

# Corporate Social Responsibility 2022



FICOSA

# Index

**01**

Letter from the president

**04**

How do we work?

**07**

Living by the values at Ficosa

**02**

About our report

**05**

Ficosa and the Sustainable Development Goals

**08**

Human Rights

**03**

Ficosa at a glance

**06**

Compliance and business ethics

**09**

Information security

**10**

**Commitment  
to quality**

**13**

**Commitment to  
the environment**

**16**

**Innovation in  
our products**

**11**

**Commitment  
to our people**

**14**

**Responsible  
sourcing**

**17**

**Content Index**

**12**

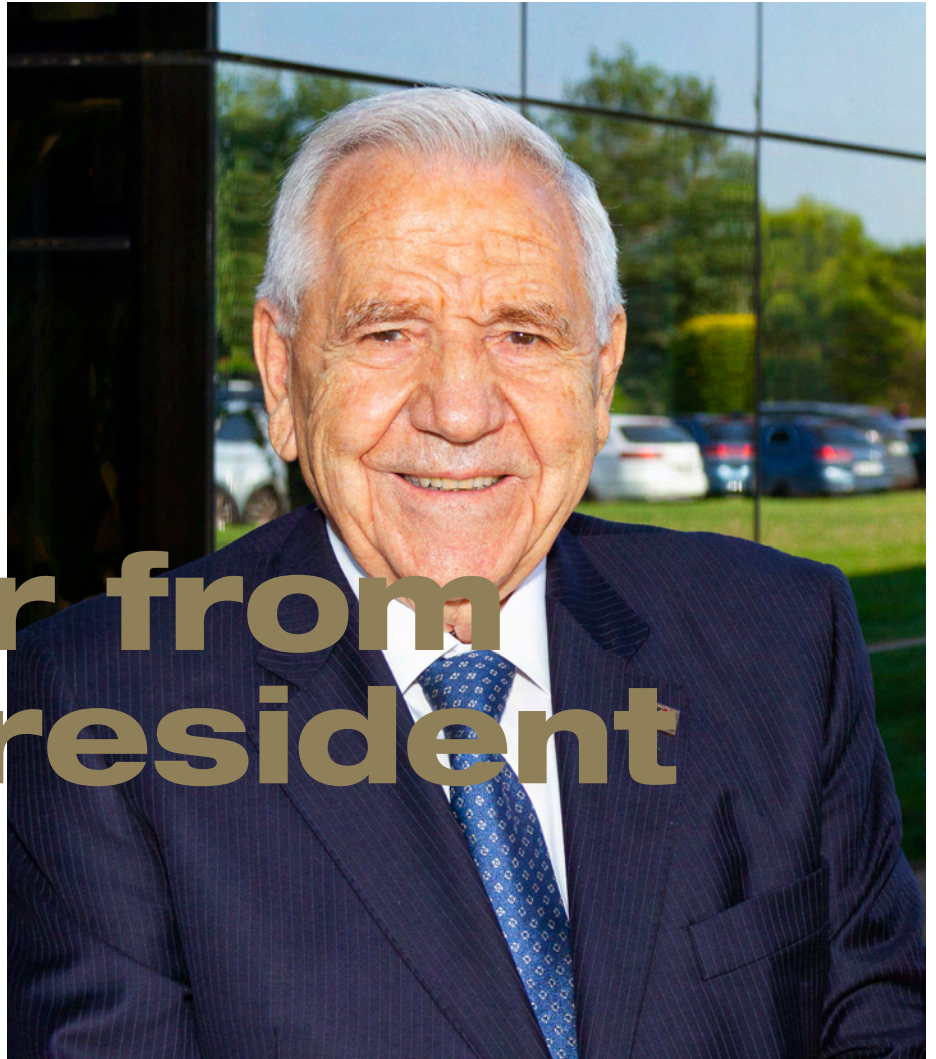
**Commitment to  
health and safety**

**15**

**Commitment to  
society**

**18**

**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 seeks to provide an overview of Ficosa's performance against the challenges of the automotive sector and to describe our actions to integrate the UN Global Compact and its principles into our values, culture, business strategy and day-to-day operations.

The pandemic brought car sales into a downturn from which, three years later, they have still not been able to recover.

Having not yet recovered from the semiconductor shortage crisis, which is dragging down production in factories around the world, the automotive industry has taken the consequences of the Russia-Ukraine war which has fed major disruptions in our supply chains. Runaway inflation, rising

energy and raw material costs, the effects of the microchip crisis and changes in people's habits are causing sales volumes not to recover. All this is causing uncertainty and vehicle registrations are slowing down.

But as I always say, we must think positive, this situation must be a stimulus to enhance our creativity and solidarity.

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

In our company, we continually strive to guarantee 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 of improvement and innovation in our products and services has a direct impact on our commitment to corporate social responsibility, transcending in the reduction of accidents, connectivity, energy efficiency, less pollution, driver assistance and comfort.

All these new technological products and services aimed at more assisted driving, the autonomous vehicle, the connected and less polluting car have become the pillars of

Ficosa's growth.

In 2022, Ficosa's commitment to position itself as a leading supplier in automotive vision, based on more than 50 years developing and producing mirrors for all types of vehicles, has led us to reach the production of more than 10 million cameras for parking and vision systems for the vehicle environment, with exponential growth forecasts due to the 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 rear view system, we have already developed and started production of the second generation of this system for new vehicles, which reflects the technological capacity achieved by Ficosa. In the same field of ADAS, our 360-degree vision system (surround view system), which is already incorporated in a large number of vehicles, we have started to develop the second generation, which will incorporate new features and characteristics.

In commercial vehicles, camera systems have also started to be developed and produced to replace the rear-view mirrors in these vehicles.

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

In electromobility, new battery management system (BMS) and charging device (OBC) projects, such as the Junction Box and iBMU connector panels for new electric vehicle manufacturers have been achieved, reinforcing customer diversification.

The growth in demand for mechatronic products has led us to win orders for a vehicle control system such as the Park Lock Actuator.

Technological changes, new consumer habits and rapid advances towards electric, connected and autonomous mobility are bringing about a series of legislative, technological, cultural and economic changes that are causing disruptive effects in the automotive value chain. We need to be alert and cautious, the coming years will be characterised by great opportunities and at the same time great risks. Ficosa will work to manage and mitigate the risks, taking advantage of the opportunities arising from this transformational situation.

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

Sincerely yours,

**Josep Maria Pujol**  
President

# About our report

This Report aims to offer readers a transparent and balanced overview of Ficosa's performance in relation to the sustainability challenges that the company has faced in 2022.

## Objective of the Report

In this report, Ficosa aims to explain how non-financial and diversity risk challenges are approached, and the company performance in 2022, for the purpose of offering stakeholders complete and reliable information. The company has centred this report on explaining how it takes environmental, ethical, labour, social, and human rights aspects into consideration during the daily operation of the company. Likewise, it 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. Furthermore, this report describes how our company is progressing in each of the Sustainable Development Goals (SDGs). Our core business determines which of the global sustainability goals Ficosa supports first and foremost. In particular, our activities focus on health and safety (SDG3) and combating climate change (SDG 13). In addition to this, our commitment to sustainable practices includes decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), and promoting 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. Therefore, in determining the content to be included in this report, we consider the pertinent developments, initiatives and the materiality analysis carried out in 2018. The materiality analysis took the Ficosa CSR diagnosis (gap analysis) as the starting point and the action plan prepared in 2015 involving the CEO, the members of the Executive Committees and our key Management subsidiaries. It was complemented with 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 drivers included the Drive Sustainability (biggest world automaker partnership to promote sustainability) guidelines set out in the Automotive Sustainability Guiding Principles which outline expectations for suppliers on key responsibility issues including human rights, environment, working conditions and business ethics.

In addition, the EcoVadis CSR assessments requested by several of our OEMs (Original Equipment Manufacturer) have also been taken into consideration. EcoVadis provides

an entire Corporate Social Responsibility (CSR) ratings service for companies.

To summarize, the key points to highlight 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 and boundary

This report covers the period from 1 January 2022 to 31 December 2022. Unless indicated otherwise, the quantitative information reported in this document shows the performance of the company at global level and includes 100% of the facilities and sites where Ficosa holds a majority stake and, is consequently, responsible for their operation and control. Thus, 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, previous years' data - if available - has also been included.

The report focuses on the company's main business lines: research, development, production and sales of high-technology vision, safety, energy efficiency and connectivity solutions (connected cars, driverless vehicles, assisted driving and e-mobility).

Biodiversity is not material for this report, as Ficosa operational sites are not located in

protected areas or areas of high biodiversity value. Additionally, the impact of our activities, products, and services on biodiversity are not significant.

There are no IUCN Red List species or national conservation listed species with habitats in areas affected by the operations of our organization.

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

In addition, the indicators regarding occupational Health, Safety and Environment only cover the Ficosa sites where there are vehicle parts manufacturing plants due to their materiality. So, 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, with headquarters in Barcelona (Spain), generated sales of €1,148.1 million in 2022 and has a team of more than 7,800 employees, with manufacturing plants, technological centres and commercial offices located throughout 17 countries in Europe, North America, South America, Africa and Asia. Ficosa has been expanding its international presence based on its strategy to be located near the decision and production centres of the majors OEMs in order to be able to offer a more competitive and global service. The alliance with Panasonic, signed in 2015, has boosted regional synergies and the international activity of the company. Ficosa has gained new customers and initiated new programs in all regions, mainly in Asia. In addition to boosting its global presence, Panasonic and Ficosa are combining their respective technologies to jointly develop products such as electronic mirror systems, next-generation cockpit systems and Advanced Driver Assistance Systems (ADAS), which will facilitate business expansion in fields where future growth is anticipated.

- €1,148 million sales.
- Production plants, technical centres or sales offices in 17 countries, over 4 continents.
- Established in 1949 in Barcelona (Spain).
- 7,819 employees.
- Pioneers in high-technology vision, safety, connectivity and efficiency systems for the automotive and mobility sectors.
- 18 manufacturing plants.
- 12 R&D and technical 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



(Licence agreement)



(Licence agreement)



· Taicang



· Gyeongsangbuk-do (Joint-venture)



· Tokyo (office)



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

· Hyderabad



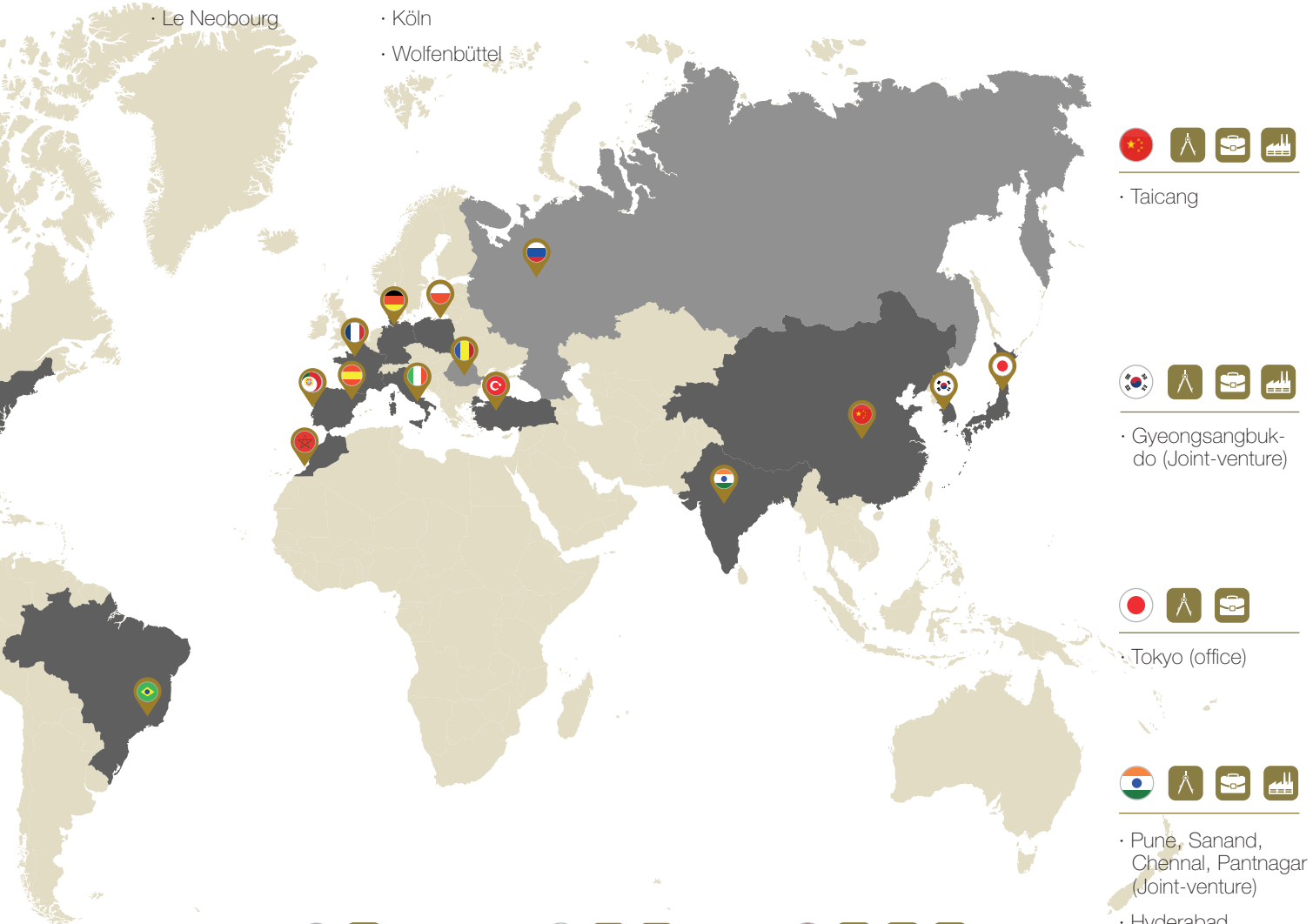
· Sala Al Jadida



· Venaria Reale  
· Morcone



· Bursa  
· Gemlik



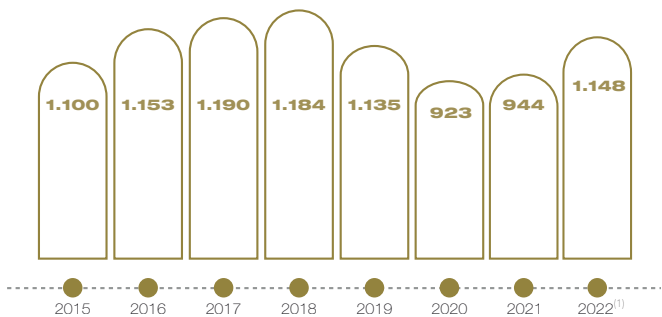
Ficosa is now one of the top-tier global providers operating in the research, development, manufacturing and marketing of high-technology vision, safety, connectivity and efficiency systems for the automotive and mobility sectors.

Ficosa ended 2022 with sales close to 1.15 billion euros. Following the COVID-19 pandemic that affected all the world's key economies, the solid growth experienced by the company in previous years was resumed due to a clear commitment to globalisation, operational efficiency, innovation and business diversification.

Ficosa achieved sales of 1,148 million euros in 2022, compared to 944 million euros in 2021. This 22% increase in sales in 2022 reflects a recovery compared to the previous year, being close to pre-pandemic years, despite the fact that 2022 was a year in which there were still effects derived from the COVID-19 pandemic and episodes of lack of supply, both of electronic components and of other components and raw materials used by the Group to produce its products.

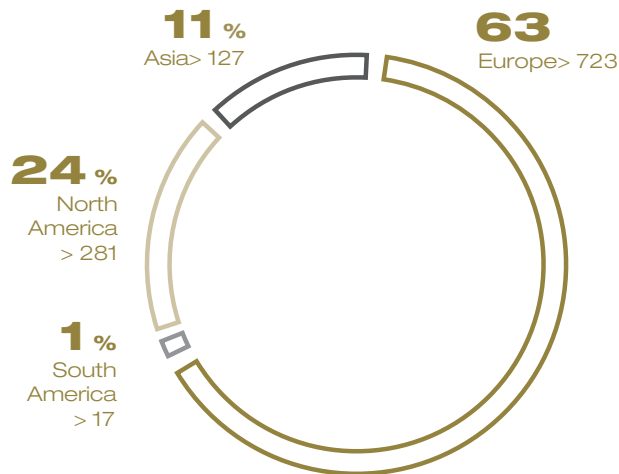
On the other hand, in 2022, the automotive sector has been affected by the Russia-Ukraine war, which has fed strong disruptions

Sales (€ million)



<sup>(1)</sup> This 22% increase in sales in 2022 reflects a recovery from the previous year, with turnover close to pre-pandemic years, despite the fact that 2022 was a year in which the effects of the pandemic and the Russia-Ukraine war have still been felt.

Sales per region 2022 (€ million, %)



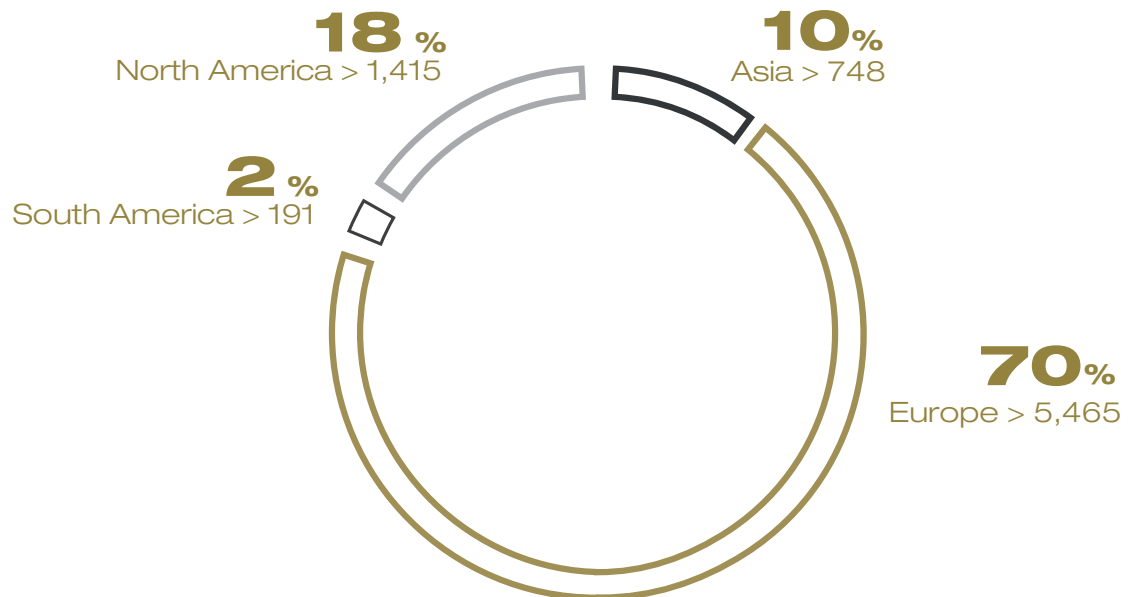
in our supply chains. Runaway inflation, rising energy and raw material costs, together with the aforementioned microchip crisis loopholes and changes in people's habits are causing sales volumes not to recover.

The year 2023 is once again a time of great uncertainty. Although the Covid crisis<sup>19</sup> has subsided significantly at global level, it is no less certain that major destabilising factors are still present, 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 particular importance for the more complex semiconductors, the energy crisis, which although eased for several reasons with a warmer winter, still represents a strong threat to stability, inflation hitting hard on salary costs as well as cost factors in general.

In this context, Ficosa expects a significant growth in sales in 2023 of around 140 million euros (+10%) due to the launch of new products and a greater penetration with current products in the customer base, especially in the field of new technologies.

Distribution of employees per region  
2022 (N. employee, %)



## Structure of Ficosa International

At present, Ficosa is a conglomerate of companies formed by engineering centres, manufacturing plants and commercial offices, distributed all over the world. The group is organized into different Business Units, most of which are detailed below.

### 01

#### Rear-view systems:

Develops, produces and commercializes rear-view mirrors and vision systems - forward, backward and lateral - for vehicles.

