alerts for early identification of risks in the value chain. Definition of an action plan by the affected plant(s) and decision making that may result in the automatic termination of the commercial relationship if the supplier is not in compliance with the requirements demanded by CIE Automotive, for both direct suppliers and those suppliers' suppliers. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all. - Other labour-related rights: forced labour, child labour.
Information	Monitoring and rating of the degree of compliance of the associates in the Group's value chain. Mitigation of risks in the supply chain.
Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

Action	Internal scorecard for quarterly monitoring of Environmental, Social and Governance (ESG) indicators
Results	Monitoring of the degree of compliance of each of the Group's production plants in ESG aspects. ESG indicators of the 2025 ESG Strategic Plan. Mitigation of risks in the supply chain.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term. Quarterly review.
Actions	Each site must identify the additional actions that need to be implemented to achieve the Group's objectives and thus meet the targets set in the 2025 ESG Strategic Plan, and report them on a shared internal platform. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	Monitoring of the degree of compliance of each of the Group's production plants in ESG aspects. ESG indicators of the 2025 ESG Strategic Plan. Mitigation of risks in the supply chain.

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Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

Action	Internal and external training on environmental, social and governance (ESG) issues
Results	Monitoring and compliance with the level of training of each of the Group's production plants in ESG aspects. 100% of plants trained and informed. Mitigation of risks in the supply chain
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term. Annual review.
Actions	Dual training in ESG, Human Rights, Environmental aspects: - <u>Internal</u>: Annual roadshows on-site or off-site focused on continuous internal ESG training for 100% of the procurement teams according to new corporate, regulatory or commercial requirements. - <u>External for suppliers</u>: Continue with ESG training for suppliers at local level with specific sessions and meetings and adherence to the programme promoted by the United Nations Global Compact to train CIE Automotive's SME suppliers worldwide in sustainable procurement. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all. - Other labour-related rights: forced labour, child labour.
Information	Monitoring and compliance with the level of training of each of the Group's production plants in ESG aspects. 100% of plants trained and informed. Mitigation of risks in the supply chain.
Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

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Action	Audits of processes and specific audits on environmental, social and governance (ESG) issues
Results	Physical audits and self-assessments using ESG criteria to verify the suppliers' degree of compliance with human rights, environmental, quality, etc., issues and to verify their suitability to continue to form part of CIE Automotive's supplier list. Increased number of audits carried out from the previous year to cover a higher degree of compliance and to achieve risk mitigation in the supply chain.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Horizons	Short term. Annual review.
Actions	Physical audits and self-assessments using ESG criteria to verify the suppliers' degree of compliance with human rights, environmental, quality, etc., issues and to verify their suitability to continue to form part of CIE Automotive's supplier list. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	Physical audits and self-assessments using ESG criteria to verify the suppliers' degree of compliance with human rights, environmental, quality, etc., issues and to verify their suitability to continue to form part of CIE Automotive's supplier list.
Description of associated CapEx and OpEx	Specific OpEx may be required for the auditor to travel to each region of the Group, and will vary depending on whether the auditor is internal or external.

Action	Supply Chain Race2Zero project
Results	Climate change adaptation and mitigation in the value chain
Scope	CIE Automotive's key suppliers, in terms of annual purchase volume, which are therefore likely to have greater emissions,
Horizons	The short-term horizon is set for 2025, the medium term for 2033 and the long term for 2050
Actions	This project was launched in 2022 and aims to align the objectives and actions of the value chain with those of CIE Automotive and, in turn, with those of its stakeholders. This action addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Information	Scope 3 accounts for the largest percentage of the Group's emissions, with category 1 having the greatest impact, which is why suppliers are key to aligning the entire value chain.
Description of associated CapEx and OpEx	As mentioned throughout this report, the environmental management plan is coordinated and linked to the company's Strategic Plan. The Company's Strategic Plan calls for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The above figures are for the Strategic Plan as a whole and not just for one action or just for the environmental area, nor for one action or just for the procurement area. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines. The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work. In addition, the Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management

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S2-4-32 a) AR 38	<i>In relation to material impacts, the undertaking shall describe: (a) actions taken, planned or underway to prevent or mitigate material negative impacts on value chain workers.</i>

One of the Group's main risks is its supply chain not being aligned with its ESG commitments and with the requirements of its stakeholders (mainly customers and legislation). That is why a global action plan is being deployed to raise awareness and increase the ESG knowledge of all CIE Automotive workers, which is also a great opportunity: an opportunity for purchasing and procurement managers, following the successful model of supply chain management (Local Management of Local Application, GLOCAL) to become even more involved in transmitting ESG compliance requirements and duties, and opportunity for the supply chain, as CIE Automotive is a driver in the implementation of requirements and training on global regulatory requirements.

The aim is to create a strong, flexible and resilient supply chain aligned with the SDGs.

Risk mitigation involves:

- Creating ESG risk matrices specific to the supply chain:
 - o IROs of risks according to the ESG strategic plan (e.g., the EU's Carbon Border Adjustment Mechanism requirement, CBAM). Ensuring their monitoring, impacts and compliance by the non-European supply chain.
 - o Geopolitical risks (*Nat-Cat*)
 - o Risks by type of purchase (production/direct materials - non-production/indirect materials)
- Annual renewal of the externally verified ISO 20400 Sustainable Procurement Certification, which guarantees the correct management of the ESG function.
- Annual review and deployment of common supply chain management procedures aligned with the legal requirements of each country and the Group's ESG strategy.
- Formulating new procedures/policies for proper global supply chain management, such as the Sustainable Procurement Policy.
- Ensuring that the Group's purchasing teams are aware of the requirements of the CSDDD, which obliges companies to respect human rights, workers in the value chain and environmental protection throughout their value chain.
- Dual Control and monitoring of supply chain ESG/health:
 - o Internal: Supplier ESG portal. Provide the organisation an objective monitoring system for the ESG rating of its supply chain. Discrimination is made according to purchasing families, with purchases of production/direct materials being the most stringent. Establishing common minimum ESG requirements for all suppliers in the supply chain.
 - o External: Through MOODY'S ANALYTICS, a leading global expert in human rights, environmental and governance risk detection systems. Constant monitoring of alerts for early identification of risks in the value chain. Definition of an action plan by the affected plant(s) and decision making that may result in the automatic termination of the commercial relationship if the supplier is not in compliance with the requirements demanded by CIE, for both direct suppliers and those suppliers' suppliers.
- CIE Automotive's commitment to comply with the European Sustainability Reporting Directive (CSRD) and the requirement for its supply chain to comply with the Corporate Sustainability Due Diligence Directive (CSDDD), in accordance with OECD standards. The contracts, the Global Supply Chain Manual, and the General Purchasing Conditions must be aligned with the above legislation.
- Scorecard for quarterly monitoring of the supply chain's ESG indicators. Each plant must identify the further actions that need to be implemented to achieve the Group's objectives.
- ESG training:
 - o Internal: Annual roadshows on-site or off-site focused on continuous internal ESG training for 100% of the procurement teams according to new corporate, regulatory or commercial requirements.
 - o External for suppliers: Continue with ESG training for suppliers at local level with specific sessions and meetings and adherence to the programme promoted by the UN's Global Compact to train CIE Automotive's SME suppliers worldwide in sustainable procurement.
- Promote ESG audits globally. Have each plant conduct physical audits of its critical suppliers as part of verifying actual compliance.
- Supply Chain Race2Zero project: Corporate impulse and local implementation to obtain emission reduction compliance commitments aligned with the 2050 targets.

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Similarly, the actions taken to verify compliance and possible material impacts that may arise associated with workers in the value chain are detailed in both their form and the resources allocated in response to S2-4-31.

S2-4-32 b)	<i>In relation to material impacts, the undertaking shall describe: (b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact.</i>

The response to S2-4-31 details the actions CIE Automotive has taken to promote positive impacts on the workers in its value chain. In addition, the response to S2-3-27 a) details the processes already in place remedy possible non-compliance, and finally, as shown under SBM-2-9, the Company discloses the documentation associated with this requirement.

S2-4-32 c) AR 39	<i>In relation to material impacts, the undertaking shall describe: (c) any additional actions or initiatives it has in place with the primary purpose of delivering positive impacts for value chain workers.</i>

The response to S2-4-31 details the actions CIE Automotive has taken to promote positive impacts on the workers in its value chain. In addition, the response to S2-3-27 a) details the processes already in place remedy possible non-compliance, and finally, as shown under SBM-2-9, the Company discloses the documentation associated with this requirement.

S2-4-32 d) AR 33 and 35	<i>In relation to material impacts, the undertaking shall describe: (d) how it tracks and assesses the effectiveness of such actions and initiatives in delivering intended outcomes for value chain workers.</i>

One of the measures taken to monitor and measure effectiveness in cases such as Environmental, Social and Governance (ESG) training and the annual review and deployment of the supply chain management procedures, is that the internal training sessions are recorded then shared with the attendees themselves and with stakeholders who were unable to attend the specific sessions.

In addition, they are stored as a repository so that the training is not lost and is always available to interested parties, and also can be analysed for further training. This is done in all the regions in which the Group operates.

In addition, when conducting supplier audits, CIE Automotive assesses its suppliers' financial position as a measure to guarantee their supplies for the duration of the projects. These assessments are carried out through process audits that consider and weigh various parameters such as planning, supplier management, reception, training and qualification, processes, maintenance, inspections, packaging, storage, continuous improvement and environment, customer satisfaction, documentation and ESG criteria.

These audits can be shared with the supplier, and the supplier assesses itself, with subsequent validation by CIE Automotive's qualified personnel to verify the information received. Thanks to this system of self-assessment and on-site audits, 772 audits were carried out in 2024, compared to 698 in 2023, an increase of 10%. The Group has set itself the challenge of increasing the number of audits by 10% for 2025, with an increase in the number of on-site audits.

The fact that 100% of the audits carried out included ESG analysis criteria, and that all of them ended with a satisfactory result, is another way of measuring the effectiveness of the measures implemented in this area.

Moreover, the response to S2-4-31 details the actions CIE Automotive has taken to promote positive impacts on the workers in its value chain. The procedures for remedying possible non-compliances are detailed under S2-3-27 a), and the documentation associated with this requirement is reported under SBM-2-9.

Lastly, it is important to note that the external and anonymous whistleblowing and communication channel is monitored annually with the workers in the value chain to analyse the effectiveness of the policies and procedures established in the area of human rights, as detailed in the Group's Sustainable Procurement Policy.

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S2-4-33 a) AR 29	<i>In relation to paragraph 30, the undertaking shall describe: (a) the processes through which it identifies what action is needed and appropriate in response to a particular actual or potential negative impact on value chain workers.</i>

The audits that the Supply Chain Department conducts annually to exceed compliance with human rights, environmental and other Environmental, Social and Governance (ESG) criteria, to obtain and renew ISO 20400 certification, are a way to identify the necessary and appropriate actions in response to a particular actual or potential negative impact on workers in the value chain.

External audit and ESG alerts provided by the external company Moodys Analytics:

Assessment by one of the world's leading ESG rating and rating companies to verify the ESG compliance of over 90% of the global procurement volume, and to identify potential violations of environmental, social, human rights, etc., criteria, covering topics such as:

- RED FLAGS (sanctions, human rights, environment, business conduct, corporate governance...)
- ESG alerts
- Sanctions (local and international)
- Risk of default or insolvency
- News on breaches of the law
- Anti-bribery and corruption alerts

Moreover, the response to S2-4-31 details the actions CIE Automotive has taken to promote positive impacts on the workers in its value chain. The procedures for remedying possible non-compliances are detailed under S2-3-27 a), and the documentation associated with this requirement is reported under SBM-2-9.

Lastly, it is important to note that the external and anonymous whistleblowing and communication channel is monitored annually with the workers in the value chain to analyse the effectiveness of the policies and procedures established in the area of human rights, as detailed in the Group's Sustainable Procurement Policy.

S2-4-33 b)	<i>In relation to paragraph 30, the undertaking shall describe (b) its approach to taking action in relation to specific material negative impacts on value chain workers, including any action in relation to its own purchasing or other internal practices, as well as capacity- building or other forms of engagement with entities in the value chain, or forms of collaborative action with industry peers or other relevant parties.</i>

Supplier audits

CIE Automotive assesses its suppliers' financial position as a measure to guarantee their supplies for the duration of the projects. These assessments are carried out through process audits that consider and weigh various parameters such as planning, supplier management, reception, training and qualification, processes, maintenance, inspections, packaging, storage, continuous improvement and environment, customer satisfaction, documentation and ESG criteria. These audits can be shared with the supplier, and the supplier assesses itself, with subsequent validation by CIE Automotive's qualified personnel to verify the information received.

Thanks to this system of self-assessment and on-site audits, 772 audits were carried out in 2024, compared to 698 in 2023, an increase of 10%. The Group has set itself the challenge of increasing the number of audits by 10% for 2025, with an increase in the number of on-site audits.

Tools for controlling and assessing the measurement system

Suppliers must perform Repeatability and Reproducibility, Linearity, Bias and Stability tests on all the gauges and measuring instruments they use to measure critical and/or significant characteristics identified in the Control Plan. They must run these tests periodically or whenever any changes are made to the measurement system, operator, inspection calibrator or inspection method.

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Special processes

The Pre-Release Control Plan, the SOP Containment Plan and the Quality Firewall are additional, temporary activities to increase the level of confidence to ensure that all the products suppliers ship meet CIE Automotive's requirements. The purposes of these additional procedures are to:

- Protect the CIE Automotive site from quality non-conformities during critical periods such as launch, start-up and ramping-up of production, quality issues during mass production or after the manufacturing process review, or when manufacturing batches are separated by a year or more.
- The pre-release control plan will serve to validate the Production Control Plan and should take into account all known critical conditions of the part, as well as any potential areas of concern identified during the development phases for new projects or modifications.
- Ensure that any quality issues that may arise are quickly identified, contained and corrected at the supplier's location.
- Increase the engagement and visibility of the supplier's senior management.
- Product performance management (PPM): this is a measurement system relating to the quality commitments of a part, component or material. It indicates the number of non-conforming parts in the process.

Contingency plan. Supplier risk management

The supplier must prepare contingency plans to meet CIE Automotive's requirements in case of any interruption in the production and delivery of parts. The supplier must notify its contact at CIE Automotive within a maximum of 12 hours.

It should notify it of the nature of the problem and take measures to ensure the supply of its product. Production disruptions could include, without limitation, natural disasters, political instability, war, capacity problems, quality problems, labour strikes, unplanned production stoppages and other events that prevent the supplier from meeting the required volumes or complying with any APQP event within the launch (e.g.: R@R or PPAP).

APQP, or Advanced Product Quality Planning, is a systematic structure used in product development and manufacturing to ensure that the products or processes created will meet the company's quality standards and customer specifications.

Ethical framework

CIE Automotive's actions must ensure that its internal and external workers all behave ethically.

Professional Code of Conduct

This Professional Code of Conduct will apply, without exception, to all everyone who belongs to the Group. Knowledge of, and compliance with, the rules of conduct set out in it are mandatory for all, and under no circumstances will ignorance of the rules exempt them from compliance.

In addition, CIE Automotive, S.A., will encourage its business partners (joint ventures, suppliers, customers, contractors and business partners) to act in a manner consistent with this code and to apply ethics programmes that are consistent with its standards. The Group will take appropriate action if there is evidence that its partners have not complied with its policies or their contractual obligations.

Due diligence guidance

CIE Automotive is aligning itself with the new Due Diligence Directive (CSDDD) and OECD recommendations to identify, prevent and manage the impact that the Company's operations may have on human rights and the environment.

Thus, the Company will extend its knowledge and experience to its own suppliers, seeking to strengthen its supply chain's commitment to respect human, labour and environmental rights, and identifying risks of violation of any of these rights in the suppliers' countries of origin.

Stance against corruption and bribery

Compliance with this policy is mandatory for all directors, officers, employees and workers of all Group companies, without exception. In addition, any third parties participate, intermediate, or act for or on behalf of CIE Automotive S.A., in transactions and business affairs must follow the guidelines and principles of this policy.

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Whistleblowing Channel

CIE Automotive has established a procedure for handling reports and queries regarding breaches or irregularities under the Professional Code of Conduct. All members of the organisation and any of its stakeholders can use it to make enquiries or report unusual activities or breaches of the rules set out in the Professional Code of Conduct using the platform provided both on the corporate intranet and on the corporate website.

The Group also encourages its business partners (joint ventures, suppliers, customers, contractors and other partners) to align their conduct with the Code and apply equivalent ethical standards. Suppliers are recommended to have their own whistleblowing channel (linked to Due Diligence).

S2-4-33 c)	<i>In relation to paragraph 30, the undertaking shall describe (c) how it ensures that processes to provide or enable remedy in the event of material negative impacts are available and effective in their implementation and outcomes.</i>

The response to S2-4-31 details the actions CIE Automotive has taken to promote positive impacts on the workers in its value chain. The procedures for remedying possible non-compliances are detailed under S2-3-27 a), and the documentation associated with this requirement is reported under SBM-2-9.

It is important to note that the external and anonymous whistleblowing and communication channel is monitored annually with the workers in the value chain to analyse the effectiveness of the policies and procedures established in the area of human rights, as detailed in the Group's Sustainable Procurement Policy.

S2-4-34 a) AR 40, 41 and 43	<i>In relation to material risks and opportunities, the undertaking shall describe: (a) what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on value chain workers and how it tracks effectiveness in practice.</i>

The response to S2-4-31 details the actions CIE Automotive has taken to mitigate material risks to the Company arising from its impacts and dependencies on value chain workers and how it tracks effectiveness in practice, as well as to promote positive impacts on value chain workers.

The procedures for remedying possible non-compliances are detailed under S2-3-27 a), and the documentation associated with this requirement is reported under SBM-2-9.

External audit and ESG alerts provided by the external company Moodys Analytics:

Assessment by one of the world's leading ESG rating and rating companies to verify the ESG compliance of over 90% of the global procurement volume, and to identify potential violations of environmental, social, human rights, etc., criteria, covering topics such as:

- RED FLAGS (sanctions, human rights, environment, business conduct, corporate governance...)
- ESG alerts
- Sanctions (local and international)
- Risk of default or insolvency
- News on breaches of the law
- Anti-bribery and corruption alerts

Lastly, it is important to note that the external and anonymous whistleblowing and communication channel is monitored annually with the workers in the value chain to analyse the effectiveness of the policies and procedures established in the area of human rights, as detailed in the Group's Sustainable Procurement Policy.

S2-4-34 b)	<i>In relation to material risks and opportunities, the undertaking shall describe: (b) what action is planned or underway to pursue material opportunities for the undertaking in relation to value chain workers.</i>

The response to this indicator is provided under S2-4-34(a) RA 40, 41 and 43.

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S2-4-35 AR 32	<i>The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on value chain workers through its own practices, including, where relevant, in relation to procurement, sales and data use. This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.</i>

The response to this indicator is provided under S2-4-34(a) RA 40, 41 and 43.

In addition, the Company's right to terminate any business relationship with a supplier unilaterally and without liquidated damages if the supplier is identified to not be in compliance and fails to remedy this, is detailed under S2-SBM-2-9. This is set out in its General Purchasing Conditions detailed throughout the report.

