

Corporate Social Responsibility Report

2023

“Transforming mobility
to improve people’s live”

FICOSA
INTERNATIONAL
GROUP



FICOSA

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**Appendix 1 –
OHSEQ Policy**

Letter from the president

Dear all,

I am pleased to share with you our annual report on Corporate Social Responsibility, which attempts to provide an overview of Ficosa's performance in the face of the challenges of the automotive sector and outline our actions to integrate the United Nations Global Compact and its principles into our values, culture, business strategy and daily operations.

The pandemic plunged car sales into a depression from which, four years later, we are still suffering the effects. Despite the improvement in the sector, the volume of cars leaving factories is still below pre-Covid levels. However, the reason for this is not so much due to problems in supply chains, as may have happened in 2022 and 2021, as it is in terms of profitability. Thus, automotive firms sacrifice volume to focus on achieving higher margins in order to be able to cover the expenses necessary for electrification.

During this period, car manufacturers have reported record profits both due to price increases and the prioritization of the sales mix with higher margins. However, Tier 1 automotive suppliers are having a hard time in passing on the extraordinary increase in costs over the same period.

But as I always say, we must think positively, this situation should be a stimulus to enhance our creativity.

One of the main keys to our trajectory lies in our historical ability to anticipate the future, coupled with a clear commitment to innovation. Likewise, the secret of our success is also found in our philosophy of doing a lot with little, our solid human values, humility, work culture and entrepreneurship, as well as in the great team that has formed the company at different times in its history.

In our company, we continuously strive to ensure excellence in our products and, therefore, we continue to work to provide the most innovative solutions, develop and manufacture products with high added value and high quality standards, always ensuring their sustainability.

Our social vocation for improvement and innovation in our products and services has a direct impact on our commitment to corporate social responsibility, transcending accident reduction, connectivity, energy efficiency, less pollution, driver assistance and comfort.

All these new technological products and services aimed at more assisted driving, autonomous vehicles, connected and less polluting cars have become the pillars of Ficosa's growth.

In 2023, Ficosa's commitment to positioning itself as a leading supplier in automotive vision issues, supported by more than 50 years developing and producing rear-view mirrors for all types of vehicles, has led us to reach the annual production of more than 5 million cameras, 40% more than the previous year, for parking and vehicle surround vision systems, with exponential growth forecasts due to strong demand from OEMs and their confidence in our quality and innovation.

Following Ficosa's success with the market-pioneering CMS (Camera Monitoring System) digital external rearview system, we have already developed and started the production of the second generation of this system for new vehicles, which denotes the technological capacity achieved by Ficosa. In the same field of ADAS, our 360-degree surround view system, which is already incorporated in a large number of vehicles, the second generation has begun to be developed, which will incorporate new features and features.

Rear-view mirrors, for which Ficosa is known worldwide, continue to reinforce the company's growth with systems that evolve towards new designs and improvements such as frameless mirrors and new generation folding engines.

In the field of electromobility, new battery management projects and charging devices for electric and hybrid vehicles such as the On Board Charger (OBC), Junction Box and BMS (Battery Management System) systems have been achieved, reinforcing the diversification of customers.

The growth in demand for mechatronic products and control electronics has led us to integrate cyber security into our development methodology, with our Park Lock Actuator systems being an example of this integration.

Technological changes, new consumer habits, rapid progress towards electric, connected and autonomous mobility, bring a series of legislative, technological, cultural and economic changes that are causing disruptive effects in the value chain of the automotive sector. We have to be alert and prudent, the coming years will be characterized by great opportunities and in turn by great risks. Ficosa will work to manage and mitigate risks, taking advantage of the opportunities that arise from this transformation situation.

I invite you to explore all the details of our activities through this report that strongly reflects Ficosa's commitment and dedication.

Kind regards

Josep Maria Pujol
President



About our report

This Report attempts to provide the reader with a transparent and balanced overview of Ficosa's performance in relation to the sustainability challenges that the company has faced in 2023.

Objective of the Report

In this report, Ficosa aims to explain how non-financial and diversity risk challenges are approached, and the performance of the company's activities in 2023, in order to provide stakeholders with complete and reliable information. The company focuses this report on explaining how environmental, ethical, labor, social, and human rights aspects are being considered during the company's daily activities. It also describes the annual progress made by the company in implementing the Ten Principles of the United Nations Global Compact in terms of human and labour rights, the environment and the fight against corruption. At the same time, the report outlines how our company is making progress on each of the Sustainable Development Goals (SDGs). Our core business determines which of Ficosa's global sustainability goals supports first. In particular, our activities focus on health and safety (SDG 3) and the fight against climate change (SDG 13). In addition, we underline our commitment to sustainable practices including decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), and the promotion of peace and justice (SDG 16).

For the preparation of the information, some standards of the Global Reporting Initiative (GRI) have been selected according to their materiality for the company and their

alignment with the information required by law. Accordingly, in determining the content to be included in this report, we consider relevant developments, initiatives and materiality analysis conducted at the end of 2018. This materiality analysis took as its starting point the Group's CSR diagnosis (gap analysis) and the action plan prepared in 2015, in which the CEO, the members of the Executive Committee and the key Management of our subsidiaries were involved. It was complemented with relevant external sources such as the GRI Pilot version of the Automotive Sector Supplement and the Auto Parts Sustainability Accounting Standard prepared by the SASB (Sustainability Accounting Standards Board).

Other key inputs included the guidelines from Drive Sustainability (the world's largest association of car manufacturers to promote sustainability) embodied in its Automotive Sustainability Guiding Principles, which outline suppliers' expectations on key responsibility issues, including human rights, the environment, working conditions and business ethics.

In addition, EcoVadis CSR assessments requested by several of our OEM (Original Equipment Manufacturer) customers were taken into account. EcoVadis provides a comprehensive corporate social responsibility rating service for companies.

In conclusion, the material points to be highlighted in this report are:

- Customer satisfaction through quality
- Sustainable innovation and technology
- Diversity and Inclusion
- Development, training and knowledge management
- Occupational Health and Safety
- Healthy lives and well-being promotion
- Climate change mitigation
- Commitment to society
- Responsible Sourcing, Consumption and Production

Scope

This report covers January 1, 2023 through December 31, 2023. Unless otherwise indicated, the quantitative information presented in this document shows the company's performance at a global level and includes 100% of the facilities and establishments where Ficosa owns the majority and, consequently, responsibility for control and operation. Therefore, the report includes information from our operations in Asia, Africa, Europe, North America, and South America.

To provide a better understanding of the company's performance, data from previous years, if available, has also been included.

The report focuses on the company's main lines of business: research, development, production and sales of high-tech vision solutions, security, energy efficiency and e-mobility.

Biodiversity is not material for this report, as Ficosa's operational sites are not located in protected areas or areas of high biodiversity value. In addition, the impacts of our activities, products and services are not significant on biodiversity.

There are no IUCN Red List species, nor national conservation list species with habitats in areas affected by our organization's operations.

On the other hand, this report does not include the company Tata Ficosa Automotive Systems Ltd, as it is a 50% - 50% Joint Venture.

On the other hand, the indicators related to occupational health, safety and environment are considering only the Ficosa sites where there are manufacturing plants for automotive components due to their materiality. Therefore, the following sites have not been considered in the OHSE indicators: Le Neubourg (France), Rüsselsheim (Germany), Köln (Germany), Hyderabad (India), Venaria Reale (Italy), Detroit (USA) and Tokyo (Japan).



Ficosa at a glance

Group Highlights

The company, headquartered in Barcelona, Spain, generated sales of €1,330.1 million in 2023 and has a team of more than 8,000 employees, with manufacturing plants, technology centers, and sales offices located in 15 countries across Europe, North and South America, Africa, and Asia. Ficosa has expanded its international presence with the strategy of locating close to the decision-making and production centers of the main OEMs in order to offer a more competitive and global service.

- Sale of 1,330 million euros.
- Production plants, technical centers or sales offices in 17 countries, on 4 continents.
- Established in 1949 in Barcelona (Spain)
- 8,021 employees
- Pioneers in high-tech vision, safety, connectivity and efficiency systems for the automotive and mobility sectors.
- 18 manufacturing plants
- 11 technical and R+D centres.



- Barcelona
- Soria
- Sant Guim



- Detroit (Mi)
- Cookeville (TN)
- Shelbyville (KY)



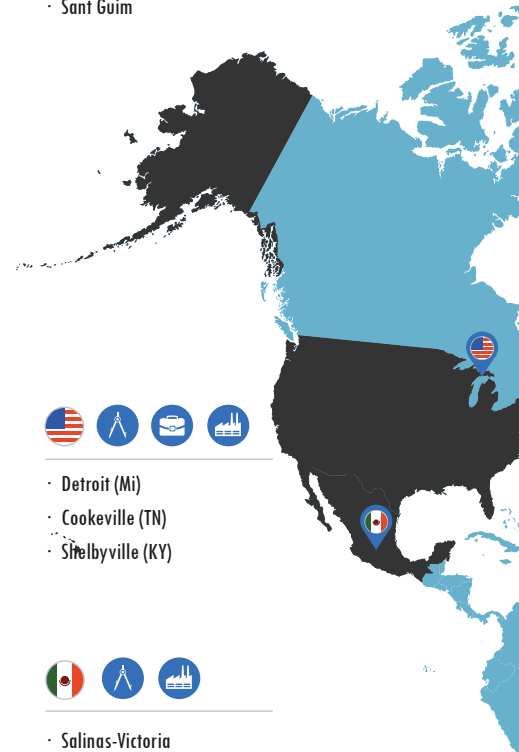
- Salinas-Victoria
- Escobedo



- Sao Paulo



- Porto



 Plants
  Technical Center
  Commercial Office
  Research






· Dieuze
 · Le Neobourg







· Rüsselsheim
 · Köln
 · Wolfenbüttel




· Dabrowa Gornicza





· Tokyo (office)






· Pune, Sanand, Chennai,
 Pantnagar (Joint-venture)
 · Hyderabad






· Taicang






· Gyeongsangbuk-do (Joint-venture)




· Sala Al Jadida



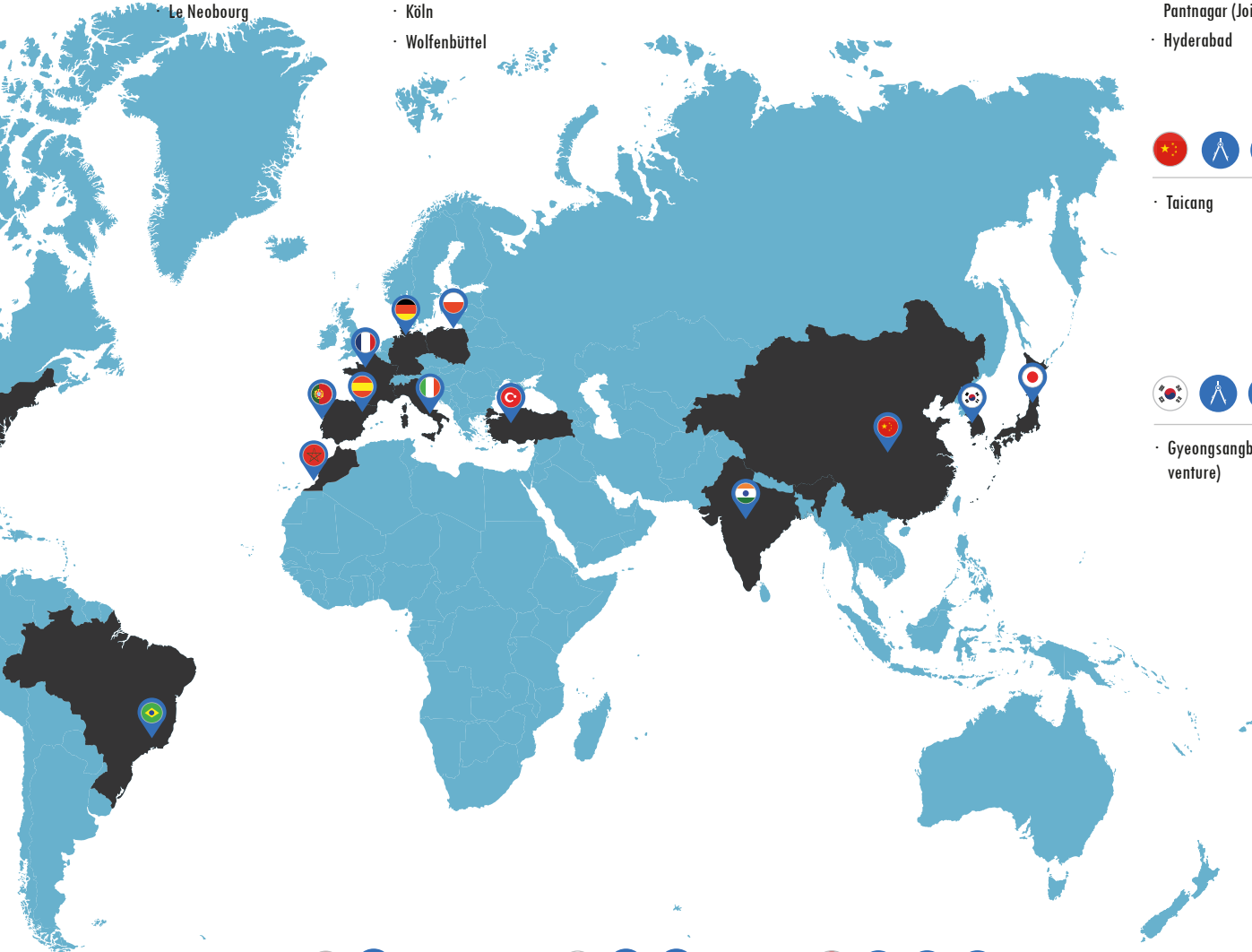


· Venaria Reale
 · Morcone






· Bursa
 · Gemlik

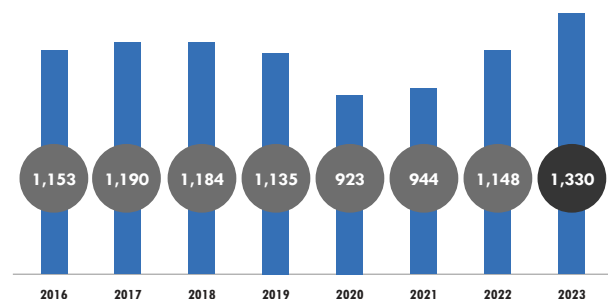


Ficosa is now one of the premier global suppliers dedicated to the research, development, manufacture and marketing of high-tech vision, safety, connectivity and efficiency systems for the automotive and mobility sectors.



Evolution of Sales

Ficosa achieved a turnover of €1,330 million in 2023, compared to €1,148 million in 2022. This 16% increase in sales in 2023 consolidated the recovery compared to previous pre-pandemic years in both traditional business and new technologies and placed the Group's turnover at an all-time high.



Sales (€ million)

Sales by region 2023 (€ million, %)

During this period, car manufacturers have reported record profits both due to price increases and prioritization in the sales mix with higher margins. However, Tier 1 automotive suppliers have had a lot of difficulty in this same period in being able to pass on the extraordinary increase in costs. We must add the strong operational inefficiencies generated by the lack of reliability in customer demand.

In new technologies, Ficosa continues to consolidate its position and generate knowledge, especially in the ADAS systems unit and the Electric Mobility unit. During 2023, sales of new technologies have increased by 34% compared to the previous year and it should be noted that they are expected to multiply by 4 in the next 4 years. During this period, the Group has managed to diversify

these technologies into new customers and increase penetration in existing ones. At the same time, new technological products have been launched on the market, thanks to which significant orders have been secured.

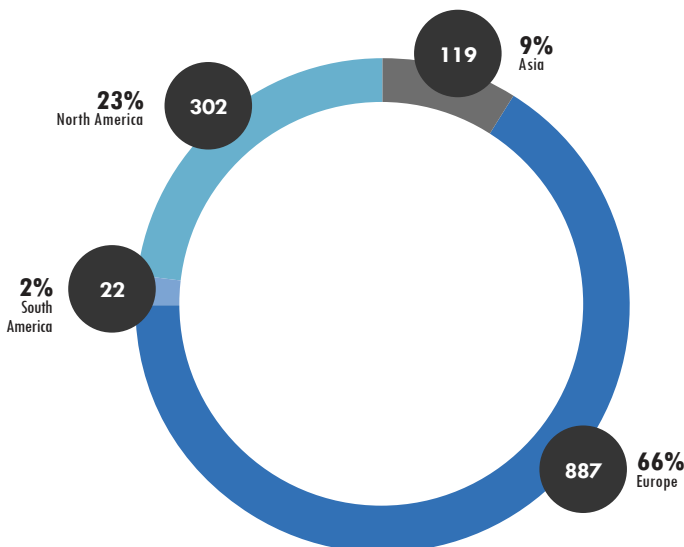
The outlook for 2024 is cautious due to the uncertainty in the markets. There are still important destabilizing factors such as the Ukraine-Russia war, the difficulty in the availability of personnel, especially in the USA, problems in the supply chain in relation to certain raw materials and components, with special importance to the most complex semiconductors. Energy costs, although they experienced a significant reduction compared to the prices reached especially in 2022, continue to be a destabilizing factor that can hit the income statement at any time. High

inflation (well above usual levels), despite the reduction experienced in recent months, continues to be one of the main threats to the profitability of the business, especially because there is a high difficulty in recognizing it by customers.

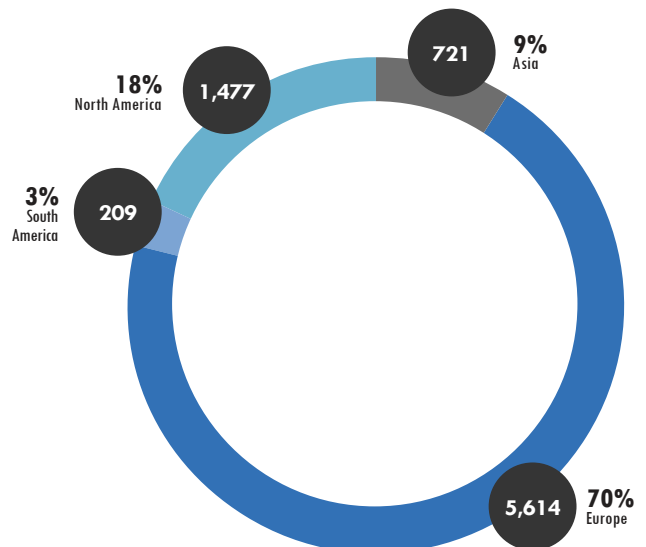
To all this must be added the positioning, not only locally, but also internationally of Chinese manufacturers, both in terms of manufacturers and Tier 1 suppliers.

In this context, Ficosa expects significant sales growth in 2024 due to the launch of new products, the growth ramp of current projects, and greater penetration with current products in the customer base, especially in the field of new technologies

Sales by region 2023 (€ million, %)



Distribution of employees by region 2023
(N°. of employees year-end, %)



Structure of Ficosa International

Today, Ficosa is a conglomerate of companies made up of engineering centers, manufacturing plants and commercial offices, distributed all over the world. The group is organized into different business units, most of which are shown below.

01

Rear-view systems:

It develops, produces and markets rear-view mirrors and vision systems - forward, rearward and side - for vehicles

02

Command and control systems:

It develops, produces, and markets systems that interact between the driver and the vehicle, such as shift levers, parking brakes, and transmission cables.

03

Under hood systems

It develops, produces and markets fluid and ventilation systems installed under the hood of vehicles.

04

Electronics Manufacturing Services (EMS)

It develops, tests, manufactures and markets electronic components, products and systems for vehicle manufacturers.

05

Commercial vehicle

It develops, produces and markets Ficosa's entire product portfolio for buses, trucks, and industrial and commercial vehicles.

06

Advanced Driver Assistance systems:

It develops, produces and commercializes systems that assist drivers during the driving process.

07

E-mobility

It develops, produces and markets electric propulsion technologies and connected infrastructures to enable the electric propulsion of vehicles and fleets.

Ficosa is made up of two business groups: Traditional Products and New Technologies products. Within traditional products, we highlight rearview systems that account for the largest percentage of total sales. Ficosa is one of the world's leading companies in this area.



FICOSA India sponsors the UDAAN project in 2023 to mitigate the vulnerabilities of seasonal workers

In 2023, Ficosa India has sponsored a local initiative of the Telangana Social Impact Group (T-SIG), through the UDAAN project. This project aims to revitalize the community of migrant workers (brickmakers or brick kiln) of the Sangareddy district, thus allowing their comprehensive well-being in parameters such as health and nutrition, children's education, equitable salaries and better living conditions.

In Telangana, brick kilns are one of the most flourishing industries in the unorganized sector. These are the thousands of seasonal workers who move to Telangana State from Andhra Pradesh, Odisha and Maharashtra and work in the brick kilns. The standard of living of these workers is below average. The education of the children of these workers is adversely affected by seasonal migration. Many of them are forced to work on site, and those who don't work take care of their younger siblings. Women often face a lot of discrimination in terms of wages and working hours in brick kilns.

The situation of adolescent girls living in brick kilns is also precarious, as they are susceptible to violent and sexual abuse. They do not have basic medical or educational services. There is sufficient evidence to show that the system of bonded labour is strong in all brick kilns.

T-SIG, together with Aide Et Action (NGO), facilitated the meeting of six government departments – Department of Education, Police Department, Women Development and Child Welfare (WDCW), Department of Labour and Civil Supplies – to ensure a safe and dignified life for seasonal brick factory workers.

On June 2, 2023, 24 FICOSA employees interacted with more than 100 children of immigrant workers. They distributed new clothes, shoes, saris, rice and pulses to each child. They were also given reintegration certificates, which means they will continue their education when they return to their home state of Odisha. Officers from the local police station visited the kilns to also sensitize workers to women's rights. FICOSA's collaboration has enabled the Department of Women's Development and Child Welfare (WDCW) to provide vaccination services and provision of nutritious food to children, pregnant women and breastfeeding women, and the Commissioner of Health and Family Welfare (CHFW) has conducted health camps and vaccination campaigns in workplaces. We are very proud of these achievements.

