

SODECIA

Adding value
To you

SUSTAINABILITY REPORT 2023

SODECIA

Adding value *to you*

We are an important component for the automobile sector, over the years we have actively contributed to the development and adaptability of this industry. This happens thanks to the people who are dedicated every day to the future of Sodecia, together we go further, towards the future.

We are adding value to industry,
We are adding value **to you.**



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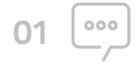


Attachments

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About this Report



Reporting of financial and non-financial information

With this document, we are continuing our policy of transparency in the reporting of financial and non-financial information.

The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards version 2021.

The presence of different geographical contexts makes the identification and reporting of sustainability performance information a highly complex, time-consuming, and demanding task, involving various players in its preparation.

When drawing up this document, particularly when reporting on the GRI indicators, and given the size of the Group, it was not always possible to consolidate data from all geographies. In the interests of transparency, these occurrences have been noted and correctly described. However, we are committed to continually improving the data collection process, in particular with a greater breakdown of the Group's units.

In order to continuously improve sustainability reporting, incorporated through regular and timely internal reporting, which ensures the reliability of the information

and access by SODECIA's central structures to the necessary data to monitor its performance, we plan to develop a process for digitising this data and improving the governance structure for sustainability data.

Presentation of the information

This Annual Report is an interactive document. For additional information, see the links provided to external websites.

Publishing cycle

The information reported in this report concerns the period from 1 January 2023 to 31 December 2023. The report is issued annually.

Information verification

The financial information contained in the report has been externally verified by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., which has produced an independent report with a limited guarantee of reliability, which can be consulted in the annex.

Date of publication

23 February 2024





Message from the Board of Directors



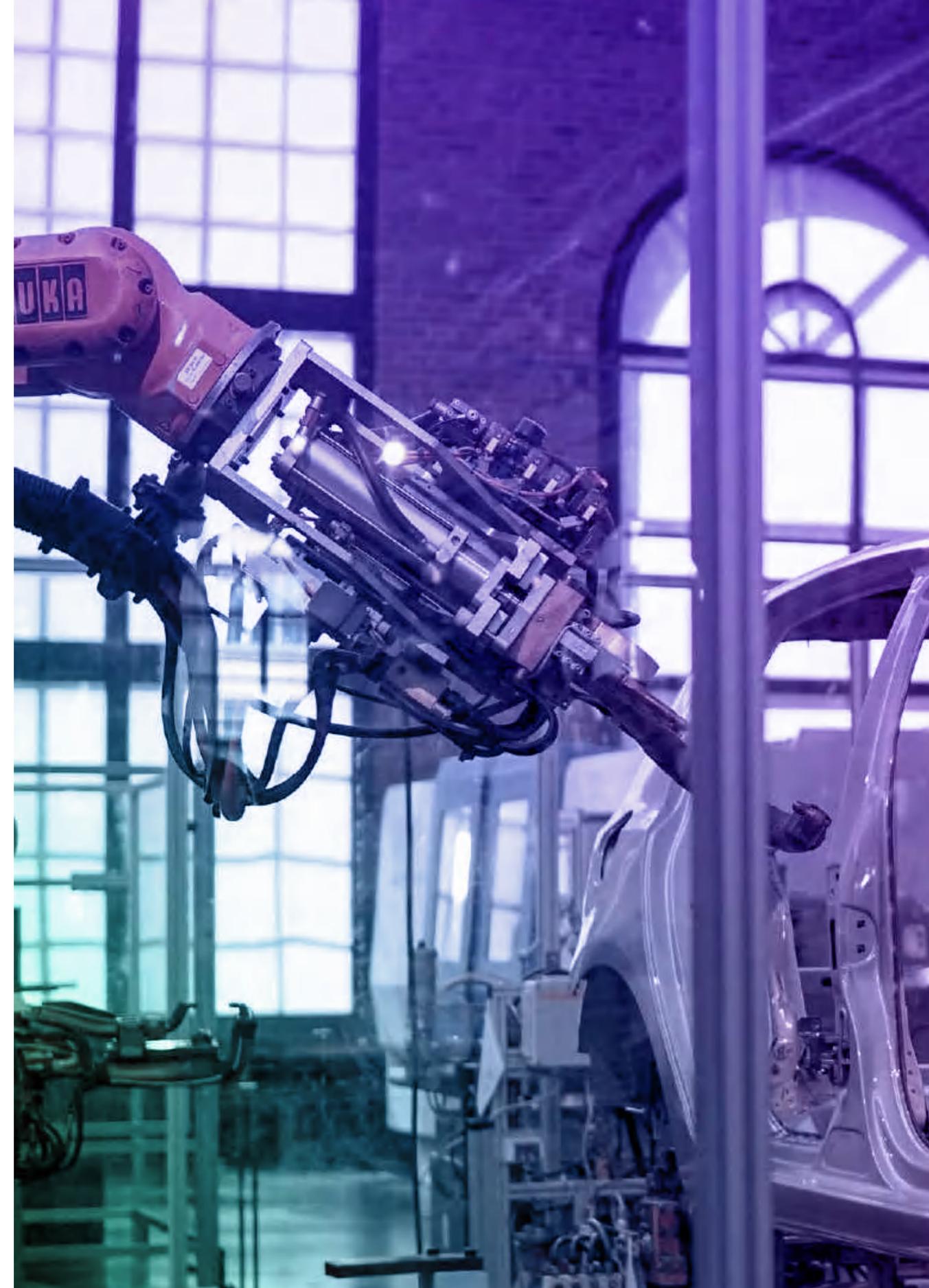
SODECIA is an industrial Group founded in 1980 that operates worldwide as a full-service supplier in the automotive industry.

Regrettably, the international geopolitical situation worsened in 2023 with the continuation of the war in Ukraine and the outbreak of war in the Middle East. The effects of this instability are difficult to predict and accommodate, even though the world economy has shown signs of resilience.

The inflationary impact continued to be felt across the board, in a way that the world, or at least the western, so-called developed world, was not used to. The rise in interest rates significantly impacted investment and private consumption. As a result, 2023 saw stress in demand, which affected business development in the various economies and markets.

Signs of a slowdown in this problem - which affects the entire production chain - made only a tenuous appearance towards the end of the year.

Nonetheless, our company still succeeded in achieving a goal that we had been pursuing for quite some time. We surpassed one billion euros in aggregate sales, the result of intense work with all our customers, without any imbalance in the portfolio that could cast doubt on the soundness of our activities. Turnover was up by around 10% year-on-year. Even so, based on the business won and already awarded during the year, we expect 2024 to be a year of growth.





We also achieved a significant result in our EBITDA margin, totalling around one hundred and five million euros, which represents an increase of approximately 14% on the figure achieved in 2022.



We also achieved a significant result in our EBITDA margin, totalling around one hundred and five million euros, which represents an increase of approximately 14% on the figure achieved in 2022. This was due to everyone's effort and commitment to rigorous management of the factors influencing results, including renegotiating with various customers, which was necessary in order to accommodate the adverse impact on production costs.

The significant investments made have enabled us to improve production capacity and efficiency in our factories, combined with the sustainability component that is increasingly becoming a requirement in our decisions. We are committed to sustainable energy production, using solar energy panels to reduce our carbon footprint, and steps are being taken to significantly increase our green energy production capacity.

The historic difficulties in retaining skilled labour continued in 2023, forcing us to be very prudent in our management of the associated costs. To this end, we have invested in our employees'

training and growth, as well as in the number of Kaizen projects in all our units. It should be noted that our headcount remained stable despite the aforementioned increase in sales. We continue to be committed to strengthening the internal development of our human resources, with more and more people being recruited from our ranks.

Still on the subject of our sustainability profile, we continued to strengthen our rules on governance and on training our staff in compliance. We have strengthened internal regulations, particularly in terms of the safeguarding of human and labour rights, reporting mechanisms and whistleblower protection, and the defence of occupational health and safety. All of this is deemed vital if the company is to continue on its path of sustainable growth. Furthermore, we have worked to maintain and strengthen our relationship with the community and our patronage.

We are committed to developing each of these vectors in 2024, for the sake of our Group's development and the fulfilment of our motto: **Adding value to you.**

"(...) in 2023, we have invested in our employees' training and growth, as well as in the number of Kaizen projects in all our units"





1.2 Facts and numbers SODECIA in 2023

1,033 M€ **ECONOMIC VALUE GENERATED** | **13 Countries**

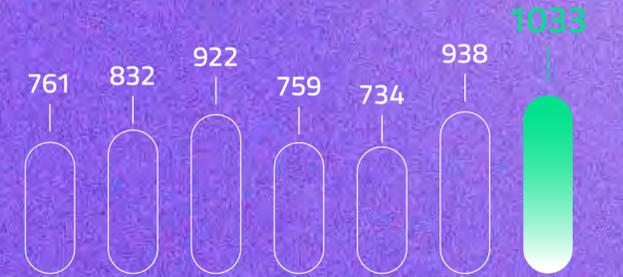


OF EMPLOYEES COVERED BY SSW MANAGEMENT SYSTEM

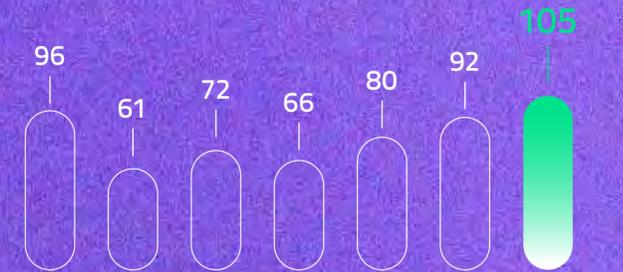


ZERO
DEATHS DUE TO ACCIDENTS AT WORK OR OCCUPATIONAL DISEASES

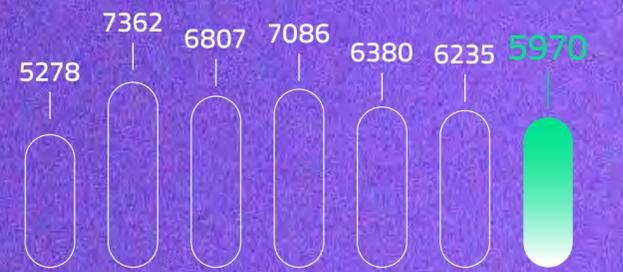
Consolidated Sales



EBITDA



Number of employees



2017 2018 2019 2020 2021 2022 2023





Key events

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The year 2023 showed some economic recovery compared to previous years, which were heavily impacted by the effects of COVID-19, the political instability in Eastern Europe and the microchip crisis. Although investments in 2023 were slightly below those made in 2022, we consider them to be equivalent. This was attributed to the date when new business deals were secured, which caused investments made in different years to fluctuate.

However, our clients continued to launch new projects (all within the electrical field), and Sodecia secured some significant business deals. As a result, around €42 million in investments were approved in 2023, in contrast to around €46.6 million approved in 2022. Approximately €1.2 million were allocated to Energy and Environment, and around €28 million to new business. For the modernisation of industrial units, 12.8 million euros were invested.

The most relevant investments carried out in 2023 were the following:

VW Group Audi Q7/Q9 Project – Vrable-Slovakia

During 2023, around €6 million were invested in the implementation of welding cells for the production of the wheel arches and floors for the two new vehicles to be produced by Audi.

VW Group Cross Car Beams – Attendorn/Germany

This project, split between the VW Group and Ford, has already seen a total investment of around €16.4 million in previous years across both projects. During 2023, a further €3.1 million were invested according to the schedule agreed with the client. Of this amount, €1.5 million was allocated to increasing the area of the final product warehouse.

Although investments in 2023 were slightly below those made in 2022, we consider them to be equivalent.

VW Group Floor E4 – Nitra/Slovakia

Sodecia has secured another new business deal in the field of flooring for electric vehicles. Approximately €13.6 million were invested in 2023 for this project, split between welding cells, an industrial building and a hot stamping line. This line is the fourth one that Sodecia acquires, out of a total of seven installed in the group, demonstrating Sodecia's clear commitment to this type of technology, which allows entry into groups of high value-added parts.

Increase in volumes for Honda two-wheelers – Manaus/Brazil

Our client Honda, the leader in the two-wheeler market in Brazil, anticipates a substantial increase in volumes to be produced over the next two years, and our Manaus unit has undergone a series of modernisation and capacity expansion investments, which will continue throughout 2024. The investment made in CNC tube bending and 3D laser cutting machines is also noteworthy.

VW Group Electrical Platform Floor – Saarlouis and Oelsnitz/Germany

In previous years, approximately €28 million have already been invested in this project. During 2023, a further €2 million were invested, primarily in the new industrial building, which began construction in 2022. This brings the total investment to €30 million.

New industrial unit – Pretoria/South Africa

For this project, which already reached 85% of contracted volumes and in which around €22.4 million have already been invested by the end of 2022, a further €1.5 million were allocated during 2023. This investment was primarily directed towards special packaging systems and increasing productivity in projection welding (nuts and bolts).





Restructuring of the SODECIA Group



Internal restructuring processes

(a) The entire share capital of Sodecia Safety & Mobility Product Competence Center GbmH was transferred from Sodecia Safety & Mobility Oelsnitz, GmbH to Sodecia Safety & Mobility International GmbH. This operation took place through a share purchase agreement.

Therefore, this PCC, as a unit that is independent from all industrial units, is now directly dependent on the Division's holding company and provides services to all industrial units.

(b) All assets held by the Oelsnitz branch of Sodecia Automotive Saarlouis GmbH were sold to Sodecia Safety & Mobility GmbH through an asset purchase agreement.

With this operation, Sodecia Safety & Mobility GmbH became equipped with all the necessary assets to develop new activities in the Body in White field, fully meeting the requirements of the new programmes dedicated to electric vehicles, while transforming its industrial scope.

(c) Sodecia Technology Internacional, SA, which encompassed two branches of activities, namely holding (administration, management, supervision, monitoring, advisory, administrative services, strategic and organisational planning of projects, businesses, and investments for the industry, directly or through companies of the group), and innovation and products (carrying out studies, research, and evaluation of new technologies, products, prototypes, software, and production processes for the industry), underwent a comprehensive restructuring.

Therefore, the company name was changed to Sodecia SM Research & Inovation Portugal, S.A., and its corporate object was also changed.

Subsequently, the company underwent a split, separating the two aforementioned branches of activity and incorporating a new company. Due to the split, Sodecia SM Research & Inovation Portugal, S.A. became exclusively engaged in the activity of innovation and products, while the newly incorporated company, Sodecia Technology



International, SA, is now exclusively dedicated to the aforementioned holding activity.

(d) Rigorosa Tools Lisbon, SA changed its company name to Sodecia Global Tech and Automation Center Europe, S.A., along with its corporate object, which became to manufacture, trade, Import and Export products, services and systems for the automation of machinery, equipment and industrial processes.

With this move, the company is now dedicated to activities similar to the GTAC (Canadian company) but with a focus on the European market.

Acquisition Process

Sodecia Participações Sociais, SGPA, SA acquired 318,922 (three hundred and eighteen thousand nine hundred and twenty-two) shares of the share capital of Sodecia Automotive International, SA from M.I.L. Matinvestments Limited.





SODECIA PROFILE



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values

If a good vehicle is the result of all the parts that compose it, we can say that we are the fruit of the set of values, products, and pillars that solidify us as a brand.

Adding value *to you*



SODECIA PROFILE



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Growing The Business

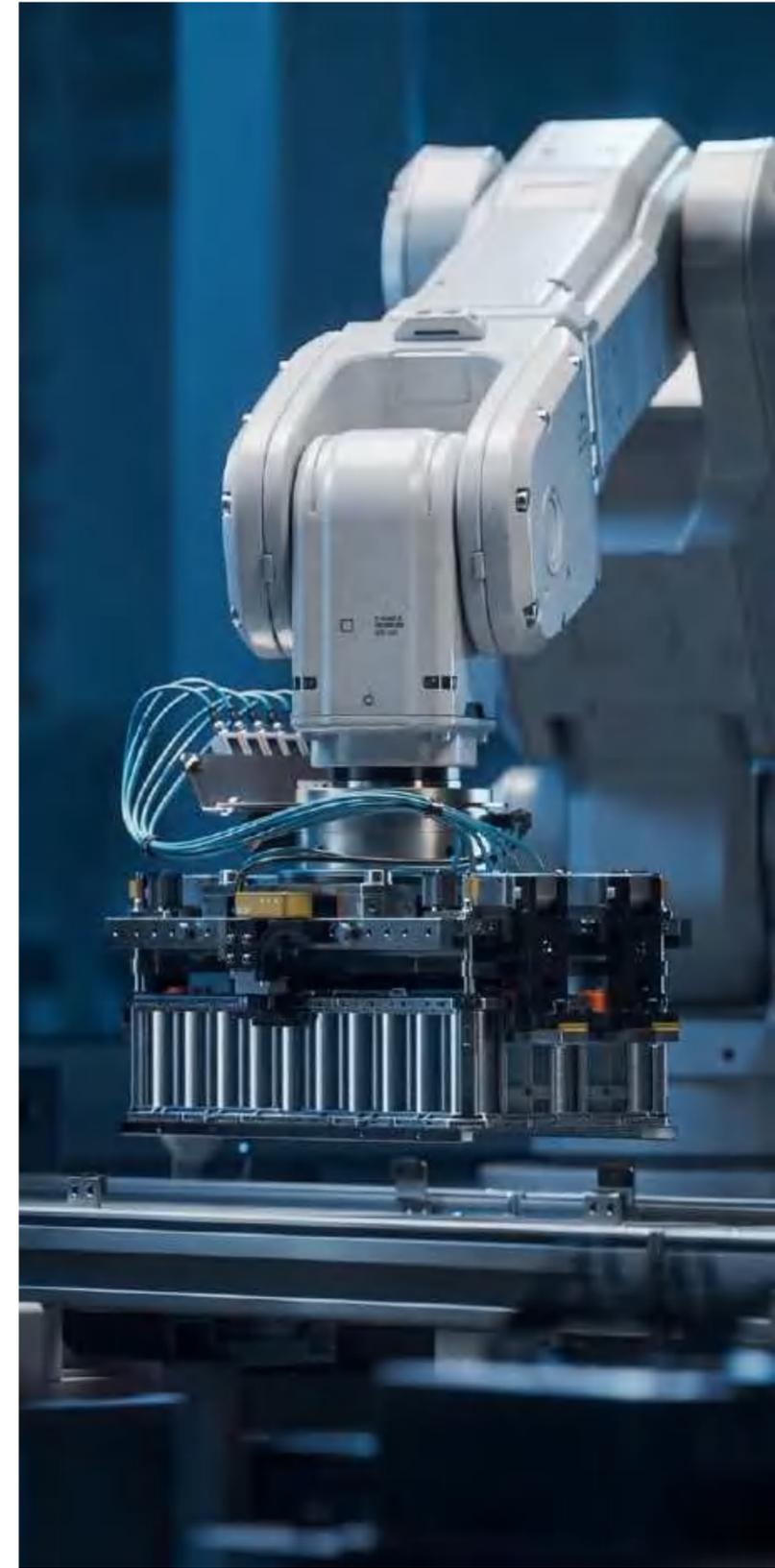
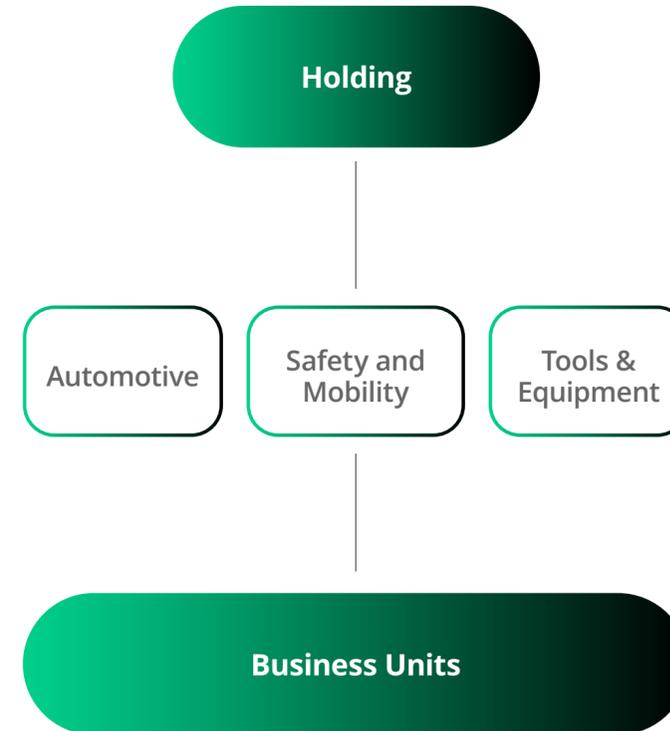


SODECIA is an industrial Group founded in 1980 that operates worldwide as a full-service supplier in the automotive industry.

1.1 About us

SODECIA is an industrial group founded in 1980 that operates worldwide as a full-service supplier in the automotive industry by developing and producing stamping assemblies in products, such as structural Body in White (BiW) parts, safety systems, powertrains, chassis and others. SODECIA has three main divisions: Automotive, Safety & Mobility and Tools & Equipment.

As a partner of major automotive OEMs worldwide, SODECIA seeks to provide integrated product solutions that meet its customers' most demanding requirements, constantly adding value to their challenges, exceeding their expectations and being part of their success.





As a partner of major automotive OEMs worldwide, SODECIA seeks to provide integrated product solutions that meet its customers' most demanding requirements.

Our strengths



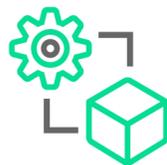
Global Presence

Strategic positioning that allows us to deliver services and logistics footprints according the global market customers needs.



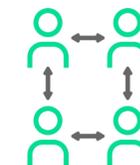
Social Responsibility and Sustainability

Part of our corporate strategy, it is what drives our passion to improve across all our locations, while respecting the environment and making positively impacting in our communities.

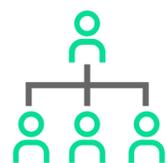


Product Competence Centres

Focused and significant investment in engineering and Research & Development ensuring product innovation in each division.



Long-term and solid relations with stakeholders



Organisation

Strong and empowered individual management teams in each Business Unit giving fast and effective answers to our customers.



Management Model

Strong management model, allows us to monitor constantly on our 4 main pillars, growing the people, growing the business, growing the results and growing the sustainability.



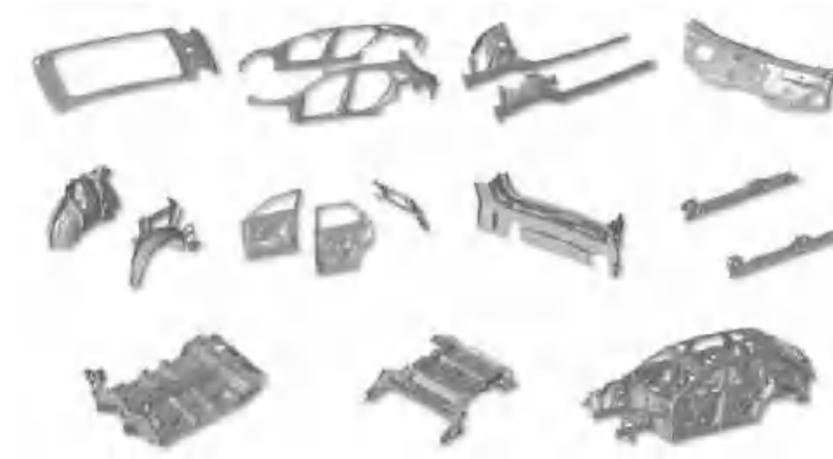
SODECIA PROFILE





Using state-of-the-art equipment and technology, SODECIA can perform the most important and commonly requested services in the automotive area.

Body in white products



Safety system products



Our capabilities

Using state-of-the-art equipment and technology, SODECIA can perform the most important and commonly requested services in the automotive area, from research and development for products and processes to simulations, design and manufacturing of tools, cold and hot stamping of steels (mild, conventional high-strength, advanced high-strength and press-hardened) and aluminium (1000, 5000 and 6000 series), roll forming, fine cutting, plastic injection, wire and tube bending, CNC machining, surface treatment and even laser, projection, spot and arc (MIG, MAG) welding, brazing, riveting, assembling and testing.

Powertrain products



Tools & Equipment



SODECIA PROFILE





1.2 Our locations



SODECIA PROFILE



13 Countries

SODECIA can be found in 13 countries and five different regions: Europe, Africa, South America, North America and Asia.



Global Presence

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SODECIA PROFILE



Automotive

Europe

- 2 Italy
- 1 Spain
- 2 Germany
- 1 South Africa
- 1 Czechia
- 2 Slovak Republic
- 1 PCC, Slovak Republic

North America

- 2 USA
- 2 Canada
- 1 Mexico

South America

- 2 Brazil

Tools & Equipments

Europe

- 1 Portugal
- 1 Germany

North America

- 1 Canada

Safety & Mobility

Europe

- 2 Germany
- 1 Czechia
- 1 Portugal
- 1 PCC, Germany

Asia

- 2 India
- 1 China

North America

- 1 USA

Joint Ventures

Asia

- 1 Thailand

SODECIA's business units, with different areas of focus, are supported by two Product Competence Centres (PCC),

one in Slovakia focused on the Automotive Division and one in Germany focused on the Safety & Mobility Division, plus a Technical Automation Centre (GTAC) in Canada which, together with its headquarters in Porto, Portugal and sales offices, allow the SODECIA Group to offer comprehensive services and provide its customers with the best solutions for their needs in different regions of the world.



SODECIA continues to invest in Product Competence Centres (PCC), created to develop differentiating value propositions for the automotive and mobility industry, adjusting products and processes to respond to the global market.

1.3 Our Products

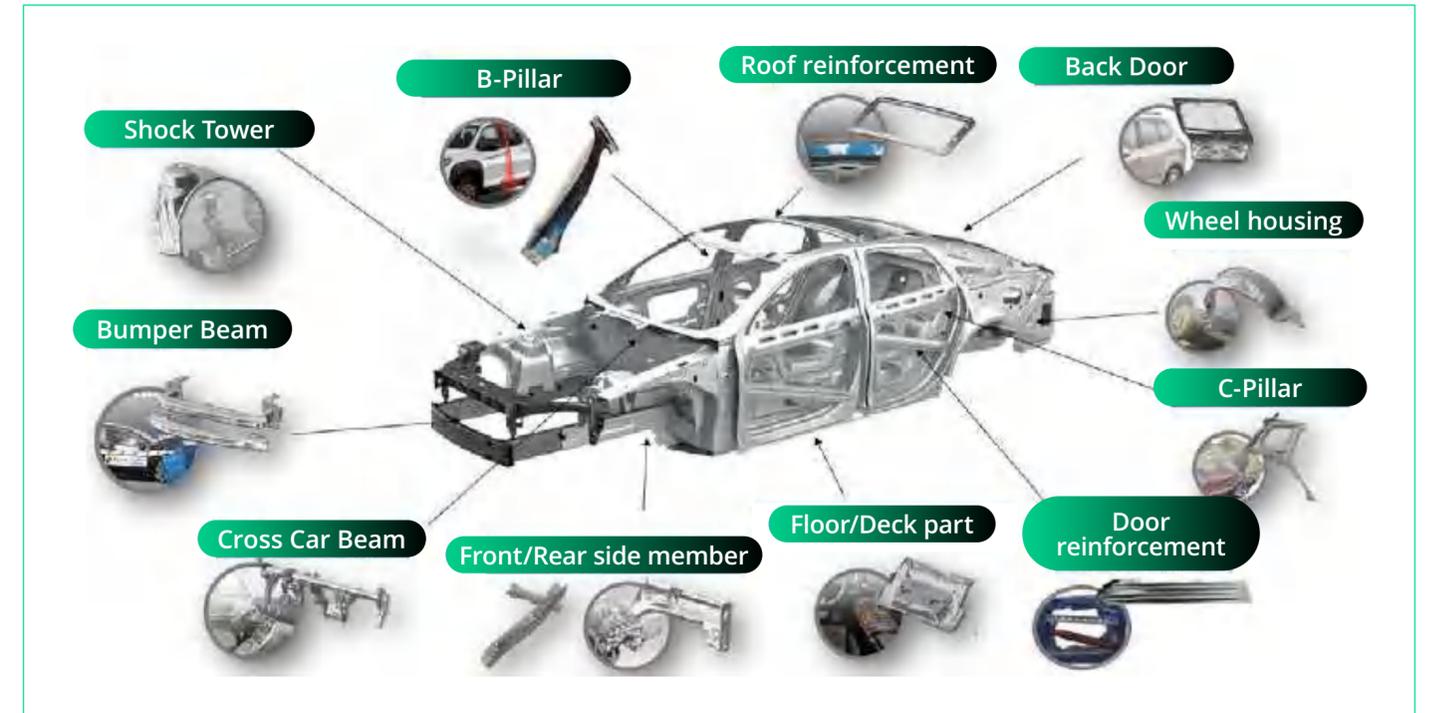
The Group, within its business sustainability development process, integrated in the automotive industry market, seeks to ensure that its products follow a sustainable life cycle to meet the expectations of markets and customers, contributing to a better future.

Recycling, reduction in the emission of pollutant gases, safety, and low energy use are now the main goals in the development of the automotive industry. In this context, the search for new solutions in the field of materials and, consequently, transformation processes is a reality in the day-to-day life of the entire production chain, leading to unprecedented changes in the industry, both in the form and quantity of application of lighter and more durable materials, such as advanced high-strength and pressure-hardened

steels, aluminium, composites, high-strength plastics, and alloy steels with different mechanical properties. Production processes have also undergone significant changes, with the necessary changes to be able to embrace the new materials and their specificities. The main examples of this are hot stamping, hydroforming, winding, laser welding, riveting, and others.

The strategy involves in-depth knowledge of the products used by our customers, their present and future needs, and the personalised development of solutions, including manufacturing, product use, and end-of-life, ensuring the translation of these technical needs into economic value for the Group.

It is in this context that SODECIA continues to invest in Product Competence Centres (PCC), created to



develop differentiating value propositions for the automotive and mobility industry, adjusting products and processes to respond to the global market.

The challenge is based on guaranteeing the development of activities that, in an organised and time-distributed manner (APQP), are supported by the company's specialised resources, in this case, the Engineers, with the support of Computer-Aided Engineering (CAE) tools, with virtual design means (CAD), supported by finite element simulation (FEM), for example, stamping simulations, welding simulations, structural static analyses, collision simulations, thermal simulations, modal analyses, and others.

The goal is to go through the normal development cycle of a product, from its initial stage of conception

and three-dimensional graphic modelling, to the stages of product validation, process definition, and implementation, always analysing and criticising the technological level to be applied, thus ensuring the expected product performance and profitability that will ensure the continuity of the research and development work.

The Product Competence Centres (PCCs), along with the Group's various units, interact with the engineering departments of specific customers and suppliers, ensuring the use of best practices and knowledge throughout the process. PCCs also have laboratories for product testing and qualification. In innovation, issues such as intellectual property are taken into account, both in legal matters and in protecting the ideas developed.

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SODECIA PROFILE





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Some of the activities and projects contributes directly towards the sustainability of the product's entire life cycle, when 100% recycled and reusable materials are used in its design.

As an example of some of the activities and projects developed in this scope, we highlight a product family focused on reducing the weight of a component to meet the requirements of a customer's specifications. Weight reduction, which ensured customer satisfaction and met all applicable requirements, also contributes directly towards the sustainability of the product's entire life cycle, when 100% recycled and reusable materials are used in its design. Weight reduction results in a direct competitive, economic and sustainability advantage with the use of fewer raw materials, helping to reduce the impact of carbon emissions, and is now a commitment assumed by our company.

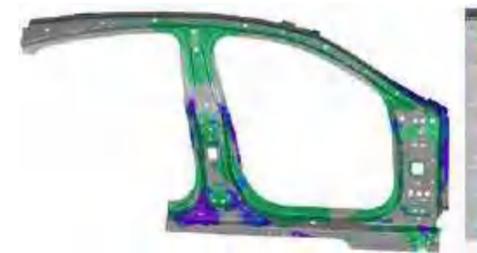
Tailor Welded Blanks (TWBs) offer our customers a product with a focus on added value, such as weight reduction, raw material consumption and energy consumption (sustainability). TWB parts can have different thicknesses and material grades according to part requirements. In addition, patchwork blanks are produced together with TWBs for part stiffening. Parts such as roof panels and door rings combine the highest possible safety requirements with economical lightweight construction.

The company's focus on producing complex assemblies and using hot forming material and technology in automotive applications, such as floor assemblies, for a wider range of customers is a strength of our company. Sodecia can produce hot formed parts with soft zones for better part ductility or energy absorption. For floor assemblies, Tailor

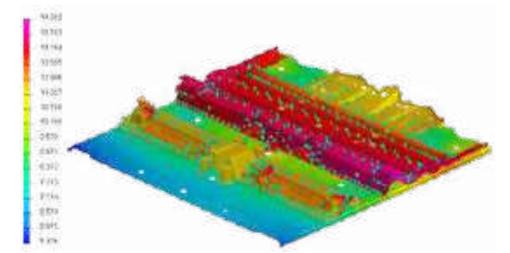
Rolled Blanks (TRBs) are also produced at Sodecia for our customers. TRB parts can have different thicknesses with the same material grade. The advantages of TRBs are similar to those of TWBs.

The portfolio has been diversified and expended based on automotive industry experience in producing parts for motorcycles – the use of simulations and technologies in the production of tube systems, e.g., cross car beam assemblies.

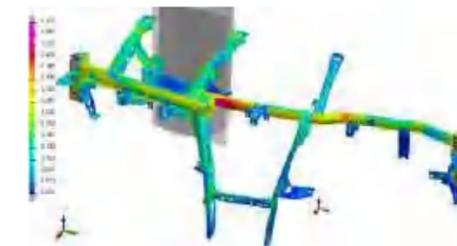
All parts produced are reported to the International Material Data System (IMDS). In the IMDS, all materials used in automobile manufacturing are collected, maintained, analysed and archived. Using the IMDS, the obligations placed on automobile manufacturers (and thus on their suppliers, per national and international standards, laws and regulations) can be met.



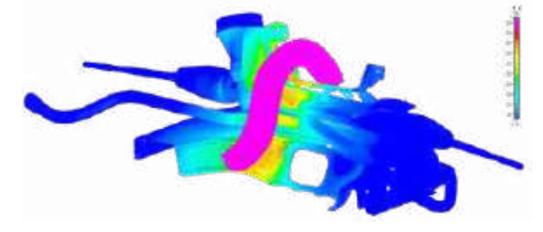
TWB hot forming simulation of door ring



Spot welding simulation of floor assembly



Crash performance simulation of cross car beam



Thermal simulation of heat shield





The Safety & Mobility Division's business is primarily focused on four areas: cross car beams, safety (which includes components of the seat belt system and cargo tie down loops), engines and extrusion and, finally, powertrains (both for IC and for EV).

Some examples of projects done in the Automotive (BiW) division include those associated with floor assemblies, wheel housings, A-, B-, C-, D- pillars, door reinforcements, bumper beams and heat shields.

In addition, tube bending is a significant technology for developing tubes, which are the most important parts for cross car beams, vehicle front-end structures and exhaust pipes. Therefore, a simulation of this technology is important for circular and non-circular tube development and manufacturing.

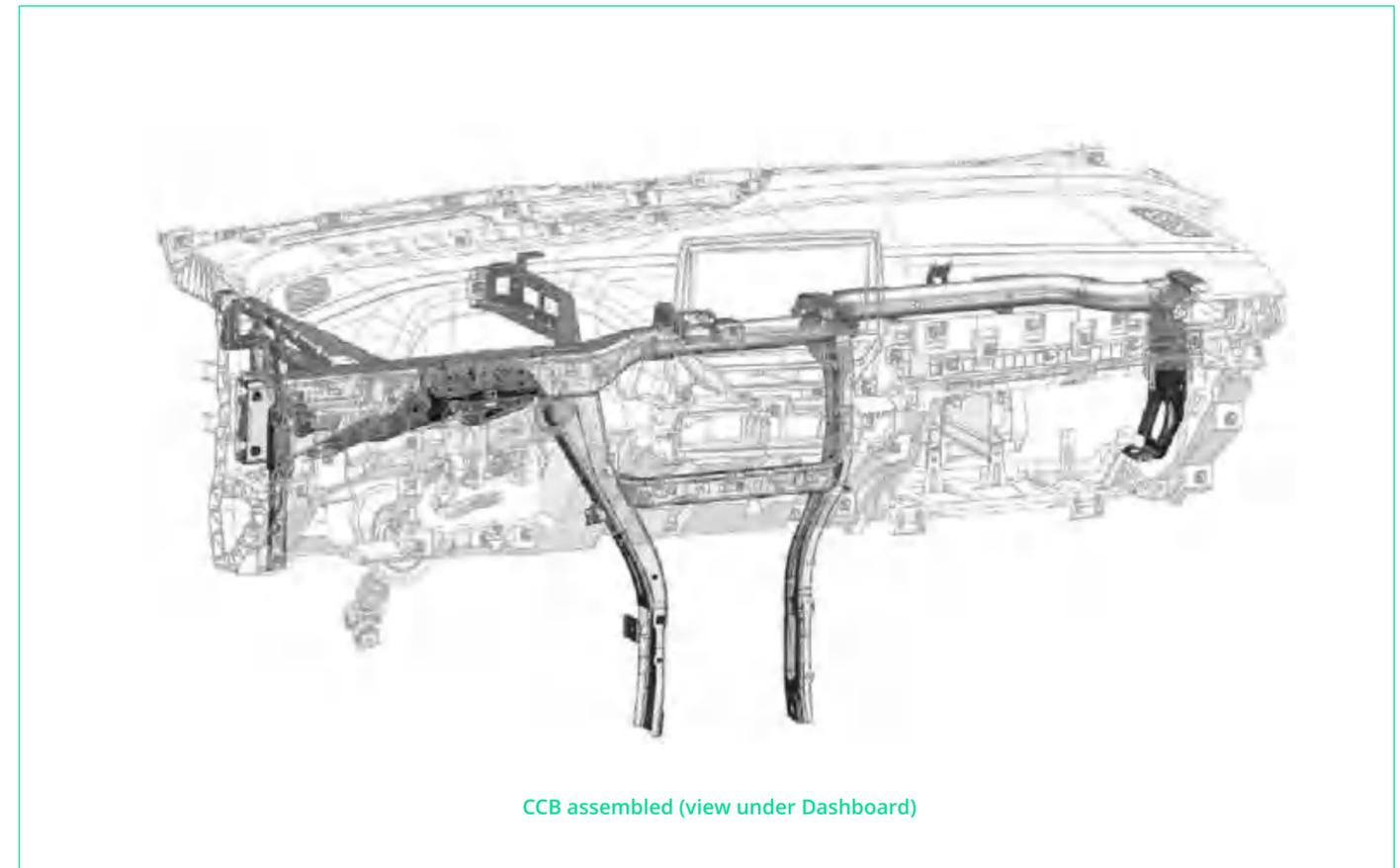
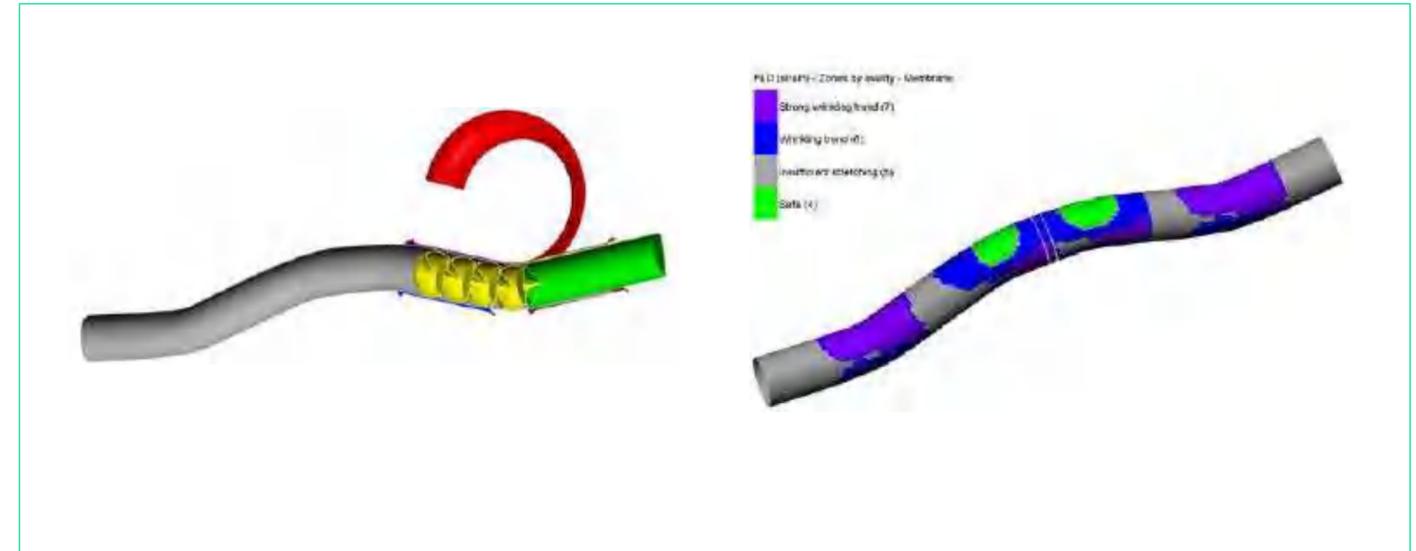
The Safety & Mobility Division's business is primarily focused on four areas: cross car beams, safety (which includes components of the seat belt system and cargo tie down loops), engines and extrusion and, finally, powertrains (both for IC and for EV).

Our Product Competence Centres share a common structure and departments, aimed at monitoring and succeeding by understanding market trends in developing new products, as well as implementing, standardising and optimising new manufacturing processes.

Two departments support product development: Research and Development (R&D) and Product

Development (PD). While R&D focuses on products to come and improvements to our product portfolio, PD focuses on creating the product best suited to the customer's needs. In both cases, all OEM technical requirements such as geometries, specifications and standards are met in order to ensure final product functionality as well as customer satisfaction. To this end, it uses CAD tools to enable modelling, in a virtual environment, of the solutions developed, including the corresponding graphic visualisation and interactions with the surrounding components.

Various CAE tools are available in our R&D and PD departments and are now essential in supporting decision-making. Virtual validation, which with regard to structural noise - vibration - harshness (NVH) or thermal analyses evaluates the solution developed in its usage requirements, and process simulations (cold or hot sheet metal stamping, tube bending, welding), which assesses the feasibility of the geometry by reproducing the selected processes, are used intensively, helping to lower development costs by anticipating and avoiding potential problems that would otherwise only be found in production.

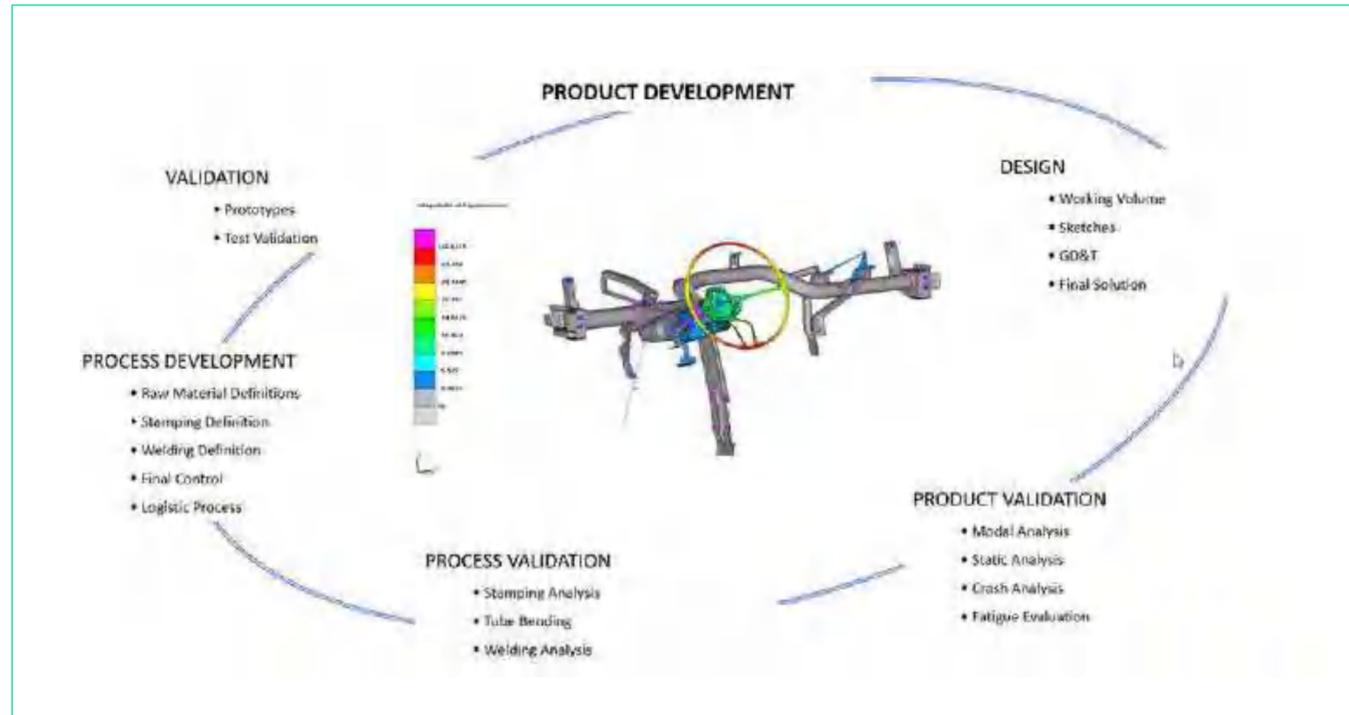


CCB assembled (view under Dashboard)



SODECIA PROFILE





Sodecia understands that making its products more dynamic and offering customers more added value is the path towards improved business sustainability and higher customer cooperation.

in the automotive sector. For Internal combustion engines, this is due to the need to improve fuel efficiency. For electric vehicles, weight also affects vehicle autonomy, and until full decarbonisation of the electricity grid is achieved, consumption still has an important role to play in the vehicle's CO₂ emissions throughout the usage phase.

As such, Sodecia provides innovative solutions to offer the best weight-reducing results and to meet the strictest requirements in the sector. To achieve this goal, several directions are pursued, such as decreasing the thickness of parts, using hybrid

concepts (mixing different materials such as steel, aluminium, plastic, etc.), optimising the characteristics of the part through optimum material performance and changing manufacturing process technologies, among others.

For each product, an overall roadmap will be followed for years to come. Sodecia understands that making its products more dynamic and offering customers more added value is the path towards improved business sustainability and higher customer cooperation.

The roadmap of products to come is shown below:



Sodecia's development is done with a view to creating lighter vehicle parts. Weight and CO₂ reduction are currently some of Sodecia's main research areas.

For this reason, all product development activities are supported by CAD tools for data verification in terms of potential design optimisation, product and process simplification and concept design, seeking the best performance in process manufacturing.

Transport optimisation is today increasingly more relevant in streamlining design for transport needs. This kind of optimisation helps to enhance overall transport use, with transport reduction and a significantly lower carbon footprint.

Sodecia's development is done with a view to creating lighter vehicle parts. Weight and CO₂ reduction are currently some of Sodecia's main research areas. These are among the most in-demand requirements



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SODECIA PROFILE





01

In SSM PCC (Safety & Mobility PCC), the R&D area has been developing and supporting key activities focused on overall product and process optimisation. These activities can be done using solely internal resources, although not exclusively. To ensure efficient access to technologies and trends, developments are often done in partnership with major universities, technical institutes or technology specialists. The Intellectual Property resulting from these activities often leads to Patent Registration.

02

One of the bases for this activity is simulation (as previously mentioned), together with the use of prototyping technologies. This is supported by 3D print solutions as a fast and accurate means to achieve our concept prototype solutions to reduce time-to-market, material consumption and overall process energy that directly impacts CO₂ carbon neutral reduction, as consumption can be reduced.