S2-4-36	<i>The undertaking shall also disclose whether severe human rights issues and incidents connected to its upstream and downstream value chain have been reported and, if applicable, disclose these.</i>

As in 2023, no complaints were received in 2024 regarding human rights abuses related to the upstream and downstream stages of its value chain.

S2-4-38	<i>The undertaking shall disclose what resources are allocated to the management of its material impacts, with information that allows users to gain an understanding of how the material impacts are managed.</i>

The resources that CIE Automotive allocates to manage material impacts are both financial and human. The Corporate Human Resources Department has employees dedicated exclusively to supply chain sustainability management.

Furthermore, as mentioned throughout this report, the Company's Environmental Management Plan is coordinated with, and linked to, its Strategic Plan. This plan already called for EUR 1 billion in CapEx from 2020 to 2025, which is approximately 5% per year of sales. The OpEx is mainly linked to the group's R&D activities and was incorporated into its strategic lines.

The company's OpEx allocated to this specific action is not material and is included in the amount mentioned in Note 21 to the 2024 Consolidated Financial Statements. Therefore, no breakdown is being reported by action, lever or line of work.

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3.2.3 Metrics and targets
3.2.3.1 DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-5-41 AR 46 and 48	<i>The summarised description of the targets to manage its material impacts, risks and opportunities related to value chain workers shall contain the information requirements defined in ESRS 2 MDR-T.</i>

Objective	Increased number of audits of processes and specific audits on environmental, social and governance (ESG) issues
Description	Physical audits and self-assessments using ESG criteria to verify the suppliers' degree of compliance with human rights, environmental, quality, etc., issues and to verify their suitability to continue to form part of CIE Automotive's supplier list. This target addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Target level	Relative target.
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2023
Period	Annual
Hypothesis	The hypotheses and assumptions are those set out in the Group's risk assessment.
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

Objective	New phase of the Supply Chain Race2Zero project
Description	Climate change adaptation and mitigation in the value chain. Scope 3 accounts for the largest percentage of the Group's emissions, with category 1 having the greatest impact, which is why suppliers are key to aligning the entire value chain. Short- to medium-term objectives: CIE Automotive is committed to reducing its absolute Scope 3 GHG emissions by 54.6% by 2033 from 2021 as a base year.
Target level	Absolute target
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2021
Period	2033
Hypothesis	The hypotheses and assumptions are those set out in the climate risk analysis and scenarios
Scientific evidence	Aligned with the 1.5° strategy of the Paris Agreement
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

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Objective	Renew ISO 20400 Certification in Sustainable Procurement
Description	Successfully pass the annual audit required to obtain ISO 20400 Certification. To this end, the procedures/requirements/policies/manuals are updated with regard to sustainability, human rights and ESG matters, as well as any points arising from the audits carried out by the external specialist. This target addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Target level	Absolute target
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2021
Period	Three-year expiry, annual renewal
Hypothesis	The hypotheses and assumptions are those set out in the external auditor's risk assessment.
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

Objective	Continuing internal and external ESG training and outreach
Description	Monitoring and compliance with the degree of training of each of the Group's production plants in ESG aspects, reaching 100% of the plants trained and informed. Similarly, to cover as much of the supply chain as possible. This target addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Target level	Absolute target
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2023
Period	Annual
Hypothesis	The hypotheses and assumptions are those set out in the Group's risk assessment.
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

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Objective	External rating of supply chain ESG/health
Description	Extend the coverage together with a leading global expert in human rights, environmental and governance risk detection systems. Constant monitoring of alerts for early identification of risks in the value chain. Definition of an action plan by the affected plant(s) and decision making that may result in the automatic termination of the commercial relationship if the supplier is not in compliance with the requirements demanded by CIE Automotive, for both direct suppliers and those suppliers' suppliers. Cover more risks, concepts analysed, as well as suppliers and the Group's purchasing volume. This target addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Target level	Absolute target
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2023
Period	Annual
Hypothesis	The hypotheses and assumptions are those set out in the Group's risk analysis, as well as in legislation and the requirements of customers or other stakeholders.
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

Objective	Supply Chain ESG Recognition
Description	Training days in various countries where the suppliers with the best ESG performance are rewarded and are a direct channel for transmitting knowledge and receiving any suggestions/complaints. This target addresses all the material IROs identified in the dual materiality analysis: - Working conditions: freedom of association, health and safety. - Equal treatment and opportunities for all: diversity and measures against violence and harassment in the workplace. - Other labour-related rights: forced labour, child labour.
Target level	Absolute target
Scope	The entire CIE Automotive Group and the workers in its value chain.
Base year	2023
Period	Annual
Hypothesis	The hypotheses and assumptions are those set out in the Group's risk analysis, as well as in legislation and the requirements of customers or other stakeholders.
Stakeholders concerned	Management, Quality, Environment, Supply Chain, Suppliers, Customers, Investors.
Geographical regions	All locations where the Group is present.
Variations	No significant variations
Performance	It is progressing positively and is expected to be achieved within the committed timeframe

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S2- 5-42 a)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with workers in the value chain, their legitimate representatives, or with credible proxies that have insight into their situation in: (a) setting any such targets.</i>

CIE Automotive uses its dual materiality analysis to identify impacts and set targets. It also proposes to engage its value chain workers through the various public channels for receiving proposals, so it can set benchmarks and adapt its internal policies, procedures and requirements. The Sustainable Procurement Policy details the various communication channels available.

S2- 5-42 b)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with workers in the value chain, their legitimate representatives, or with credible proxies that have insight into their situation in: (b) tracking the undertaking's performance against them.</i>

The response to S2-SBM2-9 details the monitoring of the Company's performance against Environmental, Social and Governance (ESG) criteria.

S2- 5-42 c)	<i>The undertaking shall disclose the process for setting the targets, including whether and how the undertaking engaged directly with workers in the value chain, their legitimate representatives, or with credible proxies that have insight into their situation in: (c) identifying any lessons or improvements as a result of the undertaking's performance.</i>

The response to S2-SBM2-9, when referring to the Sustainable Purchasing Policy, details the various communication channels available for receiving proposals, so it can set benchmarks and adapt its internal policies, procedures and requirements.

3.3 Customers (Entity-specific disclosures) (ES)

3.3.1 DR SBM-2: Interests and views of stakeholders

ESRS 2 -SBM-2	<i>The undertaking shall disclose how the interests and views of its stakeholders are taken into account by the undertaking's strategy and business model.</i>

The information in response to this disclosure requirement is addressed in *section 1.1.3.2. ESRS 2- SBM-2 Interests and views of stakeholders.*

3.3.2 DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 -SBM-3	<i>The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.</i>

In the area of personal safety of end users and consumers, CIE Automotive has identified impacts and opportunities. One significant positive impact stems from designing more robust parts that contribute to increased vehicle safety. Implementing these robust designs not only improves occupant protection in the event of an accident, reducing the severity of injuries, but also increases consumer confidence in the brand, which is essential for its reputation and market positioning.

In addition, this improved safety presents a financial opportunity for the Company. Although it may initially require investment in research and development, in the long term, designing more robust parts can result in reduced costs associated with insurance claims and legal liabilities. This strategy can also strengthen customer loyalty and increase market share by positioning the Company as a leader in safety.

CIE Automotive stands out as a benchmark for total quality in the automotive components industry. Its reputation is based on the constant improvement of its products and processes through prevention, systematic reviews, training and knowledge sharing, in accordance with its Environmental Policy.

With its focus on excellence, the Company complies with the international quality standard IATF 16949, a specific standard for the automotive industry, which harmonises the various supply chain assessments and certification systems. It is also working towards environmental management (ISO 14001) and health and safety (ISO 45001) certification in all its production plants.

Compliance with the IATF 16949 standard means compliance with consumer health and safety measures, although the company has no contact with the end users of the vehicles, as it is a B2B business. However, its Original Equipment Manufacturer (OEM) customers issue CIE Automotive both order specifications and project and product requirements, to ensure that each component contributes to guaranteeing the safety of the vehicle they finally put on the market. It should be noted that the IATF 16949 standard ensures that the expectations and requirements of the end customer are deployed throughout the supply chain and that it aims for robustness of the final product and compliance with standards of repairability, durability and recyclability that are required by regulation. This is sought to be achieved in the following ways:

1. Focus on defect prevention: the standard promotes a culture oriented towards the prevention of defects instead of their detection. This includes tools such as failure mode and effects analysis (FMEA), which identifies potential risks in design or manufacturing processes to minimize failures, or production process control, which ensures products are consistent and meet specifications. This helps to create a more robust and reliable product from its development.
2. Customer-specific requirements (CSR): the standard obliges manufacturers to comply with specific customer requirements (OEMs), which means that processes are customized according to the needs of the end customer, ensuring satisfaction and products adjusted to their expectations.
3. Focus on continuous improvement: by using continuous improvement principles (such as the Plan-Do-Check-Act cycle), the standard ensures that organizations are constantly working to improve product quality, optimize processes, and reduce costs. This leads to more robust and reliable products.
4. Risk Management and Root Cause Analysis: IATF 16949 requires identifying, evaluating, and mitigating risks that may affect product quality. This includes proactively managing risks throughout the supply chain and reviewing and resolving issues using a systematic root cause analysis approach.
5. Focus on customer satisfaction: the standard includes requirements to measure and evaluate customer perception, which obliges organizations to constantly monitor whether they are meeting end-customer expectations, from product performance to reliability and quality.

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6. High standards throughout the supply chain: certification also ensures that suppliers within the automotive supply chain work under the same rigorous quality standards, ensuring consistency in the components used and therefore the robustness of the final product.

This same deployment of requirements towards suppliers, as is the case with CIE Automotive, means that repairability, separation and recyclability requirements are taken into account to improve the end of life of the vehicle.

As indicated throughout this document, CIE Automotive does not deliver products directly to the end consumer and therefore the products are from the car manufacturer or OEM. This makes it up to the OEM to decide whether to introduce low-carbon products to the end market.

However, the contribution of the technology suppliers of the end manufacturers is key and especially through efficient and decarbonized production processes. These processes and technologies are critical to manufacturing low-carbon products, as they significantly reduce greenhouse gas (GHG) emissions over the product lifecycle, contributing to sustainability and meeting global climate neutrality goals.

This relationship is detailed below:

1. Reduction of emissions in the manufacturing stages: efficiency in production processes and the use of decarbonized technologies (clean energy, electrification, etc.) directly reduce the carbon emissions associated with manufacturing. Actions of this type have already been mentioned in the environmental section and the project to replace fossil fuels in furnaces is a key lever on this point. A cleaner process reduces the carbon footprint of the product from the start, helping the final product to be considered low-carbon.
2. Efficient use of resources and materials: optimizing the use of materials in production processes helps to reduce the environmental impact associated with the life cycle of the product. These are the strategies, actions or levers used and already mentioned throughout this document:

- Minimization of waste: implementation of Industry 4.0 initiatives or "lean manufacturing" strategies.
- Use of recycled or low-impact materials.
- Reduction of the ratio of gross weight to net weight.
- Reduced product weight through optimized design.

Reduced use of raw materials means fewer emissions in their extraction, transport and processing.

3. Integration of decarbonized materials: the use of materials produced using decarbonized processes plays a key role in the design of low-carbon products. At this point, the materials project already mentioned in the environment section is key. Materials with a reduced carbon footprint contribute to making the final product more sustainable and the great impact of category 1 of scope 3 of the Group's carbon footprint can be observed.
4. Supply chain optimization: an efficient and decarbonized supply chain reduces indirect emissions (scope 3) associated with transportation and logistics. These are the strategies, actions or related levers discussed throughout the document that entail a lower carbon associated with the transport and distribution of the product:
 - Local production to minimise transport, CIE Automotive's local approach.
 - Project Supply Chain Race2Zero .
5. Circular economy in production: adopting circular economy principles allows for the design of more sustainable processes and products with a lower carbon footprint. These are the strategies, actions or levers with which the demand for new resources is reduced and, therefore, the emissions associated with their extraction and production.
 - Circularity projects mentioned.
 - Use of recycled and recyclable materials.
6. Product decarbonization through digitalization: the digitization of design and production processes (use of simulations, digital twins, IoT, etc.) allows design to be optimized, reduce defects, waste and foresee inefficiencies. These are the strategies, actions or levers that allow for lower energy and material consumption, contributing to a lower carbon footprint:
 - Reduction of physical prototypes through virtual simulations (Finite Elements, CFD, etc.).
 - Real-time control of energy consumption to reduce defect.
 - Optimisation of production cycles, Industry 4.0.
 - Process eco-design.

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7. Energy-efficient products in use: efficient production processes not only reduce emissions from the process itself but also allow optimized products to be designed to be more efficient in their service life. Mainly through the lightening of components and the use of multi-material and multi-technology strategies, which fits perfectly with CIE Automotive's philosophy.

ES (Entity Specific) Customers – Impacts, Risks and Opportunities (IROs)

+: positive impact // -: negative impact // R: risk // O: opportunity

Subtopics	IROs
Personal safety of users and end-consumers	(+) Designing more robust parts that help boost vehicle safety.
	(O) Financial impacts arising from: Designing more robust parts that help boost vehicle safety.

3.3.3 DR IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

ESRS 2 -IRO-1	<i>The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.</i>

The information in response to this disclosure requirement is addressed under *ESRS 2- IRO-1* and *ESRS 2- SBM-3- 48 f.*

3.3.4 DR – Policies MDR-P: Policies adopted to manage material sustainability matters

Title	Professional Code of Conduct
Description	CIE Automotive conducts its business and professional activities in accordance with a Professional Code of Conduct, which serves as an ethical guide at all levels of the organisation.
Objective	To provide ethical guidelines and principles of conduct for all directors, managers, employees and workers of all the companies that comprise the Group, determining the values and commitments that must govern their work activities within the Group. It was drawn up with the aim of meeting the demands of both stakeholders and society in general and thus continue to earn the commitment and trust they have placed in the Group.
Material Impacts, Risks and Opportunities	Corporate culture, corruption and bribery, customer relationship management, including charging practices, political participation and lobbying, and the Whistleblowing Channel Rules.
Scope of the policy	This Code of Conduct is binding for all members of the Group without exception. All employees have the obligation to understand and comply with these rules of conduct, and in no jurisdiction will ignorance of the law exempt them from compliance. CIE Automotive will also encourage its business partners or business associates (joint ventures, temporary joint ventures, suppliers, customers, contractors and collaborating companies) to act in accordance with this Code and to apply ethical programmes that are consistent with its standards. The Group will take appropriate action if it becomes clear that they have not complied with their policies or contractual obligations.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	The Professional Code of Conduct applies globally.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of the Professional Code of Conduct.
Availability	Public document posted on the Group's corporate website.

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Title	Policy on anti-competitive practices
Description	This policy is part of the corporate governance and compliance policies and sets out the essential principles and guidelines that must be taken into account on a daily basis in the performance of professional duties and activities.
Objective	The purpose of the legislation on anti-competitive practices is to prohibit any business-related conduct that is contrary to the principle of free competition and harmful to the public interest. The ultimate aim of that legislation is therefore to protect free and fair competition, so that each company or corporate group will be making its own independent business decisions and creating its own independent strategies, rather than engaging in collaborations or other practices that could eliminate or restrict competition. These guidelines are of compulsory compliance, because in addition to being part of our compliance culture and Compliance Management System, they were designed to prevent the very serious consequences that any potential infringements of the legislation could have.
Material Impacts, Risks and Opportunities	Information-related IROs; personal safety of users and end-consumers.
Scope of the policy	The members of the Board and all of CIE Automotive's employees and collaborators, regardless of their type of relationship or contract. In addition, the rules 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.
Stakeholders concerned	Customers and all members of CIE Automotive.
Geographical regions	This policy applies globally.
Value Chain	CIE Automotive will encourage its value chain to act in accordance with this policy. The Group will take appropriate action if there is certainty that practices that are categorically prohibited are taking place.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the Group's corporate website.

Title	Sustainable procurement policy
Description	CIE Automotive's sustainable procurement policy, based on ISO 20400 certification and the UNE-15896 standard on Value-Added Procurement Management, focuses on several key aspects that ensure sustainability and social responsibility in its operations. The main contents of this policy are described below:
Principles	CIE Automotive's Sustainable Procurement Policy is based on the global management of the impacts arising from its activity. The fundamental principles on which the policy is based are: - Environmental responsibility: Prioritise the purchase of materials and products that have a lower environmental impact throughout their life cycle. Positively value relationships with suppliers that have set decarbonisation targets. - Human and labour rights: Evaluate suppliers' performance to prevent any non-compliance or identify any supplier violations, promoting a culture of respect both internally and throughout the supply chain. - Promote equality, diversity, inclusion and non-discrimination: guaranteeing work-life balance, fair pay and people's safety and well-being, ensuring working conditions, and identifying and assessing the performance of suppliers and workers in the value chain in these areas to avoid any non-compliance, and recognising best practices. - Ethics and Transparency: Maintain fair, sustainable and transparent purchasing practices, ensuring compliance with applicable laws and legislation. - Commitment to suppliers: Work with suppliers who share our values and adhere to our standards of sustainability and social responsibility.
Objective	Compliance with the standards established in the ISO 20400 certification. This reinforces the Group's sustainability policies by extending them to its entire supply chain and lays the foundation for further progress in environmental, social and governance matters.

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Material Impacts, Risks and Opportunities	ROs related to designing more robust parts that have an impact on increasing vehicle safety, as well as the financial effects of that design.
Scope of the policy	The scope of application of CIE Automotive's sustainable procurement policy is broad and encompasses all the activities, functional areas and regions related to purchasing and procurement, ensuring a comprehensive and consistent approach to sustainability and social responsibility throughout its supply chain.
Stakeholders concerned	Suppliers, customers, investors and shareholders, regulators and government agencies, and business partners and associates.
Geographical regions	This policy applies globally.
Value Chain	CIE Automotive's sustainable procurement policy affects several specific points in its value chain, including supplier selection and evaluation, internal procurement processes, risk management, employee training, and regulatory compliance. This ensures consistent and effective integration of sustainability and social responsibility practices throughout the supply chain, promoting a more ethical, safe and resilient value chain.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the Group's corporate website.

Title	Quality policy
Description	CIE Automotive stands out as a benchmark for total quality in the automotive components industry. Its reputation is based on the constant improvement of its products and processes through prevention, systematic reviews, training and knowledge sharing, in accordance with its Environmental Policy. The priorities of the quality policy are: protecting customers, being proactive, focusing on zero defects, and services and prevention to ensure safety.
Objective	Compliance with legislation related to quality, safety, marketing and labelling.
Material Impacts, Risks and Opportunities	ROs related to designing more robust parts that have an impact on increasing vehicle safety, as well as the financial effects of that design.
Scope of the policy	The scope of application of the quality policy is global, and it is a mandatory condition that must be fulfilled by all the Group's production plants.
Stakeholders concerned	Suppliers, customers, own workers, and regulators and government agencies.
Geographical regions	This policy applies globally.
Value Chain	CIE Automotive's sustainable procurement policy affects several specific points in its value chain, from design to end-of-life. The points affected are: product design and innovation, sourcing and supplier management, production and manufacturing, quality control and claims management, logistics and distribution, and end-of-life
Body responsible for implementation	CIE Automotive's CEO is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the Group's corporate website.