Learn more @ <https://csr.telangana.gov.in/udaan-migrant-labour-vulnerabilities-project/>



How do we work?



Purpose

During 2023 we have developed Ficoso's purpose with our employees. At Ficoso, our purpose provides a sense of direction that guides our decision-making and serves as motivation for employees and shareholders. Our purpose encompasses the organization's broader mission, values, and commitment to create value not only for shareholders, but also for employees, customers, and the communities in which we operate.

At Ficoso, having a purpose amplifies our commitment to the organization and the positive change we aim to make in the world. Purpose should inspire everyone to work with passion, while aligning with the person and values and improving job satisfaction.

Our purpose is:
“Transforming mobility to improve people’s lives”

Mission

Our mission is to innovate, develop and create high value-added products that contribute to improving mobility in key aspects of progress such as safety, comfort, communications and the environment, exceeding market and customer expectations.

Vision

Our strength comes from our commitment. For us, success is not measured by size, but by flexibility, speed and creativity, and understanding that being the best means meeting the needs of our employees, customers, communities and stakeholders alike.

Values

Our values and corporate purpose are intrinsically linked. At Ficoso, we believe that success depends on how we live our purpose and values. Purpose encapsulates the “why” of the organization and represents a commitment to certain values, while our values guide our behaviors in alignment with the corporate purpose, goals, and objectives. This alignment is essential for creating a strong and meaningful corporate identity and for building trust with stakeholders.

The values, pillars of our code of ethics, also provide a framework for ethical and responsible decision-making within the organization. The values that guide our conduct and identify us as a company are the following:

OUR VALUES



Interest in People

People are the core of our business. We prioritize safety, development, diversity and inclusion. Mutual respect and friendly relationships are part of who we are.



Customer Focus

Helping our customers succeed is key to our success. We build relationships based on trust, understanding and anticipating their needs, prioritizing the customer experience.



Leadership

Leading by example and with a high regard for people, we live our values. We believe that being humble, not taking sole credit, trusting and understanding everyone is equally important.



Teamwork

Working together and serving others as One FICOSA Team. We understand that our overall success is based on knowledge sharing, open communication, learning, and collaboration.



Innovation & Creativity

Continuously improving with an entrepreneurial mindset. We thrive to innovate and create new solutions, encouraging everyone to develop and welcome new ways of doing things.

Honesty & Integrity

Our values: our North Star. We act accordingly to our values. We demonstrate honesty, integrity, transparency and ethics in everything we do.



Commitment & Passion for one's work

Leading by example and with a high regard for people, we live our values. We believe that being humble, not taking sole credit, trusting and understanding everyone is equally important.



Living the values at Ficosa

Ficosa's values underpin everything we do and are reflected in our day-to-day lives. To make sure all employees truly understand and live them, we turn them into specific behaviors.

In all sites, values are displayed inside factories and offices to make it clear what matters to us.

Ficosa Culture, Purpose and Values Project

In 2023, we launched a project with the aim of defining our purpose and fostering a greater awareness of Ficosa's values, which we have long adopted as an integral part of our company.

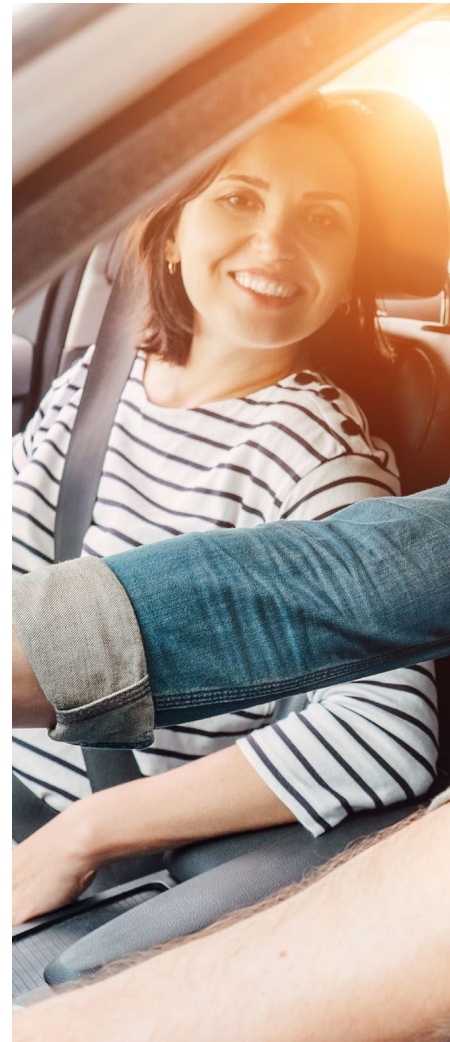
With this goal in mind, at the beginning of the project we conducted a survey among 10% of our employees around the world to find out how we lived our values. The results were used to review them and translate them into concrete, actionable and easy-to-observe behaviors. These behaviors should be exemplified by all FICOSA members and are critical to shaping our organizational culture.

Ficosa's definitions of values have been translated into 10 different languages and posters have been redesigned and now found on the walls of our plants around the world.

We believe that our employees play a critical role in fulfilling and advancing our purpose. For this reason, cultural ambassadors were chosen under the principles of diversity and inclusion, forming a group of 69 employees of all ages, genders, levels and functions.

Different workshops were organized with the ambassadors, all HR teams and frontline managers to inform them about the details of the project and the roles of each of us within this project.

The corporate video about Ficosa's culture, purpose and values was prepared and shared with all Ficosa employees and stakeholders on Ficosa's website and other Ficosa social media accounts.





FICOSA and the Sustainable Development Goals





The company's strengths come from its commitment and understanding that being the best means being able to respond to the needs of our employees, customers, community and shareholders in the same way. In this sense, Ficosa focuses its efforts to generate shared value among its stakeholders and add sustainability practices into its strategy and business culture. As a member of the United Nations Global Compact since 2002, we have adopted the Sustainable Development Goals (SDGs).

The Sustainable Development Goals (SDGs), introduced in 2016, are an ambitious action plan

that defines global sustainable development priorities for 2030, with the aim of eradicating poverty and promoting decent lives with opportunities for all. There are 17 universal goals and 169 targets that are interconnected, applicable to all nations and peoples, and represent a call to action for governments, civil society, and the private sector. The company has reviewed all SDGs to identify areas where we can maximize our positive contributions. We focus our sustainability-related activities on those SDGs that greatly influence our business model and value chain and help us achieve real change. This mainly affects the following SDGs and associated sustainability activities:



SDG 3 —

Ensure healthy lives and promote well-being for all at all ages

According to the World Health Organization (WHO), road accidents kill approximately 1.35 million people worldwide each year, accounting for around 3,500 people dying on the roads every day. Tens of millions of people are injured or disabled every year. Children, pedestrians, cyclists and the elderly are the most vulnerable road users. Around 50 million people are also injured in traffic accidents with serious trauma. If preventive measures are not taken, road traffic deaths are likely to become one of the top five causes of death in the coming years from ninth place in 1990. By collaborating with national and international programs to accelerate the development and standardization of connected cars and autonomous vehicles and through the development of new emergency systems or new tools and products to improve the driver's vision, help prevent collisions or assess the driver's degree of attention, Ficosa is contributing to the health goal of reducing deaths in traffic accidents.

Learn more: [Innovation in our products.](#)



SDG 13 —

Take urgent action to combat climate change and its impacts

The transport sector is responsible for more than 20% of global greenhouse gas emissions. Reducing transport emissions is therefore an important part of any strategy to combat climate change and its impacts, in line with Sustainable Development Goal 13. The widespread electrification of transportation through the adoption of electric vehicles (EVs) is a strategy to reduce GHG emissions. If electric vehicles are charged with electricity from emission-free sources, their adoption can also increase the share of renewables in the global energy mix (target 7.2 - Affordable and clean energy), and contribute to reducing air pollution and related health impacts (target 3.9 - Ensure healthy lives and promote well-being for all at all ages and target 11.6 - Reduce adverse environmental impact of cities). By investing in research and development to improve efficiency, reduce the complexity of electric vehicles and develop new generations of battery management systems (BMS) or on-board chargers (OBCs), Ficosa contributes to combating climate change and its impact. In addition, Ficosa is working to reduce its CO₂ emissions associated with its manufacturing processes.

Learn more: [Innovation in our products](#); [Commitment to environment](#).



SDG 12 –

Responsible Consumption and Production

Ficosa is designing and manufacturing products through the responsible use of raw materials and natural resources. Among other things, the company is working to reduce waste generation throughout the product's life cycle. For example, Ficosa is working in some of its operating facilities to increase the recovery of cleaning solvents and other chemicals and to reduce the amounts of these substances emitted by its plants. In addition, one of the company's main goals is continuous quality improvement, reducing the number of defective parts and improving both its processes and the skills of its employees with the goal of achieving zero defects. In addition, the Taicang (China), Maia (Portugal) and Soria (Spain) plants have solar panels for electricity generation and several additional projects are in the study phase. In 2023, Ficosa has managed to increase the percentage of electricity consumption from renewable energies to 82%.

Learn more: [Commitment to environment](#); [Commitment to quality](#).



SDG 16 –

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Ficosa is working to ensure that conflict-free minerals are used in the manufacture of its components. Ficosa has an annual supplier assessment to collect the Standard Survey (EICC/ Gesi CMRT template) on conflict minerals from all of them. The information collected is processed internally and provides us with useful information to ensure that acquisitions are free of conflict minerals originating in the Democratic Republic of the Congo or adjacent countries. Ficosa is strengthening processes to ensure due diligence in the supply chain and ensure that human rights are respected.

Learn more: [Conflict minerals](#).



SDG 8 –

Promote inclusive and sustainable economic growth, employment and decent work for all

The company has a team of more than 8,000 employees, with manufacturing plants, technology centers and commercial offices located in 17 countries in Europe, North America, South America, Africa and Asia. In all the countries where Ficosa operates, the company is building a safe workplace where employees feel valued, where their rights are respected, and where diversity, inclusion, and inclusion are fostered.

Learn more: [Commitment to our people](#); [Commitment to health and safety](#); [Diversity and Inclusion](#).

Compliance and business ethics



At Ficosa we are committed to upholding the highest ethical standards and complying with all applicable local, national and international laws wherever we do business. Ethical behavior is critical to establishing and maintaining legitimate and productive relationships between organizations.

In 2017, the Board of Directors approved a new version of Ficosa's Code of Ethics. Our Code of Ethics is an extension of our values and defines the standards and responsible behaviors expected of all those related to the company. We are all responsible for complying with these reference standards, which are essential guidelines to guarantee our management model.

Our Code is available in all FICOSA languages (English, Spanish, French, German, Italian, Portuguese, Polish, Turkish, Chinese and Arabic).

Since then, Ficosa has organized training and awareness campaigns to ensure that employees are aware of Ficosa's commitments and confirm their compliance with the Code of Ethics.

The Code is available to all employees on the Ficosa intranet and is included in the welcome packet that is given to new employees to sign on the first working day along with the contract. The 2023 annual control of acceptance and confirmation of compliance with the code shows 100% for our executives, directors and managers.

In October 2019, the e-learning of our Code of Ethics was launched for indirect employees, available in the 9 languages of Ficosa. This training is interactive and uses graphics, text, and sound, making the training easy to understand and very user-friendly. Upon completion, employees must pass a 15-question exam (randomly generated from a sample of 45 questions) following corporate guidelines in training. The last completion rate assessed in 2023 was more than 96% on a target of 2,247 indirect employees, with the aim of reaching 100% of these employees.

At Ficosa, we have a body called the Ethics and Compliance Committee responsible for the dissemination and compliance of the Code of Ethics among all the company's employees. To ensure the effective implementation of the regulations and guidelines of this Code, the company has established a whistleblowing channel since 2018 to report any breach of the Code of Ethics.

On the other hand, Ficosa's policies and procedures, available worldwide, ensure compliance with J-SOX in all activities performed in Ficosa's day-to-day operations. Controls have been put in place to monitor compliance with these procedures and are regularly evaluated to ensure their effectiveness. Self-assessments, internal and external audits are carried out periodically.

At Ficosa, we are convinced that emphasizing a culture of compliance contributes significantly to ensuring the sustainable success of our company. In this regard, the company has defined a Crime Prevention Model since 2016. The goal is to effectively adopt and implement appropriate measures to prevent and detect criminal risks and ensure ethical practices within the company. These actions are developed as part of a corporate culture whose hallmark has always been the promotion of ethical values at all levels. In addition, its implementation allows Ficosa to comply with the requirements derived from Spanish Law 1/2015 of March 30, on the reform of the Criminal Code.

The model contains ten identified crimes (resulting from a criminal risk analysis), their impact and probability of occurrence were defined, mechanisms for their control and minimization, and responsibilities for their compliance.

Within this framework, several regulations, procedures and protocols have been implemented to support crime prevention in areas such as money laundering, unfair competition, corruption in business, crimes against the public treasury, social security and subsidy fraud, fraudulent or unfair conduct, gifts and hospitality, intellectual property and industrial property, the transportation of people, goods and other related activities. All the different regulations, procedures and protocols focus on the specific risks and priorities of the company and the sector, and cover the sites where Ficosa has a majority stake and, consequently, the responsibility for the operation and control.

In 2018, we started a Compliance Information and Training Program to raise awareness in our organization. In addition, in 2019 a specific workshop on competition law was prepared and launched, covering the most sensitive positions in our commercial, procurement and R+D teams, including examples of real situations. This workshop is repeated every year including new examples and risks detected during the last year.

In 2023, the fourth anonymous Compliance awareness survey was carried out using the same employee satisfaction survey platform, Our Voice, with the aim of increasing compliance awareness and detecting opportunities for improvement. This action allows us to keep our strong listening culture active, reinforcing our commitment to the opinions of our people. The questions, available in all the Company's languages, were launched to all the group's employees. There were 3 questions related to Compliance. The first question looked for individual perceptions of ethics and compliance in the particular workplace and the second question looked for global perceptions (Ficosa as an entity) to identify a broader view of employees. The third question focused on identifying specific compliance situations.

Very positive results were achieved in Ethics and Compliance survey and we were able to send the reinforcement message to our employees that we must continue to work together to ensure that everyone feels responsible for maintaining our high standards of Ethics and Compliance.

The results of the survey were shared with all employees and management teams in each country to promote internal forums in all the Group's subsidiaries where they could discuss and increase awareness of Compliance and establish the relevant improvement actions.

As every year, our CEO shared a message to raise awareness about Compliance with all Ficosa employees, highlighting the key role they play in our compliance culture. At any level, our employees play a huge role because they can act as "gatekeepers" to help the organization identify and address compliance risks. At the management level, they must be involved in the promotion of ethical behaviour, ensuring the correct knowledge among our teams, providing them with the necessary support and leading by example. The message ended by highlighting the rapid evolution of new regulatory environments, where it is crucial to keep up to date. Special emphasis on the new regulatory changes that are coming related to sustainability. These changes will require cross-cutting work from many areas of our organization to ensure their correct compliance and follow-up. For example, the new European directive on the duty of Corporate Due Diligence to address negative human rights and environmental impact, the different laws to fight Climate Change, the new sustainability reporting directives, the Taxonomy, the regulations against deforestation, the CBAM regulations, etc.



Human Rights

Ficosa wants to be responsible not only for its own decisions and activities, but also wants to ensure that its suppliers and business partners operate in line with the company's sustainability principles, respecting the Universal Declaration of Human Rights and environmental protection.

Suppliers must follow the General Terms and Conditions of Purchase, in addition to all applicable laws and regulations. It is also the supplier's obligation to respect the duties of social responsibility and especially the requirements based on the Universal

Declaration of Human Rights (UDHR) and the conventions of the International Labour Organization (ILO) in which it is proclaimed to respect the rights of employees, age and working hours, etc. Purchase orders submitted by any Ficosa company or any of its affiliates must include the terms and clauses of the General Terms and Conditions of Purchase. In 2023, Ficosa has launched a Code of Conduct for Business Partners with the aim of reinforcing due diligence in our value chain on various issues such as human rights.

Learn more: [Responsible sourcing](#).

In addition, the company carries out an annual control that calculates, through the central employee database, the age of the employee to ensure that all Ficosa employees are above the legal age to work and to ensure that child labor is not allowed. Ficosa is strengthening processes to ensure due diligence in the value chain (internal and external) and to ensure that human rights are respected with a greater scope.



Information security

In 2017, Ficosa strengthened its Information Security Management System (ISMS) based on the ISO/IEC 27001:2013 standard. A Safety Committee was formally appointed with the appropriate authority granted by the Board of Directors to govern the ISMS. The Committee is responsible for defining and establishing the information security strategy and management system. Currently, the current scope of ISMS includes the functions of Engineering, Prototyping and Testing. This includes the areas that deal with the most sensitive information, confidential information shared with customers and information protected by contracts, intellectual and industrial property. The ISMS aims, among other things, to improve stakeholder confidence in information management and the security of their information systems.

The ISMS includes the implementation of risk assessment and scenario management based on the MAGERIT methodology (Version 3).

Ficosa has also implemented zoning (S1-S2-S3) where S3 zones are related to projects classified as confidential and secret. Each zone has its own safety criteria, controls, alarms, cameras, procedures, training, etc.

As part of the ISMS project, Ficosa has developed and improved a training and awareness program. Since the beginning of this training, more than 1397 employees have attended the training cycles, including management.

As evidence of the correct functioning of the ISMS implemented, it has already been certified in TISAX in five companies of the group and we continue to work to increase this number over the next few years. The goal in 2024 is to reach 13 certified societies. In addition, the company has implemented an incident management procedure to allow employees and stakeholders to report information security issues and prevent recurrences.

In 2019, an e-learning was launched to raise awareness among all employees about the correct use of software licenses, addressing intellectual property, the purchase and use of software, examples of illegal use cases, false beliefs about software licenses and the potential impacts of illicit use. This e-learning has been translated into all Ficosa languages, with the completion rate during 2023 being more than 86% (out of a target of 1,796 employees), with the aim of reaching 100%.

In 2023, we strengthened internal phishing awareness campaigns. The latest results show that 98.2% of our employees have successfully passed them. Phishing is a type of fraud that is generally committed through email, although it can use other means, such as SMS messages (smishing), social networks, instant messaging applications or phone calls (vishing), and whose main objective is to steal confidential information and access credentials. One of the best ways to learn how to identify phishing cyberattacks is to train employees through specially designed campaigns, without the risk of compromising confidential information.

Commitment to quality





Policies

A car’s rating and an automaker’s brand value depend on the customer’s assessment of quality. In this context, Ficosa believes that the automotive and equipment industry has an important responsibility and consistently provides the best quality to customers at every stage, from new product planning, to development, manufacturing, distribution and sales, to after-sales service.

Since 2009, Ficosa has implemented the 3Q3 Corporate Quality program, which aimed to improve quality three times over within three years, thus elevating the business to the top of the automotive sector. The 3Q3 programme is updated annually, accompanied by a specific roadmap and quality targets to ensure that all regions follow best practices in this regard. Through the 3Q3 program, the company conducts more than 100 audits per year to ensure that all sites meet the company’s quality requirements.

In 2015, the company implemented stricter standards in the 3Q3 audits of the management system with suppliers, project management and technical centers, using the same criteria as for Ficosa’s manufacturing plants. In 2016, the company implemented a new internal process design audit, to certify the design of the production process in Ficosa’s sites (plastic and metal injection, injection molds, paint shop). The new internal audit is applicable to all of the Company’s technical centers and manufacturing plants.

Also in 2016, the company added three new checklists in

the 3Q3 Plant Audit to ensure that each site follows Ficosa’s standard for proactive warranty management. In addition, more stringent rules were added in the 3Q3 audits for technical centers. The main objectives of the new checklist is to certify that any software developed by Ficosa is aligned with ISO/IEC 15504 guidelines. In addition, these stricter rules have been put in place to ensure that the design and production of safety products meet the highest standards of the automotive industry.

In 2018, the notification period for the communication of a 3Q3 Plant Audit start was reduced from 10 to 2 days. The aim is to have a more certain picture of the audited site.

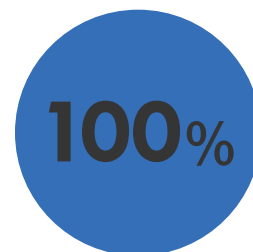
During 2019, the 3Q3 program was carried out, auditing all the company’s support centers and manufacturing plants.

During the years 2020 to 2022, the 3Q3 face-to-face audits could not be carried out, due to travel restrictions due to the COVID-19 pandemic, so they were replaced by a self-assessment carried out by each of Ficosa’s plants and functions. During these years, the corporate quality team has reviewed the self-assessments, so that if they find assessments that need to be contrasted, they do so with the interested parties.

During 2022, new corporate auditors were trained and a new face-to-face audit plan was established, which has been resumed in 2023.

Quality Management

IATF 16949:2016 (replaces ISO/TS 16949:2009) defines quality management system requirements for the design and development, production and, where relevant, installation and service of automotive-related products. It is a specific standard for the automotive industry and is based on the ISO 9001 standard.



Ficosa Operating Facilities IATF 16949 and ISO 9001 (%) Certified in 2023

100% in 2022

Governance

The mission of the quality function is to improve Ficosa's performance, ensuring customer satisfaction. To this end, it is equipped with a corporate structure and quality local organizations in the production plants and support centers (technical centers, purchasing, project management, etc.).

The main tool to achieve the mission of the quality function is the quality system, which, deployed from the corporate function, allows compliance with international, national and local standards, as well as those of customers.



Main Risks and Challenges

Customer guarantees are a relevant issue in our quality management system. In 2018, a new warranty reporting system was launched at all Ficosa manufacturing sites. This system continuously monitors our customers' (OEMs) B2B warranty applications to get a better idea of current and future condition, helping us react quickly to any potential incidents before an official warranty analysis request arrives.