03

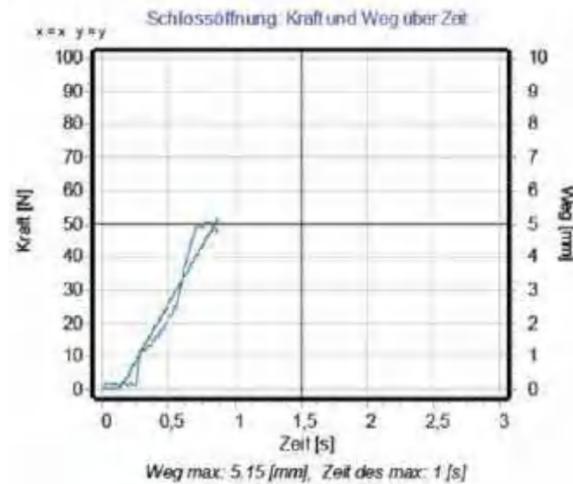
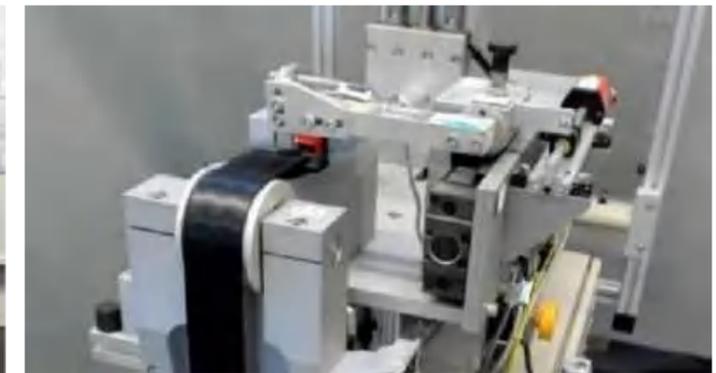
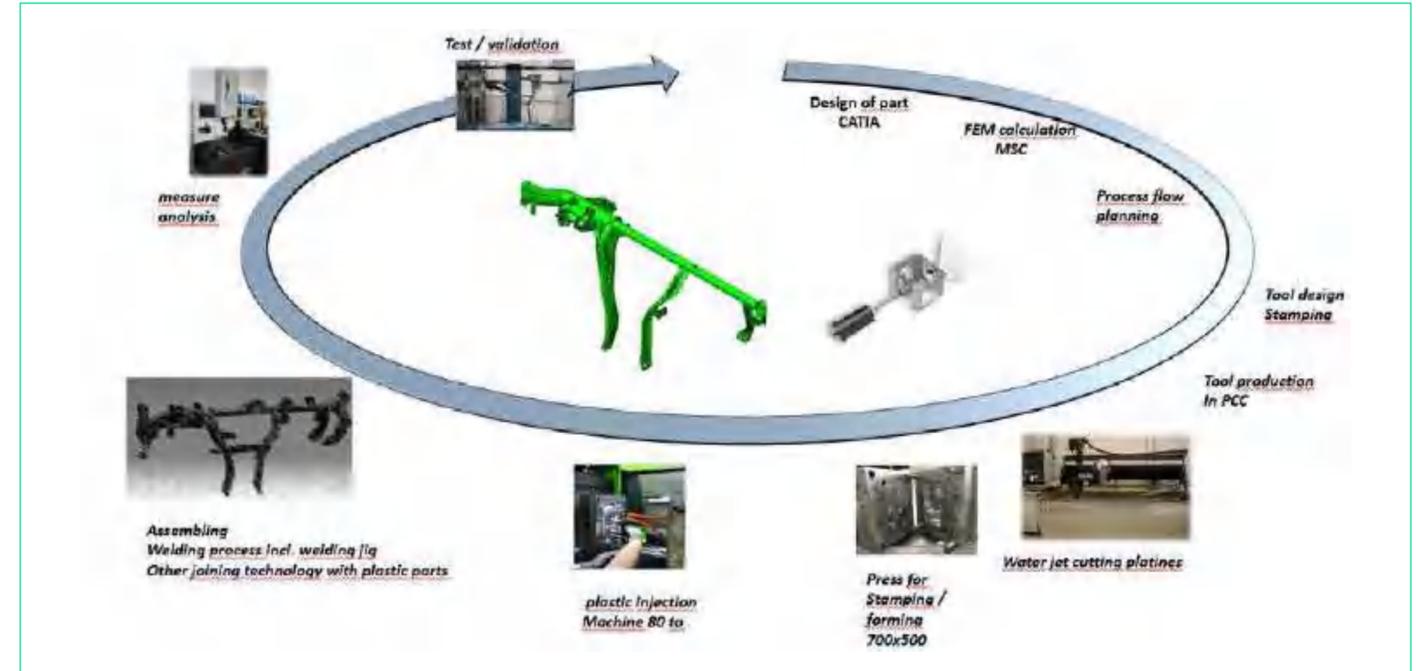
The prototype development circle is represented and summarised by the following circle of a full-service

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supplier, from “white paper” to prototyping, testing and validation.

To supplement our core activities in SSM PCC, there is a laboratory with a large portfolio of manufacturing and test machines, providing crucial specific product and process validation support in the development and approval stage to move forward with the best concepts, enabling the performance of validation and qualification tests to not only ensure the success of the project at the product level by analysing results achieved in mechanical requirements, but also to ensure that the process is able to produce and repeat these characteristics, also promoting the link with serial process simulation. Dedicated laboratory equipment enables the performance of validation and qualification tests to not only ensure the success of the project at the product level by analysing results achieved in mechanical requirements, but also to ensure that the process is able to produce and repeat these characteristics.

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The Sodecia Group has a special division for cold- and hot-stamping tools, checking and measuring jigs – Sodecia Global Vendor Tooling (SGVT), which cooperates with tool shops and suppliers around the world.

New materials and different types of production technologies are also tested in our own laboratories for future usage in serial production.

When considering the Process, the Manufacturing Engineering Department prepares and implements detailed definitions of the manufacturing procedure, capitalising on the best solution that is most balanced from an economical and technical standpoint. To achieve this result, all best practices (as well as less successful ones) are taken in account to ensure the best production outcome in a capable and repetitive manner.

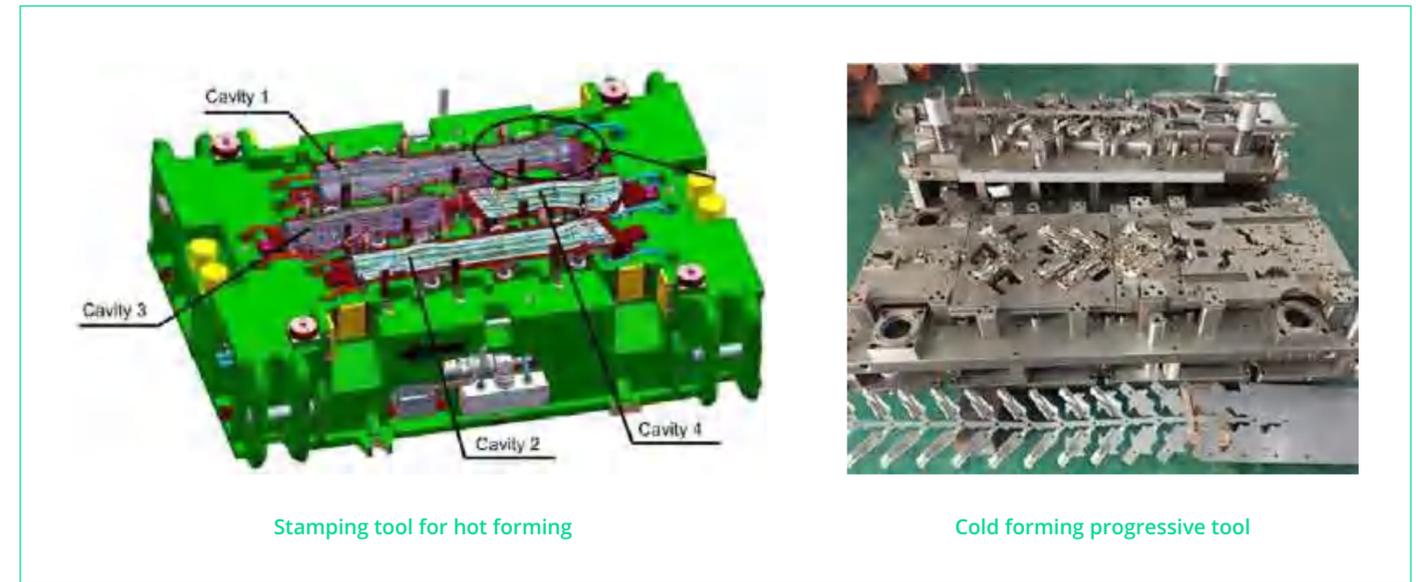
Therefore, the Process and Manufacturing Engineering Department remains in close contact with Production Sites, and participates in Continuous Improvement and Kaizen Activities, always focusing on improving Quality and Performance. Training for new and changed processes for production site staff is also part of this department's scope, ensuring the necessary transfer of knowledge.

The Sodecia Group has a special division for cold- and hot-stamping tools, checking and measuring jigs – Sodecia Global Vendor Tooling (SGVT), which cooperates with tool shops and suppliers around the world.

The Sodecia Group also has an operation, the Global Tech & Automation Center (GTAC) in Canada, fully dedicated to the research, development and manufacturing of automated production equipment and assembly lines for different types of serialised products, using different technologies (welding, riveting, etc.). This team acts globally in a direct manner, integrated into the Group's multiple project teams, covering all phases of the industrial processes' development.

Since its establishment in 2013, always striving to be a market leader, the Sodecia Group invests in and operates the **Global Tech & Automation Center (GTAC)**, located in Canada and Portugal. The purpose of this division is to conduct research and development in the latest technologies, positioning Sodecia with the most efficient and sustainable manufacturing systems throughout its operations in the business units.

GTAC is fully dedicated to the pursuit of high-end manufacturing technologies, developing industrial automation throughout the industry 4.0/5.0 concept, with a portfolio that includes R&D, engineering, robotic systems, vision systems, autonomous equipment and testing machines to produce structural parts, safety components and complex assemblies for a wide range of industries.



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SODECIA PROFILE





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SODECIA PROFILE



GTAC Products

GTAC is fully dedicated to the pursuit of high-end manufacturing technologies, developing industrial automation throughout the industry 4.0/5.0 concept.

At GTAC, a focus on automation is geared towards elevating manufacturing technologies and industrial automation to unprecedented heights. What makes GTAC stand out is its diverse portfolio featuring everything from large multi-process assembly lines to high-volume complex assembly centres and even vision-guided autonomous machines. This means that GTAC can significantly boost companies' production capacities, while simultaneously maintaining top-notch quality and superior overall efficiency.

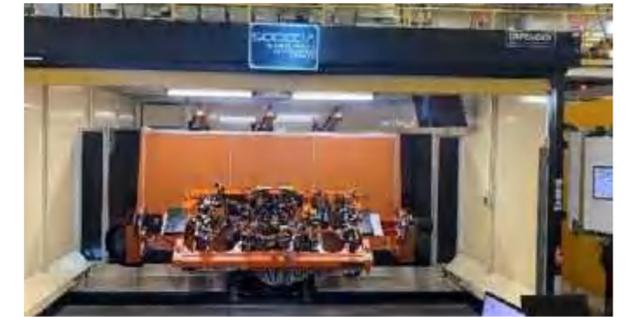
LARGE MULTI-PROCESS ASSEMBLY LINES

Designed for exceptional productivity, GTAC's assembly lines are a testament to precision engineering and innovation. Systems that integrate multiple processes, from rough machining to quality control, ensure the flawless assembly of complex products.



STANDARD FLEX CELLS

Equipped with advanced technology, a user-friendly interface and top-of-the-line safety features, GTAC's standardised cells ensure consistent, high-quality welds. Modular designs can easily adapt to any specific needs, allowing for seamless integration into customers' existing manufacturing processes.



HIGH-VOLUME COMPLEX ASSEMBLY CENTERS

GTAC's complex high-volume assembly centres are the perfect solution for companies seeking to boost their production capacity, maintain the highest quality standards and enhance their overall efficiency.



VISION GUIDED AUTONOMOUS NUT WELDING

Working independently with a small footprint, GTAC's vision-guided nut welding systems precisely locate multiple parts and weld nut configurations for operator-free sub-assembly using minimal machinery.





By choosing GTAC, companies not only gain access to innovative technology and solutions, but also become part of a network that is dedicated to their success and to the planet.



People Development: Empowering Growth

One outstanding aspect of partnering with GTAC is access to tailor-made training services designed to meet the specific unique needs of each company and its associates, ensuring that they get the most out of their collaboration with GTAC.

along the way. Some notable long-term partners in Canada include Beckhoff, Fronius, Graco, Kuka Robotics, Obara, WTC and universities.

Teamwork, Partnership and Sustainability

GTAC is proud of the incredible work being done by its team, and the strong partnerships they have built

These partnerships are a testament to GTAC's commitment to thriving and continuously pushing the boundaries of innovation, while ensuring that this goes hand-in-hand with environmental responsibility, creating a future where technological advancements can coexist harmoniously with sustainable practices.

By choosing GTAC, companies not only gain access to innovative technology and solutions, but also become part of a network that is dedicated to their success and to the planet.



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SODECIA PROFILE





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SODECIA PROFILE



Certifications

SODECIA AUTOMOTIVE MANAUS LTDA. excels in the production and sale of metal components for motorbikes and cars, using advanced processes such as stamping, welding, painting, and assembly. The company ensures the quality of its products by complying with the requirements of NBR ISO 9001:2015, verified by audits. In addition, the NBR ISO 14001:2015 certification reflects SODECIA's environmental commitment, attesting sustainable practices and social responsibility. With this, SODECIA AUTOMOTIVE MANAUS LTDA. reinforces its position of excellence in the automotive and motorbike market, meeting high standards and promoting customer satisfaction.

SODECIA MINAS GERAIS INDÚSTRIA DE COMPONENTES AUTOMOTIVOS LTDA. excels in the manufacture of stamped parts, welded assemblies, and tube cutting and bending for the automotive industry. The company is certified according to the ISO 14001:2015 standard, once again attesting its commitment to sustainable environmental practices. Additionally, it meets the strict standards of the IATF 16949:2016 Edition 1 standard, consolidating its excellence in the production of automotive components. SODECIA MINAS GERAIS thus reinforces its commitment to quality and sustainability in the automotive sector.

Sodecia Certifications



ISO 9001

Quality Management

Quality management principles, including a strong customer focus, the motivation and involvement of top management, the process approach, and continuous improvement.



ISO 14001

Environmental management

Provide assurance to the company's management and employees, as well as external stakeholders, that the environmental impact is being measured and improved.



IATF 16949

Quality Management Systems

Defines the quality management system requirements for the design and development, production, and, where relevant, installation and service of automotive products. ISO/TS 16949:2009 is applicable to the company's sites where customer-specified parts are manufactured for production and/or service.



ISO 45001

Occupational health and safety management systems

Specifies requirements for an occupational health and safety (OHS) management system and provides guidance for its use, to enable companies to provide safe and healthy workplaces, preventing work-related injuries and ill health, as well as proactively improving their OHS performance.



ISO 50001

Energy management

Designed to support companies in all sectors, this ISO standard provides a practical way of improving energy use through the development of an energy management system (EMS).



ISO 27001

Information security management (T-SAX)

Its general principle is that the company adopts a set of requirements, processes, and controls with the goal of adequately mitigating and managing its risk.



HIGHLIGHTED INITIATIVES

BRAZIL

Quality Week 2023

With the goal of carrying out processes with self-control and recording results in order to achieve excellence in product quality, 'Quality Week 2023' was held at SAMAN between 23 and 27 October, with various events such as lectures presented by Honda, competitions, the distribution of gifts, informative exhibitions, and meritorious award ceremonies. These activities not only reinforced the quality culture in the company, but also underlined SAMAN's ongoing commitment to excellence in all its processes.

These activities not only reinforced the quality culture in the company, but also underlined SAMAN's ongoing commitment to excellence in all its processes.



Quality Week SAMGR 2023

Quality Week SAMGR 2023' stood out with several events, including informative webinars, practical workshops, and interactive showrooms. With a turnout of over 89%, more than five hours of lectures and six remote learning courses, the initiative was attended by more than 400 employees and partners. This event not only met but exceeded expectations, reinforcing SAMGR's commitment to quality and continuous development.



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HIGHLIGHTED INITIATIVES

BRAZIL



SMS WEEK 2nd EDITION | 2023

During 'SMS WEEK 2nd EDITION | 2023', a series of SMS training games took place, promoting an educational and interactive environment. Games that stood out included a board game aimed at training the logistics MOI, an inspection table game to sharpen our employees' perception in identifying compliant and non-compliant parts, and games related to the QC Pillar. Involving this dynamic, the initiative included a proposed Kaizen campaign, an innovation stand, and offered 13 hours of training to indirect employees, with the participation of partners such as ESAB, WEBER, Fronius, SODECIA, and Sustentare. This event reinforced the company's commitment to continuous training and the promotion of innovative practices in the workplace.



SIPATMA 2023 SODECIA – Sete Lagoas

From 13 to 16 November 2023, the 'SIPATMA 2023 SODECIA – Sete Lagoas' initiative focused on promoting employee safety and well-being. The highlight was a talk on risk perception, with the special participation of the families of a few employees. The event also included Sipatma 2023 Bingo and various safety dynamics. There was a significant turnout on the first day with 491 employees, followed by the second day with 245, the third day with 213, and concluding with 155 on the last day. This initiative not only reinforced the importance of safety, but also strengthened the spirit of cooperation and mutual care in the SODECIA – Sete Lagoas community.

There was a significant turnout on the first day with 491 employees, followed by the second day with 245, the third day with 213, and concluding with 155 on the last day.

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SODECIA PROFILE





STRATEGIC
CONTEXT



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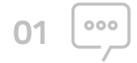
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vision

We believe in our vision for the future, working strategically to achieve all that we can see on our horizon.

Adding value *to you*

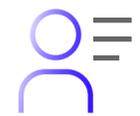


STRATEGIC
CONTEXT



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Strategic Context

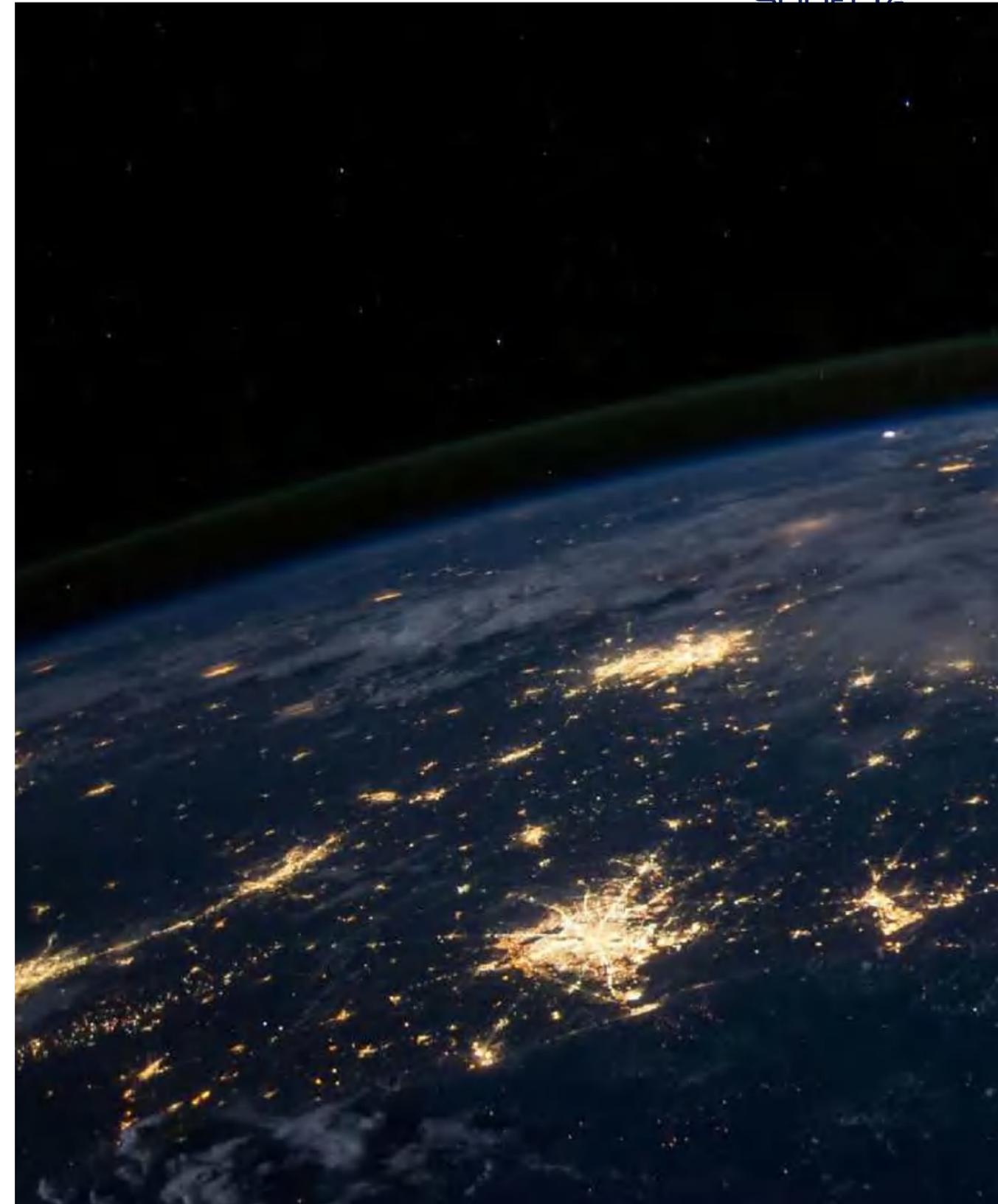


The year 2023 was marked by the challenges connected to the persistent inflation in a context of moderate growth prospects, with the world's main central banks raising their benchmark interest rates, tightening monetary policy.

2.1 Macroeconomic Context

The year 2023 was marked by the challenges connected to the persistent inflation in a context of moderate growth prospects, with the world's main central banks raising their benchmark interest rates, tightening monetary policy. Geopolitically, the war in Ukraine continued throughout the year, and in early October a new large-scale military conflict broke out, this time in the Middle East, after the terrorist group Hamas carried out an unexpected attack in Israel.

The global economy expanded at an annualised rate of 3.1% in the first half of 2023, compared to 2.8% in the second half of 2022. Thus, economic growth, although slightly stronger than previously expected for 2023, can be considered moderate, as the impact of tighter financial conditions, weak growth in international trade, and lower business and consumer confidence has been felt more intensely. Growth has slowed in many advanced economies, especially in Europe, where the importance of bank financing is relatively high and where the impact of rising energy costs has been especially strong. Activity was hit hardest in interest-sensitive sectors, namely in property markets and in economies dependent on bank financing.





Growth has slowed in many advanced economies, especially in Europe, where the importance of bank financing is relatively high and where the impact of rising energy costs has been especially strong.

 Inflation in services continued to be more rigid than inflation in goods since wages are generally the main cost of production in services and because there remained a preference for consuming services over goods

However, household consumption remained better than expected in the advanced economies and continued to expand steadily in most of the major emerging market economies. While unemployment rates have remained low, signs of a slowdown in the labour market have begun to emerge in several economies, including a slowdown in job growth, falling resignation rates, fewer vacancies, and, in some cases, a slight rise in unemployment rates. Nominal wage growth began to slow in many economies, but unit labour cost growth remained high due to weak productivity growth.

Inflation fell in almost all economies, largely due to base effects and easing energy prices, relieving pressure on household incomes. Core inflation, however, remained relatively high. Inflation in services continued to be more rigid than inflation in goods since wages are generally the main cost of production in services and because there remained a preference for consuming services over goods. Inflation related to the expansion of margins was more permanent in non-tradable goods and services in general. Financial

AVERAGE 2013-2019 2022 2023 2024 2025 2023 Q4 2024 Q4 2025 Q5

Per cent

	AVERAGE 2013-2019	2022	2023	2024	2025	2023 Q4	2024 Q4	2025 Q5
Real GDP growth¹								
World ²	3,4	3,3	2,9	2,7	3	3	2,9	3
G20 ²	3,5	3	3,1	2,8	3	3,2	2,9	3
OECD ²	2,3	2,9	1,7	1,4	1,8	1,7	1,5	1,9
United States	2,5	1,9	2,4	1,5	1,7	2,4	1,3	1,9
Euro Area	1,9	3,4	0,6	0,9	1,5	0,5	1,1	1,6
Japan	0,8	0,9	1,7	1	1,2	1,6	1,4	1,1
Non-OECD	4,4	3,6	4	3,8	4	4,1	4	3,9
CHINA	6,8	3	5,2	4,7	4,2	5,5	4,4	4,1
INDIA	6,8	7,2	6,3	6,1	6,5			
BRAZIL	-0,4	3	3	1,8	2			
OECD unemployment rate⁴	6,5	5	4,8	5,1	5,1	4,9	5,1	5,1
Inflation¹								
G20 ²⁻⁵	3	7,9	6,2	5,8	3,8	5,4	4,5	3,4
OECD ⁶⁻⁷	1,6	9,3	7,4	5,3	3,9	6,4	4,3	3,6
United States ⁶	1,3	6,5	3,9	2,8	2,2	3,2	2,5	2,1
Euro Area ⁸	0,9	8,4	5,5	2,9	2,3	3,2	2,6	2,1
Japan ⁹	0,9	2,5	3,2	2,6	2	3	2,1	2,1
OECD fiscal balance¹⁰	-3,2	-3,4	-4,8	-4,3	-4			
World real trade growth¹	3,4	5,2	1,1	2,7	3,3	2	3	3,4

1. Per cent; last three columns show the change over a year earlier.

2. Moving nominal GDP weights, using purchasing power parities.

3. Fiscal year.

4. Per cent of labour force.

5. Headline inflation.

6. Personal consumption expenditures deflator.

7. Moving nominal private consumption weights, using purchasing power parities.

8. Harmonised consumer price index.

9. National consumer price index.

10. Per cent of GDP.

Source: OECD Economic Outlook 114 database.

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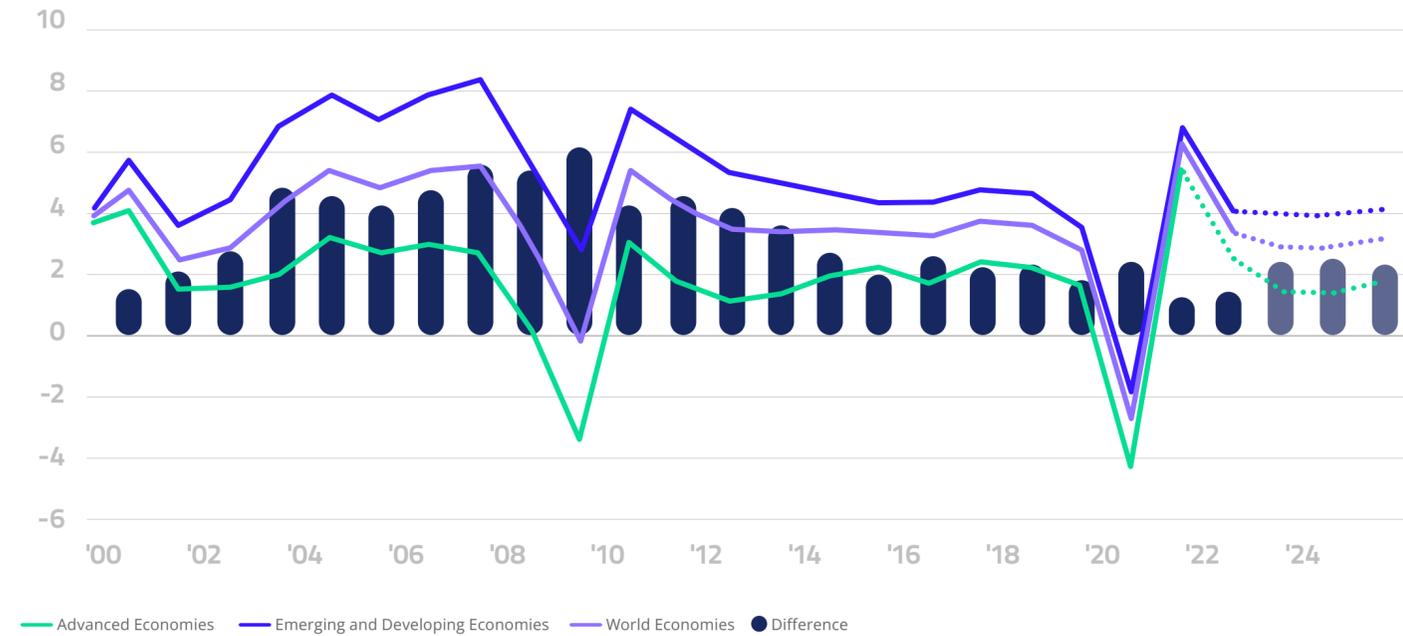
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STRATEGIC
CONTEXT



World GDP

% Yearly growth, including IMF forecasts



The United States of America, as the world's largest economy, played a leading role in 2023, especially when it came to defining a restrictive monetary policy to combat inflation.

United States of America

The United States of America, as the world's largest economy, played a leading role in 2023, especially when it came to defining a restrictive monetary policy to combat inflation. Surprising on the upside, real GDP growth remained robust in the first half of 2023 and strengthened in the third quarter to an annualised rate of 4.9%. After a period in which growth in demand for labour outstripped supply, the labour market was more balanced at the end of the year, with employment growth continuing at a moderate but slow pace. The unemployment rate has risen in recent months but remains low historically. Inflation has fallen since the beginning of 2023, although it rose again slightly in the third quarter due to higher energy prices. Nonetheless, core inflation and general inflation remained high, with



conditions became increasingly restrictive, with real interest rates rising in the main advanced economies throughout the year. Japan has escaped this rule, being the only major economy whose central bank has not tightened its monetary policy, acting only to control the yield curve.

According to the latest OECD forecasts, global GDP growth will have been 2.9% in 2023, slowing slightly from the 3.3% recorded in the same period last year. The OECD expects the slowdown to persist, to 2.7% in 2024, with growth then accelerating back to 3% in 2025, as real income growth recovers and the interest rates of the main central banks begin to fall. The divergence in growth between different economies

is expected to persist in the short term, with better growth performance in emerging economies than in advanced economies. The OECD expects European growth to be lower than that of the main North American and Asian economies. A reduction is not expected for any of the main economies analysed by the OECD. With regard to inflation, according to the OECD, in the G20 group, which contains the world's 20 largest economies, inflation is expected to fall from an average of 6.2% in 2023 to around 5.8% in 2024 and 3.8% in 2025, as cost pressures continue to decrease. By 2025, inflation is expected to be within the targets of the respective central banks in the world's main economies. The following table shows the OECD's forecasts for the global economy.

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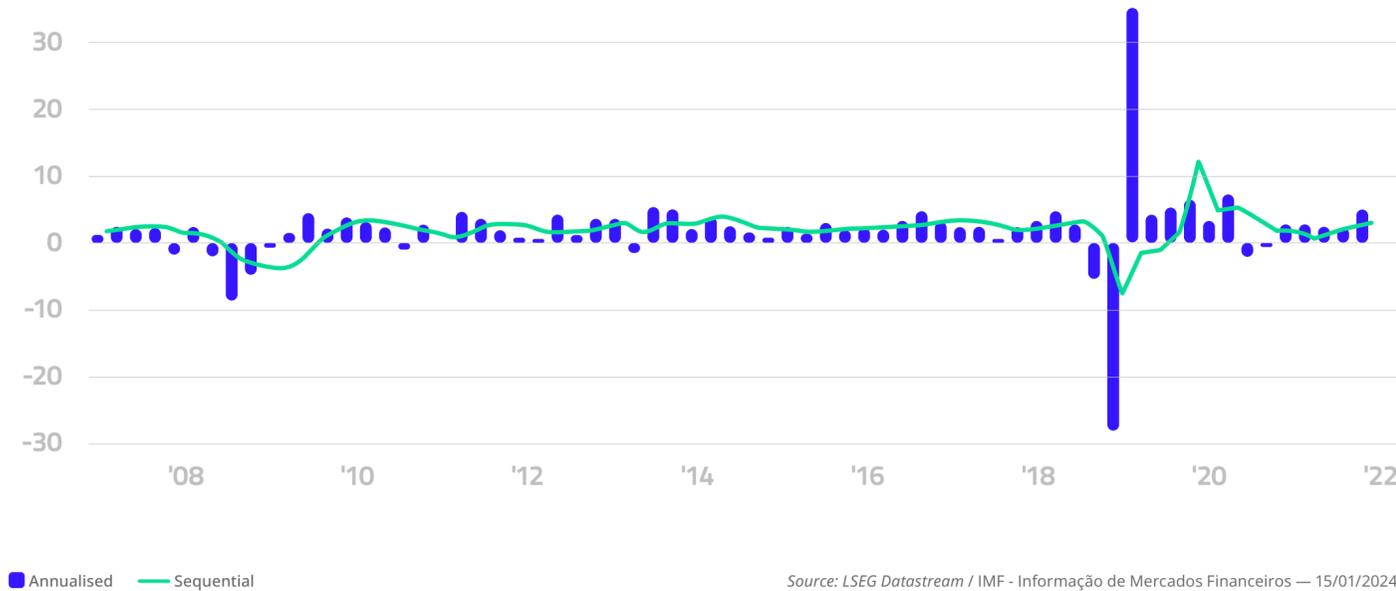
STRATEGIC
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GDP growth – United States

Quarterly growth rates



Source: LSEG Datastream / IMF - Informação de Mercados Financeiros — 15/01/2024

services inflation putting upward pressure on core inflation. The international environment was favourable to growth in the first half of 2023 and net exports made a positive contribution to GDP growth.

Throughout the first half of the year, the US Federal Reserve (US Fed) raised its benchmark interest rates until, in the middle of the third quarter, it decided that, presumably, it needed not raise them further. Thus, the US Fed rate finished the year in the 5.25 to 5.50% range, close to the expected peak of the cycle, and is likely to remain high until the second half of 2024, given the expected persistence of inflation. The OECD's projections assume that cuts in the federal funds' rate will begin in the third quarter of 2024, after inflation has approached the 2% target. They expect the benchmark rate to fall to between 4% and 4.25% by the end of 2025.

The OECD expects the US economy to have grown 2.4% in 2023, and that it will expand by 1.5% in 2024 and 1.7% in 2025. The average inflation rate for 2023 was 4.1%. The OECD expects inflation to fall to 2.8% in 2024 and 2.2% in 2025. This could lead to an easing of monetary policy in the second half of 2024 and a recovery in domestic demand growth in 2025. The outlook could worsen if the effects of tighter monetary policy are stronger than expected or lead to financial stress. Tighter financial conditions are expected to act as a slowing factor and investment in housing and companies is expected to slow down during the first half of 2024. As demand weakens, employment growth will continue to slow down, and the unemployment rate will rise. With inflation falling and monetary policy easing, growth in consumption and investment is expected to increase in the second half of 2024 and in 2025.

United States

	2020	2021	2022	2023	2024	2025
	Current Prices USD Billion	Percentage changes, volume (2017 prices)				
GDP at market prices	21 322,90	5,8	1,9	2,4	1,5	1,7
Private consumption	14 206,20	8,4	2,5	2,2	1,5	1,6
Government consumption	3 178,30	0,3	-0,9	2,6	0,8	0,5
Gross fixed capital formation	4 602,40	5,3	0,9	1,4	1,7	3,4
Final domestic demand	21 986,90	6,6	1,7	2,1	1,5	1,8
Stockbuilding ¹	-37,60	0,3	0,6	-0,3	0,1	0
Total domestic demand	21 949,30	6,9	2,3	1,8	1,6	1,8
Exports of good and services	2 150,10	6,3	7	2,5	1,9	1,8
Imports of goods and services	2 776,50	14,5	8,6	-1,5	1,9	2,5
Net exports ¹	-626,40	-1,2	-0,5	0,5	-0,1	-0,1
Memorandum items						
GDP deflator	-	4,6	7	3,8	2,7	2,1
Personal consumption expenditures deflator	-	4,2	6,5	3,9	2,8	2,2
Core personal consumption expenditures deflator ²	-	3,6	5,2	4,2	2,7	2,2
Unemployment rate (% of labour force)	-	5,4	3,6	3,6	4,1	4,2
Household saving ratio, net (% of disposable income)	-	11,7	3,4	4,4	3,5	4
General government financial balance (% of GDP)	-	-11,5	-4	-7,8	-7	-7
General government gross debt (% of GDP)	-	124,8	119,8	120,9	123,8	127,1
Current account balance (% of GDP)	-	-3,5	-3,8	-3,1	-3	-3,1

1. Contributions to changes in real GDP, actual amount in the first column.

2. Deflator for private consumption excluding food and energy.

Source: OECD Economic Outlook 114 database.

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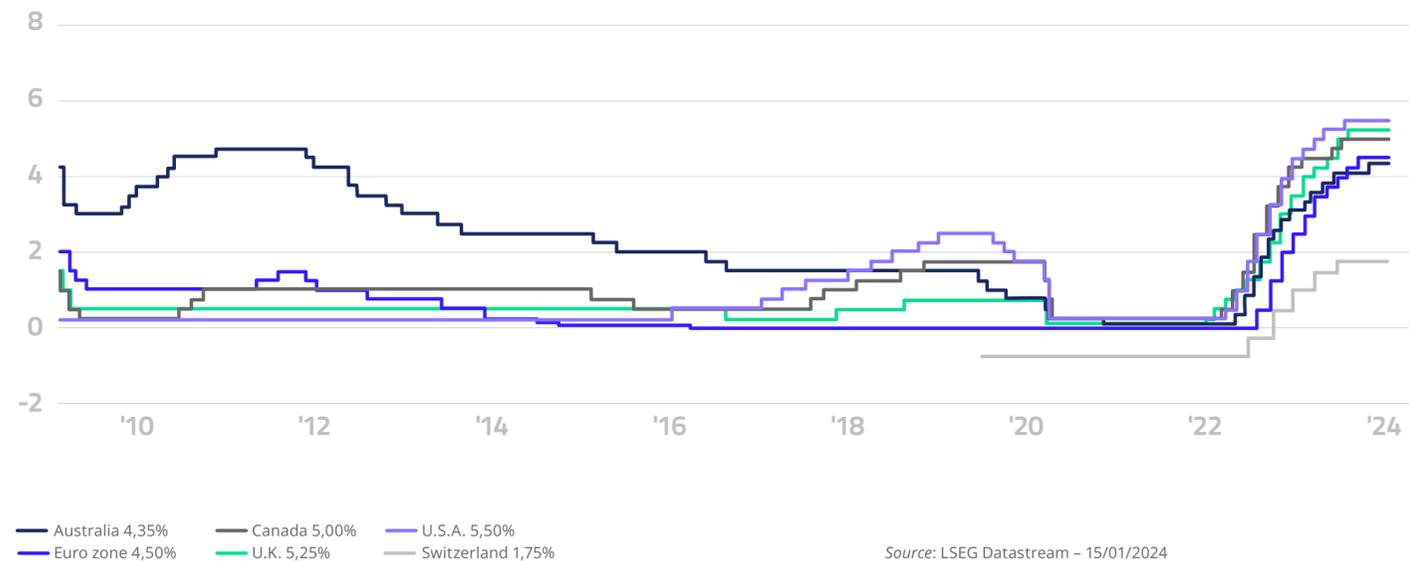
STRATEGIC
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Stock Markets – DAX and S&P 500



Central Bank Interest Banks



Economic activity slowed in the final months of 2023, while after a strong first quarter, production growth stagnated in the second quarter.

Canada

After a strong recovery from the pandemic-induced recession, Canada's economy behaved resiliently in 2023, with unemployment remaining low and wage growth outpacing inflation. However, high housing costs and still high inflation have put pressure on households. Inflation retreated as the market began to feel the effect of the increases in benchmark interest rates implemented by the Bank of Canada (BoC) throughout the year. Economic activity slowed in the final months of 2023, while after a strong first quarter, production growth stagnated in the second quarter. The data suggests that the weakness will have continued the rest of the year. Inflation continued to fall at the turn of the year and tensions



5.0%

The key rate is expected to remain high until mid-2024

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STRATEGIC CONTEXT





The property crisis has hindered economic growth, as this sector’s share of GDP is significant, and has also reduced the confidence of companies and families, especially those with direct exposure to this market.

in the labour market eased. However, according to a few indicators, the labour market is still “tight” compared to pre-pandemic standards. Wage growth has remained high in recent months. Export prices for Canada’s raw materials, including oil, remain below the peaks reached in mid-2022.

During 2023, the Bank of Canada raised its benchmark interest rate to a 12-year high of 5%, seeking to reduce inflation to a target of between 1 and 3%. Monetary policy therefore continued to be restrictive, dampening demand and helping to revive inflation expectations. The key rate is expected to remain high at 5% until mid-2024, but macroeconomic conditions may evolve in such a way that further rate rises are necessary to contain inflation. The key rate should be cut to more neutral levels, while the OECD’s projections predict a 150

basis point drop in the benchmark interest rate by the end of 2025.

The latest OECD forecasts for Canada’s economy point to growth of 1.2% in 2023, 0.8% in 2024, and 1.9% in 2025 and average inflation of 4% in 2023, 3% in 2024, and 1.9% in 2025. The fall in economic growth in 2024 is likely to reflect a slowdown in domestic demand following the rise in interest rates and the weakening of exports. It will then recover in 2025, as the improvement in global conditions improves the outlook for exports. Immigration will continue to boost private spending and the supply of labour. Price pressures could ease in the face of slowing demand and rising unemployment. If unemployment rises faster than expected, there could be a substantial drop in household demand and a deeper recession.

The Mexican economy has managed to avoid recession, while being driven by robust private consumption and investment.

Mexico

Throughout 2023, Mexico showed a faster growth trend than other major world economies, growing quarter-on-quarter by 1% in the first quarter, 0.8% in the second quarter, and 1.1% in the third quarter of 2023. This way, the Mexican economy has managed to avoid recession, while being driven by robust private consumption and investment, with notable strength in the services sector, construction, and car production. Reshoring has boosted the Mexican economy and attracted a lot of foreign capital. In turn, these factors have led to Mexico experiencing historically low unemployment rates and historically high production capacity utilisation rates, while the current reshuffling of global supply chains constitutes a major opportunity for Mexico, whose proximity and deep trade ties with the US make it a key location for manufacturing with the aim of exporting to the American market. Conversely, the authorities have



1.1%

Growth in the third quarter of 2023



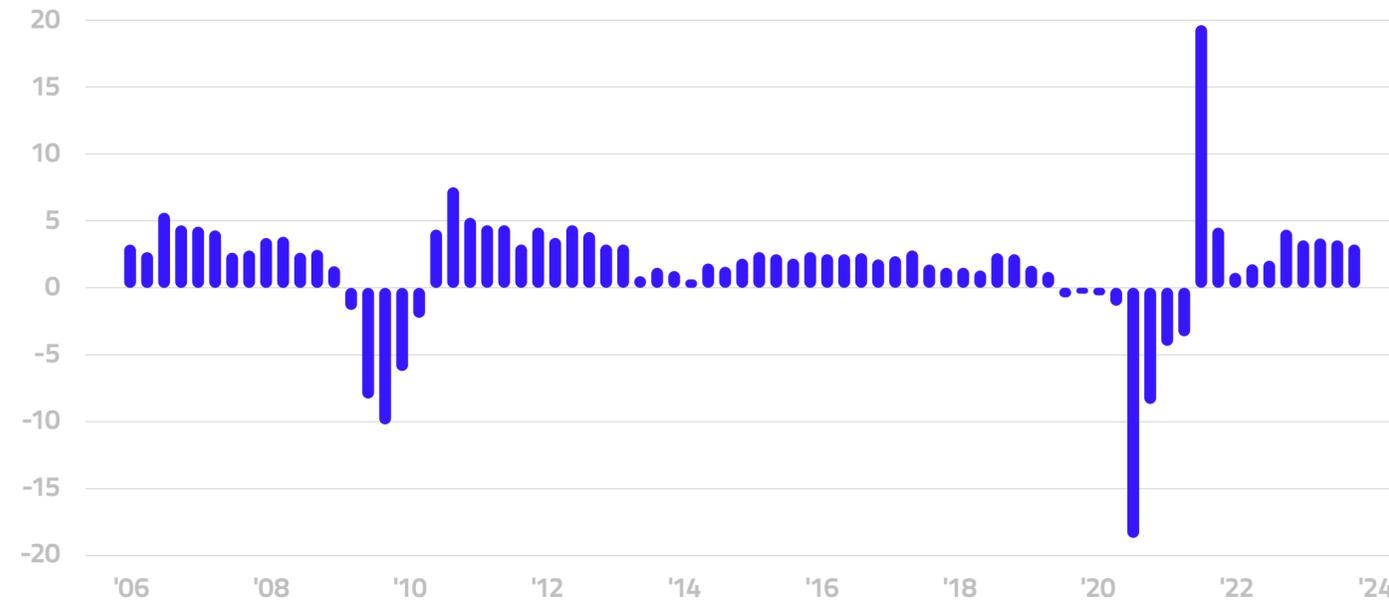
STRATEGIC
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GDP growth – Mexico

Homologous variation (%)



Source: LSEG Datastream - 15/01/2024

kept public debt under control. Mexico's inflation has been falling throughout the year, from its high of 8.10% in January to its low of 4.67% in December.

The fall in price levels is also due to the Central Bank of Mexico (BANXICO), which has remained focused on reducing high inflation. Thus, in 2023 the institution only raised its benchmark interest rates twice, from 10.5% to 11% and then to 11.25%. Successive rate rises and stronger indications of the future direction of monetary policy have kept long-term inflation expectations anchored. However, inflation is not yet on a lasting downward path, while services inflation has proved persistent. It is assumed that the benchmark rate will remain at its current level

until the second half of 2024, when it will begin to be gradually reduced.

The latest OECD forecasts point to a slowdown in Mexico's economy over the next few years, with the institution expecting growth of 3.4% in 2023, 2.5% in 2024, and 2% in 2025. Inflation averaged 5.6% in 2023, with the OECD forecasting 3.9% in 2024 and 3.2% in 2025. Consumption is expected to be supported by a strong labour market, investment by public infrastructure projects, which should be completed by 2024, and the relocation of production activities to Mexico. However, the dynamism of exports will be hampered by more moderate growth in the United States.

There has been a significant improvement in Brazil's international trade.

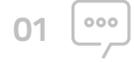
Brazil

In Brazil, 2023 began with the inauguration of Lula da Silva as president on 1 January. The appointment of Fernando Haddad as Finance Minister caused some apprehension, but, ultimately, it did not bring about any major reforms over the course of the year. As with most major economies, Brazil's macroeconomic growth prospects also improved in the first two quarters, while China's reopening and the slowdown in energy commodity prices improved global sentiment. There has been a significant improvement in Brazil's international trade, with soya and oil playing a more active role on the international market, strengthening its competitiveness. Brazil's GDP therefore grew by 1.8% in the first quarter, and accelerated by 0.9% quarter-on-quarter in the second quarter, which is still a long way from a recession. In the third quarter, Brazil's economic data surprised the market, with stronger than expected domestic demand, while new income support policies helped consumers. Additionally, the Government's decision to renegotiate the debts of low-income families has acted to alleviate household indebtedness.



1.8%

Brazil's GDP growth in the first quarter



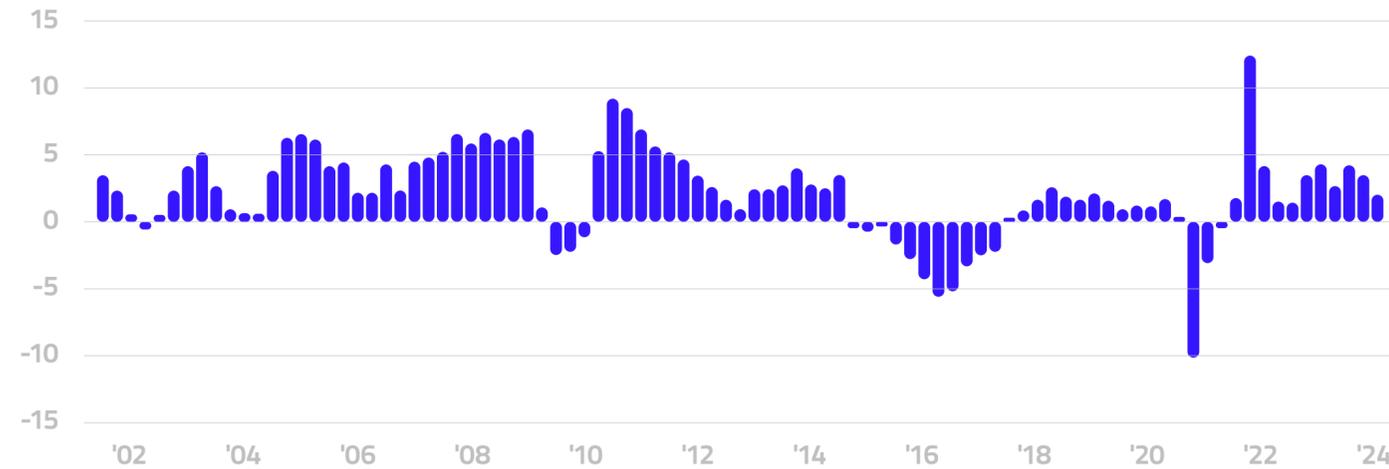
STRATEGIC CONTEXT





GDP growth – Brasil

Homologous variation (%)



Source: LSEG Datastream – 15/01/2024

The property crisis has hindered economic growth, as this sector's share of GDP is significant.