3.3.5 DR – Actions MDR-A: Actions and resources in relation to material sustainability matters

It is still too early to say when the automotive sector will return to pre-pandemic levels of production and sales, especially in view of the various trends that are introducing changes in the market at a very high speed. The company will therefore reinforce its flexibility model to adapt to current or future customer needs and the latest trends.

The diversification of its product portfolio will make it more adaptive, which will set it apart from its competitors. A portfolio where more than 8 out of 10 products are independent of the vehicle's propulsion system and therefore not impacted by the electrification process of the sector. For the remaining components, work is being done from both a technological and market perspective to maximise the opportunities that are emerging in the areas of batteries, engines and power electronics or gearboxes.

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With regard to the risk of products that have no clear substitute in zero-emission vehicles, CIE Automotive intends to increase its presence in products that make the greatest contribution to making vehicles lighter (forged chassis and suspension components), and in axle and gear machining, and to be active in the processes of traditional technologies that customers will outsource, to focus on new challenges such as connectivity, autonomous driving and offering in-vehicle software-based solutions.

At the same time, it emphasises the innovation processes in these areas that, through their deployment in the coming years, will set the company apart from its competitors, to ensure that it is a winner in the process of taking advantage of the opportunity to consolidate the resulting market.

Collaborating on R&D projects, either individually or through consortia with customers, has been key in areas such as transitioning to electrical vehicles, circular economy, reducing vehicle weight, safety and Industry 4.0. These projects have generated significant partnerships with traditional customers, aligning the Group with market developments.

In addition, intensive commercial work has been carried out to bring new players into the sector, adapting the commercial and partnership approach to the particularities of these new participants. This effort has paid off, with mass production projects and developments underway with customers that have completely different business models to the traditional ones.

CIE Automotive is doubling down on its flexibility model, characterised by geographic, commercial and technological diversification, to adapt to current and future customer needs and the latest automotive trends. The diversification of the portfolio, where over 80% of the products are independent of the vehicle's propulsion system, provides a differential adaptation capacity compared to the competition.

CIE Automotive's business model, underpinned by its geographic diversity and decentralised management model, has proven resilient through a number of crises. The company gets its entire value chain involved, identifying opportunities with customers and taking those needs and opportunities to its suppliers.

Compliance with the IATF 16949 standard means compliance with consumer health and safety measures, although the company has no contact with the end users of the vehicles, as it is a B2B business. However, Original Equipment Manufacturer (OEM) customers issue CIE Automotive both order specifications and project and product requirements, to ensure that each component contributes to guaranteeing the safety of the vehicle they finally put on the market.

This regulation requires the use of key tools, called "core tools", which provide great value and differential product reliability. These tools are:

- **APQP (Advanced Product Quality Planning):** it is a structured approach to planning and developing high-quality products from the initial stages of design and development, with an impact on warranty and durability. Ensures that the product meets customer needs from design including environmental, product safety, durability or end-of-life requirements. It detects possible problems before they reach production and of course the consumer. It helps to establish clear and robust specifications that prevent failures during the life of the product, ensuring the safety of the product.
- **FMEA (Failure, Mode and Effects Analysis):** it is a methodology for identifying and analysing possible failures in a design or process, evaluating their impact and defining preventive actions, with an impact on the guarantee and durability. It reduces the risk of product failures by addressing potential issues prior to manufacturing, ensuring compliance with requirements and expectations. Improves product reliability and robustness by ensuring key risks are properly managed.
- **PPAP (Production Part Approval Process):** it ensures that all specifications, tolerances and customer requirements are met before mass production begins, impacting warranty and durability. Validates that components consistently meet specifications. It ensures that manufacturing processes are able to produce safe, durable, and quality products in high volumes.
- **SPC (Statistical Process Control):** it is the use of statistical tools to monitor and control production processes, ensuring that they remain stable and within specifications with an impact on warranty and durability. Minimizes process variations, resulting in more consistent and long-lasting products. Detects deviations before they affect the quality of the final product.

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- **MSA (Measurement Systems Analysis):** it is a process to evaluate the accuracy and repeatability of measurement systems used in production with an impact on warranty and durability. It ensures that measurement tools and equipment are accurate, preventing defects related to incorrect measurements. Improves reliability by ensuring products are properly inspected.

It is this transmission of requirements to suppliers, as is the case with CIE Automotive, that takes into account the requirements of repairability, separability and recyclability to improve the vehicle's end of life.

In the response to indicator E5-2-19, specific actions are mentioned both in terms of durability, repairability, reuse and end-of-life of vehicles, where the importance of virtual simulation and correlation through tests to close the validation circles of the components are mentioned. This is one of the key actions that are carried out in the different R&D centres that CIE Automotive has in the different geographies.

In addition, two European Union directives are mentioned, such as Directive 2000/53/CE on End-of-Life of Vehicles, which is also known as the ELV Directive, establishes measures to prevent and reduce the environmental impact of end-of-life vehicles. Key points include:

- **Design for disassembly and recycling:** manufacturers must consider, during design and production, the ease of disassembly, reuse and recovery of vehicles.
- **Limitation of hazardous substances:** the use of materials such as lead, mercury, cadmium and hexavalent chromium in the manufacture of vehicles is prohibited, with some specific exceptions.
- **Reuse and recycling objectives:** new vehicles must be reusable and/or recyclable by at least 85% of their weight, and reusable and/or recoverable by at least 95%.

For its part, Directive 2005/64/CE on the Approval of Vehicles in relation to their Reuse, Recycling and Recovery, which complements the previous one, focusing on the type-approval of motor vehicles in terms of their suitability for reuse, recycling and recovery, establishes requirements to ensure that vehicles comply with the minimum percentages of reuse and recycling mentioned above. Finally, recently have been promoted actions that are in line with the so-called "right to repair".

In 2024, as in 2023, there were no fines related to consumer safety, or fines related to marketing and labelling infringements.

Analysis of product risk in all regions

In 2023, the Group went a step further in its pursuit of customer satisfaction by conducting a product quality risk analysis in all regions to avoid potential recall notices to end-users to have their vehicles checked for part defects or problems and have them replaced by the OEM at no cost to the end-user. This analysis is part of a global programme in collaboration with the Company's insurance broker, which also analyses industrial and environmental risks. This brings together the risk analysis and risk mitigation expertise of both companies. As part of the programme, the projects are being ranked by region, which will be specially tracked. It has also conducted seminars on internal communications and best practices, and developed new incident escalation procedures to avoid not only any legal violations, but also any kind of customer dissatisfaction. The campaign focused on preventing potential defects, and included, among other issues, strengthening procedures and controls, the traceability of all products, the process of analysing the causes of potential defects, and constant communication with customers.

Safety

Product safety is at the forefront of CIE Automotive's development and innovation strategy. Several projects are currently underway to provide a more accurate prediction in the development phase of the behaviour of components and systems throughout their life cycle, considering various possible scenarios. Thus, the Company is improving performance from a noise and vibration point of view, taking into account the parts' frequency characteristics to achieve a better prediction during the design phase. It is also optimising the design process for crashes by incorporating better modelling of the joints between components and the interactions between them, which provides greater vehicle safety in accidents and impacts.

Virtual validation by simulation is a key tool that, when combined with the final tests to have a closed design cycle and a correlation of results, generates important advantages for the final product and, therefore, for the consumer such as:

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Accurate prediction of design performance: simulation, usually through finite element analysis (FEA), allows virtualization of real scenarios such as:

- Dynamic loads (impacts, collisions).
- Fatigue and long-term endurance.
- Mechanical deformations under stress.
- Thermal behaviour (in motors or brakes, for example).

This identifies weak points or areas of stress concentration that could fail and allows the design to be adjusted to minimize risks and improve resistance.

Design optimization: through FEA, structures, materials, and geometries can be optimized to:

- Reduce weight without compromising strength (very important in the automotive industry to comply with emissions regulations and improve energy efficiency).
- Improve the distribution of stresses to avoid deformations or failures.

This creates lighter and more durable products, aligned with the demands of the automotive sector.

Reduced costs and development times: traditionally, designs were validated through physical testing that involved manufacturing multiple prototypes. With the virtual validation cycle...

- Physical iterations are reduced, as problems can be detected and corrected early in the design stages.
- Accelerates product development by decreasing the time needed for testing.

This allows products to be brought to market faster and at a lower cost, without sacrificing quality or robustness.

Evaluation of multiple critical scenarios: in the development of vehicles and their components, it is essential to evaluate the performance of designs in extreme situations, such as:

- Simulation of impacts or collisions (crash).
- Impact of vibrations on components.
- Behaviour under extreme temperature variations.

This ensures that the product can withstand real and extreme conditions, improving its reliability and robustness.

Material validation: simulation helps simulate how different materials behave, including:

- Plastics and polymers.
- Aluminium and steel.
- Glass.

This makes it possible to select optimal materials that maximize the strength of the component and increase its durability, while reducing its weight with less use of raw materials and lower consumption in the phase of use.

Safety compliance: FEA simulation makes it easy to comply with strict automotive safety regulations (such as Euro NCAP, FMVSS, etc.). For example:

- Evaluation of deformations in the structure of the vehicle during an impact.
- Structural integrity analysis to protect occupants.

The benefit obtained is the improvement of the robustness of the design, ensuring that the vehicles are safe and comply with global regulations.

Integration with advanced design processes: in the automotive sector, simulation is combined with tools such as:

- Parametric design.
- Topological or topographic optimization.
- Digital twins.

All of this allows innovative designs to be iterated, solutions to be validated in real time and to ensure that they are robust from the conceptual stage.

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Lastly, new requirements were included throughout the process, focused on achieving zero defects, to guarantee maximum product safety and customer satisfaction. In accordance with the methodologies implemented in the sector, all the possible ways a product risk may appear are identified at each step, from conception to the manufacturing phase, prioritising them and generating action plans to reduce their potential occurrence and severity, radically mitigating any potential failures in the products we deliver to our customers.

Several projects are underway to provide a more accurate prediction in the development phase of the behaviour of components and systems throughout their life cycle.

Eco-design

Introducing eco-design from the early stages of development helps minimise the impact of the products manufactured by CIE Automotive during the manufacturing process and also in the in-vehicle phase. In collaboration with its customers, the concepts of repairability, disassembly and recycling are introduced to improve the circularity of the end product, although these two points are the customer's final responsibility and CIE Automotive contributes its knowledge of materials and processes, as well as of certain safety products, acting as its safety manager for the information.

3.3.6 Targets MDR-T: Tracking effectiveness of policies and actions through targets

Despite the importance of this aspect, CIE Automotive does not currently have measurable, results-oriented and time-bound targets for end-user safety. However, the company monitors its policies through certificates (IATF 16949), complaint systems and the running of a product risk analysis in 2023 and 2024 in all the regions in which CIE Automotive operates. This analysis focused on preventing potential defects, which allowed for the strengthening of procedures and controls, and facilitated the traceability of all the products.

CIE Automotive remains committed to continuous improvement and is in the process of developing metrics and strategies to track the effectiveness of its actions in this area to meet the targets set in the future.

3.3.7 Metrics MDR-M: Metrics in relation to material sustainability matters

Metric	IATF 16949
Methodologies	The organisation will establish a documented process for conducting internal audits. This process should include the development and implementation of an internal audit programme covering the entire quality management system. This a programme should include internal system audits, production process audits and product audits. The frequency of the audits should be reviewed and, where appropriate, corrected when changes in the process occur. The effectiveness of the audit programme should also be analysed as part of the review by management.
Validation	The measurement of the metrics is validated by the external company TÜV Rheinland.
Labelling and definition	IATF 16949 is an international quality management system standard specifically designed for the automotive industry. This standard is based on ISO 9001 and is supplemented by additional requirements specific to the automotive sector. The IATF 16949 methodology focuses on continuous improvement, preventing defects, and reducing variations and waste in the automotive supply chain.
Material Impacts, Risks and Opportunities	Linked IROs are those obtained as a result of the dual materiality exercise for the themes: pollution (E2), water and marine resources (E3), circular economy (E5), own workforce (S1), value chain workers (S2) and business conduct (G1). These have been indicated throughout this report and detailed in the response to indicator <i>ESRS 2-SBM-3-48 h</i> .

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Metric	ISO 14001
Methodologies	ISO 14001 establishes a methodology based on the Plan-Do-Check-Act (PDCA) cycle. The procedure is to: 1. Establish the environmental objectives and processes necessary to achieve results consistent with its environmental policy. 2. Implement the processes as planned. 3. Monitor and measure the processes against the environmental policy, including its commitments, objectives and operational criteria, and report the results. 4. Take actions to continuously improve its environmental management system and its environmental performance.
Validation	The measurement of the metrics is validated by the external company TÜV Rheinland.
Labelling and definition	ISO 14001 is an international standard that specifies the requirements for an environmental management system and provides a framework that an organisation can follow to establish, implement, maintain and improve its environmental management system. The main objective of ISO 14001 is to help organisations to improve their environmental performance and to comply with their legal obligations and other obligations they have taken on.
Material Impacts, Risks and Opportunities	Linked IROs are those obtained as a result of the dual materiality exercise for the themes: pollution (E2), , water and marine resources (E3) and circular economy (E5). These have been indicated throughout this report and detailed in the response to indicator <i>ESRS 2-SBM-3-48 h</i>).

4. Governance Disclosures

4.1 Business conduct (ESRS G1)

4.1.1 Governance

4.1.1.1 ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

ESRS 2 – GOV-1-5 a)	<i>When disclosing information about the role of the administrative, management and supervisory bodies, the undertaking shall cover the following aspects: (a) the role of the administrative, management and supervisory bodies related to business conduct.</i>

General Shareholders' Meeting

The General Meeting is the highest representative body of the shareholders. Its functions are regulated by the Articles of Association and the Rules of Procedure of the General Meeting.

The General Shareholders' Meeting will decide on all matters that, in accordance with the law and the Company's articles of association, fall within its powers, and particularly those related to adopting the following types of resolutions:

- i. Approving, if applicable, of the company's annual individual and consolidated financial statements, resolving on the on the distribution of profits or allocation of losses from each year, and discharging the management of the company.
- ii. Approving its own rules of order and making any amendments to them.
- iii. Appointing, re-electing and confirming board members or decisions to dismiss them, without prejudice to shareholders' powers of co-option and right of proportional representation under the applicable legislation.
- iv. Appointing and re-electing the statutory auditors for the company and its group, and resolving to remove them in the cases provided for by law.
- v. Resolving on capital increases and decreases, delegating the Board the power to set the date(s) of their implementation, as appropriate and in accordance with legal requirements. The Board may make use of the delegation fully or in part or even refrain from doing so in consideration of the conditions of the market, those of the company itself, or any other fact it considers justifies this decision, reporting on this at the first General Shareholders' Meeting held after the end of the period granted for making the capital increase or decrease.
- vi. Amending the articles of association.
- vii. Resolving to wind up the company and to carry out a global assignment of its assets and liabilities, mergers, demergers, and to move the company's registered offices abroad.
- viii. Approving operations equivalent to the company's liquidation.
- ix. Approving the remuneration policies for the members of the Company's Board. Approving remuneration systems for the Company's Board members that involve granting them shares or share options, or any remuneration system indexed to its share price.
- x. Approving waivers of the board members' duty of loyalty and of their non-compete clauses, where the General Meeting is authorised by law to provide those waivers.
- xi. Authorising share buybacks.
- xii. Approving resolutions to wind up the company and appoint or remove insolvency practitioners; approving the final liquidation balance sheet.
- xiii. Approving the Company's acquisition or disposal or transfer of essential assets to another company.
- xiv. Approving transfers of the Company's prior core businesses to its subsidiaries, even where it would retain full control over them.
- xv. Approving transactions that the company enters into with other companies in its group that are subject to conflicts of interest, when the business or transaction in question is, by its very nature, legally reserved to the competence of the General Meeting and, in any case, when the amount or value of the transaction or the total amount of the set of transactions envisaged in a framework agreement or contract exceeds 10% of the company's total assets.
- xvi. Deciding on any matters submitted to it by the Board.

According to these Rules, to attend the General Meeting, shareholders must have their shares registered in their name at least five working days before the meeting is held. The members of the Board are obliged to attend the General Meeting according to article 10 of the General Meeting Rules. The required quorums are those established in section 194 Corporate Enterprises Act.

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In 2024, the General Meeting was held on 8 May and was attended by 436 shareholders, in person or by proxy, representing 87.9% of its capital. To ensure the identity of the attendees and the correct exercise of their rights, in the days leading up to the meeting, the attendees registered and exercised their rights to request information and clarification, which were answered during the General Meeting.

Board

CIE Automotive's highest decision-making body is the Board. It is composed of 13 members, including its Chair, who does not perform executive duties. Of these 13 directors, 2 are executive, 3 are independent and 8 are shareholder-nominated directors.

There is a balanced ratio between independent and shareholder-nominated directors, taking into account the percentage of share capital held by free float (ordinary investors) and stable capital (held by significant shareholders). The independent directors hold the chair, and are in the majority on the Appointments and Remuneration Committee, the Audit and Compliance Committee and the Environmental, Social and Governance (ESG) Committee.

BOARD OF DIRECTORS AT 31 DECEMBER 2024

	Position	Type of director	Appointments and Remuneration Committee	Audit and Compliance Committee	ESG Committee
Antonio María Pradera Jáuregui	Chair	Shareholder-nominated			
Fermín del Río Sanz de Acedo	Deputy Chair	Executive			
Jesús María Herrera Barandiarán	CEO	Executive			
Arantza Estefanía Larrañaga	Member	Independent	Chair	Member	Member
María Eugenia Giron Dávila	Member	Independent	Member	Member	Chair
Elena María Orbegoza Laborde	Member	Independent	Member	Chair	Member
Íñigo Barea Egaña	Member	Shareholder-nominated			Member
Javier Fernández Alonso	Member	Shareholder-nominated		Member	
Abanti Sankaranarayanan	Member	Shareholder-nominated			
Francisco José Riberas Mera	Member	Shareholder-nominated	Member		
Juan María Riberas Mera	Member	Shareholder-nominated			
María Teresa Salegui Arbizu	Member	Shareholder-nominated		Member	Member
Shriprakash Shukla	Member	Shareholder-nominated			
José Ramón Berecibar Mutiozabal	Secretary (non-board member)				

Functioning of the board

The functioning of the Board is regulated by the Articles of Association and the Board Rules, which state that:

1. The Board is competent to adopt resolutions on all matters not attributed by law or the Articles of Association to the General Meeting, with no substantial limits other than those established by the corporate purpose.
2. The Board is vested with the broadest powers and authority to manage and represent the Company.
3. Nevertheless, the Board will focus its activities on the supervision, organisation and strategic coordination of the CIE Automotive Group (the "Group"), defining, in particular, the level of risk it is willing to assume. Without prejudice to the powers that may not be delegated by law, the Board will entrust, in general, the duties of organisation and strategic coordination to the Chair of the Board, the Chief Executive Officer, the Executive Committee and senior management, who

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will disseminate, implement and supervise the general strategy and basic management guidelines established by the Board.

4. The Board will supervise the actions of the Chair of the Board, the Chief Executive Officer and the Executive Committee and senior management, and ensure the effectiveness of the system of checks and balances provided for in the applicable legislation.