The system has been consolidated, with a global warranty indicator, by plant, customer and product, which, through standardized analysis, allows the control and reduction of the number of warranty charges.

At the same time, the collaboration between Design and Manufacturing has been strengthened for the analysis of "No Fault Found (NFF)" cases to provide faster support to our customers in problem solving.

The company remains focused on improving both our processes and the skills of our employees, using problem-solving, tools and analysis techniques with the goal of achieving zero defects. We monitor customer portals to reduce turnaround time, as we don't have to wait for official notification of defective parts to be received to take action. We continuously monitor any possible warranty incidents thanks

to better monitoring of our customer portals. In addition, statistics are used to predict any future trends and contrast the effectiveness of our actions. On the other hand, the company focuses its efforts on implementing the Lean Six Sigma methodology in all manufacturing plants and technical centers and on improving communication between production and product design. Finally, the company continuously improves its development system to ensure high-level quality in the design and development of new products in new technologies.

Key results

The quality of the company is managed through the monitoring of KPIs. The company has defined a balanced scorecard system that offers the monthly values of the center compared to the target figures. This monthly report allows the company to immediately identify areas where improvement needs.

	2022	2023	Target 2023	Target 2024
Customer satisfaction (%)	95.8%	96.8%	95.0%	95.0%
Number of Customer claims due to Suppliers	70	73	77	69
Number of Customer claims	413	412	461	407
Number of defective parts per million delivered to Customer (ppm)	4.30	4.18	5.85	5.75
Number of defective parts per million delivered to Ficosa due to Suppliers responsibility (ppm)	1.57	2.11	4.00	N/A*

(*).- In 2024, the suppliers ppm indicator will be changed to supplier QCR (complaints issued from Ficosa's plants to suppliers), this will provide better monitoring of all supplier quality incidents, whether or not they have an impact on Ficosa's customers.

Indicators show that in 2023 the vast majority of quality objectives have been achieved.

Quality management goes beyond Ficosa's activities. The company wants to ensure that its suppliers also operate in line with the company's commitment to excellence. All suppliers must have a quality certification (ISO 9001, IATF recommended) and must provide Ficosa with written evidence of the renewal of the most recent certification.

Since 2015, audits of the management system with suppliers have used the same criteria as those used in Ficosa's manufacturing plants. In addition, Ficosa revised and made more restrictive the criteria used in selecting its suppliers for its Purchasing Optimal Panel (POP). As of 2017, the company has implemented a robust program to reduce the impact of suppliers on customers by adhering to strict standards and consolidating supplier auditing in all countries where the company operates.

Awards and recognition

Chery presented Ficosa Taicang (China) with the 2022 Quality Excellence & Strategic Partner Award at a ceremony that took place on January 12, 2023 at its corporate headquarters in Wuhu, Anhui Province, coinciding with "Supplier's Day".

Receiving this award means recognition for Ficosa for its outstanding work in terms of quality and its good level of service by being selected as a trusted partner.

Continuous improvement (FIT Program)

With the aim of consolidating its market positions close to car manufacturers and strengthening its presence in all markets, Ficosa bases its strategy on the continuous improvement of products and all the processes that surround them.

Ficosa understands that continuous improvement is any change of direction to improve processes by eliminating any inefficiencies and maintaining consistent quality. All Ficosa employees are responsible for continuous improvement, from the first operator to the last manager of the company. Continuous improvement affects the Departments related to Production, as well as the Financial-Administrative, Purchasing, Commercial and R+D departments.



To ensure structured support for continuous improvement, a Ficosa Improvement Transformation Program (FIT) was launched at the end of 2016. This Continuous Improvement program has the support of senior management and has been implemented in all of Ficosa's operating facilities. The project is supported by an action plan aimed at having self-sufficient Continuous Improvement teams in all the countries where Ficosa operates. The program has been divided into 4 main pillars:

		MAIN GOALS	WHAT DID WE DO IN 2017-2023?
CI Structures		Making sure any site has responsible for implementing the FIT program	Continuous improvement structure in every Plant: <ul style="list-style-type: none"> - CI Managers and experts (YB, GB, BB) in all the facilities, - Regional CI Directors and Corporate CI Director - Local CI Steering Committees held every month Over 1.200 employees trained as Champions, Yellow, Green or Black Belts. Using self-developed Ficosa training materials for YB and GB sessions.
Fighting waste and variation		Implementing and running projects and CI activities	Around 15.500 improvement activities in first 7 years of the FIT Program <ul style="list-style-type: none"> - including Six Sigma projects, Lean workshops and kaizens. Hundreds of certificated Yellow, Green and Black Belts.
Ideas and opportunities		Gathering suggestion and sharing best practices	e-Suggestion system developed and implemented to collect, analyze and track any suggestion. Spreading a Yokoten culture to share best practices within plants. Last year company has achieved over 0,61 suggestions per employee.
Transparency and Focus		Gathering data to detect any issues	Standardization of a new 5S system to make sure that all the plants are following the same standards and criteria. Implementation of diagnosis tools to find opportunities (ie. VSM, yamazumi) - used already over 3.500 times! Leaders and Managers directly involved in CI activities (ie. Ohno Circles, 5s audits and Lean Six Sigma projects)

The program involves the use of continuous improvement methodologies, such as Lean Six Sigma, as well as soft skills that support employees in their daily search for better products and processes. Ficosa enables the development of human resources in its broadest sense, adapting the organization's structures to the needs of the globalization process. We

have active experts (called belt belts) of different levels: white, yellow, green and black, sharing a common goal of daily improvements. The new FIT program is not only about optimizing the manufacturing process, but also about changing the company culture and developing people to ensure they can make the right decisions every day.

Commitment to our people



Dragon ceremony in Taicang site.



Ficoso's commitment to people is at the foundation of the company's culture.

Policies

For Ficoso, being a responsible company involves a series of challenges: training employees, helping them advance in their careers, providing them with fair wages, taking care of their well-being at work, combining operational excellence and personal development, and fostering a comprehensive social dialogue. Ficoso has numerous internal guidelines, policies, and procedures in place to ensure that all establishments follow best practices in recruitment, career management, and talent development. The main ones are Management of Personnel Database, Management of Short-Term Benefits,

Management of Other Employee Benefits, Recruitment procedure, Performance Evaluation procedure, International Assignments Management procedure, Training procedure, Training Planning and Monitoring instruction, the new Onboarding Policy and Talent Review & Succession Planning Policy.

In addition, the company has defined an employee handbook. This handbook includes information on fair business practices at work, our code of ethics, health and safety, training, performance management, prevention of discrimination and promotion of diversity, etc.

Governance

The Chief People Officer, a member of the Executive Committee, is the person responsible for work matters in the workplace. The Corporate Human Resources department is responsible for defining the above guidelines, policies, and procedures. Each establishment has a Human Resources Manager, who is responsible for implementing the policies defined at the corporate level in each country where the company operates.

Main risks and Challenges

Ficosa carries out its activity in a very competitive and demanding industrial environment. The company is continuously taking advantage of new business areas and international markets and has integrated them into the corporation. In this sense, Ficosa is firmly committed to creating high-value jobs in all areas of the organization, with a special focus on engineering. The need to hire new staff is posing new challenges for the company, as competition for skilled and managerial staff is increasing in some areas of global labor markets. For this reason, we are implementing all the necessary mechanisms to get the best out of our teams and recruit the best professionals while maintaining our competitive advantage in the long term. In this sense, the following areas have been identified as the most relevant:

- Diversity and Inclusion
- Development, training and knowledge management
- Dialogue and communication, internal and external
- Employee Engagement
- Health promotion and well-being
- Safe and healthy working conditions (see “Commitment to Health and Safety”)
- Sustainability

Key results

	2021	2022	2023	Variance from previous year
Average number of employees (FTE)	8,357	8,345	8,832	5.8%
Number of employees at year end	7,752	7,819	8,021	2.6%
Non-production Indirect Turnover (%)	10.8%	11.7%	7.9%	-3.8%
Female staff in total (%)*	46.9%	48.2%	48.6%	0.4%
Female staff in executive positions (%)*	14.6%	18.5%	18.2%	-0.3%
Employees with a disability	108	102	98	-3.9%
Dismissals	590	220	106	-51.8%

*.- To measure these indicators, the company uses the workforce at the end of the year (8,021 employees).

FTE = hours of work / theoretical working hours for a period of full-time work (including permanent, temporary, interim and external staff).

Workforce by country

	2022 (FTE)	2023 (FTE)	2022 (at year end)	2023 (at year end)
Brazil	189	206	191	209
China	961	918	651	621
France	237	269	217	217
Germany	176	177	181	173
India	79	98	92	96
Italy	249	264	231	246
Japan	6	4	5	4
Malaysia	0	0	0	0
México	615	754	624	760
Morocco	663	857	719	865
Poland	836	978	652	695
Portugal	930	932	875	833
Spain	1,701	1,803	1,788	1,826
Turkey	824	783	802	759
USA	879	789	791	717
Total	8,345	8,832	7,819	8,021

Group Workforce - age*

	2022	2023
Employees < 30 years	1,553	1,537
30 < Employees < 50 years	4,689	4,567
Employees > 50 years	1,577	1,917

Contract types (2022)*

	Full time	Part time	Total
Permanent	7,069	242	7,311
Temporary	477	31	508
Total	7,546	273	7,819

Group Workforce - job category*

	2022	2023
Senior executives	146	143
Area managers	404	409
Engineers and technicians	1,389	1,433
Administrative personnel	153	154
Direct Production staff	4,346	4,398
Indirect Production staff	1,381	1,484

Contract types (2023)*

	Full time	Part time	Total
Permanent	7,278	218	7,496
Temporary	499	26	525
Total	7,777	244	8,021

Working hours are organised in the same way in all production centres depending on the workload. Operations with two/three daily shifts (morning, afternoon and night) and the rest of the departments with a central shift.

Diversity & Inclusion

At Ficosa, the criteria and procedures for hiring employees include the principle of equality and non-discrimination on the basis of sex, race, national or social origin, social class, birth, religion, disability, sexual orientation, trade union membership, political opinion, age or any other condition.

In addition, our Code of Ethics establishes that Ficosa's management will adopt all appropriate measures to prevent acts of harassment, discrimination or violence within the company. At the same time, the employees undertake not to promote or allow situations of abuse, harassment, violence or discrimination in the workplace. These prevention actions are promoted at the local level with specific equality and anti-harassment plans, such as those at the Cookeville, Detroit, Soria, Viladecavalls and India branches.

In addition, all employment agencies that work with us must ensure the equality of gender, origin, ethnicity, political affiliation and religious beliefs of all candidates shortlisted for our company.

All managers and middle managers are responsible for ensuring non-discriminatory treatment of employees and collaborators.

After the pandemic, Diversity and Inclusion has become one of the main focuses of training at Ficosa. In 2023, we offered the "Being a DEI (Diversity, Equity, and Inclusion) Ally" training globally to further strengthen our commitment to this crucial issue.

Soria collaborates with FADESS (Foundation for Aid to the Disabled and Mentally Diseased of Soria) and ASOVICA (Virgen del Camino Association of Relatives of People with Mental Illness) to promote the social inclusion of people with physical and intellectual disabilities and hires new employees through entities that promote the employment of people with disabilities (Asamis, Ilunion). In addition, Soria collaborates with prisons to promote the rehabilitation of former inmates.

The plants in Mexico have a program called "total well-being" where awareness sessions are held by psychologists on issues of sexual harassment, discrimination, emotional

intelligence, conflict resolution and stress management. For its part, Ficosa Mexico belongs to the local Automotive Cluster, participating in the "Forward for Gender Equality" conference.

Our plant in Dabrowa Gornicza, Poland, has always been committed to the inclusion of disabled people in the workplace. In the past, he received a special "Icebreaker" award for his commitment to promoting the inclusion of people with disabilities, given by the Foundation for the Vocational Activation of Persons with Disabilities and the Polish Organization of Employers of Persons with Disabilities. One of the site's main goals is to reach six percent of employees with disabilities (in 2023 it reached 5.25%, showing a proportion close to the target). This site has also launched a programme to promote gender equality across the board. For example, as of 2022 the programme has focused on breaking down barriers that may be preventing greater female participation in the logistics and warehouse areas, such as encouraging women to undertake forklift training. By the end of the year, 12 more women had joined the logistics department.

Brazil has an inclusion program for people with disabilities who suffer from hearing impairment. Libras is the Brazilian Sign Language (Libras) used by deaf people in Brazilian urban centers and legally recognized as a means of communication and expression, becoming the main inclusion tool for this group of people, promoting accessibility in communication for deaf and hard of hearing people. The company has trained staff (line managers and human resources department) in this sign language to support these employees. Their workplace has adapted, providing new infrastructure on the assembly line to accommodate employees who are deaf or hard of hearing. In addition, the company has updated its emergency procedure and visual aids to effectively alert its employees who are deaf or hard of hearing in an emergency situation. In this regard, the Taicang (China) plant also supplies hearing aids to promote the inclusion of employees who are deaf or hard of hearing.

International Women's Day (IWD) is a global day celebrated annually on March 8 as a focal

point in the women's rights movement, drawing attention to issues such as gender equality. All Ficosa offices organize various awareness-raising activities on that day to promote Diversity, Equity and Inclusion (DEI) as we are aware that there is still room for improvement in the automotive industry, but we need to break down any barriers that may be preventing greater female participation, bringing us closer to gender equality. That date began with our CEO's statement, stating that March 8, dedicated annually to this cause, stands not only as a date on the calendar, but as a significant time of reflection and inspiration. It serves as a reminder of our unwavering commitment to women's equality, raising awareness and celebrating the progress we've made on diversity and inclusion. Although the automotive industry has made significant strides in this area, there is still much work to be done to drive greater diversity and inclusion. Aware of this challenge, at FICOSA we are building





efforts in Diversity, Equity and Inclusion (DEI), which are an integral part of our continuous innovation strategy.

In addition, several Ficosa offices have annual awareness-raising initiatives to prevent psychological and sexual harassment. In 2023, in 2023, managers and supervisors were trained on how to manage sexual harassment. This training will be given to all employees of Ficosa North America. In 2023, a specific awareness campaign was launched at Ficosa Brasil, through the CIPA (Comissão Interna de Prevenção de Acidentes), which are internal committees that promote the interests of employees for the prevention of accidents and occupational diseases, to prevent harassment and the integration and maintenance of women in the labor market.

All the group's companies in Spain have renewed the Equality Plan for the years 2023

to 2027. The aim is to give visibility to existing inequalities and, therefore, to be able to design measurable actions to be carried out to achieve the objective of equal treatment and equal opportunities between women and men and to eliminate discrimination on the basis of sex in the company.

The companies of Ficosa Viladecavalls have participated in the project "Study of gender equality in the automotive sector" promoted by the CIAC cluster and the Generalitat de Catalunya. The main objectives of this study were: to obtain indicative data on the situation of gender equality in the work environment of the automotive sector and to define proposals that can guide an action plan to continue advancing in terms of equality.

Last February 2023, a team from Ficosa Viladecavalls visited the Escola Nova to celebrate the day of "Girls and women in

science and technology" and explain Ficosa's companies, our values and our projects in order to motivate girls to study technological careers. Similarly, in November 2023 the same team participated in a project called "Industry with a Gender Perspective" where women from Ficosa explained their work at Ficosa in order to motivate women to study engineering careers. Two classes from the Pau Casals school visited Ficosa with a total of 30 sixth-grade students.

All Ficosa employees are covered by local collective bargaining agreements, except in those countries where such collective bargaining does not exist, as collective labour rights are protected and guaranteed by national laws. This is the case of Ficosa's plants located in the United States, China, India and Morocco. As a result, the percentage of the group's employees covered by the collective agreement is 71%, which is the same as the previous year.

Employee development

Employee development is a priority for Ficosa. Since 2011, Ficosa has embraced system-wide performance, which focuses on setting performance goals for employees according to their departmental responsibilities and objectives. This is complemented by a semi-annual review in order to update the existing targets with the new information provided during the first half of the year. Each site sets performance targets at the beginning of the year, taking into account process implementation and local conditions, and shares this decision with corporate development.

The soft skills of each person are also evaluated, generating development opportunities for each person. Finally, it is important to highlight the informal mutual feedback that is generated between employee and manager throughout the year, which is at the basis of the main dynamics of people development that are generated at Ficosa.



	2022	2023	Variance from previous year
No. of employees with access to performance and career development review (target)	1,852	2,135	15.3%
% of employees receiving regular performance and career development reviews	90.0%	81.8%	-8.2%

Growing @Ficosa

Ficosa has a Competency Development Program with the aim of identifying and maximizing the potential of key employees.

The starting point of this program is an external Assessment Center that allows each of the participants to become self-aware and map their strengths and areas of development. Growing@Ficosa means making sure our employees are prepared for the company’s current and future challenges and provides the resources and support for accelerated development tailored to each participant.

This program is part of a culture of people development throughout the organization. It is a long-term global program that has reached more than 150 people from different functional areas, levels of responsibility and countries.

The program is based on the 70-20-10 model with a strong focus on work-based learning and social learning. It is structured around an Individual

Development Plan so that each participant better understands, defines and develops their main expectations. This ICP is nourished by training in areas such as Impact, Influence, Teamwork, People Development, etc. and is supported by coaching, 360° mentoring and other behavioral KPIs.

Growing@Ficosa has evolved today into a blended program that includes new management skills such as agility and decision-making under uncertainty and trust as the basis of sustainable leadership.

Ficosa has also launched a Mentoring Process focused on the development of key people, with the aim of developing a person towards a specific position or career path. Through this Mentoring, a senior professional provides guidance, support, and critical information to a younger professional, exchanging ideas, knowledge, and experience, resulting in mutual learning and development with professional implications.



Successfactors

Until 2015, the company had different HR systems and tools that supported personnel management processes, requiring a global and integrated solution. To improve efficiency, Ficosa implemented a new HR Information System called SuccessFactors. This new tool is an employee-centric system and allows each employee to complete HR tasks faster and perform strategic HR activities more frequently and agilely, such as

their annual goals, performance, development plans, training programs, etc. Since 2019, SuccessFactors has included the company’s development module and training program, making it easy to create and track each employee’s development plans. In 2021, the Talent Review and Succession process was implemented for all countries and in 2022 a new onboarding process for new employees was implemented at the Viladecavalls site.

Training and knowledge management

	2022	2023	Variance from previous year
Total number of training hours provided to employees	164,746	160,552	-2.5%
Training investment (€)	837,804	949,859	13.4%
Average cost training per employee*	107	118	10.3%
Average training hours per employee*	21	20	-4.8%

Our value of caring for people makes it clear that people are at the heart of our company. That's why we include programs that encourage continuous learning in different soft and hard skills.

At Ficosa we understand that one of the best ways to learn is to take advantage of our internal knowledge and previous experience. Therefore, working alongside some of our best professionals is the most valuable and direct way to improve the knowledge of our employees. This practical experience is complemented by specific training programs delivered by professionals from our company, as well as by external companies and training institutes.

Each year, each site defines an annual training plan based on the precise detection of needs, with the aim of ensuring that all learning objectives are achieved at individual, school and global levels. These training actions cover soft skills such as leadership, communication, decision-making, strategic vision, negotiation, conflict management, time management, impactful presentations, finance, etc. and all the necessary technical skills.

Total number of training hours provided to employees*

	2022	2023
Direct employees	107,502	95,304
Indirect employees	57,244	65,248
Total general	164,746	160,552

*.- To measure these indicators, the company takes the workforce figures at the end of the year

We are currently working with two internationally recognized platforms such as Coursera for longer training courses leading to a diploma from prestigious international universities, and Skillsoft-Percipio based on microlearning and learning anywhere and anytime. With both platforms, we are able to offer our employees virtually unlimited training in many subjects, both hard and soft skills.

Knowledge management

At Ficosa, knowledge management is a vital element to ensure sustainability over time and communication in a global environment. In this sense, we have launched a Knowledge Management Process with the aim of transferring our knowledge based on Ficosa's standards; These standards focus on error prevention, case studies and activities, ensuring learning through situations close to reality and assessment tools.

Communication & Employee Satisfaction

Ficosa strives to foster strong and effective communication with its employees to ensure that they understand where the organization is headed and are up to date with key information about the company. To this end, the company has developed different communication channels with its employees, such as intranet, suggestion boxes, employee newsletters, round tables with plant managers, one-on-one interviews, meetings in town halls, coffee groups, departmental breakfasts, apps, communication walls, etc.

At the global level, a new communication plan has been designed. It begins with the quarterly communication sessions led by the CEO to the first lines of management, the information provided (business figures, strategic lines, key projects, Q&A) is transmitted in a cascade to the rest of the management teams.

In September 2022, the Taicang plant (China) launched a new App with the intention of facilitating Ficosa’s culture and reinforcing our value of “interest in people” among all employees at the plant. This platform is

divided into six main functions: recognition, community, attention, news, notice, and events. Through this platform, we have been able to increase communication between the company and employees with an additional channel, improving the satisfaction of our employees. In 2023, this digital platform was improved by adding a new module, a suggestion box to facilitate timely communication on this topic.

In addition, all of the company’s workplaces promote and facilitate structured labor relations through local workers’ representative bodies and/or unions with regular meetings to discuss and follow up on various labor issues.

Locally, some sites have introduced an employee satisfaction survey in recent years. The results were presented to senior management, including an action plan. In 2018, the Viladecavalls workplace carried out a new employee satisfaction survey and a plan was established to implement it in all centres around the world. Due to the effects of the COVID-19 pandemic, it was not possible to consolidate this initiative until 2023.

Employee Satisfaction & Engagement Survey

At Ficosa, we know how effective surveys are in measuring employee engagement. The intention is to keep our strong listening culture active, reinforcing our commitment to feedback from our people.