Inflation fell from 6% in January to close to 3% in June, before rising again to close to 5%. As a result, the Central Bank of Brazil (BACEN) decided over the course of the year to cut its benchmark interest rate from 13.75% to 12.25%, while trying to stabilise inflation close to its 2% target. Nonetheless, after the cuts, the real interest rate remained in very positive territory. With expectations of continued declines in inflation and high real interest rates, further reductions in the benchmark rate are expected to 9.2% by the end of 2024 and 7.8% by the second half of 2025.

The latest OECD forecasts indicate a slowdown in the Brazilian economy over the next few years, with this organisation estimating growth of 3% in 2023,

and forecasts of +1.8% in 2024 and +2% in 2025. Average inflation for 2023 has been confirmed at 4.6%, but the OECD predicts average inflation of 3.2% in 2024 and 3% in 2025. The OECD expects domestic demand to remain the main driver of economic activity and job creation to continue boosting household income, thus stimulating strong growth in household consumption. Investment is expected to improve due to more favourable financial conditions. While agricultural exports pushed growth in 2023, this contribution should weaken in the coming years due to the drop in the prices of a few raw materials. The successful implementation of the tax reform could boost confidence and economic activity, with potentially greater effects than expected.

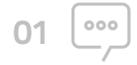


0.8%

GDP growth slowing on quarter-on-quarter, accompanied by a sharp drop in external demand, hindering the country's international trade

China

Following 2022, when China's economic activity was severely constrained due to the COVID-19 pandemic, 2023 began with high expectations of economic recovery in the world's second largest economy. Thus began the first quarter of the year, with China "reopening" and recording a quarter-on-quarter growth of 2.2%, after 0.8% growth in the previous quarter. Over the course of the second quarter, however, a lack of momentum began to be noticed in the Chinese economy, with GDP growth slowing to 0.8% quarter-on-quarter, accompanied by a sharp drop in external demand, hindering the country's international trade. This deterioration prompted the Chinese Government to implement a series of measures and incentives to boost China's economic growth, which in the third quarter grew by around



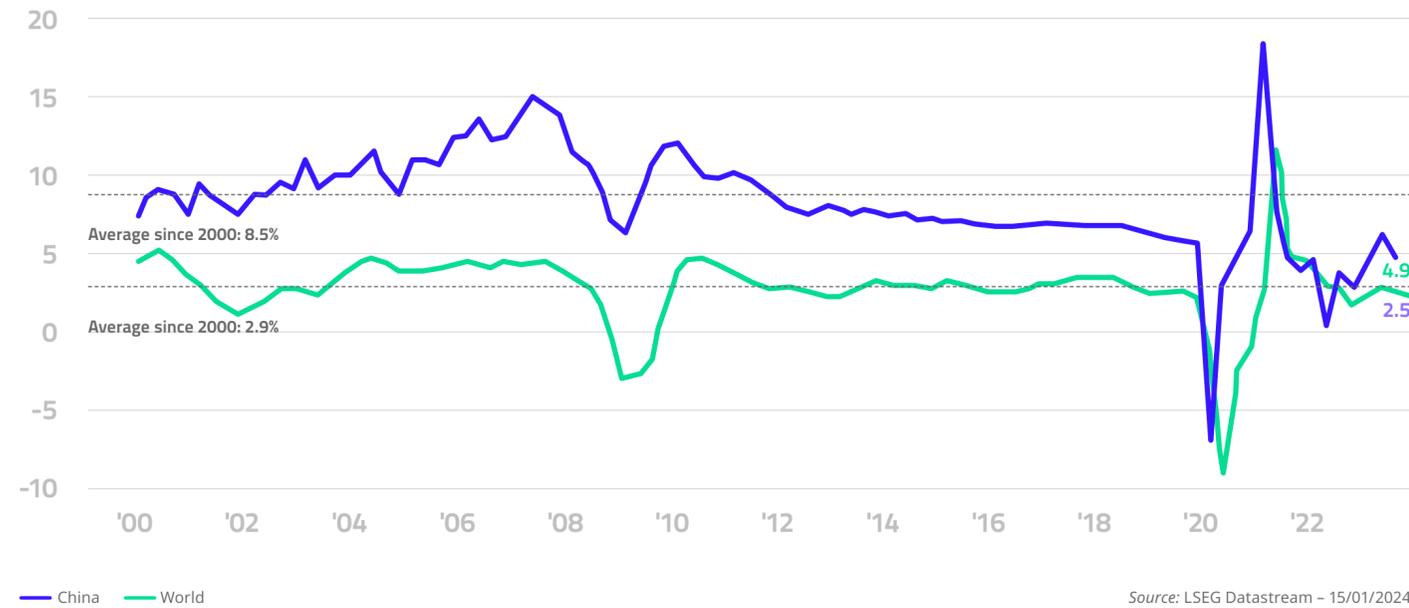
STRATEGIC CONTEXT





China GDP growth vs World Economy

Homologous variation (%)

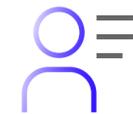


1.3% quarter-on-quarter. Throughout the year, the instability of the property market remained in focus due to the high risk of default associated with the sector's debt. The property crisis has hindered economic growth, as this sector's share of GDP is significant, and has also reduced the confidence of companies and families, especially those with direct exposure to this market. The weakness of the property sector also weighed on the world economy and the price of some commodities. China's year-on-year inflation peaked at 2.10% in January and then fell back consecutively until it entered a state of deflation in July (-0.3%) and October (-0.2%). The entry into deflation has raised concerns about the stability of the Chinese economy.

As regards monetary policy, the PBoC did not carry out many changes, cutting its 1-year loan rate on just two occasions, 10 basis points each, to 3.45%, and its 5-year rate just once, from 4.30% to 4.20%. While most central banks stipulated as their main role throughout the year the raising of benchmark interest rates to reduce high inflation, the PBoC had no such urgency, as inflation remained considerably low. Monetary policy should continue to be expansionary, with further reductions in interest rates and reserve requirements, if necessary. The increase in the interest rate differential in relation to other economies, as well as some distrust of the way the Government influences the economy, led to capital outflows, drops in the stock markets, and a depreciation of the currency throughout the year.

The most recent OECD forecasts estimate GDP growth of 5.2% in 2023, above the target set for the year by the Chinese Government, and predict +4.7% in 2024 and +4.2% in 2025. Inflation averaged 0.2% in 2023 and, according to the OECD, will be 1% in 2024 and 1.5% in 2025. Consumption growth is expected to remain moderate due to the increase in precautionary savings, the gloomier outlook for job creation, and increased uncertainty. The ongoing adjustment in the property sector continues with falling investment and continued financial tensions. The excessive indebtedness of local investment vehicles limits the implementation of urban infrastructure projects.

Exports are also expected to remain weak in a context of sluggish global growth. Recently, a few of the Chinese Government's advisors told Reuters that they will recommend an economic growth target of between 4.5% and 5.5% for 2024. Five of the seven advisors in question support a target of around 5%, repeating 2023's target. Among the others, one proposed a target of 4.5%, while the other suggested a range of between 5 and 5.5%.



Monetary policy should continue to be expansionary, with further reductions in interest rates and reserve requirements, if necessary.

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STRATEGIC CONTEXT





The South African Central Bank decided to raise interest rates in the first half of the year from 7% to 8.25%, in its efforts to combat inflation, and they remained at that level for the rest of the year

South Africa

South Africa's economy got off to a negative start in 2023 with a quarter-on-quarter decrease of 1.3% in the first quarter. However, the country's economy subsequently improved, growing by 0.4% and 0.6% quarter-on-quarter in the second and third quarters, respectively. Throughout the year, higher interest rates and inflation ended up hurting household consumption, while electricity cuts and lower global growth affected South African exports negatively. The constraints on electricity availability in South Africa at the beginning of the year were so severe that the Government declared a national state of disaster from February to April. These disruptions in electricity supply ended up weighing on South Africa's exports and current account balance. The terms of trade fell while exports decreased, import prices rose, and employment remained below pre-pandemic levels. South Africa's year-on-year inflation rate peaked at 7.1% in March and then fell back to 4.8% in July and August. However, in October, it rose again to 5.9%.

The South African Central Bank decided to raise interest rates in the first half of the year from 7% to 8.25%, in its efforts to combat inflation, and they remained at that level for the rest of the year.

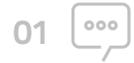
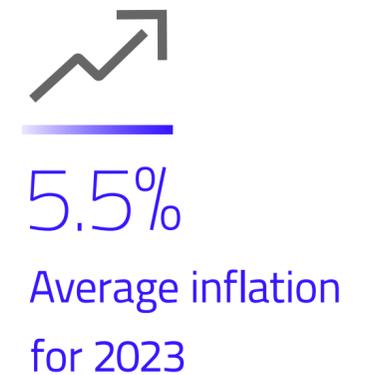
At the end of 2023, the market expected the South African Central Bank to keep its benchmark interest rates unchanged in the following months, until it started cutting them successively in the middle of the second quarter of 2024. The OECD expects monetary policy to slowly start to become more moderate in mid-2024, once inflation converges towards the midpoint of the target range, with the benchmark rate reaching 6.5% by the end of 2024.

The latest OECD forecasts point to a slight improvement in South Africa's economy over the next few years, with the organisation estimating a growth of 0.7% in 2023 and forecasting +1% in 2024 and +1.2% in 2025. Average inflation will have stood at 5.9% in 2023 and will be 5% in 2024 and 4.6% in 2025, according to these forecasts. According to the OECD, investment in machinery and equipment for energy generation should remain strong, despite the more restrictive financing conditions. Net exports will weigh on growth, since most machinery and equipment are imported, and foreign demand has weakened. Private consumption growth will slow down in a context of still high inflation and lower household purchasing power, but it will remain positive, helped by an improvement in employment.

Uncertainty has increased even more with the worsening geopolitical situation in the Middle East.

Eurozone

In the Eurozone, the economic consequences of Russia's invasion of Ukraine have been subsiding throughout 2023. However, output stagnated in the second quarter and contracted slightly in the third, sparking concerns about whether the economy would enter a technical recession in the fourth quarter, while manufacturing and services activity indicators pointed to a contraction in economic activity. Uncertainty has increased even more with the worsening geopolitical situation in the Middle East. Sentiment and confidence indicators deteriorated, industrial production continued to decline, and production in services weakened. Although core inflation fell back over the course of the year, it ended up remaining high, with inflation in services (and wages) posing a problem for the ECB. Bank loans to companies and households continued to weaken, in a context of higher interest rates, lower



STRATEGIC CONTEXT





The shortage of labour was reflected in above-average wage growth in many countries. European companies proved relatively resilient during the energy crisis, partly due to the sharp reduction in demand for energy.



The market expected the first interest rate cuts to take place mainly in the second half of the year

demand for loans, and more restrictive lending criteria. Simultaneously, the labour market remained restrictive, with the job vacancy rate only slightly below its recent peak. The shortage of labour was reflected in above-average wage growth in many countries. European companies proved relatively resilient during the energy crisis, partly due to the sharp reduction in demand for energy.

During the year there were interest rate rises by the ECB, which ended up raising the deposit rate to 4% and the rate on the main refinancing operations to 4.5%, both record highs, in a context of high inflation and with the justification that inflation had been “too high for too long”. At the end of the year, the ECB was expected to keep benchmark interest rates unchanged throughout the first quarter of 2024, while the effects of the restrictive monetary policy implemented throughout 2023 are felt. The market expected the first interest rate cuts to take place mainly in the second half of the year.

	2020	2021	2022	2023	2024	2025
Euro area	Current prices EUR billion	Percentage changes, volume (2015 prices)				
GDP at market prices	11 421,10	5,9	3,4	0,6	0,9	1,5
Private consumption	5 899,60	4,4	4,2	0,6	1,1	1,6
Government consumption	2 559,20	4,2	1,5	0,1	0,8	0,8
Gross fixed capital formation	2 511,10	3,5	2,7	1,2	0,8	1,5
Final domestic demand	10 969,90	4,1	3,3	0,6	0,9	1,4
Stockbuilding ¹	41,10	0,6	0,4	-0,3	0,1	0
Total domestic demand	11 011,00	4,7	3,6	0,3	1	1,4
Net exports ¹	410,00	1,3	0	0,2	-0,1	0,1
Memorandum items						
GDP deflator	-	2,3	4,6	5,6	2,7	2,2
Harmonised index of consumes prices	-	2,6	8,4	5,5	2,9	2,3
Harmonised index of core inflation ²	-	1,4	4	5,1	3,1	2,3
Unemployment rate (%of labour force)	-	7,7	6,7	6,5	6,6	6,5
Household saving ratio, net (% of disposable income)	-	11,5	7,5	7,5	7,9	7,7
General government financial balance (% of GDP)	-	-5,3	-3,6	-3,3	-2,9	-2,6
General government gross debt (% of GDP)	-	115,5	96,4	96	96,8	97,3
General government debt, Maastricht definicion ³ (% of GDP)	-	96,8	92,7	92,2	93,1	93,5
Current account balance (% of GDP)	-	4,1	1,4	3,1	3	3,1

Note: Aggregation based on euro area countries that are members of the OECD, and on seasonally-adjusted and calendar-days-adjusted basis.

1. Contributions to changes in real GDP, actual amount in the first column.

2. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

3. The Maastricht definition of general government debt includes only loans, debt securities, and currency and deposit, with debt at face value rather than market value.

Source: OECD Economic Outlook 114 database.

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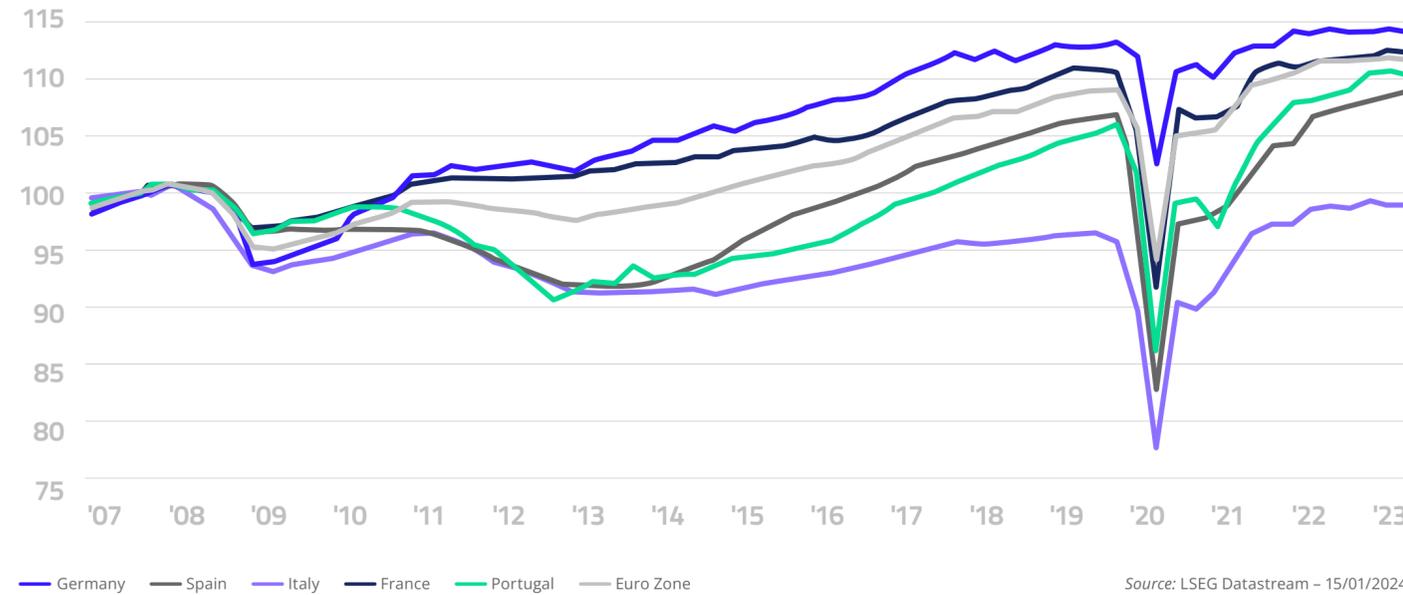
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STRATEGIC
CONTEXT



GDP in Eurozone countries since the all-time high in Q1 2008

GDP - Base 100 = Q1 2008



Business expectations have been weakening throughout the year but have improved slightly since September, along with factory sales data.

Germany

The German economy flatlined in the first three quarters of 2023, affected by high inflation and by weakened international trade, which significantly hurt the country's exporting sector. However, over the course of the year, strong nominal wage gains and lower inflation due to falling energy prices stabilised real wages and private consumption. Business investment has increased significantly since January, despite rising interest rates and weak confidence, but exports have fallen, with China's opening weaker than expected. Industrial production has fallen since the beginning of 2023, with the sharp decline in energy-intensive industries partially offset by support for other manufacturing sectors due to the reduction of supply chain bottlenecks and a backlog of orders. Business expectations have been weakening



0.3%

The German economy contracted in 2023

Projections for the coming years point to a slowdown in world growth, with the most recent OECD forecasts for the eurozone indicating that year-on-year GDP growth should stand at 0.6% in 2023 (estimated), 0.9% in 2024, and 1.5% in 2025. Average inflation for 2023 was 5.5% in 2023, with the OECD expecting it to be 2.9% in 2024 and 2.3% in 2025. The OECD also projects that, by 2024, private consumption will

be supported by a tense labour market and rising real incomes, as inflation recedes. Simultaneously, higher financing costs and uncertainty are likely to affect private investment. Wage growth is expected to decline only gradually over the period in question. Employment constraints in the services sector will keep core inflation high until mid-2025, despite the current reductions in inflation.

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STRATEGIC CONTEXT





Exports are expected to accelerate slowly as global demand also recovers.

throughout the year but have improved slightly since September, along with factory sales data. Higher interest rates have affected demand for investment goods, which make up a large part of German exports.

The German economy contracted by 0.3% in 2023, but according to the OECD, Germany should see a recovery of 0.6% in 2024 and 1.2% in 2025. Similarly, Germany's average harmonised inflation stood at 6.2% in 2023, with the OECD predicting it will be 2.7% in 2024 and 2.1% in 2025. Falling inflation and rising wages are expected to support real incomes and private consumption. The high interest rates with which 2024 begins should weigh on investment in the property sector and curb demand for the export of investment goods. However, non-property investment should gradually increase due to aggregate company savings and investment needs related to the relocation of supply chains, digitisation, and the expansion of renewable energies. This will be supported by increased public investment and tax incentives for green investments in Germany. Exports are expected to accelerate slowly as global demand also recovers.

Italy

In 2023, the Italian economy was affected by a weakening of activity, which, together with other factors such as inflation and high interest rates, led to GDP remaining unchanged in the third quarter, after having contracted in the second quarter, was partly due to exceptionally weak investment in the housing sector. The most recent indicators pointed to persistent weakness in the short term. Although industrial production seems to have bottomed out at the end of the year, retail sales and confidence indicators remained weak. Despite the slowdown in activity, the unemployment rate remained historically low, employment continued to grow robustly and the rise in nominal wages increased to around 3%, which is expected to support household incomes and private consumption in 2024. The decreases in international energy prices in the first half of 2023 were quickly passed on to inflation. However, the increases in oil prices since the end of June are expected to slow the decline in inflation in the short term.

The OECD forecasts point to stagnation in the Italian economy from 2023 to 2024, predicting GDP growth of 0.7% over the two years. Subsequently, a marginally higher growth of 1.2% is expected for 2025. Average harmonised inflation stood at 5.9% in 2023, with the OECD forecasting 2.6% in 2024 and 2.3% in 2025. Low wage growth and high inflation caused real incomes to deteriorate. Financial conditions tightened and most of the support related to the energy crisis was withdrawn, which affected private consumption and investment. The expected fall in inflation, the specific reductions in income tax and the upturn in public investment related to EU funds will only partly offset these negative factors. Thus, the main risk for the Italian economy is a greater-than-expected deterioration in financial

conditions due to a tighter monetary policy in the eurozone or an increase in the risk premium on Italian government bonds.

Spain

Spain's GDP grew by 0.3% in the third quarter of 2023, with the economy affected by higher-than-normal inflation and by higher interest rates, which contributed to restricting access to credit. Business and consumer confidence indicators remained weak throughout the year, but the labour market remained robust. Nominal wages increased by 4.3% over the year up to the end the third quarter of 2023. Inflation became significantly more moderate during the year but increased in mid-October due to rising energy prices and base effects. Core inflation also fell, but more slowly. Furthermore, growth in exports and imports has slowed in recent quarters as activity in Spain's main trading partners has slowed. The restrictive monetary policy influenced business activity in both the services and manufacturing sectors. Lending criteria for companies and consumers have become stricter, and the loan costs have risen in all sectors. Housing loans for families and credit to companies decreased in 2023.

According to the OECD, the Spanish economy is expected to have grown by 2.4% in 2023 and is forecast to slow to 1.4% in 2024, followed by a 2% recovery in 2025. It should be mentioned that Spain's harmonised average inflation stood at 3.6% in 2023, and the OECD forecasts it to be 3.7% in 2024 and 2.3% in 2025. According to the OECD, domestic demand will be the main driver of growth in the Spanish economy,

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STRATEGIC CONTEXT





Business and consumer sentiment in Slovakia remained subdued throughout the year.

while growth in private consumption and investment is expected to slow down due to restrictive financial conditions and persistent inflation in 2024, before recovering in 2025. External demand will be less favourable to growth than in previous years. Inflation is expected to rise in the first half of 2024, even though measures to reduce energy price inflation have been extended for another six months, and to fall again at the end of 2024 and in 2025. Core inflation is expected to remain high in 2024 due to the lagged effect of the consequences of higher energy prices and to fall in 2025.

Slovakia

In Slovakia, economic growth slowed in 2023, standing at 0.2% quarter-on-quarter in the third quarter and with indicators pointing to modest growth in the last quarter of 2023. Business and consumer sentiment in Slovakia remained subdued throughout the year. Production and exports in the automotive sector strengthened over the year, along with a reduction in supply chain constraints, with companies working through backlogs of orders. For the other industries, production and exports remained moderate. Harmonised inflation reached its highest level in early 2023, remaining one of the highest in the eurozone countries for the rest of the

year. Core inflation also decreased, but at a slower pace. The labour market remained robust, with the unemployment rate close to its pre-pandemic level. The average annual growth in nominal wages increased to around 10%. Financial conditions tightened as banks quickly passed on the increase in the eurozone reference rates to interest rates on loans to households and businesses. Lending to households and businesses slowed sharply and house prices and residential investment fell.

According to the OECD, the Slovak economy is expected to have grown by 1.1% in 2023 and could improve to 1.8% in 2024, followed by a recovery of 2.4% in 2025. It should be mentioned that average harmonised inflation is expected to have been 11.1% in 2023 and is expected to reach 5.2% in 2024 and 3.4% in 2025. With inflation falling, the growth in real household income could encourage consumer demand in 2024 and 2025. Tighter financial conditions will weigh on private investment, while the European Union's (EU) recovery and resilience funds will sustain public investment throughout the period under review. A recovery in external demand could support exports in 2024 and 2025. The risks to the projections are mainly related to lower absorption of EU funds, which would hamper investment, and rising energy prices, which could lead to a persistent inflation.

Czechia

Economic growth in Czechia in the first two quarters of 2023 did not show much variation, with a quarter-on-quarter rate of +0.1% in the first and second quarters of the year, but output contracted by 0.3% in the third quarter of 2023. This was because high inflation and strained financing conditions led to a decline in real household incomes and to an increase in household savings as a precautionary measure, which ended up hitting private consumption. Household consumption had been falling for six consecutive quarters before showing a slight increase in the second quarter of 2023. The labour market has remained resilient, while inflation has been retreating, after recording the year's highs at 17.5% in January. The slow growth of the external trading partners in recent quarters has reduced export growth, offsetting the reduction in supply chain constraints and lower costs for producers.

The Central Bank of Czechia decided to keep its benchmark interest rate unchanged at 7%, while the institution indicated that the strategy decided on since June 2022 – of adopting a high interest rate and reconciling it with a strong Czech koruna –, is working, as it is driving inflation lower. The expected decline in inflation next year would, in their view, be largely due to volatile items such as food and energy.



0.3%

Output contracted by 0.3% in the third quarter of 2023



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STRATEGIC
CONTEXT



The effects of inflation, tighter financial conditions, and weak growth in Portugal's main trading partners held back economic activity in 2023.

Portugal

In 2023, there was a slowdown in economic growth in Portugal, with the economy stagnating in the second and third quarters, and growth is projected to have been weak in the fourth quarter. The effects of inflation, tighter financial conditions, and weak growth in Portugal's main trading partners held back economic activity in 2023. Conversely, the strong recovery of the tourism sector and the increase in RRP spending supported activity. However, industrial production slowed down, and exports of goods fell. Inflation and rising bank instalments have reduced household consumption and investment. The rise in interest rates had a quicker negative impact on the industrial sector, but the resilience seen in the services sector ended up justifying the continuation of a favourable labour market, despite some recent slowdown in employment.



The economy stagnated in the second and third quarters, and growth is projected to have been weak in the fourth quarter

The OECD has indicated that it expects a gradual easing of the restrictive policy at the beginning of the first quarter of 2024, with the benchmark rate possibly being reduced to 4% in 2025.

The latest OECD forecasts point to an improvement in the Czech economy over the next few years, with the institution expecting GDP to contract by 0.3% in 2023, followed by growth of 1.6% in 2024 and 2.1% in 2025. Average inflation stood at 10.8% in 2023, with the OECD forecasting values of 3.1% in 2024 and 2.3% in 2025. High inflation and restrictive monetary policy could continue to weigh

on domestic demand in 2024. The slowdown in global growth and international trade is expected to moderate exports and activity, especially in the manufacturing industry. Private consumption is expected to recover in 2024, sustained by an increase in real wages. Inflation will continue to fall and will approach 3% in 2024. The OECD also predicts that the labour market will remain restrictive, with an unemployment rate of less than 3%. Volatile energy supplies and geopolitical tensions continue to be major risks for Czechia. Shocks to commodity prices could make inflation more persistent.



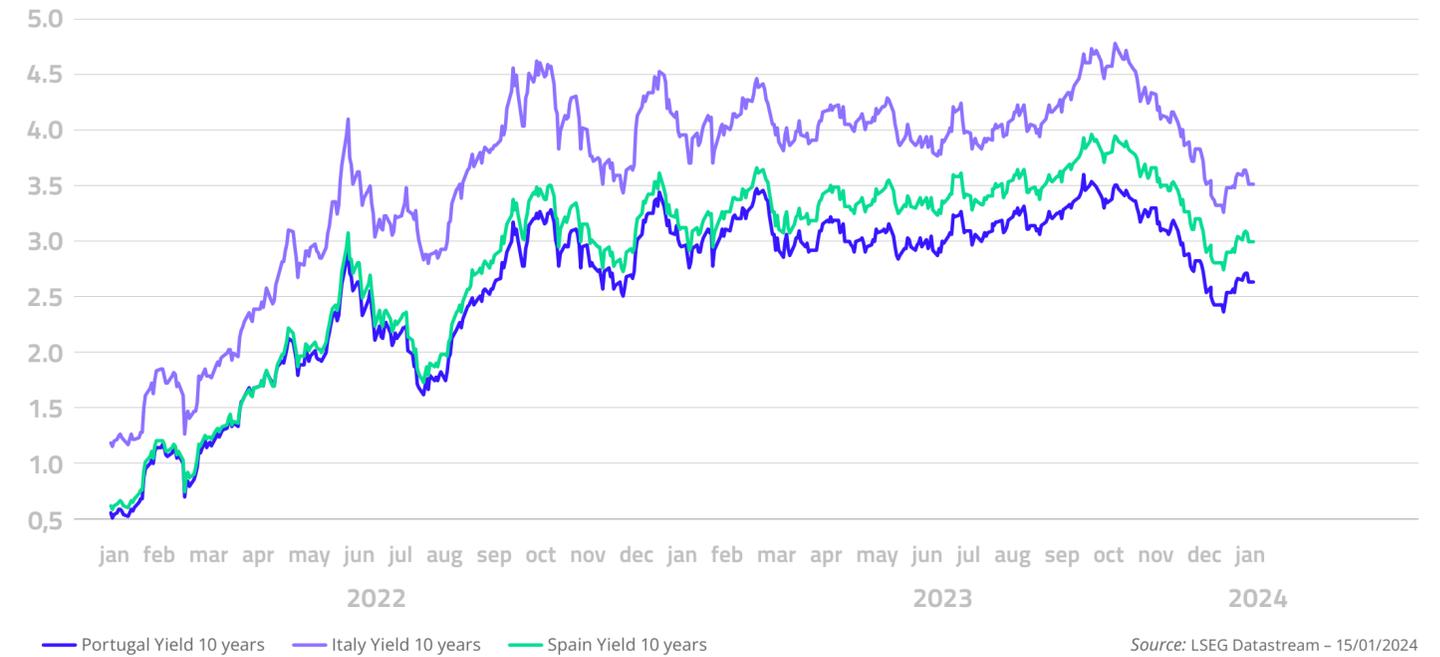
Bank of Portugal projections: 2022-2025

Annual rate of change in percentage (except where indicated)

	Weights 2022	BE December 2023					BE October 2022			
		'22	'23(p)	'24(p)	'25(p)	'26(p)	'22	'23(p)	'24 (p)	'25(p)
Gross Domestic Product	100	6,8	2,1	1,2	2,2	2	6,8	2,1	1,5	2,1
Private consumption	64.2	5,6	1	1	1,7	1,5	5,6	1	1,3	1,6
Public consumption	17.6	1,4	1,1	1	0,9	0,9	1,4	1,2	1,2	0,8
Gross fixed capital formation	20.1	3	0,9	2,4	5,2	4,1	3	1,5	5	5
Internal demand	102.4	4,4	0,7	1,4	2,2	1,9	4,4	0,9	2,1	2,1
Exports	49.6	17,4	4,3	2,4	4	3	17,4	4,1	2,1	3,9
Imports	52.0	11,1	1,3	2,8	4,1	2,8	11,1	1,3	3,4	3,9
Employment ^(b)		1,5	0,8	0,1	0,3	0,3	1,5	0,8	0,2	0,4
Unemployment rate ^(c)		6,1	6,5	7,1	7,3	7,2	6	6,5	6,7	6,9
Current and capital accou (% GDP)		-0,2	3	3,5	3,7	4	-0,2	3	2,7	3
Balance of goods and services (% GDP)		-1,9	1,2	1,3	1,5	1,8	-1,9	1,1	0,6	0,8
Harmonizado index of consumer prices		8,1	5,3	2,9	2	2	8,1	5,4	3,6	2,1
Energy goods		23,8	-8,8	3,5	0,2	-0,1	23,8	-8	5,5	0,7
Food goods		11,4	9,2	4,4	2,2	2,2	11,4	9	4,8	2,2
Excluding energy goods		6,7	6,6	2,9	2,1	2,1	6,7	6,6	3,4	2,2
Excluding energy and food goods		5	5,4	2,3	2,1	2,1	5	5,6	2,9	2,2
Budget Balance (%GDP)		-0,3	1,1	0,1	0,2	0,3	-0,4	-0,1	0,2	0,2
Public Debt (%GDP)		112,4	101,4	96,8	92,3	87,9	113,9	103,4	97,1	92,5

Source: Bank of Portugal and INE.

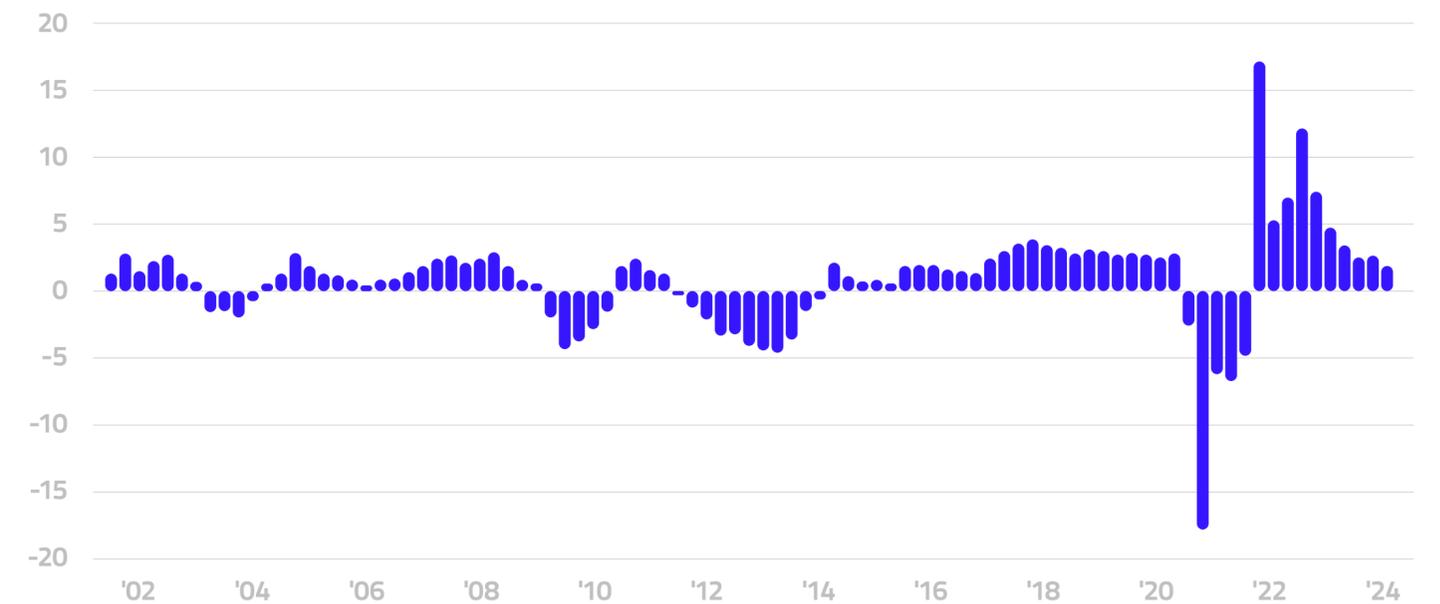
Portugal, Spain and Italy Yields – 10 years



Portugal – GDP growth

Homologous variation (%)

Source: LSEG Datastream – 15/01/2024



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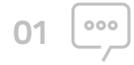
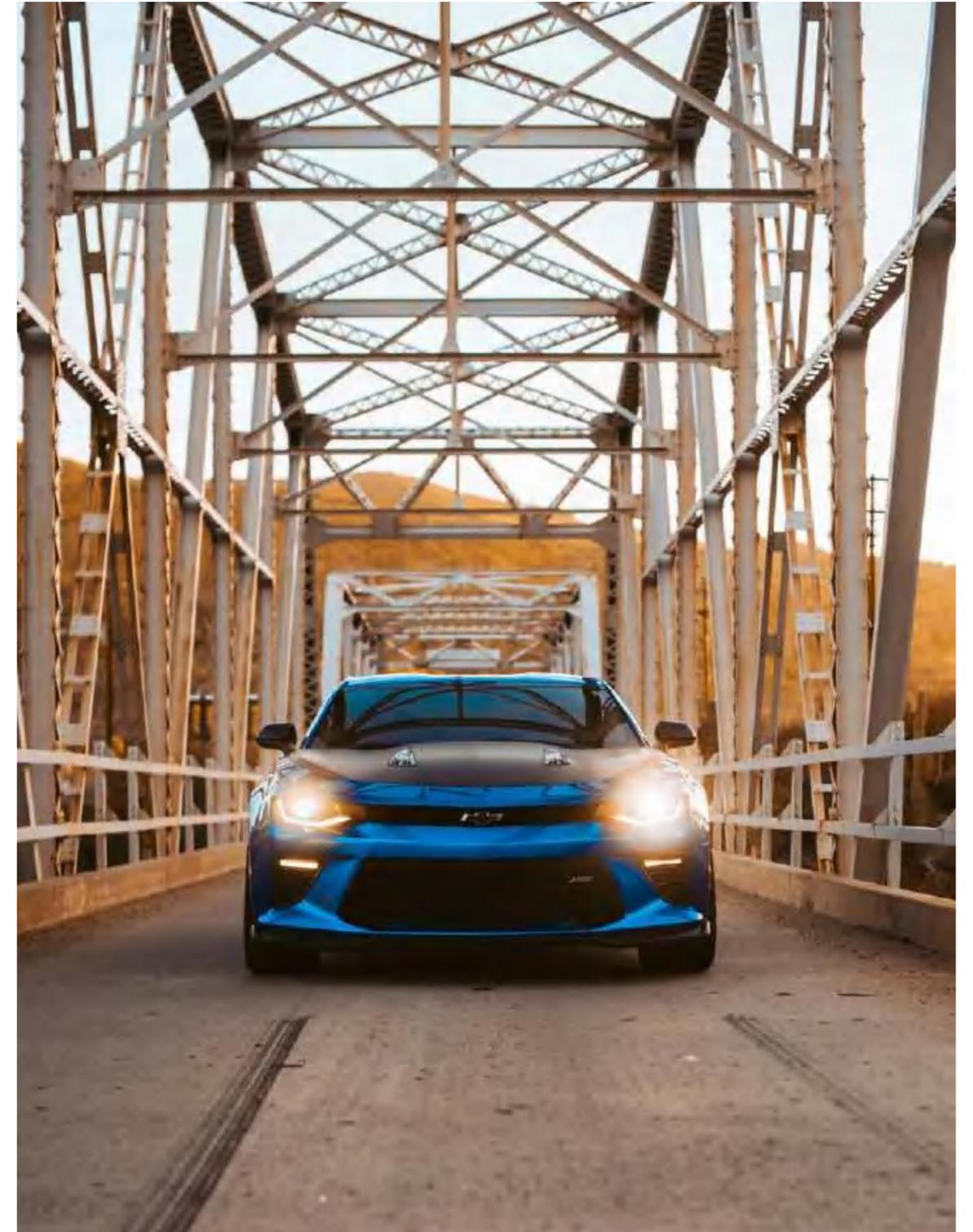
The main budgetary indicators are expected to continue to evolve favourably over the next few years.

The year was also marked by political instability. The Prime Minister's resignation on 7 November led the President of the Republic to opt to dissolve the Parliament and schedule early parliamentary elections for March 2024, but only after approving the State Budget so that the country would not be run on twelfths until there was a new government and a new budget.

The main budgetary indicators are expected to continue to evolve favourably over the next few years. The Bank of Portugal estimates that the 2023 budget surplus may have reached 1.1% of GDP, up from the 0.8% forecast in the State Budget. Despite this positive baseline, the less favourable macroeconomic scenario should put the budget balance for 2024 at 0.1%, according to the Bank of Portugal, a figure close to the 0.2% considered in the State Budget for 2024. In 2023, the improvement in the balance was due to the pandemic-related measures being lifted, and, to a lesser extent, the positive cyclical contribution, with inflation and the resulting evolution of nominal GDP also playing a role. In 2024, the decrease in the surplus is expected to result from the slowdown in economic activity and a more expansionary fiscal policy, highlighting the permanent nature of some of

the provisional measures adopted in the meantime. As for the public debt ratio, it is expected to have reached a value close to 100% of GDP by the end of 2023, continuing to fall over the following years.

The Bank of Portugal's forecasts point to a slowdown in the Portuguese economy to 2.1% in 2023 (estimated) and 1.2% in 2024, followed by an acceleration to 2.2% in 2025 and 2% in 2026. Average harmonised inflation was 5.3% in 2023 and is expected to be 2.9% in 2024 and 2% in 2025 and 2026. According to the institution, quarterly growth should recover very gradually throughout 2024, benefiting from the acceleration of external demand, the impact of lower inflation on real household income, and the boost to investment from European funds. In the medium term, growth will benefit from the gradual dissipation of the effects of a restrictive monetary policy. Inflation is expected to be temporarily higher throughout 2024 as a result of temporary base effects on energy and food prices. Core inflation is expected to maintain a downward trend throughout 2024, reflecting the lagged effects of cost reductions and of the monetary policy tightening. By 2025, total inflation should be consistent with the ECB's price stability objective.



STRATEGIC
CONTEXT





2.1.1 Automotive Sector

According to the latest figures from S&P Ratings, global car sales will have reached around 86 million units by 2023, representing an increase of around 8.9% compared to 2022, with demand for new cars benefiting from current production gains resulting from restocking as supply chains normalise. For car sales, the year was marked by a substantial improvement in supply chains and the reopening of China, which supported both car sales and production. Thus, there was a return to pre-pandemic production levels on a global basis, driven by gains in mainland China and India. It should be mentioned that interest rate rises in the world's main economies have ultimately led to greater restrictions on access to credit, which in turn restricts consumers' ability to buy cars.

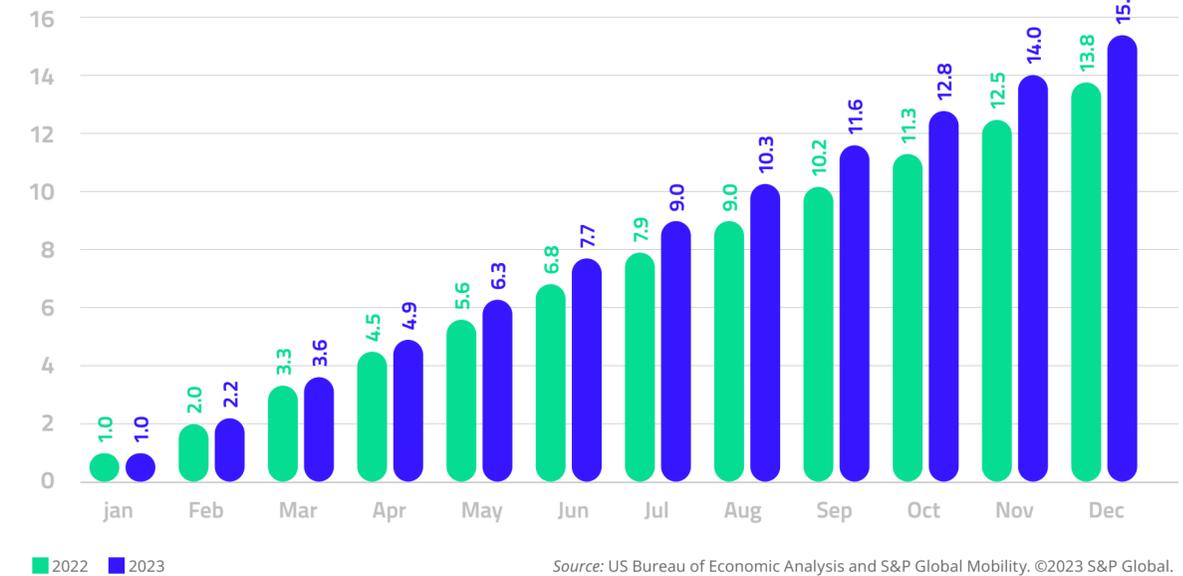
Global light vehicle production in 2023 is expected to have been 88.9 million units, which would represent a 9.0% improvement on 2022 levels, in a year in which

the sector was marked by the reopening of China. For 2024, S&P continues to have a general outlook for production that depends on a demand-orientated model. Thus, with the transition to 2024 and inventories reaching stability in many markets, global production growth is expected to reverse slightly as the industry tries to recover after several turbulent years. For 2024, S&P expects light vehicle production levels to fall by 0.4% to 89.4 million units.

S&P's latest forecasts suggest that global sales of new light vehicles will reach 88.3 million units in 2024, an increase of 2.8% year-on-year. The recovery in light vehicle production continues to fuel restocking efforts in many regions, as the supply chain and demand are recovering, supported by persistent consumer demand. However, S&P remains cautious about the recovery outlook, as consumer demand is affected by high vehicle prices and difficult credit and loan conditions.

Light Vehicle Sales Comparisons

Year-to-date sales, Millions



United States of America

In the US, the latest estimates from S&P Global point to 15.4 million vehicles having been sold in 2023, 1.6 million more than in 2022, and project a 2% increase in 2024, which translates into sales of around 15.9 million units. However, the institution added that the end of 2023 put the industry in a more uncertain environment for US car sales levels in 2024. On the one hand, incentives and inventories are moving in the right direction. On the other hand, this improvement has not yet translated into a boost in sales levels. This could be a sign that US consumers are somewhat drained, which would be an added risk for car demand, as consumers of new vehicles continue to face affordability problems through high interest rates, restrictive credit conditions, and vehicle prices that are resistant to falling.



2%

Projected increase in 2024

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STRATEGIC CONTEXT





According to the National Association of Motor Vehicle Manufacturers (Anfavea), the licencing of light vehicles increased 10.5% year-on-year to 1,949,495 units, with light passenger vehicles increasing 8.6% to 1,533,617, and light duty vehicles dropping 18.5% to 409,878 units.

Brazil

In **Brazil**, between January and November 2023, 2,060,130 cars were sold, representing a 9.1% year-on-year increase. According to the National Association of Motor Vehicle Manufacturers (Anfavea), the licencing of light vehicles increased 10.5% year-on-year to 1,949,495 units, with light passenger vehicles increasing 8.6% to 1,533,617, and light duty vehicles dropping 18.5% to 409,878 units.

As for trucks, between January and November 2023, there was a 14.4% decrease in units sold to 97,679 units, while in buses there was a sharp 25.8% increase to 18,956 units sold.

As for exports, a 15.9% year-on-year decrease could be observed, representing a total of 378,239 exported units. The associated revenues showed a 4.9% increase, corresponding to a turnover of 10.1 billion USD.

Finally, it should be mentioned that during the period in question, the production of motor vehicles decreased by 1.1% to 2,153,260 vehicles manufactured.

Motor vehicle registrations

	November 2023		January to November 2023	
	Units	% Change	Units	% Change
Light Passenger Vehicles	1 533 617	8,6	1 533 617	8,6
Light Duty Vehicles	409 878	18,5	409 878	18,5
Total Light Vehicles	1 943 495	10,5	1 943 495	10,5
Trucks	97 679	-14,4	97 679	-14,4
Buses	18 956	25,8	18 956	25,8
Total Automotive Market	2 060 130	9,1	2 060 130	9,1

Source: Anfavea

Export of motor vehicles

	November 2023		January to November 2023	
	Units	% Change	Units	% Change
Light Passenger Vehicles	290 845	-19,6	290 845	-19,6
Light Duty Vehicles	66 974	12,0	66 974	12,0
Total Light Vehicles	357 819	-15,1	357 819	-15,1
Trucks	15 861	-32,3	15 861	-32,3
Buses	4 559	-5,8	4 559	-5,8
Total Automotive Market	378 239	-15,9	378 239	-15,9

Source: Anfavea

Production of motor vehicles

	November 2023		January to November 2023	
	Units	% Change	Units	% Change
Light Passenger Vehicles	1 652 040	-1,4	1 652 040	-1,4
Light Duty Vehicles	389 607	19,7	389 607	19,7
Total Light Vehicles	2 041 647	2,0	2 041 647	2,0
Trucks	92 273	-37,4	92 273	-37,4
Buses	19 340	-35,4	19 340	-35,4
Total Automotive Market	2 153 260	-1,1	2 153 260	-1,1

Source: Anfavea

01



02



03



04



05

STRATEGIC
CONTEXT



Car Sales

	November 2023		January to November 2023	
	Units	YoY %	Units	YoY %
Sedan/Hatchback	113,5	17,9	1,024.9	1,9
MPV	9,4	11,9	98,3	17,4
SUV	134,9	34,5	1,180.0	16,6
MiniVan	2,6	4,0	24,0	-17,0
Total Passenger Vehicles	260,4	25,3	2,327.2	9,3
Total Commercial Vehicles	36,6	44,6	366,6	21,8
Total Automotive Market	297,0	27,4	2,693.8	10,8

Source: Anfavea

Automotive Production

	November 2023		January to November 2023	
	Units	YoY %	Units	YoY %
Sedan/Hatchback	115,9	18,4	1029,3	1,1
MPV	10,9	31,3	99,5	15,5
SUV	141,2	32,3	1191,6	14,8
MiniVan	2,5	19,0	23,7	-17,4
Total Passenger Vehicles	270,5	25,6	2344,1	8,0
Total Commercial Vehicles	38,8	64,9	367,1	25,4
Total Automotive Market	309,3	29,4	2711,2	10,0

Source: Anfavea

Electric Vehicle Sales

	November 2023		January to November 2023	
	Units	YoY %	Units	YoY %
EV	70,2	13,5	586,0	23,6
PHV	32,3	89,5	243,9	83,5
FCV	0,1	76,3	0,4	56,9
Total Automotive Market	102,6	100,0	830,3	1 000,0

Source: Anfavea

Car sales in China recorded a growth of 10.8% y/y to 26.94 million units. Light passenger vehicles increased by 9.3% to 23.27 million.