5. Without prejudice to the powers delegated to it, the Board will, in addition to those specifically mentioned in the Rules, deal with matters of relevance to the Group within its powers relating to general duties of supervision, organisation and strategic coordination, and it undertakes in particular to exercise the following responsibilities directly:

- i. To establish, within the legal limits, the Group's policies and strategies and the basic guidelines for its management, and to decide on matters of strategic relevance to the Group.
- ii. To prepare the Annual Financial Statements, Directors Report and Proposed Allocation of Profits and Losses, as well as the consolidated Annual Financial Statements, Directors Report, the Statement of Non-financial Information, as well as the Financial Information that, as a listed company, the Company must periodically publish, ensuring that these documents provide a fair and accurate presentation of the equity, financial and non-financial position and results of the Company and its Group, in accordance with applicable legislation.
- iii. To continuously update and improve the Company's corporate governance system within the framework of current legislation and the most widely recognised good corporate governance recommendations, adopting within its powers, or proposing to the General Shareholders' Meeting, any resolutions that may be necessary or advisable.
- iv. Approving the strategic or business plan, the annual management objectives and budgets, the investment and financing policy, the corporate social responsibility policy, and the shareholder remuneration policy.
- v. Establishing the risk control and management policy, including tax risks, and supervision of internal reporting and control systems.
- vi. Determining the Company's tax strategy and approving investments or transactions that, due to their high amount or special characteristics, have a special tax risk.
- vii. Defining the structure of the CIE Automotive Group. Approving the creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the Group's transparency.
- viii. Appointing directors by co-option and proposing the appointment, confirmation, re-election or removal of directors to the General Meeting.
- ix. Appointing and renewing the internal offices of the Board and the members and offices of the committees set up within the Board.
- x. Proposing that the General Meeting approve the board member remuneration policy as established by law, and adopting decisions relating to board member remuneration within the framework of the Articles of Association and the provisions of that policy.
- xi. Appointing the board members who are to perform executive duties and removing them, setting the remuneration to be paid to them for their executive duties and the other terms of their contracts, in accordance with the board member remuneration policy approved by the General Meeting, and ensuring diversity within the Board.
- xii. Resolving on the appointment and removal of senior officers of the Company, and setting any compensation or severance pay if they are removed, all at the proposal of the Executive Committee or, if one has been appointed, of the CEO and, in all cases, following a report from the Appointments and Remuneration Committee.
- xiii. Formulating the dividend policy and making the relevant proposals to the General Meeting on how to allocate profits and losses, and resolving to pay out interim dividends.
- xiv. Approving the disposal of substantial assets of the Company and, in general, investments or transactions of all kinds that, due to their size or special characteristics, are of a strategic nature, including industrial, commercial or financial transactions of particular relevance or risk for CIE Automotive, establishing, where appropriate, the Company's position vis-à-vis the CIE Automotive Group companies in the above matters and transactions, without prejudice to the powers vested in the General Meeting.
- xv. Deciding on the proposals submitted to it by the Executive Committee, the CEO or the Board's committees.
- xvi. Approving, following a report from the Audit and Compliance Committee, transactions that the Company or Group companies carry out with board members or with shareholders who own significant stake or are represented on the Board, as well as with persons related to them, under the terms established by law.
- xvii. Approving the Company's annual Corporate Governance Report, as well as the annual Board Member Remuneration Report and any other reports deemed advisable by the Board to improve information for shareholders and investors or that are required by law. Calling General Meetings.
- xviii. Carrying out the resolutions passed by the General Meeting and any other duties entrusted to it by the General

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- Meeting.
- xix. Proposing that the General Shareholders' Meeting make the amendments to the General Meeting Rules that the Board considers appropriate to improve how the Meeting operates and for shareholders to exercise their rights.
 - xx. Approving and amending the Board Rules, in accordance with them.
 - xxi. Defining the structure of the general powers of attorney for the Company and the companies in the CIE Automotive Group, which will be granted by the corresponding management bodies in each case.
 - xxii. Deciding to authorise or waive the obligations arising from the duty of loyalty provided by law (except when the decision on the authorisation or waiver is legally incumbent on the General Meeting).
 - xxiii. Deciding on any other matters under its purview that the Board considers to be of interest to the Company or that the Rules reserve to the full Board's decision.

In 2024, the Board met seven times, all of which were presided over by its Chair.

To make it more efficient, the work of the Board is organised into committees:

Audit and Compliance Committee

Composed of five members (three independent and two shareholder-nominated directors), this committee oversees the preparation and integrity of financial and non-financial information and ensures the independence and effectiveness of the internal audit function. Its responsibilities include reviewing the internal control systems and managing financial, including tax, and non-financial risks; hiring, appointing and replacing auditors; and receiving information from the external auditor, whose independence it must ensure.

In 2024, the committee met five times.

Appointments and Remuneration Committee

Composed of four members (three independent directors and one shareholder-nominated director), this committee's duties include formulating and reviewing the criteria for selecting candidates for the Board, evaluating Board members, proposing and monitoring the system and amount of annual remuneration of Board members and senior management, and overseeing the procedures for selecting new Board members.

In 2024, the committee met three times.

Environmental, Social, and Governance (ESG) Committee

Comprising five members (three independent directors and two shareholder-nominated directors), this committee's work includes promoting CIE Automotive's corporate governance and ESG strategy.

In 2024, the committee met three times.

ESRS 2 – GOV-1–5 b)	<i>When disclosing information about the role of the administrative, management and supervisory bodies, the undertaking shall cover the following aspects: (b) the expertise of the administrative, management and supervisory bodies on business conduct matters.</i>

ANTONIO MARÍA PRADERA JAUREGUI – CHAIR (SHAREHOLDER NOMINATED)

A graduate in Civil Engineering from the Polytechnic University of Madrid, in 1979 he began his career as a manager at Banco Bilbao, where he remained until 1985. In 1988 he was appointed Executive Director of Nerisa, where he worked until 1993, when he moved to SEAT as Director of Strategy. He played an important role in the creation of INSSEC in 1995, where he was the CEO until 2010. He has been Executive Chair of CIE Automotive since 2002, where he has held positions in Strategic Management and Financial Design, as well as in Global Dominion Access, S.A. He has served on the boards of Tubacex since May 2015 and Corporación Financiera Alba since June 2015. On 31 December 2017, he stepped down from his executive role at CIE Automotive, reinforcing the company's good governance practices. Since then, and with his position on the Board and specialised committees in several listed companies, he has significantly increased his experience managing and supervising business conduct, reinforced by the training given in the various companies.

FERMÍN DEL RÍO SANZ DE ACEDO – DEPUTY CHAIR (EXECUTIVE DIRECTOR)

Degree in Business Administration and Management (San Sebastian). He began his professional career as a tax advisor in 1975 and founded Norgestión (a consultancy firm specialising in M&A, tax law and finance). He worked there until 2008. He was in charge of the tax section of the Guipúzcoa Professionals Association (ADEGI) and served on the Tax Committee of the Professionals Confederation of the Basque Country (CONFEBASK). He acted as chair of Autometal S.A., and sat on the boards of multiple companies in various production sectors, such as Fegemu S.A., Norfiser S.A., and Global Dominion Access S.A. He is currently on the boards of Alai Extrusión, S.A., Basquevolt, Marcos Larrañaga y Cia, S.A., and Viveros San Antón, S.A.5.

JESÚS MARÍA HERRERA BARANDIARAN – CEO (EXECUTIVE)

A graduate in Economics and Business Studies from the University of the Basque Country, with a Master's Degree in Internationalisation from Euroforum. He joined CIE Automotive in 1991 as CFO and HR Director at CIE Orbelan. In 1995 he was appointed deputy managing director and in 1998 he took over the general management of the company. In 2000, he was put in charge of CIE Brazil, as well as CIE Plasfil in 2002. That year he was appointed worldwide director of CIE Plastics until 2005, when he took over the general management of CIE America. He has been CEO of Autometal S.A., since 2010, and in 2011 he was appointed CEO of the entire Group, although a year later he took over as General Manager of CIE Automotive. In 2013, the Board appointed him CEO of CIE Automotive. He also serves on the board of Global Dominion Access, S.A.

ARANTZA ESTEFANÍA LARRAÑAGA – COORDINATING DIRECTOR (INDEPENDENT)

A graduate in Law with Honours and an Extraordinary End of Degree Award from the University of Deusto. From 2000 to 2019, she was Managing Partner of the Bilbao office of Uría Menéndez Abogados S.L.P., sitting on the firm's Board, Professional Practice Management Committee, and Criminal Risk Prevention Committee. She has been an independent director at Repsol, S.A., since 31 May 2019, a member of its Sustainability Committee since that date, and a member of its Remuneration Committee since 24 November 2021, serving on its Appointments Committee until that date. Since July 2021 she has been a Director and Secretary of the Board of its subsidiaries, Repsol Industrial Transformation, S.L.U., and Repsol Customer Centric, S.L. Since 8 May 2020 she has been an independent Director of Global Dominion Access, S.A., having chaired its Audit Committee until 12 May 2021. She currently serves as a member of the Audit and Sustainability Committees. Since May 2019, she has been part of the group of experts of the Economic and Social Council of the Basque Country, and since December 2019 she has served as chair of the Council's Economic Committee. She is Secretary of the Board of Bilbao Exhibition Centre S.A.

MARÍA EUGENIA GIRÓN DÁVILA – DIRECTOR (INDEPENDENT)

Holder of a degree in Industrial Engineering from ICAI and an MBA from Harvard Business School. She has been a Manager at Loewe and CEO of Carrera y Carrera after leading the "Management Buy-In" process. She is Vice Chair of the International Board of Trustees of Oceana and a member of the Board of Trustees of the Royal Tapestry Factory. She is a jury member of the European Commission's European Innovation Council Accelerator and the Green Deal. She co-founded Women Corporate Directors in Spain and is a member of the Board of the Institute of Board Members and Directors. She is also currently an independent director of Corporación Financiera Alba and Birks Group (NYSE) and a member of the advisory board of Delaviuda.

ELENA MARÍA ORBEGOZO LABORDE – DIRECTOR (INDEPENDENT)

Holder of a degree in Mathematical Sciences. She has spent part of his professional career in a multinational technology services company, focused on Information Management and Big Data. Elena María Orbegozo Laborde is a forward-thinking account manager with a proven track record of achievement in the IT sector over a career spanning over 30 years. She is an ambitious and dynamic manager of changes, dedicated to continuous business improvement, and focused on boosting revenues and streamlining business operations. She is dedicated to optimising profits.

ÍÑIGO BAREA EGAÑA – DIRECTOR (SHAREHOLDER NOMINATED)

With a degree in Aeronautical Engineering from the Polytechnic University of Madrid and the École Nationale Supérieure de l'Aéronautique et de l'Espace and an MBA from IESE Business School, he began his professional career as an engineer specialising in propulsion systems integration at Airbus. At the strategic consultancy A.T. Kearney, he worked on various international projects with a focus on improving operational efficiency. In 2020 he joined the technology company Just Eat, where he currently holds the position of general manager of Just Eat Spain.

JAVIER FERNÁNDEZ ALONSO – DIRECTOR (SHAREHOLDER NOMINATED)

Holder of an MBA with Honours from the University of Deusto, specialising in Finance. In 2000, he started his career in investment banking and M&A at Goldman Sachs in London and then joined ABN AMRO in Madrid in 2002. In 2006, he joined the Investment Department of Corporación Financiera Alba and was appointed Deputy Chief Investment Officer in 2007, Chief Investment Officer in 2012, and Managing Director in 2020, a position he currently holds. He currently represents Alba on the Boards of CIE Automotive, Ebro Foods, Profand Fishing Holding, Viscofan, and Naturgy's SPVs Rioja and Rioja Acquisition vehicles. He has previously sat on the Boards of, among others, Acerinox, ACS, Dragados, ACS Servicios y Concesiones, Euskaltel, Parques Reunidos, and Clínica Baviera. In addition, he also serves on the Board of the Group's private equity vehicle and is a member of the Investment Committee of two funds managed by Artá Capital.

FRANCISCO JOSÉ RIBERAS MERA – DIRECTOR (SHAREHOLDER NOMINATED)

Francisco J. Riberas was born in Madrid on 1 June 1964. He holds degrees in Law (1987) and in Economics and Business Studies (1988) from the Universidad Pontificia de Comillas (ICADE E-3), Madrid. He began his professional career by holding various positions in the Gonvarri Group, as Director of Corporate Development and later as its CEO. In 1997 he created Gestamp and since then he has been its CEO, eventually forming what is today the Gestamp Group. He serves on the boards of Telefónica, CIE Automotive and Wallbox. He also sits on the boards of other Gestamp companies and companies in the Acek family holding company, including companies belonging to the Gonvarri, Acek Energías Renovables and Inmobiliaria Acek groups. In addition, Francisco J. Riberas is the chair of the Spanish Association of Automotive Suppliers (SERNAUTO), and the Spain-China Council Foundation.

JUAN MARÍA RIBERAS MERA – DIRECTOR (SHAREHOLDER NOMINATED)

Jon Riberas was born in Madrid in 1968. He holds degrees in Law (1991) and in Economics and Business Studies (1992) from the Universidad Pontificia de Comillas (ICADE E-3). In 1992 he began his professional career in the Gonvarri Group in the Business Development area, later taking on the role of CEO. In 2005 he helped found ACEK Renewables, an operator in the renewable energy sector with a unique business model. In 2010 he was appointed Executive Chair of Gonvarri Industries and Co-Chair of Corporación ACEK, the family holding company. He currently holds the positions of Co-Chair of the family holding company, Executive Chair of Gonvarri Industries, Executive Chair of GRI Renewable Industries, and Deputy-Chair and member of the Board of Gestamp, in addition to serving on the Boards of CIE Automotive and Global Dominion.

MARÍA TERESA SALEGUI ARBIZU – DIRECTOR (SHAREHOLDER NOMINATED)

Holder of a degree in Economics and Business Studies from the University of Deusto. She began her professional career in the transport company La Guipuzcoana (1988-2002), where she reached the position of general manager, a position she also held at DHL Express Iberia (2002-04). She is currently the Chair of Addvalia Capital and Perth Espacio y Orden, and serves on the Board of Baztango.

ABANTI SANKARANARAYANAN – DIRECTOR (SHAREHOLDER NOMINATED)

Abanti Sankaranarayanan, an Indian national, leads the Public Affairs (India and International), Sustainability, and Risk functions in the Mahindra & Mahindra Ltd. Group, and is also a member of the Executive Committee. She also serves on the Executive Council of the Society of Indian Automobile Manufacturers (SIAM) and is Chair of the IIC Transport Working Group, in addition to co-chairing the Environment and Climate Change Committee of the Federation of Indian Chambers of Commerce and Industry for 2024. Prior to joining Mahindra, she was Head of Strategy and Corporate Affairs at Diageo India and a member of its Executive Committee, as well as a member of TATA Administrative Services (TAS), responsible for various brands within the Tata Group. Abanti's contribution to business has been recognised by Fortune India (The Most Powerful Women in Business; 2012, 2014, 2015 and 2016), IMPACT (50 Most Influential Women in Media, Marketing and Advertising; 2014, 2015, 2016 and 2017), India Today (India's 25 Most Influential Women, 2013) and Fast Company, New York (100 Most Creative People in Business, 2012). Abanti holds a degree in Economics from St. Stephen's College, Delhi and an MBA from the Indian Institute of Management (IIM), Ahmedabad.

SHRIPRAKASH SHUKLA – DIRECTOR (SHAREHOLDER NOMINATED)

Mr SP Shukla is a nationally recognised business leader in India who combines the best of academic excellence (IIT BHU & IIM Ahmedabad) along with a distinguished career in developing emerging high-tech sectors in the Indian economy. He currently chairs the Boards of several Mahindra Group companies in the defence, aerospace and agricultural sectors. He is also Chair of CIE Automotive India Ltd. Mr Shukla is one of India's foremost industry leaders, with over four decades of rich and varied experience managing large projects and operations in diverse industries, including tyres and automotive components, telecommunications, defence and aerospace, steel and agriculture.

4.1.2 Management of impacts, risks and opportunities

4.1.2.1 DR related to ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

ESRS 2 IRO-1-6	<i>When describing the process to identify material impacts, risks and opportunities in relation to business conduct matters, the undertaking shall disclose all relevant criteria used in the process, including location, activity, sector and the structure of the transaction.</i>

The general process followed to identify and assess Impacts, Risks and Opportunities (IROs) related to business conduct matters are described under ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities.

CIE Automotive has its own corporate governance regulatory framework [Articles of Association, Rules of Order of the Governing Bodies, Professional Code of Conduct, Internal Code of Conduct for the Securities Markets and the Criminal Risk Prevention Manual], which were used to identify a series of real positive impacts on its corporate culture, promoting transparency and integrity.

In addition, the company also generates a positive impact, through supplier relations, through the policies and procedures it has in place.

On the other hand, real negative impacts and risks were identified associated with corruption and bribery, and non-compliance with the Whistleblowing Channel, and risks associated with security of customer data.

Economic opportunities were also detected linked to promoting a corporate culture that includes respect for human rights, relations with suppliers based on transparency and fair and non-discriminatory treatment, and collaboration with public administrations.

ESRS G1 – Business Conduct – Impacts, Risks and Opportunities (IROs)

+ : positive impact // - : negative impact // R : risk // O : opportunity

Subtopics	IROs
Corporate culture	(+ and R) High security of customer data, including information relating to part moulds and prototypes
	(+) Fostering a corporate culture of high ethical standards, transparency and integrity.
	(+ and O) Promotion of a corporate culture that includes respect for human rights as a pillar through awareness-raising and training of professionals.
Corruption and bribery	(- and R) Existence of cases of corruption, fraud, bribery and money laundering, among other illicit practices.
	(-) Ineffectiveness of the Whistleblowing Channel for detecting and punishing illicit practices.
	(- and R) Breaches of the principles of the Professional Code of Conduct and loss of trust among the company's stakeholders.
Management of relationships with suppliers, including payment practices	(+ and O) Relations with suppliers based on objectivity, transparency and fair and non-discriminatory treatment.
	(+ and O) Helping suppliers develop their processes by partnering with them.
Protection of whistleblowers	(-) Economic or social duress on employees of the company or its Value Chain, placed on them by powerful figures in the company because they filed complaints.
Political participation and lobbying	(O) Collaboration with Public Administrations as a key Stakeholder Group to achieve improved services for communities.

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4.1.2.2 DR G1-1 – Corporate culture and business conduct policies and corporate culture

MDR–P G1-1–7	<i>The undertaking shall disclose its policies with respect to business conduct matters and how it fosters its corporate culture.</i>

Title	Professional Code of Conduct
Description	CIE Automotive conducts its business and professional activities in accordance with a Professional Code of Conduct, which serves as an ethical guide at all levels of the organisation.
Objective	To provide ethical guidelines and principles of conduct for all directors, managers, employees and workers of all the companies that comprise the Group, determining the values and commitments that must govern their work activities within the Group. It was drawn up with the aim of meeting the demands of both stakeholders and society in general, and thus continue to earn the commitment and trust they have placed in the Group.
Material Impacts, Risks and Opportunities	IROs related to the subtopics of corporate culture, corruption and bribery, supplier relationship management, including payment practices, political participation and lobbying, and whistleblower protection.
Scope of the policy	This Code of Conduct is binding for all members of the Group without exception. All employees have the obligation to understand and comply with these rules of conduct, and in no jurisdiction will ignorance of the law exempt them from compliance. CIE Automotive will also encourage its business partners or business associates (joint ventures, temporary joint ventures, suppliers, customers, contractors and collaborating companies) to act in accordance with this Code and to apply ethical programmes that are consistent with its standards. The Group will take appropriate action if it becomes clear that they have not complied with their policies or contractual obligations.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	The Professional Code of Conduct applies globally.
Value Chain	CIE Automotive will encourage its Value Chain to act in accordance with this Professional Code of Conduct and to implement ethical programmes that are consistent with its standards. The Group will take appropriate action if it becomes clear that they have not complied with their policies or contractual obligations.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of the Professional Code of Conduct.
Availability	Public document posted on the corporate website and on the Group's intranet.