### 02

#### Command and control systems:

Develops, produces and commercializes systems which interact between the driver and the vehicle, such as shifters, parking brakes, and drive cables.

### 03

#### Under hood systems:

Develops, produces and commercializes fluid and ventilation systems installed in the vehicles' under-hood.

### 04

#### Advanced communications:

Develops, produces and commercializes antenna systems for vehicles, communication modules and antennas for navigation systems.

### 05

#### Commercial vehicle:

Develops, produces and commercializes all Ficosa's product portfolio for buses, trucks and industrial and commercial vehicles.

### 06

#### Advanced Driver Assistance systems:

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

### 07

#### E-mobility:

Develops, produces and commercializes electric powertrain 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 technology products. Within the traditional products, we highlight rear vision systems, which represent around 60% of total sales. Ficosa is one of the three world leaders in this area.

In the new ADAS and Electric Mobility business units, Ficosa continues to consolidate its position and generate growth. During 2022, sales of new technologies have increased by 41% compared to the previous year, it should be noted that growth in the coming years is expected to lead to a quadruple increase in sales of these products.

## Ficosa reaffirms its commitment to decarbonisation and connects its Soria plant to a renewable heat network

Ficosa is working to be able to connect its Soria factory to a new renewable heat network in early 2023. This connection will generate significant environmental benefits for Ficosa, with significant improvements in the quality of energy supply, decarbonisation of production, and redundancy in generation equipment.

Heat networks are systems that produce thermal energy through centralised installations, and distribute it to users in a very efficient way, with a minimum environmental impact, and allowing the integration of renewable energy sources. In this sense, the new system to be built at the Fico Mirrors factory, located in the Las Casas de Soria industrial area, will use biomass originating from the mountains in the

area, allowing for a more sustainable and environmentally friendly energy supply.

The new network will originate from a renewable heat plant, located at our supplier's facilities very close to our plant, which will generate water superheated to 125 degrees Celsius. The water will reach the Ficosa factory and will be used in different production processes. It will also cover heating and domestic hot water (DHW) needs.

The forecasts are to be able to reduce 1,460 tonnes of CO<sub>2</sub> annually (scope 1) by ceasing to consume fossil fuels.



# How do we work?



## Mission

In particular, our mission is to innovate, develop and create high added value products that contribute towards 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 in understanding that being the best means meeting the needs of our employees, customers, community and shareholders alike.

## Values

At Ficos, we believe that success depends on how we live our Vision and the Values on which it is based. Our Values reflect the spirit of our company, the way we think and how we believe we should act, and have become the mainstay of our Code of Ethics. We are convinced that if we act in accordance with our values, we can achieve our Vision. The company values are on display at the different company sites and every new employee receives an explanatory leaflet informing them about our values when joining the company.

The values that guide our conduct and identify us as a company are as follows:



### Caring for People:

People are a key part of our corporate project. Learning and training, respect, diversity, concern, friendly and informal relationships should reflect the very essence of us as a company.



### Teamwork /Learning together

Sharing knowledge, openly communicating, learning from mistakes, cooperating, and understanding that personal success is the company's overall success.



### Commitment & Passion for Work

Enthusiasm for the corporate project, knowing how to live our values. Feeling part of the fulfilment of our vision, persevering with hard work, enjoying work and a job well-done. Everybody's work is equally important.



### Innovation & Creativity

All our employees have the capacity to exhibit and create; therefore, we have to enable their ideas to emerge through our leadership. Brave the market by being bold and assuming risks, but always with sound judgement.



### Customer Focus

Helping our customers achieve success is key to us achieving ours. We should be able to build relationships based on trust with them, understanding and anticipating their needs.



### Honesty & Integrity

Being honest and acting with integrity in all our actions and behaviors. Ethical principles and our values should guide us in our day-to-day decisions.



### Leadership

Modesty, not taking center stage, understanding that everybody's work is equally important, is essential in Ficos's leadership style. Lead by example and showing appreciation for people. Delegate, decentralize, and trust in the ability of people. Live the values that constitute the essence of the company.

# FICOSA and the Sustainable Development Goals







The company's strengths come from its commitment and its understanding that being the best means being able to respond to the needs of our employees, customers, community and shareholders in equal manner. In this regard, Ficosa continues its efforts to generate shared value among its stakeholders and add sustainability practices in its business strategy and culture. As a member of the United Nations Global Compact since 2002, celebrating this year our 20th anniversary, we have adopted the Sustainable Development Goals (SDGs).

Sustainable Development Goals (SDGs), introduced in 2016, are an ambitious plan of action defining sustainable

development priorities at a global level for 2030, with the aim of eradicating poverty and promoting decent lives with opportunities for all. There are 17 goals and 169 universal targets that are inter-connected, applicable to all nations and people, and that represent a call to action for governments, civil society and the private sector. The company reviews all the SDGs to identify areas where we can maximize our positive contributions. We focus our activities related to sustainability on those SDGs that greatly influence our business model and value chain and help us bring about real change. This mainly affects the following SDGs and associated sustainability activities: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), traffic accidents kill approximately 1.35 million people worldwide every year, which means that every day around 3,500 people die on the roads. Tens of millions of people suffer injuries or disabilities each year. Children, pedestrians, cyclists and the elderly are the most vulnerable users of public roads. Additionally, about 50 million people are injured in traffic accidents with severe trauma. If preventive measures are not taken, death from a car accident is likely to become a top five cause 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 by developing new emergency systems or new tools and products to improve the vision of the driver, help prevent collision or estimate the degree of attentiveness of the driver, Ficosa is contributing to the Health Goal to reduce road traffic fatalities. *Learn more: Innovation in our products.*



## SDG 13 –

### Take urgent action to combat climate change and its impacts

The transportation sector is responsible for 24% of global greenhouse gas emissions. Reducing emissions from transport 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 transport through the adoption of electric vehicles (EVs) is one strategy to reduce GHG emissions. If EVs are charged with electricity from emission-free sources, their use 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 the adverse per capita environmental impact of cities). By investing in research and development to improve efficiency, reducing the complexity of electric vehicles and developing new generations of Battery Management Systems or On-Board Chargers (OBC), Ficosa is contributing to combating climate change and its impact. Furthermore, Ficosa is working to reduce its CO<sub>2</sub> 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 others, the company is working to reduce its waste generation throughout the products' life cycle. For example, Ficosa is working in some its operational facilities to increase the recovery of cleaning solvents and other chemicals and to reduce the amounts of these substances emitted from its plants. Furthermore, one of the main objectives of the company is the continuous improvement of quality, reducing the number of defective parts and improving both its processes and the skills of its employees with the aim of achieving zero defects. Additionally, the Taicang (China) and Maia (Portugal) plants have solar panels to generate electricity and several additional projects are under study.

*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 automotive components. Ficosa implemented an annual supplier inquiry to collect the Standard Survey (EICC/CMRT template) on conflict minerals from all its suppliers. The information collected is internally processed and provides useful information to ensure procurement that is free from conflict minerals originating in the Democratic Republic of the Congo or adjoining countries. Ficosa is strengthening processes to ensure due diligence in the supply chain and to ensure that human rights are respected.

*Learn more: [Conflict minerals](#).*



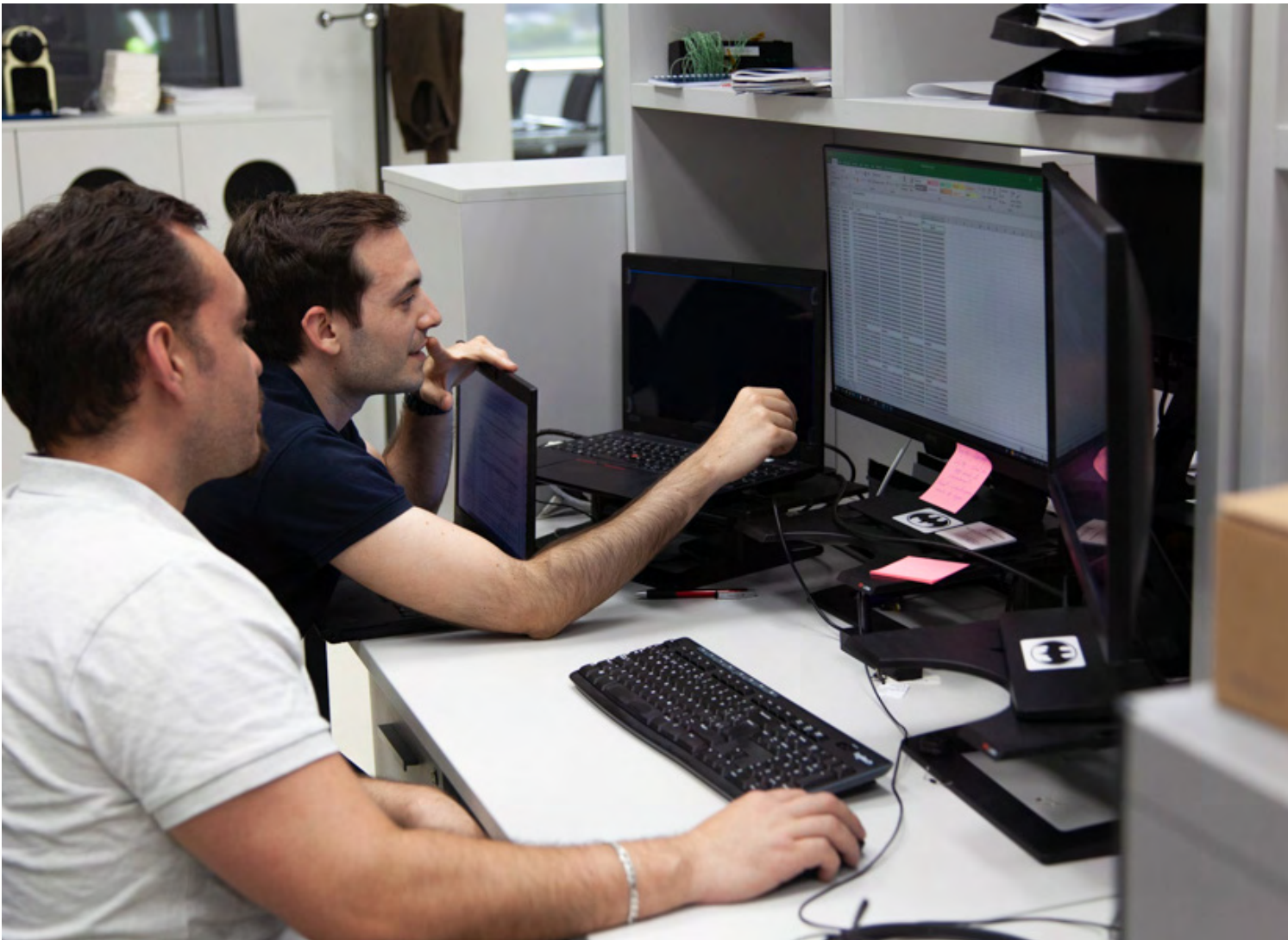
## SDG 8 –

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

The company has a team of more than 7,800 employees, with manufacturing plants, technology centres and sales 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 integration are encouraged.

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

# Compliance and business ethics



At Ficosa, we are committed to meeting high ethical standards and complying with all applicable local, national, and international laws wherever we do business. Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships between organizations.

In this direction, a new release of the Ficosa's Code of Ethics was approved by the Board of Directors in 2017. Our Code of Ethics is an extension of our values and defines the standards and responsible behaviour expected of all those related to the company, and which is of obligatory compliance. We are all responsible for complying with these benchmark standards, which are essential guidelines in order 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 organised 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 pack given to new employees to sign on the first working day together with the contract. The 2022 annual check of acceptance and confirmation of compliance with the code shows 100% for our executives, directors and managers.

In October 2019 we launched e-learning of our Code of Ethics, to indirect employees, available in all 9 Ficosa languages. 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 training guidelines. The latest completion rate assessed in 2022 was over 96% out of a target of 2,247 indirect employees, with

the goal in 2023 to reach 100% of these employees.

At Ficosa, we have a body called the Compliance Committee responsible for distributing and ensuring compliance of the Code of Ethics among all the company's employees. In order to guarantee the effective application of the regulations and the guidelines of this Code, the company has established a whistleblowing channel since 2018 to notify any breach of the Code of Ethics.

Furthermore, Ficosa's policies and procedures, available worldwide, ensure compliance with J-SOX in all activities performed in the day-to-day operation of Ficosa. Controls have been implemented to monitor compliance with these procedures and are periodically evaluated to ensure their effectiveness. Periodic self-assessments, internal and external audits are carried out.

At Ficosa, we are convinced that emphasizing the compliance culture makes a significant contribution to securing the sustainable success of our company. In this regard, the company has decided to define a Crime Prevention Model, which was introduced in 2016. The goal was to adopt and effectively implement the appropriate measures to prevent and detect criminal risks and ensure ethical practices within the company. This compliance is integrated as part of a corporate culture, which has always been centred on the promotion of ethical values at all levels. Furthermore, its implementation ensures Ficosa complies with the requirements set out in the Spanish law on the amended Criminal Code (Law 1/2015 dated March 30th).

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

Under this framework, several regulations, procedures and protocols were implemented to support crime prevention in areas such

as money laundering, antitrust, corruption in business, treasury and social security and subsidy fraud, fraudulent and unfair behaviour, gifts and hospitality, intellectual and industrial property, the transportation of persons, goods and other related activities. All the different regulations, procedures and protocols focus on company and sector-specific risks and priorities and cover the facilities and sites where Ficosa holds a majority stake and is consequently responsible for their operation and control.

In 2018, a Compliance Information and Training Programme was launched in order 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, purchasing and R&D teams, including examples of real situations. This workshop is repeated all the years including new examples and risks detected during the last year.

The third anonymous compliance awareness survey was completed in 2022 with the aim of increasing compliance awareness and identifying opportunities for improvement. The questions, available in all company languages, were sent to 2,170 employees in 13 countries. The survey covered several areas such as the level of knowledge of the Company's values, the Code of Ethics, the Whistle-blower Channel, Compliance awareness of the different levels of management, etc. The overall result on a weighted score of 10 was 8.3, slightly improving on the previous year's result despite the potential negative impact of the two years of COVID-19.

The results of the survey were shared in 2022 with the management teams in each country to promote internal forums in all the Group's subsidiaries to debate and increase awareness of Compliance and to establish the relevant improvement actions.

# Living by the values at Ficosa

Ficosa's values underpin everything we do and must be reflected in our day-to-day behaviour. To ensure every employee understands and truly experiences the corporate values of Ficosa, the company turned them into specific operating principles and communicates them often.

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

## **Global Campaign of Ficosa Values and Ficosophy**

In 2019, it was launched a global campaign to reinforce the concept of Ficosophy and the values of Ficosa, which constitute the DNA of our employees, what identifies us in any of our centres and plants in the world, as well as being the mainstay of our code of conduct.

Ficosophy is the values that unite all the people who are part of Ficosa. A unique way of doing things that helps us move forward into the future together.

Having values is important, but we need to apply them. That is why, we always put our Ficosophy at the centre of everything we do and we encourage our employees to live them in their day to day.

This campaign reached all Ficosa employees as different tools and formats were used to be able to work, during the 18 weeks that the campaign lasted, with all levels of the organization. Emails, pop-ups, social networks, posters, murals, tablecloths with messages were used also in the centres that had a canteen, activities connected with each value, etc.

This campaign is alive on our website, within Ficosa People and our Ficosophy.

**FICOSA PEOPLE**

# FICOSOPHY

Our way of doing things

## INTEREST IN PEOPLE



People are at the core of our business. Training, learning, respect, diversity and friendly relationships are part of who we are.

## LEADERSHIP



Humility, not taking sole credit, and understanding all persons are equally important is essential to Ficoso's leadership style. Lead by example and with high regard for people's abilities. Delegate, decentralize, have faith in people's abilities. Integrate the company's values in the workplace.

## INNOVATION & CREATIVITY



All our employees have the ability to innovate and create, therefore we must encourage the expression of these ideas through our leadership.

## TEAMWORK



Knowledge-sharing, open communication, learning from mistakes, cooperation and understanding that personal success contributes to overall success.

## CUSTOMER FOCUS



Helping our customers succeed is key to achieving our success. Being able to build trusting relationships with our customers; understanding and anticipating their needs.

## COMMITMENT & PASSION FOR ONE'S WORK



Enthusiasm for doing a good job and knowing how to live the values. Participating in achieving our vision through perseverance, work enjoyment and a job well done.

## HONESTY & INTEGRITY



Honesty and integrity in our actions and behaviors. Ethical principles and values should guide our daily decisions.





# Human Rights

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

In addition to following the General Purchasing Conditions, and all laws and regulations applicable to the supplier. It is also their obligation to respect social

responsibility duties and especially the requirements based on the Universal Declaration of Human Rights (UDHR) and the International Labour Organizations (ILO) conventions to respect employees' rights, age and working-hours limits, etc. The purchase orders sent by any Ficosa company or any of its subsidiaries must include the terms and clauses of the General Purchasing Conditions.

Learn more: [Responsible sourcing](#).

Furthermore, the company performs a yearly control through the central employee database by calculating the age of their employees to ensure all Ficosa staff are above the legal age to work and assure no child labour is permitted. Ficosa is strengthening processes to ensure due diligence in the value chain (internal and external) and to ensure to a greater extent that human rights are respected.



# Information security

In 2017, Ficosa strengthened its Information Security Management System (ISMS onwards) based on ISO/IEC 27001:2013 standard. A Security Committee was formally appointed and is authorized by the Board of Directors to govern the ISMS. The Committee is responsible for defining and establishing the information security strategy and management system. The current scope of the ISMS includes Engineering, Prototypes and Testing business functions.

Currently the scope of the ISMS covers the areas dealing with most highly sensitive information, shared sensitive information with customers and contract, intellectual and industrial property law, and protected information. ISMS aims, among other internal goals, to increase the confidence of stakeholders regarding information management and the security of its information systems.

The ISMS includes the implementation of risk assessment and management

scenarios based on the MAGERIT methodology (Version 3).

Ficosa has also implemented zoning (S1-S2-S3) where S3 zones correspond to those related to confidential and secret classified projects. Each zone has been provided with its own security criteria, controls, alarms, cameras, procedures, training, etc.

As part of the ISMS project, Ficosa has developed and enhanced a training and awareness program. Since the start of this training, more than 1,183 employees have already attended the training sessions, including the Management.

Furthermore, the company has implemented an incident management procedure to enable any employees and stakeholders to report security concerns regarding information in order to prevent recurrences.

In 2019, an e-learning was also launched to increase the awareness of all employees on the correct use of Software licenses, including intellectual property, the purchase and use of software, examples of cases of illegal use, false beliefs on software licenses and the potential impacts of illegal use. This e-learning has been translated into all Ficosa languages, with a completion rate of over 87% in 2022 (out of a target of 1,900 employees), with a target of 100% by 2023.



# Commitment to quality



## Policies

The rating given to a car and the value of an automotive manufacturer's brand are dependent on the customer's appraisal of quality. In this context, Ficosa believes that the automotive part and equipment industry has an important responsibility to constantly provide top-level quality to customers at every stage, from the planning of new products, through to development, manufacturing, distribution and sales to after-sales service.

In 2009, Ficosa implemented the Corporate Quality 3Q3 program, which aimed to improve quality threefold within three years' time, thus propelling the business to the top of the automotive sector. The 3Q3 program is annually updated, accompanied by a specific roadmap and quality targets to make sure that all the regions are following the best practices in this area. Through the 3Q3 program, the company performs more than 100 audits per year to ensure that all the sites comply with the company's quality requirements.

In 2015, the company implemented stricter rules in the 3Q3 audits related to internal supplier management, project management and technical centres, using the same criteria as for Ficosa manufacturing plants. In 2016, the company implemented a new internal 3Q3 Process Design Audit to certify the design of the production process at Ficosa sites (plastic & metal injection, injection tooling, paint shop). The new internal audit is applicable to all the Company's technical centres and manufacturing plants.