In order to learn more about the experiences of our employees, we launched the “OUR VOICE” engagement survey globally in the spring of 2023 and subsequently, in November 2023, we conducted the second survey with the participation of employees, including direct and indirect office and engineering operators, from all Ficosa plants. They were asked about a variety of topics:

- Commitment
- Ethics
- Inclusion
- Trust in Management
- Strategic Alignment
- Psychological Safety
- Wellness
- Recognition
- Collaboration
- Survey Tracking

In 2023, 21 action plans were designed globally and more than 150 actions were designed to improve our work environment.

International Assignments

One of our objectives as a company is to promote the development of our people through the creation of a dynamic and attractive environment where there are always opportunities for lateral, vertical, functional and geographical movements. In this sense, international assignments are a key element in the development of people at Ficosa. Employees benefit from gaining international experience, growing personally and professionally; Ficosa also benefits by expanding the distribution of knowledge and skills, expanding technical expertise, and promoting a consistent global culture.

Ficosa defines a specific procedure for the Management of International Assignments to ensure the application of homogeneous practices within all the company's headquarters. In any case, the company guarantees that employees returning to their country of origin have a job with the same classification level as they had before the international assignment and a salary level in the country of origin equivalent to the level of the last position held in the destination of the expatriation.

Workplace health promotion & work-life balance

Ficosa works to ensure that all staff undergo an annual medical examination in all the countries in which it operates. Most sites have a specific health care program for employees. Workplace health promotion and work-life balance initiatives depend on each centre and are led by the Human Resources department.

The company has specific local programs in place to ensure that all facilities implement measures related to workplace health promotion, including formal goals for stress prevention.

Employee absences have a huge impact on results and productivity. Understanding the factors that drive absenteeism and monitoring our employees is key to preventing absenteeism. All of Ficosa's work centres monitor these factors through an integrated absence tracking system together with corporate managers.

The main prevention actions focus on changing employee behavior through wellness programs to promote healthier lifestyles. Local Safety and Health Committees regularly assess records of absenteeism for work-related reasons in order to put in place measures to counteract it.

On the other hand, although Ficosa has not developed an internal policy establishing the right of employees to digitally disconnect from work, many initiatives have been launched at the local level to ensure that employees' rest time, as well as that of their families, is respected.

The health crisis caused by COVID-19 forced a large part of society to adapt quickly and unexpectedly to teleworking, a practice that was relatively minority in most countries and companies. In this sense, Ficosa promoted balanced teleworking in all its centers and countries as an effective mechanism.

Main local "Commitment to our people" actions:



- Official measures to promote the conciliation of work and family life
- Smart work policy
- Guaranteed acceptance of requests for reduced working hours for both maternity and paternity leave
- Flexible Hours for Employees
- Physiotherapy service
- Shuttle bus to connect with public transport and direct shuttle from the city of Barcelona to the site of Viladecavalls
- Flexible Remuneration Options
- Medical and nursing services in the main centres
- Same holiday period and work shifts for couples working at Ficosa
- Christmas raffle contest among the children/relatives of employees for FICOSA's institutional cards. All participants receive a gift
- Employee Offers/Collaborations with Gyms, Local Car Dealerships, Hotels
- Inclusion of the vegetarian menu in the dining room
- Sports Commission that encourages outdoor and indoor training, paddle tennis, football tournaments, etc
- Outdoor and indoor collaborative spaces to foster workplace well-being and provide places to rest



- Health campaigns (women's health, detection of hypertension, glucose, HIV, breast cancer, tetanus vaccination, health talks, visits by optometrists and dentists, etc.).
- Total Wellness Program (program offered to our employees through psychologists specialized in emotional intelligence, stress management, etc.)
- Sports promotion campaigns (soccer and bowling)
- Pilgrimage to the Basilica of Guadalupe
- Wallet card program with school supplies for employees' children
- Mother's and Father's Day Celebration
- Family Day



- Flexible Hours for Employees
- Promotion of teleworking
- Promotion of sport, sponsorship of employee teams
- Assisting employees during the warmer months (water, popsicles, electrolytes, coolers, etc.)
- Easter Egg Raffle containing gift cards

The first Smart Work policy, implemented at the Viladecavalls site, favours a hybrid work model that combines face-to-face work with remote work, thus favouring the reconciliation of workers with the company's requirements.

The Smart Work modality moves towards an organizational work culture based on efficiency and productivity that results in better results within a framework of sustainability and flexibility.



- Psychology service for all employees
- Wellness campaigns (promotion of healthy lifestyles)
- Promotion of sport with offers to employees / collaborations with gyms
- Promotion of teleworking
- Assistance initiatives (psychologist and occupational doctor service, medical examinations)
- Job rotation for operators
- Regular health and safety campaigns
- Air Quality & Temperature Monitoring



- Wellness campaigns (flu vaccination, first aid kit, ergonomic audits, hearing protection, etc.)
- Sports promotion (Fico volleyball team, marathon support: a Ficoso employee was in 1,150th place out of 48,000 at the 2023 Berlin Marathon)
- Flexible remuneration (sports card, health insurance)
- Promotion of teleworking and flexible working hours
- Anti-smoking campaigns
- Shuttle bus to connect with public transport
- Flexible remuneration options (sports card, health insurance)
- Organic apple campaign: One day a week you can buy fresh seasonal fruits and vegetables from a local farm



- Wellness campaigns (promotion of a multipurpose room for the care of pregnant and breastfeeding employees, etc.)
- Sports promotion (participation in Taicang marathon, badminton tournaments, football matches organized by the Spanish Chamber of Commerce, etc.)
- Annual ceremony to recognize the most veteran and committed employees.
- Intercity shuttle bus available to employees
- Health & Wellness Program with Health Check-ups, Traditional Chinese Medical Massage & Medical Consultation
- Improvements to facilities (lounges, smoking areas, dining room, new refrigeration systems, new lockers for employees, etc.)



- Telecommuting
- Employee Shuttle Service (Bus)
- First Aid & Fire Protection Workshops



- Table tennis championship and cricket tournament between employees' teams
- Telecommuting
- Self-defense workshops
- Health & Wellness Program with Health Checkups & Medical Consultation
- Monthly meeting with all employees to promote transparency and open communication.
- Annual team building activities
- Engagement Surveys
- Celebration of the "Diwali" festival



- Partnership with a public organization for the adaptation of jobs for people with disabilities
- Guaranteed Acceptance for Part-Time Job Applications for Parents
- Telecommuting
- Flexible Schedule for Non-Productive Indirect Employees
- Creating a monthly internal newsletter
- Work-life balance training
- Training on how sleep well for night shift employees
- Employees' Children's Christmas Event (Movies, Candy & Chocolates)
- Annual event to recognize previous year's retired employees



- Official measures to promote the reconciliation of work and family life
- Flexible Hours for Employees
- Health prevention campaigns (medical detection of cardiovascular and oncological diseases)



- Assembly lines and emergency procedures adapted to accommodate deaf and hard of hearing employees. The company has staff trained in sign language to support these employees.
- Improvements to the staff dining room to make it a more comfortable and relaxing environment.



- Flexible Hours for Employees
- Telecommuting
- Promotion of sport with offers to employees / collaborations with fitness centers
- Medical service with voluntary check-ups, flu vaccination campaigns, skin cancer prevention campaigns, healthy back, etc.
- App available for healthy practices (stretching, breathing exercises, fitness, diets).



- Wellness campaigns (limitation of overtime, outdoor walks, and cycling)
- Employee Shuttle Service (Bus)
- Congratulatory letter to employees on their company anniversary
- Symbolic Gift Request for Employee's Birthday
- New Year's Eve Gift Raffle Among Employees
- Team Building Events
- Employee assistance during the warmer months (water, Asure, ice cream, lemonade, etc.)
- News or Hello Summer Events to build the Ficoso Family among employees

Commitment to health and safety



Policies

At Ficosa, we believe that all incidents, injuries and occupational illnesses are preventable, and we strive for zero harm through:

- Ensure compliance with legislation and also with Ficosa's operational policies and standards.
- Establish measurable health and safety (OHS) objectives and goals, recognizing and celebrating their achievements.
- Identify, assess, and control hazards and impacts, and adopt an approach that strives to eliminate or reduce risk to a residual level.
- Inform employees, contractors, visitors, and the public about these hazards and impacts.
- Identify, implement, monitor, and reinforce the safe behaviors we expect in our business to eliminate unsafe acts and practices.
- Provide proper OHS training to employees and contractors.
- Investigate incidents and share lessons learned to prevent them.
- Guarantee the participation and consultation among our workers in aspects related to health and safety.

**Production sites certified
with ISO 45001 (%) in 2023**
100% in 2022



Currently, all of Ficosa's production centres have audited and certified the occupational health and safety management system based on the ISO 45001:2018 standard.

In addition, risk assessments are carried out at all production sites and internal health and safety audits are regularly carried out to ensure the highest safety standards throughout our operations.

We take a common company-wide approach to managing health and safety. In addition to strict compliance with legal regulations, we implement our own safety, health and environment policy (hereinafter referred to as OHSE) as well as a set of strict OHS procedures including hazard identification and risk assessment, worker health monitoring, risk control planning, chemical management, the management of Personal Protective Equipment (hereinafter PPE) for employees and contractors. etc.

We annually review all policies and procedures, including the improvement options identified during the internal and external audit processes, new requirements from our clients, as well as the best practices identified within the group. In this way, we guarantee continuous improvement in the performance of all our activities.

Since 2016, the "3Q3" corporate quality audit questionnaire has included OSH issues related to safe behavior and equipment safety.

In addition, OHSE's corporate department is leading ISO 45001:2018 internal audits at all plants. These audits are carried out at all production sites and are the tool to ensure compliance with uniform safety, health and environmental standards. During 2023, the internal audit was carried out on-site except for Brazil, Cookeville and Mexico, 3 sites have been audited on-line by the corporate team.

Governance

The OHSE corporate team is responsible for developing any new OHS standards and procedures. In addition, the department is responsible for establishing a global system to collect major OHS data from all countries and ensure that each subsidiary complies with internal rules and procedures. Each plant has specialists responsible for implementing the company's health and safety standards and procedures.

Plant managers are responsible for the OHS performance of each plant, and all employees are expected to take personal responsibility for their actions and engage in improvement initiatives and the development and setting of standards. It is important to create the right safety culture in our facilities. It takes strong leadership and an active commitment to the safe operations of our workforce.

Despite the continuous reduction in the accident rate, a line called "Safe work environment" was included in the strategic lines of 2022 with the aim of achieving zero occupational accidents as soon as possible.

All Ficosa manufacturing plants have local health and safety committees or employee representatives with the aim of promoting safety activities and sharing with management the responsibilities of implementing and monitoring Ficosa's safety program. Its role is to facilitate the exchange of views between the parties, creating a stable forum for orderly dialogue.



Main Risks and Challenges

The main incidents are related to the human factor, followed by the machine factor and the organizational factor.

By type of risk, the main risks are ergonomic, followed by falls, cuts and entrapments, which occur mainly in the injection, maintenance and assembly processes.

In this sense, the main challenges of the organization also focus on each of the factors. For each factor, a solid action plan has been defined through the strategic line “Safe Work Environment”.

As for the technical factor, in 2022 the corporate department of OHSE together with a multidisciplinary team, consisting of process engineers from different plants and corporate specialists in different processes such as assembly, injection molding of plastic and aluminum, has published in 2022 the new procedure for the design and acquisition of equipment. At the same time, the training of the local teams involved in this process at the plants has been completed. All new machinery and equipment have met the requirements of this standard. In case of modifications to existing equipment, compliance with this standard is guaranteed. The safety status of our machines has been monitored through the suitability of the machine’s purpose.

Key Results

	2022	2023	Target 2023	Target 2024
Group - ORIR	0.86	0.54	0.00	0.00
ORIR - South Europe	1.07	0.83	0.00	0.00
ORIR - North Europe	0.94	0.62	0.00	0.00
ORIR - Asia	0.24	0.00	0.00	0.00
ORIR - NAFTA	0.78	0.13	0.00	0.00
ORIR - South America	0.54	0.00	0.00	0.00

The accident rate indicator used by Ficos at the corporate level is the ORIR (OSHA Recordable Incident Rate) and each production center has its own annual target, in addition to setting targets by country, region and group level. ORIR is a widely used measure in the U.S. industry to track on-the-job injuries. The ORIR in the tables represents the number of Ficos employee injuries per 200,000 hours worked. The lower the number, the closer we are to the goal of our Policy. Each Plant Manager is responsible for successfully achieving annual goals. Our corporate ORIR has been shrinking year after year. While this is encouraging, we continue to focus our efforts on safety to reduce incidents, mainly due to ergonomic issues, potential bumps, cuts and falls.

Although the result of the ORIR 2023 has exceeded our final target of 0 accidents, the maximum expression of our commitment, it has shown a notable reduction in the total number of accidents compared to previous periods. This improvement in the accident rate is the result of

a combination of technical improvements and awareness-raising actions aimed at reinforcing safety leadership and promoting safe behaviour. We are committed to continuing to work towards an ORIR 0 with the firm conviction that all accidents can be avoided.

In relation to contractor accidents, there were 2 contractor incidents in 2023. The management of the safety of contractors is based on a corporate protocol that establishes a series of controls prior to the start of the work, as well as during the execution of the work.

	2022	2023
Number of contractor accidents	0	2
Number of fatal contractor accidents	0	0

	2022	2023	Variance from previous years
Group - Injury severity rate ¹	0.13	0.11	-16%
Group - Injury frequency rate ²	4.29	2.70	-37%
Number of fatalities	0	0	-
OHSA training (hours)	34,356	42,796	25%
N° OHSA improvement actions	2,028	3,556	75%

(1) Number of days lost due to accident x 1,000 / Total number of hours worked

(2) Incidence of accidents with more than one day of sick leave per 1,000,000 hours worked

Training hours have increased considerably compared to the previous two years, with a positive impact not only on the accident rate, but also on the satisfaction and motivation of our employees. There has also been a significant increase in the number of improvement actions implemented. With regard to the gender distribution of both occupational accidents and diseases:

	Men (2022)	Women (2022)	Men (2023)	Women (2023)
Group - Lost time severity rate ¹	0.13	0.12	0.05	0.16
Group - Injury frequency rate ²	4.18	4.42	2.50	2.91
Number of accidents*	28	28	20	22
Number of professional illness	5	40	5	28

(*) Not including accidents in itinere.

By way of example, for the prevention of occupational diseases, some affected centres have implemented the following activities:

Dieuze:

In 2022, an ergonomic study was carried out and the positions that were under the high ergonomic risk were defined. In 2023, the ergonomic actions resulting from this study have been monitored. One of the results of this study is the implementation of height-adjustable assembly benches in new assembly lines.

Soria:

It has an agreement with various physiotherapy centres so that employees can visit them under preferential conditions. In 2023, the risk assessment of repetitive motions has continued, using OCRA analysis to improve conditions on assembly lines, which began in 2022. According to this study, depending on the risk level of the line, the production is adjusted in the lines and a rotation is made every 2 hours.

Portugal:

Practical ergonomics training has continued at the Safety Dojo. A specific risk assessment has also been carried out on a specific group of workers who exposed the ergonomic risk on assembly lines, which began in 2022. According to this study, depending on the level of risk of the line, production is adjusted on the lines and rotated every 2 hours.

Local and corporate initiatives to strengthen the commitment towards health and safety

Caring about people is one of our company’s values and ensuring their safety and health is our priority. All our plants work to strengthen a culture of safety in all our activities.

Safe Work Environment Strategic Line

Ficosa’s strategic line of Safe Work Environment has been revised in 2023 based on the Safety growth project, started in 2022, and the Ficosa Care program, with the aim of creating a risk-free workplace and becoming a leading company in terms of safety culture.

The strategic plan consists of three main pillars: safety culture and mindset, technical solutions, and standardization. The objective of each pillar is expressed as:

A safety culture and mindset is an organizational culture that places a high level of importance on safety beliefs and values and people within the company or workplace share these attitudes. It could be characterized as “the way we do things around here.” A positive safety culture can lead to improved workplace safety and health and organizational performance.

The technical solution is to create a safer and healthier workplace by eliminating the risks that can cause injury to our employees in each of the areas.

Standardization is the harmonization of procedures, methodologies and operations in order to create a solid and reliable working model and meet the defined criteria of OHS, Quality and Efficiency.

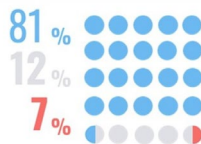
CULTURE

Security in OUR VOICE

Safety has been included in the Our Voice employee survey that was conducted in November 2023. 81% of our employees responded that they felt comfortable reporting safety issues and acknowledge that the company is committed to employee safety. We will continue to work on this in 2024, both locally and globally.

Safety

Safety first!
We feel comfortable reporting issues and we recognize that the company is committed to employee safety. Together we have the mission to keep it up!



Safety in our values

Security has been included in the new definition of our value “Interest in People”.



Interest in People

People are the core of our business. We prioritize safety, development, diversity and inclusion. Mutual respect and friendly relationships are part of who we are.

“My Safety Statement” (CARE Program Commitment)

Members of the Executive Committee and Management Team from across the company have established their own Safety Statement that reflects their health and safety commitments, demonstrating their responsibility and role model on this journey.

Behavioral Safety Training (CARE Program Attitude)

This program, which includes the following 4 training topics, has continued its deployment in four Ficosa centers. The objective of these trainings, focused on improving the attitude of all our workers towards aspects related to safety, is the basis for achieving safe behaviors.

1. Perception: 2,198 employees have participated in the perception training.
2. Optical Signals / Safe Walking: 1,570 employees took part in this training.
3. Hand-eye coordination and reflexes: 1,437 employees took part in this training.
4. Routine/Safe Work Behavior: 1,349 employees have participated in this training.

In 2024, behavioural training will be rolled out in all Ficosa production centres.

Safety Dojo Training (CARE Program Attitude)

The company is investing in training to raise employee awareness of the safety and health risks associated with operations. Ficosa's production centers have a Dojo training area. The Safety Dojo is a training concept based on "Learning by doing", through which our employees can safely experience the consequences of different safety failures: entrapment, projections, handling of loads, etc. The training stations are regularly updated according to our main challenges and risks. In 2023, 6,543 employees were trained in the areas of Safety Dojo.



World Day for Safety and Health at Work

The World Day for Safety and Health at Work, which is celebrated on 28 April, has been celebrated at Ficosa's plants under the same slogan which is "Take Time to Take Care".

With this theme, we intend to "Strengthen the development and implementation of a safety culture, to achieve risk-free workplaces and ultimately the safety goal of "zero accidents", and demonstrate that we can only achieve this goal with employee involvement.

In this regard, the CEO of our company shared the message with all computer users and public meetings were organized to ensure that this message was conveyed to all our employees through the plant managers.

Training courses were organized to increase employee awareness of the risks. Afterwards, each employee signed their own safety pledge.

All these actions encourage the participation of workers and their involvement in the different areas of occupational safety and well-being at work. With activities such as Safety Day, we contribute to SDG 3 Promote the health and well-being of our team.

TECHNICAL SOLUTIONS

Employee Risk Communication

We believe it's important to engage employees in risk assessment or risk hunting to create a risk-free workplace, encouraging teams to talk about risks. In 2023, several trainings and activities were organized reporting 1,535 risks, 94% of them closed in the same year. Risk communication is done through tools such as risk communication forms and suggestion system.

Ficosa Taicang, integrated risk communication into a local mobile application (WeCom module) that was launched last year. Employees can report the risk situation through their mobile phone and receive feedback on it through this App.

STANDARDIZATION

Security Forum

A Safety Forum has been held every month with the participation of all the Safety Specialists of the production sites. Nine best practices have been shared and one has been selected to be standardized in 2024. In addition, in this forum, the incidents that occurred in the plants with causes, countermeasures and actions have been discussed. The goal is to ensure standardization across all our facilities to avoid repeat incidents.

Other Good Practices and Awards

Gemlik and Bursa (Turkey)

Participated in the “Stars of Safety at Work” competition organized by one of Turkey’s largest trade unions, MESS (Turkish Association of Metallurgical Industry Employers). The aim of the competition was to raise awareness, support and encourage efforts in the field of occupational health and safety. As a result of this competition, Ficosa Bursa won an award in the category of “HSE SPECIAL AWARD” by implementing an automatic line for manual operation, avoiding the risk of cuts, chemical contact and ergonomic risks. Ficosa Gemlik has been awarded in the category of “DISASTER MANAGEMENT AND EMERGENCY SITUATIONS” for the Earthquake Preparedness project. Since the region is under earthquake risk, this site has carried out various activities to raise awareness among employees, strengthen the building’s facilities, and eliminate risks that can cause injury at the time of an earthquake. The award ceremony took place in November 2023 in Istanbul.

Viladecavalls (Spain)

A new training has recently been included in the standard portfolio related to AED. An AED, or Automated External Defibrillator, is used to help people who experience sudden cardiac arrest. It is a sophisticated, yet easy-to-use medical device that can analyze the heart rhythm and, if necessary, deliver an electric shock or defibrillation to help the heart restore an effective rhythm. Since the average first responder response time once Medical Emergency Service is called is about 8-12 minutes, and for every minute that defibrillation is delayed, the odds of survival are reduced by about 10%, it is critical to have access to an AED and know how to use it. Thirty employees have been trained in 2023 on the use of this device in the event of cardiac arrest. The site has 65 employees already trained.



Commitment to environment



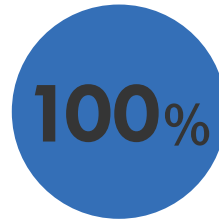
Policies

The increase in the world's population and the rapid growth of the global economy have complex and diverse connections to the global environment. They also affect the environment in many other ways. At Ficosa, we are committed to providing and delivering safer, more connected and efficient systems for the automotive and mobility sectors, and to reducing our environmental impact in doing so. Our commitment to the environment extends to our entire business cycle, from research and

development to product design to raw material procurement and manufacturing, through the use and disposal of our products.