China

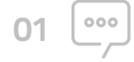
According to the latest figures for the first eleven months of the year, released by the China Association of Automobile Manufacturers (CAAM), car sales in China recorded a growth of 10.8% y/y to 26.94 million units. Light passenger vehicles increased by 9.3% to 23.27 million. Commercial vehicles, meanwhile, showed a robust recovery of 21.8% to 3.66 million.

As for production, the total number recorded an increase of 10% to 27.11 million in the first eleven months of 2023. Light passenger vehicles recorded an 8% gain to 23.44 million units, while commercial

As regards new energy sources, electric vehicles saw a 36.7% increase in sales through November, to 8.3 million.



21.8%
Commercial vehicles showed a robust recovery of 3.66 million

STRATEGIC
CONTEXT



Local Sales and Exports of new vehicles

	November 2023		% Change		January to November 2023		% Change	
	Local	Exp	Local	Exp	Local	Exp	Local	Exp
Light Passenger Vehicles	29 252	25 505	-12,5	7,2	320 140	240 959	-4,4	8,6
Light Duty Vehicles	279	15 454	-16,2	65,4	139 659	127 915	11,5	24,3
Heavy Duty vehicles	2 665	46	-11,1	-41,0	29 712	716	9,9	-3,0
Buses	85	3	-7,6	0	662	42	6,4	-17,6
Industry total	43 281	41 008	-13,4	23,5	490 173	369 632	0,5	13,6

Source: Anfavea

South Africa

In South Africa, there has been a slight improvement in the automotive market in the months of January through November 2023, both in local sales and exports. Thus, according to the National Association of Automobile Manufacturers of South Africa (NAAMSA), 320,140 light passenger vehicles were sold locally in the period in question, with sales falling by 4.4% y/y. As for light duty vehicles, a rise in local sales of 11.5% to 139,659 units could be observed, while sales of heavy-duty vehicles rose 9.9% to 29,712 vehicles. As for automobile exports, in the period in question there was a growth of 8.6% in exports of light passenger vehicles to 240,959 units, while the export of light duty vehicles grew 24.3% to 127,915 vehicles. The export of heavy duty vehicles decreased 3% to 716 units sold and the export of buses contracted 17.6% to 42 buses exported. It should be mentioned that, in total, the local automobile industry recorded a year-on-year growth of 0.5%, compared to the first 11 months of 2022,

corresponding to a total of 490,173 vehicles sold. Exports amounted to 369,632 vehicles, corresponding to an increase of 13.6% over the reference period.

NAAMSA pointed out that the current logistical challenges at the country's ports and across the country's freight railway network has had a negative impact on the outlook for vehicle production and new vehicle sales in South Africa. The challenges in question will soon have a devastating "domino effect" on the entire automotive value chain. Although supply chains are gradually stabilising worldwide and the shortage of semiconductors is expected to ease, logistical challenges could have a devastating impact on the entire automotive value chain. The sector's productivity depends heavily on investment in infrastructure, sustainable energy supply, and the revitalisation of South Africa's ports, railways, and roads. A favourable framework is crucial to support these critical elements.

According to S&P Mobility Group, the solid dynamism of the Western/Central European market is expected to have made it possible to sell 14.7 million units (+12.8% y/y) in 2023 as a whole.

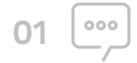
Europe

There was a recovery in the automotive sector in 2023. According to S&P Mobility Group, the solid dynamism of the Western/Central European market is expected to have made it possible to sell 14.7 million units (+12.8% y/y) in 2023 as a whole, since the improvement in vehicle production levels has benefitted delivery times and the recovery of stocks. For 2024, the institution forecasts sales of 15.1 million units, an increase of 2.9% on the previous year – reflecting the risks of economic recession, tighter credit conditions, slowing demand, still high car prices, and reduced subsidies for electric vehicles.



1.8%

Europe is expected to produce 17.4 million units in 2024, less than the 17.8 million estimated for this year

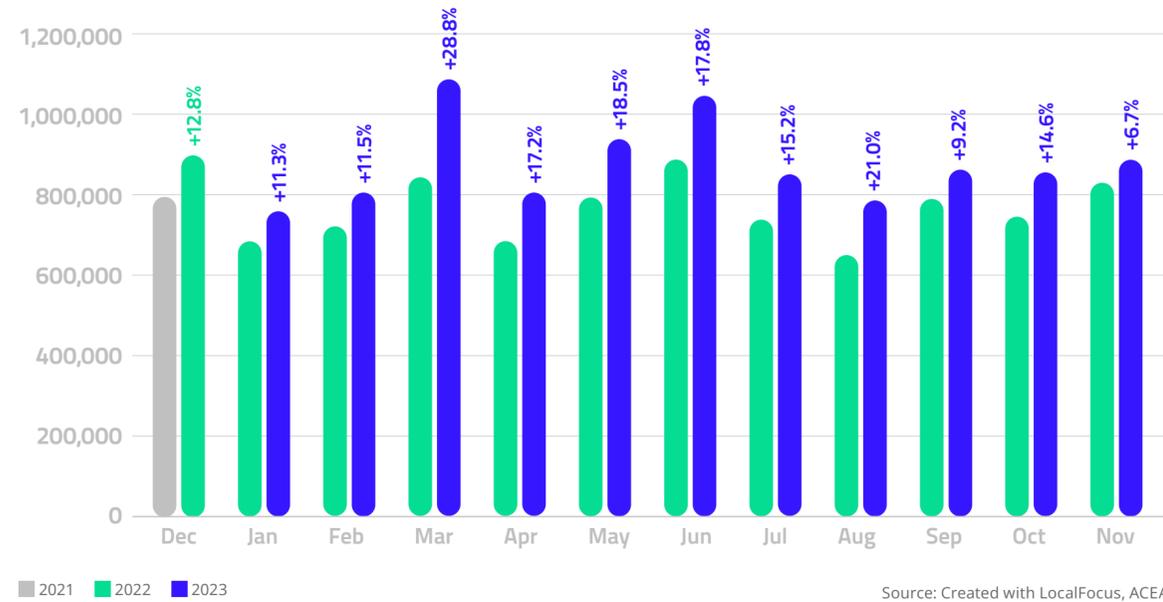


STRATEGIC
CONTEXT





New EU passenger car registration



Source: Created with LocalFocus, ACEA

+6.7%
in November

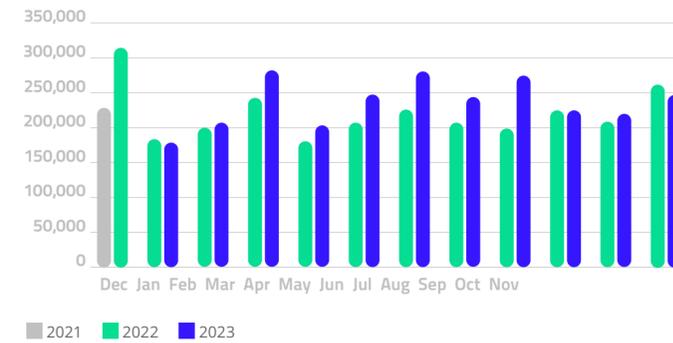
+15.7%
11 months into
2023

Europe is also expected to produce 17.4 million units in 2024, 1.8% less than the 17.8 million estimated for this year. As in China, stock levels are expected to be restored close to pre-pandemic levels and offer little benefit in an environment marked by lower backlogs and weaker demand.

In the first eleven months of the year, new passenger vehicles registrations in the European Union were 15.7% higher compared to the same period last year. With the recent strong results, the above-average year-on-year growth recorded from March to July was enough to boost the sector's performance for the year as a whole. Except for Hungary, all EU markets grew during this 11-month period. The four biggest markets contributing to this trend were Italy (+20%), followed by Spain (+17.3%), France (+16.2%), and Germany (+11.4%).

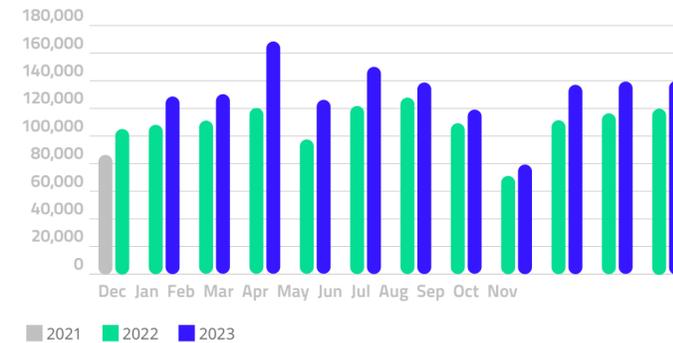
New EU car registration in Germany

12-month trend



New EU car registration in Italy

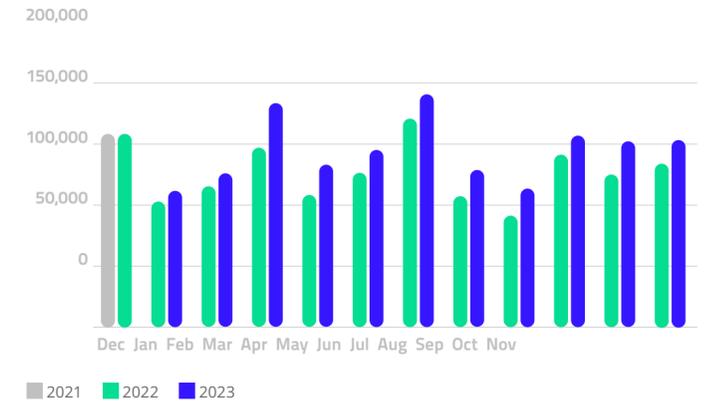
12-month trend



For the latest available monthly data, concerning November 2023, the EU new passenger vehicles market recorded a modest increase (+6.3%). Despite a relatively low base of comparison, robust growth persisted in November, making it the 16th consecutive month of expansion. The biggest increases in the month were observed in Italy

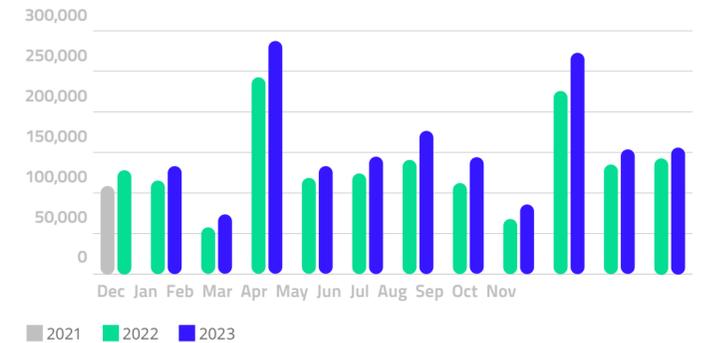
New EU car registration in France

12-month trend



New EU car registration in United Kingdom

12-month trend



(+16.2%) and France (+14%). Conversely, the German car market contracted in November, falling by 5.7% compared to November 2022.

Regarding commercial vehicles, in the first three quarters of 2023 there was an increase in new registrations for all categories of commercial vehicles.

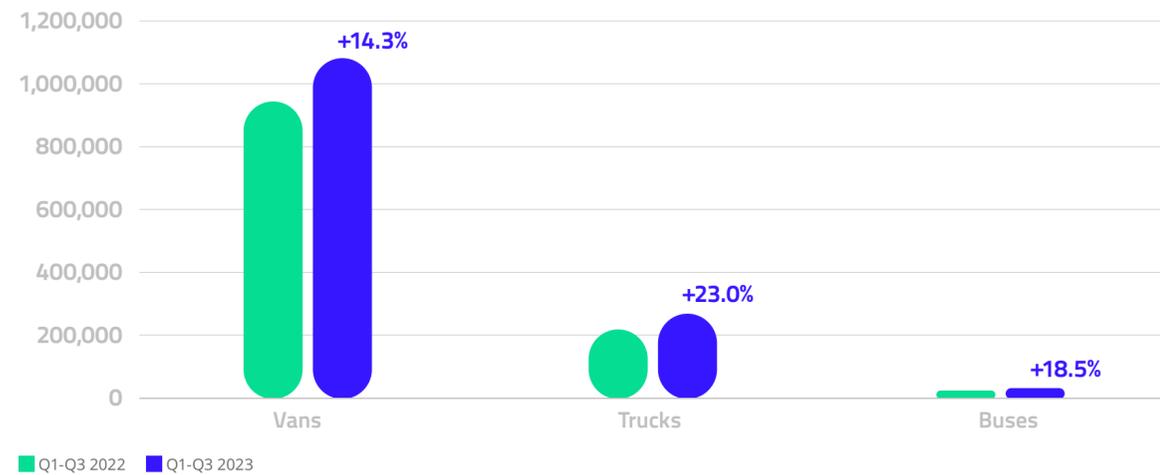
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STRATEGIC
CONTEXT





New EU commercial vehicle registrations, Q1-Q3 2023



+14.3%
Vans

+23%
Trucks

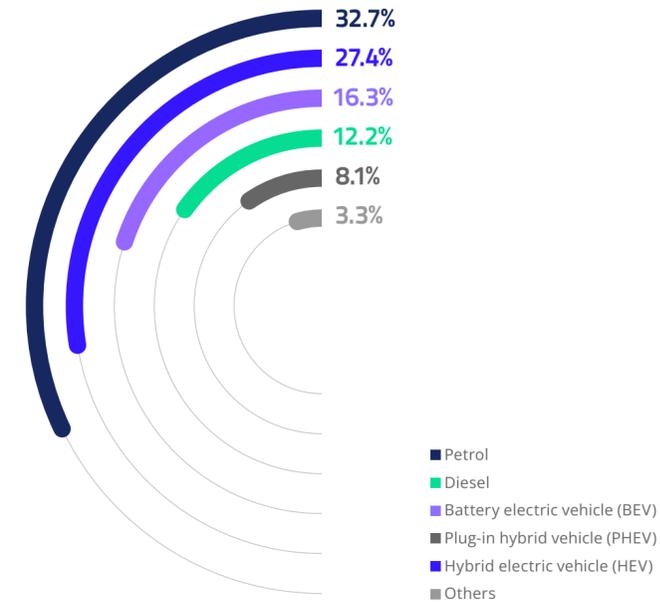
+18.5%
Buses

The number of **light commercial vehicles (Vans)** in the first three quarters of 2023 across the European Union rose 14.3% to nearly 1.1 million units. This positive result was mainly driven by the solid performance in the main EU markets, with Spain (+20.5%), Germany (+18.2%), and Italy (+16.7%) recording robust growth.

As for **heavy commercial vehicles (Trucks)**, 268,766 were registered in the European Union, which corresponds to an increase of 23% year-on-year. Germany led the way in terms of sales volume, with 75,241 units registered, a substantial increase of 31.2%. Other major EU markets also grew significantly, including Spain (+23.8%), Italy (+17%), France (+15.6%), and Poland (+10.9%).

New EU cars by power source, November 2023

% market share



As far as **heavy passenger vehicles (buses)** are concerned, registrations also grew significantly during the first three quarters of the year, rising 18.5% year-on-year to 23,645 thousand buses. In terms of volume, France led the way with 4,735 units registered, representing an increase of 9.1%. Italy (+65.9%) and Spain (+58.1%) also saw considerable growth.

Regarding fuel types, in November 2023, the petrol vehicle market grew by 4.2%, despite a continued decline in its market share, which stood at 32.7% in the month in question. However, gasoline remained the most popular fuel type in the European Union. Likewise, diesel car sales fell by 10.3%, thus representing a diesel vehicle market share of 12.2%

of total sales (down from 14.5% in November 2022). In the first 11 months of the year, 3.5 million petrol units were sold, a year-on-year increase of 11.1%.

As far as **alternative energy** vehicles are concerned, in November 2023, registrations in the EU of new **battery electric vehicles (BEVs)** increased by 16.4%, totalling 144,378 units. Several markets contributed to this growth with double- and triple-digit percentage gains, most notably Belgium (+150.2%), which is now the fifth largest market by volume. However, sales of battery electric vehicles fell in Germany, by 22.5%. Despite this, the accumulated volume for the year reached almost 1.4 million units, which reflects a substantial increase of 48.2% compared to the previous year, representing a 14.2% share of the EU car market in this period.

Conversely, sales of **plug-in hybrid-electric vehicles (PHEVs)** fell by 22.1% to 72,002 units in November. Despite considerable increases in Belgium (+43.8%) and France (+17.8%), these gains were not enough to offset the substantial drop in Germany (-59.3%), the largest market for this energy source. As a result, the market share of plug-in hybrid cars fell from 11.1% last year to 8.1% in November this year.

In November, new registrations of **hybrid-electric vehicles (HEVs)** in the EU increased by 28.7%, driven by significant growth in the largest markets: Germany (+38.4%), France (+35.8%), and Italy (+30.2%). This led to a cumulative increase of 29.9% in the 11 months of the year, reaching almost 2.5 million units sold in November – more than a quarter of the EU’s market share.

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STRATEGIC CONTEXT





In the first eleven months of this year, there were a total of 2.6 million new vehicles, thus 11% more than recorded in the same period of the previous year.

Germany

In Germany, the most recent figures released by the German automobile association (VDA) indicate that 245,700 passenger vehicles were registered in November, 6% less than in November last year. In the first eleven months of this year, there were a total of 2.6 million new vehicles, thus 11% more than recorded in the same period of the previous year.

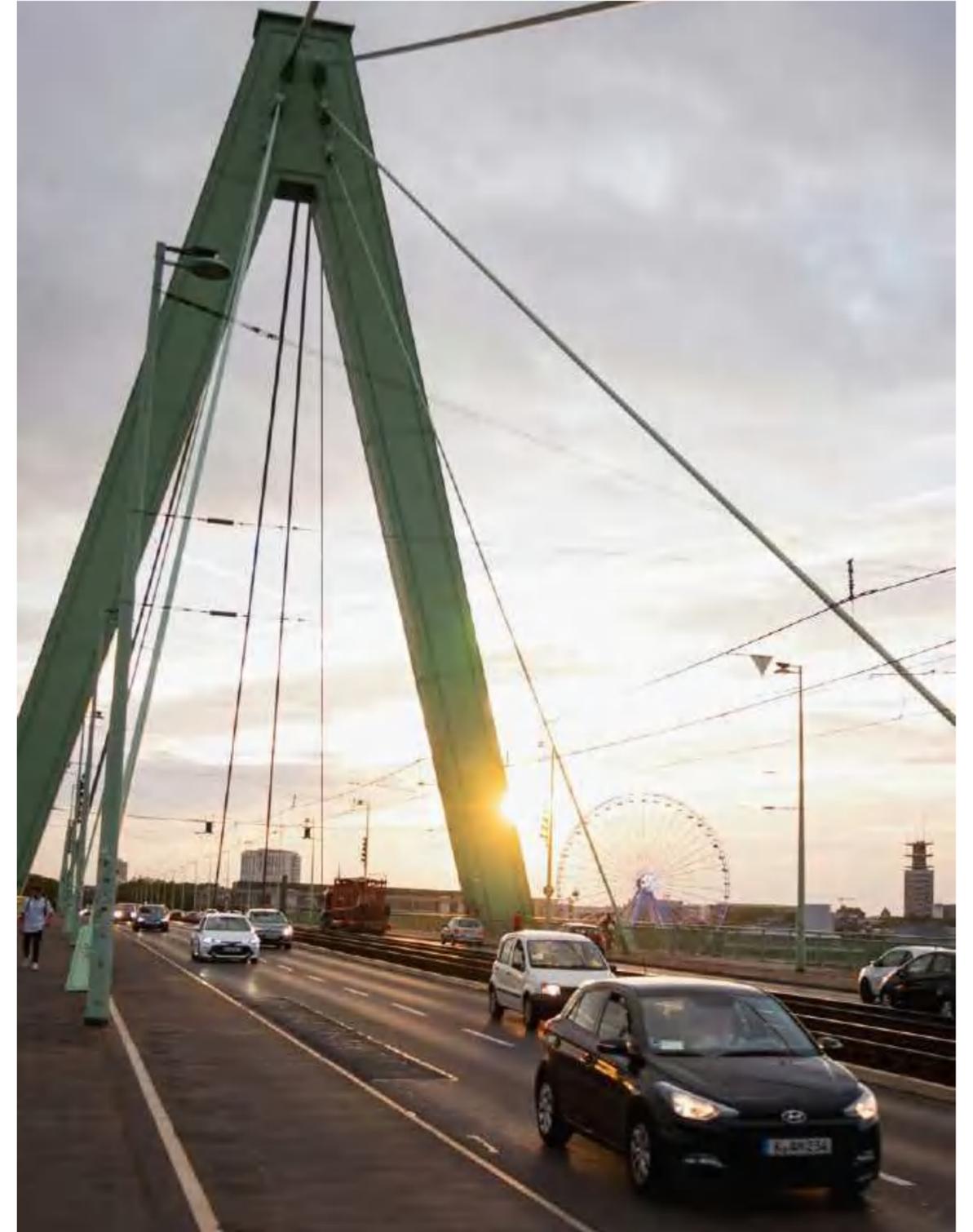
At the end of last year, as a result of the announcement of the reduction in the environmental credit for pure battery electric vehicles (BEVs) and of its removal for plug-in hybrids (PHEVs), many new registrations were made in advance so that they could still benefit from the funding. Due to the comparatively high figures of the previous year, new registrations of electric vehicles fell by 39% in November compared to the same month last year, only reaching a volume of 63,100 units.

New registrations of pure electric passenger vehicles (BEV) fell by 22% year-on-year and new registrations of plug-in hybrids (PHEV) showed an even greater decline of 59% compared to the same month last year. It is worth mentioning that BEV registrations increased by 28% over the 11 months of the year, while PHEV registrations fell by 46% over the same period. These figures led to a year-on-year 5% drop in the total number of electric vehicles registered in the first 11 months of the year to around 627,700 units.

Compared to the same month last year, there were 19% more domestic orders in November. However, domestic orders for the year to date fell by a total of 19% year-on-year. Foreign orders in November were 14% higher than a year earlier. To date, foreign orders have fallen by 4% year-on-year. Overall, there were 5% fewer orders in the first 11 months of this year than in the same period last year.

In November 2023, domestic passenger vehicle production totalled 402,800 units, which was almost 2% higher than in the same month last year. Domestic production therefore continued to be significantly positive throughout the year. In the first 11 months of the year, production increased by 20% to almost 3.9 million cars, compared to the same period last year. However, compared to the pre-crisis year of 2019, production in the first 11 months of the year was lower than it was then.

Exports also increased in November 2023, with 299,600 new cars exported from production plants in Germany, an increase of 5% compared to the same month last year. Considering YTD developments, there was a 19% increase to 2.9 million vehicles that were delivered to customers worldwide. However, after the first 11 months of the year, exports are still 11% below the pre-crisis level of 2019.



STRATEGIC
CONTEXT





Light passenger vehicles registrations in Portugal

	December 2023		January to December 2023	
	Units	% Change 23/22	Units	% Change 23/22
Light Passenger Vehicles	16 635	11,1	199 623	26,9
Light Duty Vehicles	3 305	8,1	28 523	20,7
Total Light Vehicles	19 940	10,6	228 146	26,1
Heavy Duty Vehicles	893	29,6	7 907	26,9
Total Automotive Market	20 833	11,3	236 053	26,1

Source: Anfavea

Automotive production in Portugal

	November 2023		January to November 2023	
	Units	% Change 23/22	Units	% Change 23/22
Light Passenger Vehicles	28 178	-9,1	229 839	-0,8
Light Duty Vehicles	6 228	22	63 788	14,8
Heavy Duty Vehicles	601	-13,4	5 554	6,2
Total Automotive Production	35 007	-4,9	299 181	2,3

Source: Anfavea

Automotive Assembly in Portugal

	November 2023		January to November 2023	
	Units	% Change 23/22	Units	% Change 23/22
Heavy Duty Vehicles	28	64,7	180	-0,6
Total Automotive Production	28	64,7	180	-0,6

Source: Anfavea

Portugal

In Portugal, car registrations in 2023 totalled 236,053 vehicles, which represents a 26.1% year-on-year increase, but a drop of 12.3% compared to 2019, before the pandemic. The figures, released by the

Portuguese Auto Association (ACAP – Associação Automóvel de Portugal) also showed that of the total 236,053 vehicles registered, 228,146 were light vehicles and 7.907 were heavy duty vehicles.

In Portugal, car registrations in 2023 totalled 236,053 vehicles, which represents a 26.1% year-over-year increase, but a drop of 12.3% compared to 2019, before the pandemic.

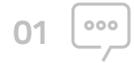
Considering only the light passenger vehicles sector, there was an increase of 26.9% in 2023, reaching 199,623 registered vehicles. Light duty vehicles stood at 28,523 units, which corresponds to an expansion of 20.7% compared to 2022.

Heavy duty vehicles also grew in line with the rest of the sector, up 26.9% year-on-year to 7,907 units registered.

From January to December 2023, 51.9% of new light passenger vehicles registered were powered by alternative energies, mainly electric and hybrid vehicles. More specifically, 18.2% of new light passenger vehicles registered in 2023 were electric.

18.2%

of new light passenger vehicles registered in 2023 were electric



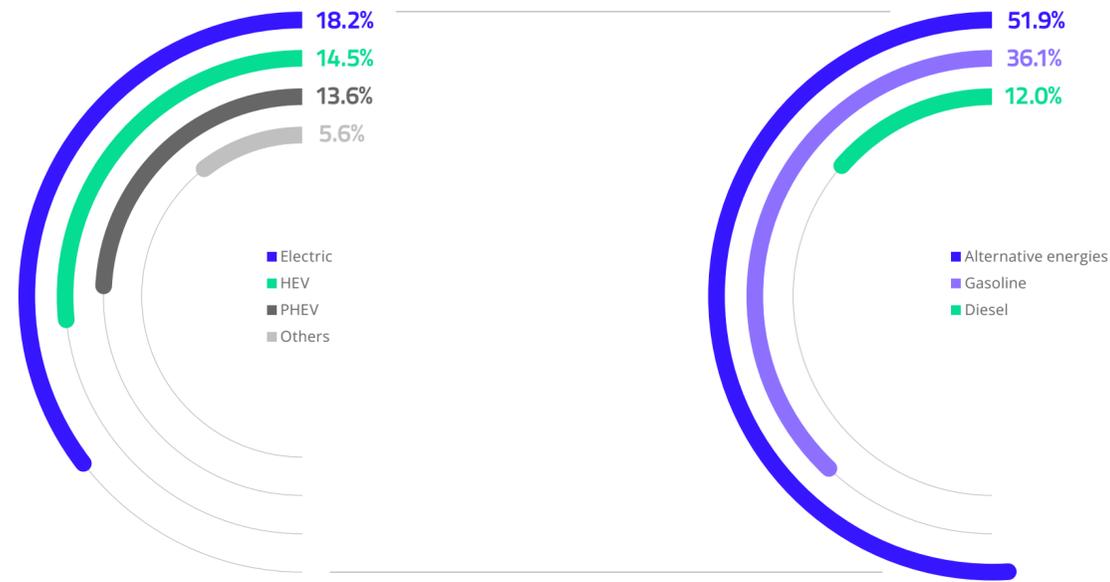
STRATEGIC
CONTEXT





Passenger car registrations in Portugal

type of Energy - January to December



Source: ACAP - Associação Automóvel de Portugal



2.3%

299,181 vehicles were assembled in Portugal in the first eleven months of the year

As regards production, 299,181 vehicles were assembled in Portugal in the first eleven months of the year, which corresponds to an increase of 2.3% vis-à-vis 2022. Considering November's figures, 35,007 units were produced, which represented a decrease of 4.9% compared to the same month in 2022. The data for 2023 confirms the importance of exports for the Portuguese automotive sector, since 97.8% of the vehicles manufactured in Portugal are for the foreign market, contributing significantly to the Portuguese trade balance.

Regarding the assembly of motor vehicles in Portugal, 28 heavy duty vehicles were assembled in November 2023, representing a 64.7% year-on-year increase. In cumulative terms, in the eleven months of 2022, the assembly of heavy duty vehicles showed only a slight decrease of 0.5% to 180 units.

Iron ore

(year 2023 - \$/ton)



2.1.2 Iron, Steel, and Scrap

Iron Ore

After a 2022 marked by tremendous volatility, in 2023 iron ore prices fluctuated in a much narrower range of less than \$40/tonne, with a maximum of \$147 and a minimum of \$108. As a result, iron ore prices finished the year at an average of \$128/tonne.

The first half of the year was marked by growing concerns about the state of the Chinese property sector and the constant tightening of monetary policy by the world's main central banks, in a scenario that pushed prices down to annual lows of around \$108, as a result of fears about demand for iron. In contrast, the second half of the year saw greater optimism in the market, with growing hopes of stimulus in China to boost economic growth and support the ailing property sector. As a result, ore prices finished the year at their highest since

June. It is worth noting that ore was supported last year by the absence of restrictions on steel production, with steel production recording its first annual increase since 2020, when Beijing introduced a cap on annual production to help curb carbon emissions.

The outlook for the iron ore market in 2024 is moderately optimistic. The global economy should avoid a recession and China should continue to grow at around 5% a year. Additionally, interest rates in the United States and other developed countries are expected to begin to fall, stimulating economic activity. However, there are several risks that could affect iron ore prices in 2024. One is a sharper-than-expected slowdown in the global economy, and the other is increased environmental restrictions in China, which could affect steel production.

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STRATEGIC CONTEXT





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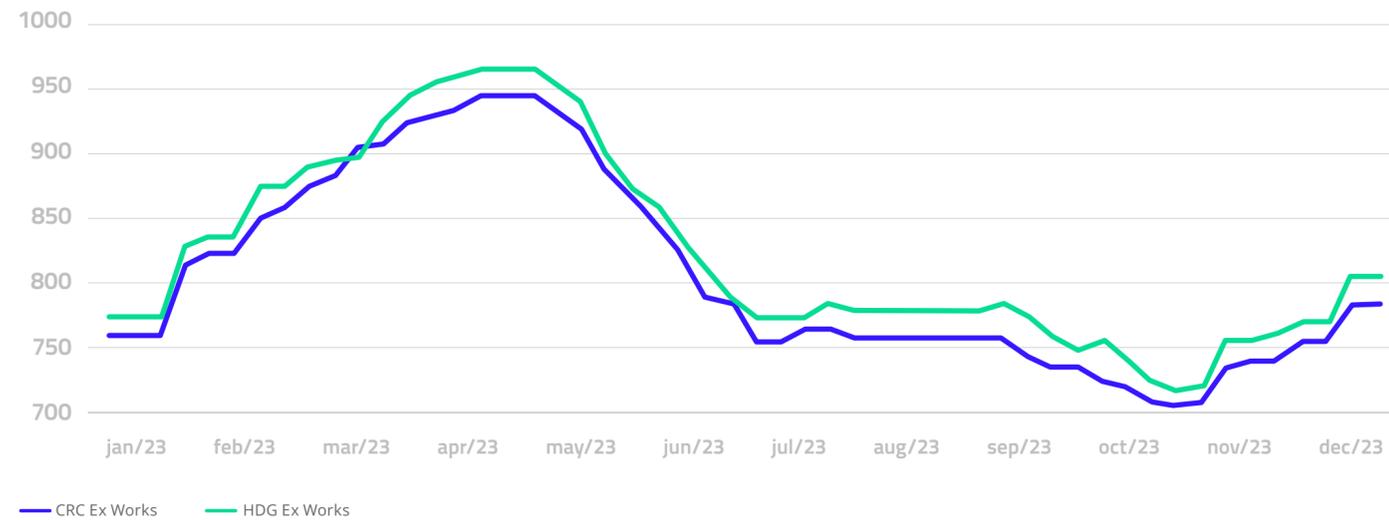


STRATEGIC
CONTEXT



Steel Plate – Italy

(year 2023 – €/ton)



Steel Plate – Southern Europe

Cold-rolled sheet prices in Italy averaged 806 euros per tonne in 2023, with a maximum of 945 euros and a minimum of 708 euros. As for galvanised sheets, they finished the year with an average of 823 euros/tonne, a maximum of 965 euros/tonne, and a minimum of 718 euros/tonne.

Steel plate prices in Europe started 2023 on a high note, pushing prices to around 950 euros per tonne. The rise was supported by reports of good orders from producers, but also capacity cuts by a few producers, which justified the observed price rises. From April onwards, the increased competitiveness of import offers, as well as the low consumption of steel, except for a few relevant sectors such as the

automobile and machinery industries, which continued to have considerable order volumes, forced European producers to lower prices. This trend continued until November, when prices began to recover, finishing the year slightly above where they had finished in 2022. The year-end rise was supported by capacity cuts and by price rises at steel mills to prevent margins from falling.

Most analysts do not expect 2024 to start with significantly more activity than 2023's, with some suggesting that steel consumption will remain at relatively low levels throughout the year. We therefore expect some form of upward trend during this first quarter, and from then on, much will depend on the situation of the manufacturing industry on a global level.

The earthquake in Turkey also had an impact on the market, pushing prices up to annual highs in April of 400 euros per tonne.

Scrap

Scrap prices averaged around 365 euros per tonne in 2023, in a year that saw a maximum of 400 euros and a minimum of 330 euros.

Until April, scrap prices on the European continent were on an upward trend, supported by decent demand from steel mills, despite delays in resuming production and capacity cuts at some facilities. The earthquake in Turkey also had an impact on the market, pushing prices up to annual highs in April of 400 euros per tonne. From mid-April onwards, lower demand for scrap from European long steel producers due to the slowdown in the construction sector, impacted by higher loan costs as a result of the tightening of monetary policy by central banks,



Scrap prices on the European continent were on an upward trend, supported by decent demand from steel mills



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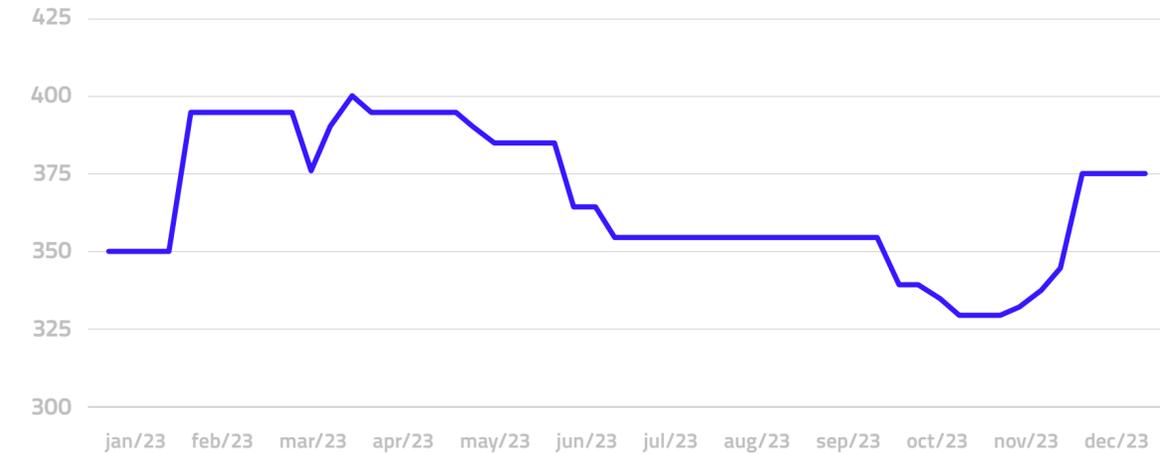


STRATEGIC
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E40 Scrap – Italy

(year 2023 – €/ton)



Scrap E40 Italy €/ton

25€

higher than in January, finishing the year on a surprisingly positive demand

penalised sentiment in this market. As a result, prices began a downward trend, which only reversed in November after an annual low of 330 euros/tonne. Surprisingly positive demand before the traditional end-of-year break allowed prices to recover, finishing the year 25 euros higher than in January.

In 2024, scrap prices are likely to be very dependent on the activity of the construction sector, one of the most affected by the context of higher interest rates. Prices are likely to remain very dependent on Turkish interest in this product, but also on price developments in this market.

Aluminium

(year 2023 – \$/ton)



Aluminium

Aluminium

The beginning of 2023 was marked by high volatility in the aluminium market, with prices fluctuating significantly. At the start of the year, prices shot up to an annual high of around 2,600 dollars per tonne, but from February onwards they kept falling back until mid-December, when they hit an annual low of 2,070 dollars per tonne, a figure not seen since September 2022. In the last two weeks of the year, prices recovered to almost eight-month highs, driven by disruptions in Guinea, one of the main bauxite producers. The disruption of metal transport in the Red Sea, where a few routes faced some risks due to attacks on ships, also supported the rise. Overall, aluminium prices finished 2023 at an average of around 2,250 dollars per tonne.

In general, the market was conditioned last year by weak demand and by high levels of production for much of the year. Stock prices on the LME rose by around 25% during 2023, reaching their highest since April 2022 at the start of the year. Import premiums to Europe fell consecutively in almost every month of the year, demonstrating the region's reduced interest in importing material. Simultaneously, monthly global aluminium production increased for most of 2023, according to data from the International Aluminium Institute, driven by higher production in China due to new production capacity coming online. Supply-side disruptions and transport constraints helped support the market at the end of the year. Even so, the market is expected to have finished 2023 with a supply surplus, after an estimated deficit of 300 thousand tonnes in 2022 and 1.6 million tonnes in 2021.



2.2 The journey to sustainability

Sustainability permeates all areas of our daily lives and should increasingly guide future vision and decisions. At SODECIA we are fully aware of this and want to ensure that our business is progressively more aligned with ESG best practices. For us, sustainability is considered a source of opportunities and an integral part of the management and success of our business, in the short, medium, and long term. As a result, we have invested in minimising the environmental impact of our operations, combating climate change and improving the well-being and quality of life of our people.

As an engine for economic growth and job creation, and as a source of technology and innovation, the business sector plays a key role to play in sustainability – of the planet, of communities, and of society in general. In this context, SODECIA, as an integral part of the automotive industry, has made a clear commitment in this direction, with the ambition of generating value for our business and for society in general.

As a result of this commitment, SODECIA has implemented various actions and measures in the area of sustainability. An example of this is the

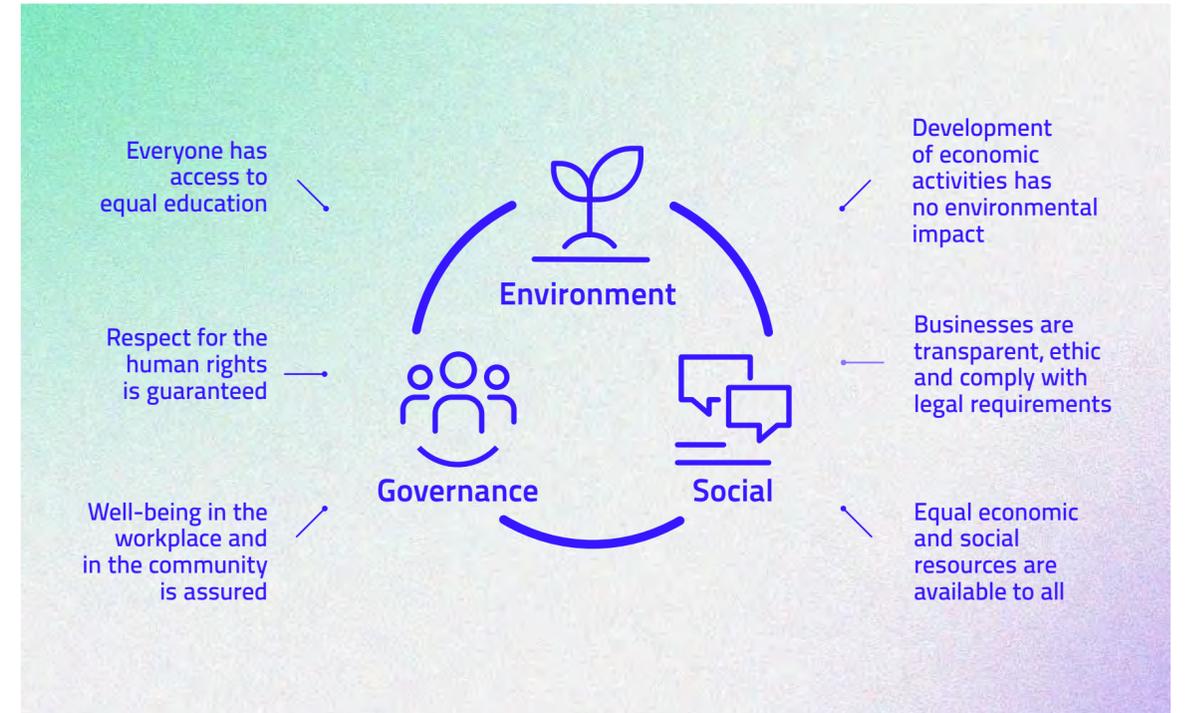
analysis of our business in light of the 2030 Agenda and the identification of the main Sustainable Development Goals to which our company can respond and contribute more actively.

The creation of a new Management Model (4G) based on four vectors – “Growing the People”, “Growing the Business”, “Growing the Results”, and “Growing the Sustainability” – also highlights SODECIA’s commitment to integrating sustainability into its strategy. Other examples of actions that support our commitment are the development of our sustainability policy and the definition of the sustainability governance structure.

The Year 2023, continuing with 2022, foresees the War in Ukraine and Inflation continued to afflict the economies, remaining high in the 1st half.

The reduction in energy prices and the self-sufficiencies created by Europe with regard to Gas were crucial to lowering the price of gas.

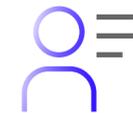
At SODECIA we continue our policy of becoming less polluting and more self-sufficient in electrical energy



with the expansion of the implementation of solar panels in our units.

In conjunction with these measures, we also introduced a set of improvement actions in our activities and operations, with the aim of reducing scope 1,2 and 3 GHG emissions, in line with our commitment to reducing our carbon footprint. These measures, namely the implementation of solar panels in some of the group's units, allowed us to consolidate the reduction of Carbon in GHG type 2 through the production of green electricity.

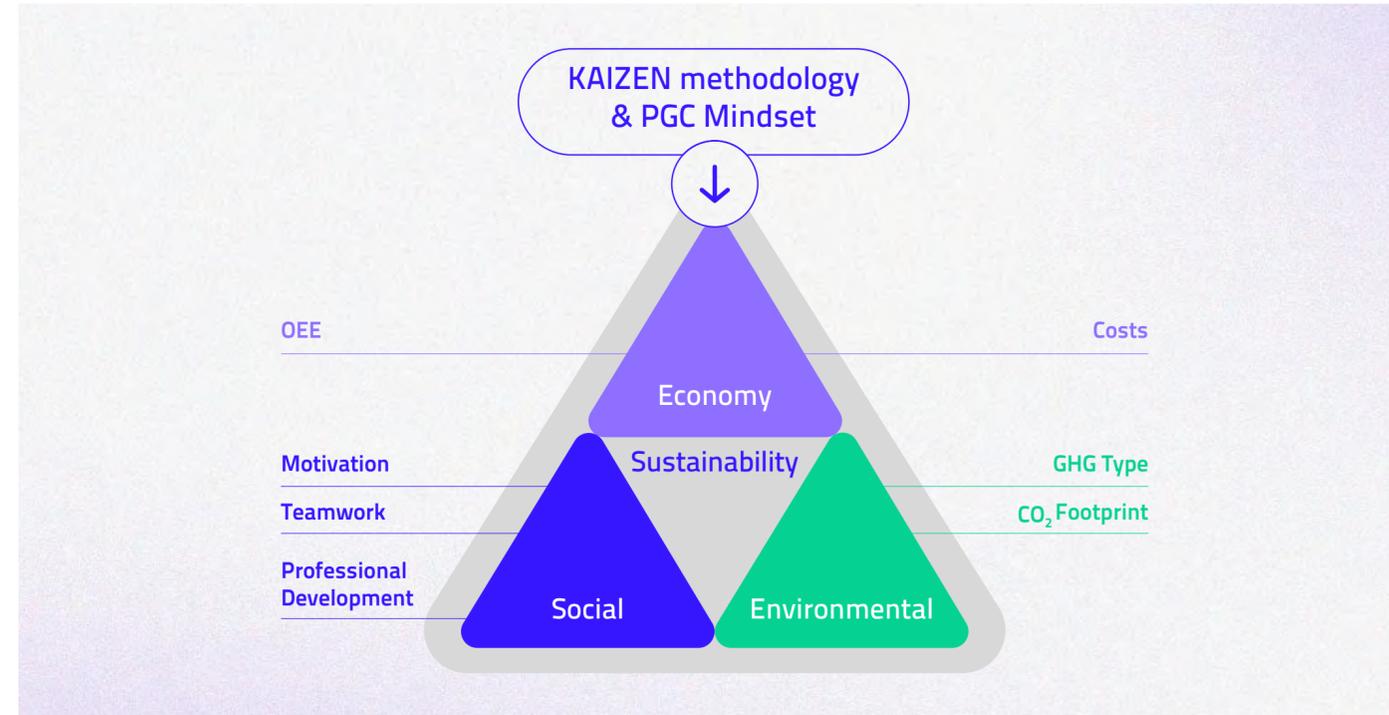
As part of our journey towards sustainability, in 2023 we also obtained an average rating of 85% in the S-Rating, which assesses the sustainability performance of suppliers in the automotive sector in relation to environmental, social and corruption risks.



The Year 2023, continuing with 2022, foresees the War in Ukraine and Inflation continued to afflict the economies, remaining high in the 1st half

STRATEGIC CONTEXT





This year we continue to be partners and submit the respective surveys to EOCVADIS and CDP.

In order to promote good sustainable practices among our partners, we have implemented procedures and policies to integrate sustainability criteria with customers, government entities and in our value chain, for the acquisition and selection of suppliers and purchases.

KAIZEN Methodology

The Sodecia Group, made up of several operational units in different geographies, faces the challenge of reconciling business growth and the development of its teams with market demands in terms of sustainability, ensuring customer satisfaction. To achieve this objective, we adopted the Kaizen culture as an integral part of our management model,

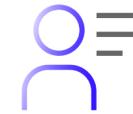
aiming at continuous improvement of processes. This approach is not only part of our business and employee development strategy, but also contributes to solving internal problems and improving performance, including sustainability.

In each operational unit, there is someone responsible for promoting this Kaizen philosophy, working with various departments to promote process efficiency, establishing standards and coordinating projects to reduce waste, such as the carbon footprint. Furthermore, this person facilitates the training of employees and validates the results of implemented projects.