Additionally, in 2016, the company added three new checklists in the 3Q3 Plant Audit to make sure that each site adheres to Ficosa standards for the proactive management of warranties. More demanding rules were

added in the 3Q3 audits for technical centres. The main goals of the new checklist is to certify that any software developed by Ficosa is aligned with the ISO/IEC 15504 guidelines. Furthermore, these stricter rules have been implemented to guarantee that the design and production of safety products comply with the highest standards of the automotive industry.

In 2018, the notice period for the communication of a 3Q3 Plant Audit was reduced from ten to two days. The objective is to obtain a true picture of the Ficosa site and avoid any ad hoc preparations being made in advance.

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

During the years 2020 to 2022, it has not been possible to carry out the 3Q3 audits in person, due to travel restrictions due to the pandemic generated by COVID-19, so it has been 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 in the event of finding assessments that need to be contrasted, this can be done with the interested parties.

The year 2022 has been used to train new corporate auditors and a plan has been established for on-site audits to be resumed in 2023.

The reviews carried out to date of the results of the self-assessments show a high level of self-assurance, being in line with the assessment criteria required by the corporate quality team.

## Quality Management

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

Operational Ficosa facilities certified IATF 16949 and ISO 9001 (%)

**100%**



## Governance

The mission of the quality function is to improve the performance of Ficosa, thereby ensuring customer satisfaction. To do this, it is endowed with a corporate structure and local quality control organizations in the production plants and support centres (technical centres, purchasing, project management, etc.).

The main tool to ensuring the mission of the quality function is achieved, is the quality system, which is deployed on a corporate level in order to comply with international, national and local standards, and those of our customers.



## Main Risks and Challenges

Customer warranties are a significant part of our quality management system. In 2018, a new warranty reporting system was launched in all Ficosa manufacturing sites. This system continuously monitors our OEMs B2B warranty applications to obtain a better picture of the current and future scenario, helping us to react quickly to any possible incident before an official warranty analysis request is issued.

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

Parallel to this, the collaboration between

Design and Manufacturing has been strengthened in order to analyse the "No Fault Found cases" (NFF) to provide faster support to our customer in the resolution of problems.

The company remains focused on improving both our processes and our employees' skills, using problem solving, analysis tools and techniques in an aim to reach zero defects. We monitor the customer portals to reduce response times, since we do not have to wait to receive the official notification of defective parts in order to take action. We continuously monitor any possible warranty incidents thanks to the improved monitoring of our customer portals. Furthermore, we will use statistical tools to predict any future

trends and contrast the effectiveness of our actions. In addition, the company is focused on implementing the Lean Six Sigma methodology in all the manufacturing plants and technical centres and improving the communication between operation and product design. Finally, the company continuously improve its development system to ensure top-level quality in the design and development of new technology products.

## Key results

Company quality is managed through the monitoring of KPIs. The company has defined a balanced scorecard system that displays the site's monthly values versus target figures. This monthly reporting enables the company to pinpoint areas where improvement is needed.

	2021	2022	Target 2022	Target 2023
Customer satisfaction (%)	95%	95,8%	95%	95%
Number of Customer claims due to Suppliers	85	70	77	77
Number of Customer claims	493	413	461	461
Number of defective parts per million delivered to Customer (ppm)	5.87	4.30	5.85	5.85
Number of defective parts per million delivered to Ficosa due to Suppliers responsibility (ppm)	4.10	1.57	4.00	4.00

The indicators show that by 2022 the vast majority of the quality targets have been achieved.

The increase in non-quality costs by 2022 is due to the incorporation of costs that were not counted as non-quality costs to date (customer rework and transport of urgent sales due to lack of quality).

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, VDA, EAQF and IATF) and must provide Ficosa with written evidence of the renewal of the most recent certification.

Since 2015, management system audits with suppliers have been using 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 Optimal Purchasing Panel (POP). As of 2017, the company has implemented a robust programme 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

We would like to highlight Chery awarded Ficosa Taicang (China) the 2022 Quality Excellence & Strategic Partner Award at a ceremony held on 12 January 2023 at its corporate headquarters in Wuhu, Anhui province, coinciding with “Supplier Day”.

Receiving this award means recognition to Ficosa for its outstanding quality work during 2022 and its good service level by being selected as a reliable partner.

## Continuous improvement (FIT Program)

Within the aim of consolidating its market positions as an automotive manufacturer and strengthening its presence in all markets, Ficosa bases its strategy on continuous improvement in terms of both products and all the processes involved in them.

Ficosa understands that continuous improvement is any change of direction to improve processes by eliminating 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 all departments related to production as well as the financial-administrative, purchasing, commercial and R&D departments.

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





The program involves the use of continuous improvement methodologies, such as Lean Six Sigma, as well as soft skills that support employees in their everyday quest for better products and processes. Ficoso allows for the development of human resources in its broadest sense, by adapting organizational structures to globalization process needs. We have active experts (called Belts) with different

levels: White, Yellow, Green and Black Belts, sharing a common goal of everyday improvements. The company's new FIT program is not only about optimizing the manufacturing process, but also changing the culture of the company and training people to give them greater capacity to make the right decisions every day.

# Commitment to our people



Group Highlights

- ✓ Automotive Tier 1 / Supplier of major Global OEM
- ✓ Established in 1947 in Barcelona
- ✓ Global partners with Panasonic
- ✓ Presence in 17 countries
- ✓ 9% of sales invested in R&D
- ✓ 8,172 employees
- ✓ € 947 M sales (2021)



FICOSA





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

## Policies

For Ficosa, being a responsible employer involves several challenges: training employees, promoting them, providing them with fair salaries, looking after their well-being at work, combining operational excellence and personal development and encouraging a fluid social dialogue. Ficosa has numerous internal guidelines, policies and procedures to ensure that all their sites are following the 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.

Furthermore, the company has defined an employee handbook available for all employees. The handbook includes information about fair business practices at work, our code of ethics, health & safety, training, performance development, prevention of discrimination and promotion of diversity, etc.

## Governance

The Chief People Officer, member of the Executive Committee, is the highest responsible person for labour practices in the workplace. The Corporate Human Resource department is responsible for defining the above guidelines, policies and procedures. Every site has a Human Resources Manager, who is responsible for implementing the policies defined at corporate level in every country where the company operates.

## Main risks and Challenges

Ficosa develops its activity in a very competitive and demanding industry. The company is continually tapping into new business areas and international markets and integrating them into the corporation. In this regard, 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 creating new challenges for the company as competition for specialist and managerial staff is increasing in some areas of the global labour markets. We are therefore implementing all the necessary mechanisms to get the best out of our teams and recruit the best professionals in order to maintain our competitive advantage in the long term. The following areas have been identified as the most significant areas:

- 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

	2020	2021	2022	Variance from previous year
Average number of employees (FTE)	8,116	8,357	8,345	-0.14%
Number of employees at year end	8,509	7,752	7,819	0.86%
Non-production Indirect Turnover (%)	10.2%	10.8%	11.7%	0.9%
Female staff in total (%)*	46.6%	46.9%	48.2%	1.3%
Female staff in executive positions (%)*	15.4%	14.6%	18.5%	3.9%
Employees with a disability	116	108	102	-5.6%
Dismissals	627	590	220	-62.7%

\*.- To measure these indicators, the company uses the workforce at the end of the year (7,819 employees).

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

Workforce by country

	2021 (FTE)	2022 (FTE)	2021 (at year end)	2022 (at year end)
Brazil	171	189	190	191
China	1,048	961	629	651
France	232	237	236	217
Germany	200	176	190	181
India	58	79	68	92
Italy	216	249	223	231
Japan	5	5	5	5
Malaysia	3	0	0	0
México	574	615	569	624
Morocco	585	663	498	719
Poland	854	836	690	652
Portugal	840	930	957	875
Spain	1,793	1,701	1,857	1,788
Turkey	874	824	847	802
USA	904	879	793	791
<b>Total general</b>	<b>8,357</b>	<b>8,345</b>	<b>7,752</b>	<b>7,819</b>

Group Workforce - age\*

	2021	2022
Employees < 30 years	1,104	1,553
30 < Employees < 50 years	4,868	4,689
Employees > 50 years	1,780	1,577

Contract types (2021)\*

	Full time	Part time	Total
Permanent	6,902	267	7,169
Temporary	544	39	583
<b>Total</b>	<b>7,446</b>	<b>306</b>	<b>7,752</b>

Group Workforce - job category\*

	2021	2022
Senior executives	144	146
Area managers	388	404
Engineers and technicians	1,419	1,389
Administrative personnel	163	153
Direct Production staff	4,239	4,346
Indirect Production staff	1,399	1,381

Contract types (2022)\*

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

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

## Diversity and Integration

At Ficosa, the criteria and procedures for the recruitment of employees embrace the principle of equality and non-discrimination based on the grounds of gender, race, national or social origin, social class, birth, religion, disability, sexual orientation, union association, political opinion, age or any other condition.

Additionally, our Code of Ethics states that Ficosa Management will take all appropriate measures to prevent acts of harassment, discrimination or violence within the company. At the same time, its employees undertake not to promote or allow situations of abuse, harassment, violence or discrimination in the workplace. These prevention actions are enhanced locally with specific equality and anti-harassment plans, like those at the Cookeville, Detroit, Soria and Viladecavalls sites.

Furthermore, all job agencies that work with us must guarantee equality in gender, origin, ethnicity, political affiliation and religious beliefs for all candidates pre-selected for our company.

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

After the pandemic, Diversity and Inclusion has become one of the main focuses of training in Ficosa. In 2022 we offered to all Viladecavalls employees a "Being a DEI Ally" training, which will be offered at all sites worldwide in 2023.

In 2019, the Viladecavalls (Spain) and Maia (Portugal) plants underwent a training program related to communication, leadership and how to act in the event of discrimination. All the operations team leaders of these centres have participated.

In Soria (Spain), all managers have already received training on equality and harassment in the workplace. Additionally, from 2021, a coaching programme has been conducted with middle management to improve communication, motivation and conflict management. In Turkey, the manufacturing plants have defined specific local training on gender equality for their employees. All

employees at US plants carry out specific diversity and harassment prevention training every three years; new hires have mandatory diversity, harassment and proper communication training in the workplace, being instructed on how to report any non-compliance.

Soria (Spain) collaborates with correctional institutions to foster the rehabilitation of former prisoners. In 2015, the company received a special prize "Empresa Socialmente Responsable" (Socially Responsible Company) from FADESS ("Fundación de Ayuda al Discapacitado y Enfermo Psíquico de Soria" – The Soria Foundation for Physical and Intellectual Disabilities) that recognizes the commitment towards this group. The company collaborates with FADESS and ASOVICA ("Asociación Virgen del Camino de Familiares de Personas con Enfermedad Mental" – Association for families with mental illness members) to promote the social inclusion of physically and intellectually disabled people and hires new employees through entities that promote the employment of people with disabilities (Asamis, Ilunion).

The plant of Dieuze (France), in order to improve the integration of temporary employees, has launched a new program focused to enhance the onboarding process experience for this collective. The process is aligned with new Corporate Onboarding guidelines highlighting the needs of a temporary employee.

The plants in Mexico have a program called "total welfare" where awareness sessions are done by psychologists on issues of sexual harassment, discrimination, emotional intelligence, conflict resolution and stress management. In turn, Ficosa México belongs to the local Automotive Cluster, participating in the conference "Forward for Gender Equality".

In 2015, Dabrowa Gornicza (Poland) received a special prize "Icebreaker" for its commitment to promoting the inclusion of people with disabilities, awarded by the Foundation for Vocational Activation of People with Disabilities and the Polish Organization of Employers of Disabled Persons. One of the main goals of the site is to reach six percent of employees with disabilities (in 2022, 5.4% was achieved





with 34 employees, showing a ratio close to the objective). This site also has launched a program to promote the gender equality in all areas. For example, in 2022 the program has been focused to break down barriers that may be preventing more female participation in the logistics and warehouse areas like encouraging women to carry out the forklift training. At the end of the year 11 women joined the logistics department.

In Taicang (China), the company defined an ongoing action plan to improve the employment of people with disabilities. The action plan included interviews and on-site visits to various local manufacturing plants to share best practices and review different examples of infrastructure adaptation to accommodate employees with disabilities with the collaboration of the Rotary Club of Shanghai. Furthermore, employees from the Human Resources, Quality and Operating departments participate in an awareness training courses conducted by the Social

Inclusion Academy (SIA) and Inclusion Advisory Group. The Social Inclusion Academy training programme is the result of a cooperation between the Inclusion Factory and the German Chamber of Commerce to promote the successful integration of people with disabilities in a variety of positions in a cross-sectoral environment. Due to pandemic-related restrictions, this regular activities were slowed down last year.

Brazil has made workplace adjustments and provided new infrastructure on the assembly line to accommodate deaf or hard of hearing (HOH) employees. Furthermore, the company has updated its emergency procedure and visual aids to effectively alert its deaf or HOH employees in an emergency situation. The company has staff trained in sign language to support these employees. In this sense, the plant of Taicang (China) provides hearing aids to promote the inclusion of deaf or hard of hearing (HOH) employees.

International Women's Day (IWD) is a global holiday celebrated annually on March 8th as a focal point in the women's rights movement, bringing attention to issues such as gender equality. Most of Ficoso sites organize diverse awareness 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 barrier that may be preventing more female participation, bringing us closer to gender equality.

All Ficoso employees are covered by local labour collective bargaining agreements except in those countries where these collective bargaining negotiations do not exist as the collective labour rights are protected and guaranteed by national laws. This is the case for Ficoso sites located in USA, China, India and Morocco. Consequently, the percentage of group employees covered by the collective agreement is 71%.

## Employee development

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

The soft competencies of each person are also assessed, 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 base of the main dynamics of people development generated in Ficosa.



	2021	2022	Variance from previous year
No. of employees with access to performance and career development review (target)	1,845	1,852	0.4%
% of employees receiving regular performance and career development reviews	85.2%	90.0%	+4.8%

## Growing @Ficosa

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

This program starting point is an external Assessment Centre that enables each one of the participants to gain self-awareness and to map their strengths and development areas. Growing@Ficosa means to make sure that our employees are prepared for the current and future challenges of the company and provides the resources and support for accelerated development adapted to each participant.

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

The program is a blended program based on the 70-20-10 model with a strong focus on learning on-the job and social learning. It is

structured around an Individual Development Plan for each participant to better understand, define and develop their main expectations. This IDP is nourished by training on areas such as Impact, Influence, Teamwork, People Development etc. and supported by coaching, mentoring 360° and other behavioural KPIs.

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

Ficosa has also launched a Mentoring Process focused on developing key people, aiming to develop one person towards a specific position or career path. Through this Mentoring, a senior level professional provides guidance, support and critical information to a younger professional, exchanging insights, knowledge and expertise, which result in mutual learning and development with career implications.



Experimental learning  
Work-related collaboration  
On-the-job performance support



Social learning  
Peer learning and coaching  
Mentoring



Formal learning  
Learning program support  
High potential development

## Successfactors

Until 2015, the company had different HR systems and tools supporting personnel administration 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 with greater frequency and agility, such as their annual objectives, performance, development plans, training programmes, etc. Since 2019, SuccessFactors includes the development module and the company's training programme, facilitating the creation and follow-up of development plans for each employee. In 2021, the Talent Review & Succession process was implemented for all countries and in 2022 a new on boarding process for new employees has been implemented in Viladecavalls site.

## Training and knowledge management

	2021	2022	Variance from previous year
Total number of training hours provided to employees	108,453	164,746	+51.9%
Training investment (€)	668,102	837,804	+25.4%
Average cost training per employee*	86	107	+24.4%
Average training hours per employee*	14	21	+50.0%

Our value of interest in People highlights that people are 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 build on our internal knowledge and previous experience. Thus, working along with some of our best professionals is the most valuable and direct way to improve our employees' knowledge. This hands-on experience is complemented with specific training programs given by professionals in our company, as well as external business and training institutes.

Every year, each site defines an annual training plan based on an accurate need's detection, with the aim of ensuring that all learning goals are reached at an individual, site and worldwide level. These training actions cover soft skills such as leadership, communication, decision-making, strategical vision, negotiation, conflict management, time management, impactful presentations, finance etc. and all needed technical skills.

In recent years, despite the exceptional circumstances caused by the pandemic, we have continued our commitment to quality online training.

In this sense, we are currently working with

### Total number of training hours provided to employees\*

	2021	2022
Direct employees	57,401	107,502
Indirect employees	51,052	57,244
<b>Total general</b>	<b>108,453</b>	<b>164,746</b>


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

two internationally recognized platforms such as Coursera for longer training courses that lead to a diploma from prestigious international universities, and Skillsoft-Percipio based on microlearning and learning anywhere and anytime. With both platforms, we can offer our employees practically unlimited training in many subjects, both hard and soft skills.

## Knowledge management

In Ficosa, knowledge management is a vital element to ensure sustainability over time and communication in a global environment. In this regard, we have implemented a Knowledge Management Process with the aim of transferring our knowledge based on Ficosa standards; these standards focus on error prevention, practical cases & activities, ensuring learning through close-to-reality situations and evaluation tools.







**FICOSIANS 'R CARING**

**WILLING TO INCREASE YOUR WELLBEING?**

From today and until the end of the year 2022, all Ficosians have the opportunity to improve their physical and psychological health through two top-notch online programs.




In the **Science of Exercise** you will understand the links between fitness, exercise, diet and health. Don't miss this top rated **Colorado Boulder University** program!




In the **Science of Wellbeing** you will engage in a series of challenges designed to increase your own happiness and incorporate more productive habits. Don't miss this worldwide renowned **Yale University** program!

Let's move and join this journey! Click below to find out more

Access





**FICOSIANS 'R CARING**

**BECOME A DIVERSITY & INCLUSION ALLY!**

Diversity & Inclusion is one of Ficosa's main objective and part of our Sustainability Strategic Line. This goal and has many personal and professional benefits:

- ✓ Improving **wellness**
- ✓ Increasing **community**
- ✓ Fostering **creativity**
- ✓ Empowering our **unique talents**




In this learning pill you'll learn to build **awareness** of your values and social perspective, as well as identify **specific actions** to improve Diversity & Inclusion at work. You will find it in your Learning Module of Successfactors.

**Let's build together a more diverse & inclusive environment!**

Click below to access the training:

Access



## Employee communication and satisfaction

Ficosa strives to foster strong and effective communication with its employees to make sure they understand where the organization is heading and are up-to-date with key information about the company. To do this, the company has developed different channels to communicate with its employees, such as intranet, suggestion boxes, employee newsletter, round table meetings with plant managers, one-on-one interviews, town hall meetings, coffee groups, department breakfasts, apps, etc.

At a global level, a new communication plan has been designed. It starts with the quarterly communication sessions driven by the CEO to first management lines, the information provided (business figures, strategic lines, key projects, Q&A) is cascaded-down to the rest of management teams.

At a local level, some sites, such as Cookeville (USA), Shelbyville (USA), Dabrowa Gornicza (Poland), Dieuze (France), Taicang (China), Salinas and Escobedo (Mexico), Porto (Portugal), Bursa and Gemlik (Turkey), Morcone (Italy) have introduced an employee satisfaction survey in the past years. The results were presented to the top management, including an action plan. In 2018, the Viladecavalls work centre 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. The year 2023 will be an opportunity to relaunch this initiative.

In September 2022, the Taicang (China) plant, launched a new App with the intention to facilitate the Ficosa culture and reinforce our value of "interest in people" among all site employees. This platform is divided into six main functions: recognition, community, care, news, notice and events. We hope that through this platform, we can increase the communication between the company and employees with an additional channel and improve our employee's satisfaction.

Ficosa Turkey organize every year the "New Comers Event" with the employees who started to work in the relevant year; The event goal is to perceive their company adaptation processes, to collect their fresh feedback, to get them together with the Ficosa Management and let them know that Ficosa is a Family and fully trust in their new talent. On this special day, we also emphasize Ficosa Values and Culture with a donation to the Turkish Education Foundation (TEV) on behalf of our newly joined Ficosa employees.

In addition, all of the company's workplaces promote and facilitate structured labour relations through local employee representative bodies and/or trade unions with regular meetings to discuss and follow up on various labour matters.