In addition to strict compliance with legal regulations, we implement our own OHSEQ1 policy, which guarantees environmental protection, energy efficiency, climate change mitigation and adaptation, and responsible management of resources and waste.

⁽¹⁾ See Appendix 1 Occupational Health Safety Environment and Quality Policy



ISO 14001 certified operating facilities (%) in 2023
100% in 2022

The Group’s commitment to protect the environment is clearly demonstrated in our activities through the implementation of an integrated management system in the different centres in which the company operates. Ficosa’s environmental management model is based on the international standard ISO 14001:2015. All of the group’s production sites are ISO 14001 certified.

In addition to certification audits, the company carries out different follow-up audit processes:

- “3Q3” Corporate Quality Audit that includes environmental aspects related to waste disposal and storage, waste storage, environmental emergency means, spill prevention, industrial hygienic protection of equipment and machines, etc.
- Internal audits of the OHSE management system through which we ensure that all operating facilities follow the same standards of ISO 14001:2015 and ISO 45001:2018. The corporate department leads and conducts ISO 14001:2015 internal audits worldwide.
- An assessment of risks and opportunities related to environmental aspects and climate change mitigation is carried out using a methodology based on the ISO 31000:2018 standard.

In 2023, following the removal of COVID-19 mobility restrictions, OHSE’s corporate department carried out ISO 14001:2015 internal audits at all sites. These audits ensure compliance with harmonized safety, health and environmental standards and are carried out at all production sites. On-site internal audits were conducted at all locations except Brazil, Cookeville and Mexico, where the corporate team conducted online audits as organizational changes had been made in the OHSE department and plants.

Ficosa applies the precautionary criteria introduced by the United Nations in Principle 15 of the ‘Rio Declaration on Environment and Development’ to prevent environmental degradation. The application of the precautionary principle helps us to reduce or avoid negative impacts on the environment. In order to avoid environmental damage that could be caused by the acquisition of new products and/or processes, and to determine effective actions to counteract such damage, Ficosa has established different internal procedures in relation to the purchase of chemical, production and non-production equipment and the purchase of new industrial facilities. All of the company’s investments include verification and approval by OHSE’s Corporate Department.

In addition, in 2020, a new category of analysis was included in the document for the acquisition of new products and/or processes that allows the impact of each purchase to be analysed on the environmental indicators established for each plant by the OHSE Corporate department.

The purpose of these procedures is to assess in advance, the environmental impacts that may arise from the aforementioned purchases and, therefore, to be able to authorise or reject acquisitions. In the case of authorization, a series of preventive measures are determined, implemented and monitored, ensuring an effective final verification.

Since 2021, new sustainability-related requirements have been established in the supply chain:

- Special requirements for component approval: in relation to legislation and customer requirements.
- Restricted and controlled substances: in relation to legislation, good business

practices and environmental protection policies, Ficosa has established the restriction and/or control of raw materials and substances, including conflict minerals.

- Collection of data on the carbon footprint of suppliers: with the aim of monitoring emissions and establishing reduction initiatives in our value chain.
- In 2022, each business unit has a person responsible for sustainability with the aim of including sustainability criteria in the design phase of our products.

In addition, a new Corporate Sustainability Manager position was created in 2023, appointing individuals from each Business Unit as Sustainability Promoters or Champions to ensure that each site actively engages all groups in development processes, in line with the 1987 report of the World Commission on Environment and Development and the guiding principle that “sustainable development is development that it meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Each of FICOSA’s sites adopts the principle that sustainable development is intergenerational solidarity, which consists of finding solutions that ensure continued growth that allow all groups to actively participate in development processes, while giving them the opportunity to benefit from growth. The concept of sustainable development is not limited to the need to reduce the negative impact of the economy on the natural environment, but underlines the importance of the three factors of development: respect for the environment, social progress and economic growth.

In this way, we reinforce and ensure the deployment of the main aspects of sustainability and due diligence in our supply chain.

Governance

At FICOSA we work to anticipate and identify the challenges of the sector in order to offer our clients the best solutions on the market. With this desire to anticipate, we have always been convinced that investing in sustainable solutions is synonymous with investing in a better future in all areas.

As a result of this reflection, we have made sustainability a key pillar of our strategic vision, convinced that growth is only possible if it is accompanied by socially responsible actions and behaviours.

Our commitment is based on international agreements with which we are fully aligned. FICOSA has endorsed the Sustainable Development Goals of the Global Compact, of which we have been a signatory member since 2002, as well as the needs of stakeholders. We remain attentive to our environment in order to adapt to the context and to new environmental and social needs.

OHSE's corporate team is responsible for formulating new internal environmental standards and procedures. In addition, the department is responsible for establishing a global system to collect key environmental data from all countries and ensure that each subsidiary complies with internal standards and procedures. Each plant has managers or technicians in charge of implementing the company's instructions, procedures, and environmental systems.

In 2023, the Global Forum on Health and Safety and Environment was held online, at a monthly meeting. The strategic lines and objectives for the year were presented.

In compliance with current Spanish legislation, it is reported that the costs incurred in the acquisition of systems, equipment and facilities whose purpose is the elimination, limitation or control of the possible impacts that the normal development of the company's activity could cause on the environment, these amounts are considered investments in fixed assets. In 2023, investments amounting to €2.0 million have been made. In the previous year, the Group invested €0.8 million.

All other environment-related expenses, other than those incurred for the acquisition of fixed assets, have been recorded in the consolidated income statement. In 2023, expenses amounting to 2,129 thousand euros were incurred. In the previous year, expenses amounted to 2,196 thousand euros for this item.

Ficosa has taken out an environmental liability insurance policy that covers civil liability for personal and material damage caused by polluting events in, on, under or emanating from its insured facilities, as well as the associated cleaning and emergency expenses that it must legally face in, on, under or outside the insured facilities and the expenses derived from damage to natural resources in, on, under, or emanating from secured premises. The total aggregate limit is €15 million per insured period (in 2022, this limit was €10 million).

In the case of the U.S., Ficosa North America Corporation is not included in the corporate program, but has a separate Environmental Liability insurance policy. The aggregate total limit is USD 5 million per insured period, the same amount as in the previous year 2022.

Main Risks and Main Challenges

Local pollution

At Ficosa we carry out our activities with special attention to the protection of the environment and the efficient use of natural resources. Each manufacturing facility identifies and assesses its environmental impacts each year. Painting and injection processes account for most of the environmental impact during the manufacture of Ficosa products in terms of air pollution, energy consumption and waste generation. The painting process is a manufacturing area to be considered due to its Volatile Organic Compound (VOC) emissions. In addition, the injection molding process is a major energy consumer and actively contributes to carbon dioxide (CO₂) emissions.

In this context, the technology used in paint application and injection molding machines must meet the highest expectations for quality and profitability, while remaining environmentally responsible.

Noise and light pollution

In the environmental impact analysis of each plant, light pollution has not been identified as a relevant material issue. With regard to environmental noise, all Ficosa plants carry out controls with the periodicity established in local legislation to ensure compliance with the limits.

Addressing Climate Change

Ficosa works to reduce CO₂ emissions associated with its manufacturing processes and the entire value chain.

Since 2016, all manufacturing sites have implemented individual reduction targets to reduce their greenhouse gas (GHG) emissions, electricity consumption, water consumption, and waste generation, along with specific action plans to achieve them. These objectives follow the corporate guidelines under the strategic line "Climate change mitigation", with the aim of reducing Ficosa's carbon footprint and energy consumption, taking into account the annual historical trend of reduction targets.

In 2021, Ficosa worked to include all Scope 3 categories in the emissions calculation with the aim of defining a roadmap for indirect emissions reduction.

In addition, in 2021 Ficosa participated in the Climate Ambition Accelerator learning program promoted by the United Nations Global Compact Spain. It's a six-month apprenticeship program where companies expand their knowledge and learn the skills they need to help halve global emissions by 2030 and reach net zero by 2050 by setting science-based targets.

The initiative included a series of capacity-building sessions, access to best practices, peer-to-peer learning opportunities, roundtables and events to help companies set ambitious science-based targets and take business action to achieve the global goal of keeping global warming below 1.5°C.

Throughout the development of the programme, the Global Compact has had the support at the global level from partners such as Science Based Target and the World Resources Institute and, at the national level, from partners such as Comunidad por el Clima and the Spanish Office for Climate Change, which collaborate with the United Nations Global Compact Spain and the companies adhering to the initiative at the local level.

Once the full emissions inventory was ready and the Climate Ambition Accelerator program was finalized, the next challenge was to join the SBTi initiative in January 2022, with 2019 as the base year.

In February 2023, FICOSA's targets were validated by SBTi, confirming their consistency with the 1.5°C trajectory. SBTi welcomes FICOSA's ambitious 1.5°C-aligned target, which is currently the most ambitious target available in the SBTi process. As a result of the efforts and actions described, since 2023 the SBTi initiative has confirmed and supported Ficoso's reduction targets for scopes 1, 2 and 3 by 2030. In line with the SBTi initiative, we aim to reduce emissions in scopes 1 and 2 by 46% and scope 3 by 27.5% by 2030.

The Director of Corporate Sustainability, together with the Corporate Health and Safety Department, carried out several communication and awareness sessions around the world with FICOSA employees from different departments, including Regional Directors, Country Managers, Plant Managers, Human Resources Managers, Logistics, Research and Development, Commercial and Environmental Technicians at the production sites.

Key results

Reducing local pollution

One of the current challenges is to reduce volatile organic compounds (VOCs), which evaporate easily and produce gas in the atmosphere. VOCs are carbon-based materials that can be toxic and create adverse health and environmental impacts. The company has implemented different control systems and standards in its manufacturing plants with paint process to monitor and reduce the amount of air pollutants emitted during their operation.

In Taicang (China), Cookeville (USA), Soria (Spain) and Dabrowa Gornicza (Poland), the company installed a catalytic burner (RTO – Regenerative Thermal Oxidizer) to reduce volatile organic compounds (VOCs) present in paint shops. RTO destroys VOC emissions by creating a chemical reaction within the air pollutant and oxygen at elevated temperatures. This reaction destroys the VOC emissions in the air stream by converting them into gas, water, and heat. In addition, the recovered heat is used to adjust temperature values within the painting process

itself, as was done at the production plant in Poland. Thanks to RTOs, VOC emissions have been reduced by 92-95%.

The Taicang plant (China) has a real-time VOC monitoring system, which allows the plant to react immediately to any unforeseen event.

As of 2018, the Carbon Footprint (CFP) analysis has included air conditioning and refrigerant emissions from climatic chambers in order to control and prevent any leaks. Ficoso advocates the use of refrigerant gases with zero ozone depletion potential and fully supports the use of refrigerants with lower global warming potential (GWP). These refrigerants are mandatory in all related investments.

In addition, the company is working on several initiatives to optimize the transportation and distribution of products purchased or sold by the company:

01 Sea Container Consolidation: Shipments to the U.S. from Barcelona are consolidated at the port and no shipment is made until the container is full. Ficoso has a similar initiative in Mexico and China. In China, containers also have to be filled before being sent to manufacturing plants in Viladecavalls and Soria (Spain).

02 The manufacturing plants in Dabrowa Gornicza (Poland) and Rabat (Morocco), import their moulds from Asian suppliers via containers by train.

03

Most of Ficosa's manufacturing plants have implemented a milk run delivery method. Instead of each supplier sending a vehicle each week to meet Ficosa's needs, a vehicle visits each supplier on a weekly basis and picks up the products purchased for Ficosa. In this way, each load of vehicles meets all of Ficosa's weekly needs from each supplier, minimizing kilometers and associated logistics.

04

The Group's intercompany sales seek to optimize routes between production plants, delivering at an agreed point where the other Ficosa plant has a regular route.

Noise and light pollution

Ambient noise measurements are regularly carried out at all the group's production plants. They all comply with the limits set out in local regulations. In 2023, out-of-bounds measurement points were detected in China. After analyzing the environmental conditions and surrounding

activities, it was determined that the noise did not come from Ficosa's operations. However, measures were taken at the plant to protect the chiller water pumps and reduce the amount of noise emitted.

Addressing Climate Change

Since 2016, we have defined a guideline to reduce our greenhouse gas (GHG) emissions annually at the production plant level. Each production site must reduce the intensity of its GHG emissions by a certain percentage based on the previous year's performance. Each plant manager is responsible for successfully achieving the goal. Since 2018, the company has worked to improve the collection and consolidation of the carbon footprint, by implementing a more robust internal tool that ensures that each operational facility reports data in accordance with the standards and criteria used by Ficosa. The tool has enabled the company to increase reporting of GHG emissions across its value chain and products.

Since 2021, in line with the main international environmental commitments, the company has improved the CO₂ emissions inventory to include all Scope 3 categories from 2019, making this year the base year. Our goal, aligned with the SBTi initiative, is to reduce emissions at Scope 1 and 2 levels by 46% and Scope 3 emissions by 27.5% by 2030.

To achieve the scope 1 and 2 emissions reduction target, all our plants have developed a decarbonisation plan through different actions:

1. Energy efficiency measures: Reducing the energy we use is key to success in reducing emissions.
2. Photovoltaic panels: the plants in Taicang (China), Maia (Portugal) and Soria (Spain) currently have rooftop photovoltaic installations,

which produce a total of 2% of the company's total demand in 2023 (the same amount as in the previous year 2022). Other plants in the group will soon have similar facilities up and running.

3. Green energy procurement: 15 of our plants (13 in 2022) currently use electricity from 100% renewable energy sources, accounting for 82% (69% in 2022) of the company's total consumption. Our goal is to reach 100% by 2030.
4. In addition, in 2023 the Soria production plant was connected to a local heat network from renewable sources (biomass). This action is part of Ficosa's global strategy to reach 100% renewable energy consumption by 2030.

To achieve the scope 3 emissions reduction target set in 2021, Ficosa has implemented sustainability commitments across its supply chain. We ensure that our suppliers meet the reference standards for the absence of conflict minerals and restricted or prohibited substances. In addition, we assess their environmental performance and emissions, and encourage them to set carbon footprint reduction targets.

In 2023, FICOSA conducted a survey of its strategic suppliers to gather information on their decarbonization goals and action plans.

This data collection has served to raise awareness and encourage people to join Ficosa's decarbonisation strategy.

Greenhouse gas (GHG) emissions by type of source

We have a GHG emissions inventory according to the Greenhouse Gas Protocol.

(In t of CO ₂ e)	2019 base year	2022	2023	Variance from previous year
Scope 1, direct GHG emissions	10,062	9,997	8,256	-17.4%
From refrigerant and other	1,662	2,193	649	-70.4%
From fossil fuels	8,357	7,772	7,564	-2.7%
From owned vehicles	43	32	43	37.5%
Scope 2, indirect GHG emissions				
Location-based emissions from electricity consumption ²	49,128	42,705	40,635	-4.8%
Market-based emissions from electricity consumption ²	37,896	17,025	7,741	-54.5%
Total GHG emissions (Scope 1 & 2)¹				
Total market-based GHG emissions	47,959	27,022	15,997	-40.8%
Total location-based GHG emissions	59,190	52,702	48,891	-7.2%
Total location-based GHG emissions per sales (tCO ₂ e/MEur)	42	24	12	-50.0%

¹ The total emissions generated have been calculated by applying the methodology of the Greenhouse Gas Protocol Initiative (GHG Protocol). The emission factors used have been extracted from internationally recognized sources, such as the Intergovernmental Panel on Climate Change (IPCC AR5) and the ECOINVENT database. In addition, relevant national databases have been considered, such as those provided by local agencies such as MITECO, U.S. EPA, DEFRA, the International Energy Agency (IEA), among others.

² The base-local emissions associated with electricity consumption have been calculated using the most recent emission factors provided by the International Energy Agency (IEA) for the year 2023, covering all the countries in which Ficosa operates, with the exception of facilities in Spain, for which data from the Ministry for the Ecological Transition and the Demographic Challenge (MITECO) for the year 2023 have been used.

In relation to the market emissions taken into account by the electricity supplier, the emission factors supplied by the energy suppliers were applied, with the exception of installations in Spain, which have guarantees of origin (OOG). In addition, for plants located in Brazil, China, Turkey, Poland, Mexico, Morocco, and the United States, IREC certificates were used to certify that all energy used comes from renewable sources.

In 2023, Ficosa has reduced its CO₂ emissions by 40.8% in absolute scope 1 and 2 values at market level. This reduction is the result of Ficosa's effort and commitment to the materialization of all the actions that each of the group's plants has established in its greenhouse gas emission reduction plans.

Compared to the 2019 baseline, Ficosa has reduced its emissions by 67%, already reaching the SBTi 2023 commitment by 2030. This overall decrease is mainly due to the decrease in fugitive emissions, as a result of better maintenance provided to the plants and aligned with the new regulations.

Greenhouse gas (GHG) emissions by region in 2023

(In t of CO ₂ e)	South Europe	North Europe	Nafta	Asia	South America
Total location-based GHG emissions (Scope 1&2)	17,136	14,557	11,070	5,711	417
Total market-based GHG emissions (Scope 1&2)	3,393	6,891	4,941	760	12
Scope 1, direct GHG emissions	3,392	2,866	1,226	760	12
From refrigerant and other	173	255	42	179	0
From fossil fuels	3,183	2,611	1,184	581	5
From owned vehicles	36	0	0	0	7
Scope 2, indirect GHG emissions					
Location-based emissions from electricity consumption	13,744	11,691	9,844	4,951	405
Market-based emissions from electricity consumption	1	4,025	3,715	0	0

Each country has to reduce its baseline local GHG emissions on the parts produced annually. By 2024, all production plants will have to reduce their emissions in absolute terms, between -49% and -80% (compared to scopes 1 and 2 in 2019) to meet Ficosa's 2030 decarbonisation target and significantly exceed SBTi's medium-term targets.

The different absolute CO₂ reduction ranges for each plant have been determined based on the production processes carried out in each plant and the technological capabilities planned to be implemented by 2024. FICOSA's overall absolute CO₂ reduction target for 2024 is -68% (compared to scopes 1 and 2 in 2019).

Ficosa has been working to calculate the Scope 3 emissions (t CO₂e) of all those categories relevant to the group. The following table shows emissions from 2019 (base year) and their evolution up to 2023 compared to the base year.

2023 scope 3 emissions are down -9.1% from the base year. This is a very good figure if we take into account that turnover has been higher by +17% compared to the base year.

Scope 3, indirect GHG emissions in the value chain (In t of CO ₂ e)	2019	2022	2023	Variation 2023 vs base year (% vs 2019)
Goods and services purchased	647.879	597.471	627.467	-3,2%
Capital Goods	25.618	13.019	13.158	-48,6%
Activities related to fuel consumption	13.003	10.579	12.287	-5,5%
Upstream Transportation and Distribution	10.074	9.007	9.084	-9,8%
Waste generated in operations	1.129	7.275	7.246	541,8%
Business Travel	2.334	438	1.108	-52,5%
Employee commuting	57.795	11.123	11.068	-80,9%
Upstream leased assets	239	178	143	-40,3%
Downstream Transportation and Distribution	9.126	7.399	7.150	-21,7%
Processing of products sold	26.979	18.816	19.305	-28,4%
Use of Sold Products	85.703	67.729	91.775	7,1%
Final disposal of the products sold	480	188	241	-49,7%
Downstream leased assets	3	19	17	469,7%
Franchises	-	-	-	-
Investments	-	-	-	-
Total scope 3 GHG emissions (tCO₂e)	880.362	743.241	800.049	-9,1%

Energy efficiency and renewable energy

The reduction of greenhouse gas (GHG) emissions at Ficosa is mainly related to the reduction of energy consumption. In this regard, the company is committed to mitigating its impact on climate change through a solid energy strategy based on increasing the use of renewable energies, energy production through photovoltaic solar panels and energy efficiency. Increased use of renewable energy is critical to the transition to a low-carbon economy.

As of March 2016, 100% of the electricity in all sites in Spain (Viladecavalls, Soria and Sant Guim) already came from renewable sources or high-efficiency cogeneration.

In addition, in 2021, the plants acquired renewable energy certificates (IREC) for their electricity consumption, with renewable energies accounting for 33% of the total electricity consumed by Ficosa. In 2023, Ficosa has increased its renewable energy consumption by +18% compared to the previous year.

In 2023, more Ficosa production plants (Poland and Morocco) have been added to the purchase of renewable energy, thus increasing the company's renewable energy ratio from 69% in 2022 to 82% in 2023.

At the end of 2017, the manufacturing plant in Taicang, China, installed 6,160 solar panels on its roof with an expected annual generation of 275Wh per panel. This action has allowed the company to actively

contribute to climate change mitigation, in addition to reducing grid electricity consumption by 1.62 GWh during 2023.

At the end of 2019, the manufacturing plant in Maia, Portugal, installed 644 solar panels on its roof with an expected annual generation of 270Wh per panel.

The installation of photovoltaic panels has allowed the company to actively contribute to climate change mitigation, reaching a ratio of 3.1% of the group's photovoltaic energy to the total energy consumed in 2023.

At the end of 2023, the production plant in Soria, Spain, installed photovoltaic panels on its roof. These panels are expected to produce 1,750 MWh of energy per year, which could represent approximately 13% of the facility's annual electricity demand.