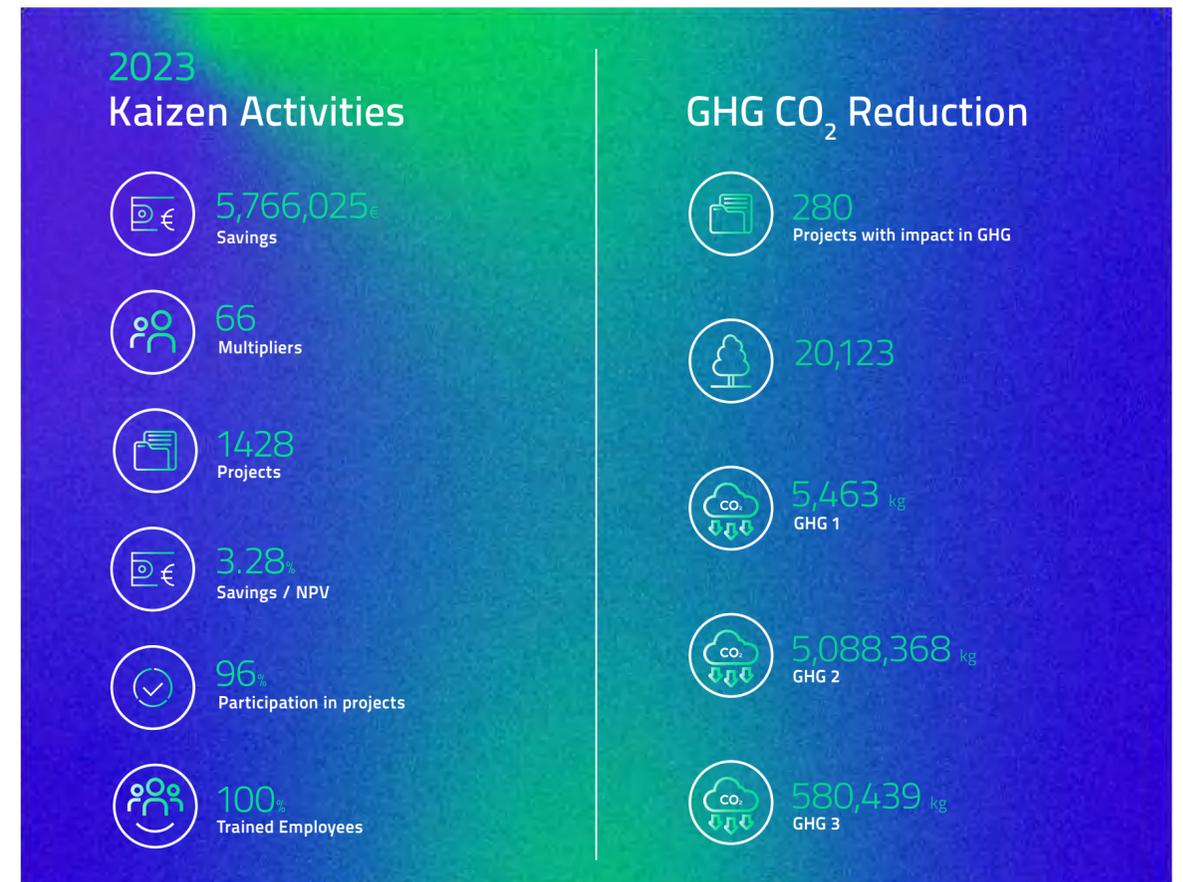
Through this approach, we optimize resources, reduce waste and promote a culture of constant improvement at SODECIA. This transformative drive motivates us

to grow and motivate the entire team to make the company even better. As part of promoting the Kaizen culture, we commit to reducing CO₂ emissions with the same dedication as the other seven commitments.

In 2023, the application of the Kaizen philosophy was reflected in large savings, an increase in the number of projects and training to improve the working environment and the creation of value programs that reduced the environmental impacts of our activities produced, namely a large reduction in carbon footprint. We present the results as an example in the following infographics:



As part of promoting the Kaizen culture, we commit to reducing CO₂ emissions with the same dedication as the other seven commitments



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Contribution to the Sustainable Development Goals

At SODECIA Group we want to create a positive impact on society and on our multiple stakeholders. As such, we are committed to actively contributing to the achievement of the United Nations 2030 Agenda and of its Sustainable Development Goals (SDGs). By adopting solutions that extend across our entire value chain, we want to transform the way we work and live, on a planet with decreasing resource availability. We have therefore identified in our Group a set of priority SDGs that are integrated in our business nature and organisational culture, and to which we want to contribute more actively. Additionally, we contribute to a set of SDGs, which we consider to be complementary, that are an opportunity for a more responsible management and optimisation of resources, and for the creation of value in local communities.

In addition to contributing to the SDGs, SODECIA has entered into several partnerships with associations and organisations seeking to develop innovative projects and solutions with added value for society. However, we intend, in the near future, to take on several other commitments in the area of sustainability and social responsibility, subscribing to initiatives with national and international relevance.

Focus SDGs



- Development of training actions for employees within the scope of their roles.
- Support to employees in their academic progression.
- Attracting and developing young talent, giving young people an opportunity when they are at an age when they can choose a profession, a link to practice and professional work. Possibility of visiting our factories and getting to know the manufacturing processes. Help them plan their careers in the automotive industry and thus make better informed career choices.
- Environmental education campaigns.



- Generation of employment and wealth in the different geographies where it operates.
- Promoting decent work by protecting labour rights and promoting occupational safety and health (for example, by implementing and certifying occupational health and safety management systems).
- Promotion of human rights in the value chain.
- Promotion of diversification, technological modernisation, and innovation.
- Promotion of economic growth in balance with environmental preservation and fostering resource efficiency in consumption and production processes.



- Promotion of innovation and increasing digitisation of our processes, on the way to reducing our carbon footprint.



- Through the location of many of our Factories, we promote opportunities for local people, creating economic and social value in these communities and their countries.
- Promotion of equal opportunities and contribution to the fight against inequalities and discrimination.



- Promotion of sustainable management and of the efficient use of natural resources in in-house operations.
- Integration of eco-design criteria and product life cycle analysis.
- Promotion of the circularity of materials.
- Promotion of sustainability in the value chain and integration of ESG aspects into the purchasing criteria.

Complementary SDGs



- Through social responsibility campaigns aimed at the local communities most in need located near SODECIA factories (e.g., donations of basic necessities and food).



- Through social responsibility campaigns aimed at local communities most in need (for example, food donations).



- Occupational health programmes and campaigns in the area of health and well-being.



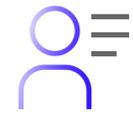
- Actions to promote energy efficiency and the incorporation of renewable energies in the Production Plants.



- Actions to preserve forests and plant trees.



- A governance model based on rules of ethics and conduct, integrity and transparency, and accountability.
- Promotion of active forms of stakeholder involvement.
- Promotion of human rights in the value chain.
- Prevention of corruption and bribery in the value chain.



2.3 ESG Materiality Analysis

In keeping with our commitment, we are continuing with the second sustainability report and work carried out in 2023

In 2022, SODECIA carried out not only its first sustainability report but also a dual materiality analysis to define its material topics. This chapter presents the methodology adopted.

This period was also defined by the approval of the Corporate Sustainability Reporting Directive (CSRD), which establishes standards on corporate reporting on the company's management of social and environmental challenges, while simultaneously addressing the issue of dual materiality.

In keeping with our commitment, we are continuing with the second sustainability report and work carried out in 2023, thus reinforcing our commitment to transparency and responsibility in issues of sustainability. This document will be an essential tool



Benchmarking study

Analysis of the main global sustainability trends



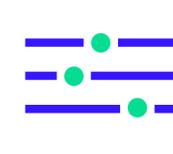
Stakeholder mapping

Internal workshop for valuing stakeholder groups previously identified by SODECIA



Online Survey

Application of online surveys to identified stakeholder groups (375 responses - 10% response rate)



Materiality Assessment Workshop

Workshop with internal stakeholders to assess impact materiality



Materiality Matrix

Validation of materiality analysis results — 11 material topics

for comprehensively communicating our practices and progress, ensuring compliance with established standards and promoting transparency in SODECIA's actions.

Accordingly, SODECIA's ESG Materiality Analysis had two main objectives: **(1)** identifying the most important issues and trends for the company's stakeholders, as well as the selection and prioritisation of the most relevant sustainability topics for SODECIA's decision-making and strategy development process; and **(2)** showing how environmentally and socially relevant issues or information can have financial consequences in the present or future of companies, and vice versa.

Taking into account these objectives, the ESG Materiality Analysis comprised four phases:

• **Analysis of the main global sustainability trends**, that is, a benchmark study, where peer companies of national and international reference in the automotive sector were considered.

• **Mapping of the stakeholders to consult.**

In this phase, an internal workshop was held, with multidisciplinary staff and different hierarchical levels, comprising several areas of SODECIA.

• **Consultation with (internal and external) stakeholders using an online survey to evaluate:**

(1) the topics on which SODECIA has the greatest impact on the economy, the environment and people, including human rights, as a result of its business activity or relations; and **(2)** the topics on which SODECIA could be most impacted from a financial, operational, and reputational perspective.

• **Final internal workshop with SODECIA's employees**, with the following objectives: **(1)**

assessing the significance of the company's impacts on the economy, the environment and people, including human rights, as a result of its activity or business relationships and **(2)** assessing their financial, operational, and reputational relevance to the company.

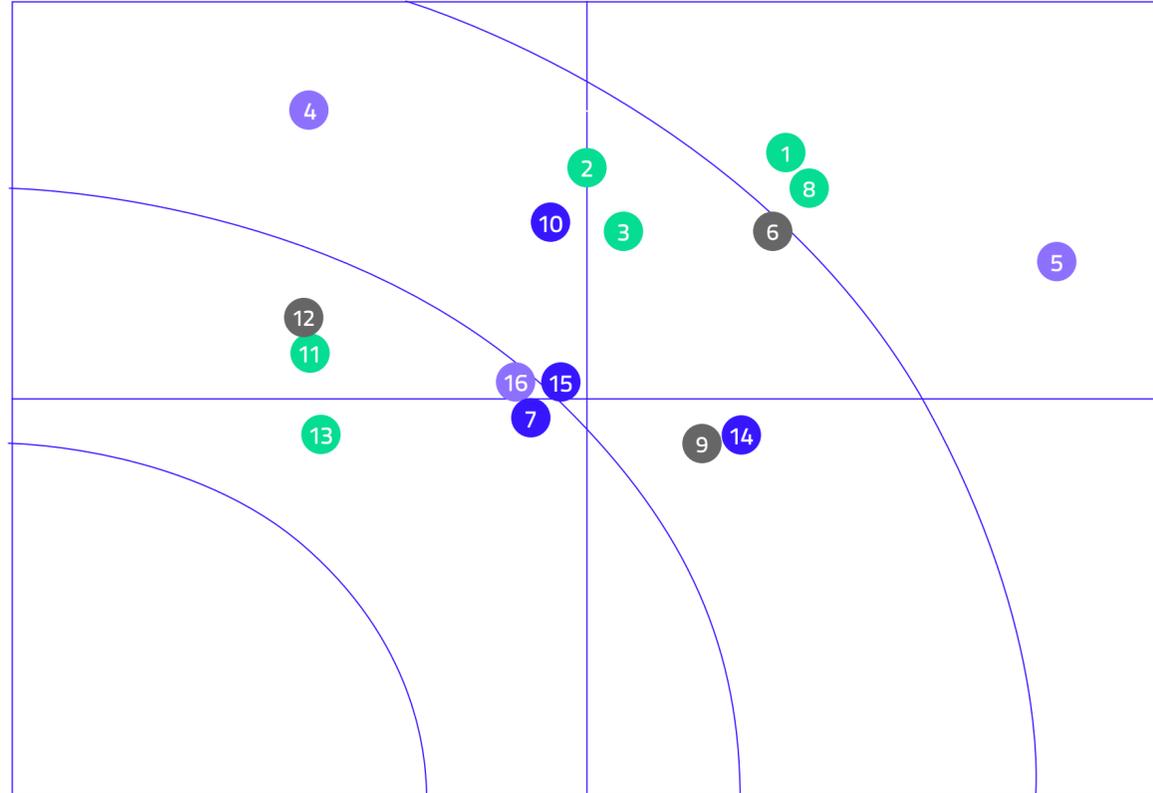


STRATEGIC CONTEXT





Financial Materiality vs Impact Materiality



● Environmental Protection and Responsible Use of Resources

- 1. Eco-design and Product life cycle
- 2. Energy and climate change
- 3. Waste Management
- 8. Resource Efficiency
- 11. Water and Effluent Management
- 13. Air quality

● Security of Employees, Customers and Data

- 4. Product Quality and Safety
- 5. Safety and Health at Work
- 16. Data Protection and Security

● Human Capital Development

- 7. Diversity and Inclusion
- 10. Training and Professional Development
- 14. Labour Relations and Social Dialogue
- 15. Talent Attraction and Retention

● Ethics, Protection of Human Rights and Community Development

- 6. Sustainability in the Supply Chain
- 9. Community Involvement
- 12. Governance, Ethics and Responsible Business Conduct

SODECIA's ESG material topic list



Safety and health at work



Product quality and safety



Eco-design and product lifecycle



Training and professional development



Resource efficiency



Labour relations and social dialogue



Sustainability in the supply chain



Involvement with the community



Energy and climate change



Talent change and retention



Waste Management

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The alignment achieved between all the phases of the exercise and the internal harmonisation of its results meant that (from a list of 16 identified sustainability topics) a total of 11 material topics were ultimately identified for SODECIA. These are identified in the materiality matrix according to their relative importance assigned during the stakeholder

consultation process, in the two analysed dimensions – impact and financial materiality.

The 11 material topics determined in this way make up the sustainability information in this report. They are identified in each subchapter and, where relevant, the corresponding description is given.



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knowledge

Our know-how accumulated over the years has been the key to our business success; we deliver results according to our adaptability and constant willingness to learn.

Adding value *to you*

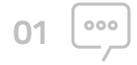


03

Governance Principles



We seek to act in compliance with nationally and internationally recognised corporate responsibility legislation, standards, and practices.



GOVERNANCE PRINCIPLES



3.1 The governance model

3.1.1 Company identification

Company Name: SODECIA – Participações Sociais, S.G.P.S., S.A.

Headquarters: Rua de António Bessa Leite, nº 1430, 4º 4150-074 - Porto, Portugal

Main Activity: Management of shareholdings

Share Capital: EUR 64,442,910.00





The Board of Directors has retained the general powers of administration, management, and representation of the company.

3.1.2 Corporate governance

The current term of office for all governing bodies, corresponding to the 2020–2023 four-year period, was initiated by the Shareholders’ deliberation of 4 June 2020 and 30 July 2020.

The company’s governing bodies have the following composition:

Officers of the General Meeting

Chairman: Mr. Carlos Manuel Macedo do Vale Grijó
Secretary: Mrs. Ana Carla Novais de Carvalho Dias Teixeira

Board of Directors

Chairman: Mr. Rui de Lemos Monteiro
Member: Mr. Miguel Nuno de Avelar Lopes Cardoso
Member: Mrs. Marta do Céu Morais Cláudio
Member: Mr. Armindo Jorge de Melo Ribeiro
Member: Mr. Filipe José Mesquita Soares Moutinho
Member: Mr. Rafael Moreira da Costa Carvalho

Supervisory Board

Chairman: Mr. Paulo Roberto de Souza Mathias Lima
Member: Mr. Sérgio Paulo Esteves de Poças Falcão
Member: Mrs. Raquel Sofia Cruz da Rocha Araújo Gomes

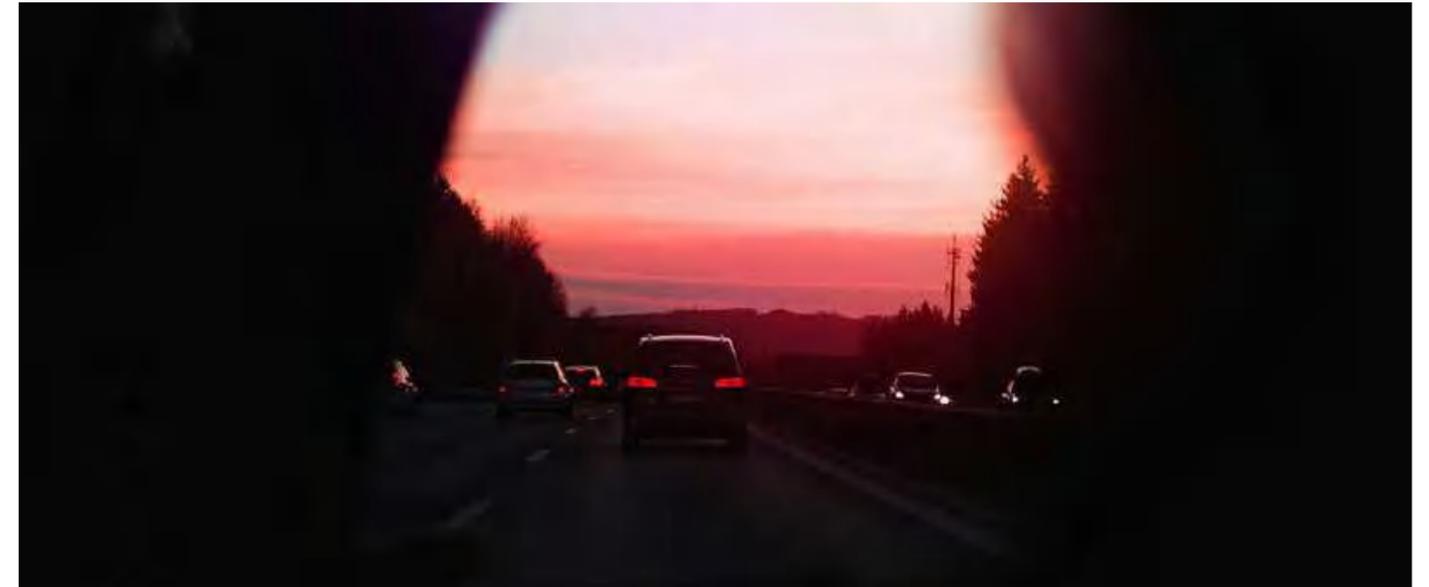
Statutory Auditor

Pricewaterhousecoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda

Alternate Statutory Auditor: Joaquim Miguel de Azevedo Barroso

The Board of Directors has retained the general powers of administration, management, and representation of the company.

Here, we identify the specific areas of intervention of each member of the Board of Directors according to their special training, competence, and experience:



i) Mr. Rui de Lemos Monteiro: strategic development, organic and acquisition expansion processes, technological and industrial development, commercial relations with clients, partners, and suppliers.

ii) Mrs. Marta do Céu Morais Cláudio: strategic business definition of the Powertrain and Safety & Interiors division, now Sodecia Safety & Mobility International division.

iii) Mr. Miguel Nuno de Avelar Lopes Cardoso: development and organisation of the legal department, organisation and preparation of corporate resolutions and contractual documents, merger and acquisition processes.

iv) Mr. Armindo Jorge de Melo Ribeiro: development and organisation of the sustainability area, contemplating risk management, digital

transformation, and process optimisation, as well as communication and talent development.

v) Mr. Filipe José Mesquita Soares Moutinho: business development, responsible for the area’s established objectives and strategic issues; definition of the commercial strategy for the development and acquisition of new business; evaluation and definition of the market and client risk management strategy; coordination with the CapEx and product team to reach the strategic objectives to support the group’s strategic growth.

vi) Mr. Rafael Moreira da Costa Carvalho: strategic development, organic expansion processes, technological and industrial development, commercial relations with clients and suppliers, development of operational performance in view of the organisation’s objectives at Sodecia Automotive International.



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The Group's governance model, duly explained in the "Governance Handbook", is based on 4Gs: Growing the People, Growing the Business, Growing the Results, Growing the Sustainability.

The operation of an Executive Committee was maintained with the following composition:

- Chairman:** Mr. Rui de Lemos Monteiro
- Member:** Mr. Miguel Nuno de Avelar Lopes Cardoso
- Member:** Mr. Armindo Jorge de Melo Ribeiro
- Member:** Mr. Filipe José Mesquita Soares Moutinho

The Executive Committee has been delegated the powers of the day-to-day management of the company, except for the following matters (as resolved on 22 December 2021 by the Board of Directors):

- preparing the annual accounts and reports;
- deliberating on the merger, split, and transformation of the company;
- deliberating on capital increases under the terms provided for in the articles of association;
- changing the headquarters within the national territory;
- appointing the chairman of the Board of Directors;
- co-opting directors;
- requesting the convening of general meetings.

The Group's governance model, duly explained in the "Governance Handbook", is based on 4Gs.

Growing the People: attracting, developing, and retaining talent, knowledge, and dissemination of best practices; driven by merit and promoting the best performance and well-being.

Growing the Business: increasing market position, increasing value in the production chain by leading technological advancement, retaining and increasing the customer base, and exceeding its expectations.

Growing the Results: increasing value in the ongoing relationship with clients, outperforming competitors, and achieving better results than those budgeted and those achieved in the previous quarter.

Growing the Sustainability: sustainable industrialisation, ensuring inclusive and equitable education, developing green products, pursuing carbon neutrality, advocating and enforcing transparency and compliance.

All activities undertaken take into consideration each of the 4Gs and are evaluated for their achievement.

The Group's Governance system is based on a hierarchical pyramid organisation in which entities at higher levels pass instructions/authorisations to those at



subsequent levels, in order to ensure harmonious actions by all units and achieve efficiency gains.

As previously established, matters of major importance to Sodecia Participações Sociais, SGPS, S.A. must be approved and ratified by its Board of Directors to ensure control of policies, strategies, and investments in the entire Group.

The control of the performed operations is also supported by continuous forensic audit processes to the activities of each sub-holding and of each unit of the Group. Increasing the awareness and responsibility of the various managers regarding absolute compliance with the internally decided rules is also an objective.

All professionals who perform supervisory functions have vast working and business experience, technical expertise, and considerable knowledge of the automotive market and of the Sodecia Group. The functions of these employees are developed with autonomy and

independence, and the Group makes available all the information necessary for the good performance of these functions.

The company's supervisory, accounting, and internal audit bodies meet quarterly and are provided with all documents, clarifications, and information necessary for the exercise of their duties.

3.1.3 Corporate Governance Review and Formation

In 2023, the process of reviewing and disclosing the Group's governance documents continued, as did the conducting of training sessions on them.

All documents are published and accessible in the document management system.



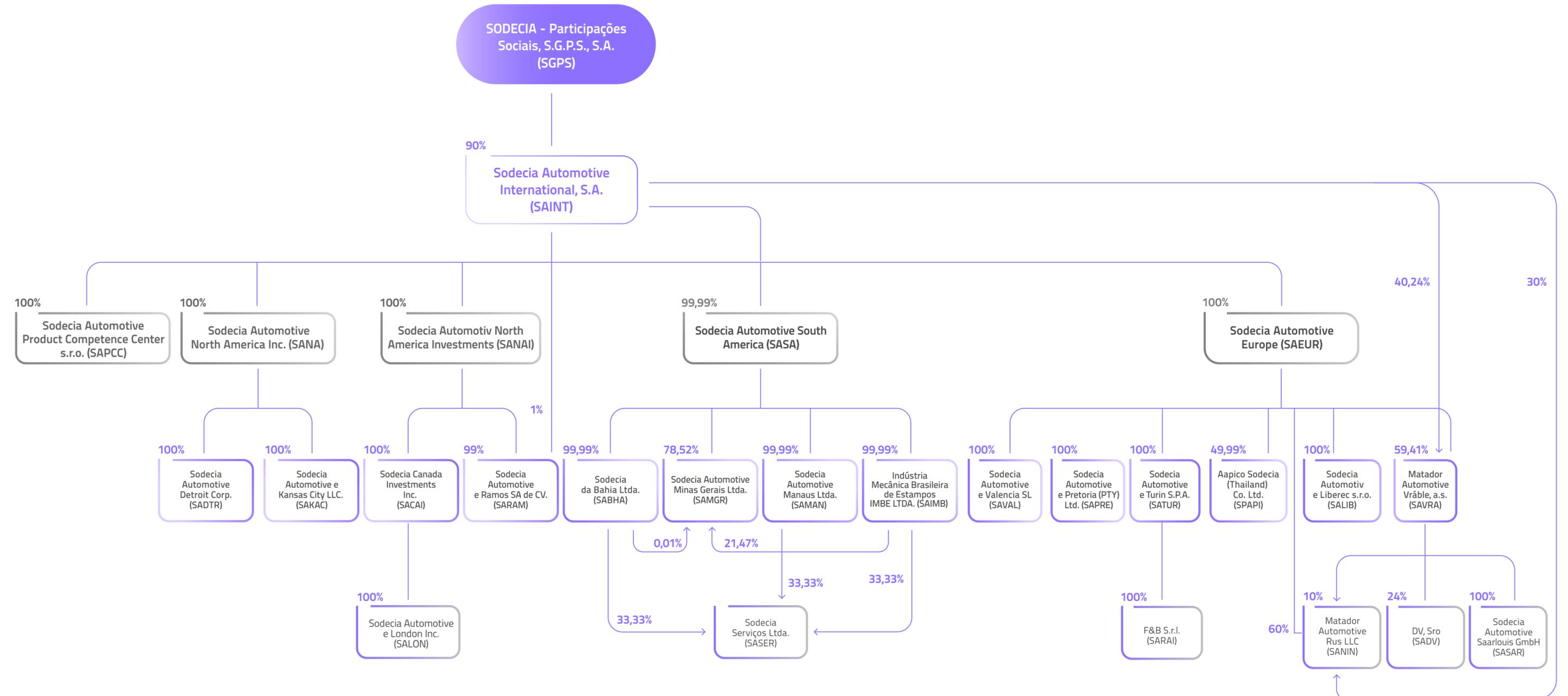
GOVERNANCE PRINCIPLES





3.1.4 Organization chart

Sodecia Automotive Division Chart

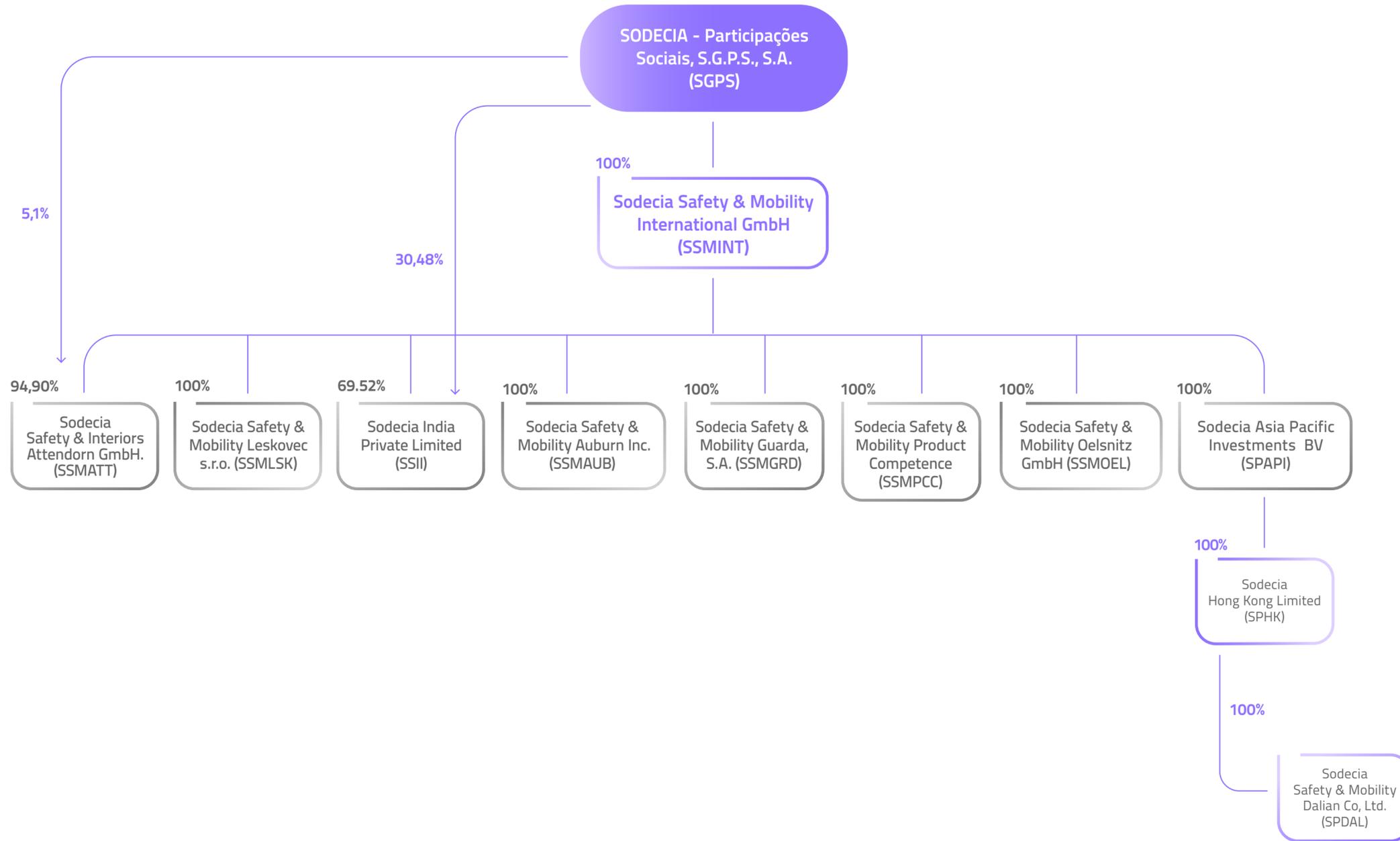


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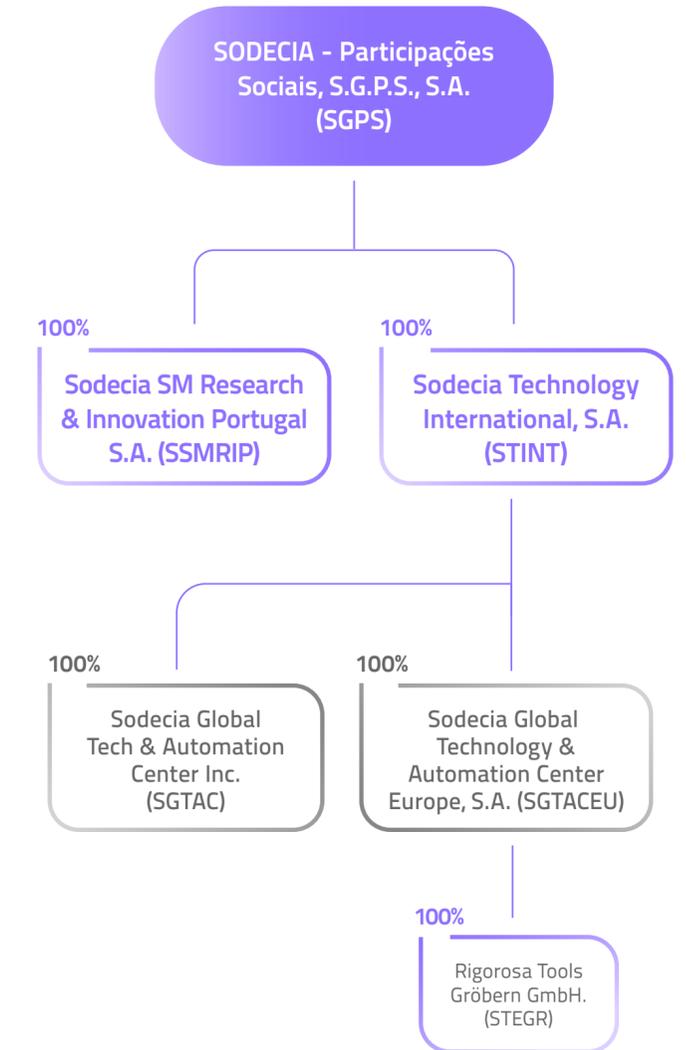




Safety & Mobility Division Chart



Sodecia Technology Division Chart



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3.2 Ethics and Responsible Business Conduct

Ethics and transparency are basic principles for SODECIA and are directly reflected in the Group's reputation. In this context, we endeavour to operate in a close and responsible manner towards our employees, customers, suppliers, and other partners, to ensure the continued trust placed in us. Our way of working is influenced by a deep-rooted culture of ethics and compliance, seeking to guarantee the preservation of the environment and fully respect human and labour rights, while constantly seeking to improve social conditions in the communities where we operate.

Internally, we have been developing a set of mechanisms and instruments that ensure not only the transparency and integrity of the Group's practices, but also the incorporation of the values of business ethics by all our employees at all levels. Given our commitment to conducting business and establishing commercial relationships with honesty and professionalism, we seek to operate in compliance with legislation, standards, and corporate responsibility practices recognised at both national and international level.

Alongside our internal rules, the pillars that guide SODECIA's business conduct are the Values and Ethics Handbook, the Code of Conduct on Anti-Corruption and Bribery, and the Directors Code of Conduct. Additionally, the Board of Directors ratified several policy commitments covering the areas of the environment, human rights, and labour. These policies seek to prevent, eliminate, or mitigate the adverse impacts of the company's activities on human rights, such as child labour and the exploitation of workers, as well as on the environment, including pollution and the loss of biodiversity.

On the other hand, the Group's responsible business conduct is underpinned by various intergovernmental reference instruments. Among these stand out the UN International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Rights of Women, the International Labour Organisation's Core Labour Standards, the

Internally, we have been developing a set of mechanisms and instruments that ensure not only the transparency and integrity of the Group's practices, but also the incorporation of the values of business ethics by all our employees at all levels.

OECD Guidelines for Multinational Enterprises, the 10 Principles of the UN Global Compact, and the Rio Declaration on Environment and Development.

In the context of interactions with external partners, we have implemented procedures and mechanisms to analyse the counterparties with whom we engage. This effort is particularly focused on mergers and acquisitions (M&A), joint ventures, acquisitions, and customer management.



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3.2.1 Respect for Human Rights

In a global context such as SODECIA's, with an extensive workforce, attention to Human Rights is not only relevant, but of crucial importance to us. Respect for Human Rights as universal standards of conduct must be applied to all companies in the market, in order to ensure a better quality of life for all people, contributing to a fairer and more dignified society.

The Human Rights and Labour Rights Policy covers all of SODECIA's operations, including industrial, administrative, and commercial facilities. The Group requires the companies with which it collaborates to adhere to these principles. It also extends the policy's commitments to its supply chain, especially to Tier 1 suppliers, through the procedures of the purchasing model. Management principles must be applied in accordance with the legislation of each market, and in the event of any inconsistency, SODECIA promotes compliance with these principles and respect for Human and Labour Rights.

The company promotes training during leadership meetings, in which the leaders of the SODECIA Group take part. The latest training course, on social sustainability, was led by the Happiness Business School. Policy commitments are communicated to employees, business partners and other stakeholders via the SoftExpert platform.

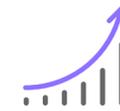
In line with the ethical values, the commitment to respect for Human Rights is integrated into the Values and Ethics Handbook, a core document for promoting integrity in the company. SODECIA rejects any form of discrimination in the countries where it operates, guaranteeing respect for the rights of all employees and contractors. This approach is in line with SDG 8 – Decent Work and Economic Growth, one of the priority goals to which SODECIA actively contributes.

Within the Group, we are committed to promoting and respecting Human Rights in various contexts, positively influencing the entire value chain. We are developing procedures and commitments in this area, with the intention of participating in international initiatives, such as the "Human and Labour Rights" project and Whistleblowing, already being implemented throughout the Group. There are specific policy commitments concerning respect for human rights projected, covering areas such as Anti-corruption, Recruitment, Prohibition of child labour, Prohibition of forced labour, Equal opportunities, Diversity, Discrimination and harassment, Working hours, Remuneration, Working conditions, Employee health and safety, Talent management and training, Social protection and insurance, Social dialogue, and Privacy.

Commitments under the Human Rights Policy



Meet the requirements stipulated by legislation and other requirements applied to your business area.



Continuously improve its performance by carrying out actions related to compliance with human and labor rights management processes.



Achieve objectives and goals in terms of human and labor rights.



Safeguard human and labor rights, particularly in relation to the following aspects: Anti-corruption, Prohibition of child labor, Prohibition of forced labor, Equal opportunities, diversity, discrimination and harassment, Working hours, Remuneration, Working conditions, health and safety of employees, Talent management and training, Social dialogue and Privacy.



Identify risks and opportunities, evaluate and continuously monitor the risks inherent to SODECIA's activities, as well as its direct suppliers, in order to prevent and minimize impacts on human and labor rights.



Continuously raise awareness among its human resources, and direct suppliers, of the importance of human and labor rights, as well as establishing transparent communication and information channels on these topics, with interested parties.



Cooperate with commercial partners in activities related to human and labor rights.



Continuously improve human and labor rights management processes, to ensure that there is appropriate and effective management, helping the SODECIA group to achieve goals in these areas, understanding the needs and expectations of interested parties, and the life cycles of our products and services.



At SODECIA, we repudiate any form of financial crime, such as fraud or bribery, and therefore preventing and fighting corruption are among our top priorities.

3.2.2. Corruption, Fraud, and Bribery

Prevention

Corruption, fraud, and bribery are prominent issues today, posing serious threats to the security and financial interests of institutions. In addition to harming the economic and social development of society, these practices compromise the market and the reputation of corporate entities. Our Group's reputation is intrinsically linked to each subsidiary and employee, and it is imperative that each one acts in accordance with the highest standards.

At SODECIA, we repudiate any form of financial crime, such as fraud or bribery, and therefore preventing and fighting corruption are among our top priorities. We strictly observe national and international laws, and have established a set of rules of conduct and actions internally to identify, monitor, and mitigate possible risks that could compromise the reputation and integrity of our company.

The Code of Conduct on Anti-Corruption and Bribery is the core document that identifies situations prone to corruption risks in the Group's activities, as well as the preventive and corrective measures to minimise the likelihood of these risks occurring. The purpose of this Code is to establish an unequivocal and firm stance against all forms of corruption, fraud, and bribery, explicitly reiterating our commitment to preventing such conduct within the company. This Code applies to all employees in all geographies where we operate, and also extends to our stakeholders.

By adopting the "Plan for preventing risks of corruption and related infractions" (PPR), SODECIA demonstrates its commitment to ethics, transparency and legal compliance.

At the same time, SODECIA holds the following governing documents:

GOVERNANCE HANDBOOK	Defines the governance rules for SODECIA Group companies
VALUES AND ETHICS HANDBOOK	Defines a set of rules that govern institutional and interpersonal relationships within the Group
CODE OF CONDUCT ON ANTI-CORRUPTION AND BRIBERY	Defines the policy and rules for fighting corruption and bribery in all Sodecia Group companies
EMPLOYEE HANDBOOK – GLOBAL	Defines a set of institutional and interpersonal relationship rules between the Group and its Employees
DIRECTOR'S CODE OF CONDUCT	Defines the duties and responsibilities of a director

Risk management corresponds to the analysis carried out by organizations with the aim of achieving a sustained advantage in each activity individually considered and in the set of all activities. SODECIA chooses a methodology for identifying risks, analyzing and classifying them, culminating in a list of mitigation measures.

Risk Identification	Risk Assessment	Measures
Areas of the Group's activity where there is a risk of corruption	<ul style="list-style-type: none"> Probability of occurrence Severity of Consequence/Impact 	<ul style="list-style-type: none"> Prevention Mitigation



GOVERNANCE PRINCIPLES





Regarding the procedure for reporting infractions and protecting whistleblowers, SODECIA establishes a set of internal rules for the reception, registration and processing of communications regarding infractions that have occurred.



By adopting the "Plan for preventing risks of corruption and related infractions" (PPR), SODECIA demonstrates its commitment to ethics, transparency and legal compliance.

In addition to these measures, SODECIA has a set of general measures to combat corruption, namely:

- **Codes of Conduct and manuals:** Code of Conduct on Anti-Corruption and Bribery (GG-GV-CC001); Values and Ethics Handbook (GG-GV-HB003); Employee Handbook (GG-HR-HB001); Director's Code of Conduct (GG-GV-CC005); Code of Conduct on Charitable and Sponsoring donations (GG-GV-CC002); Code of Conduct on Information and Communication Technologies (GG-HR-CC002);
- **Reporting Channel:** available at the end of March 2024;
- **Purchasing Procedures** (GB03-P0002);
- **Actions to raise awareness** of the consequences of corruption and related offenses;
- **Promotion of clarification actions** on internal standards and procedures;
- **Verification**, through internal controls, of compliance with current procedural standards.

Whistleblowing channel

Regarding the procedure for reporting infractions and protecting whistleblowers, SODECIA establishes a set of internal rules for the reception, registration and processing of communications regarding infractions that have occurred.

The following are identified as potential targets of infringement:

- Public Procurement;
- Financial services, products and markets and prevention of money laundering and terrorist financing;
- Product safety and compliance;
- Transport security;
- Environmental protection;
- Radiation protection and nuclear safety;
- Food safety for human and animal consumption, animal health and animal welfare;
- Public health;
- Consumer protection and anti-competitive practices;
- Protection of privacy and personal data and security of the network and communication systems
- Corruption;
- Child labor;
- Human trafficking;
- Discrimination for any reason;
- Harassment;
- Protection of human rights.

An act or omission contrary to and harmful to the financial interests of the European Union, as well as an act or omission contrary to the rules of the internal market, including competition and state aid rules, is also considered an Infringement.

Violent crime, especially violent and highly organized, and economic-financial crime are also included in the concept of Infraction.

Reports of irregularities must be posted on the reporting portal available on our website at the end of the first quarter.

Whistleblowers may be considered, namely, (i) workers, (ii) service providers, contractors, subcontractors and suppliers, as well as any people acting under their direction or supervision, (iii) holders of shareholdings, members of SODECIA's management and supervisory bodies, and (iv) volunteers and interns (paid or unpaid). Any communication of Infractions made through the reporting channel best identified above will be treated confidentially.

Complaints received will be registered through the reporting channel, in the following ways:

- Within 7 days of receiving the complaint, the Reporter will be notified;
- The competent authorities carry out appropriate acts to verify the allegations contained in the Complaint and, where appropriate, to cease the reported infringement, including through the opening of an investigation or process or communication to the competent authority, including institutions, bodies or European Union bodies;
- Within a maximum period of 3 months after the Complaint, the Complainant will be notified of the measures planned or adopted to follow up on the Complaint and the respective reasons;



GOVERNANCE PRINCIPLES





GOVERNANCE PRINCIPLES



- If the Complainant has requested it, the conclusion of the analysis carried out on the Complaint will be communicated to him/her within 15 days from its conclusion.

The practice of acts of retaliation against the Whistleblower is prohibited and they are entitled to legal protection, in general terms and, furthermore, they can benefit, in general terms, from measures to protect witnesses in criminal proceedings.

3.2.3. Data Protection and Cybersecurity

The digital transformation in companies has enabled connectivity and the trade of products and services, changing the dynamics of business and driving more sustained growth through agile access to information. It also increases the efficiency of processes, reducing the consumption of resources. However, this rapid digitisation brings challenges, such as cyberattacks, which threaten the personal data of organisations, including employees, customers, and other stakeholders.

For the SODECIA Group, data security is a top priority. We continually invest in mechanisms to protect against

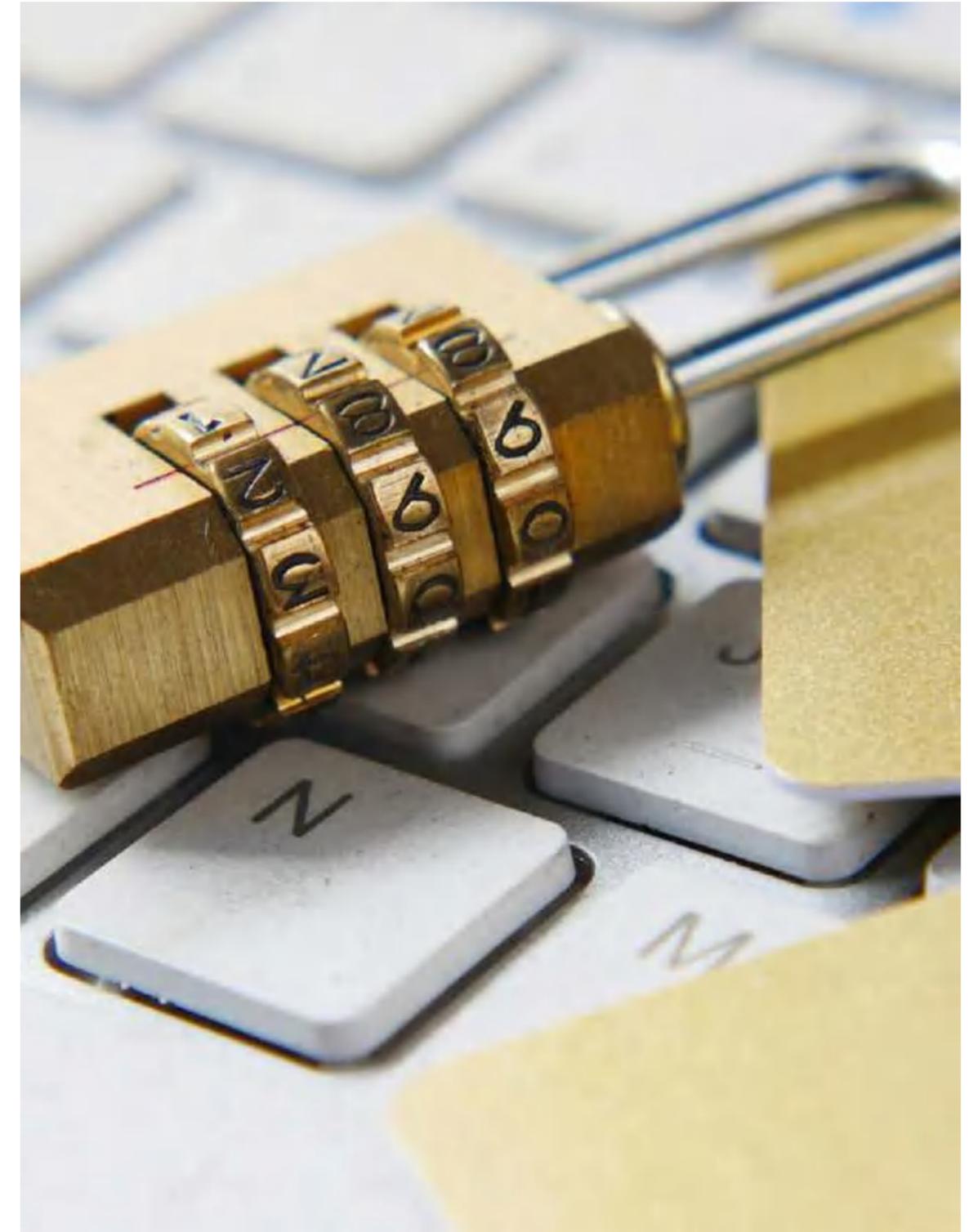
cyberattacks, in order to keep the system running smoothly and protect the data of our employees, customers, and partners. We are committed to complying with industry regulations and current legislation in the countries in which we operate.

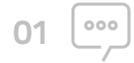
We have security and protection policies, which are subject to regular audits, and we use an accredited external Data Protection Officer (DPO) to fulfil legal data protection requirements. SODECIA has an internal data protection regulation based on the following processes:

- Code of Conduct on Personal Data Protection.
- US Code of Conduct on Personal Data Protection.
- Processing and Protection of Personal Data.

SODECIA, with a view to knowledge and understanding of the implemented policies and procedures for preventing corruption and related infractions, established a periodic “Training Program” aimed at all its managers and workers.

The internal training program for SODECIA Employees consisted of disseminating an informative document throughout the Group. The document in question presents a brief summary of all the instruments that make up SODECIA's regulatory compliance program.





GOVERNANCE PRINCIPLES

3.3 Relationship with stakeholders

At SODECIA, we recognise that business growth and globalisation depend on collaboration between companies, governments, and communities. We focus on strengthening solid and lasting relationships with all our stakeholders (internal and external), meeting their needs based on regulatory compliance, but also on transparency and continuous two-way communication. This commitment seeks to create a significant impact on society and preserve SODECIA's reputation and credibility, a fundamental asset of our Group.

As a result of the ESG Materiality Analysis exercise, an internal workshop was held, with multidisciplinary staff and different hierarchical levels, seeking to identify and/or validate entities that may affect the Group or that may be affected by our decisions or activities in the short, medium, or long term.

Stakeholder

Purpose of Involvement

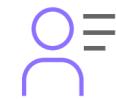
Communication channels



EMPLOYEES

We want to provide our employees with the best possible working conditions as regards career advancement and well-being, including the ability to inform and be updated on the state of the company.

- Intranet
- Quarterly internal newsletter
- Organisational climate survey
- DSD – Daily Safety Dialog
- TGW – Things that go wrong
- Forums for sharing best practices and safety programmes
- Weekly, monthly, and quarterly meetings
- 1st- and 2nd-Half Leadership Meetings
- Training sessions
- In-house and online training, webinars
- Suggestion box (digital and physical formats)
- Posters and information leaflets
- OHS worker consultation
- Events (e.g., Quality Week, Kaizen Tournaments)
- Solidarity events
- Team training actions



CUSTOMERS

OEM, Tier 1, and Scrap dealers

We want to be part of the customers' commitment to a sustainable world, without leaving a footprint.

Online Sustainability Platforms, ECOVADIS, CDP, NQC – Supplierassurance; customer's P.O.; management accounting report (RI) – Annual



SUPPLIERS

We need to protect our value chain by considering which sustainability requirements of our customers and ourselves need to be applied to our tier suppliers.