## International assignments

One of our aims as a company consists of promoting the development of our people through the creation of a dynamic and attractive environment where opportunities for lateral, vertical, functional and geographical movements always exist. In this sense, international assignments are a key part of people development at Ficosa. Employees benefit by 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 International Assignments Management procedure to guarantee the application of homogeneous practices within all the sites of the company. The company guarantees in any case that employees coming back to their home country have a job position with the same level of classification than they had before the international assignment and a salary level in the home country equivalent to the level of the last position developed in the destination of expatriation

## Workplace health promotion & work-life balance

Ficosa is working to ensure that the entire workforce receives an annual medical examination in all their countries of operation. The majority of sites have a specific healthcare program for employees. The workplace health promotion and work-life balance initiatives depend on each site and are led by the Human Resources department.

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

Employee absences have a major impact on results and productivity. Understanding the factors that drive absenteeism and monitoring our employees are key to preventing absenteeism. All Ficosa work centres monitor these factors using an integrated system to track absences together with corporate managers.

The main actions for prevention are focused on changing employee behaviour through wellness programmes to promote healthier lifestyles. Local Health and Safety Committees periodically evaluate the records of absenteeism due to work-related causes in order to launch countermeasures.

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 locally to ensure that employees' rest time, as well as that of their families, is respected.

The health crisis caused by COVID-19 has forced much of society to adapt quickly and unexpectedly to remote working, a relatively minority practice in most countries and companies. In this sense, Ficosa has promoted a balanced teleworking in all its centres and countries as an effective mechanism.

The Smart Work policy, launched in Viladecavalls site, favours a hybrid

## Main local "Commitment to our people" actions:



- Official measures to promote work - life balance
- Telework policy (Smart work policy)
- Boosting well-being with physical and psychological health online programs
- Guaranteed acceptance of requests for reduced working hours for both maternity and paternity leave
- Flexitime for employees
- Shuttle bus to connect to public transport
- Flexible remuneration options
- Medical and nursing service at major centres
- Same holiday period for couples working at Ficosa
- Christmas drawing competition among employees' children/family members for FICOSA's institutional cards. All participants receive a gift
- Offers to employees / collaborations with gyms, local vehicle dealers, hotels
- Inclusion of the vegetarian menu in the canteen
- Sports Commission fostering outdoor training: paddle tennis, football tournaments, etc
- Outdoor and indoor collaborative spaces to foster work wellness and provide rest places



- Health week (vaccinations, health talks, visits by optometrists and dentists, etc).
- Total welfare programme (programme offered to our employees through psychologists specialising in emotional intelligence, stress management, etc.)
- Breast cancer campaign (conferences to promote early detection)



- Flexitime for employees
- Promotion of teleworking
- Step challenge aligned with American Heart Month, weekly newsletter on how to improve our hearth health
- Heat stress training

work model that combines the face-to-face work modality together with the remote work modality, thus favouring the reconciliation of workers together with the company's requirements.

The Smart Work modality moves towards an organizational culture of work based on efficiency and productivity that has an impact on 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
- B-Ergo programme (to promote ergonomics in the workplace)
- Care initiatives (psychologist and occupational physician service, medical examinations)
- Job rotation for operators
- Regular health and safety campaigns
- Air quality and temperature monitoring



- Welfare campaigns (flu vaccination, first aid kit, ergonomic audits, protect your hearing, increase the body's immunity)
- Promotion of sport
- Promotion of teleworking
- Anti-smoking campaigns
- Shuttle bus to connect to public transport
- Flexible remuneration options (sport card, medical insurance)
- Eco-apple campaign: One day per week fresh season fruits and vegetables can be bought from local farms



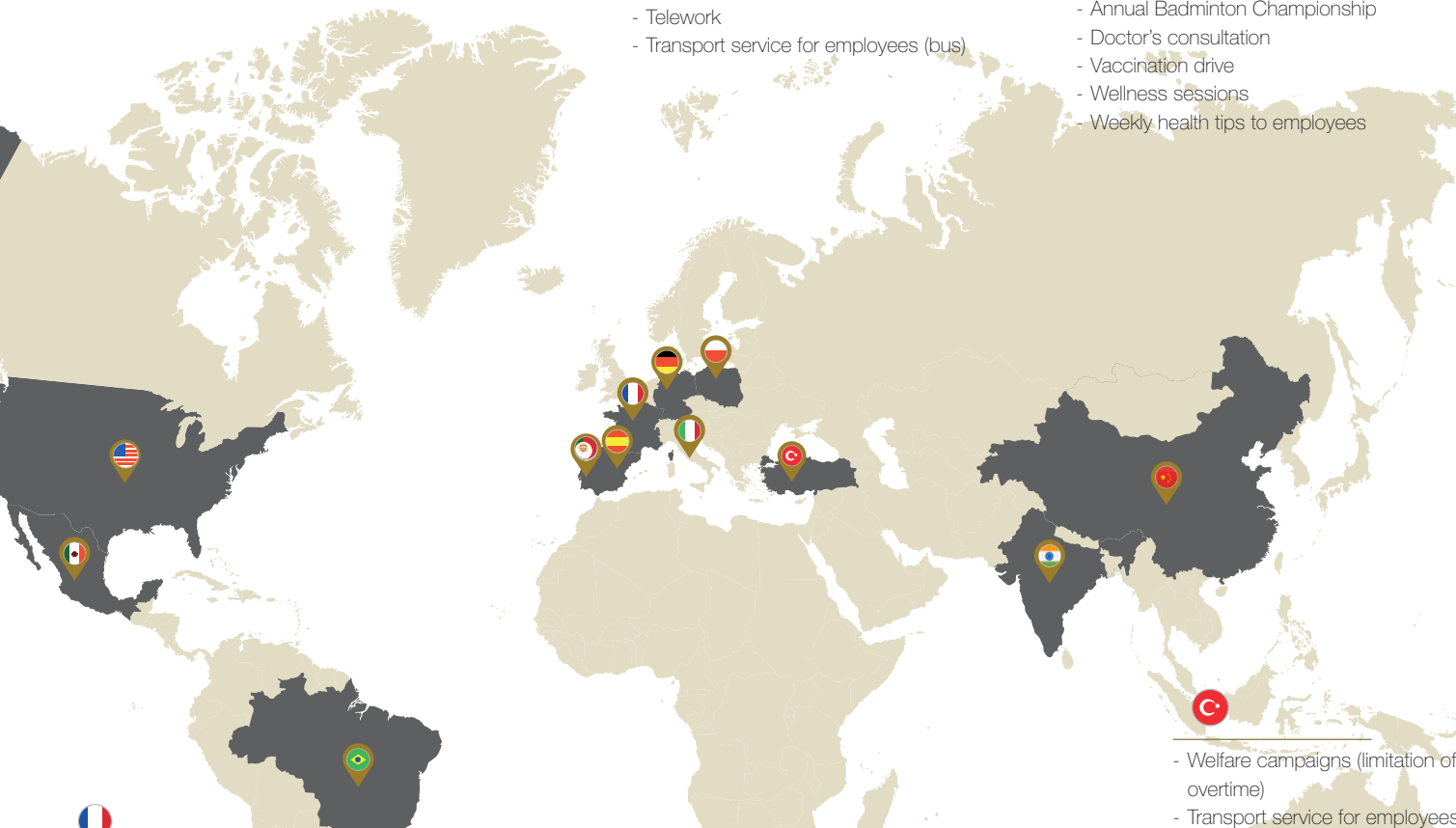
- Well-being campaigns (promotion of a multi-purpose room for the care of employees who are pregnant, breastfeeding, etc.)
- Sports promotion (participation in Taicang marathon, badminton tournaments, etc.)
- Annual recognition ceremony for the most senior and committed employees.
- Intercity shuttle bus available to employees



- Telework
- Annual Badminton Championship
- Doctor's consultation
- Vaccination drive
- Wellness sessions
- Weekly health tips to employees



- Telework
- Transport service for employees (bus)



- Partnership with a public organisation for the adequacy of jobs for people with disabilities
- Guaranteed acceptance for part-time work applications for parents
- Telework
- Flexitime for non-production indirect employees
- Creation of a monthly internal newsletter
- Training on work-life balance
- Training on how to sleep well during the day for night shift employees



- 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.



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



- Welfare campaigns (limitation of overtime)
- Transport service for employees (bus)
- Promotion of work-life balance with photo or drawing competitions related to certain days (Mother's/Father's Day, etc.)
- Annual recognition ceremony for the most senior and committed employees.
- Symbolic gift application for employee's birthday
- New Year's Eve gift raffle among employees
- New Comers or Hello Summer Events to build the Ficosa Family among employees

# Commitment to health and safety



## Policies

At Ficosa, we believe that all injuries, occupational illnesses and incidents can be prevented, and we strive for zero harm by:

- Complying with the laws, regulations and Ficosa operational policies and standards
- Identifying, implementing, monitoring and reinforcing the safe behaviour we expect in our business to eliminate unsafe acts and practices
- Establishing measurable OHS objectives and targets, recognizing and celebrating their achievement
- Providing appropriate OHS training to employees and contractors
- Identifying, assessing and controlling hazards and impacts, and adopting an approach that will strive to eliminate or reduce the risk to a residual level
- Investigating incidents and sharing the experiences learnt to prevent them
- Informing employees, contractors, visitors and the public of these hazards and impacts
- Guarantee participation and consultation among our employees, in aspects related to health and safety.

Operational facilities  
certified ISO 45001 (%)

**100%**

We adopted a common approach across the company to manage health & safety. In addition to strict compliance with legal regulations, we implement our own Occupational Health, Safety and Environment (OHSE) policy and stringent OHS procedures that include hazard identification and risk assessment, employee health control, risk control planning, chemical products management, PPE management for employees as well as contractors, etc.

Annually we review all the 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.

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

Additionally, risk assessments are carried out in all production centres and internal health and safety audits are carried out periodically to guarantee the highest safety standards in all our operations.

Since 2016, the corporate quality audit "3Q3" questionnaire has included OHS issues regarding safe behaviour and equipment safety.

Furthermore, the corporate OHSE department is leading the internal audits of ISO 45001:2018 in all plants. These audits are carried out at all production centres and are the tool to ensure compliance with uniform safety, health and environmental standards. During 2022, due to mobility restrictions as a result of the COVID-19 pandemic, the internal audits were carried out online, with the exception of the Soria, Viladecavalls, Sant Guim, Bursa, Gemlik and Portugal plants, where they could be carried out in person as there were no mobility restrictions.



## COVID-19

The first half of 2022 continued to be impacted by the COVID-19 pandemic. The protocol “Business continuity during the COVID-19 pandemic” ensured that we provided our employees with the necessary protection in the performance of their duties.

The measures were gradually reduced as cases decreased and the pandemic declined. For the first 6 months, centralized weekly monitoring of cases was maintained covering all our sites. After that, the plants continued to monitor cases internally.

Fortunately, no cases affecting the continuity of the business and the well-being of our workers have been observed.

## Governance

The corporate OHSE team is responsible for developing any new OHS standards and procedures. Furthermore, the department is responsible for establishing a global system to collect the main OHS data from all countries, and ensuring that each subsidiary complies with the internal standards and procedures. Each plant has specialists in charge of implementing the company's health & safety standards and procedures.

Plant managers are held accountable for the OHS performance of each plant, and all employees are expected to take personal responsibility for their actions, and to get involved in improvement initiatives and developing and setting standards. Creating the right safety culture at our sites is important. It takes strong leadership and an active commitment to safe operating from our workforce.



In 2022, due to restrictions as a result of COVID-19, the OHSE global forum was held online. The strategic lines and targets for the year were presented.

Despite the continuous reduction of accidents, in the 2022 strategic lines, a line called “Safe working environment” was included with the aim to achieve zero accidents at work as soon as possible.

All the Ficosa manufacturing plants have local health and safety committees or employee representatives aimed at promoting safety activities and sharing with management the responsibilities for implementing and monitoring Ficosa’s safety programme. Its function 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 organisational factor.

By type of risk, the main risks are ergonomic, followed by cuts and trapping, mainly occurring in the injection, maintenance and assembly processes.

In this regard, the organisation’s main challenges are also focused on each of the factors. For each factor, a solid action plan has been defined through the strategic line “Safe working environment”.

Regarding the technical factor, in 2022 the OHSE corporate department together with a multidisciplinary team, consisting of process engineers from different plants and corporate specialists in different processes such as assembly, plastic and aluminium injection moulding, has published the new design and procurement procedure for equipment. At the same time, training has been completed for the local teams involved in this process at the plants..

## Key Results

	2020	2021	2022	Target 2022	Target 2023
<b>Group - ORIR</b>	<b>1.08</b>	<b>0.92</b>	<b>0.86</b>	<b>0.00</b>	<b>0.00</b>
ORIR - South Europe	1.43	1.23	1.07	0.00	0.00
ORIR - North Europe	1.40	0.93	0.94	0.00	0.00
ORIR - Asia	0.82	0.44	0.24	0.00	0.00
ORIR - NAFTA	0.25	0.74	0.78	0.0	0.00
ORIR - South America	0.72	0.00	0.54	0.00	0.00

The result of the 2022 ORIR has exceeded the target of 0 accidents, the maximum expression of our commitment, showing a 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 encouraging safe behaviour. We are committed to continue working towards a 0 ORIR with the firm conviction that all accidents can be avoided.

The accident indicator used by Ficosa at the corporate level is ORIR (OSHA Recordable Incidents Rate) and each production centre has its own annual objective, in addition to establishing objectives by country, region and group level. ORIR is a widely used measure in the US industry to track on-the-job injuries. The ORIR in the tables represents the number of Ficosa employee injuries per 200,000 hours worked. The lower the number, the closer we are to the objective of our Policy. Each Plant Manager is responsible for successfully achieving the annual goals. Our corporate ORIR has been reduced year after year. Although this is encouraging, we

continue to focus our efforts on safety to reduce incidents, mostly due to ergonomic issues, possible bumps, cuts and burns in the injection or assembly process. Every month, we analyse the ORIR of each site to track not only what types of injuries tend to be recurring, but also in which production process they occur. This monitoring helped us to target our OHS training and action plans. In 2021, the challenging goal will be to maintain a corporate ORIR below 0.95.

In relation to contractor accidents, there were none in 2022. The safety management 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 performance of the work.

	2021	2022
Number of contractor accidents	1	0
Number of fatal contractor accidents	0	0

No fatal accidents have occurred in the group in the 2022 period.

	2020	2021	2022	Variance from previous year
Group - Injury severity rate <sup>1</sup>	0.18	0.11	0.13	+17%
Group - Injury frequency rate <sup>2</sup>	5.38	4.62	4.29	-7%
Number of fatalities	0	0	0	0
OHSA training (hours)	17,520	25,413	34,356*	+35%
N° OHSA improvement actions	1,390	1,706	2,028	+19%

<sup>(1)</sup> No. of days lost due to accident \* 1,000 / Total No. of hours worked <sup>(2)</sup> Incidence of accidents with more than one day lost for every 1,000,000 hours you work

\* - The training hours include 1196 hours of Safety Dojo training at the plants in Spain, Portugal and Turkey. This internal training at other plants is not included. These Safety Dojo trainings have an average duration of one hour and have been given to 5022 employees.

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 an increase in the number of improvement actions implemented.

Regarding the gender distribution of both accidents and occupational illnesses:

	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Group - Last time severity rate <sup>(1)</sup>	0.23	0.12	0.09	0.13	0.13	0.12
Group - Injury frequency rate <sup>(2)</sup>	5.61	5.11	4.96	4.24	4.18	4.42
Number of accidents <sup>(1)</sup>	39	31	34	26	28	28
Number of professional illness	4	14	2	13	5	40

<sup>(1)</sup> Not including accidents in itinere.

To prevent occupational diseases, some affected centres have implemented the following activities:

- Portugal: Practical ergonomic training was carried out at the Safety DOJO. In 2023, it is planned to continue with kinesiotherapy sessions.
- Dieuze: From September 2022 to December 2022, a traineeship for 9 ergonomics students was carried out in the company. Their mission was to detect positions with a high ergonomic risk for graduates and then propose action plans. They are currently monitoring the reports submitted at the

end of their internships in order to improve the ergonomic working conditions of the workers.

- Soria: Has an agreement with various physiotherapy centres so that employees can visit them under preferential conditions. In 2022, it started a risk assessment of repetitive movements using OCRA analysis to improve conditions on assembly lines. It also plans to set up a multi-departmental improvement group in 2023, with the added participation of the Prevention Delegates, to analyse and improve the various assembly lines".



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

Interest in people is one of the values of our company and guaranteeing their safety and health is our priority. All our plants work to strengthen a culture of safety in all our activities.

## CARE Program

In 2020, the OHSE teams of each plant, as well as the plant and human resources directors, were mentored on the Ficosa CARE program. It is a five-year plan that aims to consolidate the company's safety culture. The plan turns on four aspects:



**Commitment**, of the entire health and safety command line. Leading by example, participation and communication are key to achieving excellence in safety.



**Attitude**, improving the attitude of all our workers towards safety-related aspects is the basis for achieving safe behaviors.



**Recognition**, the job well done and the efforts to contribute to company safety must be recognized. Thus, we manage to motivate employees and guarantee continuous improvement towards excellence in safety.



**Empowerment**, the ultimate goal is to ensure that our employees are able to identify and self-correct behaviors or unsafe behaviors.

Implementation of the first 2 pillars of the CARE program, COMMITMENT and ATTITUDE, continued in 2022. Commitment was not implemented at the Shelbyville and Poland sites. The main activities carried out were:

- Middle management training in Cookeville: a total of 20 middle managers have been trained on how to make safety leadership visible, adding to the 424 middle managers in 2021 at the other plants.
- In 2022, training in behavioral safety, which is part of CARE's Attitude, was given in 4 plants as a pilot experience (Viladecavalls, Soria, Bursa and Gemlik). A total of 35

workers have taken part in the 40-hour training of trainers program. These people are carrying out "behavioral safety training courses" in their plants.

- Behavioral safety programs including the following 4 training topics:

1. Perception
2. Optical Signals /Safe Walking
3. Eye.hand coordination and reflexes
4. Routine / Safe Working behavior

In 2022, 1,047 employees have participated in the perception trainings. The trainings will continue in 2023 at these sites. The aim is that all employees will participate in all 4 trainings.

## Safety Dojo

The company is investing in training to raise employee awareness of the safety and health risks associated with operations. In 2022, Safety Dojo training areas were established at all sites, with Shelbyville and Wilke remaining. In total, 5022 workers were trained in this 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 faults: trapping, projections, handling loads, etc.

Shelbyville and Wilke are in the process of designing and constructing the training stations and it is planned that 100% of the plants will have these training areas completed by 2023.

## Safety Growth Project

In 2022, a key safety working group was set up comprising 9 people from the Operations and Occupational Health and Safety teams at various sites (corporate team, Soria, Poland, Turkey and Portugal).

The aim of the study is to study safety in depth, identify improvements from different perspectives and define strategies to achieve our goal of zero accidents at work and become a leading company in terms of safety culture.

The study of this group has been carried out through online and face-to-face visits. The first meeting was held at the Viladecavalls facilities, and was completed with the participation of the teams that manage safety in Soria and Poland at their facilities. Topics such as safety culture, leadership, occupational health and

safety structure, standardization, safety mindset, technical safety actions and accident analysis were discussed. On the basis of this 3-month study, a solid multi-action plan has been developed which forms the basis of the Safety Strategic Line.

## World Day for Health and Safety at Work

To celebrate World Day for Safety and Health at Work on 28 April, Ficosa organised a number of awareness-raising activities, including the following:

- Bursa and Gemlik: leaflets on health and safety were shared by email. Leaflets were also placed at the two entrances.

A drawing competition on “My family and safety at work” was also held with drawings made by employees’ children. Gifts were given to all participants and the drawings were displayed in the plant area.

30 employees from the maintenance, process and production departments were trained on machine safety by an external machine safety expert. This was followed by a knowledge quiz via kahoot and the winner received a prize.