Since 2021, OHSE's corporate department has promoted a cross-cutting action for all the company's production centres, providing them with a guide with different energy efficiency actions by type of installation, as well as an energy saving calculator to assess the effectiveness and return of each of the possible actions. With this tool, each of the plants has identified and planned energy efficiency actions whose impact has been incorporated into their decarbonisation plan. The results in terms of energy consumption are shown in the table below:

	2019 Base year	2022	2023	Variance from previous year
Electricity consumption (MWh)	129,980	113,428	114,768	1.2%
Electricity consumption in kWh per sales (kWh/MEur)	115	99	87	-12.1
Electricity from renewables in Spain (MWh)	33,306	28,791	29,503	2.5%
Electricity from renewables in China (MWh)	1,586	9,909	9,549	-3.6%
Electricity from renewables in Portugal (MWh)	28	7,247	7,520	3.8%
Electricity from renewables in Turkey (MWh)	0	5,610	5,582	-0.5%
Electricity from renewables in Brazil (MWh)	0	2,995	3,409	13.8%
Electricity from renewables in NAFTA (MWh)	0	14,500	14,400	-0.7%
Electricity from renewables in Italy (MWh)	0	2,413	2,414	0.0%
Electricity from renewables in France (MWh)	0	4,964	5,286	6.5%
Electricity from renewables in Germany (MWh)	0	1,456	1,382	-5.1%
Electricity from renewables in Poland (MWh)	0	0	11,000	-
Electricity from renewables in Morocco (MWh)	0	0	3,727	-
Electricity consumption from renewables FICOSA (MWh)	34,920	77,885	93,772	20.4%
Ratio of renewables vs. total consumption	27%	69%	81.7%	12.7%

Total electricity consumption in absolute value has increased by more than 1% compared to last year's value. All the energy efficiency actions implemented in the production plants, the actions to raise awareness among employees and the increase in turnover, have contributed to the achievement of the objective of reducing intensity by an outstanding -1.3%.

Most of Ficosa's production processes run on electricity, in addition to the fact that several plants use natural gas, diesel and propane for general uses not associated with production.

	2019 Base year	2022	2023	Variance from previous year
Propane gas consumption (Kg)	21,101	17,870	27,899	56.12%*
Butane gas consumption (Kg)	63,068	61,907	66,522	7.45%
Diesel fuel consumption (l)	340,054	188,938	176,540	-6.6%
Natural gas consumption (MWh)	36,709	35,395	34,883	-1.4%

(*) Propane consumption is only in the Italian subsidiary, the increase in 2023 is due to higher consumption in air conditioning

Water management

Most of Ficosa's manufacturing plants are not considered to be large consumers of water, as they do not use water for industrial processes. However, all plants must reduce their water consumption intensity (m³/employees) by between 1% and 3% depending on the results obtained in the previous year. In 2020, the intensity indicator was modified by replacing net sales in the denominator with the number of employees.

The water used in all of Ficosa's plants comes from the municipal network, with the exception of the water used in the plants in Sao Paulo (Brazil) and Salinas (Mexico), which use well water. A significant part of our manufacturing plants uses water in cooling towers, in the painting process or in die casting. In most cases, manufacturing plants use enclosed refrigeration systems. The company is dedicated to implementing new

technologies to decrease water consumption and increase the use of recycled water in the painting process. In addition, it aims to reduce the amount of water used in the die casting process by implementing special nozzles with spray heads.

Ficosa's plants in Soria (Spain) and Bursa (Turkey) with paint facilities are distilling used paint into pure solvent, which can be used as an interior cleaning agent. The plants in Salinas (Mexico) and Dąbrowa Górnicza (Poland) recover the used solvent through an external supplier and reuse it in the cleaning of the paint tanks, floors and pumps of the paint plant. In Viladecavalls (Spain) since 2020, all water used for irrigation is 100% recycled. These actions are part of the group's contribution to the circular economy.

	2019 Base year	2022	2023	Variance from previous year
Water consumption in m³	229,217	202,314	209,715	3.7%
Water consumption in m ³ per sales (m ³ /MEur)	202.0	176.2	158.2	-10.2%
Water consumption in m ³ per employees* (m ³ /employees)	23.8	24.9	24.5	-1.6%

(*) Employees of manufacturing plants

Although during 2023 water consumption in absolute terms has increased by approximately +4% compared to the previous year, the ratios of intensity to sales and employees show a reduction of -10% and -2% respectively as turnover has increased by more than +15%.

Waste management

In 2023, Ficosa's production centres have monitored the production and management of waste according to hazard criteria and the final treatment applied.

Waste generation

	2022	2022%	2023	2023%	Variance from previous year %
Waste generation (Kg/K€ net sales)	9		8,8		-2%
Total waste generated (t)*	10,344		11,680		13%
Non Hazardous waste (NHW) generated (t)	7,856	76%	8,736	75%	11%
Quantity with other recovery operations (t)	5,808	56%	6,959	60%	20%
Quantity disposed of in landfill (t)	1,561	15%	1,448	12%	-7%
Quantity incinerated without energy recovery (t)	0	0%	0	0%	-
Quantity incinerated with energy recovery (t)	487	5%	329	3%	-32%
Hazardous waste (HW) generated (t)	2,488	24%	2,944	25%	18%
Quantity with other recovery operations (t)	2,132	21%	2,177	19%	2%
Quantity disposed of in landfill (t)	83	1%	194	2%	134%
Quantity incinerated without energy recovery (t)	0	0%	76	1%	-
Quantity incinerated with energy recovery (t)	273	3%	497	4%	82%

It should be noted that only 14% of the waste generated in the company is deposited in landfills (16% in 2022). The rest is treated in a variety of ways, including incineration with energy recovery.

The company's goal is to reduce the percentage of waste landfilled by increasing the recovery rate at each plant.

In 2023, a -2% reduction in waste generation over sales was achieved.

Recovery ratio (%) by plant

	2019	2022	2023	Variance from previous year
Morcone (Italy)	100%	99%	100%	1%
Dabrowa (Poland)	99%	100%	100%	0%
Bursa (Turkey)	96%	97%	97%	0%
Gemlik (Turkey)	95%	94%	96%	2%
Maia (Portugal)	95%	99%	99%	0%
Viladecavalls (Spain)	94%	100%	100%	0%
Wofenbüttel (Germany)	93%	100%	100%	0%
Taicang (China)	90%	93%	99%	6%
Cookeville (USA)	83%	71%	66%	-5%
Rabat (Morocco)	76%	99%	97%	-2%
Escobedo & Salinas (México)	79%	77%	85%	8%
Sao Paulo (Brazil)	76%	95%	94%	-1%
Dieuze (France)	44%	60%	70%	10%
Sant Guim (Spain)	71%	79%	91%	12%
Soria (Spain)	63%	68%	65%	-3%
Shelbyville (USA)	51%	63%	67%	4%
Promedio Total FICOSA	83.3%	84.12%	85.19%	1.07%

Ficosa's plants have waste containers in all areas, including production, to separate waste by type and character. This facilitates targeted treatment in the future. Ficosa is working to increase the recovery of cleaning solvents and other chemicals and reduce the amounts of these substances emitted by its plants. In addition, all manufacturing plants organise awareness campaigns for workers in order to reduce packaging waste and promote separate waste collection. Ficosa recognises the importance of worker participation in waste reduction. These actions have resulted in a 1.1% increase in the recovery rate in 2023.

An individualized recovery target has been set for each plant in 2024 according to the table below. The goal depends on the previous year's result.

2023 Result	Target 2024 (% of improvement)
0 - 50%	9.0%
50-90%	5.0%
90-99%	1.0%
>99%	0.5%

Reporting CDP

CDP Global is an international non-profit organization comprised of CDP Worldwide Group and CDP North America, Inc. CDP has regional offices and local partners covering more than 50 countries. Currently, companies, cities, states, and regions in more than 90 countries report annually through CDP.

CDP Global's vision and mission is to aspire to see a thriving economy that works for people and the planet in the long term. CDP Global focuses investors, businesses and cities on taking action to build a truly sustainable economy by measuring and understanding their environmental impact.

The CDP Scorecard allows companies to understand their score and indicate which categories require attention to reach higher levels. This allows companies to move towards environmental stewardship through benchmarking and comparison with their peers, in order to continuously improve their climate governance.

Ficosa adheres to this initiative. During the 2023 evaluation, Ficosa received a B score, which is in the Management band. This is the same as Europe's regional average of B, and higher than the average of the motorized machinery sector of C. This result is consistent with the previous period, demonstrating the company's strong commitment to environmental protection. However, it also highlights the scope for further action.

Ficosa also adheres to the CDP initiative on water management. This module gathers information on our organization's water-related quantitative and qualitative goals to demonstrate commitment to progress in water management and security by improving water management.

During the 2023 evaluation, Ficosa received a C score that is in the Awareness band. This is the same as the European regional average of C, and the same as the average of the motorized machinery sector of C. This indicator clearly encourages us to work in the direction of reducing our water footprint.

Local initiatives to protect the environment

In our quest to achieve excellence in all our areas of work, including sustainability, we always seek to create synergies with key partners that allow us to build strategic alliances to continue generating value. Ficosa was the first Spanish company to join Air France-KLM's SAF (Sustainable Aviation Fuel) program. A clear example of these alliances and our commitment to sustainability, as it allows us to contribute to solutions to global challenges such as decarbonisation.

SAF is a sustainable aviation fuel made from renewable sources, such as used cooking oil. In this case, the SAF program has given us the opportunity to actively participate in reducing CO² emissions in the aviation sector and, of course, to reduce our own emissions, as emissions

from business travel are part of our carbon footprint. In 2023, Ficosa has contributed to the purchase of 4.5 tons of sustainable fuel, thus demonstrating its contribution to SDG 13.

Thanks to its collaboration in this project, Ficosa received the IBTA (Iberian Business Travel Association) Business Travel Award in 2022 in the "Best Practice Sustainability in Air Transport" category.

In 2023, the Group's subsidiaries have managed several initiatives to raise awareness and promote their employees' commitment to the environment. The main initiatives are:

World Environment Day

All FICOSA chapters actively celebrated World Environment Day by promoting the need to protect the environment. This was achieved by reducing the amount of waste generated, using reusable tableware instead of single-use plastic packaging, planting bee-friendly trees and flowers, replacing outdated, high-energy electronics with modern, energy-efficient ones, and highlighting the importance of maintaining ecosystems to contribute to SDG 13.

Spain, United States, Portugal - European Mobility Week

At Ficosa we celebrate the European Mobility Week with different initiatives to raise awareness among our employees and promote sustainable modes of transport and reduce CO₂ emissions. The plants that participated in 2023 were Spain, Portugal. FICOSA participated in the EUROPEAN MOBILITY WEEK 2023 by promoting active and intermodal mobility, enabling teleworking, organising a shuttle bus for employees and informing all employees about the need to reduce CO₂ emissions from transport to contribute to SDG 13.

Italy, Portugal, United States and Spain - Day Against Climate Change

In 2023, plants in Italy, the United States, Portugal and Spain commemorated a date set by the United Nations to raise awareness of the effects of climate change and the grave danger posed by global warming. Special round tables were organized at FICOSA headquarters to discuss this important topic.

Mexico - Adopt a Tree Campaign

The plant in Mexico, with the aim of contributing to the care of the environment, has launched a tree adoption activity among its employees. This activity promotes the culture of reforestation of endemic trees in the state of Nuevo León, helping to prolong endemic species and preventing the spread of invasive species.

Turkey – Saving the World

Ficosa Turkey and Gemlik Belediyesi organized an environmental event on June 11 at the Kurtul pond, both cleaned up nature and informed the families who attended the picnic about the damage caused by waste to the environment and the correct segregation of waste in the different containers.

Brazil - Reusable Water Cups & Bottles

In 2023, Ficosa Brsill delivered a reusable cup and water bottle to all employees in order to reduce plastic waste. With this action, the weekly consumption of 3,500 plastic cups was eliminated, promoting the circular economy and contributing to SDG 12.



Viladecavalls - Autobuses lanzadera

In line with the United Nations Global Compact and its commitment to reduce its CO2 footprint, the Viladecavalls plant offered employees the use of shuttle buses to reduce the impact of travel on our carbon footprint. In 2023, this service has been extended with a bus that runs the daily route Barcelona - Viladecavalls Plant in order to promote sustainable mobility among employees. In addition, thanks to this project, the bus company has planted trees on behalf of Ficosa, crediting the compensation of 54 tons of CO2 over the next 50 years. This is one of our ways to contribute to the achievement of SDG 13.

Spain, Portugal, France, Poland and Turkey - World Water Day

At Ficosa we celebrate World Water Day with different initiatives to raise awareness among our employees about the responsible use of water. The plants that participated in 2023 were Spain, Portugal, France, Poland and Turkey. Thanks to initiatives like this, every year we make our employees more aware of the importance of rationalizing water consumption. In addition, at our headquarters in Viladecavalls, 100% of irrigation water is recycled, contributing to SDG 6.

Brazil - C.M.R. ITAPEVI Collaboration

The plant in Brazil collaborates with the C.M.R. ITAPEVI cooperative, which is responsible for the daily selective collection of waste in the municipality of Itapevi, in the Greater São Paulo region. The aim is to minimise the impact of waste generated by the city and dumped into nature, as well as to generate work and income for more than 20 vulnerable families. This is one of our ways to contribute to SDG 12.

Responsible sourcing



Policies

Ficosa works with two types of suppliers:

- **Productive suppliers:** suppliers for the supply of raw materials and components that are assembled in the products that Ficosa supplies to its customers. Ficosa's purchases are aimed at specialising in product families, which are divided into three main areas: electrical and electronics (batteries, connectors, semiconductors, PCBs, pumps, etc.), chemicals (painted parts, chrome plated parts, blow molding, etc.) and metals (zamak, aluminum parts, tubes, cables, etc.). The main raw material consumptions in 2023 were 21,394 tonnes of plastic, 2,768 tonnes of aluminium and 125 tonnes of zamak. 2022 data: 19,972 tonnes of plastic, 2,826 tonnes of aluminium and 133 tonnes of zamak. The evolution of these consumptions responds to the mix and annual volume of production.
- **Indirect suppliers:** suppliers who supply products and services of a general nature, not directly related to manufacturing, such as office supplies, paper, computer consumables, maintenance, travel, training, temporary employment agencies, consulting, energy, legal services, insurance, etc.

Our production processes demand optimal levels of quality and service, as well as competitive prices in the purchase of the materials used to supply our production lines. In this context, the company has developed its own quality standards and processes that regulate the company's purchasing activity.

Ficosa's Purchasing Policy and Procedures and segregation of duties ensure compliance with J-SOX and all applicable laws. Likewise, the General Terms and Conditions of Purchase establish the relationship between Ficosa and its suppliers. Purchase orders sent to suppliers by any company or subsidiary of the Ficosa group must be accepted in accordance with these terms and conditions. The Supplier and any products or services supplied by it shall comply with all laws and regulations applicable to the destination countries where the product will be produced and/or used, or related to the production, labeling, transportation, import, export, approval and certification of products or services, including, but not limited to, those related to environmental issues, the ELV Directive, REACH (Registration, Evaluation, Authorisation and Restriction

of Chemicals), CLP/GHS (Classification, Labelling and Packaging of Substances and Mixtures) and the Dodd-Frank Act with respect to Conflict Minerals (gold, tin, tantalum and tungsten coming from conflict regions such as the Democratic Republic of Congo and adjacent countries), labour laws in general, working hours and conditions of employment, workers' rights, employment benefits, selection of subcontractors, vehicle and facility safety, etc. In addition to all applicable laws and regulations that must be observed by suppliers, it is also their obligation to respect social responsibilities and duties, especially but not limited to the requirements based on the conventions of the Universal Declaration of Human Rights and the International Labour Organization (ILO) proclaimed to respect the rights of employees, age and working hours, etc.

At the beginning of 2019, the general conditions of purchase were updated, including a business ethics and anti-corruption provision requiring the supplier to carry out its activity in accordance with the highest standards of integrity, ethical conduct and compliance with current law and to comply with all relevant regulations and standards, especially with local and international anti-corruption laws, in addition to Ficosa's Code of Ethics.

In addition, the company has a Supplier Quality Manual that details the main procedures and systems used for supplier selection, business assignment, component approval, performance monitoring and supplier development. The Quality Manual for Suppliers specifies that all suppliers who want to be included in Ficosa's Supplier Panel must base their code of conduct on the ten principles of the United Nations (Global Compact) in the areas of human rights, labor, environment and anti-corruption. This manual is available on the Ficosa website.

To reinforce the commitment and due diligence of our supply chain, a Code of Conduct for Business Partners has been implemented in 2023 derived from the requirements of Human Rights, environmental protection, and code of ethics applied by FICOSA. This Code of Conduct covers FICOSA's expectations and requirements with its suppliers based on the principles of the ILO (International Labour Organization) and the OECD (Organization for Economic Cooperation and Development).

Finally, the company has other standards and procedures in place to improve communication and simplify processes for a better supply chain.

Governance

The Corporate Team is composed of the Chief Purchasing Officer, the Commodity and Project Managers, as well as the support and consulting teams such as the Quality, Human Resources, Logistics and Controlling functions that coordinate all purchasing activities worldwide. Each country has a local purchasing team led by an LPD (Local Purchasing Director), who reports to the corporate Purchasing Director and Regional Directors. The LPD coordinates the country's procurement functions (commodity buyers, procurement project leaders, and STAs).

Main risks and challenges

Our production processes demand optimal levels of innovation, technology, quality and service, as well as competitive prices, always ensuring responsible sourcing from our supply chain.

The supplier selection process is key to ensuring the quality and sustainability levels of our supply chain. We focus on teaming up with our suppliers to achieve the highest standards in business integrity and social and environmental performance. We are reinforcing the processes of identification and continuous management of these risks, both in the company itself and in its value chain, with a special emphasis on ensuring due diligence in Human Rights and the Environment, this process will also help us to align with the new requirements of the future European Corporate Sustainability Due Diligence Directive (CSDDD) in due diligence in the supply chain.

In this context, ensuring that Ficosa is not using minerals that come from conflict zones is also a significant risk for our organization and our customers.

Key results

To become a new supplier of Ficosa components, it is mandatory to be ISO/TS IATF 16949 certified. All suppliers must provide Ficosa with written proof of the renewal of the most recent certification. Ficosa especially appreciates and promotes the IATF 16949, OSHAS 18001 and ISO 14001 certifications of its suppliers.

	2021	2022	2023	Variance from previous year
Suppliers certified ISO 9001* (%)	100%	100%	100%	0%
Suppliers certified ISO/TS 16949* (%)	64%	66%	68%	+2%

(*) Productive suppliers

In addition, any new supplier must take a self-assessment specific to their company and be approved by Ficosa's audit process. The objective is to examine the suitability of the supplier through the use of specific indicators, including financial and quality criteria, as well as general corporate aspects.

Once included in the supplier panel, Ficosa regularly monitors the performance of its suppliers and evaluates them to confirm their compliance with the defined objectives. These assessments allow the company to track the improvement of its suppliers and determine the potential support they may need from Ficosa. In 2019, the supplier audit (known as 3Q3) was revised with a new specific CSR section including questions on compliance with the REACH Authorization regulation, conflict minerals, reporting with the IMDS system, commitment to compliance and adherence to the principles of the Ficosa Code of Ethics and good practices in terms of Occupational Health and Safety and respect for the Environment. This section of the audit ends with the identification of the degree of requirement of these

same concepts to the sub-suppliers or value chain. This new section is part of the supplier's final score, a score that involves, depending on the value obtained, corrective action plans, proposals for specific improvements or recognition of the good work done by the supplier.

In 2023, 277 audits were carried out on our suppliers as indicated in the table below, compared to 235 carried out in 2022. The objective of the T1 (System) audits is to check the extent to which the potential supplier's Quality System can meet our Quality requirements. T2 (Process) aims to approve a new component or process change, reviewing the entire process, and T3 (Non-conformities) seek to close the identified non-conformities. It should be noted that audits are also carried out on suppliers under the criteria provided by certain customers. In 2023, there were 91 such audits.

Ficosa has developed an Internet platform for suppliers called FPSS (Ficosa Purchasing System Software) that is used for the different purchasing

processes: supplier registration, certifications, offers, assignments, quality and incident management and supplier development.

The platform includes all relevant documents from each supplier (REACH declaration, conflict minerals declaration, certifications, etc.). This platform is a fast, preferential and clear communication channel linked to the Purchasing Department, which allows Ficosa to manage the purchases of all materials. All productive suppliers must be registered with the FPSS and the company hopes to increase the scope and include indirect suppliers as well.

In 2022, the new sustainability-related requirements for the supply chain were completed, reinforcing an internal procedure that sets out the information that must be required of all suppliers focused on:

- Special requirements for raw material approval
- Restricted and controlled substances
- Collection of carbon footprint data from our suppliers
- Reporting of emissions generated by the supplier that are modelled with input/output tables by SBTi methodology

Conflict Minerals

In recent years, there has been a growing international focus on “conflict minerals” that are sourced from mining operations in the Democratic Republic of Congo (DRC) and adjacent countries. Armed groups involved in mining operations in this region subject workers and indigenous people to serious human rights abuses and are using proceeds from the sale of conflict minerals to fund regional conflicts.

On August 22, 2012, in response to these concerns, the U.S. Securities and Exchange Commission (SEC) adopted a final rule to implement the reporting and disclosure requirements related to “conflict minerals.” The “conflict minerals” are cassiterite (tin), columbite-tantalite (tantalum), gold, and wolframite (tungsten), as well as their derivatives and other minerals that the U.S. Secretary of State may designate in the future (Dodd-Frank Section 1502).

Tin, tungsten, tantalum and gold (3TG) are used in some Ficosa automotive parts and components, such as circuit boards or various terminals. That’s why we have the due diligence to investigate the origin of conflict minerals in our products. Our goal is to work with productive suppliers free of conflict minerals. To this end, Ficosa implemented an annual supplier consultation and collects the Standard Survey (EICC-Gesi CMRT template) on conflict minerals from all its suppliers. The information collected is processed internally and provides useful information to monitor suppliers and inform customers about the company’s mineral use at each plant.

In this way, we ensure the deployment of the main aspects of environmental sustainability in our supply chain.

In 2021, we launched a survey of suppliers to evaluate their environmental performance and learn about the emissions generated. At the same time, in order to develop the capacities of our suppliers in environmental matters, we carry out training focused on the reduction of CO2 emissions. In 2023, a target was defined according to which 57% of the total volume of purchases should have CO2 reduction targets by 2030. To achieve this, a new survey was launched of all our direct suppliers in which they were asked for their emission reduction targets. The result obtained shows that 63% of the value of purchases in 2023 meets this goal.