Policy	Anti-Corruption and Fraud Policy
Description	This policy was prepared on the basis of the main sources of relevant legislation and best practices on the subject of combating corruption and fraud. There is currently an exhaustive set of pertinent laws, legislation, and international agreements, and those used for reference here include the United Nations (UN) Convention Against Corruption; the UN Anti-Corruption Ethics and Compliance Programme for Business, the Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the United States Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and Spain's Criminal Code [<i>Código Penal</i>], along with other international sources.
Objective	To define the rules of conduct related to preventing corruption, in line with the principles and rules of conduct that CIE Automotive has documented in its Professional Code of Conduct.
Material Impacts, Risks and Opportunities	IROs related to the subtopics of corruption and bribery, whistleblower protection and corporate culture.
Scope of the policy	Compliance with this Policy is compulsory for all members of the Group, without exception. In addition, the rules 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.
Stakeholders concerned	All CIE Automotive stakeholders.

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Geographical regions	This policy applies globally.
Value Chain	In line with the general principle of zero tolerance for any form of corruption, CIE Automotive does not allow acceptance of any gifts, favours, or unpaid services from external parties, whether offered in the form of cash or in kind, or as any other object of value, except for those that have only a symbolic value and are not intended to influence the objectivity that must be maintained during all of its activities.
Body responsible for implementation	CIE Automotive's Board, through its Audit Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the Group's corporate website.

Policy	Human Rights Policy
Description	This policy formalises the company's commitment in this area, in a manner consistent with the Professional Code of Conduct and the ten principles of the United Nations Global Compact (https://www.pactomundial.org/).
Objective	To minimise the risk of human rights violations, by establishing principles and guidelines for due diligence in relation to those rights, so that this Policy can be used to identify, prevent, mitigate, and remedy all potential negative impacts
Material Impacts, Risks and Opportunities	ROs related to the subtopics of corporate culture, anti-corruption and fraud and whistleblower protection.
Scope of the policy	Compliance with this Policy is compulsory for all members of the Group, without exception. In addition, the rules 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.
Stakeholders concerned	All CIE Automotive stakeholders.
Geographical regions	CIE Automotive's Human Rights Policy applies to all of the Group's activities, regardless of the worldwide location where they are being performed.
Value Chain	CIE Automotive must distribute its commitment to human rights across its entire value chain. Likewise, CIE Automotive is committed to disseminating this policy to its suppliers, contractors, collaborating companies and customers, promoting and incentivising the various components of the value chain to implement their own policy in relation to this matter and, if they do not have one, to adhere to the Group's policy.
Body responsible for implementation	The Board, through its ESG Committee, is ultimately responsible for the existence and application of this policy.
Availability	Public document posted on the Group's corporate website.

GI-I-9 AR 1	<i>The disclosures required under paragraph 7 shall include how the undertaking establishes, develops, promotes and evaluates its corporate culture.</i>

The main rules governing corporate culture are the Articles of Association, the Rules of the Governing Bodies, the Professional Code of Conduct, the Internal Code of Conduct for Securities Markets and the Criminal Risk Prevention Manual. These texts are complemented and developed by all the corporate policies enacted by the Board.

CIE Automotive periodically reviews these standards to adapt them to the requirements and recommendations of the CNMV, prevailing legislation and the highest standards of good governance. In 2023, it amended the Whistleblowing Channel Rules to facilitate the reporting of irregularities and ensure whistleblower confidentiality, in line with the latest legislation, and it updated its Board Member Remuneration Policy to adapt it to market developments.

Likewise, in February 2024, a project was completed to comply with all the parameters proposed by Transparency International Spain (a top-level benchmark in the field) in the areas of regulatory compliance, anti-corruption and good governance. This included reviewing the following areas:

- The Internal Whistleblowing System and Channel at a global level, in accordance with the Whistleblower Protection Act, and with the aim of establishing a common body for other companies in the Group, without prejudice to the establishment of specifics in an annex.
- The criminal risk map and the criminal risk prevention, fraud and anti-corruption policies.

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- Establishing new basic guidelines for defence of competition.
- Identifying recommendations of various kinds in relation to preventing various types of harassment.
- Reviewing and, where necessary, improving the good governance and ESG policies.

Both the legal framework defined by the Group and the Annual Corporate Governance Report and the Annual Board Member Remuneration Report are available on the corporate website, following the technical and legal specifications established by the National Securities Market Commission in its Circular 3/2015 of 23 June.

In parallel, the Group reviewed the controls of its risk management system, expanding its risk map with the collaboration of a larger number of people. In addition, it deployed its criminal risks map in new countries such as Portugal, Lithuania, Hungary, South Korea and Morocco, and updated its criminal risks matrix in the Czech Republic and France.

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

By the end of 2024, over 95% of companies had launched comprehensive training in this area.

Participation in Forética

CIE Automotive is a member of the Transparency, Good Governance and Integrity Cluster, a business platform coordinated by Forética in Spain, which aims to promote a sustainable corporate governance model and address various issues related to ESG management, disseminating the main trends in this area and serving as a meeting point where companies can engage in dialogue and exchange knowledge with each other.

The cluster's activity in 2024 focused on working on three key issues due to their topicality and impact on organisations: the internal governance of organisations and specifically on Boards of Directors, focusing on variable remuneration and incentives for directors linked to Environmental, Social and Governance (ESG) objectives; the new reporting framework set by the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS); and the EU Taxonomy, following the approval of the remaining 4 of the 6 environmental objectives.

G1-I-10 a)	<i>The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters: (a) a description of the mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules; and whether it accommodates reporting from internal and/or external stakeholders.</i>

As part of its firm commitment to ethical conduct, and as an essential element of its work to eradicate corruption, CIE Automotive has implemented and maintain a comprehensive set of ethics tools. This includes an Internal Whistleblowing System that is in full compliance with EU legislation, the relevant national laws, and the highest standards existing on the subject. This includes, among other elements, an internal reporting channel known as the Whistleblowing Channel, which is made available through the corresponding online platform. There is also a set of Whistleblowing Channel Rules that have been implemented and duly distributed. These tools play a fundamental role in promoting an organisational culture based on ethics, integrity, and transparency.

The Whistleblowing Channel, which is available via an online platform accessible through the corporate website, has been designed to serve as a means of communicating information about potential legal infringements (including infringements of EU law, criminal offences, administrative infractions, occupational health and safety violations, and possible non-compliances with the Professional Code of Conduct and all the other internal rules that are part of its Compliance Management System). The Whistleblowing Channel offers various ways of communicating the information being reported, and whistleblowers may select any of those options.

In 2023, CIE Automotive strengthened its Whistleblowing Channel by installing a digital platform on its corporate website, which ensures the security of the whistleblowing process and simplifies how the Company manages each case. It is a cutting-edge and intuitive system in all the languages of the countries where the company is present, which offers the possibility of opening a secure mailbox where users can submit reports and provide complementary information in various formats (in writing, voice messages, etc.). All the information is confidential and, if the whistleblower wishes, anonymous.

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The new digital channel has been implemented in accordance with the requirements of the Whistleblower Protection Act and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council.

Compliance with this new law has led to the modification of the Whistleblowing Channel Rules, which set out the general principles of the system and how it is managed.

Whistleblowing Channel Rules:

The Whistleblowing Channel may be used by anyone who is part of CIE Automotive, i.e., all persons professionally related to the company (employees, regardless of their status, including trainees, whether due to being shareholders, executives or members of the Board, as well as applicants in hiring processes, interns, trainees, retirees, etc.) may submit information on alleged breaches or raise queries through the internal channel, either directly or through counsel.

It may also be used by external third parties, freelancers, suppliers, contractors and subcontractors (and their employees), provided that they comply with the established requirements and procedures.

After reporting the information on a suspected breach, a message will be automatically generated to the System Administrator to notify them of the receipt of the information.

Similarly, the reporting person will automatically receive an acknowledgement of receipt through the platform. This acknowledgement will notify receipt of the communication, provide the assigned case number and ensure that personal data are processed in full compliance with the relevant regulations. In addition, the informant will be informed of the obligations and commitments regarding confidentiality, protection of personal data and guarantee of rights, which must be respected both during the processing of the file and after its closure, as the case may be.

The filed report will be recorded in the platform and its content will be stored in a secure, restricted-access database where all the reports received will be recorded. If multiple reports are received concerning the same event or events that are wholly or significantly related, the various cases may be joined together.

The System Manager will (with the support of the Compliance Body) carry out a preliminary assessment of the report as soon as possible, in particular on the sufficiency and plausibility of the report and whether it complies with the other requirements under these Rules.

The investigation phase will be opened when, after a preliminary analysis, the System Manager has decided to accept the report filed through the Channel (online platform).

Depending on the scope, subject matter, extent and/or persons allegedly involved, the investigation may be carried out directly by the System Manager (without prejudice to any consultations or support that may be required from other departments or external advisors for its full substantiation) or may be referred to other specific departments to carry out the investigation (Investigator), especially Internal Audit.

However, the System Manager will supervise the investigation of reports that they do not directly investigate, and will at all times provide support, assistance and advisory for such investigations.

The person designated to carry out the investigation may, subject to the approval of the Whistleblowing System Manager, engage external auditors or consultants to assist in the investigation and the analysis of the results.

The Investigating Person in charge of the investigation will be authorised to interact with the informant in order to obtain additional details to facilitate the proper and timely conduct of the investigation. This will include requesting additional information or evidence related to the reported facts.

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GI-I-10 c)	<i>The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters: (c) how the undertaking protects whistleblowers, including:</i> <i>i. Details on the establishment of internal whistleblower reporting channels, including whether the undertaking provides for information and training to its own workers and information about the designation and training of staff receiving reports; and</i> <i>ii. Measures to protect against retaliation its own workers who are whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council;</i>

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

By the end of 2024, over 95% of companies had launched comprehensive training in this area.

As stated in the Internal Whistleblowing System Policy and the Whistleblowing Channel Rules, the Manager of the Internal Whistleblowing System (a function assigned to the Group's Chief Compliance Officer) will be the one in charge of managing the Internal Whistleblowing System and will act with full independence and autonomy, with the necessary personal and material resources to carry out their duties. For any reports that are filed, depending on the scope, subject matter, extent and/or persons allegedly involved, the investigation may be carried out directly by the System Manager (without prejudice to any consultations or support that may be required from other departments or external advisors for its full substantiation) or may be referred to other specific departments to carry out the investigation (Investigator), especially Internal Audit. However, the System Manager will supervise the investigation of reports that they do not directly investigate, and will at all times provide support, assistance and advisory for such investigations.

When a report so requires, everyone involved in the internal investigation process must be trained in the Whistleblowing Channel Rules and the procedure to be followed.

CIE Automotive is required to train the Chief Compliance Officer on how the Whistleblowing Channel works, which is the main channel of the Internal Whistleblowing System. Similarly, it is the Chief Compliance Officer who must train and inform everyone who is directly or indirectly involved in managing the Whistleblowing Channel.

The basic principles on which the Internal Whistleblowing System is based are: communication, anonymous reporting, truthfulness, presumption of innocence, confidentiality, effective protection, proportionality, impartiality, fairness, the right to a hearing, equal opportunities, data protection and non-retaliation. For further details, the Rules can be found on the Group's corporate website.

As indicated in both the Professional Code of Conduct and the Rules themselves, any kind of direct or indirect retaliation against those who have made due use of the Whistleblowing Channel, in good faith, is prohibited, and attempted or consummated retaliation against those who have reported in good faith will be definitively sanctioned.

The prohibition against retaliation will not prevent the adoption of appropriate disciplinary measures when the internal investigation determines that the information communicated through the internal channel is false and that the whistleblower has made the report knowing it to be false and acting in bad faith.

Whistleblowing Channel Rules

Security and confidentiality measures

CIE Automotive will ensure that all necessary technical and organisational measures are taken to preserve the security of the data collected to protect them from unauthorised disclosure or access.

In this respect, whistleblowers may decide whether they want to identify themselves when making a report. Anonymous complaints are therefore admissible. In any case, maximum confidentiality will be guaranteed regarding the identity of the informants who initially or subsequently wish to identify themselves.

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To this end, CIE Automotive has adopted appropriate measures to guarantee the confidentiality of all the data and will ensure that the data relating to the identity of the whistleblower is not disclosed to the accused during the investigation, while respecting the person's fundamental rights, without prejudice to any action that may be taken by the competent judicial authorities. The identity of the whistleblower may only be disclosed to the administrative and judicial authorities, where legally appropriate, for the proper handling of any administrative or judicial proceedings that may arise from the complaint lodged.

In this regard, the identity of the reporting person will only be known to the persons in charge of managing the System and investigating the report, as well as to the areas that are strictly necessary for the investigation of the facts and resolution of the reports made. Lastly, persons who, by reason of their duties, have knowledge of the complaints made, are personally bound to keep all information to which they have access secret.

Avoiding discriminatory practices

Since 2020, CIE Automotive has had a Harassment Prevention and Treatment Protocol in place, which is mandatory at all Group facilities. This protocol addresses the prevention of mobbing, sexual harassment, discriminatory harassment (on grounds of sex, gender or other discriminatory grounds), acts of violence in the workplace and cyberbullying.

It includes a number of preventive measures, such as zero tolerance of harassment, making all employees responsible for monitoring conduct at work, and implementing communication programmes. The full protocol is available on the corporate website.

Number of complaints received in 2024

In 2024, 91 complaints were received through the Whistleblowing Channel, 35 more than in 2023, although a total of 25 of these reports were closed as no evidence was found to justify them during the internal investigations carried out.

The complaints received in 2024 related to:

- Human resource management in the day-to-day work planning in the factories: 40 complaints, eight of which were closed with no action to be taken, as no evidence was found during the internal investigation to justify them.
- Bullying: 26 cases of improper attitudes by hierarchical superiors towards permanent employees. Of the total of 26 cases reported, 6 were closed with no action to be taken, as no evidence was found during the internal investigation to justify them
- Business management: 10 cases related to the company's operations with its stakeholders. Of this total, five were closed with no action to be taken, as no supporting evidence was found during the internal investigations.
- Bribery and corruption: four reported cases of improper practices at various plants by individuals in the Procurement and HR departments, who breached CIE Automotive's General Purchasing Conditions for their own benefit. Although the amounts were not significant, and the size of the contracts with the related supplier companies did not materially affect the economic performance of the plants involved, their existence affected the group's image and ethical commitment. One of the reported cases was closed as the internal investigation did not produce sufficient evidence to justify the complaint.
- Fraud: four reported cases of improper practices in two plants by employees from the Administration and Finance department and the Purchasing department. It should be noted that three of the four complaints were closed due to a lack of evidence found during the internal investigation.
- Breaches of the Professional Code of Conduct: a total of three cases of breaches of the Code of Conduct by certain employees. In this case too, one of the reported cases was closed due to lack of evidence.
- Sexual harassment: two cases of improper attitudes by hierarchical superiors towards permanent employees.
- Discrimination: one case of discrimination was reported.
- Conflicts of interest: one complaint was received.

In 2023, by contrast, the complaints related to human resources management in day-to-day factory work planning (20), workplace harassment (16), fraud and corruption (seven), breaches of the Professional Code of Conduct's guidelines (six), business management (four), discrimination (two) and sexual harassment (one).

In all the cases reported in 2024 and communicated to the ESG Committee, the appropriate actions were taken to study, monitor and resolve or close the cases.

The actions may include specific training plans, conciliatory measures, disciplinary proceedings and also dismissal. In the latter case, ten persons were dismissed due to the actions taken following the relevant internal investigations: three persons related to cases of bullying, two due to reports of breaches of the Professional Code of Conduct, two in cases of sexual harassment, two in cases of human resource management, and one in relation to a report of a conflict of interest.

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In 2023, nine persons were dismissed as a result of actions taken: three persons related to allegations of fraud and corruption, two persons related to non-compliance with the Code of Professional Conduct, two persons related to the business management cases, one person involved in one of the harassment cases and one person related to one of the discrimination allegations.

In addition, employees from the Management Team and the relevant HR departments mediated to resolve reported cases of bullying, sexual harassment and discrimination, and to prevent their recurrence, by further educating employees on the company's values and the guidelines of the Professional Code of Conduct. External professionals also helped carry out detailed investigations in those cases where required.

GI-I-10 e)	<i>The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters: (e) beyond the procedures to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, whether the undertaking has procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively.</i>

As set out in the Whistleblowing Channel Regulations, CIE Automotive has procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively.

Internal investigation procedure

1. Reception and preliminary analysis of the report

After reporting the information on a suspected breach, a message will be automatically generated to the Manager of the Whistleblowing System (the "System") to notify them of the receipt of the information. Similarly, the reporting person will automatically receive an acknowledgement of receipt through the platform. This acknowledgement will notify receipt of the communication, provide the assigned case number and ensure that personal data are processed in full compliance with the relevant regulations. In addition, the informant will be informed of the obligations and commitments regarding confidentiality, protection of personal data and guarantee of rights, which must be respected both during the processing of the file and after its closure, as the case may be. The filed report will be recorded in the platform and its content will be stored in a secure, restricted-access database where all the reports received will be recorded. If multiple reports are received concerning the same event or events that are wholly or significantly related, the various cases may be joined together.

If the information received is considered to be totally or partially confusing or insufficient, the relevant amplifications or clarifications may be requested through the platform. The System Manager will (with the support of the Compliance Body) carry out a preliminary assessment of the report as soon as possible, in particular on the sufficiency and plausibility of the report and whether it complies with the other requirements under these Rules.

2. Decision on admissibility or inadmissibility

After the preliminary analysis, the System Manager will make one of the following decisions, which will be recorded in the report:

a. To admit the report for processing and initiate the investigation in accordance with the provisions set out below.

b. Not to admit the report in the following cases:

- If the facts reported do not constitute an infringement as set out in these Rules.
- If no evidence was produced that could at least minimally corroborate the facts.
- If the facts reported are implausible or manifestly unfounded.
- If there are reasonable grounds to believe that the information, evidence or proof provided was obtained unlawfully.
- If the information communicated is already in the public domain or the System Manager already knew them and did not consider them to constitute an infringement (unless there are relevant new circumstances, evidence or proof to justify an investigation).

Both a decision not to admit the reported information and a decision to admit it for processing will be communicated to the whistleblower through the Platform (or by email if the whistleblower used the email that was in place before the platform). The whistleblower will be able to follow the progress of the case if they wish to do so by using the unique code provided (case number) and their password in the platform messages.