- Mexico: Health and safety brochures were shared via email. In addition, videos on the 12 basic safety rules and the risks of handling loads in the plant canteens were shared with employees via TV.
- Brazil: members of Ficosa Brazil’s internal accident prevention committee gathered in the Safety Dojo space to award a prize to the three best sentences submitted by employees expressing their perception of the meaning of safety first and foremost.
- Viladecavalls: the Healthy Life for a Healthy Campaign was launched. Well-being and healthy nutrition activities were carried out, such as: Healthy and Respectful Eating: NOMEAT Menus. Ficosians on the move: Encouraging regular exercise.

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 Promoting the health and well-being of our team.

## Other good practices and awards

- Bursa: Has participated in the “Stars of Occupational Safety” competition, in the category of “Ambassadors of Occupational Health and Safety”, organized by one of the largest trade unions in Turkey, MESS (Turkish Metal Industry Employers’ Association). 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 a prize for the improvement of the injection molding robot arm suggested by one of our employees. Thanks to this employee suggestion, the risk of contact with hot surfaces and the risk of entrapment is avoided. The award ceremony took place in November 2022 in Istanbul.
- Brazil: Ficosa Brazil has received a seal of recognition from the Ministry of Labor for supporting the National Campaign for the Prevention of Accidents at Work. In order to display the logo, companies must participate in the activities of this program, which this year focused on occupational risk management.
- Gemlik: A Ficosa occupational safety technician explained occupational safety to children from a primary school, an occupational safety area was created in the school and personal protective equipment was demonstrated.



# Commitment to environment



Solar panels in Taicang plant

## Policies

The increasing global population and the rapid growth of the world economy have complex and diverse connections with the global environment. They also affect the environment in numerous ways. At Ficosa, we are committed to bringing and offering safer, more connected and efficient systems for the automotive and mobility sectors, and to reducing our environmental impact as we do so. Our commitment to the environment extends to our whole activity cycle from R&D product design to acquiring raw materials

and manufacturing, and the use and disposal of our products.

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

<sup>(1)</sup> Please see Appendix 1

100%

Operational facilities certified ISO 14001 (%)

The Group's commitment to environmental protection remains clearly demonstrated in our activities through the implementation of an integrated management system in the different sites where the company operates. Ficosa's environmental management model is based on the international ISO 14001:2015 standard. All the group's production centres have this certification during 2022.

In addition to certification audits, the company carries out different monitoring audit processes:

- "3Q3" Corporate Quality Audit that includes environmental issues 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 assumes ISO 14001:2015 internal audits worldwide.
- A new methodology based on ISO 31000 has been implemented for the analysis of risks and opportunities related to environmental aspects and climate change mitigation.

During 2022, due to mobility restrictions as a result of the COVID-19 pandemic, internal

audits have been carried out through a self-assessment carried out by the plant, with the exception of the Gemlik, Bursa, Portugal, Sant Guim, Soria and Viladecavalls, where they could be carried out in person as there were no mobility restrictions.

Ficosa applies the precautionary approach 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 the effective actions to counteract this damage, Ficosa has established different internal procedures in relation to the purchase of chemical products, production equipment and non-productive and the purchase of new industrial facilities. All company investments include verification and approval by OHSE's corporate department.

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

These procedures are intended to assess, in advance, the environmental impacts

that may occur from the aforementioned purchases and, therefore, to be able to authorize 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 requirements related to sustainability in the supply chain have been established:

- Special requirements for component approval: in relation to legislation and customer requirements.
- Restricted and controlled substances: in relation to the 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 addition, 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 this way we reinforce and ensure the deployment of the main aspects of sustainability in our supply chain.

## Governance

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

Following 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 behaviour.

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 signatory members since 2002, as well as the needs of the interested parties. We remain attentive to our environment to adapt to the context and to new environmental and social needs.

The OHSE corporate team is responsible for formulating the 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 rules and procedures. Each plant has managers or technicians in charge of implementing the company's instructions, procedures and environmental systems.

In 2022, due to restrictions as a result of COVID-19, the OHSE Global Forum was held online. The strategic lines and objectives for the year were presented.

## Main Risks and Main Challenges

### Local pollution

At FicosA, we carry out our activities with special attention to environmental protection and the efficient use of natural resources. Each manufacturing plant identifies and assesses its environmental impacts every year. The painting and injection moulding processes represent the largest part of the environmental impact during the manufacture of FicosA products in terms of air pollution, energy consumption and waste generation. The painting process is an area of manufacturing to be taken into account due to its Volatile Organic Compound (VOC) emissions. In addition, the injection moulding process is a major energy consumer and actively contributes to carbon dioxide (CO<sub>2</sub>) emissions.

In this context, the technology used in paint application and injection moulding machines must meet the highest expectations of quality and cost efficiency while remaining environmentally responsible.

### Noise and light pollution

In the environmental impact analysis of each plant, luminous contamination has not been identified as a relevant material issue. With regard to environmental noise, all FicosA's plants carry out

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 2022, investments amounting up to 0.8 million euros have been made. In the previous year, the Group made investments amounting to 0.7 million euros.

The rest of the expenses related to the environment, other than those incurred for the acquisition of fixed assets, have been recorded in the consolidated income statement. In 2022, expenses of 2,196 thousand euros were incurred. In the previous year, expenses amounted 1,708 thousand euros for this concept.

FicosA has taken out an environmental liability insurance policy that covers civil liability for personal injury and material damage caused by polluting events in, on, under or emanating from its insured facilities, as well as the cleaning and associated emergency expenses that it must legally face in, on, under or outside the insured facilities and expenses arising from damage to natural resources in, on, under or emanating from the insured facilities. The total aggregate limit is 10 million euros per insured period.

In the case of the USA, FicosA North America Corporation is not included in the corporate programme, but has taken out a separate Environmental Liability insurance policy. The total aggregate limit is USD 5 million per insured period.

controls at the intervals established in local legislation to ensure compliance with the limits.

### Addressing Climate Change

FicosA works to reduce CO<sub>2</sub> emissions associated with its manufacturing processes and throughout the value chain.

Since 2016, all manufacturing plants 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 targets follow corporate guidelines under the strategic line "Climate change mitigation", with the aim of reducing FicosA's carbon footprint and energy consumption considering the historical annual trend of reduction targets.

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

The Corporate OHSE department conducted several communication and awareness-raising sessions, worldwide, involving more than

200 people from different departments, including regional managers, country managers, production plant managers, human resources managers, logistics workers, R&D, sales and plant environmental technicians.

In addition, in 2021 Ficosa participated in the Climate Ambition Accelerator learning programme promoted by the United Nations Global Compact Spain. This is a six-month learning programme in which 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 range of capacity building sessions, access to best practice, member-to-member learning opportunities, roundtable discussions 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.

## Key results

### Reducing local pollution

A current challenge is to reduce volatile organic compounds (VOCs), which readily evaporate 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 systems and control standards in its manufacturing plants with painting 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 the volatile organic compounds (VOC) present in the paint shops. The RTO destroys VOC emissions by creating a chemical reaction within the air pollutant and oxygen at elevated temperatures. This reaction destroys VOC emissions in the airstream by converting them to gas, water and heat. Additionally, the recovered heat is used to adjust the temperature values within the painting process itself, as it done

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

Once the full emissions inventory has been finalised and the Climate Ambition Accelerator programme had been completed, the next challenge was to join the SBTi initiative in January 2022, with 2019 as the base year.

As a result of the efforts and actions described, the SBTi initiative has validated and approved Ficosa's reduction targets for scopes 1, 2 and 3 by 2030.

in the Poland production facility. Thanks to RTOs, VOC emissions have been reduced by 92-95%.

A real-time VOC monitoring system has been installed at the Taicang plant (China), allowing the plant to react immediately to any unforeseen issue.

From 2018, the CFP analysis has included the air conditioning and emissions from climatic chamber refrigerants in order to monitor and prevent any leakage. Ficosa 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.

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

## 01

Consolidation of shipping containers: Shipments to the USA from Barcelona are consolidated in the port and no shipment is made until the container is full. Ficosa has a similar initiative in Mexico and China. In China containers also have to be full before sending them to the manufacturing plants of Vladecavalls and Soria (Spain).

## 02

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

## 03

Most Ficosa manufacturing plants have implemented a milk run delivery method. Instead of each supplier sending a vehicle every week to meet Ficosa's needs, one vehicle visits each supplier on a weekly basis and picks up the purchased products for Ficosa. This way, each vehicle load delivers Ficosa's full weekly requirements from each supplier, minimizing the kilometres and the associated logistics.

## 04

The Group's inter-company 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

Environmental noise measurements are regularly carried out at all of the group's production plants. All comply with the limits established in local regulations. In 2021, one measurement point outside the limits

was detected in Brazil. Following the analysis of the environmental conditions and surrounding activities, it has been determined that the noise does not have its origin in Ficosa's activity.

## Addressing Climate Change

Since 2016, we have defined a guideline to reduce our greenhouse gas (GHG) emissions annually at the production site level. Each production site must reduce its GHG emission intensity by a certain % based on the previous year's performance. Each plant manager is responsible for successfully achieving the target. 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 operating 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.

In 2021, aligned with the main international environmental commitments, the company has improved the emissions inventory to include all Scope 3 categories from 2019, this year becoming the base year. Our target, aligned with the SBTi initiative, is to reduce emissions in Scope 1 and 2 by 46% and Scope 3 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:

- Energy efficiency measures: reducing the energy we use is key to success in reducing emissions.
- Photovoltaic panels: the Taicang (China) and Maia (Portugal)

plants currently have photovoltaic installations on the roof, which produce a total of 2% of the company's total demand. Other plants in the group will soon be starting up similar installations.

- Green energy procurement: 13 of our plants currently use electricity that comes from 100% renewable energy sources, representing 69% of the company's total consumption. Our goal is to reach 100% by 2030.
- In addition, in 2023 the Soria production plant will install a heat network from renewable sources (biomass). This action is part of Ficosa's global strategy to achieve 100% renewable energy consumption by 2030.

To achieve the scope 3 emissions reduction target, since 2021 Ficosa has deployed its commitments to sustainability throughout the supply chain. To this end, we ensure that our suppliers comply with reference standards regarding the absence of minerals from conflict zones and restricted or banned substances. We also assess their environmental performance and emissions, encouraging them to set carbon footprint reduction targets.

In 2022, 33 webinars were held with strategic suppliers to whom the company's sustainability strategy, objectives and roadmap were explained to raise awareness and encourage them to join and align with Ficosa's decarbonization 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 <sub>2</sub> e)	2019 base year	2021	2022	Variance from previous year
Scope 1, direct GHG emissions	10,062	9,167	9,997	9.1%
From refrigerant and other	1,662	1,013	2,193	116.4%
From fossil fuels	8,357	8,142	7,772	-4.5%
From owned vehicles	43	12	32	167.1%
Scope 2, indirect GHG emissions				
Location-based emissions from electricity consumption <sup>2</sup>	49,128	43,961	42,705	-2.9%
Market-based emissions from electricity consumption <sup>2</sup>	37,896	31,006	17,025	-45.1%
Total GHG emissions (Scope 1 & 2) <sup>1</sup>				
Total market-based GHG emissions	47,959	40,173	27,022	-32.7%
Total location-based GHG emissions	59,190	53,128	52,702	-0.8%
Total location-based GHG emissions per sales (tCO <sub>2</sub> e/MEUR)	42	43	24	-45.1%

<sup>1</sup> Total emissions are based on actual data. The most appropriate emission factors have been used for each type of activity data, from internationally recognised sources (GHG protocol, IPCC AR5) and regional or, if more relevant, country-specific sources (Spain MITECO, US EPA, DEFRA).

<sup>2</sup> For the location-base emissions of electricity consumption, the emission factors of the International Energy Agency 2018 were used for the countries where Ficosa operates. For the emissions of electricity consumption market-based, the emission factors of the International Energy Agency 2018 were used, with the exception of the data reported for the plants in Spain, since they have guarantees of origin (GDO), which prove that all the energy used comes from renewable sources. The emissions for the years 2018 and 2019 published in this report differ from the values published in the previous reports since the data has been updated based on the latest available emission factors (corresponding to 2018).

In 2022, Ficosa has reduced its CO<sub>2</sub> emissions in absolute value of scope 1 and 2 on a market base by 32.7%. This reduction is the result of Ficosa's efforts and commitment in the materialisation of all the actions that each of the group's plants has established in its greenhouse gas emission reduction plans. If we refer this figure to the base year 2019, Ficosa has reduced its emissions by 44%, a value very close to the commitments acquired with the SBTi for 2030.

## Greenhouse gas (GHG) emissions by region

(In t of CO <sub>2</sub> e)	South Europe	North Europe	Nafta	Asia	South America
Total location-based GHG emissions (Scope 1&2)	17,788	14,370	13,314	6,824	406
Total market-based GHG emissions (Scope 1&2)	6,606	14,112	5,590	707	7
Scope 1, direct GHG emissions	4,827	2,751	1,704	707	7
From refrigerant and other	1,455	200	354	184	0
From fossil fuels	3,341	2,551	1,349	523	7
From owned vehicles	31	0	1	0	0
Scope 2, indirect GHG emissions					
Location-based emissions from electricity consumption	12,961	11,619	11,610	6,117	399
Market-based emissions from electricity consumption	1,779	11,361	3,886	0	0

Each country has to annually reduce its base-local GHG emissions on produced parts. The reduction targets are in the range of -0.5% to -10%.

By 2023, all production plants will have to reduce their emissions, in absolute value, by -49% (compared to 2019 scope 1 and 2) to meet the Ficosa decarbonisation target in 2030 and far exceed the medium-term SBTi targets.

Ficosa has been working to calculate the Scope 3 emissions (t of CO<sub>2</sub>e) of all those categories relevant to the group. The following table shows the emissions from 2019 (base year) and their evolution compared to 2019.

Ficosa has been working to calculate the Scope 3 emissions (t of CO<sub>2</sub>e) of all those categories relevant to the group. The following table shows the emissions from 2019 (base year) and their evolution till 2022 compared to the base year.

The 2022 scope 3 emissions have been reduced 15.6% vs the base year. This is a very good figure considering that the turnover have been even higher.

## Greenhouse gas (GHG) emissions by type of source

(In t of CO <sub>2</sub> e)	2019	2020	2021	2022	Variance 2022 from base year (% vs 2019)
Scope 3, indirect GHG emissions from value chain					
From purchased goods and services	647.879	523.382	553.736	597.471	-7,8%
From capital goods	25.618	16.957	12.404	13.019	-49,2%
From fuel- and energy-related activities *	13.003	11.860	12.784	10.579	-18,6%
From upstream transportation and distribution	10.074	8.124	9.795	9.007	-10,6%
From waste generated in operations	1.129	980	7.316	7.275	544,4%
From business travel	2.334	621	304	438	-81,2%
From employee commuting	57.795	9.405	43.796	11.123	-80,8%
From upstream leased assets	239	693	320	177,8	-25,6%
From downstream transportation and distribution	9.126	6.888	7.145	7.399	-18,9%
From processing of sold products	26.979	20.483	19.841	18.816	-30,3%
From use of sold products	85.703	57.021	52.908	67.729	-21%
From end-of-life treatment of sold products	480	363	248	188	-60,8%
From downstream leased assets	3	0	3,25	19	470,4%
From franchises	-	-	-	-	-
From investments	-	-	-	-	-
<b>Total Scope 3 GHG emissions (tCO<sub>2</sub>e)</b>	<b>880.362</b>	<b>656.777</b>	<b>720.601</b>	<b>743.242</b>	<b>-15,6%</b>

Adjustments have been performed on the values of "from purchased goods and services" scope as it has been identified activities that had not been previously taken into consideration. Thus, new scope values have been updated for the years 2019, 2020 and 2021, which has consequently led to changes in the total values of scope 3.

These changes do not affect the CO<sub>2</sub> emission reduction commitment based on the 2019 base year value, which has been approved by SBTi in February 2023.

## Energy efficiency and renewable energy

Reducing greenhouse gas (GHG) emissions at Ficosa is mainly related to reducing energy consumption. In this regard, the company is committed to mitigating its impact on climate change through a robust energy strategy based on the increased use of renewable energy, energy production through solar photovoltaic 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 of the work centres in Spain (Viladecavalls, Soria and Sant Guim) comes from renewable sources or high-efficiency cogeneration. Furthermore, in 2021, the plants in Turkey purchased renewable energy certificates (I REC) for 100% of their electricity consumption, with renewable energy accounting for 33% of the total electricity consumed by Ficosa. Ficosa has increased its renewable energy consumption by 21% compared to the previous year.

In 2022 more Ficosa production plants (Mexico, Brazil, Germany, France, Italy, USA and China) have joined the purchase of renewable energy, thus increasing the company's renewable energy ratio from 33% to 69%.

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 enabled the company to actively contribute to climate change mitigation, in addition to reducing grid electricity consumption by 1.57 GWh during 2021.

At the end of 2019, the Maia (Portugal) manufacturing plant installed 644 solar panels on its roof with an expected annual generation of 270Wh per panel. The installation of photovoltaic panels has enabled the company to actively contribute to climate change mitigation, achieving a 2% ratio of the group's photovoltaic energy to total energy consumed in 2022.

Since 2021, OHSE's corporate department promoted a transversal 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 savings calculator to assess the effectiveness and return of each of the potential 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 following table:

	2019 base year	2021	2022	Variance from previous year
Electricity consumption (MWh)	129.980	114.725	113.428	-1%
Electricity consumption in kWh per sales (kWh/MEur)	115	122	99	-19%
Electricity from renewables in Spain (MWh)	33.306	29.998	28.791	-4%
Electricity from renewables in China (MWh)	1.586	1.575	9.909	529%
Electricity from renewables in Portugal (MWh)	28	233	7.247	3010%
Electricity from renewables in Turkey (MWh)	0	5.604	5.610	0%
Electricity from renewables in Brazil (MWh)	0	0	2.995	-
Electricity from renewables in NAFTA (MWh)	0	0	14.500	-
Electricity from renewables in Italy (MWh)	0	0	2.413	-
Electricity from renewables in France (MWh)	0	0	4.964	-
Electricity from renewables in Germany (MWh)	0	0	1.456	-
Electricity from renewables in FICOSA (MWh)	34.920	37.410	77.885	108%
Renewables vs Total Consumption Ratio	27%	33%	69%	36%

Total electricity consumption in absolute value has decreased compared to last year's value by more than 1%. All the energy efficiency actions implemented in the production plants, together with the actions to raise awareness among employees, have contributed to the achievement of the target reduction in intensity by an outstanding 19%.

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

	2019 base year	2021	2022	Variance from previous year
Propane gas consumption (Kg)	21,101	41,518(1)	17,870	-57.0%
Butane gas consumption (Kg)	63,068	60,612	61,907	2.1%
Diesel fuel consumption (l)	340,054	271,780	188,938	-30.5%
Natural gas consumption (MWh)	36,709	37,047	35,395	-4.5%

<sup>1</sup> Propane consumption increases significantly in 2021 because the Morcone plant (Italy) has changed its heating system from diesel to propane gas to make it more efficient.

## Water management

Most of Ficosa's manufacturing plants do not use water for industrial processes. However, all plants must reduce their water consumption intensity (m<sup>3</sup>/employees) 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 Ficosa's plants comes from the municipal network, with the exception of the water used in the Brazil and Salinas (Mexico) plants, which use well water. A significant part of our manufacturing plants use water in cooling towers or in the painting process. In most cases, the manufacturing plants are using closed cooling systems. The company is committed to employing new technologies to reduce its water consumption and increase the amount of recycled water in the painting process. In Bursa, Turkey, the manufacturing plant reduced its water consumption in the paint booth by eliminating the water curtain and using a new dry filter paint system.

Ficosa's plants in Soria (Spain) and Bursa (Turkey) with painting facilities are distilling used paint to obtain pure solvent, which can be used as an internal cleaning agent. The plant in Salinas (Mexico) recovers the used solvent through an external supplier and reuses it in the cleaning of the paint tanks, floors and pumps of the paint facility. In Viladecavalls (Spain) from 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	2021	2022	Variance from previous year
Water consumption in m <sup>3</sup>	229,217	206,410	202,314	-2%
Water consumption in m <sup>3</sup> per sales (m <sup>3</sup> /MEUR)	202.0	218.6	176.2	-19%
Water consumption in m <sup>3</sup> per employees* (m <sup>3</sup> /employees)	23.8	25.4	24.9	-2%

(\*) Employees of manufacturing plants

During the year 2022, as a result of the awareness campaigns carried out by the environmental managers of each of the production plants, water consumption, in absolute terms, has been reduced by approximately 2% compared to the previous year.