These actions serve to raise awareness, encourage and encourage our suppliers to set carbon footprint reduction targets in the coming years.

On the other hand, Ficosa’s customers (OEMs) encourage and support the use of sustainable and renewable natural resources, while reducing waste and increasing reuse and recycling. In this sense, the raw materials used by Ficosa follow the customer’s technical requirements or belong to their certified material list. On the other hand, to promote reuse, most customer references are sent through returnable packaging.

In recent years, there has been a growing international focus on another mineral called mica. Mainly from Madagascar and India, where a variety of factors contribute to poor working conditions, including the use of child labor.

Mica is used in various applications in the automotive supply chain. In paints and coatings, mica creates a pearlescent visual effect. Plastics for vehicle bumpers, mirror housings, and insulating materials use mica as a filler.

Ficosa launched a process to identify processes or purchased parts or components that use mica. Natural mica was found only in paints, but it came from reliable sources that had already implemented a number of supervisory mechanisms (monitoring, audits, inspections, etc.) in previous years. These providers confirm that they take these matters very seriously. Most of them are members of the “Responsible Mica Initiative” (RMI) which was formed in Paris on January 31, 2017 with the aim of sharing resources to implement responsible sourcing practices and eradicate child labor, improving the livelihood of communities within the supply chain in India over the next 5 years.

During this year 2023, Ficosa has worked to implement the new European CBAM Regulation (Border Adjustment Mechanism for Carbon Emissions) to evaluate the impact of carbon emissions on materials designated by the European Commission and their subsequent evaluation and analysis, complying with the required deadlines.

	2021	2022	2023	Variance from previous year
% of productive suppliers and materials for which conflict mineral information is available	100%	100%	100%	-

Commitment to society



Factory Visits

Every year, the manufacturing plants in Dieuze (France), Salinas and Escobedo (Mexico), Dabrowa (Poland), Cookeville (USA), Taicang (China), Gemlik and Bursa (Turkey), Maia (Portugal), Rabat (Morocco), Morcone (Italy), Soria and Viladecavalls (Spain) organize factory visits for students,

employee relatives or local companies to explain the main characteristics of their production processes. These visits allow the company to attract new candidates and demonstrate the strength of its manufacturing capabilities.

Ficosa and the Polytechnic University of Catalonia (UPC)

Ficosa has designed, together with the Escola Tècnica Superior d'Enginyeria de Telecomunicació de Barcelona of the Universitat Politècnica de Catalunya, (ETSETB UPC), the Automotive Embedded Systems course aimed at students of the Master's Degree in Telecommunications Engineering, Electronics and the Master's Degree in Advanced Telecommunications Technologies

After detecting the need to offer a specialization to all those engineers interested in the development of electronic communications systems for the automotive sector, Ficosa, the ETSETB-UPC and CARNET (academic-industrial consortium to support the new mobility) created and launched the first pilot test of this training at the beginning of 2018. Due to the great success of the first editions, the UPC decided to keep this course in its academic program.

The main contents include AUTOSAR, ASPICE, Communications, Telematics, Embedded Software, Functional Safety and Verification and Validation. The course was updated in 2020 to include an Advanced Driver Assistance Systems (ADAS) module and is conducted annually.

Ficosa, whose specialists teach part of this course, offers the possibility of joining the company once the course has ended. In this way, the company strengthens its ties with the university and fulfills the objective of training and attracting new talent in electronics, communications and telematics for the automotive industry, a key field for the mobility of the future.

Ficosa do Brasil – C.M.R. ITAPEVI

Ficosa Brasil collaborates with the C.M.R. ITAPEVI cooperative, which specializes in daily selective waste collection in the municipality of Itapevi, in the Greater São Paulo region. The objective is to minimize the impact of the generation of waste generated by the city and thrown into nature, in addition to generating work and income for more than 20 families through its cooperative members.

In March 2021, through a letter of alliance C.M.R. ITAPEVI with FICOSA DO BRASIL, the weekly withdrawal of various recyclable materials by the cooperative, such as polystyrene, paper, cardboard, plastics and scrap metal, began.

With this measure, Ficosa do Brasil reaffirms its commitment to the preservation of the environment and help the most disadvantaged groups.

Socially Responsible Company Award for Ficosa North America (Mexico)

The Mexican Center for Philanthropy (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE) awarded the ESR® Distinction to Ficosa North America (Mexico) for the third consecutive year.

In Mexico, this is the main business distinction that recognizes the work carried out by companies in the field of CSR in the country, and that

has a direct and positive impact on the internal environment of their companies and on their social environment.

With the recognition granted to Ficosa, the existing commitment in the management of the business to the real and sustainable development of its environment is valued.

Ficosa social initiatives worldwide

The group's subsidiaries manage local charity projects, donations and other social initiatives. Social initiatives depend on the specific challenges of each establishment and are led by the local Human Resources department.

Examples of Ficosa's social initiatives in places where the company operates:



Soria

- Participation and collaboration with entities that promote the employment of people with disabilities (Fadess, Asovica)
- Sponsorship of sports activities and organizations
- Collaborations in marches to raise funds for solidarity purposes
- Agreements with Universities and Professional Training Centers so that their students can carry out internships
- Awarding of scholarships to students for internships and final degree projects
- Collaboration with penitentiary institutions to promote the rehabilitation of prisoners
- Agreement with the Chamber of Commerce of Soria and the Caja Rural for the creation of a system of gift cards to incentivise employees and promote commerce in local establishments.

Viladecavalls

- Contracting of entities that promote the employment of people with disabilities in services such as water fountains, office supplies and the management of business trips.
- Celebration of Sant Jordi's Day with the collaboration of FUPAR, an organization that promotes the labor insertion of people with intellectual disabilities, developmental disorders and mental health.
- Blood Drives
- Attendance at the Automotive Talent Show in November 2023. An event dedicated to students who are about to graduate and who are interested in entering the automotive world. Companies in the sector have the opportunity to talk to students, publicize the company and discover and attract talent from schools.
- Attendance at 6 other technological forums of universities or research centers, where Ficosa has the opportunity to talk to students and attract talent.
- Collaboration with the Multiple Sclerosis Foundation.
- Collaboration with Friends Specialisterne, an organization dedicated to the labor inclusion of people with autism and other diagnoses within neurodiversity.



- Vanderbilt Children's Hospital Toy Drive
- Campaign to donate school supplies to 3 local schools
- Employee partnerships with Feeding The Future, a non-profit charity that aims to end childhood hunger through donations, in-kind goods, and volunteer opportunities
- Sponsorship of local community events
- Black History Month and Veterans Support and Promotion Campaigns
- Family day
- Employee contributions to an assistance center for women in difficulty helping in the collection of hygiene products



- "Magic Seed" Program to Promote Reforestation
- Little Citizens Assistance Program for the Training of Elementary Students
- Volunteering campaign and help with vulnerable groups and inclusive associations
- Collection of PET plastic to donate to charity by encouraging recycling
- Organisation of bike rides for the elderly or disabled



- Participation and collaboration with entities that promote the employment of people with disabilities or socially disadvantaged groups
- Campaigns for the inclusion of people with disabilities
- Annual Food Donation Drive



- In-kind and financial donations to various institutions, such as the “Holy House of Mercy” in Maia (delivery of basic food for families with few resources)
- Awarding scholarships to students for internships



- Members of the BYOH (BeYourOwnHero) association, sponsoring a project in South Africa focused on the help and development of children and young people in rural areas with a lack of resources.
- Sponsorship of sports activities



- Factory visits and collaborations with local universities and institutes (for trainees and teachers)
- Participation in a work forum of the district of Dieuze to attract talent and promote company-institute collaboration programs.



- Blood donation campaign among employees
- Celebration of Achoura Day in collaboration with the Association of Children's Friends of Rabat Hospital. Painting and mask workshops, clowns and music were organised to cheer up the hospital's sick children.
- Humanitarian aid campaign for those affected by the September 2023 earthquakes. Donations and collection of clothes, blankets, tents and other relief items.



- Donations to local organizations fighting cancer
- Collaborations with local cultural projects



- In-kind and financial donations to local institutions or events (charity action with the Center for Special Education and Child Care) and employees in difficult life situations.
- Collaboration with the Silesian University of Technology in dual studies, annually several students carry out 6-month internships in our company
- Local campaign to promote and encourage employees to authorize the donation of 1.5% of their taxes to charities in their annual tax returns.
- Donations to other local entities (Anti-Diabetes Association, 3D printer to Dabrowa Gornicza primary school, etc.)



- Humanitarian aid campaign for those affected by the February 2023 earthquakes. Donations and collection of clothes, blankets, tents and other relief items.
- Agreements with Universities and Vocational Training Centres so that their students can carry out internships and the final degree project
- Donation to the Turkish Education Foundation (TEV) on behalf of new employees during the annual welcome event.
- Participation in the project “Atma, Donate Project” in collaboration with TÜBISAD, the waste collected in 2023 was donated to the TEGV (Turkish Educational Volunteering Foundation) to improve the quality of children's education.
- Collection of toys and books among employees to donate to children in need in collaboration with the Turkish Quality Association (KALDER)



- Collaboration in the local UDAAN project that aims to train 9,000 seasonal migrant workers from Odisha working in brick kilns in Ranga Reddy province (Telangana state), providing their children with access to quality education in their mother tongue. Through the establishment of a Migration Resource Centre, the needs of migrant workers in the areas of education, health, rights and housing will be addressed. Ficosa employees also visited the area giving gifts to the children.



- Sponsorship of sports activities (Taicang marathon, badminton competitions, etc.)
- Cooperation with universities, schools and local governments, for learning, training and recruitment. In 2023, five financially challenged students from Ghizhou Province were hired.

These social initiatives are Ficosa's most relevant in the places where the company operates. Contributions to non-profit entities in 2023 have not been material or relevant, as in 2022. Regarding association or sponsorship actions, it should be noted that Ficosa is a member of the Spanish Association of Automotive Suppliers (Sernauto).

Innovation in our products

Ficosa's vision of innovation is based on a commitment to technological advances. In this regard, the company invests in the research and development of products and solutions based on the fields of connectivity, safety and efficiency in order to maintain its leading position and anticipate the needs of the mobility industry.

The company has become a technology partner of the vast majority of automotive companies around the world and is in a constant pursuit of achieving sustainable mobility. Our purpose is more than just a statement, it's our compass. It directs our decisions, motivates our team, and defines our commitment to creating value. We're dedicated to 'transforming mobility to improve people's lives'.





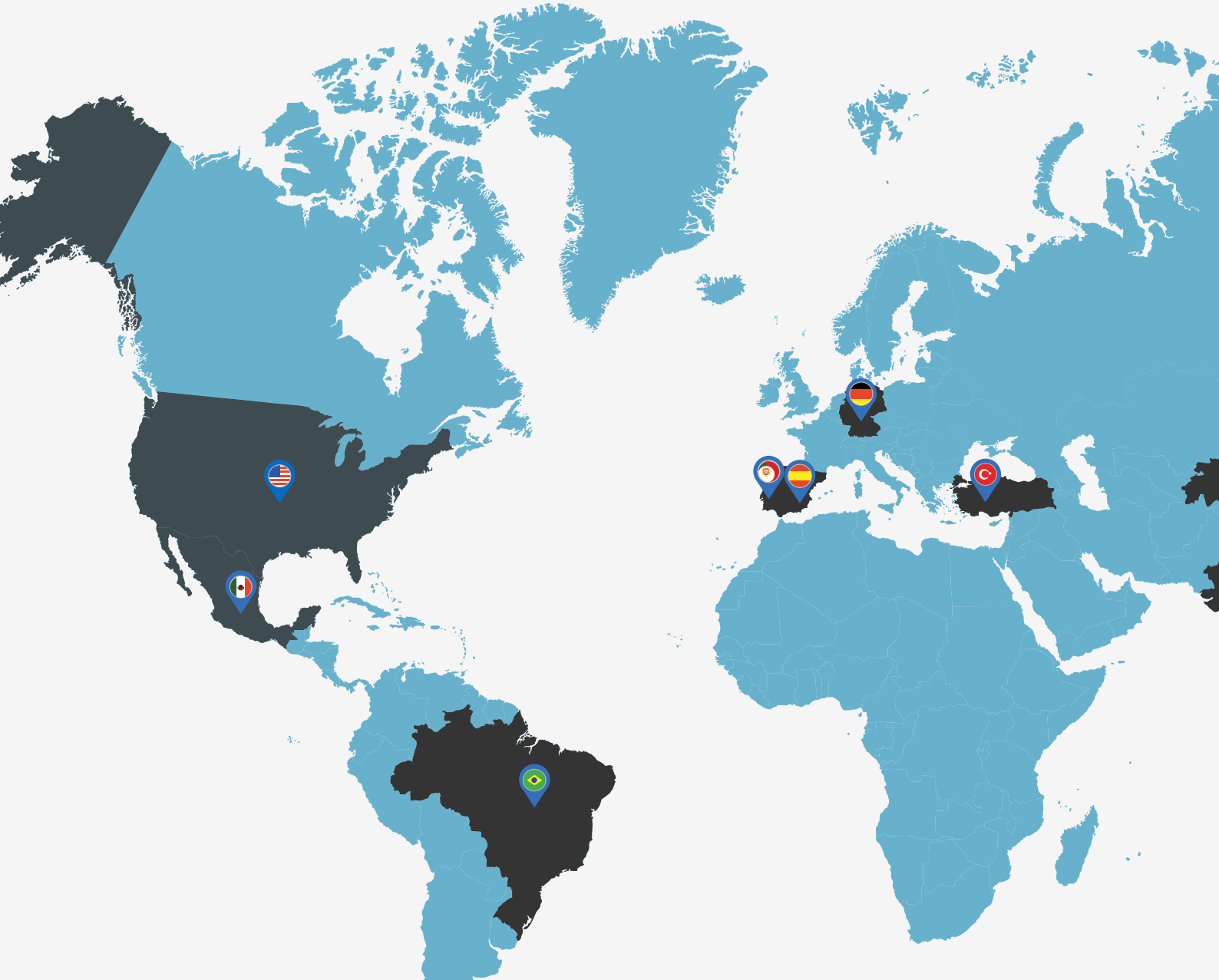
R&D Capabilities

With a distinctly global focus, we have created a strong network of R&D centers in Europe, North America, South America and Asia. They are divided into centers of excellence focused on specific product/technology families and local engineering centers located near our customers' main design centers.

The Viladecavalls Technology Centre (Spain) acts as a driving force for the group's global research efforts and feeds Ficosa's other 10 development centres around the world. This facility is a reference point in electronics, SW development and electromechanical technology for the development of new solutions in safety, connectivity and energy efficiency, as well as in test and prototype laboratories.

Capabilities

This strong commitment to innovation implies the creation of high value-added jobs. Ficosa is convinced that it needs and has an excellent and experienced engineering team to face the new challenges of the company. The total number of engineers supporting these tasks was close to a thousand in 2023.



Collaborations

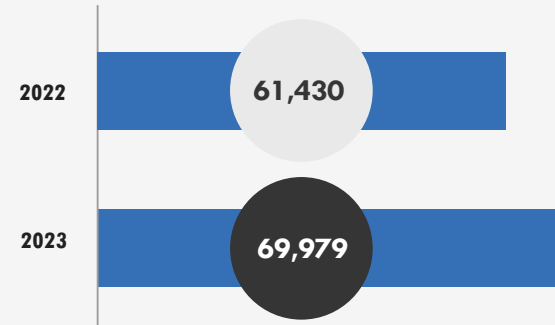
We also collaborate, both nationally and internationally, with other companies, engineering firms, universities and technical centres for studies, training, advisory services, technology transfers, validations, tests, etc., which allow us to meet more demanding marketing deadlines and develop more complex systems. New technologies require a much higher level of open innovation than traditional electromechanical products.

R&D expenses (thousands of euros)

In 2023, Ficosa spent nearly €70 million on R&D to provide its customers with the most innovative solutions that anticipate the challenges of an ever-changing industry.

R&D Expenditure












Total R&D Expenditure (thousand €)



This figure means that the company has invested about 5.3% of its annual sales in R&D to offer its customers the most innovative solutions. Ficosa currently has 708 active freehold patents and is one of the most active Spanish companies in the field of patents in Spain.



- Research centers

-  — Viladecavalls
-  — Whaseong-Gun
-  — Wolfenbüttel
-  — Tokyo
-  — Porto
-  — Taicang
-  — Bursa
-  — Hyderabad / Pune
-  — Sao Paulo
-  — Detroit
-  — Salinas-Victoria

Innovation in high-value products

Ficosa is convinced that its success and future are founded on innovative products that benefit our society, providing safer, more efficient, sustainable and comfortable ways of mobility.

SAFETY

The challenge

According to the World Health Organization (WHO), every year the lives of approximately 1.3 million people are cut short as a result of a road traffic crash. About 50 million more people suffer non-fatal injuries, with many incurring a disability as a result of their injury.

Road traffic injuries cause considerable economic losses to individuals, their families, and to nations as a whole. These losses arise from the cost of treatment as well as lost productivity for those killed or disabled by their injuries, and for family members who need to take time off work or school to care for the injured. Road traffic crashes cost most countries 3% of their gross domestic product.

There has been a significant rise in the use of electronics in vehicles. Vehicles today have shifted from being conventional vehicles to intelligent vehicles empowered by AI and equipped with communication systems that alert or assist the driver in case of a potential accident. Nevertheless, there is still work to do to achieve the ambitious road safety target of halving the global number of deaths and injuries from road traffic crashes adopted by the 2030 Agenda for Sustainable Development.

Collaboration with national and international programmes

ESTIBA

ESTIBA project ended in 2023. Its main goal was to advance in the provision of strategic technologies that bring us closer to the Smart port of the future and satisfies the growing demand on efficiency, economy, security and environmental sustainability according to the "Industry 4.0" concept. This will be achieved through high levels of automation integrating different automated ground transport vehicles (GVs) in port operations.



FICOSA designed and validated, in a real operational environment, an in-cabin camera adapted to the detection of laser patterns projected on the driver's chest to extract the respiratory signal. Our company further developed a driving monitoring system (DMS) based on camera and radar technologies to monitor the driver's state. The developed technology will allow greater robustness in detecting driver states that are unsuitable for driving by means of non-intrusive sensing.

MOVILIDAD 2030

Movilidad 2030 is a national collaborative project funded by CDTI, which aims to advance key enabling technologies for smart mobility, contributing to the overall sustainability goal for 2030, both at the national and international level.

The project focuses on four main pillars, which are embedded systems for the deployment of Connected and Automated Vehicles (CAVs) on a large scale, design of the sustainable mobility model of the future, infrastructure technologies, and regulation and business models for future of mobility.

The project will end in June 2024 and FICOSA successfully has demonstrated novel ADAS functions based on its multi-camera vehicle perception system and fusion with other sensors (LiDAR, GPS), with a focus on safety of vulnerable road users and vehicle energy efficiency.



INPERCEPT

INPERCEPT is a national collaborative project funded by CDTI and coordinated by FICOSA. The project aims to advance key enabling technologies for autonomous driving. In 2023, INPERCEPT was selected as one of the 27 most impactful projects in the European Union for Cooperative, Connected and Automated Mobility (CCAM). Consequently, it was presented at the EUCAD 2023 conference.

The project will end in June 2024. FICOSA is leading a consortium of eight companies in development of technologies for vehicle autonomy, safety and connectivity, with a focus on Smart Cities and Fleet Management applications. The technical role of FICOSA was to advance the vehicle perception system providing a vehicle surround view with a prediction of road users behaviour and enhanced situational awareness. The focus was on the safety of vulnerable road users using vehicle perception and connectivity, especially under challenging environmental conditions.



SELFY

SELFY is a collaborative project funded by the Horizon Europe programme. Its main objective is to develop a toolbox for self-management of the security and resilience of the highly automated vehicles. The project focuses on four pillars:

- Improved situational awareness
- Data exchange with malicious event detection and decision making
- Resilience to cyber-threats and cyber-attacks
- User confidence, acceptance and adoption of CCAM services and solutions.

FICOSA's main role in the project is development of an advanced AI-based vision system for an improved situational awareness and protection of user data privacy.



AWARE2ALL

AWARE2ALL is a collaborative project funded by the Horizon Europe programme. Its main objective is to address new safety challenges arising from the introduction of highly autonomous vehicles in mixed road traffic. This is being achieved through the development of inclusive and innovative passive and active vehicle safety and new internal and external vehicle HMI modalities that will consider a variety of road users.

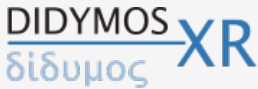
FICOSA's main role in the project is development of an advanced vehicle perception system based on cameras for an improved pedestrian detection and movement tracking, as well as understanding of pedestrian behaviour, such as attention and intention. Moreover, FICOSA has developed an AI-based vision system that allows detection of pedestrians with disabilities, improving the safety of this most vulnerable group of road users.



DIDYMOS-XR

DIDYMOS-XR is a collaborative project funded by the Horizon Europe programme. The vision of DIDYMOS-XR is to advance technologies for creation of large-scale digital twins, such as city digital twins, and enable advanced, more realistic and more dynamic extended reality (XR) applications, powered through artificial intelligence. DIDYMOS-XR will research and develop methods for reconstruction and mapping from heterogeneous stationary and mobile sensors, using AI-based data fusion, scene understanding and rendering.

FICOSA's role in the project is development of a vehicle onboard multi-sensor perception system that will allow deployment of scalable and high-fidelity methods for generation of a city digital twin while protecting privacy of road users' personal information. Furthermore, FICOSA's research team develops methods for sensor synchronisation and calibration that is necessary for future deployment of ADAS and autonomous driving functions.