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3. Investigation

3.1. Opened

The investigation phase will be opened when, after a preliminary analysis, the System Manager has decided to accept the report filed through the Whistleblowing Channel (online platform). Likewise, the Manager may also initiate this phase "ex officio" when made aware, through sources or channels other than the Ethics Channel, of facts that could constitute a breach and that, to the best of their knowledge, make it advisable to open an investigation. These cases will also be recorded in the Information Management System, with an explicit note that they have been initiated "ex officio".

3.2. Designation of the body conducting the investigation

Depending on the scope, subject matter, extent and/or persons allegedly involved, the investigation may be carried out directly by the System Manager (without prejudice to any consultations or support that may be required from other departments or external advisors for its full substantiation) or may be referred to other specific departments to carry out the investigation (Investigator), especially Internal Audit. However, the System Manager will supervise the investigation of reports that they do not directly investigate, and will at all times provide support, assistance and advisory for such investigations.

The person designated to carry out the investigation may, subject to the approval of the Whistleblowing System Manager, engage external auditors or consultants to assist in the investigation and the analysis of the results. The Investigating Person in charge of the investigation will be authorised to interact with the informant in order to obtain additional details to facilitate the proper and timely conduct of the investigation. This will include requesting additional information or evidence related to the reported facts.

In addition, they will have the power to request the documentation and information they deem necessary from other offices, areas or departments of the organisation. They may also conduct interviews with such persons as they deem appropriate to verify the veracity of the facts reported. The right of the affected persons to be informed of the facts attributed to them will be guaranteed, as well as the opportunity to be heard and to exercise their right of defence in an adequate manner.

In no case will the identity of the informant be disclosed nor will access to the report received be provided to the affected persons. Communication with the affected persons will be carried out, if necessary, at such time and in such manner as deemed appropriate to ensure the success of the investigation. The identity of the informant will only be disclosed to court authorities, the Public Prosecutor's Office or the competent administrative authority in the context of a criminal or disciplinary investigation.

3.3. Investigation report

The purpose of the investigation phase is to carry out any measures deemed strictly necessary to verify the reality of the facts reported and their possible provisional classification (as a criminal offence, etc.), e.g., statements by the persons concerned/investigated, confidential questioning and interviews with witnesses, etc.

In all interviews that are conducted, the relevant facts of the interview will be noted in writing by the System Manager or the Investigator, and will be recorded in official records to be signed by the interviewees and, where appropriate, by external advisors. Likewise, all investigations will state the points required by current legislation on data protection.

Upon completion of all the steps of the investigation, the System Manager or Investigator will prepare an Investigation Report including detailed documentation of the entire investigation procedure.

The Report will contain a brief description of the following elements:

- Nature of the incident: To the extent possible, the parties involved; the nature of the facts; the date, place and circumstances in which they allegedly occurred; and the legal precepts or internal regulations breached or endangered will all be identified.
- The persons who collaborated in the investigation: The person(s) comprising the team who have collaborated with the investigation will be duly identified.
- List of relevant facts and findings: The most relevant facts gathered throughout the investigation procedure will be reported, differentiating between those obtained from documentation, from information provided by the informant, or from interviews held with the affected persons and with witnesses.
- Conclusions and assessment of the facts: The conclusions drawn will be stated with an assessment of the facts reported. These may include:

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- Closing of the report: when, after the appropriate investigation, they deem that the reported facts have not been sufficiently proven, or that they do not constitute a Breach.
- Proposal to continue the procedure: if the investigation carried out showed that there are reasonable grounds to believe that the accused may have committed any of the breaches.

The System Manager will review the investigation report received before forwarding it to the Audit and Compliance Committee ("ACC"), regardless of whether that body conducted the investigation.

3.4. Submission of the file and final decision

The System Manager will be responsible for submitting the Investigation Report to the ACC. The ACC will decide (a final hearing with the persons concerned may be granted beforehand, if deemed strictly necessary) whether to close the case or, on the contrary, to initiate disciplinary proceedings.

The ACC decision will be forwarded:

- The Group's Human Resources Management if disciplinary action is necessary.
- The Secretary of the Board, as the Group's legal counsel, should legal action be necessary.
- The department in charge of handling the response to be taken against a reported person external to the Company.
- The Compliance Body if a specific aspect of the Compliance Management System needs to be reinforced.
- The Internal Whistleblowing System Manager for archiving, management and follow-up of the measures taken.

The informant and affected persons will in all cases be informed of the decision taken. In general, the ACC must issue a decision within the limitation periods indicated in the local legislation of each jurisdiction where the company has a presence and the investigation was carried out.

As a general rule, the statute of limitations is three months from the acknowledgement of receipt of the report by the whistleblower (if no acknowledgement of receipt was sent for the reasons set out in this protocol, the three-month limitation period will start once seven working days have passed since the day after the report was received). However, in cases of a complex investigation (due to the subject matter, the measures to be taken, etc.), the limitation period may be extended by a further three months on a reasoned basis

G1-1-10 g)	<i>The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters: (g) the undertaking's policy for training within the organisation on business conduct, including target audience, frequency and depth of coverage.</i>

CIE Automotive is committed to a policy of zero-tolerance for criminal offences, and it expects all its workers to internalise this policy. For this purpose, it will carry out training actions as necessary and with the required frequency, with the minimum frequency being once per year.

Continuous training can be included as part of the deployment of the criminal compliance model, as part of the company's ESG workshops, merely as an internal communication in its corporate magazine, as well as part of specific training programmes, such as the training carried out in 2024 on the new Professional Code of Conduct.

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

By the end of 2024, over 95% of companies had launched comprehensive training in this area.

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G1-I-10 h)	<i>The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters: (h) the functions within the undertaking that are most at risk in respect of corruption and bribery</i>

Corruption is a complex social, political, and financial phenomenon that exists in all countries, where it undermines democratic institutions, hinders economic development, and contributes to governmental instability.

CIE Automotive is committed to combating corruption by establishing principles to guide the behaviour of everyone in the Group. Also in relation to this commitment, CIE Automotive is a signatory of the Ten Principles of the UN Global Compact (<http://www.pactmundial.org/>). 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.

Specifically, and in accordance with the tenth principal, CIE Automotive has a zero-tolerance policy with regard to behaviour that is likely to be considered an act of corruption and bribery, both in the public and private sphere. Consequently, CIE Automotive is committed to fighting all forms of corruption, including extortion and bribery, and to implementing specific policies on this subject.

All directors, senior managers, employees, and workers at all CIE Automotive companies must ensure that when carrying out commercial relations, their conduct always reflects the principles of integrity and transparency, while avoiding and rejecting any form of conduct that could be considered as an act of public-sector or private-sector corruption or bribery.

However, based on its accumulated experience, as well as on the reports filed through the internal channel set up for this purpose (the Whistleblowing Channel), the business areas where this type of situation is most likely to occur are those related to the management and purchase of supplies.

G1-I-11	<i>Undertakings that are subject to legal requirements under national law transposing Directive (EU) 2019/1937, or to equivalent legal requirements with regard to the protection of whistle-blowers, may comply with the disclosure specified in paragraph 10 (d) by stating that they are subject to those legal requirements.</i>

CIE Automotive's Internal Whistleblowing System (one of the main components of which is the Whistleblowing Channel) has been implemented in accordance with the requirements of the Whistleblower Protection Act and in line with international legal requirements, which derive from Directive (EU) 2019/1937 of the European Parliament and of the Council.

Compliance with this new law has led to the modification of the Whistleblowing Channel Rules, which set out the general principles of the system and how it is managed.

4.1.2.3 DR G1-2 – Management of relationships with suppliers

G1-2-14 AR 2 and AR 3	<i>The company should provide a description of its policy to prevent late payments, specifically to SMEs.</i>

CIE Automotive has assessed its capacity to collect information relating to its policy to prevent late payments, specifically to SMEs, applying an approach based on the principle of reasonable effort, which takes into account both the level of influence and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of application of the Directive, only the data for Spain will be reported, as it is the only one available, included in Note 16 of the Consolidated Financial Statements of CIE Automotive S.A. at year-end 2024. The company is working to include this information for the other countries in future reports.

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<i>G1-2-15 a)</i> AR 2 and AR 3	<i>The undertaking shall provide information about the management of its relationships with its suppliers and its impacts on its supply chain, including the following information: (a) the undertaking's approach to its relationships with its suppliers, taking account of risks to the undertaking related to its supply chain and of impacts on sustainability matters; and</i>

Shared responsibility, shared benefits

Renewal of sustainable procurement and sourcing certification. In 2023, CIE Automotive renewed its ISO 20400 sustainable procurement and sourcing certification, remaining the only Spanish company in the sector to hold this quality seal. The annual renewal followed a rigorous audit carried out by the Spanish Association of Purchasing, Contracting and Procurement Professionals under the sustainable purchasing requirements of the International Federation of Purchasing and Supply Management (IFPSM). This audit verified that the company complied with the requirements formulated the previous year. CIE Automotive thus ratified the excellence of the Purchasing Area's operations and its contribution to the Company's sustainability and social responsibility policies. To achieve the accreditation, which is based on the UNE-15896 standard on Value-Added Purchasing Management, the following parameters were taken into account:

- Sustainable Procurement Policy,
- Selection and monitoring of suppliers,
- Procurement processes, Environmental, Social and Governance requirements in purchasing and procurement throughout the Group,
- Buyer training,
- Risk management, purchasing specifications and internal organisation,
- Alignment with the latest legislation and its requirements on Due Diligence, Taxonomy, Diversity and Inclusion.

Beyond the recognition that certification implies, it also represents a challenge for procurement teams, as it not only requires the Company to comply with ISO 20400 guidelines, but also requires its suppliers to comply with ESG standards, prohibiting them from selling to the Company without a positive assessment of their management. The ISO 20400 certification reinforces the Group's sustainability policies by extending them to its entire supply chain and lays the foundation for further progress in ESG:

- Ensuring supply chain safety.
- Avoiding financial, environmental and reputational risks.
- Instilling confidence in investors, customers and other stakeholders.
- Promoting employee welfare and helping open new markets for products and services.
- Being prepared to achieve the decarbonisation targets that CIE Automotive has set for itself, with the supply chain in scope 3 being the main generator of emissions

CIE Automotive is the only Spanish company in the automotive component sector that holds ISO 20400 certification.

<i>G1-2-15 b)</i> AR 2 and AR 3	<i>The undertaking shall provide information about the management of its relationships with its suppliers and its impacts on its supply chain, including the following information: (b) whether and how it takes into account social and environmental criteria for the selection of its suppliers.</i>

As set out in its Global Supply Chain Manual, CIE Automotive has a Supplier ESG Portal for selecting its suppliers.

The Supplier ESG Portal is a platform focused solely on ESG management, and the entire supply chain is required to register with it to comply with the Group's requirements and commitments in this area. All registered suppliers must pass the ESG assessment for productive or direct suppliers, as well as non-productive or indirect suppliers with a purchase volume of over EUR 0.5 million/year.

The platform is free of charge and accessible at: <https://supplychain.cieautomotive.com/Home/Login>, and technical support is also available at: Tel: +34 910 770 157 and email: atencionalcustomere@fullstep.com

This platform, which in turn is an interactive channel, is designed to fulfil two objectives:

1. To help companies interested in working with CIE Automotive register with it by standardising the assessment required for them to be included on the supplier list.
2. To provide a reference tool for purchasing managers worldwide.

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Once they are registered, suppliers must answer four questionnaires covering the following areas:

- Business management
- Environmental management
- ESG management
- Conflict mineral management

CIE Automotive ensures that its procurement processes are standardised, following the criteria of objectivity, impartiality and equal opportunity. Registration through the Supplier ESG Portal, (verified and renewed every four years), becomes a necessary requirement for these production suppliers working with CIE Automotive, and will bring multiple benefits to their company:

- Inclusion on the CIE Automotive Group's global supplier list.
- Expedited submission of the minimum documentation required to become a supplier to CIE Automotive.
- An easy tool for managing updates to the company's data and users.

Furthermore, signing the Supplier ESG Commitment is mandatory for both regular suppliers, as they are part of CIE Automotive's supplier list, and new suppliers.

All this information has been detailed throughout this report in response to the following indicators: S2-4-32 a) AR 38, ESRS 2-GOV-5-36 a) AR 11, ESRS 2-SBM-2-45 a) ii-iv AR 16, S2-SBM-2-9, S2-1-17 b), S2-4-31 and S2-4-32 a) AR 38.

4.1.2.4 RD G1-3 – Prevention and detection of corruption and bribery

GI-3-18 a) AR 5 and AR 6	<i>The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery including the related training) shall include the following information: (a) a description of the procedures in place to prevent, detect, and address allegations or incidents of corruption and bribery.</i>

CIE Automotive is committed to fighting fraud and corruption in all its forms, including extortion and bribery, and to developing specific policies in this area. This commitment is evidenced by its adherence to the ten principles of the United Nations Global Compact.

In addition to its Professional Code of Conduct, whose guidelines call for eradicating fraud and corruption, it also has an Anti-Corruption and Fraud Policy, which states that its relations with civil servants and authorities must be based on the principles of transparency, integrity, objectivity, impartiality and legality.

As part of its firm commitment to ethical conduct, and as an essential element of its anti-corruption strategy, CIE Automotive has implemented and maintain a comprehensive set of ethics tools. This includes an Internal Whistleblowing System that is in full compliance with EU legislation and the highest standards existing on the subject. This includes, among other elements, an internal reporting channel known as the Whistleblowing Channel, which is made available through the corresponding online platform. There is also a set of Whistleblowing Channel Rules that have been implemented and duly distributed.

These tools play a fundamental role in promoting an organisational culture based on ethics, integrity, and transparency.

The Whistleblowing Channel, which is available via an online platform accessible through the corporate website, has been designed to serve as a means of communicating information about potential legal infringements (including infringements of EU law, criminal offences, administrative infractions, occupational health and safety violations), and possible non-compliances with the Professional Code of Conduct and all the other internal rules that are part of its Compliance Management System, including all the information on preventing, detecting and handling reports or incidents of corruption or bribery. The Whistleblowing Channel offers various ways of communicating the information being reported, and whistleblowers may select any of those options.

The company is politically neutral and does not directly or indirectly finance political parties or their representatives or candidates, either in Spain or abroad.

The Internal Audit Department's duties include supervising that the Group's companies operate in accordance with its corporate values and always in compliance with the law.

As in 2023, in 2024 no public legal cases related to corruption were brought against the organisation or its employees.

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Measures to prevent corruption and bribery

In 2024, the criminal map was deployed in Portugal, Lithuania, Morocco, South Korea and Hungary, and thus covers all the countries where the Company is active.

For each of these countries there is a specific Criminal Risk Prevention Manual, in line with the corporate manual. In addition, in each of the countries where the criminal map is deployed, training is provided in criminal matters, making the internal policies and documentation known, and reinforcing the plants' knowledge of the local legislation that applies to them.

In 2024, in line with the latest changes to the local legislation where the Company has a presence, new offences were considered and updated where necessary.

Fair competition

CIE Automotive, S.A., is committed to strict compliance with competition law. The Group also is also committed to achieving its business objectives by ethical, lawful and legally irreproachable means and to applying a fair and equitable competition regime, complying with applicable laws and legislation at all times. In the course of the year, CIE Automotive did not receive any competition-related fines, or fines due to cartel activities, price-fixing, exclusivity contracts, monopolistic practices or other activities that could have a restrictive effect on competition in the market

Measures to combat money laundering

The group has had a Criminal Risk Prevention Model in place since 2015, and it was updated in February 2024. The Company relies on this model as a measure to combat money laundering, in addition to providing training on the Professional Code of Conduct and applying its corporate policies.

To prevent or reduce as far as possible the likelihood of irregular practices and to ensure that, as soon as they are detected, they cease and that those responsible are held accountable, CIE Automotive has had a Compliance and Compliance Risk Prevention Policy in place since 2021.

GI-3-18 b)	<i>The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery including the related training) shall include the following information: (b) whether the investigators or investigating committee are separate from the chain of management involved in the matter.</i>

The Whistleblowing Channel is intended to enable and channel the transmission of information on possible legal violations, and possible breaches of its Professional Code of Conduct, including those related to corruption and bribery.

Reports of suspected breaches and questions raised on the platform are automatically transmitted to the Chief Compliance Officer as Manager of the Internal Information System on a confidential or anonymous basis depending on the option chosen. Whistleblowers can access the platform's messaging system to find out the status of their report and communicate with the Chief Compliance Officer using the "case number" provided and the password created.

For security reasons and to preserve their confidentiality, whistleblowers cannot retrieve their "case number" or their password. Therefore, in case they forget, the reporting person will be required to start a new communication process through the platform.

As set out in the Whistleblowing Channel Rules section on designation of the body to conduct the investigation, depending on the scope, subject matter, extent and/or persons allegedly involved, the investigation may be carried out directly by the System Manager (without prejudice to any consultations or support that may be required from other departments or external advisors for its full substantiation) or may be referred to other specific departments to carry out the investigation (Investigator), especially Internal Audit.

However, the System Manager will supervise the investigation of reports that they do not directly investigate, and will at all times provide support, assistance and advisory for such investigations.

The person designated to carry out the investigation may, subject to the approval of the Whistleblowing System Manager, engage external auditors or consultants to assist in the investigation and the analysis of the results. The Investigating Person in charge of the investigation will be authorised to interact with the informant in order to obtain additional details to facilitate the proper and timely conduct of the investigation. This will include requesting additional information or evidence related to the reported facts.

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In addition, they will have the power to request the documentation and information they deem necessary from other offices, areas or departments of the organisation. They may also conduct interviews with such persons as they deem appropriate to verify the veracity of the facts reported.

The right of the affected persons to be informed of the facts attributed to them will be guaranteed, as well as the opportunity to be heard and to exercise their right of defence in an adequate manner. In no case will the identity of the informant be disclosed nor will access to the report received be provided to the affected persons. Communication with the affected persons will be carried out, if necessary, at such time and in such manner as deemed appropriate to ensure the success of the investigation. The identity of the informant will only be disclosed to court authorities, the Public Prosecutor's Office or the competent administrative authority in the context of a criminal or disciplinary investigation.

GI-3-18 c)	<i>The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery including the related training) shall include the following information: (c) the process, if any, to report outcomes to the administrative, management and supervisory bodies.</i>

According to the Whistleblowing Channel Rules, the System Manager is responsible for submitting the Investigation Report to the Audit and Compliance Committee ("ACC"). The ACC will decide (a final hearing with the persons concerned may be granted beforehand, if deemed strictly necessary) whether to close the case or, on the contrary, to initiate disciplinary proceedings. The ACC decision will be forwarded:

- The Group's Human Resources Management if disciplinary action is necessary.
- The Secretary of the Board, as the Group's legal counsel, should legal action be necessary.
- The department in charge of handling the response to be taken against a reported person external to the Company.
- The Compliance Body if a specific aspect of the Compliance Management System needs to be reinforced.
- The Internal Whistleblowing System Manager for archiving, management and follow-up of the measures taken.