## Waste management

In 2022, Ficosa's production centres monitored the production and management of waste based on criteria of hazardousness and final treatment.

### Waste generation

	2021	2021%	2022	2022%	Variance from previous year
<b>Waste generation (Kg/K€ net sales)</b>	<b>10.7</b>		<b>9.0</b>		<b>-16%</b>
<b>Total waste generated (t)*</b>	<b>10,080</b>		<b>10,344</b>		<b>3%</b>
<b>Non Hazardous waste (NHW) generated (t)</b>	<b>7,838</b>	<b>78%</b>	<b>7,856</b>	<b>76%</b>	<b>-2%</b>
Quantity with other recovery operations (t)	5,606	56%	5,808	56%	0%
Quantity disposed of in landfill (t)	1,728	17%	1,561	15%	-2%
Quantity incinerated without energy recovery (t)	0	0%	0	0%	0%
Quantity incinerated with energy recovery (t)	504	5%	487	5%	0%
<b>Hazardous waste (HW) generated (t)</b>	<b>2,242</b>	<b>22%</b>	<b>2,488</b>	<b>24%</b>	<b>2%</b>
Quantity with other recovery operations (t)	1,938	19%	2,132	21%	2%
Quantity disposed of in landfill (t)	0	0%	83	1%	1%
Quantity incinerated without energy recovery (t)	0	0%	0	0%	0%
Quantity incinerated with energy recovery (t)	304	3%	273	3%	0%

(\*) The total waste value for 2020 published in previous reports was 9,393 mt

It should be noted that only 16% of the waste generated in the company is landfilled. The rest is treated in various ways, including incineration with energy recovery.

The company's objective is to reduce the % of waste disposed of in landfill by increasing the recovery ratio at each plant.

In 2022, a reduction of -16% in waste generation over sales was achieved.

## Recovery ratio (%) by plant

	2019	2020	2021	2022	Variance from previous year
Morcone (Italy)	100%	100%	99%	99%	0.4%
Dabrowa (Poland)	99%	100%	100%	100%	0.0%
Bursa (Turkey)	96%	92%	94%	97%	3.3%
Gemlik (Turkey)	95%	86%	90%	94%	4.8%
Maia (Portugal)	95%	99%	99%	99%	0.0%
Viladecavalls (Spain)	94%	95%	98%	100%	2.0%
Wofenbüttel (Germany)	93%	96%	100%	100%	0.0%
Taicang (China)	90%	92%	99%	93%	-6.0%
Cookeville (USA)	83%	72%	70%	71%	2.0%
Rabat (Morocco)	76%	92%	96%	99%	2.9%
Escobedo & Salinas (México) <sup>1</sup>	79%	76%	76%	77%	0.8%
Sao Paulo (Brazil)	76%	87%	94%	95%	0.7%
Dieuze (France) <sup>2</sup>	44%	52%	61%	60%	-2.5%
Sant Guim (Spain)	71%	79%	76%	79%	4.4%
Soria (Spain)	63%	70%	69%	68%	-1.8%
Shelbyville (USA)	51%	56%	50%	63%	26.3%
<b>Total Average FICOSA</b>	<b>83.3%</b>	<b>82.5%</b>	<b>82.9%</b>	<b>84.12%</b>	<b>1.5%</b>

Ficosa's plants have different waste containers in all areas (production and other) to segregate waste by type and character, facilitating specific future treatment. Ficosa is working in all its operating facilities to increase the recovery of cleaning solvents and other chemicals and to reduce the quantities of these substances emitted by its plants. In addition, all manufacturing plants organise awareness-raising campaigns for workers with the aim of reducing packaging waste and its selective collection at source. Ficosa believes that the participation of its employees is fundamental to reducing waste generation. These actions have enabled the results to show an increase of 1.5% in the recovery ratio in 2022.

An individualised recovery target has been set for each plant in 2023 according to the table below. The target depends on the previous year's result.

2022 Result	Target 2023 (% of improvement)
0 - 50%	9,0%
50-90%	5,0%
90-99%	1,0%
>99%	0,01%

## Reporting CDP

CDP Global is an international non-profit organisation 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 from more than 90 countries report through CDP annually.

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

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

Ficosa subscribes to this initiative. During the 2022 assessment, Ficosa received a B, which is in the Management band. This result is higher than the average for the Powered Machinery sector whose average grade is C. This result improves on the result obtained during the previous period thus demonstrating the company's strong commitment to environmental protection.

In the Supplier Engagement category for 2022, Ficosa received an A, which is in the Leadership band. This result is higher than the Powered Machinery sector average of C. This result is a significant improvement on the previous period, demonstrating the company's strong commitment to the decarbonisation of the supply chain.

Ficosa also subscribes to the CDP initiative on water management. This module collects information on our organisation's quantitative and qualitative water-related targets to demonstrate commitment to progress in water management and safety by improving water management.

During the 2022 assessment, Ficosa received a B-, which is in the Management band. This result is higher than the Powered Machinery sector average whose average grade is a C.

## Local initiatives to protect the environment

In our desire to achieve excellence in all our areas of work, including sustainability, we are always looking to create synergies with key partners that allow us to build strategic alliances to continue generating value. Participation in Air France-KLM's SAF (Sustainable Aviation Fuel) programme is a clear example of these partnerships 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 programme has given us the opportunity to play an active part in reducing CO<sub>2</sub> 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 2022, Ficosa has contributed to the purchase of 6.6 tonnes of sustainable fuel, thus demonstrating its contribution to SDG 13.

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

The Group's subsidiaries have managed several initiatives in 2022 to raise awareness and promote their employees' commitment to the Environment. The main initiatives are:

### Viladecavalls - Reusable water bottles

At the beginning of 2022, Ficosa VLDCV gave a reusable water bottle to all employees in order to reduce plastic waste. In addition, the water bottles in the catering service were replaced by water jugs and the plastic water bottles in the vending machines were replaced by water bottles in 100% RPET format. The plastic used is 100% recycled and recyclable, with the aim of promoting the circular economy and contributing to SDG 12.

### Viladecavalls - Electric vehicle chargers

In line with the United Nations Global Compact and in line with the commitment to sustainability, the Viladecavalls plant has installed 12 electric chargers within the facilities in order to promote sustainable mobility among workers. These chargers can be used through the use of an App that each user can install on their mobile phone. This is one of our ways of contributing to SDG 13.

## Spain, Italy, Morocco, France, Poland, Turkey and USA - World Water Day

At Ficosa we celebrated World Water Day with different initiatives to raise awareness among our employees about the responsible use of water. The plants that participated in 2022 were Spain, Italy, France, Morocco, Poland, Turkey and USA. Thanks to initiatives like this, every year we achieve greater awareness among our employees of the importance of rationalising water consumption. In addition, at our Viladecavalls headquarters, 100% of irrigation water is recycled, contributing to SDG 6.

### France - Animation for World Water Day

The Dieuze plant in France organised for World Water Day a video animation with the employees focusing on answering the questions *Why is there not enough drinking water in the world, Why do we need to protect the oceans and Why do we need to save water?* At the end, a quiz with multiple choice questions was organised, together with an open discussion and suggestions to the plant management. The good reception of this session by the attendees opened the door to future sessions with the same format but on other topics related to sustainability.

### Brazil - C.M.R. ITAPEVI Collaboration

The Brazil plant collaborates with the C.M.R. ITAPEVI cooperative in charge of daily selective waste collection 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 thrown into nature, as well as to generate work and income for more than 20 vulnerable families. This is one of our ways of contributing to SDG 12.



## Spain, Italy, Morocco, Poland, Turkey and USA - World Environment Day

Our plants in Spain, Italy, Portugal, Poland, Turkey and USA celebrate World Environment Day with a wide variety of activities, such as a drawing competition for children, promoting the use of bicycles as a vehicle to commute to work, awareness messages on all computers or awareness talks about the important role of maintaining ecosystems, contributing to SDG 13.

### Turkey - Ficosa pedalling for a greener world

To celebrate World Environment Day, Ficosa Turkey organised a 16 km bike ride along the route between Golyazi and Akcalar to encourage greater use of bicycles as a means of transport that respects the environment and protects our health.

### Sant Guim - Face up to plastic!

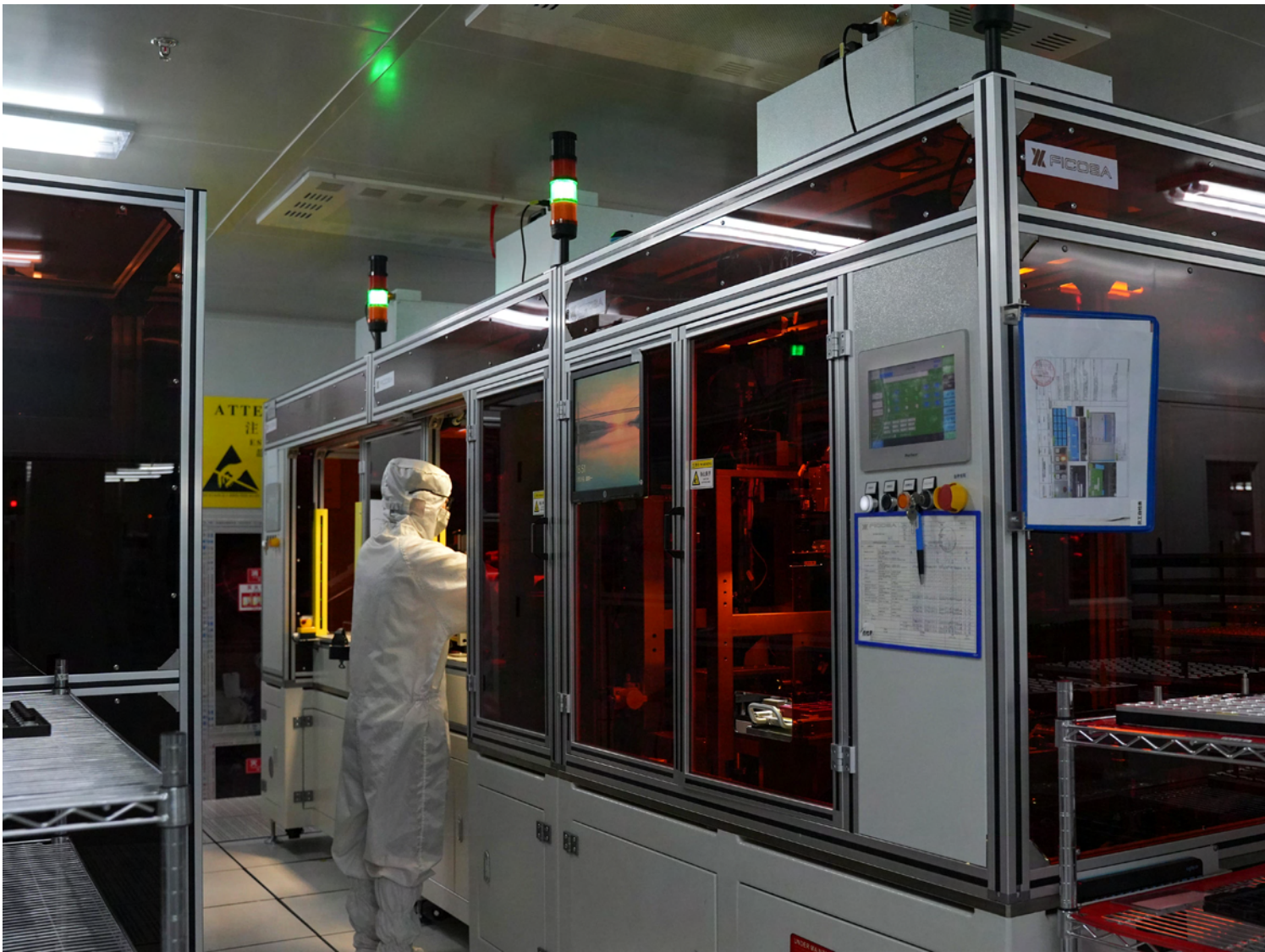
The best impact on the environment is the one that does not occur and, for this reason, the Sant Guim production plant has distributed reusable lunch boxes to all employees in 2022, with the aim of reducing the amount of single-use packaging generated. Under the slogan: I choose to care for the environment!



### Mexico - Adopt a tree campaign

The Mexico plant, with the aim of contributing to environmental care, has launched a tree adoption activity among its employees. This activity promotes the culture of reforestation of trees endemic to the state of Nuevo Leon, helping to prolong the endemic species and avoiding the spread of invasive species. The result of the campaign was the adoption of 20 trees.

# Responsible sourcing



## Policies

Ficosa works with two types of suppliers:

- **Production suppliers:** suppliers for the supply of raw materials and components that are assembled in the products supplied by Ficosa to its customers. Ficosa's purchases are oriented towards specialisation in product families, which are divided into three main areas: electrical and electronics (batteries, connectors, semiconductors, PCBs, pumps, etc.), chemicals (painted parts, chromed parts, blow moulding, etc.) and metals (zamak, aluminium parts, tubes, cables, etc).
- **Indirect Suppliers:** Suppliers that supply products and services of a general nature, not directly related to the business, such as office materials, paper, computer consumables, maintenance, suppliers, travel, training, energy, temporary employment agencies, consulting, legal services, insurance, investment, etc.

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

The Ficosa Purchasing Policy and Procedures and the segregation of duties ensure compliance with J-SOX and with all applicable laws. Additionally, the General Purchasing Conditions establish the relationship between Ficosa and its suppliers. The purchase orders sent to suppliers by any Ficosa company or any of its subsidiaries or affiliates have to be accepted in accordance with these terms and conditions. The Supplier and any products or services supplied by them must comply with all laws and regulations applicable to the destination countries where the product is going to be produced and/or used, or related to the production, labelling, transportation, importation, exportation, approval and certification of products or services. This includes, but is not limited

to, those related to the environmental issues directive set out in the ELV, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), CLP/GHS (Classification, labelling and packaging of substances and mixtures) and the Dodd-Frank-Act relating to Conflict Minerals (gold, tin, tantalum and tungsten sourced from conflictive regions as the Democratic Republic of Congo and adjacent countries); labour laws in general, working hours and employment conditions, workers' rights, employment benefits, subcontractor selection, safety of vehicles and installations, etc.

In addition to all applicable laws and regulations to be observed by the suppliers, it is also their obligation to respect social responsibilities and duties, especially, but not limited to, the requirements based on the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions for the respect for employees' rights, age and working hour limits, etc.

At the beginning of 2019, the general purchasing conditions were updated to include a business ethics and anti-corruption provision requiring suppliers to act in accordance with the highest standards of integrity and ethical conduct, in compliance with current laws, and to follow all relevant regulations and standards, particularly with regards to local and international anti-corruption law, in addition to Ficosa's Code of Ethics.

Furthermore, the company has developed a Supplier Quality Manual that details the main procedures and systems used for supplier selection, business assignment, component approval, performance follow up and supplier development. The supplier quality manual specifies that all suppliers wishing to be included in the Ficosa Supplier Panel should base their code of conduct on the ten principles of the United Nations (Global Compact) in the areas of human rights, labour, environment and anticorruption. This manual is available on Ficosa's website.

Lastly, the company has developed other standards and procedures in order to improve the communication and simplify processes for better logistics.



## Governance

The Corporate Team consists of the Chief Purchasing Officer, Commodities and Project Directors, as well as support and consultancy teams such as Quality, Human Resources, Logistics, and Control functions who coordinate all purchasing activities worldwide. Every country has a Local Purchasing team led by a LPD (Local Purchasing Director), who is managed by both the Purchasing and Regional Directors. The LPD coordinates the country's purchasing functions (Commodity Buyers, Purchasing 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 the responsible sourcing of our supply chain.

The supplier selection process is key to ensuring the quality and sustainability of our supply chain. We focus on working in partnership with our suppliers to achieve the highest standards of business integrity and social and environmental performance. We are strengthening processes to identify and continuously manage these risks, both for the company itself and its value chain, with a special emphasis on ensuring Human Rights and Environmental due diligence.

Ensuring that Ficosa is not using minerals sourced from conflict areas is also a significant risk for our organisation and our customers.

## Key results

To become a new Ficosa component supplier it is compulsory to have the ISO/TS IATF 16949 certification. All the suppliers must provide Ficosa with written evidence of the most recent certification renewal. Ficosa specially appreciates and promotes IATF 16949, OSHAS 18001 and ISO 14001 certifications from their suppliers.

	2020	2021	2022	Variance from previous year
Suppliers certified ISO 9001* (%)	100%	100%	100%	-
Suppliers certified ISO/TS 16949* (%)	64%	64%	66%	+2%

\* Productive suppliers

In addition, any new supplier must carry out a company-specific self-assessment and be approved by Ficosa's audit process. The objective is to examine the supplier's suitability using 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 against defined targets. These evaluations 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 forms part of the supplier's final score, a score that leads, depending on the value obtained, to corrective action plans, proposals for specific improvements or recognition of the good work carried out by the supplier. In 2022, 235 audits were carried out on our suppliers.

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 Service incidents management and Suppliers Development.

The platform includes all the relevant documents from each supplier (REACH declaration, conflict minerals declaration, certifications, etc.). This platform is a quick, preferential, and clear communication channel linked to the Purchasing Department, allowing Ficoso to manage the purchases of all materials. All the productive suppliers must be registered in the FPSS and the company expects to increase the scope and include the indirect suppliers too.

In 2022, new sustainability-related requirements have been established for our supply chain, reinforcing an internal procedure that sets out the information to be required from all suppliers with a focus 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

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

## Conflict Minerals

In recent years, there has been an increasing international focus on “conflict minerals” emanating from mining operations in the Democratic Republic of the Congo (DRC) and adjoining countries. Armed groups engaged in mining operations in this region are believed to subject workers and indigenous people to serious human rights abuses and are using proceeds from the sale of conflict minerals to finance regional conflicts.

On August 22, 2012, in response to these concerns, the US Securities and Exchange Commission (SEC) adopted a final rule to implement 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 US Secretary of State may designate in the future (Dodd–Frank Section 1502).

Tin, tungsten, tantalum and gold (3TG) are used in some vehicle parts and components made by Ficoso, such as circuit boards or heater terminals. We enforce due diligence to investigate the origin of the conflict minerals in our products. Our goal is to work with DRC conflict-free productive suppliers. Accordingly, Ficoso implemented an annual supplier’s inquiry and collect, from all its suppliers, the Standard Survey (EICC/CMRT template) on conflict minerals. The collected information is internally processed and provides useful information to monitor suppliers and report to clients about the company’s use of minerals for each plant.

In 2021 we launched a supplier survey to assess their environmental performance and emissions generated, encouraging them to set carbon footprint reduction targets in the coming years. At the same time, in order to develop our suppliers’ capabilities in environmental issues, we conduct training focused on the reduction of CO2 emissions. These actions serve to raise awareness and encourage our suppliers to set carbon footprint reduction targets for the coming years.

On the other hand, Ficoso customers (OEMs) encourage and support the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling. Accordingly, the raw materials used by Ficoso, follows the customer technical requirements or belongs to their certified material list. To promote reuse, most automotive parts are shipped through returnable packing to our customers. These initiatives also come from Ficoso. As an example, our Morcone plant in Italy implemented a new packaging in 2018 to reduce CO2 emissions by more than 75% compared to the previous system. This initiative strengthens our commitment to sustainability and was launched by us thanks to our involvement in “CONAI” (private non-profit consortium which in Italy is the instrument through which producers and packaging users guarantee the recycling and recovery targets for packaging waste set by law).

In the last 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 labour.

Mica is used in various applications in the automotive supply chain. In paints and coatings, mica creates a pearly visual effect. Vehicle bumper plastics, mirror housings and insulating materials use mica as filler.