6GTWINROAD

6GTWINROAD is a collaborative project funded by the Next Generation EU programme, which builds on the results of the DIDYMOS-XR project incorporating vehicle 3D sensing and 6G communication technologies to empower the real-time creation of digital twins for cooperative, connected and automated mobility (CCAM).

FICOSA's role is the integration of the vehicle and infrastructure vision systems and their connectivity, including the execution of the trials and the final demo. The project provides a platform for a feasibility evaluation of the advanced vehicle sensing and connectivity technologies in the creation of future city digital twins, which will contribute to the overall traffic safety and an efficient urban mobility management.



FABULOUS

FABULOUS is a collaborative project funded by the Horizon Europe programme. The project aims to develop an industrial surface coating technology based on high resolution 3D meta-surfaces. The technological advances from the project will enable development of new type of optical lenses with anti-fog and anti-glare features. FABULOUS will contribute to improvement of lens coatings performance and reduced product environmental footprint.

FICOSA's role in the project is the validation of the new type of lens coatings on a series of in-house developed automotive cameras, which will allow a more sustainable development of future advanced vehicle perception systems.



CulturalRoad

CulturalRoad is a collaborative project funded by the Horizon Europe programme. The project tackles a crucial challenge of developing sustainable and widely adopted deployment strategies for Cooperative, Connected, and Automated Mobility (CCAM) services. CulturalRoad will develop sustainable and citizen-wide accepted deployment plans for CCAM services and new guidelines for CCAM implementation that consider diversity in all its aspects. This will be achieved by combining participatory planning with a novel Five-Pointed Star Rating system to capture both cultural and geographical diversity of the European mobility.

FICOSA's main role is the pilot deployment in Spain that aims to provide necessary insights into users behaviour in traffic and the overall user acceptance of automated driving technologies.



What we are offering our customers

Vision systems

As leading company developing, manufacturing and marketing rear-view mirrors, FICOSA is constantly improving the performance and safety of its products, with a particular focus on sustainability to help achieve both company and industry targets and commitments in this area.

In the case of rear-view mirrors, this means integrating in the preliminary stages of product design the use of recycled materials, as well as some methods of assembly and fixing of components that allow easier disassembly of parts at the end of their service life, as well as a modular repair method in case of failure during service life.

During 2023 FICOSA has enlarged the portfolio of validated raw materials used for Outside Mirrors, both for structural components (mirror brackets) and for cosmetic parts (aesthetical components), allowing to offer to the OEM's a high-level percentage of recycled materials during quotation and development phases.

In continuation of the deployment of the Aero Frameless Mirror, FICOSA has been awarded during 2023 for two new projects based on this concept, with immediate impact of improving its aerodynamic drag of the car, that in case of EV cars can bring to enlarge the vehicle autonomy by some extra Kms by charge.

On the other hand, most aggressive projections estimate that 10% of vehicles will be autonomous by 2030, and vision systems will keep being one

of the most significant pillars in our business, either through traditional mirrors systems with added functionality or through the emerging smart digital view systems where Ficoso is also taking a leading position (CMS, surround view, parking cameras, etc). The company is developing state-of-the-art vision systems based on cameras, fusion with other sensors (LiDAR, GPS, radar, etc.) and AI models that perform detection, tracking and prediction of road users in the vehicle surroundings, improve situational awareness and enable development of novel ADAS for higher safety, energy efficiency and connectivity. Internal research efforts and collaborative projects put Ficoso at the forefront of the science and technology behind the vehicle perception for ADAS.

On the other hand, most aggressive projections estimate that 10% of vehicles will be autonomous by 2030, and vision systems will keep being one of the most significant pillars in our business, either through traditional mirrors systems with added functionality or through the emerging smart digital view systems where Ficoso is also taking a leading position (CMS, surround view, parking cameras, etc). The company is developing state-of-the-art vision systems based on cameras, fusion with other sensors (LiDAR, GPS, radar, etc.) and AI models that perform detection, tracking and prediction of road users in the vehicle surroundings, improve situational awareness and enable development of novel ADAS for higher safety, energy efficiency and connectivity. Internal research efforts and collaborative projects put Ficoso at the forefront of the science and technology behind the vehicle perception for ADAS.

Intelligent Rear-view Monitor System (IRMS)

The innovative Intelligent Rear-view Monitor System for LCV's and Vans developed by Ficoso, able to provide a full rear vision to the driver even if his vehicle lacks of rear windows, is under mass production, and is now gradually deployed in different LCV carlines from a major European LCV leader.

During 2023, several major OEM's have been showing a high interest in this safety device and are planning to introduce it in their next LCV or recreational vehicle models.



Rear-view mirror that incorporates electronic toll function

The interior rear-view mirror incorporating a Panasonic electronic toll function is deployed from 2019 in all the carlines of a major European manufacturer, extending this device to next upcoming models. This device allows the automatic payment of motorway & urban tolls without having to stop the vehicle, keeping driver attention to a safe and effective driving.

Sensors and Camera Cleaning

After a successful launch and deployment of the LIDAR Cleaning System in the last years, applied now in seven carlines of a premium German carmaker, Ficosa is achieving the development of a complete portfolio of Sensor Cleaning devices.

Those components, applying for the cleaning of all sensors up to level five autonomous cars, ensuring that all sensing elements function, quality and integrity are safe during driving, are integrated in a full "Sensor Cleaning System" including the in-house developed "Electronic Control Unit" managing automatically all cleaning and wetting operation decisions.

During 2023, this "system approach" has been successfully tested during some pre-development projects for two key OEMs foreseeing the launch of level four and five autonomous cars, focusing in the best balance between product efficiency and water consumption reduction at any speed and weather conditions.



Driver Monitoring Systems

In 2017, the company developed a driver monitoring system in order to estimate the capability of the driver in adverse situations, such as fatigue. Today, Ficosa has two different lines of products that detect unsafe driver behaviour:

Somnoalert® Driver Behaviour

The system studies the driver's gradual worsening over a predetermined time period.

Somnoalert® Contactless

The system analyses respiratory data in real time to estimate the driver's degree of awareness.

Driving monitoring system (cameras + radar)

Ficosa is constantly improving its line of products by adding new sensors that can improve detection of driver state and of the other occupants in the vehicle.

DMS (Driver Monitoring Systems)

IR cameras including illumination, designed to monitor the driver awareness, user recognition, impairment driving that will help in next future autonomous driving human handover control and comply with upcoming GSR normative.

OMS (Occupant Monitoring Systems)

IR+RGB cameras, covering both visible and IR spectrum, adding new functionalities to the passengers of the vehicle as videoconferencing, occupant detection, Seat Belt Reminder, gesture recognition, etc.

Child presence detection (CPD, radar based)

To reduce the heat stroke fatalities worldwide, especially affecting young age deaths, Ficosa is incorporating a child presence detection system based on radar.

The system detects life through subtle change in wave frequencies and hence can distinguish between inanimate objects or children.

Ficosa's CPD does not require line of sight, so children can be covered by a blanket, or be on the footwell or facing backwards with the same system performance.

Camera Monitor System (CMS)

In 2015, the company started to develop an electronic mirror composed of cameras and displays which represents an alternative option to the exterior rear-view car mirrors. This pioneering system, also known as CMS, is a true revolution for the automotive industry as well as important progress towards the autonomous car. The electronic mirror offers a new, safer, and more comfortable driving experience through the inclusion in the vision systems of Advanced Systems Driver Assistance (ADAS), such as the traffic detection function, which provides information to the driver about the vehicles around it. This first version of the product came to reality on September 2018. Currently, Ficosa is working with several Original Equipment Manufacturer (OEM) on the integration of different CMS concepts, customizing it according to their requirements. In this sense, Ficosa has already achieved important nominations in the second generation of these CMS systems, a strategic product for the company, as in the medium term it is the evolution of rear-view systems and a key element for the future autonomous car.

Surround View System (SVS)

Ficosa cameras are small and have low power consumption, which facilitates their integration into a multi-camera system. Ficosa's Surround View System (SVS) provides a 360° view of the vehicle surrounding, a necessity for development of vehicle autonomy in dynamic urban driving environment. These systems incorporate the state-of-the-art machine vision features such as occlusion detection, online and offline calibration, and object detection. Fusion with other sensors and vehicle connectivity allow development of cooperative perception, thus extending the visibility beyond the one provided by the on-board cameras.

Shift-by-wire systems and Gear Box Actuators

Back into 2015 Ficosa started the development of its first transmission actuators, being able to offer a full Shift-by-Wire system. In 2020, Ficosa made ready the next generation of Shift-by-Wire systems with smart actuators, which can be easily integrated in CAN Base architectures, fulfilling the highest requirements in terms of functional safety and cybersecurity, ensuring reliability in all conditions.

This product line has been deployed for Internal Combustion Engine, Hybrid Electrical and pure Electrical Vehicles. Besides fuel efficiency enabled by the combination of engine nature and robotized transmissions, Shift-by-Wire technologies also enables to add into vehicle strategy safety features avoiding hazard conditions due to human errors.

In the Human interface, Ficosa is also bringing the latest technology, to make Shift-by-Wire shifter intuitive and fool proof, defining and co-designing functional patterns and fault tolerance strategies with our customers. As well, the current designs take into consideration sustainability drivers to address both company and industry targets and commitments in this area.

In this case, this means, among others, identifying materials with less CO2 impact, introducing sustainability guidelines in our design procedures or defining standard solutions to facilitate disassembly, recovery and/or segregation of materials for recycling.

EFFICIENCY

The challenge

One of the toughest environmental challenges of our time is managing the mobility of people and goods. By 2030, passenger traffic will exceed 80,000 billion passenger-kilometres, a fifty percent increase, and freight volume will grow by 70 percent globally. The number of vehicles on the road is globally expected to double by 2050.

The reduction in greenhouse gas emissions, the progress in the decarbonisation economy and the expected growth in mobility in the upcoming years highlight the need for efficient and environmentally sustainable vehicle technologies. The widespread electrification of transport through the adoption of electric vehicles (EVs) is one strategy to reduce GHG emissions. Furthermore, energy availability becomes a key aspect for novel mobility systems; in this sense, Ficosa is working in systems that transform the vehicle not only in a net energy consumer but in an active grid energy storage. Also, to make this appealing to the customer novel methods of ultra-fast charge are being explored within our activities.

Collaboration with national and international programmes

Electromobility Hub

In 2018, the company opened a Technological Electromobility Hub with 120 people and 1,200 square metres, dedicated to the company's different products in Hybrid and Electric vehicles (HEV/ BEV). During 2019 these facilities were extended with additional 300 m² and in 2020 a second 400 m² area have been added. The e-Mobility Hub has become a global benchmark in the development of electric mobility technology, driving Ficosa's leadership forward in an area that is key for the mobility of the future. In this sense it plays a strategic role, as it has become a driving force in electromobility solutions for the whole group on an international level.

The deployment of all these HEV/BEV products is a constituent part of the company's long-term strategy. This strategy deployment is planned in a series of phases. During these phases, Ficosa is focusing mainly on the following products:

- **Battery Management Systems (BMS):** Devices to control the HV Battery pack, usually split between a main Battery Management Controller (BMC) and several Cells Management Controllers (CMCs). The BMC has the embedded algorithm to control the state of the battery (charge, health, temperature) and to manage the different actuators needed to permit battery to charge or vehicle to drive while gathering the sensing from the CMCs.
- **HV Battery Junction Box:** Devices that route the battery energy flow depending on charging or discharging scenarios, providing protection mechanisms to isolate the battery from the rest of the vehicle when needed.
- **Communication Box:** Electronic device that provides communication between the vehicle and the charging station, allowing the actual charging activity as efficient as possible, as well as payment information exchange.
- **Multi-sensing Box:** Electronic device to monitor variables related to battery thermal runaway events, such as Current, Temperature, Pressure, Acceleration and/or CO/CO₂/H₂ gas presence.
- **Smart Cell Assembly:** An electro-mechanical device that couples (weldless) cell-to-cell electrical connections with a (wireless) CMC and cell sensors. This product can be easily adapted to different cell geometries and battery architectures (cell-module-pack, cell-to-pack and cell-to-chassis).
- **Charging Systems:** On-Board Charger (OBC) that converts grid alternating current (AC) that can be found in all households into direct current (DC) at a varying voltage level compatible with the battery pack and DCDC converters to allow high power charging, more common in dedicated charging stations.

MARBEL

Design, manufacturing and validation of the next generation of battery packs for the automotive mass-market. A circular economy approach in EV battery packs.

This project develops an innovative and competitive lightweight battery with increased energy density and shorter recharging times with the objective to accelerate the mass market take-up of electric vehicles.

The project innovation is based on the following main pillars:

- Advanced battery packaging using a Design for Assembly (DfA) and Disassembly (DfD) methodology.
- Lightweight and sustainable Battery Packaging.

- Solutions and processes for the sustainable dismantling and 2nd life
- Flexible advanced battery management systems.
- Ultra-Fast Charging strategies and enhanced thermal management
- Procedures for characterisation and validation of future performance and safety

Ficosa e-Mobility is co-leading the working packages related to Ultra-Fast Charge, EVSE Communication, Power-circuit Dimensioning, BMS Functional Safety and Sensor Selection. The consortium of the Marbel project is formed by 16 partners from 7 European countries.



IBATTMAN

Smart, Connected and Secure Battery Management System Enhanced by NextGeneration Edge and Cloud Computing, Sensors and Interoperable Architecture

In this project, leading European universities, research centers, and companies within the battery supply chain are bringing their expertise and innovations together to create the next-generation BMS platform able to overcome critical challenges limiting the performance of the existing solutions. iBattMan aims to design an innovative, modular and scalable BMS, for a wide range of vehicles, from small passenger cars to e-busses and electric trucks, with improved performance, connectivity, security and reliability to enhance battery performance and reduce total cost of ownership in EV applications and smart battery use for grid support and in 2nd life applications, based on a holistic design of an interoperable architecture and supported by a suite of advanced sensors and edge- and cloud-computational resources.

iBATTMAN will represent an outstanding step forward in the EU battery development roadmap and enable accelerated market adoption of smart batteries to bring to market world-leading class Li-ion technologies to improve the cost-effectiveness, circularity, and sustainability of the EU battery industry by 2030-2035. It will support the integration of more renewables on the grid based on new concepts such as Smart Cities and Net Zero Buildings to benefit EV car manufacturers and complementary markets like urban mobility, 2nd life application for stationary storage, batteries, and battery recycling.

FICOSA will not only lead the development of this wireless BMS modular platform adaptable for 2nd life, but will also provide the communication box with the EVSE for an efficient V2X and the multi-sensing box, key in EV safety monitoring.

iBattMan

FCEVDTRUCK

Ficosa is participating together with four other companies (Ajusa, BonArea, Avia Ingeniería and CIE Automotive) and research centers and universities such as Tecnalia, CMT (UPV) and CITCEA (UPC), in a project called “Industrial research into a solution for hydrogen propulsion in light and semi-heavy duty electric vehicles with fuel cell”, with the acronym FCEVDTRUCK.

The objective is the development of a new type of fuel cell electric vehicle and the implementation of a fuel cell that converts hydrogen gas into an electric current inside the fuel cell. This electrical energy will be used to power the electric motor.

This project is structured in five activities, three of them aimed at industrial research and two at experimental development and implementation. An interdisciplinary approach will be used to combine the capabilities of each of the partners, creating synergies and overcoming current technological barriers.

Ficosa’s role in this project is in cooperation with its partners to develop the different Electronic components embedded into the Ajusa fuel cell to control it and also to control the voltage conversion from the Fuel Cell to the High Voltage battery.

EGVIA for 2Zero

The “Towards zero emission road transport” (2Zero) partnership is part of the new framework program of the EU: Horizon Europe. It is the continuation and extension of the European Green Vehicles Initiative. Building upon the success of previous initiatives (Green Cars and Green Vehicles), the 2Zero partnership will address the challenge of decarbonization of road transport in a systemic way. Involving a wide range of stakeholders, the 2Zero partnership will make a key contribution to achieve the Green Deal objectives and help the EU to have the first climate-neutral road transport system by 2050.

The following items as main pillars will be approached under the scope of the 2Zero partnership:

- Vehicle technologies and vehicle propulsion solutions for BEV and FCEV
- Integration of battery electric vehicles into the energy system and re-

lated charging infrastructure

- Innovative concepts and services for the zero emission mobility of people and goods
- LCA approaches and circular economy aspects for sustainable and innovative road mobility solutions

Ficosa is actively involved in the 2025-2027 European program definition through the different call drafting teams coordinated by 2ZERO.



CIAC

The Automotive Industry Cluster of Catalonia (CIAC) is a non-profit association open to companies operating in the automotive industry, that are based in Catalonia, and pursue R&D+i activities. Over 190 companies linked to the industry have joined the Catalan automotive cluster since it was established. This group of companies has a turnover of more than €20,000 million and provides employment for over 40,000 people.

The main aim of the association is to boost the competitiveness of the automotive industry as the driving force behind the Catalan economy. To achieve this, a strategic plan has been designed, with a series of short, medium, and long-term objectives that guarantee its development in the new industrial global framework



CAR-NET (Cooperative Automotive Research Network)

The Cooperative Automotive Research Network, initiated by SEAT, Volkswagen Group Research and Universitat Politècnica de Catalunya (UPC), is an open hub for industrial and academic partners from the areas of automotive and mobility research & innovation. Ficosa is a member of this knowledge hub for automotive science and technology, focused on urban mobility, and based in Barcelona. Its ambition is to become a benchmark in this area, in close alliance with European counterparts. CARNET is a cooperation platform for the mobility industry, local universities and institutional partners that has the following strategic goals:

- Organizing urban mobility activities in Barcelona
- Contributing to strengthening the automotive sector in Spain, and Catalonia in particular
- Recruiting proactively for the automotive industry
- Networking to seek international research funding (in cooperation with international partners)



What we are offering our customers

Battery Management Systems

Ficosa has been developing jointly with main OEMs the new generation of Battery Management Systems. The focus areas of the e-mobility lay mainly in accurate, efficient and reliable high-voltage energy control. To do so, Ficosa combines its deep industrial knowledge with the last trends in machine learning and physics modelling within its advanced development projects.

Battery Junction Boxes

The battery junction box is a core component devoted to commute current from the batteries to the active vehicle parts and provide passenger protection mechanisms. Year after year, this component is integrating more technology and adapting to different vehicle architecture (low-sized cost-savvy for low-range urban cars or modular for high-range cars with ultra-fast charge capabilities).

On-Board Charger and DCDC Systems

The company is working on the development of a new integrated concept of On-Board Charger (OBC) together with Panasonic. The OBC is a system that is able to provide energy to charge Electric/Hybrid vehicles batteries from single and three phased AC networks. On the other hand, DCDC converters allows high power fast charging capabilities being fed from dedicated DC charging infrastructure.

Communication Boxes

Ficosa develops technologies, that residing inside the vehicle, interface with the charging infrastructure with the objective of managing all the charging variables like available grid power, charging rate accepted by the vehicle, vehicle and user authentication and related billing processes, among others; while being robust against potential cyber-threats that may arise any time during the product life.

Multi-sensing Boxes

Safety is one of the key-points in Electric Vehicles and thus a proper monitoring of battery Current, Temperature, Pressure, Acceleration and CO/CO₂/H₂ gas presence is of paramount importance to either avoid possible thermal runaway scenarios or to warn the users as soon as possible so they can flee the vehicle. Ficosa is developing tailored battery multi-sensing boxes.

Smart Cell Assembly

Ficosa is developing an electro-mechanical device that couples (weldless) cell-to-cell electrical connections with a (wireless) CMC and cell sensors that can be easily adapted to different cell geometries and battery architectures (cell-module-pack, cell-to-pack and cell-to-chassis).

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(1) Internal framework: see the methodology used in the corresponding pages

Appendix 1 – OHSEQ Policy

The policy of integrated management of the company is based on the compromise of Upper Management and the participation and consultation of all the staff, and their representatives where they exist, in order to ensure the continuous improvement of their labour.

It must be communicated and understood by all the Company and reviewed periodically. It must be of interested parties domain. It must be appropriate to the nature of our Company (activities, products and services).

With this aim, the Direction affirms the compromise and responsibility with the implementation, maintenance and continuous improvement of an integrated system of management, based on:

1. The values and philosophy of operations of the organization, established clearly in the MISSION, are the guidelines for each member of FICOSA.
2. FICOSA permanently believes that each product and project developed for our customers shall fulfil and exceed their expectations of time, quality, safety and cost.
3. The company firmly believes that the excellence in each project and product are achieved with the participation of all the people that constitutes FICOSA. The maintenance of the daily enthusiasm and the imposition of challenges of permanent improvement are clues for this purpose and a responsibility for each leader.
4. Occupational health and safety is a fundamental part of our work; Our commitment in the prevention of accidents and occupational illness, focuses our efforts on ensuring safe and healthy work environments, prioritizing the elimination of hazards and the minimization of risks.
5. The development of our Company must be guided toward the continual improvement of our work (in occupational health and safety, quality, environment and energy efficiency). It is our obligation to improve every day the effectiveness of our Integrated System.
6. The respect for nature and the observance of the universally declared principles of pollution prevention and control shall be kept as a frame of reference for the development of our activities. The development of our organization can and must walk alongside the preservation of the environment and the mitigation and adaptation to climate change, as well as towards energy management.
7. The environmental questions are a common problematic, therefore, each of the internal members (workers and collaborators) and external members (suppliers and subcontractors) have the right and the moral obligation to participate in their implantation and to collaborate in their maintenance.
8. FICOSA has a framework where the establishment of objectives and goals for occupational health and safety, quality and environment, as well as the availability of information, resources, acquisition of efficient products and services. The review of these objectives is a high priority function in the development of our Company. These objectives must be based on the requirements of the interested parts, established in the MISSION.
9. The fulfilment of the current legislation and regulation regarding occupational health and safety, quality, environment and energy for FICOSA. We include in this section any other requirement.
10. The compliance with all Customer Specific Requirements that affect our products.



FICOSA

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