- Supplier portal
- Regular one-on-one meetings and regular operational meetings
- Supplier qualification, selection, and evaluation process. Includes defining contracts, warranties, NDA – Non-Disclosure Agreement, supplier manual, and performing 2nd-party audits.
- Technology fairs and days
- Training sessions
- Kaizen programmes within suppliers



SHAREHOLDERS AND INVESTORS

Reporting the company's financial, accounting, and sustainability statements to inform our business situation.

- Meetings and general meetings
- Presentation of results
- Regular financial reports
- Other communications
- Meetings and events to present the results
- Response to requests
- Conferences, roadshows, site visits



In this new communication cycle, we have identified ten stakeholder groups as most relevant and with whom we interact on a regular basis. We maintain with them several dialogue and communication channels, whose methods and frequency are adapted to each group, depending on the purpose of involvement. The e-mail, the website, and the social networks of the SODECIA Group (LinkedIn and Youtube) serve as general communication channels that are open to all stakeholder groups.

Future Initiatives (2024–2025)

New reporting information

- In 2024, a needs assessment should be carried out by comparing the current RI (based on the 2021 GRIs) and the CSRDs of 27 June 2023. The next results report should already comply with this standard and should include Taxonomy and Digital Tagging.

Stakeholder



STRATEGIC PARTNERS

Technological, Academic, and Industrial

Purpose of Involvement

Having a better response to our customers' project demands with the best solutions in the market.

Communication channels

- Specific cooperation actions
- Participation in working groups
- Technology days
- Regular meetings
- Protocols
- Young talent programmes



FINANCIAL SECTOR

Banks, Insurance Companies, Rating Agencies

Reporting the company's financial, accounting, and sustainability statements in order to have no risks in the operations.

- Meetings and events to present the results
- Response to requests
- Conferences, roadshows, site visits



GOVERNMENT AND REGULATORY AGENCIES

Compliance with all required laws and trade limits.

- Submission of mandatory legal information
- Response to notifications
- Responses to requests
- Meetings



LOCAL COMMUNITIES

Local Authorities, Schools, Private Social Security Institutions, NGOs, etc.

Engaging in social responsibility with local communities.

- Events
- Donations and sponsorships
- Communication and awareness campaigns
- Meetings and commissions within the scope of some projects



EMPLOYEE REPRESENTATIVES

Workers' committees and unions

Having a healthy relationship to enable the communication of needs versus benefits, focused on solving common problems caused by internal and external contexts.

- Work meetings
- Exploratory conversations
- Negotiations
- Conferences
- Collective bargaining instruments



GOVERNING BODIES

Shaping and expressing the will of society.

- Meetings and general meetings
- Approval of the company's business plan
- Resolutions on the management of subsidiaries
- Response to requests
- Report writing



GOVERNANCE PRINCIPLES





01



02



03



04



05



GOVERNANCE PRINCIPLES



3.4 Supply Chain Management

Supplier management is key to ensuring an optimised and responsible supply chain. At SODECIA, we recognise the importance of our suppliers as essential stakeholders throughout the life cycle of our products. We want to strengthen long-term relationships based on trust and integrity.

Today, SODECIA has a global supply chain centred on three supply points: Europe, South America, and Asia. Geographical dispersion provides comprehensive sources of supply for various markets, ensuring greater security and reducing the risks associated with losing stock of products.

In 2023, more than €700 M were spent on supplies and services rendered overall (an increase of almost 8% over the previous year), which demonstrates the impact that purchasing practices have on the distribution of the Group's economic value. Of this amount, about 88% corresponded to expenses with local suppliers, which reinforces SODECIA's commitment in the search for new partnerships that contribute to the development of society.

In our Group, we seek to effectively and consistently assess the performance of our suppliers, ensuring that our supply chain is aligned with the requirements

of the automotive industry and complies with local and international legal and regulatory standards. Our "SUPPLIER PORTAL" acts as a direct communication channel between SODECIA and its suppliers, enabling consistent and objective monitoring of overall performance, as well as verifying the regulatory compliance of key suppliers. This tool promotes transparency in the supply chain, facilitates risk management and product procurement, and supports the sustainability of our business, customers, and suppliers.

Faced with growing customer demands and legal requirements, and aware of the impact of purchases, SODECIA seeks to optimise resources by purchasing only what is necessary for adequate production. Additionally, we influence suppliers to comply with human rights requirements, environmental protection, and customer value chain rules. We also include the transport of goods in transactions, controlling this phase of the process.

As we are committed to reducing our carbon footprint throughout the value chain, we closely monitor the progress of our steel suppliers and partners in terms of sustainability, especially with regard to decarbonisation. We improved our supplier selection

Number of suppliers evaluated taking into account environmental and social criteria



and evaluation process to integrate sustainability criteria, including in VDA 6.3 audits. Compliance with current legislation and good practices in areas such as the environment, occupational health and safety (covering systems defined by the ISO 14001 and ISO 45001 standards), human rights, ethics, and business integrity are fundamental aspects.

In addition to our supplier portal, we have also developed the "Initial Supplier Statements and Warranties" and the "Supplier's Manual" (part of our code of conduct), where we establish requirements that include environmental, social, and governance (ESG) considerations for our suppliers.

In 2023, 151 suppliers were targeted for evaluation based on environmental and social criteria – an increase of 5,3% compared to 2022 – in which no significant actual or potential negative impacts were identified.



8%

In 2023, more than €700 M were spent on supplies and services rendered overall



At SODECIA, we manage the risks related to our suppliers based on the principle of partnership throughout the contractual relationship, which allows us to monitor the level of risk, especially for long-term suppliers.

3.4.1. Supply Chain Risk Management

In a Group the size of SODECIA, the management of the supply chain takes on global importance and considerable complexity. This complexity is associated with a number of risks that can affect suppliers' ability to deliver products or services as agreed, jeopardising stakeholder trust. Examples include operational risks (delays in deliveries and problems with product quality), financial and compliance risks, and unexpected events such as natural disasters, geopolitical risks, and cyberattacks.

With this in mind, in the second semester of 2023, SODECIA revised its supplier management process, and implemented a specialised tool for risk management and due diligence in the global automotive supply chain. This tool enables us to collect additional information about our suppliers from the "SUPPLIER PORTAL", external sources, and

information available on the Internet, giving us a 360° view of our supply chain. In these risk assessment processes, not only incidents/records are scrutinised for sanctions, exclusions, and convictions, but negative press releases as well, regarding entities or people whose search focuses on the topics of human trafficking, discrimination/abuse in the workplace, child labour, forced or slave labour, and environmental malpractice, among others. With regard to situations of significant risk of child labour or forced labour, no cases of non-conformities were detected in our supply chain in 2022.

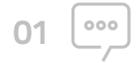
At SODECIA, we manage the risks related to our suppliers based on the principle of partnership throughout the contractual relationship, which allows us to monitor the level of risk, especially for long-term suppliers.



Future Initiatives (2024–2025)

New reporting information

- Implementation of supplier assessment according to Supplier Assurance SAQ 5.0 rating (2024)
- Definition of the sustainable purchasing policy (2024)
- Develop sustainable purchasing policy (2024)



GOVERNANCE PRINCIPLES





PEOPLE

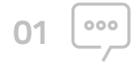
04. PEOPLE

4.1. OUR EMPLOYEES	78
4.2. OUR COMMUNITIES	93

talent

We have the talent to find the best talent, the work and values of our people is the main component for Sodecia's prosperity.

Adding value *to you*



PEOPLE

04

People



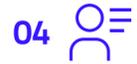
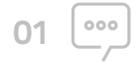
Our employees contribute daily to the growth of our Group, and therefore their development and advancement, as well as their safety, have long been a priority.

Our employees are one of SODECIA's most important assets. It is them who contribute daily to the growth of our Group, and therefore their development and advancement, as well as their safety, have long been a priority. Investment in training and capacity building are the best tools to prepare our employees for the current and future needs of this business.

Similarly, the design and planning of their careers, as well as the definition of short- and medium-term objectives and performance appraisals, are the ways of managing each person's evolution and the way to look at progress in such a natural way.

Alongside the investment SODECIA makes in developing our internal capital, we also endeavour to develop our own initiatives and support social responsibility projects, seeking to contribute to a fairer and more balanced society in all the countries in which we operate.





PEOPLE



4.1 Our employees

At SODECIA, we believe that our Group's success depends on the people who work there and on their competency. We invest continuously in attracting, developing, and retaining talent, training that talent, disseminating knowledge and best market practices – geared towards meritocracy – and promoting each person's collective and individual performance.

5,733
Employees with indefinite contracts

74.5%
Men

25.5%
Women

377.568
Total training hours

69
Average hours per employee

100%
Employees covered by the Occupational Health Safety management System

4.1.1 Human Capital Management

The management of our Human Capital has been a challenge for SODECIA in the last years. With the return to normality after the pandemic and the consequent growth in the Group's global sales, it became imperative to look for new specialised talent with the technical knowledge appropriate to our business.

With over 5,700 employees spread across four continents and 13 countries, we want to guarantee a safe and healthy working environment for everyone and that is why, in 2023, the "Growing the People" programme remained one of the fundamental pillars of SODECIA's strategy (see chapter 2.1).

As part of our Management Model, we have defined the SOS – SODECIA Organisational Standard – the programme that establishes the company's obligations and hierarchies, enabling the operational units to carry out the tasks vital to the business, in a consistent manner. Additionally, the SOS also includes the main management indicators for each of the employees' roles, helping them to clearly know their objectives and the activities to be performed.

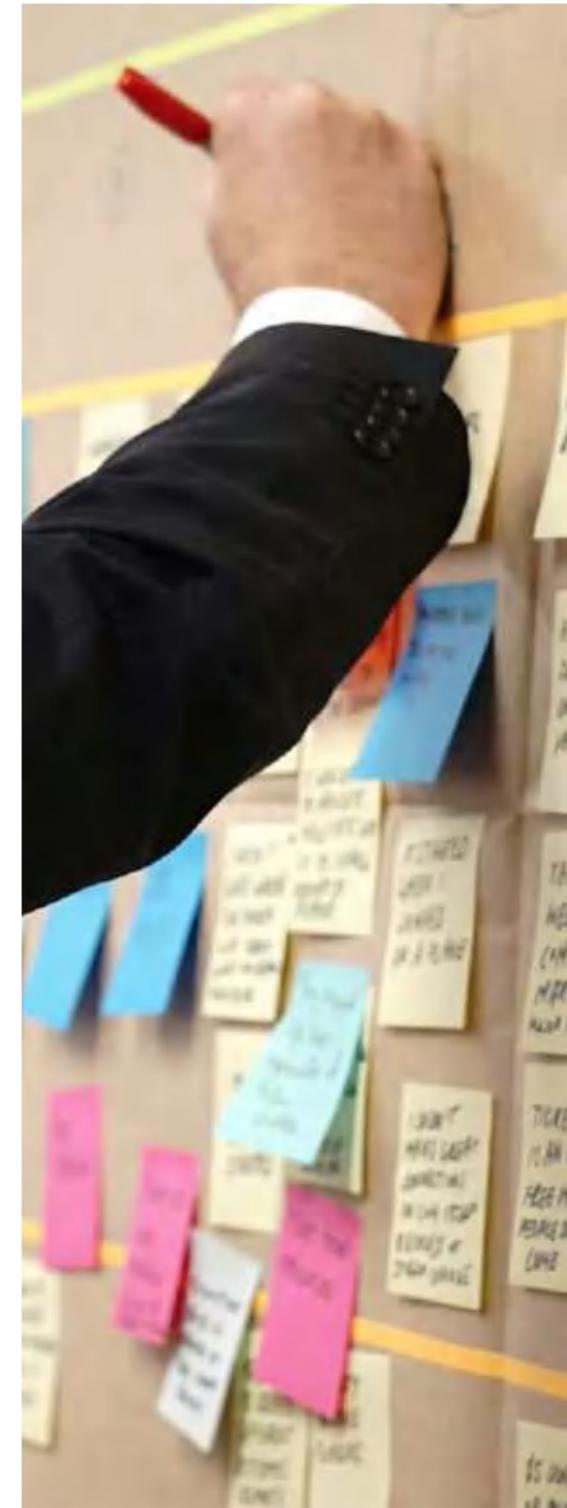
Using the SOS and the typified list of management indicators for each role as a starting point, in 2023 we continued the work developed in previous years, namely regarding the periodic and transparent evaluation of our employees' performance, oriented towards the creation of training plans that seek to ensure development opportunities.

In total, 73.7% of employees underwent performance evaluations.

5,700
Employees spread across four continents and 13 countries

223
Employees were evaluated

73.7%
of employees underwent performance appraisals





Attracting and retaining talent

As a way of attracting and retaining talent, we have sought to value our employees not only through the promotion of a healthy organisational climate but also through a comprehensive remuneration strategy, which includes not only basic pay but also a set of appropriate benefits focused on the employee's health and well-being from a professional point of view in their relationship with the company and their work, but also in the personal and family dimensions.

Additionally, we guarantee work flexibility for roles compatible with this practice and we adopt some specific programmes and tools for people's motivation and personal and family satisfaction.

In the Group's several operational units, we have developed partnerships with higher education institutions to welcome students at SODECIA's premises, promoting the future recruitment of young

talents. In this way, we contribute not only to renewing talent in SODECIA, but we also increase youth employability in the geographies where we operate.

We challenge our business units to be the best place to work in order to attract the best professionals. We strive to meet the demands of the labour market and to ensure that our professionals fit in with our corporate culture, i.e., that they identify with our company and our values.

But not only do we care about our people, we also care about the communities where we operate, in the various geographies in which we operate. We know that by buying goods and services from local suppliers (excluding the limitations imposed by geographical issues and lack of local supply), SODECIA is contributing to strengthening the economy of each region and of the country itself.



Health

- Health Insurance
- Life Insurance
- Occupational Medicine



Family

- Festive Events and Celebration of Thematic Dates
- Nursery for Employees' Children



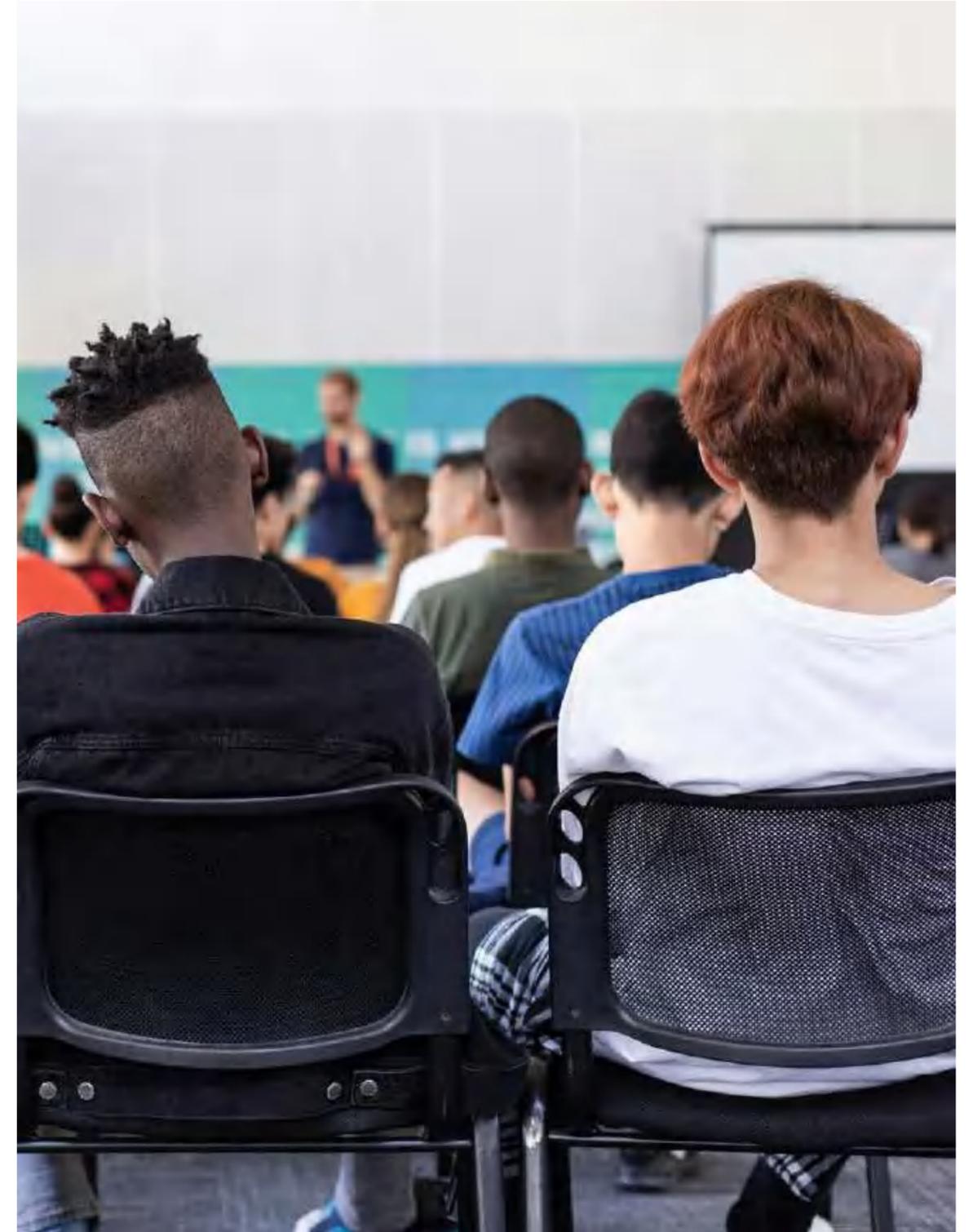
Well-being

- Transport
- Teambuilding Actions



Merit

- Learning and Development
- Productivity Awards



PEOPLE





HIGHLIGHTED INITIATIVES



Empowering Through Training & Fostering a Community of Advocates

Recognising the need for a diverse pool of talent, we have strategically expanded our hiring sources, taking advantage of platforms such as LinkedIn, Even, and Zip Recruiter. By casting a wider net, we are looking for candidates who are not only aligned with our values, but also bring unique perspectives to enrich our working community.

This intentional approach to talent acquisition has not only broadened our reach, but also allowed us to tap into pools of qualified professionals who share our passion for sustainability and innovation. We are proud to report a significant increase in the diversity source of hires, reflecting the inclusive and dynamic environment we strive to promote.

Empowering through training:

Our commitment to promoting talent is aligned with our dedication to continuous learning. We have set an ambitious training target of 85% per month to ensure that our employees have the tools and knowledge they need to excel in their jobs. This investment in skill

development not only improves work performance, but also empowers our workforce to adapt to industry standards and new sustainability practices.

Employee Referral Programme:

Recognising the influence of employee recommendations in building a close-knit and dedicated team, we have introduced a robust Employee Referral Programme, especially tailored to our production and specialist trade workers. Our employees are our main representatives, and through this programme we enable them to actively participate in our talent recruitment efforts.

This programme not only serves as a testament to the trust and satisfaction of our existing workforce, but is also aligned with our sustainability objectives by reducing external hiring costs and promoting internal mobility. The success stories of employees who have joined us through referrals underline the strength of our internal community and the value they place on working with like-minded people.



Promotions and Professional Development

At Sodecia, one of the fundamental principles is to promote people's development.

In 2023, we gave several employees in the business unit the opportunity for promotion, appointing them to area leadership roles or starting internal internships in specialised professions such as Setter or Tool Room. Our goal is to recognise those who seek challenges, providing them with upward mobility and opportunities. During that year, Sodecia Auburn endeavoured to transform the culture in the local facilities. In key positions, we were able to integrate new leaders, who brought innovative and stimulating ideas to the team. In Auburn, for the new venture, we established a partnership with a local technical school and became part of the FAME programme. Additionally, we have incorporated a newly graduated Process Engineer, who has participated in various continuous improvement projects and is being prepared for a more advanced role in our Business Unit.



PEOPLE





Future Initiatives (2024–2025)

SASA

- **Succession Plan** – Assessment with radar chart to identify gaps and development plan.
- **Leadership Academy** divided into hierarchical levels to prioritise and develop leadership principles.

SANA

- **Establish partnerships with local technical schools**, vocational institutions, and community colleges to create a flow of skilled workers.
- **Implement employee recognition programmes** that celebrate achievements and milestones.
- **Participation in job fairs** to identify potential employees.

SSMINT

- **“Open day” event** in various business units.
- **SODECIA's initiatives** to take part in job fairs.

Training and professional development

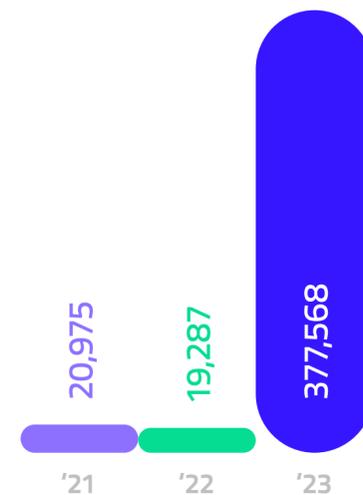
SODECIA has implemented a set of training actions that allow our employees to acquire specialised technical knowledge to meet the demands of the automotive sector. Only with the transmission of theoretical and practical knowledge is it possible to be prepared to create solutions adjusted to the demands and needs of our customers, ensuring competitive costs, and obtaining industrial flexibility to develop and produce specific high-quality products.

Therefore, in 2022, we adopted an Annual Training Plan for SODECIA, where the heads of each Department define annually the training needs of each employee, so that they can acquire, or

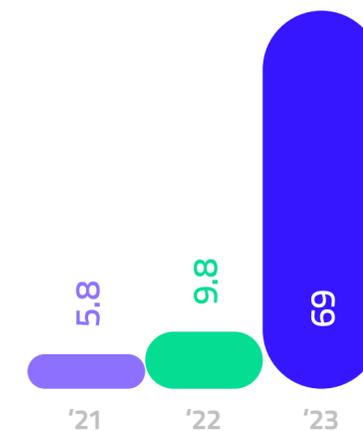
improve certain key skills for their activity. This plan is essential for the pursuit of the Group's strategic goals, taking on special relevance in the process of motivating all employees, each of whom is involved in the rapid changes that are constantly required for the operation of SODECIA.

The Training Plan outlined for 2023 seeks to integrate several courses whose thematic contents are essential to deepen knowledge and skills in the face of innovations introduced in the development processes and are part of SODECIA's training curriculum, including skills of mandatory assimilation for the maintenance of the trainees' employability.

Total training hours



Average number of training hours per employee



Note: For 2021 and 2022, the data presented is different from that presented in SODECIA's 2023 Sustainability Report. This change is due to the use of a different organisation for the operational units, with the data having been calculated on the basis of the SAINT (SADEUR, SANA, and SASA) and SSMINT (SSGRD, SSMATT, SSMAUB, SSMDAL, SSMLSC, SSMOEL, SSMPUK) divisions. This year we receive better information from SADEUR and also from SANA. SASA launch a new business SAPRE and make a full year of training on job on major of the job roles. SAMAN received also a huge restructuring and make lots of training.



PEOPLE





HIGHLIGHTED INITIATIVES



Put in my shoes

It originated as an initiative to learn from the team. If you do not put yourself in their shoes, you do not really understand the team's needs to work more effectively. This gave rise to the idea of providing training for factory supervisors/managers, such as press operators, assembly operators, quality inspectors, and others. This in-house training for operators covers work procedures, safety measures, equipment and technology, quality, control, and team collaboration.



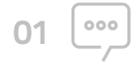
Sodecia Open Door Programme

Through various initiatives, we promote employee education and development, encouraging training and knowledge at various levels within the company and providing professional growth. The objectives are centred on employee development, strengthening the path of knowledge, encouraging internal movement and, consequently, boosting professional growth.

The Graduation and Post-graduation Incentive Programme is a benefit offered to SODECIA employees, the criteria being the possession of an undergraduate, graduate, or postgraduate degree. To take part in the programme, the employee must express their interest to their direct manager and then be assessed by the Human Resources manager. During this assessment, it is checked whether the course chosen is related to the employee's area of work and whether it is within the area's budget, in order to grant the incentive.

The company finances up to 50% of the tuition fee through a refund. The continuation of this benefit depends on evaluations of student performance at the institutions every six months. At the end of the course, the employee must stay with the company for two years. The employee will undergo periodic performance evaluations in accordance with the company's programme, following the career plan and being able to reach different levels of management, including working abroad.

The objectives are centred on employee development, strengthening the path of knowledge, encouraging internal movement and, consequently, boosting professional growth.



PEOPLE





HIGHLIGHTED INITIATIVES



Leader Academy

The Leaders Academy is a personalised programme that seeks to identify, cultivate, and elevate leaders within the company. The Leader Academy training, rooted in SODECIA's Five Pillars, has become a beacon for aspiring leaders. Its implementation marked a strategic move towards ensuring a pool of leaders capable and prepared to guide the company into the future.

From the mastery of skills to the emergence of excellence in leadership, this programme embodies the company's commitment to empowering its workforce and building a future full of success.



Young Apprentice Training Programme

This programme's goal is to prepare young people who are taking the first steps in their careers for future positions in our company and on the job market. In recent editions, we have managed to integrate more than 65% of these young people into our workforce. These young people are encouraged to acquire multidisciplinary knowledge in tools and executions aimed at the industrial area, promoting professional development by acquiring technical skills and a comprehensive vision of the sectors.

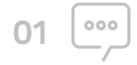
SAMGR

20 Young Apprentices

SAMAN

18 Young Apprentices

(Senai - 11 Apprentices/Item - 07 Apprentices)



PEOPLE





Future Initiatives (2024–2025)

- **Continued commitment to improving the qualifications of employees** with quality and technology functions and the ongoing training of production staff.
- **Cross-training for employees in Environmental Management** and compliance with environmental regulations and compliance standards relevant to the industry in which SODECIA operates.
- **Training for employees** involved in implementing and improving ISO 14001 environmental management certification systems.
- **Integrate training in occupational health and safety** and align with sustainability principles, emphasising the well-being of employees and the environment.

SASA

- **Comprehensive Environmental Compliance** training on environmental regulations and compliance standards relevant to the manufacturing industry.
- **ISO 14001 certification training for employees** involved in environmental management systems.
- **Integration of health and safety training** with sustainability principles, emphasising the well-being of employees and the environment.

SAEUR

- **In-house training** for production staff.
- **Improvement to the qualifications** of quality and technology employees.
- **Individual development plan.**

SASA

- **Development of Technical Labour** – Specific class focusing on Toolmaking (SENAI x SODECIA partnership, with school located within the SODECIA site)] – SAMGR.
- **Trainee Programme** – Placing Trainees in strategic areas.
- **Apprentice development programme** – Training apprentices to work more broadly in the industry.

Regarding labour relations, we see social dialogue as fundamental to balancing the interests of workers and of our stakeholders, while respecting national, cultural, and regional traditions.

Labour relations and social dialogue

Regarding labour relations, we see social dialogue as fundamental to balancing the interests of workers and of our stakeholders, while respecting national, cultural, and regional traditions. Through communication, consultation, and negotiation among partners, entities, governments, and unions regarding issues of common interest, a more balanced and efficient management of the Group is possible, thus ensuring respect for human rights, well-being in the workplace and in the community, transparent business, and compliance with legal and ethical requirements.



PEOPLE





HIGHLIGHTED INITIATIVES



Labour Relations

In 2023, we continued to promote internal communication channels between employees and to promote direct communication between management and shop floor workers. We have made industrial relations and social dialogue one of our top priorities. We are committed to developing our workforce and enabling them to grow as opportunities present themselves. The working relationship between employee and employer and all stakeholders is very important for the sustainability of the company.

In Dalian, we have implemented the bus notification app so that our employees receive up-to-date arrival times from the bus station, providing greater satisfaction and reducing waiting times. A risk assessment was carried out on the workforce and action plans were drawn up. Daily meetings are held, from the top management level down to the production lines, to actively address problems and news, promoting effective communication between the different levels.

Environmental audits are clearly communicated to employees. They collaborate and come up with ideas to make our site more sustainable and environmentally friendly. News, job opportunities, and regulations for employees are posted on various bulletin boards and also communicated by managers to their staff, keeping everyone up to date.



Unsafe-Condition Reporting

Our employees have played an active role in ensuring a safe and secure working environment. Through our Unsafe-Condition Reporting system, employees send in the necessary feedback, highlighting potential hazards or unsafe conditions.

This active participation underlines our employees' dedication to maintaining a work environment that prioritises safety. Each report serves as a testament to our collective responsibility and the effectiveness of our communication channels in addressing security issues immediately.

This active participation underlines our employees' dedication to maintaining a work environment that prioritises safety.

Labour-Management Meetings

In the spirit of open dialogue and collaboration, Sodecia Automotive Detroit hosts regular monthly labour-management meetings. These sessions serve as a platform where employees and management come together to discuss issues of mutual interest, share ideas, and collaboratively shape the future of our workplace.

As we reflect on these initiatives, we recognise that sustainability goes beyond environmental efforts; it encompasses the health, safety, and satisfaction of our workforce. Our commitment to robust labour relations and social dialogue not only improves the well-being of our employees, but also contributes to the overall resilience and longevity of our company.

These sessions serve as a platform where employees and management come together to discuss issues of mutual interest, share ideas, and collaboratively shape the future of our workplace.



PEOPLE





HIGHLIGHTED INITIATIVES



Commitments

1. Ensuring the management body (directors and attorneys) with contractual representation for specific powers to conduct business in the units and region.
2. Ensuring the legal requirements for the operations of our units in the region, by means of licences to operate the facilities.
3. Compliance with internal procedures and customer requirements.
4. Compliance with local and national corporate, civil, criminal, tax, and labour legislation.
5. Compliance with the Consolidation of Labour Laws (CLL) in all units.
6. Compliance with collective bargaining agreements.
7. Compliance and enforcement of individual labour contract agreements.
8. Compliance with collective agreements on Working Hours, lay off, collective holidays, and Profit Sharing.
9. Free right to organise trade unions.
10. Compliance with government social programmes, such as: young apprentices, people with special needs (PCD) and education wages.
11. Compliance with the GDPR – General Data Protection Regulation.
12. Employee Satisfaction Survey, where every year we carry out a survey aimed at understanding the satisfaction of our employees on various topics, such as: business management, safety at work, quality of benefits, quality of the manager, quality of the development plan, and pride in being a part of SODECIA.

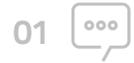
4.1.2 Occupational Health and Safety

At SODECIA, we work every day to prevent and eliminate the risks to the safety and health of our employees, ensuring a work environment that promotes the well-being of all. Only this way will we achieve the goal of having zero accidents.

The prevention of occupational risks and the promotion of employee health and safety result from investing in the improvement of working conditions and internal processes for identifying, assessing, and controlling existing (or emerging) risks, and from surveillance and health promotion actions carried out in the workplace. This investment not only reduces the risk of work-related accidents, but also enables a tangible improvement in the work environment itself – an increase in employee motivation, efficiency, and productivity, as “less risk” means “more confidence”.

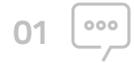
In addition, a work environment in which strict and ambitious safety standards are adopted allows the level and quality of production to be improved, which translates into a reduction in the social costs associated with accidents and occupational diseases.

As a measure to prevent occupational risks, SODECIA has an Occupational Health and Safety Management System, implemented at all facilities of our Group, which must be complied with by all employees, including temporary workers and third-party employees (service providers).



PEOPLE





PEOPLE



In each SODECIA unit, there is a Health and Safety Committee, consisting of employees from different areas and levels of the company

This system was developed to internally ensure the best conditions and well-being at work, to keep the environment of the surrounding communities safe from any negative impact of our operations, and to meet any legal requirements and technical standards applicable, regardless of the geography where SODECIA is present.

As part of this system, there are specific procedures and programmes/tools that allow the management of occupational health and safety risks at SODECIA's facilities, as well as the control and prevention of unsafe behaviour and conditions.

Regular audits of the health and safety conditions of our operational units are also carried out and, depending on the irregularities identified, action plans are developed.

In each SODECIA unit, there is a Health and Safety Committee, consisting of employees from different areas and levels of the company. This committee's main functions are to support the Safety Department in conducting internal safety audits, risk assessments, and incident analysis, as well as to promote communication among all workers of the facilities regarding Health and Safety issues, holding regular meetings for these purposes.

2021 2022 2023

Fatalities resulting from work accidents	0	0	0
Serious work accidents (excluding fatalities)	0	0	0
Work accidents with mandatory reporting	45	51	61

2021 2022 2023

Fatalities resulting from occupational diseases	0	0	0
Cases of occupational diseases with mandatory reporting/reported	0	0	0
Cases of confirmed occupational diseases	0	0	0

During 2023, the new Occupational Health and Safety Policy was developed and is currently being approved by the SODECIA Board.

With regard to accidents at work, in 2023 there were 61 accidents that had to be reported, but no deaths resulting from these accidents. There were no cases of occupational diseases reported and no deaths resulting from occupational diseases.

Occupational risk assessment and management

SODECIA's process for identifying and managing unsafe conditions/occupational risks falls under the "Incident Investigation" Corporate Procedure. This seeks to define the process of recording accidents,

analysing causes, and identifying and dealing with risk situations, as well as implementing corrective actions.

Applicable to all SODECIA Group operating units, all employees, third parties, and visitors, this procedure is managed through the SoftExpert platform, a solution specifically developed to manage business processes, regulatory compliance, and corporate governance.

In case of "non-conformities" or the occurrence of a work accident, the appropriate mechanisms are set in motion to prevent and/or minimise the risks. The Safety Technician of the facility where the non-conformity was identified must immediately issue an alert to the entire Organisation, and within two weeks, an analysis of the accident and an investigation must be carried out to find the causes of the accident.



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The results of this assessment are then disclosed to the entire Organisation within two weeks of the previous phase, seeking to prevent new occurrences in the other operational units.

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All activities and jobs are subject to a risk assessment, as must all new projects (before and after implementation), changes in production processes, facility layouts, or any other type of change in the context of the organisation.

03

This “Incident Investigation” procedure enables the continuous identification of occupational risks and incidents, and the definition of the necessary corrective and monitoring measures.

04

Occupational Health and Safety Training

At SODECIA, we make sure that all our facilities and processes comply with applicable legal standards, and we are committed to spreading a culture of safety to prevent work accidents and occupational diseases. For this reason, we have developed a training programme devoted exclusively to Occupational Health and Safety (OHS) issues.

This training is part of a specific corporate procedure entitled “Training and Integration”, which defines the health and safety content to be passed on to SODECIA’s employees and third parties, seeking to mitigate or even eliminate the risk of accidents, occupational illnesses, and environmental impacts.

This procedure includes 22 compulsory training courses on “Health, Safety, and the Environment” which apply to all employees of SODECIA Group’s business units, including all new employees before they start work.

05



PEOPLE



Sodecia Commitments

Commitment	Objective & targets	Reference	Performance 2022	Performance 2023	Comments
Zero Accidents	Number of accidents	0	2	2	In 2023, SODECIA had no occurrences at the SAMGR unit, but there were two accidents at the SAMAN unit. Corrective measures have been adopted and practices were cascaded to the other units.
					
Assurance that the management model is maintained	SHEMP (Safety, Health, and Environment Master Plan)	95.65	94.45	95.7	Maintaining the SHEMP score. Action plan for adapting and correcting unrealised actions. Average of the two units, SAMAN-SAMGR.
Identification and elimination of unsafe conditions in the process	Unsafe Condition Programme (Target: Appointment of one Unsafe Condition per employee/month)	100%	103%	103%	Maintenance of the unsafe condition programme. The SAMGR and SAMAN units had a target of 11,334 unsafe conditions and achieved 11,449, with 100% resolution efficiency. By 2023, the units had a target of 11,783, recording 12,028 registrations. Efficiency (started/closed) of 99.5%, as there are still actions in 2023 with a 90-day resolution deadline, resulting in them not having been closed yet.



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PEOPLE



In this plan, general concepts of the safety system and job-specific requirements are communicated, including instructions on how to safely operate the equipment. Additionally, topics relating to safety policy, basic Safety rules, Personal Protective Equipment usage matrix, general emergency standards, corporate safety procedures, incident reporting, Safe Work Instruction, and the 5S methodology are also covered.

This plan is applied whenever there is a job/ workstation change, when a new job is identified, when there is a Hazard and Risk survey, or when there is an update in the Safe Work Instruction.

At Sodecia, safety has always been, is, and will always be a fundamental principle.

Our goal is to have implemented a culture of safety based on active care, seeking to provide a safe and dignified workplace for employees and suppliers.

This is reflected in our management model, which includes not only the Incident Programme, the SHEMP (Safety, Health, and Environment Master Plan), Plant Tour, and health and safety campaigns that take place throughout the year.

The applicability of the management model, SHEMP that includes the incident programme, plant tour, DSD (Daily Safety Dialogue), and safety and health campaigns that take place throughout the year, form the basis of the prevention.

The SHEMP seeks to systematically ensure:

- 1) Monitoring compliance with all legal requirements** applicable to occupational health and safety in each local business unit (avoiding fines and administrative offences).
- 2) Preparing the unit to respond to any type of occurrence or emergency related to Health and Environment (HE)**, ensuring that the buildings are preserved and in good operating condition, that there is safe machinery and equipment for operation, that there is risk management for all activities performed.
- 3) Ensuring the management of unsafe conditions and incidents**, guaranteeing assertive communication, development, and training for all employees and service providers.
- 4) Ensuring standards of cleanliness and organisation** in all areas, in accordance with 5S.
- 5) Training all employees and leaders in behaviour management**, encouraging a culture of safe behaviour and active care, achieving the goal of ZERO accidents.
- 6) Carrying out audits to check compliance and manage KPIs** so that the unit is sustainable and does not generate environmental liabilities.
- 7) Meeting the UN's sustainable development goals.**





HIGHLIGHTED INITIATIVES

South America – SAMGR/SAMAN

Return from holidays campaign

The aim of this action, which was carried out throughout the factory, was to strengthen the Safety Culture, raise awareness among employees, and prevent accidents at work. The following activities were carried out:

- Safety Talk and Guidance.
- Ecumenical Service.
- Board with Family Photos.
- Future Targets.

Safety is essential in our daily lives and, thus, everything has to start with it. The same happens in our unit. We always start the year with a safety reintegration, where we reinforce concepts, commitment, and our core value: Safety, a non-negotiable value. No Safety, No Work.

In addition to this commitment to everyone, we had the presence of Pastor Miguel, who faithfully led the Ecumenical Service, which is now a tradition at our holidays return events. We also had the participation of a co-worker from the Tool Shop (Sidney) who sang a Catholic song and an Evangelical song during the service.



Lastly, this year, we had the participation of Insight Consultoria, which led the Confabulation on the topic of Where to Start.



The aim of this action, which was carried out throughout the factory, was to strengthen the Safety Culture, raise awareness among employees, and prevent accidents at work.



PEOPLE





HIGHLIGHTED INITIATIVES

Brazil

Internal Accident Prevention Week (SIPATIMA)

Each unit holds an annual safety week, known in Brazil as SIPAT, in which an annual project is developed with specific topics to be covered during the five days of the week with talks, games, competitions, and exhibitions.

In 2023, SAMAN and SAMGR adopted the topic of Active Care. The results achieved in this project were significant: a reduction in the use of welding wire (233 kg); a reduction in the consumption of argon gas; an improvement in the rework station to prevent arcing (safety aspects); and a small increase in cycle time to increase production in the cell.



In 2023, SAMAN and SAMGR adopted the topic of Active Care. The results achieved in this project were significant.



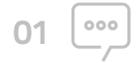
Green April – World Day for Safety and Health at Work

Held annually, the Green April week initiative seeks to raise awareness among employees about the importance of occupational health and safety. The project addressed health and safety issues through guidance, games, competitions, and exhibitions.

During the week, one of the dynamics used was the distribution of Previnil pills. The leaflet for this “medication” contained information to guide the answers to the quiz that was given to the whole factory.

The project was carried out to address health and safety issues.

Held annually, the Green April week initiative seeks to raise awareness among employees about the importance of occupational health and safety. Held annually, the Green April week initiative seeks to raise awareness among employees.



PEOPLE





HIGHLIGHTED INITIATIVES



Hazard ID

Training is an important way of improving people's knowledge and awareness regarding safety, which is why we have organised different types of training areas in addition to the annual plan.

Continuous improvement is our daily work, and we take advantage of every opportunity: plant tour, daily startup meeting, dialogue with employees (face-to-face / via Wechat app, among others) on the topics in question, incident reporting.

We digitised our hazard identification programme to provide a convenient and easy way for anyone with a smartphone to report a potential hazard to our leadership team. In doing so, we have achieved an 85% participation rate with our Hazard ID programme, and care for ourselves and our colleagues. Not only have we been able to actively prevent injuries and illnesses, but we have also reduced our carbon footprint by eliminating a previously paper-based process. In some business units, during the year, we focused on developing a more robust OHS integration plan and reviewed the risk assessment in a few critical accident-generating areas, namely Attendorn.

Future Initiatives (2024–2025)

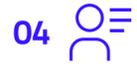
- Approval by the Sodecia Board of the Occupational Health and Safety Policy.

SSMINT

- **Awareness-raising on OHS and especially safety,** covering all employees, while reinforcing these topics in the Integration Plan.
- **Continuing to implement the specific OHS plan,** seeking to significantly reduce the number of accidents and ensure the goal of zero accidents.
- **Ensuring 100% compliance** with the SHEMP in all business units.

SASA

- **Ensuring the target of zero accidents** and occupational illnesses.
- **Guaranteeing investment** in Occupational Health and Safety.
- **Strengthening the safety culture** in the Organisation through health and safety programmes, campaigns, and training.



PEOPLE





It is our goal to create social value and make a significant impact on people’s lives, boosting employability and the development of local communities.

4.2 Our communities

At SODECIA, we make a point of being close to the local communities where we operate, responding to their needs and endeavouring to contribute to the development of society as a whole. It is our goal to create social value and make a significant impact on people’s lives, boosting employability and the development of local communities.

As part of our corporate social responsibility, we carry out various initiatives to support communities in the various geographies where we operate and invest in partnerships that promote local development in the medium and long term.

In 2023, we continued the work carried out in previous years and organised a number of actions that embody SODECIA’s desire to be associated with initiatives that seek to combat inequality by generating added value.

We want our employees to play a crucial role, volunteering their time and expertise to coordinate donation campaigns, interacting with local

communities, and amplifying the impact of our programmes.

This mission reflects our core values and belief in the power of collective action to make a difference. Here are a few examples of initiatives:

- Beneficiary organisations;
- Environmental Commitment, namely in the number of trees planted in the region.
- Donations of food baskets.
- Environmental education and awareness actions.
- Empowerment programmes and professional training.
- Commemorations (World Water Day, Environment Day, etc.).
- Establishment of partnerships with local social institutions.



We want our employees to play a crucial role, volunteering their time and expertise to coordinate donation campaigns, interacting with local communities, and amplifying the impact of our programmes.



PEOPLE





HIGHLIGHTED INITIATIVES

BRAZIL



1. Campaigns with a social focus in line with UN goals

The target is six campaigns per year, but in 2023 there were eight campaigns involving employees, their families, and the local community.

In July, in celebration of the Day of the Elderly, an initiative called 'Affective Memories' was held at the Vila Vicentina Home for the Elderly at the SAMGR unit. For this event, employees and their families spent the day interacting with the elderly. Donations were also made of food collected at the Sodecia Cup (football championship). Additionally, at the SAMAN unit, a "Tea Dance" was held with the 65+ year-olds of the ASIC support institution, promoting social and emotional support.

The SAMGR unit provided support to the Jardim dos Pequis community, with activities aimed at Women's Day and Pink October (breast cancer prevention). On Women's Day, talks were given on the topic of Entrepreneurship, and on Pink October, talks were given on the need and importance of self-care in preventing breast cancer.

For the Blue November campaign (prevention of prostate cancer), routine examinations and PSA tests were carried out at the EMAUS institution (House

for the rehabilitation of drug addicts). In order to collect and deliver the tests, the occupational physician travelled with the Sodecia team to the EMAUS Institute for routine consultations and referral of the participants, and dynamics were carried out to raise awareness about the need and importance of self-care.

In July, in celebration of the Day of the Elderly, an initiative called 'Affective Memories' was held at the Vila Vicentina Home for the Elderly at the SAMGR unit.

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HIGHLIGHTED INITIATIVES

BRAZIL

2. Campaigns with an environmental focus in line with UN goals

The target is two campaigns/year, but three campaigns were carried out in 2023, involving employees, family members, and the local community, namely on Water Day, Environment Day, and Arbour Day.

In interacting with the community with a focus on environmental education, we worked on a number of campaigns, such as:

During the World Water Day campaign (22 March), through a partnership with the region's public schools (primary and secondary school students), a cultural essay and comic strip competition was held with the theme "Water is life, take care of it, preserve it". The winners of the competitions won a visit to the Sodecia unit in Sete Lagoas, where they were introduced to the concept of Industry 4.0 and innovation in the auto parts industry.

On Environment Day, the SAMGR unit held its second Ecological Walk, where employees and their families took part in a walk in Serra Santa Helena (one of the main tourist attractions in Sete Lagoas-MG). During the walk, waste was collected, reinforcing the importance of its disposal.

During Environment Week, the SAMAN unit held an environmental talk at the Antônio Aparício Municipal School for 120 children in grades 3 and 4.

For Arbour Day, in partnership with the CILIAR – Cidade Limpa e Arborizada [Clean and Green City] project, SAMGR organised the "Sowing the Future" event, where species of trees on the company's premises were catalogued and identified, and fruit seedlings were planted. This event was attended by employees and their families, who were able to get to know the existing species and enjoy a picnic on the company's premises.

In interacting with the community with a focus on environmental education, we worked on a number of campaigns.



PEOPLE





HIGHLIGHTED INITIATIVES

MEXICO

Environmental Commitment

In 2023, we ensured the planting of trees as part of our environmental commitment. We distributed 100 tree seedlings to each employee, encouraging awareness of environmental preservation and promoting individual contribution to the environment. This initiative, which ended in June 2023, involved all employees, totalling 100 people, and took place in Saltillo and Ramos, Mexico. The results achieved include the conservation of biodiversity and improved air quality, crucial aspects, especially in this region characterised by its aridity due to its desert nature.

We distributed 100 tree seedlings to each employee, encouraging awareness of environmental preservation and promoting individual contribution to the environment.

GERMANY

Sodecia Safety & Mobility Oelsnitz GmbH

Sodecia Safety & Mobility Oelsnitz GmbH organises company presentations at local schools and universities to raise awareness of Sodecia and, above all, to publicise internship and job opportunities. As a result, interested students can apply to join the company. This year, the trainees were placed in the MPL&D and Quality areas, where they learnt about Sodecia's logistics processes and compliance with the standards of quality.

SPAIN

Red Cross

Sodecia Valencia has a long-standing partnership with the Red Cross with the aim of helping the local community lacking resources. In the summer, to raise funds, we sell Red Cross lotteries in the Human Resources department. At Christmas, we collaborate with the toy campaign, helping to collect both new and used toys for orphaned children. In 2023 there was an increase in the participation of Sodecia employees in these campaigns.

Other Initiatives

SPAIN

The company Ilunion helps integrate people with disabilities into the labour market. We have been working together for more than 15 years, and the collaboration has been very positive, with an average of 38.5 Ilunion employees in 2022 and 33.5 Ilunion employees in 2023.

CHINA AND THE CZECHIA

The Sodecia Dalian factory (China) donated a sports facility and equipment worth a total of 26,000 RMB to a local primary school in the village which had very poor and damaged sports equipment and was unable to meet the needs of the students. In Leskovec (Czechia), seeking to promote physical education in rural schools and the healthy growth of young people, the company purchased more than 20 types of sports facilities and coordinated the company's employees to install them. Seeking to promote equality in employment, the factory also hired a disabled employee and provided vocational training and on-site instruction.

MEXICO AND THE USA

With the goal of promoting a more sustainable, supportive, and interconnected community, we



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donated food to institutions frequented by children. This initiative involved the active participation of five members of the Human Resources team, seeking to improve the supply of food to low-income families. The donations took place in May, July, October, and December 2023, both in Mexico and Detroit, totalling 150 kg of donated food.

BRAZIL

As far as Shared Solidarity is concerned, we continued the campaign to donate food to the most vulnerable communities in the region. The initiative to involve Sodecia employees in the campaign to collect food and hygiene items to donate to CSOs, Nursing Homes, and Orphanages in our community has been achieving great success and, naturally, has been reaching more institutions. We have considerably increased donations from 2022 to 2023: in 2022, 17.5 tonnes of food were collected, and this year we have reached 22.5 tonnes (as of November 2023).