The informant and affected persons will in all cases be informed of the decision taken. In general, the ACC must issue a decision within the limitation periods indicated in the local legislation of each jurisdiction where the company has a presence and the investigation was carried out. As a general rule, the statute of limitations is three months from the acknowledgement of receipt of the report by the whistleblower (if no acknowledgement of receipt was sent for the reasons set out in the protocol, the three-month limitation period will start once seven working days have passed since the day after the report was received). However, in cases of a complex investigation (due to the subject matter, the measures to be taken, etc.), the limitation period may be extended by a further three months on a reasoned basis.

GI-3-20	<i>The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery including the related training) shall include the following information: (c) the process, if any, to report outcomes to the administrative, management and supervisory bodies.</i>

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

By the end of 2024, over 95% of companies had launched comprehensive training in this area.

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Internal communications

CIE Automotive is committed to a policy of zero-tolerance for criminal offences, and it expects all its workers to internalise this policy. That is why, in view of the update of its entire regulatory framework and its approval by the Board in February 2024, the Company has carried out both specific campaigns to launch emails to managers and senior managers, as well as global communications to all its stakeholders, including those who make up the Group, via the half-yearly corporate magazine.

In addition, this communication is complemented by continuous training on the Professional Code of Conduct, which cites and specifies the Company's corporate policies, including its Anti-Corruption and Fraud Policy.

GI-3-21 a)	The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery) shall include the following information with respect to training: (a) the nature, scope and depth of anti-corruption and anti-bribery training programmes offered or required by the undertaking.

New training on the Professional Code of Conduct

As part of training the entire company on the changes in the Professional Code of Conduct, and on several of the corporate policies that derive from it, within the recurrent training on ethics and compliance, the company provided global training in two modalities: an online version, for those who have a corporate email, and an offline version, for those people who do not require a corporate email in their day-to-day work.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

By the end of 2024, over 95% of companies had launched comprehensive training in this area.

Measures to prevent corruption and bribery

In 2024, the criminal map was deployed in Portugal, Lithuania, Morocco, South Korea and Hungary, and thus covers all the countries where the Company is active.

For each of these countries there is a specific Criminal Risk Prevention Manual, in line with the corporate manual. In addition, in each of the countries where the criminal map is deployed, training is provided in criminal matters, making the internal policies and documentation known, and reinforcing the plants' knowledge of the local legislation that applies to them.

In 2024, in line with the latest changes to the local legislation where the Company has a presence, new offences were considered and updated where necessary.

GI-3-21 b) AR 4	The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery) shall include the following information with respect to training: (b) the percentage of functions-at-risk covered by training programmes.

CIE Automotive has a specific training plan for its key employees on the subject of criminal risk prevention. This training plan is managed by the Human Resources Department in collaboration with the Compliance Body.

Attendance at the training courses on the subject of criminal risk prevention is compulsory, and the key employees must produce written evidence that they have attended and must be given an assessment test regarding the knowledge acquired.

The training plans must include content to ensure that the employees are aware of the Professional Code of Conduct. After receiving the appropriate training, all personnel must confirm that they have obtained and agree with all the knowledge presented. They must also confirm their commitment to complying with the principles, rules, and procedures contained in this document at all times, when performing any activity in the interest of or to the benefit of CIE Automotive.

Given the global scope of both the training and the deployment of the Criminal Compliance Model, the Company considers that 100% of its at-risk functions are covered by training programmes.

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The Criminal Risk Management System (CRMS), which forms part of the Criminal Compliance Model, is integrated into CIE Automotive's CRMS, a system set out in its Risk Control and Management Policy, which follows ISO 31000 methodology and provides reasonable assurance that all material offences, including corruption and bribery, are identified, assessed, prevented and monitored on an ongoing basis. These risks are approved by the Board and managed according to risk appetite and tolerance levels.

This process is coordinated by the Compliance Body, and the result are submitted to the Audit and Compliance Committee for supervision and approval, which then reports on them to the Board.

The criminal risks assessed in 2024 are the result of regulatory benchmarking of the applicable legislation in the jurisdiction of each country. This mapping took into account the Model developed and implemented in Spain, the mandatory requirements under local legislation, the local and corporate business areas likely to have a higher probability of these offences occurring, the best national and international practices, and the suggestions for improvement proposed for the various jurisdictions.

The Criminal Compliance Model, which is operational in all the countries in which the Group operates, includes training in criminal matters, to thus disseminate the internal policies and documentation, reinforcing the plants' understanding of the local legislation that applies to them.

GI-3-21 c)	<i>The disclosure required under paragraph 16 shall include the following information (provide information about the undertaking's system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery) shall include the following information with respect to training: (c) the extent to which training is given to members of the administrative, management and supervisory bodies.</i>

In 2024, all the administrative, management and supervisory bodies received training on the Professional Code of Conduct and the corporate policies derived from it. The training was carried out online on a dedicated platform.

This training covers the mechanisms that the company has set up to report any breach of the guidelines of the Professional Code of Conduct, including how they operate and how to use them.

In addition, in February 2024 the Board approved an update to the Company's ethical and regulatory framework, which includes the new Anti-Corruption and Fraud Policy.

In the area of criminal risk prevention, CIE Automotive has continued to roll out its criminal compliance model. In 2024, the criminal map was deployed in Portugal, Lithuania, Morocco, South Korea and Hungary, and thus covers all the countries where the Company is active.

The Criminal Compliance Model, which is operational in all the countries in which the Group operates, includes training in criminal matters, to thus disseminate the internal policies and documentation, reinforcing the plants' understanding of the local legislation that applies to them.

For each of these countries there is a specific Criminal Risk Prevention Manual, in line with the corporate manual. In addition, in each of the countries where the criminal map is deployed, training is provided in criminal matters, making the internal policies and documentation known (including the Anti-Corruption and Fraud Policy), and reinforcing the plants' knowledge of the local legislation that applies to them.

4.1.3 Metrics and targets

4.1.3.1 DR G1-4 – Incidents of corruption and bribery

G1-4-24 a)	<i>The undertaking shall disclose: (a) the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws.</i>

As in 2023, in 2024 there were no convictions or fines for violations of anti-corruption and bribery laws. Similarly, in the course of the year, CIE Automotive did not receive any competition-related fines, or fines due to cartel activities, price-fixing, exclusivity contracts, monopolistic practices or other activities that could have a restrictive effect on competition in the market.

G1-4-24 b)	<i>The undertaking shall disclose: (b) any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.</i>

The Criminal Compliance Model, which is operational in all the countries in which the Group operates, includes training in criminal matters, to thus disseminate the internal policies and documentation, reinforcing the plants' understanding of the local legislation that applies to them.

For each of these countries there is a specific Criminal Risk Prevention Manual, in line with the corporate manual. In addition, in each of the countries where the criminal map is deployed, training is provided in criminal matters, making the internal policies and documentation known (including the Anti-Corruption and Fraud Policy), and reinforcing the plants' knowledge of the local legislation that applies to them.

CIE Automotive has an internal control system based on the "three lines of defence" model, ranging from risk identification to internal audit. In the second line of defence, the Compliance Body is responsible for reviewing and continuously improving the internal control system, both in financial and non-financial aspects. It also ensures compliance with internal regulations and external legislation, as well as policies and procedures designed to mitigate potential risks, including those related to anti-corruption and bribery.

Risks are supervised and managed by using the Risk Management and Process Control modules of the SAP GRC tool, which operates globally at all production sites, regardless of whether or not they have an enterprise resource planning system in the SAP environment. For each risk, specific controls are established, many of which are automatic, and they are assigned to the various employees in charge of them and, in the event of incidents, action plans are established with traceability over time.

In total, the Compliance Body supervises compliance with more than 250 controls, applicable to each production plant, business division or corporate office, under its Internal Control Over Financial Reporting system (ICFR) and its Internal Control Over Non-Financial Reporting (ICNFR) system, which also includes ESG, criminal and regulatory compliance, IT and data protection controls under the GDPR.

The results are reviewed in the Internal Audit Department's Annual Audit Plan, and must be reviewed and approved by Senior Management.

All the internal audit work is managed through the SAP GRC Audit Management module, which is operational for the various local internal audit departments in Brazil, Mexico, India, China and Europe. As risk management, controls and internal audit are integrated into the same control tool (SAP GRC), the synergy obtained makes the work more efficient and provides greater value to the business divisions by letting them share their experiences and success stories.

Measures to combat money laundering

The group has had a Criminal Risk Prevention Model in place since 2015, and it was updated in February 2024. The Company relies on this model as a measure to combat money laundering, in addition to providing training on the Professional Code of Conduct and applying its corporate policies.

To prevent or reduce as far as possible the likelihood of irregular practices and to ensure that, as soon as they are detected, they cease and that those responsible are held accountable, CIE Automotive has had a Compliance and Compliance Risk Prevention Policy in place since 2021.

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<i>G1-4-25 a)</i>	<i>The undertaking shall disclose: (a) the total number and nature of confirmed incidents of corruption or bribery.</i>

In 2024, eight incidents of fraud and corruption were reported, four of which were confirmed after the relevant internal investigation conducted in accordance with the Whistleblowing Channel Rules, and the other four were closed due to insufficient evidence being found during the investigation.

On the other hand, there were four reported cases of corruption committed at various plants by individuals in the Procurement and HR departments, who breached CIE Automotive's General Purchasing Conditions for their own benefit. Although the amounts were not significant, and the size of the contracts with the related supplier companies did not materially affect the economic performance of the plants involved, their existence affected the group's image and ethical commitment. One of the reported cases was closed as the internal investigation did not produce sufficient evidence to justify the complaint.

Moreover, there were also four reported cases of fraud committed in two plants by employees from the Administration and Finance Department and the Purchasing Department. It should be noted that three of the four complaints were closed due to a lack of evidence found during the internal investigation.

<i>G1-4-25 b)</i>	<i>The undertaking shall disclose: (b) the number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents.</i>

In 2024, no employees were dismissed or subjected to disciplinary proceedings in the eight reported incidents of fraud and corruption, four of which were closed due to a lack of evidence found in the internal investigation.

However, in 2023, three CIE Automotive employees were dismissed in connection with allegations of fraud and corruption.

<i>G1-4-25 c)</i>	<i>The undertaking shall disclose: (c) the number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery.</i>

In 2024, no commercial contracts were terminated or not renewed due to violations related to corruption or bribery.

<i>G1-4-25 d)</i>	<i>The undertaking shall disclose: (d) details of public legal cases regarding corruption or bribery brought against the undertaking and its own workers during the reporting period and the outcomes of such cases. This includes cases that were initiated in previous years where the outcome was only established in the current reporting period.</i>

CIE Automotive confirms that no public legal cases against it were opened or completed in 2024 in relation to corruption or bribery.

4.1.3.2 DR G1-5 – Political influence and lobbying activities

<i>G1-5-29 a)</i>	<i>The disclosure required by paragraph 27 (provide information on the activities and commitments related to exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities) shall include: (a) if applicable, the representative(s) responsible in the administrative, management and supervisory bodies for the oversight of these activities.</i>

The company is politically neutral and does not directly or indirectly finance political parties or their representatives or candidates, either in Spain or abroad. Therefore no mention is being made of the representatives responsible in the administrative, management and supervisory bodies.

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G1-5-29 b)	The disclosure required by paragraph 27 (provide information on the activities and commitments related to exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities) shall include: (b) for financial or in-kind political contributions: i. the total monetary value of financial and in-kind political contributions made directly and indirectly by the undertaking aggregated by country or geographical area where relevant, as well as type of recipient/beneficiary; ii. where appropriate, how the monetary value of in-kind contributions is estimated.

The company is politically neutral and does not directly or indirectly finance political parties or their representatives or candidates, either in Spain or abroad. Therefore no mention is being made of the representatives responsible in the administrative, management and supervisory bodies.

In 2024, as in 2023, the total monetary value of financial and in-kind political contributions made directly and indirectly by the Company was EUR 0.

G1-5-29 c)	The disclosure required by paragraph 27 (provide information on the activities and commitments related to exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities) shall include: (c) the main topics covered by its lobbying activities and the undertaking's main positions on these in brief. This shall include explanations on how this interacts with its material impacts, risks and opportunities identified in its materiality assessment per ESRS 2.

The company is politically neutral and does not directly or indirectly finance political parties or their representatives or candidates, either in Spain or abroad. Therefore no mention is being made of the representatives responsible in the administrative, management and supervisory bodies. Therefore, there are no interactions with the material impacts, risks and opportunities identified in the double materiality assessment performed.

G1-5-29 d)	The disclosure required by paragraph 27 (provide information on the activities and commitments related to exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities) shall include: (d) if the undertaking is registered in the EU Transparency Register or in an equivalent transparency register in a Member State, the name of any such register and its identification number in the register.

At year-end 2024, CIE Automotive was not registered in the EU Transparency Register or in an equivalent transparency register in a Member State.

G1-5-30	The disclosure shall also include information about the appointment of any members of the administrative, management and supervisory bodies who held a comparable position in public administration (including regulators) in the 2 years preceding such appointment in the current reporting period.

At year-end 2024, CIE Automotive had not appointed any member of the administrative, management and supervisory bodies who held a comparable position in a public administration in the preceding two years earlier.

4.1.3.3 DR G1-6 – Payment practices

G1-6-33 a)	The disclosure under paragraph 31 shall include (provide information on the undertaking's payment practices, especially with respect to late payments to small and medium enterprises (SMEs)) should include: (a) the average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, in number of days.

CIE Automotive has assessed its capacity to collect information on the average time it takes the company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated, in number of days, applying an approach based on the principle of reasonable effort, which takes into account both the level of influence and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of application of the Directive, only the data for Spain will be reported, as it is the only one available, included in Note 16 of the Consolidated Financial Statements of CIE Automotive S.A. at year-end 2024. The company is working to include this information for the other countries in future reports.

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G1-6-33 b)	The disclosure under paragraph 31 shall include (provide information on the undertaking's payment practices, especially with respect to late payments to small and medium enterprises (SMEs)) should include: (b) a description of the undertaking's standard payment terms in number of days by main category of suppliers and the percentage of its payments aligned with these standard terms.

CIE Automotive has assessed its capacity to collect information relating to the description of its standard payment terms in number of days by main category of suppliers and the percentage of its payments aligned with these standard terms, applying an approach based on the principle of reasonable effort, which takes into account both the level of influence and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of application of the Directive, no information will be reported on the description of the Company's standard payment terms in number of days by main category of suppliers and the percentage of its payments aligned with these standard terms, and only the data for Spain will be reported, as included in Note 16 to CIE Automotive S.A.'s 2024 Consolidated Financial Statements. To report on this in years to come, work will be done on compiling this information.

G1-6-33 c)	The disclosure under paragraph 31 shall include (provide information on the undertaking's payment practices, especially with respect to late payments to small and medium enterprises (SMEs)) should include: (c) the number of legal proceedings currently outstanding for late payments.

CIE Automotive confirms that at year-end 2024 there were no legal proceedings currently outstanding for late payments.

G1-6-33 d)	The disclosure under paragraph 31 shall include (provide information on the undertaking's payment practices, especially with respect to late payments to small and medium enterprises (SMEs)) should include: (d) complementary information necessary to provide sufficient context. If the undertaking has used representative sampling to calculate the information required under point (a), it shall state that fact and briefly describe the methodology used.

CIE Automotive has assessed its ability to collect information regarding complementary information necessary to provide sufficient context. If the undertaking has used representative sampling to calculate the information required under point (a), it shall state that fact and briefly describe the methodology used, applying an approach based on the principle of reasonable effort, which takes into account both the level of influence and the availability of resources, ensuring an appropriate balance between the quality of the information reported and the feasibility of the data collection effort.

In this first year of implementation of the Directive, complementary information necessary to provide sufficient context will not be reported. If the undertaking has used representative sampling to calculate the information required under point (a), it shall state that fact and briefly describe the methodology used. To report on this in years to come, work will be done on compiling this information.

5. Indicators under the Non-Financial Disclosures and Diversity Reporting Act not covered by the European Sustainability Reporting Standards

The analysis below refers to the requirements of the Spanish Non-Financial Disclosures and Diversity Reporting Act [*Ley 11/2018, en materia de información no financiera y diversidad*] that are not explicitly included in the ESRS requirements. However, at least some of them may be covered by additional disclosures in the framework of the application of the ESRS because they are relevant to the reporting entity.

Information on social and personnel issues:

- Distribution of staff by professional category:

2023	Men			Total men	Women			Total women	TOTAL
	<30	30-50	>50		<30	30-50	>50		
Management Committee	0	1	5	6	0	4	0	4	10
Senior management	11	598	266	875	11	82	26	119	994
Degree holders	1,290	3,557	922	5,769	365	727	162	1,254	7,023
Supervisors	4,094	7,367	2,058	13,519	853	2,173	722	3,748	17,267
Total	5,395	11,523	3,251	20,169	1,229	2,986	910	5,125	25,294

2024	Men			Total men	Women			Total women	TOTAL
	>30	30-50	<50		>30	30-50	<50		
Management Committee		1	5	6		4		4	10
Senior management	17	589	279	885	10	90	26	126	1,011
Degree holders	1,317	3,532	951	5,800	381	725	179	1,285	7,085
Supervisors	3,018	7,228	2101	12,347	819	2,262	796	3,877	16,224
Total	4,352	11,350	3,336	19,038	1,210	3,081	1,001	5,292	24,330

Types of contracts	2024	2023
Permanent contract	21,323	2,112
Fixed-term contract	3,007	3,874
Total	24,330	24,986
Full time	24,209	25,182
Part-time	121	112
Total	24,330	25,294

- The average remuneration and its evolution broken down by gender, age and professional classification or equal value:

	Sex		Age			Professional classification		
	Men	Women	< 30 years old	30-50 years old	> 50 years old	Senior management	Degree holders	Supervisors
2023	18,960	17,510	9,404	18,740	33,457	64,989	22,761	14,380
2024	19,103	16,565	10,539	18,132	30,814	60,931	22,604	14,177

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- The average remuneration of the directors and executives, including variable remuneration, allowances, indemnifications, payments into long-term savings and benefits schemes and any other payments broken down by sex:

2024	Total workers	Men	Average remuneration (EUR)	Women	Average remuneration (EUR)
Board Members*	6	3	2,516,991	3	110,000
Senior Management	9	5	1,131,455	4	391,150

*Remunerated directors: two executive directors, three independent directors and the chair.

2023	Total workers	Men	Average remuneration (EUR)	Women	Average remuneration (EUR)
Board Members*	6	3	8,494,919	3	100,000
Senior Management	9	5	1,112,086	4	383,883

*Remunerated directors: two executive directors, three independent directors and the chair.