Ficoso launched a process to identify the 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 in previous years (monitoring, audits, inspections, etc.). These providers confirm that they take these matters very seriously. Most of them are members of the “Responsible Mica Initiative” (RMI) that was formed in Paris on January 31, 2017 with the aim of sharing resources to implement responsible supply practices and eradicate child labour, improving the livelihood of communities within the supply chain in India in the next 5 years.

	2020	2021	2022	Variance from previous year
% of productive suppliers and materials for which conflict mineral information is available	100%	100%	100%	-

# Commitment to society



## Visits to the factories

Annually, the manufacturing plants in Dieuze (France), Salinas and Escobedo (Mexico), Dabrowa (Poland), Cookeville (USA), Taicang (China), Gemlik and Bursa (Turkey), Maia (Portugal), Rabat (Morocco), Soria and Viladecavalls (Spain) organise factory visits for students, family members of employees or local companies to explain the main features of their production processes. These visits allow the company to attract new candidates and demonstrate the strength of its manufacturing capabilities. The COVID-19 pandemic has limited these activities at most plants in recent years.

## Ficosa and the Polytechnic University of Catalonia (UPC)

In collaboration with the Universitat Politècnica de Catalunya (UPC), Ficosa has designed the Automotive Embedded Systems course addressed to Master's students in Telecommunications Engineering.

After detecting the need to offer a specialisation to all those engineers interested in the development of electronic communications systems for the automotive sector, Ficosa, the UPC and CARNET (academic-industrial consortium to support 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 programme. The course was updated in 2020 to include an Advanced Driver Assistance Systems (ADAS) module.

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

## Ficosa do Brasil – C.M.R. ITAPEVI

Ficosa do Brasil collaborates with the C.M.R. ITAPEVI cooperative, which specialises in daily selective waste collection 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 disposed of in nature, in addition to generating work and income for more than 20 families through its co-operative members.

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

With this measure, Ficosa do Brasil reaffirms its commitment to preserving the environment and helping the most disadvantaged groups.

## Socially Responsible Company Distinction for Ficosa North America (Mexico)

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

In Mexico, this is the main business award that recognises the work carried out by companies in the field of CSR in the country, which have a direct and positive impact on the internal environment of their companies and their social environment.

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

## Ficosa social initiatives worldwide

Each decentralized location is responsible for organizing its own charity projects, donations and other social initiatives. The social initiatives depend on the site-specific challenge and are led by the local Human Resources department.

Examples of Ficosa social initiatives in locations where the company operates:



- Donations and food collections
- Collections of food, household utensils and clothing for the Mustard Seed Ranch (an association that promotes help for children in need).
- Donations to the local community to promote mammography screenings
- Contributions to soup kitchens for homeless people
- Becoming a member of the Highlands Economic Partnership, a public-private partnership programme designed to boost economic and community development in Jackson, Overton, Putnam and White counties by providing opportunities for businesses to grow and prosper: Increasing median household income, filling job openings, strengthening an employment pool, recruiting businesses that respond to community needs.



- Adopt a tree" programme to promote reforestation.
- Volunteering campaign with vulnerable elderly people.
- Collection of PET plastic to donate to the Children's Anti-Cancer Centre (80 kg in 2022)
- Donation of school supplies to the local primary school
- Collaboration with the UDEM (University of Monterrey) Projects programme, which aims to increase the competitiveness of the automotive cluster through engineering and technology projects developed by UDEM students.



### Soria

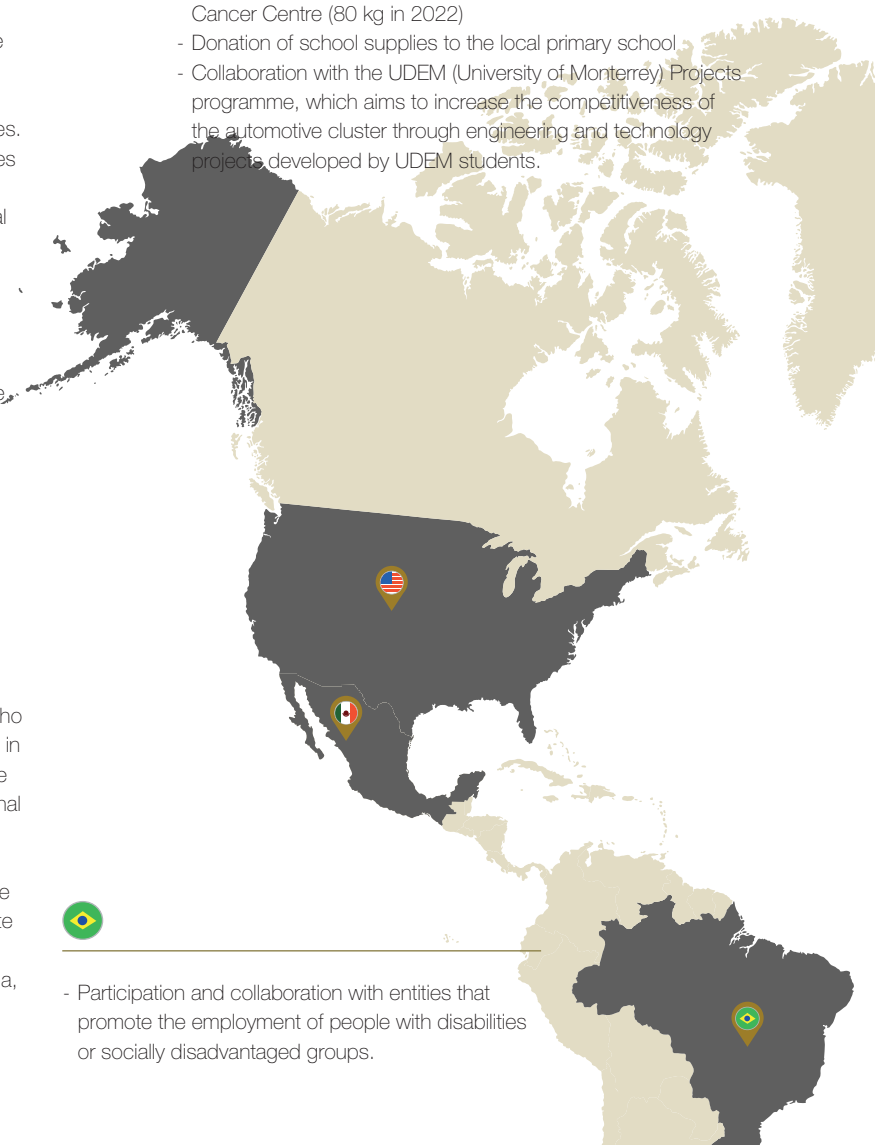
- Participation and collaboration with entities that promote the employment of people with disabilities (Fadess, Asovica).
- Sponsorship of sports activities
- Collaboration in fund-raising marches for charitable purposes.
- Agreements with Universities and Vocational Training Centres so that their students can carry out internships.
- Granting of scholarships to students for internships and final projects.
- Collaboration with penitentiary institutions to promote the rehabilitation of inmates.

### Viladecavalls

- Contracting entities that promote the employment of people with disabilities in services such as water fountains, office material and the management of company trips.
- Blood donation campaigns
- Sponsorship of the e-Tech Racing Team 2020-2021, made up of 37 students from the EEBE (Escola d'Enginyeria de Barcelona Est) of the Universitat Politècnica de Catalunya (UPC) who compete in international Formula Student competitions.
- Attendance at the Automotive Talent Show in November 2022. An event dedicated to students about to graduate 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 educational centres.
- Attendance at other technological forums at universities or research centres, such as La Salle Technova Barcelona, the Science & Tech Talent Marketplace of the Barcelona Institute of Science and Technology or the Career Center organised by the Universitat Politècnica de Catalunya at the FIB Visiona, where Ficosa has the opportunity to talk to students and attract talent.
- Collaboration with the Multiple Sclerosis Foundation.



- Participation and collaboration with entities that promote the employment of people with disabilities or socially disadvantaged groups.







- In-kind and financial donations to several institutions, such as the Holy House of Mercy of Maia (delivery of basic food for families with few resources)
- Granting of scholarships to students for internships
- Humanitarian aid in the Russia-Ukraine conflict, with the collection and delivery of basic necessities.



- 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 sporting activities



- Factory visits and collaborations with local universities and institutes (for trainees and with specific topics such as ergonomics in the workplace).



- 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.



- In-kind and financial donations for local institutions or events (charity action with the Centre for Special Education and Child Care) and employees in difficult life situations.
- Humanitarian aid in the Russia-Ukraine military conflict, with the financing and collection of basic necessities from employees and local organisations. Emotional support for families and friends of employees fleeing war.
- 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 authorise in the annual income tax return the donation of 1.5% of their taxes to charitable organisations.



- Environmental awareness campaign among our employees.
- Agreements with Universities and Vocational Training Centres to enable their students to carry out internships and final year projects (48 students).
- Donation to the Turkish Education Foundation on behalf of new employees during the annual welcome event.
- Collection of PET plastic to be donated to the Turkish Spinal Paralysis Association's "Life without Barriers" project (61 kg in 2022).
- Collection of toys and books from employees to donate to children in need in collaboration with the Quality Association of Turkey (KALDER).



- Announcement of an award for employees who carry out social activities beyond the company as personal recognition



- Sponsorship of sports activities (Taicang marathon, badminton competitions, etc.).
- Cooperation with local universities and schools for apprenticeship, training and recruitment.

These social initiatives are Ficosa's most relevant in the places where the company operates.

Contributions to non-profit organisations in 2022 were not material or relevant, as in 2021.

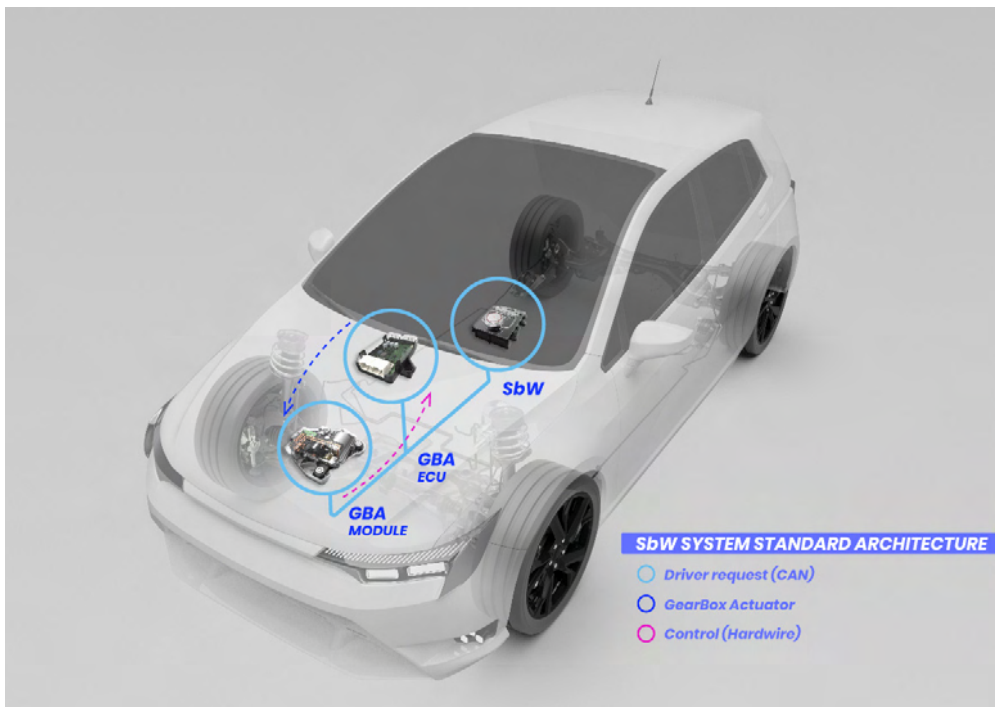
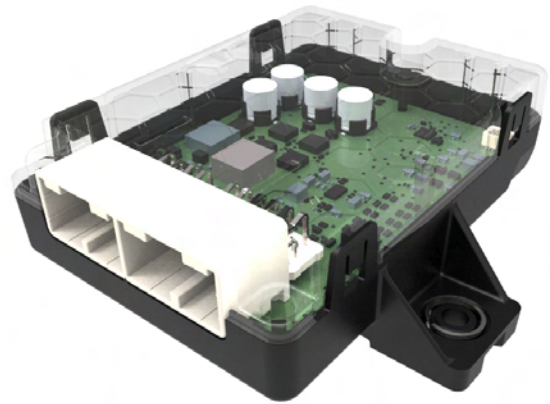
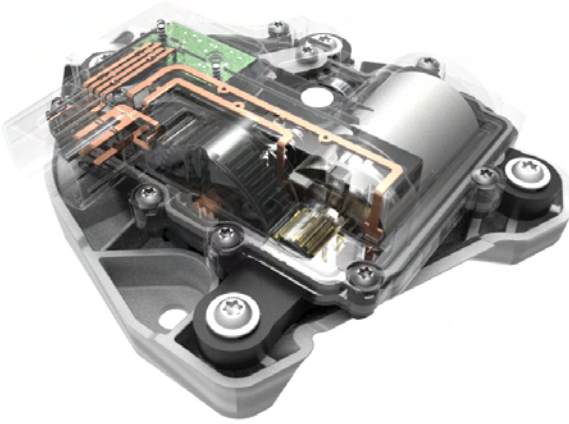
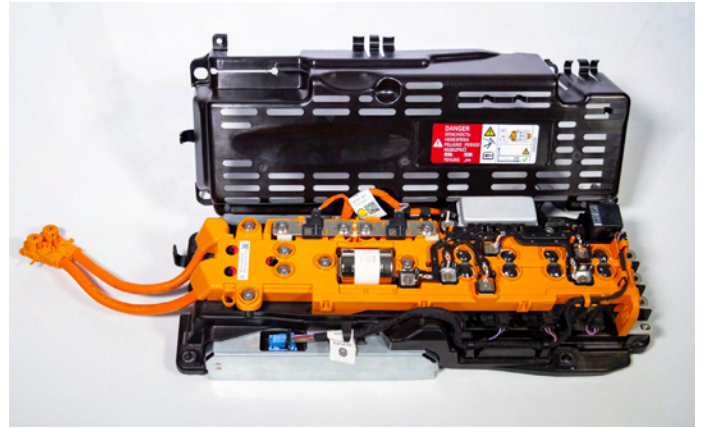
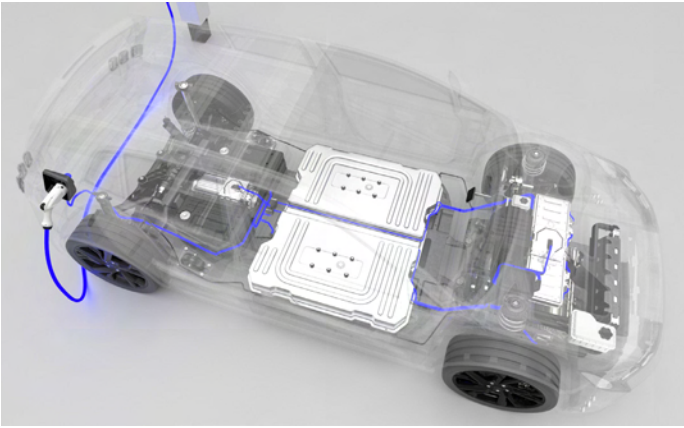
Regarding association or sponsorship actions, it should be noted that Ficosa is a member of the Spanish Association of Automotive Suppliers (Sernauto).

# Innovation in our products

Ficosa's vision of innovation is based on our commitment to the most advanced technology. In this regard, the company invests in the research and development of products and solutions based on the fields of connectivity, safety and efficiency to maintain its position of leadership and anticipate the needs of the mobility industry.

The company is now a technological partner of a vast majority of automotive companies from all over the world and seeks new ways to bring about further optimization and contribute to sustainable mobility.





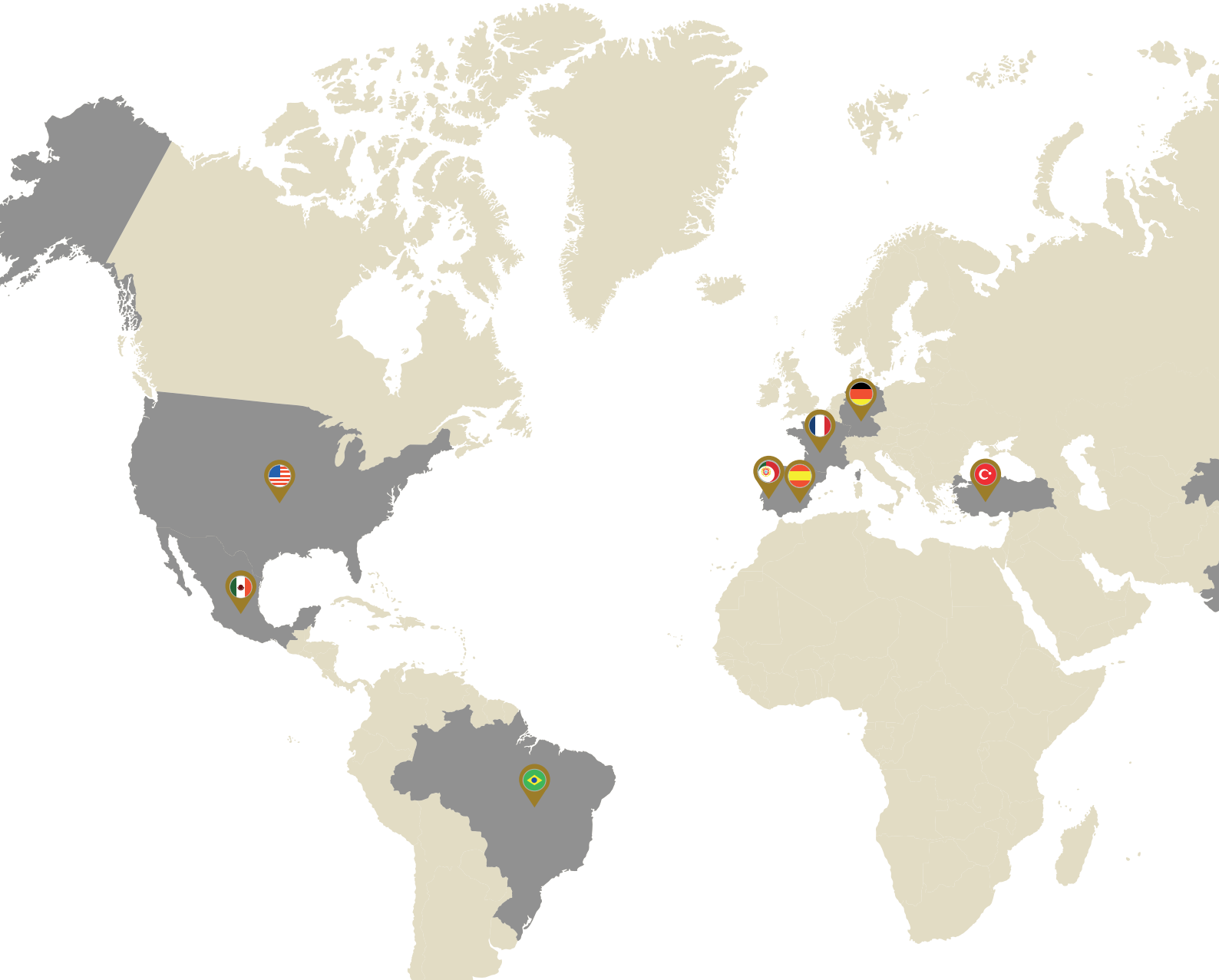
## R&D Capabilities

Our great dedication to innovation and a clearly global focus, has enabled us to create a solid network of R&D centres in Europe, North America, South America and Asia. These are divided into centres of expertise focused on specific product families – technologies and local engineering centres closely located to our main customers' design centres.

The Technology Centre in Viladecavalls (Spain) acts as the driving force for the group's global research efforts and fuels the other 11 development centres we have around the world. This facility is a benchmark in electronics, SW development and electro-mechanics technology for developing new solutions in safety, connectivity and energy efficiency as well as world class testing and prototyping laboratories.