There are several volunteers within the company who take part in these campaigns, from identifying the most vulnerable families within the communities to organising the event to distribute the food parcels. There is a constant turnover of assisted communities, so that a greater number of people are helped. The food is collected through the donation of baskets and food by the employees of the units, with the company's participation. The food is then distributed with the unit relying on the recommendation of employees who point out communities and families with the greatest difficulties in the region. Delivery is made to the home and is carried out by Sodecia's own volunteers.

SSMINT

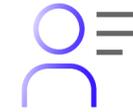
Offering employment opportunities to people with disabilities: Increasing the number of new hires of people with disabilities and reducing inequality between people with disabilities and people without disabilities.

Donating: Amount raised/donated to support institutions.

Making donations to the local community: Promoting communication with the local community and providing support for the development of school sports facilities to promote health.

Helping the local village during the floods: Local Corporate Social Responsibility activity carried out during floods in Chennai (India) with the provision of food, clothing, and shelter.

Participation in the Job Fair: Publicising the company and attracting candidates for the Azubis programme and direct hiring.



Increasing the number of new hires of people with disabilities and reducing inequality between people with disabilities and people without disabilities.





PEOPLE



Future Initiatives (2024–2025)

MEXICO

Green Spaces: Dedicating spaces within the facilities for green areas that can be used by employees, with a two-year execution period.

Internship Programme: The Internship Programme includes young people seeking to learn and apply knowledge in our companies and mentoring programmes, with a running time of one year.

Sustainable Packaging Initiatives: Exploring sustainable packaging options for the facility's products, with a one-year execution period.

MEXICO AND DETROIT

Regarding the donation of Non-Perishable Items, our goal is to collect 600 pounds of food for communities and institutions.

SSMINT

Donation to Orphanage: Amount raised/donated to support an orphanage, with a six-month execution period.

USA

Green Day in Dalian: In Auburn, we have established a partnership with the National Forest Foundation so that by 2024 all the business units

will be taking part in job fairs and protocols with universities.

We will also participate in fundraisers with a local non-profit organisation, The Circle of Care, which offers free GED classes to people so they can obtain a High School Diploma.

SADEUR

Buying IKEA furniture and assembling it in teams for the Red Cross in 2024 and 2025.

BRAZIL

Raising/donating one tonne of food per month per unit in 2024 and 2025.

Maintaining Sustainability projects focused on the Corporate SDGs (one campaign per month with a social focus) in 2024 and 2025.

Maintaining Sustainability projects focused on the Corporate SDGs (one campaign per quarter with an environmental focus) in 2024 and 2025.



PLANET

05. PLANET

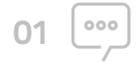
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sustainability

We work for a greener and more responsible future. We believe in futuristic mobility and in our contribution to the planet's health.

Adding value *to you*





PLANET



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Planet

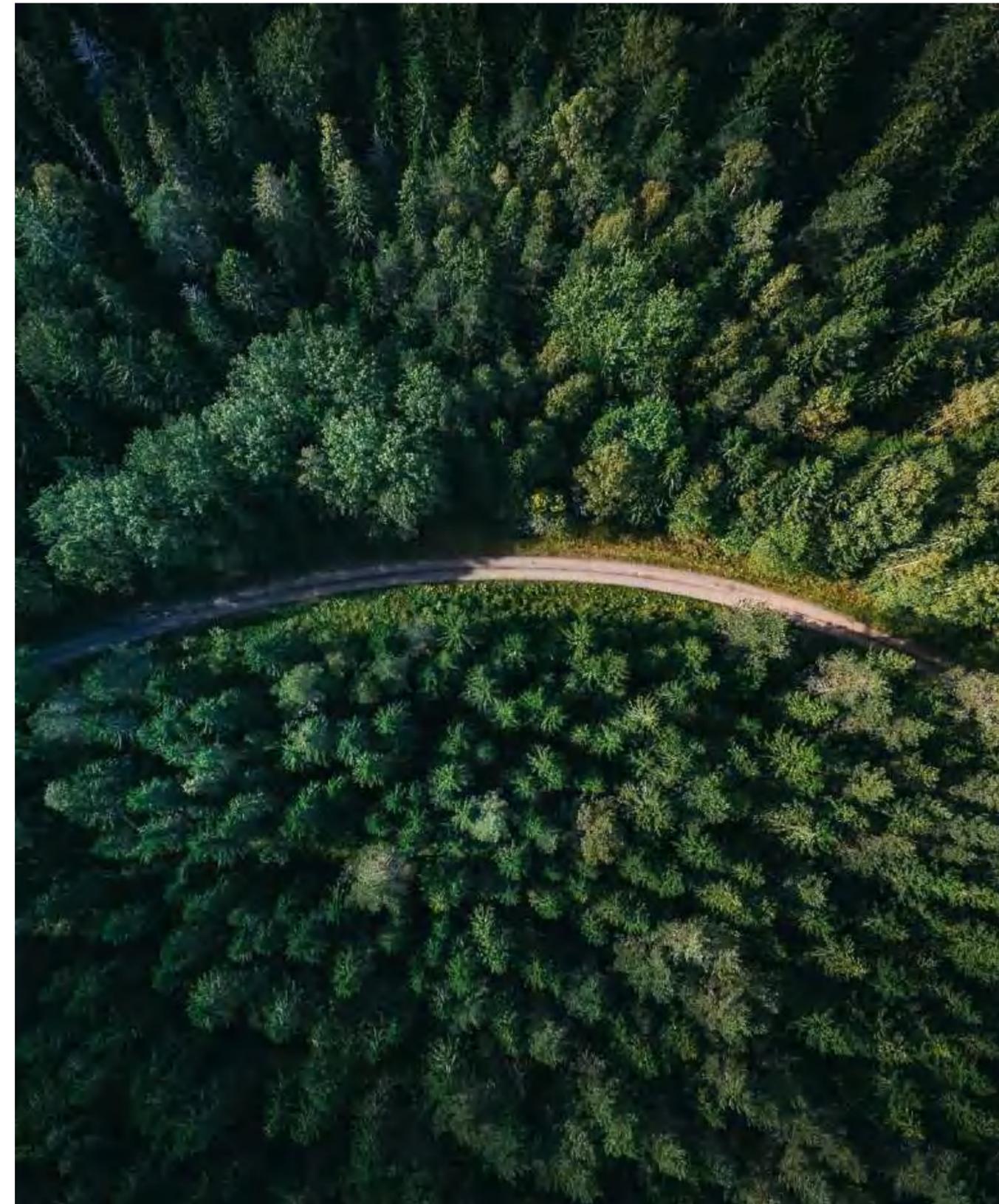


We are aware that we live in a world of increasingly scarce resources, so respect for the environment is a fundamental pillar of our commitment to sustainability.

The SODECIA Group aspires to generate a positive impact on both society and its various stakeholders. We are committed to actively contributing to the fulfilment of the United Nations 2030 Agenda and its Sustainable Development Goals (SDGs) by implementing scalable solutions throughout our value chain. Our goal is to revolutionise how we work. We are aware that we live in a world of increasingly scarce resources, so respect for the environment is a fundamental pillar of our commitment to sustainability.

We recognise the importance of effectively managing environmental resources and risks, minimising their impact. This principle governs all the Group's companies, seeking to ensure better quality of life for current and future generations. In this context, we are committed to managing the environmental aspects of our value chain by allocating the necessary human and financial resources. We have integrated this environmental concern into the organisational structure, with defined actions and roles carried out by competent employees. As such, in 2023, we considered it essential to create an Environmental Policy, to be published in the beginning of 2024.

This Environmental Policy complements the Group's existing principles, codes, and working guidelines. It sets out our vision and commitments regarding environmental and climate management, defining

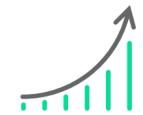




Sodecia Certifications



Respecting, pursuing, and enforcing compliance internally and in its relations with external partners, with the requirements stipulated by legislation in its different geographies and other requirements applicable to its business area. We are committed to always acting in accordance with the public rules that are inherent to the activities of all our business units.



Continuously improving our performance by carrying out actions related to the environmental, safety, and health management system (Safety, Health, and Environment Master Plan – SHEMP). We are committed to ensuring the best working conditions at all times, in defence of the interests of our employees and of everyone we interact with.



Achieving environmental, safety, and health objectives and targets by improving processes and the working environment. We are committed to developing practices and actions for continuous improvement as a constant development of this policy.



Protecting the environment, including preventing environmental pollution, reducing our carbon footprint, and implementing compensatory measures when justified. In particular, we are committed to implementing measures relating to:

- Product life cycle
- Energy and climate change
- Waste management
- Resource efficiency
- Water and effluent management
- Air quality



Identifying risks and opportunities, assessing and continuously monitoring the risks inherent to SODECIA's activities, to prevent and minimise environmental impacts and the occurrence of accidents. We are committed to a vigilant attitude that allows us to anticipate problems and prevent damage to the environment, safety, and health of all those who come into contact with us.



Continuously raise the awareness of our Human Resources on activities and practices related to the environment, safety, and health, as well as establishing channels of communication and transparent information on these issues with stakeholders. We are committed to promoting, publicising, and raising awareness of best practices within the framework of this policy.



Cooperating with business partners on environment-related activities. We are committed to developing external relations that safeguard the protection, promotion, and development of this entire policy.



Contributing to society. We are committed to cooperating with external organisations to add value to society as a whole and to the most disadvantaged groups.

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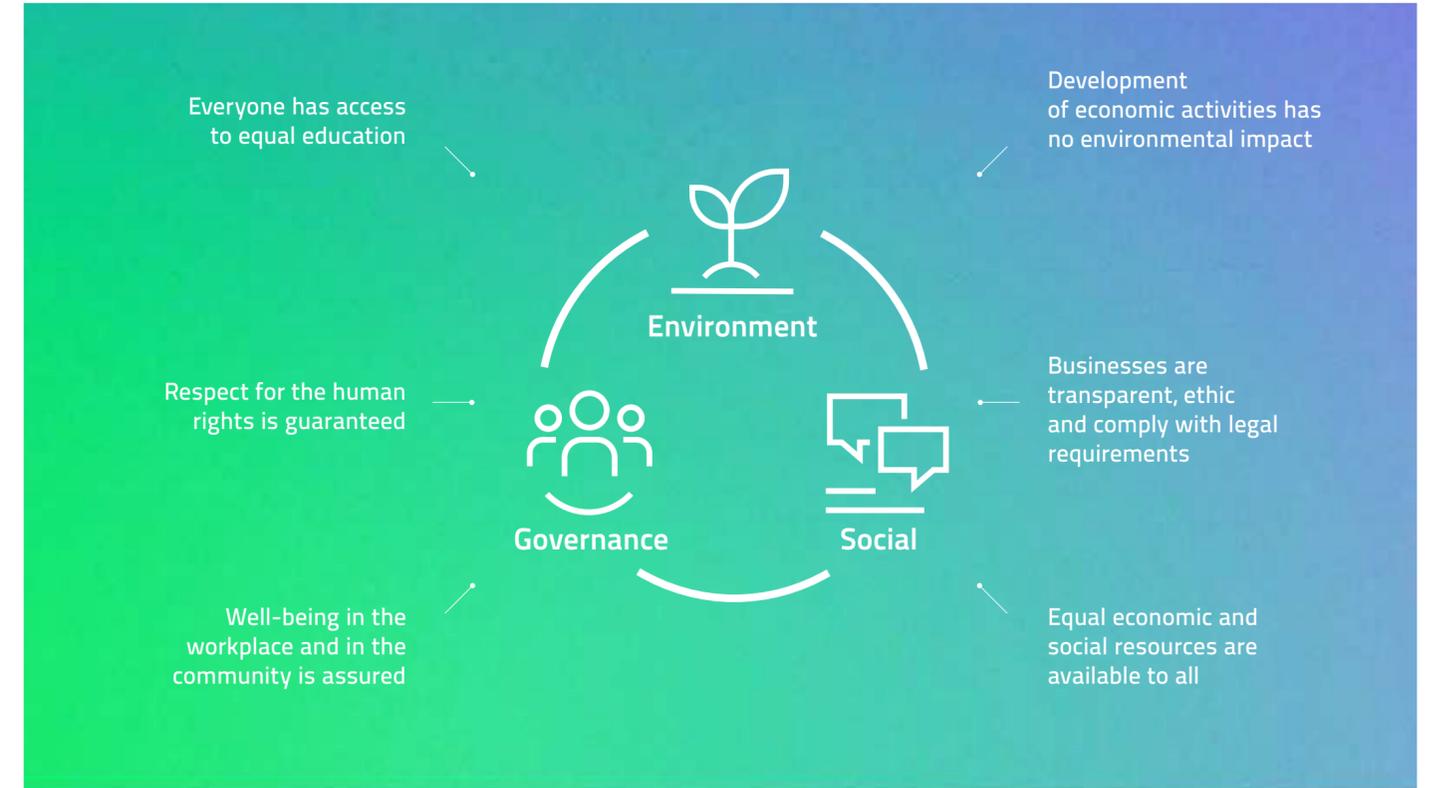
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the guiding principles for the continuous improvement of our environmental performance in the short and long term, and lays the foundations for defining objectives and targets, taking into account the expectations of our stakeholders.

The Environmental Policy will cover all the Group's facilities, and we promote the adoption of its principles by all those involved in our value chain, including customers and suppliers, from whom we demand compliance with the principles of environmental responsibility. It also applies to entities that provide services on our premises, as we strive to find effective solutions to reduce the environmental impact of our operations.

SODECIA's Environmental Policy is supported by a robust environmental management system, including the SHEMP and specific measures to control air quality, CO₂, water, and waste. The goals of this policy are implemented by setting targets, action plans, and follow-up/monitoring indicators, promoting continuous improvement. The implementation of this policy is intrinsically linked to opportunities for environmental innovation, employing the best practices and technologies to optimise the consumption of natural resources and raw materials.



It is important to note that as recently as 2023, we invested more than 2 million euros in energy efficiency solutions at our operating units, with plans to increase this investment to around seven million euros in 2024.

5.1 Energy Efficiency and Climate Change

Climate change represents one of today's greatest global challenges, requiring effective and comprehensive responses at all levels, from governments to companies and communities. At SODECIA, we are fully aware of the importance of this issue for society and the future of our planet. We are therefore committed to significantly reducing our greenhouse gas (GHG) emissions, thereby helping to mitigate the negative impacts of climate change on ecosystems and people's quality of life.

At SODECIA, we have implemented a series of measures and initiatives to achieve carbon neutrality for the Group by 2035. We are focused on increasing energy efficiency, using alternative fuels and installing equipment to generate renewable energy, seeking to reduce our carbon footprint throughout the value chain. During this process, we set significant milestones and intermediate targets, such as reducing our carbon footprint by 10% by 2023, with 2019 as the reference year.

In 2023, in collaboration with the PCCs, we developed the Carbon Footprint by Part methodology. This method is based on our existing model for calculating CO₂ per unit, as well as on the various templates provided by our customers. With this approach, we can now analyse and develop products and processes incorporating so-called green innovations and fully green products. This initiative reflects our ongoing commitment to sustainability and environmental innovation, reinforcing our role in the fight against climate change.

5.1.1 Energy consumption and energy efficiency

In 2023, we faced significant challenges due to the economic slowdown, driven by high interest rates in the United States and by the strikes that affected the automotive industry, where we have a considerable market share. This context has led to a reduction in car production volumes and, consequently, a

Technology	Investment 2023 (€)
Solar panels	1.107.004,00
Compressed air	147.709,76
Energy Efficiency Measurement	9.527,00
Air Quality	6.408,16
Waste Treatment	6.820,00
Total	1.277.468,92

reduction in our energy consumption. However, at SODECIA, we are aware that all our processes depend on energy sources to operate, which has led us to adopt extraordinary measures to manage energy consumption more efficiently and sustainably.

It is important to note that in 2023 we invested 1,2 million in energy efficiency solutions at our operating units, with plans to increase this investment to around seven million euros in 2024. Among the solutions implemented are the installation of solar panels, the purchase of equipment for Wastewater Treatment Plants (WWTPs), and the implementation of more efficient lighting systems.

In 2023, in addition to facing the economic challenges, we directed our investments towards improving the air quality systems in our industries. We implemented a new heating and exhaust system in units 1-4 in Attendorn and Leskovec



We are focused on increasing energy efficiency, using alternative fuels and installing equipment to generate renewable energy, seeking to reduce our carbon footprint throughout the value chain



PLANET





GHG emissions (scope 1 and 2) in tons of CO₂



and introduced a new scrap conveyor for waste treatment in Nitra. These actions reflect our commitment to optimising energy consumption, reducing our carbon footprint and continuously improving our environmental performance, even in economically challenging times.

Due to the increase in SODECIA's turnover, 580,824.3 GJ of energy were consumed in 2023, an increase of 12% compared to the previous year. However, it is important to note that 29% of this consumption corresponds to renewable energy, as a result of the investments mentioned above.

Non-renewable energy consumption also fell by 10% this year, from 8495 GJ in 2022 to 7629 GJ in 2023.

Despite the increase in energy consumption, SODECIA saw its energy intensity fall by around 44%, from 0.108 in 2022 to 0.060 in 2023.

5.1.2. GHG emissions

In line with the expectations of our stakeholders and with the main global trends, at SODECIA, we have been improving the calculation of our carbon footprint since 2019. This process includes the accounting of our global Greenhouse Gas (GHG) emissions from scopes 1, 2, and 3, as outlined by the GHG Protocol model. Despite the growth in the number of production facilities, SODECIA has managed to reduce total CO₂e emissions in absolute terms in recent years. This achievement is due to our continuous investment in environmental management, especially in adopting energy-efficient technologies and optimising our production processes. In 2023, we had a change of context with the inclusion of an operational unit in Pretoria, which caused our carbon footprint to increase, as this unit alone represents 8.6 kt CO₂e. In identical CO₂ contexts, this year we would have

In 2023, we had a change of context with the inclusion of an operational unit in Pretoria, which caused our carbon footprint to increase, as this unit alone represents 8.6 kt CO₂e.

had a decrease of 12.15%, in line with last year's 11% compared to 2021.

Even with the addition of a new operating unit, our overall carbon footprint remained stable compared to 2022, and we were able to absorb almost all of it with the actions we took this year. A determining factor in achieving these results has been the purchase of green energy, in places where it is required by our customers or where we have identified a beneficial opportunity, such as Brazil - the first country where our production has achieved a zero carbon footprint of scope 2. In addition, the application of the Kaizen continuous improvement methodology, particularly in carbon reduction initiatives, has been a fundamental strategy.



Even with the addition of a new operating unit, our overall carbon footprint remained stable compared to 2022, and we were able to absorb almost all of it with the actions we took this year.

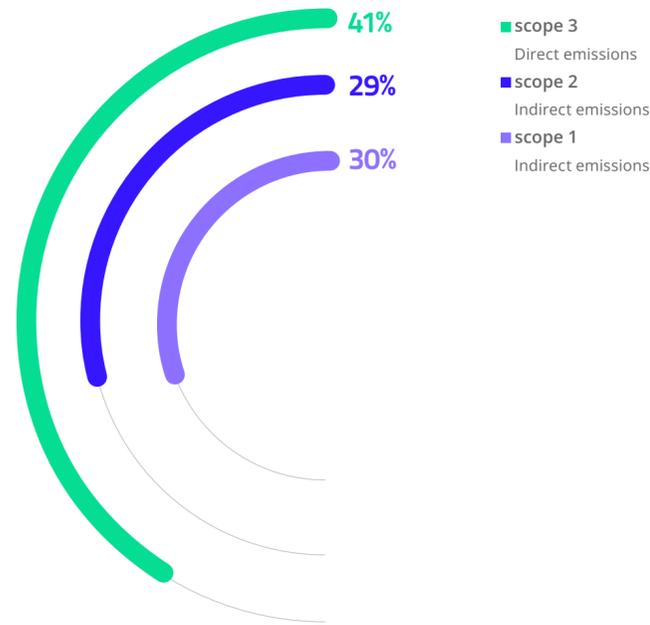


PLANET





CO₂ Emissions distribution by scope (2022)



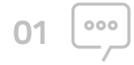
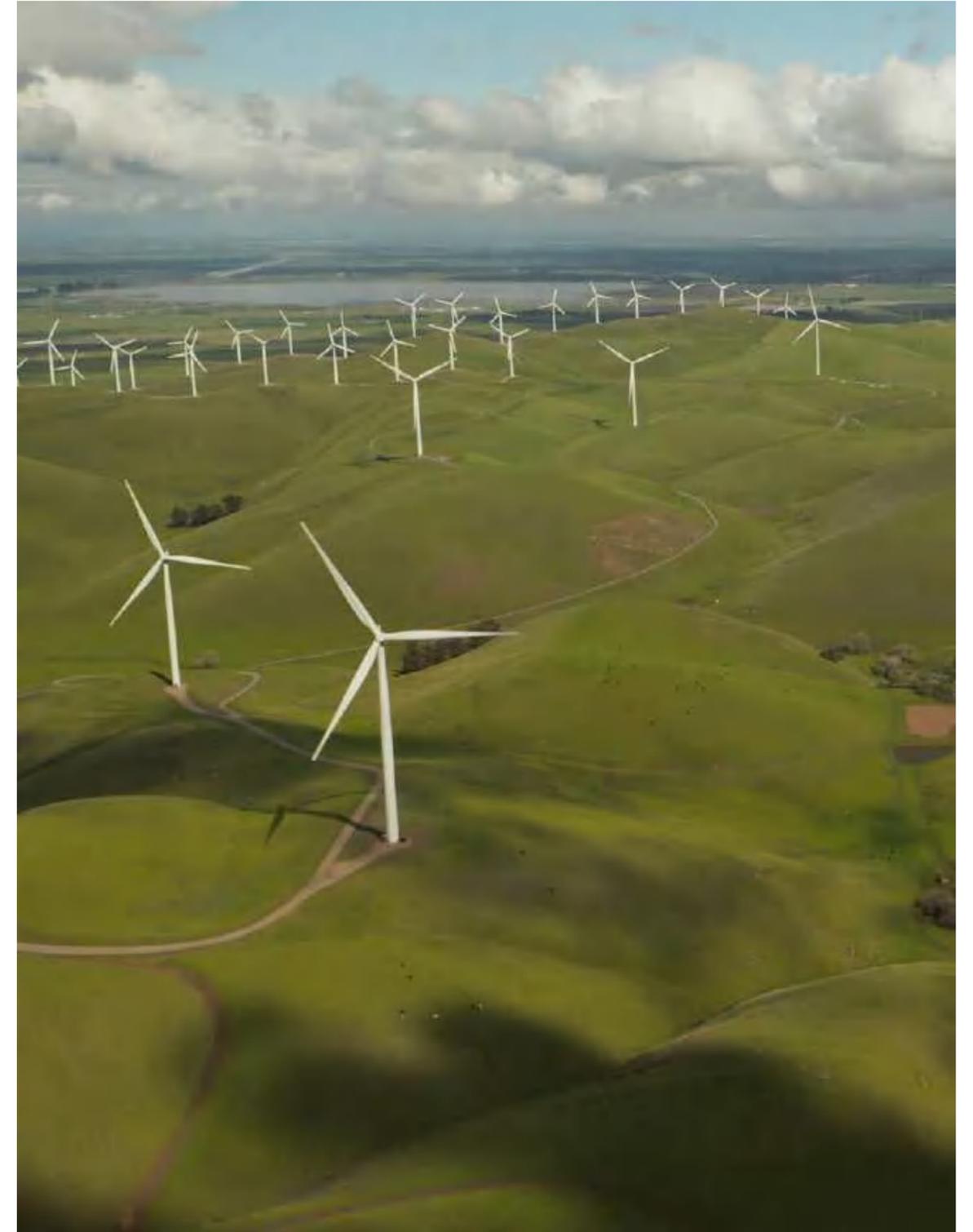
Within the Group's total emissions, **scope 3** emissions account for 41%, followed by **scope 1 and 2** emissions, with 30% and 29% respectively. **Scope 1 emissions** are mainly due to the use of fuels. **Scope 3 emissions** are mainly due to steel waste management. **Scope 2 emissions** are related to electricity consumption.

With regard to **scopes 1 and 2**, in 2023 SODECIA recorded total emissions of 39.6 ktCO₂e, which represents an increase of approximately 8% compared to 2022. This increase is due to the additional accounting of the South African operating unit, which represents 8.6 tCO₂e (scope 1). On the other hand, indirect Scope 3 emissions, which originate from activities outside our management, fell by around 10% to 27.3 ktCO₂e in 2023.

Direct emissions (scope 1) (t CO ₂ e)	2021	2022	2023
Stamping oil	410,2	483,0	406,6
Diesel generator	33,3	33,3	33,3
Washing oil	76,4	108,4	108,4
Welding gas	1 931,8	375,2	672,0
Hot stamping gas	2 188,9	2 314,4	3 572,1
Painting line gas	1 296,8	971,9	1 259,0
Own transport	554,7	448,5	190,0
Heating system	12 596,8	9 050,6	14 079,0
Total	19 088,8	13 785,3	20 320,3

Indirect emissions (scope 2) (t CO ₂ e)	2021	2022	2023
Electricity	28 347,5	22 913,8	19 303,5
Total	28 347,5	22 913,8	19 303,5

Indirect emissions (scope 3) (t CO ₂ e)	2021	2022	2023
Employee transport	1 628,8	468,3	773,6
Cleaning	127,8	208,4	166,1
Transport service	1 881,6	1 967,8	3 411,7
Non-recovered containers	607,2	629,5	684,8
Metal surplus	25 251,8	26 498,2	22 199,7
Recycled	55,1	40,4	8,4
External warehouses	1 628,8	468,3	37,4
Total	31 181,1	30 280,9	27 281,7



PLANET





GEOGRAPHY INITIATIVE

NITRA, SLOVAKIA

1. Carbon footprint reduction GHG 2

The goal is to reduce the GHG 2 carbon footprint by installing a 499 kWp self-consumption generation unit.

Solar energy is an important part of SODECIA's decarbonisation strategy, enabling a reduction of the Group's carbon footprint, as well as a reduction of energy costs. Thus, in 2023, a photovoltaic installation was carried out on the roof of MATADOR Automotive Vráble in Nitra, given the plant's power of 499 kWp to generate 3.6% of the total electricity consumed per year.

This was the first phase of the project, enabling us to gain experience with the system and with the possibility of future expansion. The legal requirement for obtaining a subsidy is that the power output of the solar plant does not exceed 500 kWp.

This is the first phase, with the installation of 490 kW of photovoltaics in Nitra. Completion of the installation is scheduled for 20 September 2023.



Future Initiatives

SOUTH AFRICA

Capex 2024 (SAPRE): Installation of Photovoltaic Panels to change the Energy Matrix.

CANADA

Solar Panels (SALON): The solar panel initiative seeks to install solar systems with and without batteries.

JOHANNESBURG

SunArc Africa: The SunArc Africa initiative seeks to install 4,545 550 W solar panels, supplied by a company located in Johannesburg, with the goal of optimising the use of available roof space.

DURBAN

INdlanduna Solutions: The INdlanduna initiative seeks to install 4,546 550 W solar panels, supplied by a company located in Durban, with the goal of optimising the use of available roof space.



PLANET





Our goal is to reduce the amount of waste we produce and further increase the percentage of waste destined for recovery and recycling. It is also our goal to focus on more sustainable solutions, setting more ambitious targets and control for hazardous and non-hazardous waste.

5.2 Circular Economy

SODECIA sees Circular Economy as a way to decrease the use of raw materials and waste of materials, leading to environmental and economic benefits along its value chain. This concept goes beyond the boundaries of effective waste management and recycling, aiming for a broader action that encompasses everything from the redesign of processes, products, and new business models, to the optimisation of resource use – eco-design.

Eco-design, a key component of the circular economy, seeks to improve the environmental performance of products through the systematic integration of certain key aspects in the various stages of product design, namely in the consumption of energy and raw materials. Thus, by changing raw materials and the processes of manufacturing, packaging, transport, and maintenance, it is possible to create more durable products and to generate value for consumers throughout their life cycle.

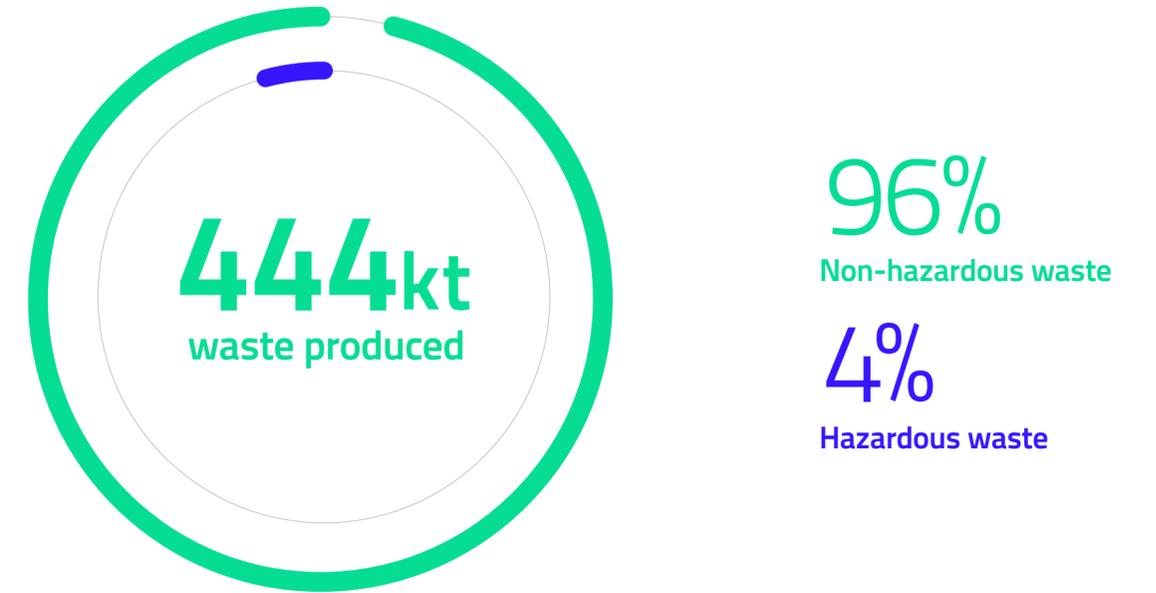
5.2.1 Waste management

At SODECIA, waste management is based on the 4Rs (Reduce, Reuse, Recycle, Recover). The control of all processes related to waste, from its production, separation, storage, transport, and final destination is implemented, not only to comply with the legislation in force in each region, but also to monitor the various service providers.

As a result of the return to normality after the crisis caused by the COVID-19 pandemic, in recent years we have seen our business grow compared to 2020 and, as a result, an increase in waste production.

Our goal is to reduce the amount of waste we produce and further increase the percentage of waste destined for recovery and recycling. It is also our goal to focus on more sustainable solutions, setting more ambitious targets and control for hazardous and non-hazardous

Waste produced (ton by waste type)



waste. In addition to the environmental plans and programmes in place, SODECIA works actively with its employees and with the community to encourage reduction, reuse, and correct waste disposal. To this end, it has carried out several initiatives in this area in the various countries where it operates, including changing suppliers, strengthening the conditions that enable better segregation of waste and events, both internal and external, education, and environmental awareness for this issue.

In 2023, all the operational units accounted for in waste production produced a total of 16,093 tonnes of hazardous waste and 443,587 tonnes of non-hazardous waste.



At SODECIA, waste management is based on the 4Rs (Reduce, Reuse, Recycle, Recover).



PLANET





GEOGRAPHY INITIATIVE

CANADA

Kaizen Project – Reduction of Welding Wire

As part of the Kaizen project’s strategy for more sustainable waste management, the team identified opportunities to optimise the robot’s application of the weld bead, reducing the length according to the product’s specifications, without compromising on strength or quality.

Changes were made to the robot’s parameters and movements to ensure the correct application of the weld. The project’s goal was to:

- Reduce the need for adjustments and rework on welds.
- Reduce consumption of consumables and rework.
- Increase cell productivity to produce more parts.
- Reduce the amount of wire consumed by the cell.
- Reduce gas consumption during the welding process.

The implementation took place in October 2023, involving four people from the Engineering, Production, Maintenance, and Quality departments at our plant in London, Canada.

The results achieved in this project were significant: a reduction in the use of welding wire (233 kg); a reduction in the consumption of argon gas; an improvement in the rework station to prevent arcing (safety aspects); and a small increase in cycle time to increase production in the cell.

Changes were made to the robot’s parameters and movements to ensure the correct application of the weld.

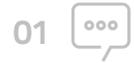
BRAZIL

Kaizen Project

SODECIA continues to implement the kaizen programme to reduce consumption and waste generated in the process. This methodology is a fundamental part of our strategy that enables us to maintain a monthly target of kaizen projects per area, focussed on continuous process improvement, reducing consumption, and cutting waste.

This approach is applied throughout the year, covering the entire factory and involving the SAMGR and SAMAN units. Over the course of 2023, we achieved a total of 994 kaizen projects, with 438 projects at the SAMGR Unit and 556 projects at the SAMAN Unit. This figure reflects our constant commitment to operational excellence and the ongoing search for more efficient and sustainable practices.

Over the course of 2023, we achieved a total of 994 kaizen projects, with 438 projects at the SAMGR Unit and 556 projects at the SAMAN Unit.



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GEOGRAPHY INITIATIVE

BRAZIL

Ecological Walk at SAMGR

The company also runs awareness-raising campaigns for employees, their families, and the public, encouraging conscious consumption and the correct disposal of waste.

On Environment Day at the SAMGR – Sete Lagoas unit, the Ecological Walk was held for the second time, with employees and their families taking a walk in Serra Santa Helena (one of the main tourist attractions of Sete Lagoas). This initiative not only promotes physical exercise, but also involves collecting waste along the way. We also donate containers to tourist attractions, encouraging the community to take an active part in conservation.

All waste generated at SODECIA is properly disposed of. The company maintains selective collection with the appropriate separation of waste generated by class/type, preventing more waste from being sent to landfill or for co-processing, enabling it to be transformed into raw materials and used in other processes through recycling.

[Link to the initiative](#)

MEXICO

MUD Programme

The project seeks to optimise the use of steel and reduce scrap waste. The material in question is used in the hot stamping of steel sheets for the production of automotive components.

To achieve this, a study was carried out using simulations to identify the best geometry and finish for cutting the sheets and producing the stamped parts. Additionally, the area for laser cutting was determined, finalising the finishing line. The MUD PROGRAMME not only promotes operational efficiency, but also reinforces the company’s commitment to sustainable practices throughout the production process.

The initiative came about due to the daily amount of material (steel) that was discarded, resulting in waste. The project was implemented in September 2023 and involved eleven employees from all areas at our factory in Ramos, Mexico.

The results achieved were significant, including the reduction of 52 tonnes of steel and a decrease of 42,658.56 kg of CO₂ emissions per year.

We intend to continue and strengthen the MUD Programme, with the specific goal of achieving a reduction of 0.7 in relation to the Net Production Value (NPV) at the SAMGR and SAMAN units.

Adopt a Tree, Adopt Life!

The “Adopt a Tree, Adopt Life!” campaign consisted of planting trees in the community near our company in Ramos, Mexico. In collaboration with the community, during **Arbour Day** each employee was given a tree to plant.

This initiative sought to initiate social and sustainable programmes in the community. Tree planting contributes to absorbing carbon dioxide, purifying the air, providing a habitat for wildlife, preventing soil erosion, contributing to the water cycle, and playing a crucial role in regulating the climate and maintaining environmental balance.

The action was carried out in collaboration with the Environmental Secretariat of the State of Coahuila, Mexico, and involved the participation of all our employees. The event took place at our factory in Ramos, Mexico. The results were remarkable, with over 100 trees planted and a reduction of 6.2 tonnes of CO₂ emissions.

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GEOGRAPHY INITIATIVE

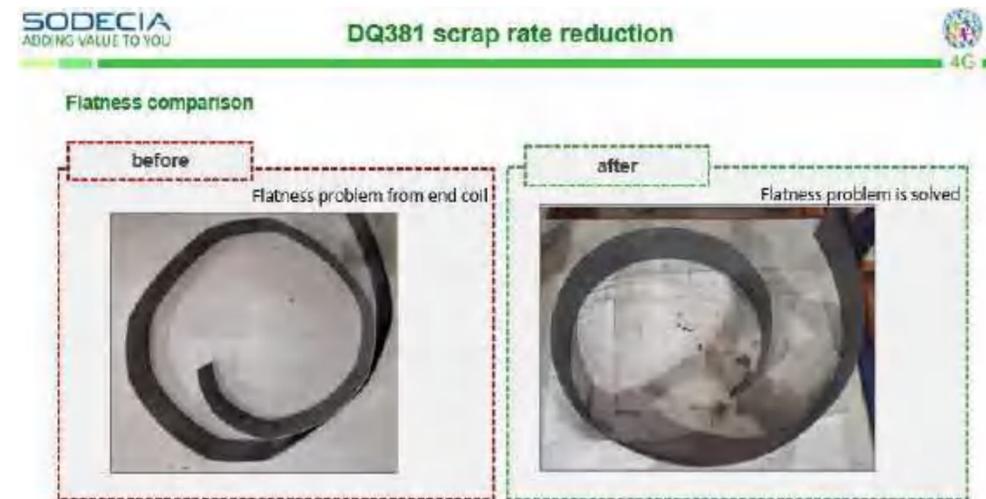


DQ381 scrap rate reduction

Currently, we have identified a high rate of welding scrap in DQ381, with a particular focus on number 37, which has the highest incidence. When analysing the causes, we found that most of 37's scrap stems from defects in welding seams 3.1 and 3.4, attributable to the lack of flatness in the raw materials of straightening plate 37. We implemented corrective measures, resulting in a significant reduction in 37's scrap rate. This initiative ran from 19 November to 15 December 2023, with the collaboration of

the departments of: Maintenance; Engineering; Production; Quality; and EHS.

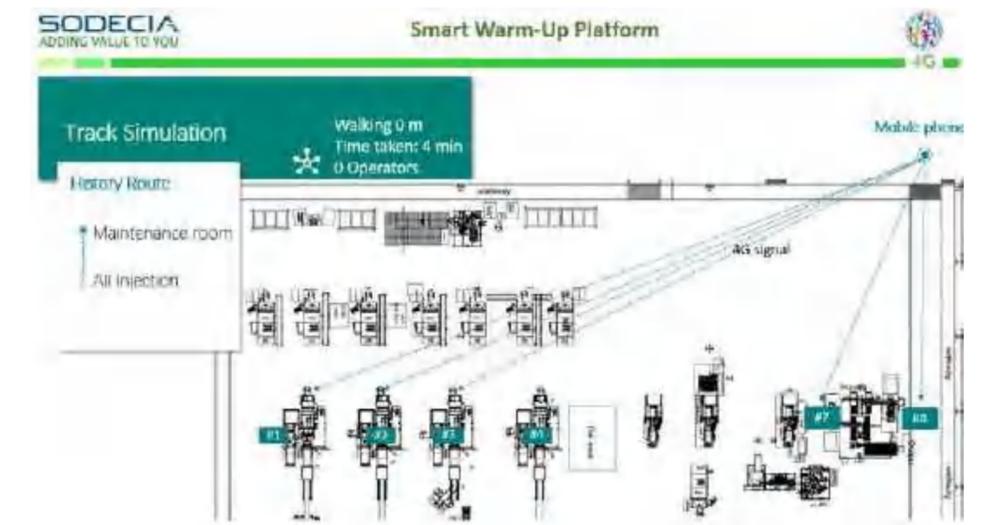
The results of this initiative were as follows: carbon footprint reduced by 8.3 tonnes/year due to the reduction in scrap; the scrap rate of DQ381 decreased from 0.56% to 0.45%, optimising efficiency in internal delivery; savings of 37.4 thousand euros per year in costs; and improvement in the quality of welds, contributing to an increase in customer satisfaction.



We implemented corrective measures, resulting in a significant reduction in 37's scrap rate.

Smart Warm-Up Platform

We have identified and corrected energy waste during the weekends, when equipment was on standby without production, consuming 8,900 kWh per day. We have implemented effective measures, including the installation of a 4G controller and remote control of the pre-heating unit via mobile phone. This initiative, which ran from February to May 2023, involved the Maintenance, Engineering, and EHS teams at the FB and SHIFT FORK workshop. The results include a significant reduction in the carbon footprint, saving 267 MW of electricity and reducing CO₂ emissions by 271,000 kg per year, as well as a saving of €28,000 in annual costs and a reduction in safety risks.



PLANET





GEOGRAPHY INITIATIVE



FB MUD Optimisation



During the production of the 4/R angle in the FB process, we identified a MUD of 41%, resulting in a waste of around 59% of the material. This situation was repeated in all other parts of the FB, generating waste material. We started an analysis and carried out tests to address this issue.

To optimise the MUD and reduce waste in quality-critical positions, we have adjusted the overlap without compromising the part's quality. This initiative ran from June 2022 to May 2023, with contributions from the Engineering, Maintenance, and EHS teams.

The impacts achieved include significant savings in the carbon footprint, with 41.27 tonnes of recycled

steel saved per year and a reduction of 75 tonnes in CO₂ emissions. Additionally, the use of materials was optimised, promoting the company's sustainable development. This initiative has resulted in savings of more than €45,195 in material costs annually.

To optimise the MUD and reduce waste in quality-critical positions, we have adjusted the overlap without compromising the part's quality.

Future Initiatives

SOUTH AFRICA

We are committed to the correct environmental disposal of 100% of the waste generated, through the implementation of a Selective Sorting programme. This endeavour is aimed at responsible waste management, contributing to the preservation of the environment.

MEXICO

Adopt a Tree, Adopt Life! - The "Adopt a Tree, Adopt Life!" campaign consisted of planting trees in the community near our company in Ramos, Mexico. In collaboration with the community, during Tree Day each employee was given a tree to plant.

This initiative sought to initiate social and sustainable programmes in the community. Planting trees helps to absorb carbon dioxide, purify the air, provide habitat for wildlife, prevent soil erosion, contribute to the water cycle and play a crucial role in regulating the climate and maintaining environmental balance.

The action was carried out in collaboration with the Environmental Secretariat of the State of Coahuila, Mexico, and was attended by all our employees. The event took place at our plant in Ramos, Mexico. The results achieved were remarkable, with the planting of more than 100 trees and a reduction of 6.2 tonnes of CO₂ emissions.



PLANET





Future Initiatives (2024–2025)

SASA

- **Implementation/Maintenance of 5S/Kaizen** - We are committed to implementing and maintaining the 5S principles and Kaizen methodology. This approach seeks to improve organisation and efficiency in the workplace, promoting a culture of constant improvement.
- **Campaign for Correct Waste Disposal** - We plan to carry out a comprehensive campaign for proper waste management, involving not only employees but also their families. This initiative seeks to raise awareness of the importance of responsible and sustainable waste management.

SANA

- **Creation of a regional committee** to strengthen sustainable proposals
- **30% energy self-sufficiency** - London/Ramos (in 3 years)
- **10% - Carbon Neutrality Target** for 2035 (GHG Type 1 and 3)

CHINA

- **Optimise the deformation of the end of the steel coil** in the FB machine, increase the utilisation rate to reduce excessive coil waste.
- **Increase waste separation** in production.
- **Recycling deionised water (DI)**, which will reduce water disposal.



5.2.2. Eco-design and Life Cycle

Part of our plan to implement management based on the Circular Economy is to implement strategies based on eco-design throughout the product life cycle. Our vision is to ensure that our products follow a sustainable life cycle in order to meet the expectations of the markets and of our customers.

In this context, we have developed programmes to reduce the consumption of raw materials and optimise the generation of waste in our production process. We focus on various product development activities, including:

- Optimising products and processes to reduce the global carbon footprint.
- Improving R&D actions to analyse the viability of the product, reducing the need for physical tests.



We have developed programmes to reduce the consumption of raw materials and optimise the generation of waste in our production process.



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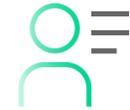




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The SSM PCC team is strongly committed to the sustainability of products, covering existing, new, under development, and those in the process of being listed.



We promote sustainability by recycling waste and adopting an ecological lighting solution,

- Changing raw materials to maximise their use, reducing the carbon footprint.
- Developing new technologies for the engineering team's activities.

The reduction in the use of other materials (stamping oil, paper, plastic, pallets, and wooden boxes) and the optimisation of processes using technology – such as the automation of semi-manual procedures and the digitisation of processes – are other examples of actions adopted by SODECIA to reduce waste production.

The SSM PCC team is strongly committed to the sustainability of products, covering existing, new, under development, and those in the process of being listed. We created a CO₂ workshop, integrating the calculation into the Cost Model, with an emphasis on key commodities. Additionally, we promote sustainability by recycling waste and adopting an ecological lighting solution, significantly reducing total electricity consumption, including in the SSM PCC car park, exemplified as a "green example" (+ p.).

GEOGRAPHY INITIATIVE

SLOVAKIA/GERMANY

IP Support Case (CCB Hybrid Concept)

We have developed and optimised the cross car beam, integrating various functions and materials to reduce parts and improve tolerance control and vibration absorption. We have taken fuel consumption into account, optimised energy use and consumption, and extended vehicle life cycles.

The CO₂ emissions generated by our products are key indicators in sales, highlighting the savings from design. We have reduced parts and variants, reduced weight through a variety of materials, and developed features such as tolerance control and vibration absorption.

The development not only brings functional benefits, but also reduces emissions from the vehicle in use, improving the life cycle assessment. We use materials with lower carbon emissions, reducing the product's footprint. The special design makes it possible to optimise the utilisation rate and energy consumption in manufacturing, reducing in-use consumption and extending the product's life cycle.

The new design brings advantages in terms of functionality, reducing parts, cutting carbon emissions, and promoting savings, benefiting both the customer and us.



GEOGRAPHY INITIATIVE

EUROPE

Implementation of the product carbon footprint calculation within the cost estimation model

We have developed and integrated Product Carbon Footprint Certification into the calculation of our cost model per product commodity. Our cost estimation model took into account the different impacts of the materials used, as well as of the processes applied and of the commercial conditions.

This action was carried out to present the product's carbon footprint to our customers and assess possible improvements to reduce emissions.

The implementation took place in 2023 and involved the divisions' product competence centres, including sustainability, product development, cost estimation, and managers. Additionally, the company's board of directors and purchasing department were involved.

The initiative took place in Europe, and the results revealed that, depending on the product, more than 90% of carbon emissions come from the materials used, with Scope 3 being the most significant contributor.

+ 90%

of carbon emissions come from the materials used, with Scope 3 being the most significant contributor.

GERMANY

Integration of multiple functions and materials in one product

Multiple functions and materials were integrated into one product to reduce the number of different parts and improve tolerance control and vibration absorption.

This action was undertaken to improve the product's performance and efficiency, while simultaneously reducing its weight and carbon emissions.

The implementation was led by the Safety & Mobility Product Competence Centre and the project took place in Germany. The results included reducing the weight of the product, reducing the number of parts, achieving better tolerance control, absorbing vibrations, and reducing CO₂ emissions.



PLANET





Other Initiatives

01

Safety & Mobility (SSM): The SSM PCC team now has a Human Resources manager dedicated to analysing new materials and CO₂.

02

Safety & Mobility (SSM): A regular meeting was established with the PUR team and strategic suppliers on existing and new materials. Also noteworthy is the creation of a new in-house testing laboratory, giving the PCC the opportunity to test new materials to optimise the assembly process.

03

Automotive Division (BIW): Sustainability solutions from technological/product/CAD optimisation or from the implementation of new technologies and from CO₂ monitoring – BIW cost calculation.