- Work-related accidents, in particular their rate and severity, and occupational illnesses, broken down by gender:

	2023			2024		
	Men	Women	Total	Men	Women	Total
Accidents	302	43	345	291	70	361
Occupational illnesses	15	12	27	16	7	23

	2024	2023
Frequency rate	6.74	6.19
Severity rate	0.14	0.11

- Number of dismissals by gender, age and professional classification:

2023	Men			Total men	Women			Total women	TOTAL
	<30	30-50	>50		<30	30-50	>50		
Senior management	0	7	8	15	0	6	1	7	22
Degree holders	62	141	27	230	33	44	8	85	315
Supervisors	269	414	124	807	95	138	28	261	1,068
Total	331	562	159	1,052	128	188	37	353	1,405

2024	Men			Total men	Women			Total women	TOTAL
	>30	30-50	<50		>30	30-50	<50		
Senior management	1	22	19	42	1	5	0	6	48
Degree holders	82	173	51	306	42	59	11	112	418
Supervisors	298	333	79	710	94	148	52	294	1,004
Total	381	528	149	1,058	137	212	63	412	1,470

- Number of hours of absenteeism:

	2024	2023
Lost hours	2,466,085	2,824,760
Absenteeism %	5%	5%

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- Total number of training hours by professional category:

Hours	2023	2024
Senior management	96,142	82,396
Degree holders	228,425	220,340
Supervisors	483,239	504,357

Information relative to anti-corruption and bribery, and information on the undertaking:

In its Social Action Policy, CIE Automotive is committed to providing solutions to the difficulties and needs in the communities where it operates, through three types of actions:

- **Donations:** these are one-off instances of financial assistance given to non-governmental organisations (NGOs) and similar organisations, to help them perform their community-based activities.
- **Sponsorship and patronage:** carried out either at Group level or at the local individual company level, in line with the principles outlined in this policy.
- **Investments in communities:** long-term investments aimed at improving the communities where the Group is present.

	2024	2023
Total (€)	957,634	1,042,854
No. of employees who have participated in the activities	5,142	5,017
Estimated number of beneficiaries	62,542	39,423
No. of hours personal work devoted to activities	7,212	12,304

As part of its business activities, CIE Automotive interacts with various public administrations. These interactions always take place within a strict framework of legality and maximum transparency, in accordance with the principles of the Professional Code of Conduct.

The Company is not associated with any type of political views in Spain or any other country, and it prohibits any type of contribution made for and on behalf of the company to a political party or its representatives or candidates, or any type of contribution that has, or could come to have, any type of political implications. Therefore, as in 2023, in 2024, the Company confirms that it is politically neutral and does not directly or indirectly finance political parties or their representatives or candidates, either in Spain or abroad.

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Other:

- Tax information: profits made country by country, income tax paid and public subsidies received

	2023		2024	
Tax jurisdiction	Profit/(loss) before corporate income tax	Corporate income tax paid (cash basis)	Profit/(loss) before corporate income tax	Corporate income tax paid (cash basis)
India	86.1	21.1	98.9	19.4
Mexico	102.2	25.0	95.8	25.8
Brazil	67.6	5.3	84.0	10.7
China	50.8	11.1	44.2	7.3
Spain, except for Basque Country and Navarre	36.0	7.3	29.1	7.4
Basque Country	15.6	0.1	14.7	0.1
Italy	18.8	6.0	13.7	3.7
Germany	50.3	0.5	13.1	1.7
Slovakia	8.0	0.2	9.4	2.0
Lithuania	7.7	0.8	7.9	1.3
US) US	6.5	0.3	7.1	0.7
Romania	9.2	0.7	6.8	1.2
Czech Republic	5.8	0.9	6.4	1.7
France	6.2	2.3	4.1	1.7
Navarre	1.8	0.4	1.4	0.3
Portugal	1.2	0.2	1.1	0.2
Morocco	0.2	0.0	0.2	0.0
South Korea	0.0	0.0	0.2	0.1
Russia	1.4	0.0	0.0	0.0
Barbados	0.0	0.0	0.0	0.0
United Kingdom	0.5	0.0	0.0	0.0
Guatemala	0.0	0.0	0.0	0.0
Netherlands	0.2	-0.1	0.0	0.0
Hungary	1.8	0.0	-1.5	0.0
Total (in millions of EUR)	477.9	82.1	436.6	85.3

The information included in this table is submitted in Form 231. Informative Tax Return of the Provincial Council of Bizkaia, a form that follows Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, which regulates the country-by-country reports that "groups of multinational companies" must submit each year for each tax territory in which they operate. The main purpose of this report is to provide the necessary information for the risk analysis of related-party transactions, thus facilitating the work of tax administrations, which can use it to assess other risks related to tax base erosion and profit shifting.

To adapt the local laws to this Directive, the obligation to present country-by-country information was regulated in sections 43(10) and (11) of the Basque Corporate Income Tax Act [*Norma Foral 11/2013, de 5 de diciembre, del Impuesto sobre Sociedades*], and section 21 bis of Basque Provincial Decree 203/2013, of 23 December, which enacted the Basque Corporate Income Tax Regulation [*Reglamento del Impuesto sobre Sociedades*].

In 2024, CIE Automotive received EUR 1.3 million in operating subsidies, EUR 0.4 million less than in 2023. Of the total received, EUR 0.9 million was received in Spain and EUR 0.4 million in China, Portugal, Italy and Hungary, respectively.

6. Indicator tracking table based on the requirements of the Non-Financial Disclosures and Diversity Reporting Act and Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability Reporting

Scope	Indicator	Material	Selected criteria ESRS / GRI	Page
Business model	Brief description of the group's business model (business environment and organisation)	Yes	ESRS 2 SBM-1 G1-1	31-38 270-279
	Geographical presence	Yes	ESRS 2 SBM-1 G1-1	31-38 270-279
	Aims and strategies of the organisation	Yes	ESRS 2 SBM-1	31-38
	Main factors and trends that may affect their future performance	Yes	ESRS 2 SBM-2 ESRS 2 SBM-3 ESRS 2 IRO-1 MDR-M	39-41 42-46 46-47 56
Materiality	Materiality analysis	Yes	ESRS 2 SBM-2 ESRS 2 SBM-3 ESRS 2 IRO-1 ESRS 2 IRO-2	39-41 42-46 46-47 52-55
Management approach	Management approach: Policies and risks.	Yes	ESRS 2 SBM-3 MDR-P E1-2 E2-1 E3-1 E5-1 G1-1 S1-1 S2-1	42-46 55 80-82 111-113 131-134 147-150 270-279 177-185 226-234
Environmental management	Current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety	Yes	ESRS 2 IRO-1	46-47
	Environmental assessment or certification procedures	Yes	ESRS 2 MDR-A E1-3 E2-2 E3-2 E5-2	56 82-90 114-121 135-141 151-160
	Resources devoted to environmental risk prevention	Yes	ESRS 2 SBM-3 ESRS 2 MDR-A E1-3 E1-9 E2-2 E3-2 E5-2	42-46 56 82-86 107-108 114-118 135-139 151-158
	Application of the precautionary principle	Yes	ESRS 2 MDR-A E1-3 E1-9 E2-2 E3-2 E5-2	56 82-90 107-108 114-121 135-141 151-160
	Number of provisions and guarantees for environmental risks	Yes	ESRS 2 MDR-A E1-3 E1-9 E2-2 E3-2 E5-2 E2-6 AR 31 b ESRS 2 AR7 a	56 82-90 107-108 114-121 135-141 130 67-71

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Scope	Indicator	Material	Selected criteria ESRS / GRI	Page
Pollution	Measures to prevent, reduce or remedy carbon emissions that seriously affect the environment (also includes noise and light pollution)	Yes	ESRS2 MDR-T	56
			ESRS2 MDR-A	55
			E2-2	114-121
			E2-3	122-127
Circular economy and waste prevention and management	Measures to prevent, recycle, reuse, other forms of recovery and waste disposal	Yes	E5-5-37a	171-172
	Measures to prevent, recycle, reuse, other forms of recovery and waste disposal (e.g., waste minimisation plans, % of waste recycled and targets for future years, etc.)	Yes	ESRS2 MDR-A E5-2 E5-5	56 151-160 169-172
	Actions to combat food waste	No	N/A	N/A
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	Yes	E3-4	143-144
	Consumption of raw materials and measures taken to improve the efficiency of their use	Yes	ESRS2 MDR-A E5-2 E5-4	56 151-159 168
	Direct and indirect energy consumption	Yes	E1-5	96-98
	Measures taken to improve energy efficiency	Yes	ESRS2 MDR-A E1-3	56 82-90
	Use of renewable energy	Yes	E1-5	96-98
Climate change	Material elements of emissions of greenhouse gases generated as a result of the company's activities, including the use of the goods and services it produces	Yes	E1-6	99-105
	Measures adopted to adapt to the consequences of climate change;	Yes	ESRS 2 MDR-A ESRS2 SBM-3 E1-1 E1-3	56 42-46 62-66 82-90
	Voluntary medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented for this purpose.	Yes	ESRS2 MDR-T E1-1 E1-4	56 62-66 91-96
	Taxonomy	Yes	Own methodology based on compliance with EU Regulation 2020/852 of 22 June.	57-61
Protection of biodiversity	Measures taken to preserve or restore biodiversity	No	N/A	N/A
	Impacts caused by activities or operations in protected areas	No	N/A	N/A
Employment	Total number and distribution of employees based on criteria representative of diversity (sex, country, occupational classification...)	Yes	SI-6 SI-9 GRI 405-1	203-207 210 290
	Total number and distribution of types of employment contracts	Yes	SI-6 SI-9 GRI 2-7	203-207 210 290
	Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational grouping.	Yes	SI-6 GRI 2-7	There were no significant changes in the workforce during the year, so data are reported only at year-end.

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Scope	Indicator	Material	Selected criteria ESRS / GRI	Page
	Number of dismissals by sex, age and occupational classification	Yes	S1-6 GRI 401-1	203-207 291
	Average remuneration and its evolution broken down by sex, age and occupational classification or equal value	Yes	S1-16 GRI 3-3	216-117 290
	Pay gap, remuneration for equal or average jobs in the company	Yes	S1-16 GRI 405-2	216-217 290
	The average remuneration of directors and executives, including variable remuneration, allowances, indemnities and payments to long-term savings schemes and any other payments disaggregated by sex	Yes	GRI 2-19 GRI 2-20 GRI 3-3	291
	Implementation of policies of disconnecting from work	Yes	ESRS2 MDR-P S1-1	55 177-185
	Employees with disabilities	Yes	S1-12	212
Organisation of work	Organisation of work time	Yes	ESRS2 MDR-P S1-1	55 177-185
	Number of hours of absenteeism	Yes	GRI 3-3 S1-14	291 214-215
	Measures to facilitate the enjoyment of work-life balance and encourage the co-responsible exercise of these measures by both parents	Yes	ESRS2 MDR-T ESRS2 MDR-A S1-4 S1-15	56 55 195-200 216
Health and safety	Occupational health and safety conditions	Yes	S1-1 S1-11 S1-14	177-185 211-212 214-216
	Accidents at work, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex.	Yes	S1-14	214-215, 291
Social relationships	Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them	Yes	S1-2	185-189
	Mechanisms and procedures that the Company has in place to promote the involvement of employees in the Company's management, in terms of information, consultation and participation	Yes	S1-1 S1-3	177-185 189-194
	Percentage of employees covered by collective bargaining agreement, by country	Yes	S1-8 S1-15	208-210 216
	Review of collective agreements, particularly in the field of occupational health and safety	Yes	S1-8	208-210
Educational qualifications	Policies implemented in the field of training	Yes	ESRS2 MDR-P S1-1	55 177-185
	Total number of training hours by professional category.	Yes	S1-13	212-213
Universal accessibility of disabled persons	Physical measures to ensure accessibility to the Company's facilities for all.	Yes	ESRS2 MDR-P S1-1	55 177-185
Equality	Measures adopted to promote equal treatment and opportunities between women and men	Yes	ESRS2 MDR-T ESRS2 MDR-A S1-4 S1-5	56 55 195-200 201-203
	Equality plans (Chapter III of the Spanish Equal Rights Act [<i>Ley Orgánica 3/2007, para la igualdad efectiva de mujeres y hombres</i>]), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration into the labour market and the universal accessibility of people with disabilities	Yes	ESRS2 MDR-P S1-1	55 177-185

NON-FINANCIAL AND SUSTAINABILITY REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

Scope	Indicator	Material	Selected criteria ESRS / GRI	Page
	Policy against all forms of discrimination and, where appropriate, diversity management	Yes	ESRS2 MDR-P S1-1	55 177-185
Information on respect for human rights	Implementation of human rights due diligence procedures; prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	Yes	ESRS2 MDR-P S1-1 S1-3	55 177-185 189-194
	Reports of cases of human rights abuses	Yes	S1-17	217-219
	Promotion and enforcement of the provisions of the core conventions of the International Labour Organisation relating to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Yes	ESRS2 MDR-P S1-1 S2-1	55 177-185 226-234
Information related to the fight against corruption and bribery	Measures adopted to prevent corruption and bribery	Yes	S1-3 G1-3	189-194 281-285
	Measures to combat money laundering	Yes	S1-3 G1-3	189-194 281-285
	Contributions to foundations and non-profit entities	Yes	GRI 2-28	292
Company commitments to sustainable development	Impact of the company's activity on employment and local development	No	N/A	N/A
	Impact of the company's activities on local communities and on the land	No	N/A	N/A
	Relations with local community stakeholders and the modalities of dialogue with them	No	N/A	N/A
	Partnership or sponsorship actions	No	N/A	N/A
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy	Yes	ESRS2 MDR-P S2-1 S2-4 G1-1 G1-2	55 226-234 238-248 270-279 279-281
	Consideration of social and environmental responsibility of suppliers and subcontractors in relations with them	Yes	ESRS2 SBM-1 ESRS2 MDR-P S2-1 S2-4 G1-1 G1-2	31-38 55 226-234 238-248 270-279 279-281
	Supervision systems and audits and their results	Yes	GRI 2-6	245
Consumers	Measures for consumer health and safety	No	N/A	N/A
	Claims systems	No	N/A	N/A
Tax information	Profit obtained by country	Yes	GRI 3-3 GRI 207-4	293
	Income tax paid (by country)	Yes	GRI 3-3 GRI 207-4	293
	Government subsidies received	Yes	GRI 3-3	293



CIE Automotive, S.A. and subsidiaries

Limited Assurance Report issued by an
assurance provider on the Consolidated Non-
Financial Information Statement (NFIS) and the
Sustainability Reporting

31 december 2024

*(Translation from the original in Spanish. In the
event of discrepancy, the Spanish-language
version prevails.)*



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement and the Sustainability Reporting of CIE Automotive, S.A and subsidiaries for 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of CIE Automotive, S.A

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter, NFIS) of CIE Automotive, S.A (hereinafter, the Entity) and its subsidiaries (hereinafter, the Group) for the year ended 31 December 2024, which forms part of the consolidated directors' report of the Group.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, namely the sustainability reporting prepared by the Group for the year ended 31 December 2024 (hereinafter, the Sustainability Reporting) in accordance with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting (CSRD). This Sustainability Reporting has also been subject to a limited assurance review.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a) The Group's Non-Financial Information Statement for the year ended 31 december 2024 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected criteria of the European Sustainability Reporting Standards (ESRS), as well as the other criteria described based on each subject area in the "6. Indicator tracking table based on the requirements of the Non-Financial Disclosures and Diversity Reporting Act and Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability Reporting" table of the aforementioned Statement;
- b) The Sustainability Reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "1.1.1.1 Disclosure Requirement (DR) BP-1: General basis for preparation of the Sustainability Statement", including:
 - That the description of the process for identifying the sustainability reporting information included in note "1.1.4.1 Information on the materiality assessment process" is consistent with the process carried out and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
 - Compliance with ESRS.

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- Compliance of the disclosure requirements, included in subsection “2.1. Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)” of the environment section of the Sustainability Reporting, with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 for assurance engagements on non-financial information issued by the Spanish Institute of Registered Auditors (ICJCE) and considering the contents of the note published by the Spanish Accounting and Audit Institute (ICAC) on 18 December 2024 (hereinafter, Generally Accepted Professional Standards).

The scope of the procedures applied in a limited assurance engagement is less than those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Assurance Provider Responsibilities section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' Responsibility

The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of CIE Automotiva, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected criteria of the ESRS, as well as the other criteria described based on each subject area in the “6. Indicator tracking table based on the requirements of the Non-Financial Disclosures and Diversity Reporting Act and Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability Reporting” table of the aforementioned Statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

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The Directors of CIE Automotiva, S.A are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to the Sustainability Reporting, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Reporting in accordance with the contents of the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the Sustainability Reporting in note "1.1.4.1 Information on the materiality assessment process". This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified; and
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of the Sustainability Reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance of the CSRD, the ESRS and the disclosure requirements included in subsection "2.1. Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the environmental section of the Sustainability Reporting with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider necessary to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the Entity's Directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the Sustainability Reporting, regarding events that may occur in the future, as well as any possible future actions that the Group may take. The actual outcome may differ significantly from the estimates, as future events often do not occur as expected.



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In determining sustainability disclosures, the Entity's Directors interpret legal and other terms that are not clearly defined and may be interpreted differently by others, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibility of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and Sustainability Reporting are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and Sustainability Reporting is consistent with the description of the process followed by the Group and allows, where appropriate, for the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and the Sustainability Reporting that are likely to contain material misstatements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Work Performed

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and scope of the procedures selected depend on professional judgement, including the identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and the Sustainability Reporting.

Our work consisted of making inquiries of management, as well as of the different units and components of the Group that participated in the preparation of the NFIS and the Sustainability Reporting, reviewing the processes for compiling and validating the information presented in the NFIS and the Sustainability Reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance process:

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- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the note "1.1.4.1 Information on the materiality assessment process", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance work on the Sustainability Reporting:

- Making inquiries of Group personnel:
 - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain information necessary for the external review.
 - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents) and review the Group's internal documentation on its process.
- Through inquiries of Group personnel, gaining an understanding of the Group's processes for collecting, validating and reporting information relevant to the preparation of its sustainability reporting.
- Assessment of how consistent the evidence obtained from our procedures on the Group's process for determining the information to be included in the Sustainability Reporting is with the description of the process included in the Sustainability Reporting, and assessment of whether the Group's process duly identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessment of whether all the information identified in the Group's process for determining the information to be included in the Sustainability Reporting is effectively included.
- Assessment of how consistent the structure and presentation of the Sustainability Reporting is with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.
- Inquiries of relevant personnel and performance of analytical procedures on the information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.
- Performance of sample substantive procedures on information disclosed in the Sustainability Reporting considering where material misstatements are likely to arise, whether due to fraud or error.



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- Procurement of any reports issued by accredited independent third parties included as an appendix to the consolidated directors' report in response to the requirements of European regulations and, in relation to the information to which they refer and in accordance with Generally Accepted Professional Standards, confirmation solely that the accreditation of the assurance provider and the scope of the report issued is in line with European regulations.
- Procurement of any documents containing the information included by reference, the reports issued by auditors or assurance providers on those documents and, in accordance with Generally Accepted Professional Standards, confirmation solely that the document referred to by such information included by reference meets the conditions described in the ESRS for incorporating information by reference in the Sustainability Reporting.
- Procurement of a representation letter from the Directors and management regarding the NFIS and the Sustainability Reporting.

Other Information

People charged with governance of the entity [are responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated directors' report, but does not include either the auditor's report on the consolidated annual accounts or assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Reporting included as an appendix to the consolidated directors' report.

Our assurance report does not cover other information and we do not express any assurance conclusions on said information.

In connection with our engagement to provide assurance on the Sustainability Reporting, our responsibility is to read the other information identified above and, in so doing, consider whether the other information is materially inconsistent with the Sustainability Reporting or with the knowledge we have acquired during the assurance engagement that could be indicative of material misstatements in the Sustainability Reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Silvana Alfaya Bas