## Capabilities

Our strong commitment to innovation has also resulted in high added value job creation. Ficosa has an excellent and experienced team of engineering talent on board to face the company's new challenges. The total number of engineers devoted to R&D was close to a thousand in 2022.



## Partnerships

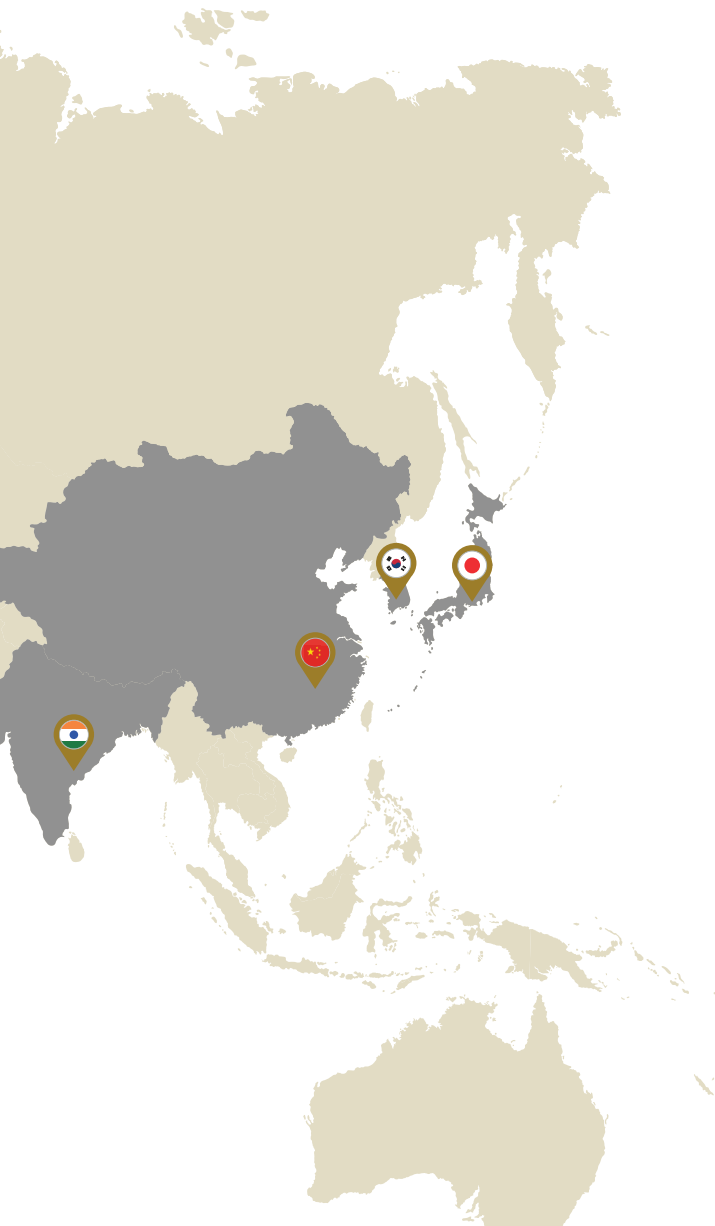
We also collaborate, both nationally and internationally, with other companies, engineering firms, universities and technical centres on studies, training, advisory services, technology transfer, validations, tests, etc., that allow us to meet more demanding time to market and complex system requirements. New technologies require a much higher level of open innovation and strategic partnerships than traditional electromechanical products.

## R&D Expenditure (thousand €)













In 2022, Ficosa spent more than €61 million in R&D to provide its clients with the most innovative solutions that anticipate the challenges of a constantly changing industry.



This figure means that the company has invested around 5.4% of its annual sales in R&D to offer its customers the most innovative solutions possible. Ficosa currently has 705 active patents in full ownership and is one of the most active Spanish companies in terms of patents in Spain.



## - Research centers

-  — Viladecavalls
-  — Whaseong-Gun
-  — Wolfenbüttel
-  — Tokyo
-  — Dieuze
-  — Taicang
-  — Porto
-  — Hyderabad / Pune
-  — Bursa
-  — 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 and are equipped with communication systems that alert or assist the driver in 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's goal is to advance in the provision of strategic technologies that bring us closer to the port of the future (the Smart Port). We think that is the only way to satisfy the growing demand of efficiency, economy, security and environmental sustainability according to the "Industry 4.0" concept. Together with the highest levels of automation, as required in the scenarios that integrate different automated ground transport vehicles (GVs) in port operations.

Ficosa designs and validates in a real environment an interior camera adapted to the detection of laser patterns. Ficosa also develops a driving monitoring system (DMS) composed of camera and radar technology with the aim of monitoring the driver. This innovative technology will make possible in the future to have greater robustness in detecting driver states that are unsuitable for driving by means of non-contact sensors in critical environments.



## V-RECON (EUREKA!)

This project consists of producing a CMS system (Camera Monitoring System) to replace vehicles' exterior mirrors (Class III-traditional). The system developed during this project will initially be for passenger vehicles but may extend to other types of vehicles (cargo, industrial, etc.). In order to achieve the final objective, research and development activities are required to design a demonstrator with the three main elements that make up the integrated system:

1. External wing or mechanical camera support to capture the rear view.
2. The camera itself.
3. An electronic control unit (ECU) that will also contains a display where the images are projected.

## MOVILIDAD 2030

Movilidad 2030 aims to develop technologies in the field of smart mobility, contributing to the achievement of sustainable mobility for 2030, both at the national and international level.



The project focuses on four main pillars: 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 role of FICOSA is the development of new ADAS functions based on a multi-camera vehicle perception system and fusion with other sensors (LiDAR, GPS), with a specific focus on safety of vulnerable road users and vehicle energy efficiency.

## INPERCEPT

INPERCEPT is a national project funded by CDTI, arising from the need to advance the key enabling technologies for autonomous driving, as one of the flagship automotive R&D projects in Spain. The project was selected for presentation at EUCAD 2023 European conference as one of the 27 most representative EU projects in CCAM domain.

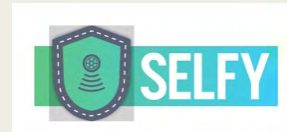


FICOSA leads a consortium of eight companies developing technologies for vehicle autonomy, safety and connectivity with the focus on Smart Cities and Fleet Management applications.

The technical role of FICOSA is the development of the vehicle perception system that provides a surround view of the vehicle environment for an improved situational awareness. The main application focuses on safety of vulnerable road users and detection and tracking of vehicles under challenging weather conditions.

## SELFY

SELFY is an EU-funded project under Horizon Europe. Its strategic vision is to become the main European provider of a toolbox for the self-management of the security and resilience of highly automated vehicles.



The project focuses on four pillars:

1. Situational awareness: addressing what kind of data needs to be generated and collected, and how it is used to monitor any given cooperative, connected and automated mobility (CCAM) ecosystem;
2. Data exchange: addressing advanced processing for malicious event detection and decision making;
3. Resilience: through the development of new tools to increase the capacity to adapt and respond to cyber-threats and cyber-attacks on assets, services and products in the CCAM domain, reducing their impact and the interruption of associated services;
4. Confidence: to all interested parties, increasing the acceptance and adoption of CCAM services and solutions, developing tools to guarantee the privacy, confidentiality, integrity and immutability of data in a CCAM environment.

FICOSA's role is to develop computer vision models for improved situational awareness, and tools for privacy protection and cybersecurity related to sensor data and vehicle connectivity.

## AWARE2ALL

AWARE2ALL is an EU-funded project under Horizon Europe. The main objective is to address the new safety challenges arising from the introduction of highly autonomous vehicles in mixed road traffic, through the development of inclusive and innovative safety (passive and active) and HMI (internal and external) systems that will consider the variety of population and will objectively demonstrate relevant improvements in mixed traffic safety.



FICOSA's role is to develop an advanced vehicle perception system based on cameras for an improved pedestrian detection and tracking, which includes attention and intention recognition. Moreover, FICOSA is developing models for detection of pedestrians with disabilities to improve safety of this vulnerable group of road users.



## What we are offering our customers

### Vision systems

As leading company developing, manufacturing and marketing Rear View mirrors, FICOSA keeps improving the performance and safety of its products, with a special focus in the Sustainability field in order to contribute in reaching the targets and commitments from both the Company and the Sector.

For Rear View mirrors, this means to integrate in the very preliminary product design stages the use of recycled materials, but also some components assembly and fastening methods, allowing an easier dis-assembly of the parts at the end of life, as well as modular repairing method in case of failure during lifetime.

During 2022 FICOSA has reached the generic validation of two main recycled raw material used for Outside Mirrors, one of them for structural components (mirror brackets), the second one for cosmetic parts (aesthetical components)

In parallel, FICOSA has been awarded during 2022 for two projects based on an innovative breakthrough Rear View mirror concept (so called Aero Frameless Mirror), reducing the CO2 impact of the vehicle by improving its aerodynamic drag.

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, radar, etc.) and AI models that perform detection and tracking of the elements in the vehicle surroundings, improve situational awareness and enable development of novel ADAS for better 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 gradually deployed in different LCV carlines from a major European LCV leader.

During 2022, 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 2022, this "system approach" has been successfully demonstrated to some key OEM foreseeing the launch of level four and five autonomous cars, focusing in the best balance between product efficiency and water consumption reduction.



## 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.

Ficosa increases his line of products by adding different sensors (cameras and radar) dedicated to observe the status of the driver and the rest of occupants of 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)

In order 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, Ficoso 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 programs

## 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 Ficoso'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, Ficoso is focusing mainly on the following three 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.
- 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.

## Development of new technologies to improve the management and charging technologies of the electric vehicle battery at the cell level

The objective of this project, under the funding opportunity of CDTI (Spanish public business entity fostering the technological development and innovation of Spanish companies) is to advance in the development of sensing, control and charging solutions for electric batteries in electric and hybrid automotive sectors. The proposal specifically seeks to improve the efficiency in the management and charging of the battery module and reducing its dimensions at the same time.

In a first stage, the project will focus on applying machine-learning technologies to improve the accuracy of the BMS measurement throughout its useful life. Then, the second stage will be focused on the vehicle's on-board charger efficiency and size improvements. This goal will be based on increasing the switching frequency and operating voltage. To this end, the implementation of transistors based on SiC (Silicon Carbide) and GaN (Gallium Nitride) will be explored.

This project aims to keep Ficosa at the forefront of the development of technologies for sensing, control and battery charging. A technology, which is ubiquitous in any electrically powered vehicle and, by extension, in any battery powered equipment.

## FCEVLDTRUCK

Ficosa is participating together with four other companies (Ajusa, BonArea, Avia Ingeniería and CIE Egaña) 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 FCEVLDTRUCK.

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 has a structure of 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. The execution of this prototype will take 26 months.

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 related 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

## 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 System

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 System

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.



# Content Index

Area	Reporting criteria	Page
<b>General Information</b>		
Description of the business model	GRI 2-1, GRI 2-6	Pg 4-5 / 8-9 / 12
Organization and structure	GRI 2-6, GRI 2-2, GRI 2-9	Pg 8-11
Geographic presence	GRI 2-1, GRI 2-6	Pg 8-9
Objectives and strategies	GRI 2-23	Pg 4/8
Main factors and trends that may affect future performance	GRI 3-3	Pg 4-5 / 8-12
Reporting framework used	GRI 2-3, GRI 2-4, GRI 2-5	Pg 6
Materiality assessment	GRI 3-1, GRI 3-2, GRI 3-3	Pg 6-7
<b>Environmental matters</b>		
<b>Management approach</b>		
Description of the policies applied by the Group and their result	GRI 2-23, GRI 2-24	Pg 52-53
Main risk related to matters linked to the Group's operations	GRI 3-3	Pg 54-55
<b>Environmental management</b>		
Details of the current and foreseeable impacts of the undertaking's operations on the environment, and on people health and safety	GRI 3-3, 307-1, 308-2	Pg 52-56
Environmental assessment and certification procedure	GRI 3-3	Pg 53
Resources devoted to environmental risk prevention	GRI 201-2	Pg 54
Implementation of the precautionary principle	GRI 2-23	Pg 53
Amount of provisions and warranties for environmental risks	Ley 26/2007 of Environment Responsibility GRI 3-3	Pg 54
<b>Pollution</b>		
Measures to prevent, reduce or repair CO2 emissions with a material impact on the environment (including noise and light pollution)	GRI 3-3	Pg 54-55
<b>Circular economy, sustainable use of resources and waste prevention</b>		
Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	GRI 3-3, GRI 306-2	Pg 60-63
Actions to avoid food waste	Not relevant due to company activity type	NA
<b>Sustainable use of resources</b>		
Water consumption and supply in accordance with local restrictions	GRI 3-3, GRI 303-3, GRI 303-5	Pg 61-62
Use of raw materials and measures adopted to enhance efficiency in their use	GRI 3-3, GRI 301-1	Pg 67
Direct or indirect consumption of energy	GRI 302-1, GRI 302-2, GRI 302-3	Pg 60-61
Measures taken to enhance energy efficiency	GRI 3-3, GRI 302-3, GRI 302-4, GRI 302-5	Pg 60-62
Use of renewable energies	GRI 302-1	Pg 60-61
<b>Climate change</b>		
Relevant aspects regarding greenhouse gas emissions caused by the undertaking's activity, including the use of the products and services produced	GRI 305-1, GRI 305-2, GRI 305-4	Pg 54-59
Measures adopted to adapt to the consequences of climate change	GRI 3-3, GRI 201-2	Pg 18, 53, 54-55
Targets to reduce greenhouse gas emissions	GRI 3-3, GRI 305-5	Pg 54-59
<b>Biodiversity</b>		
Measures taken to conserve or restore biodiversity and impacts caused by the company's activities	Not relevant due to company activity type	Pg 7
<b>Social and employee matters</b>		
<b>Management approach</b>		
Description of the policies applied by the Group and their result	GRI 2-23, GRI 2-24	Pg 33 / 43
Main risks related to matters linked to the Group's operations	GRI 3-3	Pg 34
<b>Employment</b>		
Total number and breakdown of employees by gender, age, country and professional classification	GRI 2-7, GRI 405-1	Pg 34-35
Total number and breakdown of types of employment contracts	GRI 2-7	Pg 35
Average annual number of permanent contracts, temporary contracts, and part-time contracts by gender, age and professional classification	GRI 2-7	Pg 34-35
Total number of dismissals	GRI 401-1	Pg 34
Policies to allow employees to disconnect from work	GRI 3-3, GRI 401-2	Pg 42
Employees with disabilities	GRI 405-1	Pg 34
<b>Working organization</b>		
Working hours organization	GRI 3-3	Pg 35
Measures designed to facilitate work-life balance	GRI 3-3, GRI 401-2, GRI 401-3	Pg 42-43
<b>Health and Safety</b>		
Occupational health and safety conditions	GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-8, GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7	Pg 44-45
Occupational health and safety rates	"Internal framework GRI 403-9"	Pg 47-48
Occupational illness cases	GRI 403-10	Pg 48

Area	Reporting criteria	Page
<b>Labor relations</b>		
Social dialogue organization	GRI 3-3, GRI 402-1	Pg 38
Percentage of employees covered by collective agreements broken down by country	GRI 2-30	Pg 38
Results of collective agreements, especially in the field of health and safety	GRI 3-3, GRI 403-4	Pg 47
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	GRI 2-29	Pg 39-40
<b>Training</b>		
Policies implemented in the area of training	GRI 404-2, GRI 403-5, GRI 404-3	Pg 33 / 39-41
Training indicators	"Internal framework GRI 404-1, GRI 410-1 "	Pg 40
<b>Universal accessibility of people with disabilities</b>		
Universal accessibility of people with disabilities	GRI 3-3	Pg 36-37
<b>Equality</b>		
Measures adopted to promote equal treatment and opportunities of men and women	GRI 3-3, GRI 401-3	Pg 20-21 / 22 / 34-36
Equality plans (Chapter III of Ley Orgánica 3/2007, de 22 de marzo [the Gender Equality Act]), measures adopted to foster employment protocols against sexual or gender harassment	GRI 3-3, GRI 2-23	Pg 36-37
Integration or and universal accessibility of people with disabilities	GRI 3-3	Pg 36-37
Policy against all forms of discrimination and, where appropriate, the policy on diversity management	GRI 3-3, GRI 2-23	Pg 21 / 36
<b>Respect for human rights</b>		
<b>Management approach</b>		
Description of the policies applied by the Group and the their result	GRI 2-23, GRI 2-24	Pg 21 / 24 / 67-68
Main risks related to matters linked to the Group's operations	GRI 3-3	Pg 24 / 68
<b>Specific information</b>		
Implementation of human rights due diligence procedures	GRI 2-26, GRI 3-3, GRI 2-6, GRI 2-23 GRI 2-25, GRI 2-23, GRI 2-24	Pg 21 / 24 / 67-68
Prevention of risks of human rights violations and, where appropriate, measures taken to mitigate, manage and repair potential abuses committed	GRI 3-3, GRI 2-23, GRI 2-26, GRI 2-25, GRI 406-1, GRI 410-1, GRI 407-1, GRI 412-1, GRI 412-2	Pg 21 / 24 / 67-68
Reported cases of human rights violations	Internal framework, GRI 406-1, GRI 411-1	Pg 21
Promotion and compliance with ILO's provisions on respect for freedom of association and the right to collective bargaining	GRI 3-3, GRI 2-23, GRI 407-1	Pg 24 / 36 / 67
Elimination of job and workplace discrimination	GRI 3-3, GRI 2-23	Pg 36-37
Elimination of forced or compulsory labor	GRI 3-3, GRI 409-1, GRI 414-1, GRI 414-2	Pg 24 / 67
Effective abolition of child labor	GRI 3-3, GRI 408-1, GRI 414-1, GRI 414-2	Pg 24 / 67 / 69
<b>Anti-corruption and bribery matters</b>		
<b>Management approach</b>		
Description of the policies applied by the Group and the their result	GRI 2-23, GRI 2-24	Pg 20-22
Main risks related to matters linked to the Group's operations	GRI 3-3	Pg 21
<b>Specific information</b>		
Measures taken to prevent corruption and bribery	GRI 2-25, GRI 2-23, GRI 2-26, GRI 205-1 , GRI 205-2, GRI 206-1	Pg 20-22
Measures taken to fight money laundering	GRI 2-25, GRI 2-23, GRI 2-26	Pg 20-22
Contributions to foundations and not-for-profit organizations	GRI 201-1, GRI 2-28, GRI 413-1	Pg 42-43
<b>Information on society</b>		
<b>Management approach</b>		
Description of the policies applied by the Group and the their result	GRI 2-23, GRI 2-24	Pg 67-68
Main risks related to matters linked to the Group's operations	GRI 3-3	Pg 68
<b>Company's commitment to sustainable development</b>		
Impact of the Company's activities on employment and local development	GRI 3-3, GRI 203-2, GRI 203-1, GRI 204-1	Pg 29 / 70-73
Impact of the Company's activities on local populations and territories	GRI 3-3	Pg 29 / 70-73
Relations with actors in the local communities and forms of engagement with them	GRI 3-3, GRI 2-29, GRI 413-1, GRI 413-2	Pg 36-37
Partnership or sponsorship actions	GRI 3-3, GRI 2-28	Pg 70-73
<b>Subcontracting and suppliers</b>		
Inclusion in the procurement policy of social, gender equality and environmental matters	GRI 2-6, GRI 2-24, GRI 204-1, GRI 414-2	Pg 24 / 67-68
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	GRI 2-6, GRI 2-24, GRI 204-1, GRI 308-1, GRI 414-1	Pg 24 / 66-69
Supervision and audit systems and their outcomes	GRI 3-3, GRI 308-2, GRI 414-2	Pg 68
<b>Consumers</b>		
Consumer health and safety measures	GRI 3-3, GRI 416-1, GRI 417-1	Pg 26-29
Claim systems	GRI 2-16, GRI 2-25	Pg 29
Complaints received and their outcome	Internal framework, GRI 2-25, GRI 416-2, GRI 418-1	Pg 29

(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 illnesses, 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.



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