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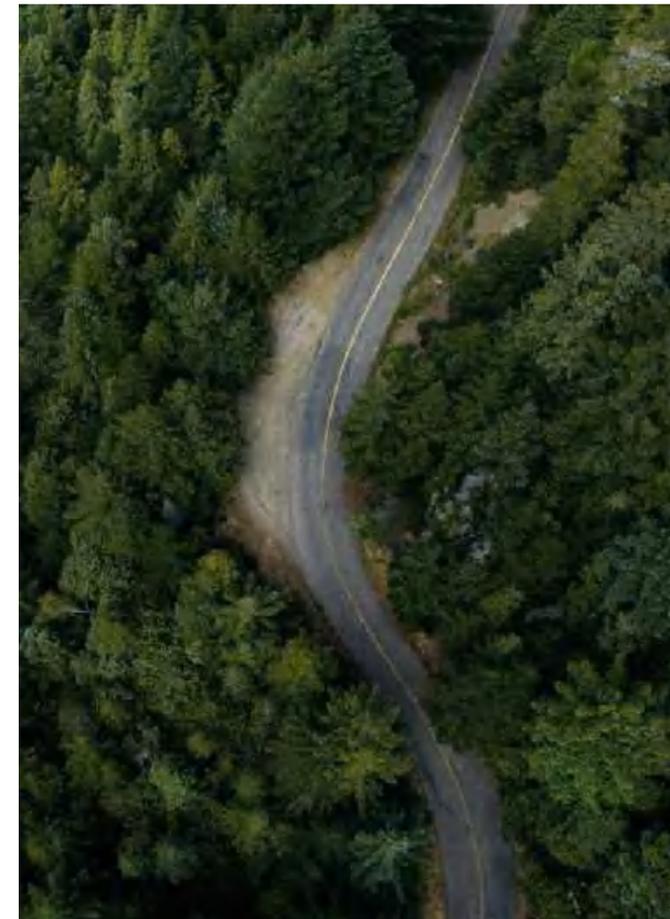
Calculation of BIW's carbon footprint as part of the cost calculation: We are including the calculation of BIW's carbon footprint as a core component in our cost calculation process.

Reduced pressing force: As part of the BIW PCCs, we are implementing the reduction of the pressing force used in floor assembly with laser welding, by applying the laser welding step method.

Establishment of an in-house laboratory for new materials and technology: We have established an in-house laboratory dedicated to new materials and technologies, in line with our objectives.

Added value in quality and safety: weight reduction in the PD & R&D departments; thermal and frequent analysis carried out by the R&D

department; feasibility simulation carried out by the R&D department; crash performance study carried out by the R&D department; product and process simplification in the PD department; logistics and transport optimisation in the PD department; sourcing of sustainable technology and ecological suppliers in the ME department; standardisation of parts and integration of CCS codes in the PD department; in-house testing laboratory.



Future Initiatives (2024–2025)

SSM PCC

- **Company-wide training workshops** to increase awareness of sustainability issues, such as materials with lower CO₂ emissions and green electricity.
- **Close contact with suppliers** to find alternative materials that reduce weight and carbon emissions.

BIW PCCS

1. Monitor the CO₂ carbon footprint for each new product calculated by the PCC.
One-year time frame
2. Support European business units in calculating, analysing, and monitoring a summary carbon footprint for all BIW parts produced.
One-year time frame
3. Develop a detailed matrix that verifies the proportion of the BIW's carbon impact coming from the material, fastener application, stamping process, and welding.
Two-year time frame

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PLANET





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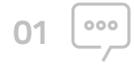
ATTACHMENTS



Attachment I.

Correspondence table

Material topics of the SODECIA Group	GRI Standards	GRI indicators	Report chapter/subchapter
Product quality and safety	GRI 2: GENERAL CONTENTS GRI 416: CONSUMER HEALTH AND SAFETY	2-6 416-1/2	Cap. 1. SODECIA Profile
Sustainability in the supply chain	GRI 2: GENERAL CONTENTS GRI 204: PURCHASING/SUPPLY PRACTICES GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING GRI 408: CHILD LABOR GRI 409: FORCED OR SLAVE LABOR GRI 414: SOCIAL ASSESSMENT OF SUPPLIERS	2-6 204-1 308-1/2 407-1 408-1 409-1 414-1/2	Cap. 3.4. Supply Chain Management
Attracting and retaining talent	GRI 2: GENERAL CONTENTS GRI 401: EMPLOYMENT	2-7, 2-8, 2-19, 2-20, 401-1/2	Cap. 4.1.1 Human capital management
Training and professional development	GRI 404: EDUCATION AND TRAINING	404-1/2/3	Cap. 4.1.1 Human capital management
Industrial relations and social dialogue	GRI 2: GENERAL CONTENTS GRI 202: MARKET PRESENCE GRI 402: LABOR RELATIONS	2-30 202-1/2 402-1	Cap. 4.1.1 Human capital management
Health and safety at work	GRI 403: HEALTH AND SAFETY AT WORK	403-1/2/3/4/5/6/7/8/9/10	Cap. 4.1.2 Occupational Health and Safety
Community involvement	GRI 2: GENERAL CONTENTS GRI 413: LOCAL COMMUNITIES	2-28 413-1	Cap. 4.2. Our communities
Energy and climate change	GRI 302: ENERGY GRI 305: EMISSIONS	302-1 305-1/2/3/4	Cap. 5.1 Energy efficiency and climate change
Resource efficiency	GRI 302: ENERGY	302-3	Cap. 5.1 Energy efficiency and climate change
Eco-design and product lifecycle	-	-	Cap. 5.2 Circular Economy
Waste management	GRI 306: WASTE	306-1/2/3/4/5	Cap. 5.2 Circular Economy



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Attachment II.

2021 GRI Index



This document is an annex to Sodecia Group's 2023 Annual Report. The GRI Standards and indicators to which a response is being provided are identified, with reference to the corresponding contents in the Report (or other external resources), and a response is detailed, in the table itself, whenever applicable.

Declaration of use	Sodecia Group reported in accordance with the GRI Standards for the period 1 January to 31 December 2023.
Report according to:	GRI 1: 2021 Fundamentals
Applicable GRI Sector Standard(s):	N.A.

GRI 2: GENERAL CONTENTS 2021

THE COMPANY AND ITS REPORTING PRACTICES

Location

2-1 Organisational Profile

Legal name of the company: SODECIA – Participações Sociais, SGPS, S.A.

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Nature of ownership and legal form: 70100

Headquarters: Rua de António Bessa Leite, n° 1430, 4° andar, 4150-074 Porto, Portugal

Countries of operation: SODECIA is present in 13 countries, in multiple parts of the world: Europe, Africa, South America, North America, and Asia-Pacific. On our [website](#), you can find the different specialties of each business unit, whether they are Chassis, Powertrain and Body in White manufacturers, or motorcycle assembly units, tool&die units, or the three Product Competence Centres and one Process Competence Centre – GTAC, which together with our headquarters in Porto, Portugal and our sales offices, make up the Sodecia Group and enable us to provide our clients with the best solutions for their needs in the different regions of the world.

The Sodecia Group operates through three divisions, (a) Automotive, (b) Safety & Mobility, and (c) Technology. The Automotive division includes hot-forming assembly and represents the majority of revenues (approximately 75%). The product portfolio includes bumpers, floors, door rings, A and B pillars, among others. The Safety & Mobility division, which accounts for more than 20% of revenues, encompasses safety systems (e.g., seat belt height adjuster), powertrain components (ICE & EVs), and cross car beams. The Technology division focuses on automation solutions for cold and hot forming, as well as for other activities outside the automotive sector.

All relevant automotive markets are covered from a regional perspective, while the majority of sales in the Automotive division are generated in Europe (38%), North America (22%), Latin America (16%), and other regions (24%).

All the major OEMs, such as BMW, Volkswagen Group, Daimler, Volvo, Jaguar Land Rover, Ford, Honda, GM, Stellantis, Tesla, Renault, Nissan, and Mitsubishi, are long-standing Sodecia customers.

2-2 Entities included in the company's sustainability report

In SODECIA Group's sustainability reporting, the following entities are included:



Sodecia-Participações Sociais, S.G.P.S., S.A.

Division Holding (DH)	Regional Holding (RH)	Business Units	Acronym	Country
Automotive Division				
			SAINT	Portugal
	Sodecia Automotive North America Inc.		SANA	USA
		Sodecia Automotive Detroit Corp.	SADTR	USA
		Sodecia Automotive Kansas City LLC.	SAKAC	USA
	Sodecia North America Investments BV.		SANAI	Netherlands
		Sodecia Canada Investments Inc.	SACAI	Canada
		Sodecia Automotive London Inc.	SALON	Canada
		Sodecia Automotive Ramos SA de CV.	SARAM	Mexico
	Sodecia Automotive South America Ltda.		SASA	Brazil
		Sodecia da Bahia Ltda.	SABHA	Brazil
		Sodecia Automotive Minas Gerais LTDA	SAMGR	Brazil
		Indústria Mecânica Brasileira de Estampos IMBE LTDA.	SAIMB	Brazil
		Sodecia Automotive Manaus Ltda.	SAMAN	Brazil
Sodecia Automotive International, S.A.		Sodecia Serviços Ltda.	SASER	Brazil
	Sodecia Automotive Europe GmbH.		SAEUR	Germany
		Sodecia Automotive Valencia SL	SAVAL	Spain
		Sodecia Automotive Pretoria (PTY) Ltd.	SAPRE	South Africa
		Sodecia Automotive Turim, S.P.A.	SATUR	Italy
		Sodecia Automotive Raiano S.r.l.	SARAI	Italy
		Aapico Sodecia (Thailand) Co. Ltd.	SAAPI	Thailand
		Matador Automotive Vráble, a.s.	SAVRA	Slovakia
		DV, Sro	SADV	Slovakia
		Sodecia Automotive Liberec, s.r.o.	SALIB	Czechia
		Matador Automotive Rus LLC	SANIN	Russia
		Sodecia Automotive Saarlouis GmbH.	SASAR	Germany
	Sodecia Automotive Product Competence Center, s.r.o. (SAPCC)		SAPCC	Slovakia
Safety & Mobility Division				
			SSMINT	Germany
		Sodecia Safety & Mobility Auburn Inc.	SSMAUB	USA
		Sodecia Safety & Mobility Guarda, S.A.	SSMGRD	Portugal
		Sodecia Safety & Mobility Oelsnitz GmbH.	SSMOEL	Germany
Sodecia Safety & Mobility International GmbH.		Sodecia Safety & Mobility Product Competence Center	SSMPCC	Germany
		Sodecia Asia Pacific Investments BV	SPAPI	Netherlands
		Sodecia Hong Kong Limited	SPHK	Hong Kong
		Sodecia Safety & Mobility Dalian Co, Ltd.	SSMDAL	China
		Sodecia Safety & Mobility Attendorn GmbH.	SSMATT	Germany

Sodecia-Participações Sociais, S.G.P.S., S.A.

Division Holding (DH)	Regional Holding (RH)	Business Units	Acronym	Country
Safety & Mobility Division				
		Sodecia Safety & Mobility Leskovec s.r.o.	SSMLSK	Czechia
		Sodecia India Private Limited	SSII	India
Technology Division				
Sodecia SM Research & Innovation Portugal, S.A.			SSMRIP	Portugal
			STINT	Portugal
		Sodecia Global Tech & Automation Center Inc	SGTAC	Canada
Sodecia Technology International, S.A.		Sodecia Global Technology & Automation Center Europe, S.A.	SGTACEU	Portugal
		Rigorous Tools Gröbern GmbH.	STEGR	Germany

2-3 Reporting Period, frequency, and points of contact

About this report

The information reported in this report concerns the period from 1 January 2023 to 31 December 2023. The report is issued annually. Points of contact: Carlos Gomes (carlos.gomes@sodecia.com)

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2-4 Reformulations of information

Not applicable, since this is the first report according to the GRI Standards.

2-5 External verification

About this report

At SODECIA Group, all activities undertaken take into consideration each of the 4Gs and are evaluated for their achievement. The Group's governance system is based on a hierarchical pyramid organisation in which entities at higher levels pass instructions/authorisations to those at subsequent levels to ensure harmonious actions by all units and achieve efficiency gains.

As previously established, matters of major importance to Sodecia Participações Sociais, SGPS, S.A. are approved and ratified by its Board of Directors to ensure control of policies, strategies, and investments in the entire Group. The control of the performed operations is also supported by continuous forensic audit processes of the activities of each of each sub-holding and unit of the Group. Increasing the awareness and responsibility of the various managers regarding absolute compliance with the internally decided rules is also an objective.

In the last quarter of 2022, a "Monitoring Committee" was formed to advise the Board of Directors and the Executive Committee, composed of the main directors of the various departments as well as the heads of each Division.

The goal is to strengthen the governance systems of the company and of the Group by giving the committee two essential tasks:

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(i) document preparation and organisation of all matters that are proposed for deliberation by the executive body;

(ii) control of the execution by all departments and by all Divisions of the decisions taken by the executive body.

Without prejudice to the activity of the "Monitoring Committee", and to reinforce the control of governance rules, financial, judicial, and accounting audits have been maintained. The implementation of an ERP system based on SAP S/4 Hana technology was also continued.

All professionals who perform supervisory functions have vast professional and business experience, technical expertise, and considerable knowledge of the automotive market and of the SODECIA Group. The functions of these employees are developed with autonomy and independence, and the Group makes available all the information necessary for the good performance of these functions.

The company's supervisory, accounting, and internal audit bodies meet quarterly and are provided with all documents, clarifications, and information necessary for the exercise of their duties.

Furthermore, it is informed that this report was not subject to external verification of the data referring to the ESG themes presented in the GRI Table. However, they were submitted on 3 ESG platforms, mandatory client, NQC-Supplierassurance, CDP and ECOVADIS. The results are available in them, just consult the respective DUNs for this purpose.

ACTIVITIES AND WORKERS

Location

2-6 Activities, value chains, and other business relationships

Chapter 1. SODECIA's profile

09

Chapter 3.4. Supply chain management

74

SODECIA operates as a full service supplier in the automotive industry by developing and producing stamped sets, particularly for products such as Body in White structural parts, safety systems, powertrains, chassis, and others. It supplies the main OEMs – Original Equipment Manufacturers worldwide (e.g. Stellantis, GM, Ford, VW, Audi, among others).

In the value chain, the following stand out:

- Upstream: through the acquisition of raw materials and their transport to the factories, with around 1,700 suppliers. These main materials include steel, aluminium, fasteners, oils, welding materials (tips, wire, or gas), plastic components, paints, etc. Raw materials are stored in the factories or in external warehouses.
- Operations: the raw materials go into production and after processing are stored in the factories until transport for delivery to the customer (external warehouses or customer warehouses). Some subcontracting is used mainly in painting processes, with transport being required at this stage.
- Downstream: worldwide supply to the main OEMs – Original Equipment Manufacturers (e.g. Stellantis, GM, Ford, VW, Audi, among others).

In terms of commercial relations, in addition to suppliers, transport companies, and clients, financial sector organisations (banking and insurance), auditors, and others, stand out.

2-7 Employees

SAINT	Gender	2023	SAINT	Gender	2023
Number of permanent employees (open-ended contract)	Male	3,119	Number of permanent employees (open-ended contract)	Male	1,151
	Female	1,043		Female	420
	Subtotal	4,162		Subtotal	1,571
Number of temporary employees (fixed-term or indefinite term)	Male	264	Number of temporary employees (fixed-term or indefinite term)	Male	16
	Female	118		Female	18
	Subtotal	382		Subtotal	34
Number of Employees – Non-guaranteed hours (non-guaranteed hours employee)	Male	0	Number of Employees – Non-guaranteed hours (non-guaranteed hours employee)	Male	0
	Female	0		Female	0
	Subtotal	0		Subtotal	0
Number of full-time employees	Male	2,041	Number of full-time employees	Male	1,165
	Female	697		Female	425
	Subtotal	2,738		Subtotal	1,590
Number of part-time employees	Male	1	Number of part-time employees	Male	0
	Female	1		Female	15
	Subtotal	2		Subtotal	15

2-8 Workers who are not employees

With regard to workers who are not employees whose work is controlled by the company, on 31 December 2023, Sodecia Group had 85 workers at SAEUR, 21 workers at SANA, 104 workers at SSMINT, and zero workers in this type of contractual relationship at SADSAs.

In SAEUR, the main types of Full-Time Equivalent workers were:

- Cleaning services (4)
- Security (5)
- Food delivery (3)

On the other hand, with regard to the SANA dimension, the main type of Full-Time Equivalent workers was:

- Production

In SSMINT, the main typologies of workers were:

- Temporary work
- Students/apprentices
- Subcontractors (cleaning services, cafeteria, security, quality)

Note 1: Full-Time Equivalent (FTE)

Note 3: SMINT – the following operating units were considered for this indicator: SSIATT, SPOEL, SPGRD, SPDAL, SSAUB, INDIA.

Note 2: At SADSAs we have outsourced services such as security, cleaning, cafeteria, etc., but we do not control the workers or their management within the units.

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GOVERNANCE

Location

2-9 Governance and management structure

Chapter 2.1. 4G management model
Chapter 3.1. Governance model

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SODECIA is made up of a Board of Directors, an Executive Committee, a General Meeting, a Supervisory Board, and a Statutory Auditor. Our Board of Directors, made up of six members, has a four-year term of office. The Executive Committee, whose mandate coincides with that of the Board of Directors, is made up of four members, and its purpose is to decide on matters of day-to-day management of the company that are not imperatively reserved by law or the company's articles of association to the Board of Directors or another corporate body. The Executive Committee is particularly prohibited from making any decisions regarding the definition of the company's strategy and general policies, the definition of the group's corporate structure, as well as other decisions considered strategic, due to their amount, risk, or special characteristics. The following powers are expressly outside the Executive Committee's purview:

- a. preparing the annual accounts and reports;
- b. deliberating on the merger, split, and transformation of the Company;
- c. deliberating on capital raises under the terms provided for in the articles of association;
- d. changing the headquarters within the national territory;
- e. appointing the chairperson of the Board of Directors;
- f. co-opting directors;
- g. requesting the convening of general meetings.

The SGPS's Board of Directors is made up of six directors, five male and one female. The Executive Committee is made up of four male directors. The General Meeting has a Chairperson and a Secretary. There are no specialised committees.

2-10 Appointment and selection of the highest governance body

Directors are appointed in accordance with the Directors' Appointment Procedure, taking into account their position in Sodecia Group's structure.

The Board of Directors, the General Meeting itself, and the Supervisory Board are appointed at the General Meeting, taking into account the views of stakeholders, including shareholders. Additionally, the Board of Directors is composed of directors who are members of the different departments and divisions, financial, operational, regardless of gender.

Under our Code of Conduct, directors must perform their duties in good faith, with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner that they reasonably believe to be in the best interests of the corporation. In general, and under common law, directors have fiduciary duties to the Company. By fiduciary duties, we refer to those persons who have a general duty to act in the best interests and for the benefit of the Company and its shareholders, carrying out their business.

According to our Directors' Code of Conduct, directors must act in accordance with their specific professional training or expertise, and not in areas outside their capacity.

2-11 Presidency of the highest governance body

The Sodecia Group is a Portuguese industrial group whose activities began as a family business and evolved into a multinational, operating in the automotive components market since 1980. The Chairperson of the Board is the CEO of the company and the ultimate beneficial owner. The full job descriptions will be published by Human Resources by the end of 2024.

Possible conflicts of interest are mitigated according to SODECIA's Governance policies, published in SoftExpert.

2-12 Role of the highest governance body in overseeing impact management

Sodecia SGPS has adopted a monistic model, i.e., General Meeting, Board of Directors, Supervisory Board, and Statutory Auditor.

At the end of 2023, the Board of Directors of Sodecia SGPS consisted of six members, who play a relevant and decisive role in developing, approving, and updating the company's purpose, value, or strategic mission statements, policies, and targets related to sustainable development.

This governance body includes the CEOs of the Automotive, and Safety and Mobility Division Holdings respectively, as well as the four members of the Executive Committee.

The Executive Committee governance body also has powers, delegated by the Board of Directors, that enable it to act on sustainable development.

In the Group's organisational model, and at the level of Sodecia SGPS, the figure of the Sustainable Development Director was created, with an intervening role in the day to day of sustainable development, in monitoring and controlling the objectives established as regards the organisation's targets for sustainable development, and is also the principal discussion partner with all Division Holdings, and respective PCCs (product competence centres) and even Regional Sub-holdings in terms of sustainable development proposals and sharing of best practices, contributing decisively to create a sustainable future.

The Executive Committee of the SGPS, consisting of four executive members, all of whom with seats on the Board of Directors, together with the members of the governing bodies of the Divisional Holdings, namely the CEO (Chief Executive Officer), COO (Chief Operations Officer), CFO (Chief Financial Officer), and CHRO (Chief Human Resources Officer) and, in the case of the Automotive Division, also with its three Sub-holdings – North America, South America, and Europe – in the person of the President, VPO (Vice-President of Operations), and VPF (Vice-President of Finance), contribute to the overall supervision, by Division and by Region, as regards due diligence and other processes in order to identify the company's impacts on the economy, environment, and people.

The Sustainable Development Corporate Director, in the SGPS, has a relevant role in the aggregation and consolidation of information per Division and Region, as well as regarding due diligence to identify the company's impacts on the economy, environment, and people. It is this director who compiles the carbon footprint, who fosters its reduction, as well as the GHGs.

Complementarily, the Holdings have an established KPIS process that enables them to identify impacts and to take corrective action. Namely in corporate terms, in addition to monthly indicators, three annual meetings are held focusing on the 4Gs – growing the people, growing the business, growing the results, and growing the sustainability – in which the various impacts are analysed and the appropriate measures are taken. Additionally, the central Business Processes department plays a relevant role in the continuous improvement of processes as well as in the preparation of new ones that address the sustainability pillar. The topic of sustainability is also addressed at the highest level in the monthly gap meetings, which are attended not only by the members of the boards of directors and executive committees, but also by all corporate managers and by the managers of the Divisions and Regions.



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The Board of Directors meets whenever necessary, but at least once a month. The Executive Committee meets weekly, and whenever a review of the effectiveness of the processes is necessary. However, at least three times a year, at the 4G meeting, with one of the Gs being Growing the Sustainability, the processes are reviewed, and at the monthly gap meetings, the sustainability component is presented by all regions and divisions. The topic of sustainability and its review is also addressed in one of the two leadership meetings that are held annually.

02



2-13 Determining responsibility for impact management

The Board of Directors (BD) of Sodecia SGPS delegates to the Executive Committee (EC) the management of the Group's impacts on the economy, environment, and people, and the CEO, COO, and CHRO of each of the Divisional Holdings, Automotive, and Safety and Mobility, respectively, are in charge of this impact management in each of their Divisions.

In the case of the Automotive Division, its regional sub-holdings – North America, South America, and Europe – in the persons of their President, Vice-President of Operations, and Vice-President of Finance, play a major role in managing the impacts of the respective region. Each of these Divisions, or in Automotive's case, also its regional sub-holdings, manage this topic at the level of each of its affiliated companies, commonly known as Business Units (BUs).

The Safety and Mobility Division Holding has weekly meetings with its BUs in which these topics, among others, are reported on. In the case of the Automotive Division Holding, weekly meetings are also held with its Regional Sub-holdings, which also meet weekly with their BUs. In turn, the two Holding companies mentioned above have weekly meetings with Sodecia SGPS in which these topics are addressed. In addition to the Divisions' weekly meetings with Sodecia SGPS, monthly meetings are also held, as well as three annual meetings, as part of the 4G process review, in which one of the Gs is growing the sustainability in order not only to present the report but also to review any changes that may be needed in terms of processes within the management model. Complementarily, there is an escalation process for certain sustainability issues that must be reported immediately to the highest levels of the company's governance and which require immediate action. This escalation process is mainly broken down in issues that already occur and their impact or in issues that require immediate intervention under penalty of having an impact. This escalation process enables the highest hierarchical levels to intervene immediately in their area of responsibility, with the President of the Region, the CEO of the Division, and the Executive Committee of Sodecia SGPS being involved in this escalation process.

The escalation model has been refined to be as comprehensive and effective as possible.

2-14 Role of the highest governance body in sustainability reporting

The SDCD prepares all the information for the sustainability report with the help of an external sustainability consultancy and then submits it to the Board of Directors for approval. Sodecia Group's Executive Committee analyses and approves the reported sustainability information, including the material topics, which have been approved within the framework of the sustainability strategy carried out with the dual materiality analysis.

2-15 Conflicts of interest

The Board of Directors represents and binds the Company, taking into account the interests of the shareholders. According to our Values and Ethics Handbook, SODECIA's interests and objectives cannot be harmed or affected by any personal interests, and therefore situations that may influence, reduce, or affect the independence and objectivity of any employee's decision in pursuing their personal interests and objectives are prohibited.

Any situation that constitutes or leads to a possible conflict of interest, namely any relationship of a financial, commercial, professional, family, or friend nature that may influence the decision-making process, must be immediately reported to the employee's immediate superior. Our Directors Code of Conduct emphasises that directors must act without personal conflicts (economic or otherwise) with the Company and must not use their position of trust to further their private interests. The Director must avoid conflicts between their duties and their personal interests, and avoid circumstances in which they have, or might have, an interest that conflicts, or might conflict, with the interests of the Company.

Criteria	Description
Cross members	The Director must act in good faith, with care and loyalty, in the best interests of the Company, the Sodecia Group, and the Company's shareholders at all times, without any conflicts of interest. The Director acknowledges that breach of their fiduciary, legal, or contractual duties may result in damages to the Company and to the Company's shareholders, including but not limited to actual damages, lost profits, and personal injury, such as loss of goodwill, loss of confidence of customers, potential customers, suppliers, and potential suppliers, loss of competitive position, for which the Director shall be personally liable, indemnifying and holding harmless the Company and the Company's shareholders.
Cross-participation with suppliers and other stakeholders	The supplier screening must be based on objective criteria of capacity, quality, innovation, cost, and services, to achieve the highest standards of quality, in accordance with the values and principles contained in the Values and Ethics Handbook. Workers should monitor and confirm suppliers' compliance with these values and principles and should maintain stable and transparent relationships based on cooperation.
Existence of controlling shareholders	The Director acknowledges that breach of their fiduciary, legal, or contractual duties may result in damages to the Company and to the Company's shareholders, including but not limited to actual damages, lost profits, and personal injury, such as loss of goodwill, loss of confidence of customers, potential customers, suppliers, and potential suppliers, loss of competitive position, for which the Director shall be personally liable, indemnifying and holding harmless the Company and the Company's shareholders.
Related parties, their relationships, transactions, and debit balances	According to our Values and Ethics Handbook, the main goal of Employees should be to fully meet customer needs, promote satisfaction, and excellence. Contact with public institutions must be transparent and limited to the appropriate scope of activity. Workers may not seek illegal advantages from public institutions for themselves, for third parties, for the Company, or for the Sodecia Group. Workers should cooperate with public institutions when necessary. Cooperation between employer organisations and trade unions must comply with current legislation and be transparent and independent. Any relationship between Sodecia Group and trade unions, political parties, and their representatives or candidates must be based on transparency and ethics.

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**2-16 Communication of critical concerns**

All critical concerns, identified through the complaints channel and other communication channels with stakeholders, are brought to the attention of the Executive Committee by direct reporting through the escalation process (CG05-M0001) in accordance with the Management Model.

During the reporting period there were no critical concerns to report, with the exception of the SAEUR W unit with one reported case. In this case, the factory's production was stopped and the product was sent to another machine. Subsequently, an investment order was issued and is currently in the approval process, and a lateral review of all the equipment was carried out, which was completed without identifying any new risks.

2-17 Collective knowledge of the highest governance body

Chapter 3.1. Governance model

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Regarding measures to develop the collective knowledge, skills, and experience of the highest governance body on the subject of sustainable development, various policies have been produced in the environmental and human rights fields. These policies are approved by the Board of Directors and implemented in the various markets where SODECIA operates, and in all its units.

The Policy is the responsibility of the SGPS's human resources department (SGPS DCRH), which ensures its implementation. A person responsible for each SODECIA region and site (Regional DRH and Local DRH) is also appointed.

The implementation of this Policy is supported by (1) SODECIA's global processes, integrated into its responsible management model; (2) the establishment of procurement strategies that respect human rights; (3) the enshrinement of the commitments in all contracting processes; (4) the signing of labour contracts that include the commitments; (5) the disclosure and training of senior management on all human rights protection commitments; (6) the requirement that partners provide declarations and guarantees that human rights are respected; (7) the inclusion of human rights protection provisions in supply contracts; and (8) the request of human rights reports from suppliers.

The review of the Policy is carried out by the SGPS, in conjunction with the functional areas DCRH/ CDDS/DC Processes, and with the regional and local representatives of this Policy (Regional DRH and Local DRH).

This Policy is communicated and made available to all employees and stakeholders.

2-18 Evaluation of the performance of the highest governance body

The members of Sodecia SGPS's BD are chosen at a general meeting by the shareholders, and their performance evaluation is carried out by the shareholders, namely on the basis of the objectives established for the financial year, as well as by the Chairperson of the Board of Directors of Sodecia SGPS. The members of the Executive Committee (EC) of Sodecia SGPS are subject to annual evaluation by the CEO bearing in mind the established objectives and the degree to which they have been achieved. The CEO, COO, CFO, and CHRO of each division are evaluated by the SGPS's EC, namely by its CEO, on a quarterly basis according to their level of performance. Managers in general, namely those from Corporate, for example from Sustainable Development, are also evaluated on a quarterly basis.

Following the evaluation processes, measures are taken in response to the results obtained, which may include individual and tailor-made development plans, changes in the composition of the governance body or specific managers, changes in functions in vertical or horizontal terms, process changes, or even changes to the organisational and reporting model.

The performance evaluation of the highest governance body is not carried out by a specific body that has been appointed solely for this purpose and is made up of members who are not part of the company's staff.

2-19 Remuneration policies

The fixed remuneration policy for members of the highest governance bodies and senior executives takes various factors into account:

- Market values, in the different geographies in which the Group operates, and according to the duties performed. Market values are obtained through studies and analyses by independent companies and specialised recruitment agencies.
- The payment of bonuses is decided freely and autonomously by SODECIA, taking into account the work done and any other elements deemed relevant for this purpose.
- In expatriation situations, SODECIA bears the costs of moving its employees and of settling in/ adapting to the new country in which the employee will be working.

SODECIA does not have a signing bonus policy, but creates all the conditions for onboarding, welcoming, and integration. In the case of employees moving between countries, in addition to travelling costs, installation costs are borne by the company.

In terms of possible contract terminations, the law is, obviously, complied with, and there may be situations of case-by-case negotiations as well as compensation practices for compliance with the duty of non-competition.

There are no clawback clauses because there are no incentives or bonuses dependent on the achievement of specific targets, but rather the bonuses mentioned below. There is also no retirement plan/benefit at corporate level.

SODECIA's responsible management model includes codes, guidelines, and procedures such as the Values and Ethics Handbook, the Directors Code of Conduct, the Code of Conduct on Anti-Corruption and Bribery, as well as Environmental and Human Rights Policies that promote and guarantee performance in line with the best market practices, particularly in terms of impact on the environment and on people.

2-20 Processes that determine remuneration

The process for determining the remuneration policies and the remuneration itself does not have the oversight of independent members of the highest governance body or of an independent remuneration committee.

Nonetheless, the opinions of stakeholders, including shareholders, are taken into account since:

- (i) the Board of Directors and the Executive Committee of Sodecia SGPS take into account the opinion of the controlling shareholder, which is decisive for decision-making, namely through its Chairperson of the Board of Directors;





(ii) the Divisional Holdings consider the analyses carried out corporately at the request of the CEO.

Remuneration policies, although not involving consultants independent of the remuneration area in determining them, are established to ensure recruitment in light of market dynamics, to attract, recruit, motivate, and retain members of governance bodies, executives, and employees in general, and are aligned with sustainable development.

2-21 Annual remuneration ratio

For confidentiality reasons, SODECIA reserves the right to not report this information.

STRATEGIES, POLICIES, AND PRACTICES

Location

2-22 Declaration on sustainable development strategy

Chapter 2.3. The journey to sustainability

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Our CEO's message:

"In a global environment, respecting cultural diversity, we promote collective and individual satisfaction through the continued application of our principles and values."

In 2023, we worked hard to develop various sustainability policies to be implemented in 2024. Human and Labour Rights, Environmental, Whistle-blower, and Occupational Health and Safety are examples of these policies aimed at improving our global management system and the three pillars of sustainability. We will start implementing these policies throughout 2024, along with a Sustainable Purchasing policy.

"SODECIA has always considered people to be its most important asset, customers to be the foundation of its business, and its behaviour has always been guided by the least possible impact on the environment.

SODECIA is a company that works in harmony with the surrounding communities in the most diverse parts of the world, intervening in a wide variety of social and patronage projects. People and their families have always been held in the highest regard by SODECIA's top management.

We have begun a process of change towards sustainability.

The change in Sodecia Group's governance structure, the integration of clients' sustainability criteria, and the inclusion of the focus SDGs, are all activities in our system designed to bring about this change.

In our growth model, the Sustainability pillar is intertwined with all other business pillars, interacting as a factor of social progress, economic performance, well-being, safety, health, and the environment.

The continuation of good practices and their inclusion in continuous improvement processes has made the fight against "CO₂ – 8th waste" one of the main objectives towards carbon neutrality.

The recent sustainability policy approved by the Board of Directors is based on three pillars: Environment, Social, and Governance, is an illustration of the Group's effort and commitment in this area, as well as SODECIA's commitment to carbon neutrality by 2035.

We are proud partners of tomorrow, embracing a constantly evolving, greener, more responsible, and equitable society.

For you and the planet, we are SODECIA."

2-23 Policy-related commitments

Chapter 2.3. The journey to sustainability

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At SODECIA, policy commitments mention several intergovernmental instruments, such as the UN International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Rights of Women, the International Labour Organisation's Core Labour Standards, the OECD Guidelines for Multinational Enterprises, the 10 Principles of the UN Global Compact, and the Rio Declaration on Environment and Development. These commitments involve a due diligence process that makes the precautionary and human rights principles explicit in detail, especially with regard to:

- Anti-corruption
- Recruitment
- Prohibition of child labour
- Prohibition of forced labour
- Equal opportunities, diversity, discrimination and harassment
- Working hours
- Remuneration
- Working conditions, employee health and safety
- Talent management and training
- Social protection and insurance
- Social dialogue
- Privacy

SODECIA is committed to treating its employees fairly and equitably and to promoting a culture of respect and diversity that attracts, retains, and promotes its employees on the basis of qualification and competence. SODECIA does not tolerate any form of discrimination or harassment. This principle applies to any form of discrimination due to social or ethnic origin, colour, gender, nationality, religion, language, physical or mental limitations, gender identity, sexual orientation, age, marital status, or membership of civic, trade union, or political associations.

The Board of Directors has approved a number of policies, including an environmental policy, a human rights policy, and a labour rights policy, which seek to prevent, eliminate, or mitigate the adverse impacts of its activities on human rights, such as child labour and the exploitation of workers, and on the environment, such as pollution and the loss of biodiversity.

The Human Rights and Labour Rights Policy covers SODECIA's operations, i.e. all its industrial, administrative, and commercial facilities. SODECIA also requires the companies it works with to respect the principles set out therein. It also applies the policy's commitments as a requirement to its supply chain, specifically to Tier 1 suppliers, through procedures in the company's purchasing model. The management principles set out therein must be applied in line with the legislation of each market. In the event of any inconsistency with the legal framework of a market, SODECIA promotes compliance with these management principles and respect for human and labour rights.

All policy commitments are available via the SoftExpert platform.



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2-24 Incorporation of commitments

Chapter 2.3. The journey to sustainability

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The goals of this Policy are implemented by setting targets, action plans, and follow-up indicators.

The choice of indicators and the definition of targets should tend to promote continuous improvement, implemented in short-, medium-, and/or long-term action plans and monitored periodically, both within the scope of operations and at the level of corporate coordination and consolidation and/or within the scope of the compliance function. (Internal and external audits.)

The Governance policy is approved by the Board of Directors and implemented in the various markets where SODECIA operates, and in all its units. The Policy is the responsibility of the SGPS's human resources department (SGPS DCRH), which ensures its implementation. A person responsible for each SODECIA region and site (Regional DRH and Local DRH) is also appointed.

The implementation of this Policy is supported by (1) SODECIA's global processes, integrated into its responsible management model; (2) the establishment of procurement strategies that respect human rights; (3) the enshrinement of the commitments in all contracting processes; (4) the signing of labour contracts that include the commitments; (5) the disclosure and training of senior management on all human rights protection commitments; (6) the requirement that partners provide declarations and guarantees that human rights are respected; (7) the inclusion of human rights protection provisions in supply contracts; and (8) the request of human rights reports from suppliers. The review of the Policy is carried out by the SGPS, in conjunction with the functional areas DCRH/CDDS/DC Processes, and with the regional and local representatives of this Policy (Regional DRH and Local DRH), and communicated and made available to all employees and stakeholders.

SODECIA also requires the companies it works with to respect the principles set out herein. It also applies this policy's commitments as a requirement to its supply chain, specifically to Tier 1 suppliers, through procedures in the company's purchasing model. The management principles here set out must be applied in line with the legislation of each market. In the event of any inconsistency with the legal framework of a market, SODECIA promotes compliance with these management principles and respect for human and labour rights.

Training sessions were held at leadership meetings attended by Sodecia Group's leaders, the most recent of which was given by the Happiness Business School on social sustainability.

2-25 Processes to remediate negative impacts

At the Sodecia Group we have created a model that consists of discussing gaps vis-à-vis the defined objectives, enabling the interaction of all members of the company, up to the top leadership, and the development of systematic actions to mitigate any existing problems.

Regarding people and the working environment, Jump Level meetings are a tool that enables us to have clearer and more transparent communication between the leader and the subordinate. We have adopted the 5BP (5 Basic Principles) tool, which enables us to act with a systemic vision in the face of technical and administrative problems. This powerful "Quality Tool" ensures that issues are addressed systemically and laterally.

On the other hand, we maintain a flexible agenda. In addition to the meetings defined in our model, we carry out emergency plans involving the highest echelons of the company, with the main goal of ensuring that all the necessary resources are in place for a quick and satisfactory solution. Every quarter, we have the opportunity to evaluate the results of the previous period regarding the objectives, promoting a critical and in-depth analysis of the Quality Model and System in all our divisions at the 4G Meeting (Growing the People, Growing the Business, Growing the Results, and Growing the Sustainability). This meeting's feedback meeting, with the participation of the key players, is called "Feedbetter". This expression is fully in line with the purpose of "for the best" feedback. This mechanism addresses concerns as well as best practices laterally to the company, ensuring a constant PDCA process.

Inspection by the authorities confirms the good results of the remediation implemented, including regular internal checks on sustainable solutions through a constant lateral review of our corporate processes.

2-26 Mechanisms for seeking advice and raising issues

Currently, the following mechanisms stand out in our management model:

- Code of Conduct procedures – Corporate Codes that define appropriate practices and conduct for SODECIA Employees at all levels. There is coverage of business practices such as bribery and conflict of interest.
- Management Model – Escalation Matrix, defining which operating risks (with internal or external impact) should be escalated to the highest level of the company.

Operationally, these practices are addressed in the following processes:

- Jump Level Meeting – Mechanism that allows interviews with a higher level, in a reserved way to deal with any circumstance.
- Escalation Process – Risks and/or occurrences that must be escalated (time-bound) to the highest level of the company.

For both cases, cause analysis and action-taking practices are considered.

These practices can be found in our 4G Management model, available on the company's intranet. At each review, training is conducted to ensure correct implementation. We also encourage this practice in frequent meetings.

2-27 Compliance with laws and regulations

Compliance with laws and regulations		2023
Number of fines paid during the reporting period	Cases of non-compliance with laws and regulations that occurred in the reporting period	0
	Cases of non-compliance with laws and regulations that occurred in previous financial years	0
	Total	0
Amount of fines paid during the reporting period	Cases of non-compliance with laws and regulations that occurred in the reporting period	€ 0.00
	Cases of non-compliance with laws and regulations that occurred in previous financial years	€ 0.00
	Total	€ 0.00



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2-28 Participation in associations

Chapter 4.2 – Our communities

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STAKEHOLDER INVOLVEMENT

2-29 Approach to stakeholder involvement

Chapter 3.3 Relationship with stakeholders

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Stakeholders	Purpose of Involvement	Main mechanisms of involvement
Employees	We want to provide our employees with the best possible working conditions as regards career advancement and well-being, including the ability to inform and be updated on the state of the company.	<ul style="list-style-type: none"> Intranet Quarterly internal newsletter Organisational climate survey DSD – Daily Safety Dialog TGW – Things that go wrong Forums for sharing best practices and safety programmes Weekly, monthly, and quarterly meetings 1st- and 2nd-Half Leadership Meetings Training sessions In-house and online training, webinars Suggestion box (digital and physical formats) Posters and information leaflets OHS worker consultation Events (e.g., Quality Week, Kaizen Tournaments) Solidarity events Team training actions
Customers	We want to be part of the customers' commitment to a sustainable world, without leaving a footprint. harmless the Company and the Company's shareholders.	<ul style="list-style-type: none"> Online Sustainability Platforms, ECOVADIS, CDP, NQC – Supplierassurance; customer's P.O.; management accounting report (RI) – Annual
Suppliers	We need to protect our value chain by considering which sustainability requirements of our customers and ourselves need to be applied to our tier suppliers.	<ul style="list-style-type: none"> Supplier portal Regular one-on-one meetings and regular operational meetings Supplier qualification, selection, and evaluation process. Includes defining contracts, warranties, NDA – Non-Disclosure Agreement, supplier manual, and performing 2nd-party audits. Technology fairs and days Training actions Kaizen programmes within suppliers
Shareholders and Investors	Reporting the company's financial, accounting, and sustainability statements to inform our business situation.	<ul style="list-style-type: none"> Meetings and general meetings Presentation of results Regular financial reports Other communications Meetings and events to present the results Response to requests Conferences, roadshows, site visits

Stakeholders	Purpose of Involvement	Main mechanisms of involvement
Strategic Partners (Technological, Academic, and Industrial)	Having a better response to our customers' project demands with the best solutions in the market.	<ul style="list-style-type: none"> Specific cooperation actions Participation in working groups Technology days Regular meetings Protocols Young talent programmes
Financial sector (Banks, Insurance Companies, Rating Agencies)	Reporting the company's financial, accounting, and sustainability statements in order to have no risks in the operations.	<ul style="list-style-type: none"> Meetings and events to present the results Response to requests Conferences, roadshows, site visits
Government and regulatory agencies	Compliance with all required laws and trade limits.	<ul style="list-style-type: none"> Submission of mandatory legal information Response to notifications Responses to requests Meetings
Local communities (Local Authorities, Schools, IPSS [private institutions for social solidarity], NGOs, etc.)	Engaging in social responsibility with local communities.	<ul style="list-style-type: none"> Events Donations and sponsorships Communication and awareness campaigns Meetings and commissions within the scope of some projects
Employee Representatives (Workers' committees and unions)	Having a healthy relationship to enable the communication of needs versus benefits, focused on solving common problems caused by internal and external contexts.	<ul style="list-style-type: none"> Work meetings Exploratory conversations Negotiations Conferences Collective bargaining instruments
Governing Bodies	Shaping and expressing the will of society.	<ul style="list-style-type: none"> Meetings and general meetings Approval of the company's business plan Resolutions on the management of subsidiaries Response to requests Report writing

As a result of the ESG Materiality Analysis exercise, an internal workshop was held, with multidisciplinary staff and different hierarchical levels, seeking to identify and/or validate entities that may affect the Group or that may be affected by our decisions or activities in the short, medium, or long term.

In this new communication cycle, we have identified ten stakeholder groups as most relevant and with whom we interact on a regular basis. We maintain with them several dialogue and communication channels, whose methods and frequency are adapted to each group, depending on the purpose of involvement. The e-mail, the website, and the social networks of the Sodécia Group (LinkedIn and Youtube) serve as general communication channels that are open to all stakeholder groups.

In 2024, a needs assessment should be carried out by comparing the current RI (based on the 2021 GRIs) and the CSRDs of 27 June 2023. The next results report should already comply with this standard and should include Taxonomy and Digital Tagging.



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**2-30 Collective bargaining instruments**

		2021	2022	2023
Total no. of employees covered by collective bargaining agreements	SAINT	1,454	688	3,482
	SSMINT	1,297	1,173	525
Total no. of Employees	SAINT	1,901	1,114	4,508
	SSMINT	1,325	1,193	884
Percentage of employees covered by collective bargaining agreements (%)	SAINT	76%	62%	77%
	SSMINT	98%	98%	59%

Note: Data for the years 2021 and 2022

SAINT – the following operating units were considered for this indicator: SARAM, SALON, SAKAC, SADTR, SAVRA, SAVRA, SGTAC.

SMINT – the following operating units were considered for this indicator: SSMAUB, SSMDAL, SSMGRD, SSMOEL, SSMATT, SSMLK and SSMPPC.

MATERIAL TOPICS**GRI 3: Material Topics 2021**

Location

3-1 Materiality definition process

Chap. 2.3. ESG Materiality Analysis 59

3-2 List of material topics

Chap. 2.3. ESG Materiality Analysis 59

The materiality exercise resulted in a total of 11 material topics for Sodecia Group, listed in the identified chapter. Each material topic presents, at the beginning of the corresponding chapter/subchapter, introductory information about its relevance for SODECIA.

3-3 Management of material topics

Each material topic presents, in its respective subchapters, information about its relevance to the Group and to our stakeholders, as well as the approach followed – including defined policies and commitments – reflecting the Group's management approach. Additionally, we present a selection of specific actions, such as projects, programmes, and initiatives, that we developed in 2023, as a way to illustrate the implementation of management in this area.

SPECIFIC CONTENTS**GRI 200: Economic Performance****GRI 201: Economic Performance 2016**

Location

201-1 Direct economic value generated and distributed

Chapter 6. Financial performance	116
Chapter 8. Financial statements	133

Insurance Support

2021

2022

2023

I) Direct economic value generated

Premiums (direct insurance) and revenues

Financial income and net gains

Others

II) Direct economic value distributed

Claims payment (direct insurance)

Commissions to distributors

Operating costs

Employee salaries and benefits

Taxes

Investments in the community

Payments to capital providers

Dividends paid

Minority interests

Others

III) Accumulated economic value (I-II)

01



02



03



04



05



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GRI 202: MARKET PRESENCE 2016

Location

202-1 Ratio of the entry level wage by gender compared to the local minimum wage

SSMINT 2023

Location	Gender	Ratio
Germany	Man	1%
	Woman	1%
China	Man	1.39%
	Woman	1.39%
USA	Man	N/A
	Woman	N/A
India	Man	N/A
	Woman	N/A
Portugal	Man	1%
	Woman	1%
Czechia	Man	1%
	Woman	1%

Note 1: In the US, the ratio for 2023 has not been recorded.

Note 2: In India, the wage gap between women and men, or between nationals and migrants, and between unskilled workers, is shown by the comparison between distributed wages and local minimum wages.

SAINT 2023

Location	Gender	Ratio
South Africa	Man	1%
	Woman	1%
Germany	Man	1%
	Woman	1%
Brazil	Man	1.23%
	Woman	1.23%
Slovakia	Man	1%
	Woman	1%
Spain	Man	1%
	Woman	1%
USA	Man	N/A
	Woman	N/A
Italy	Man	1%
	Woman	1%
Czechia	Man	1%
	Woman	1%

Note 1: In Brazil, the country's minimum wage is standard for all units and the minimum wage of the category, per unit. Note: currency in euro.

Note 2: In the US, the ratio for 2023 has not been recorded.

202-2 Proportion of top management positions held by individuals from the local community

SAINT	2021	2022	2023
Total number of top management members at significant locations of operation	132	132	117
Total number of top management members at significant locations of operation contracted to the local community	113	108	94
Percentage of senior management at significant locations of operation that are hired from the local community (%)	86%	82%	80%

SMINT	2021	2022	2023
Total number of top management members at significant locations of operation	39	38	42
Total number of top management members at significant locations of operation contracted to the local community	16	16	18
Percentage of senior management at significant locations of operation that are hired from the local community (%)	41%	42%	43%

Note 1: In the SAEUR unit, only managers and directors at sub-holding level are counted. The largest operation, in terms of size and turnover, is Slovakia.

Note 2: SAMGR, SAMAN, SASA-SASER, and SAPRE were the units considered for Brazil. We consider local as a country.

Note 3: The SAMGR, SAMAN, and SASA-SASER units considered management/trust positions (managers and directors) and managers who report to the unit's EUN. The region in which the company is located was considered, as was the local community of employees with Brazilian nationality.

Note 7: The SAPRE unit considered management/trust positions (managers and directors) and managers who report to the unit's EUN. The region in which the company is located was considered, as was the local community of employees with African nationality.

SMINT	2021	2022	2023
Total number of top management members at significant locations of operation	39	38	42
Total number of top management members at significant locations of operation contracted to the local community	16	16	18
Percentage of senior management at significant locations of operation that are hired from the local community (%)	41%	42%	43%

GRI 204: PURCHASING/SUPPLY PRACTICES 2016

Location

204-1 Proportion of expenses with local suppliers

Chapter 3.4. Supply chain management

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No data on the proportion of expenditure with local suppliers was reported.



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GRI 301-1: Environmental Performance

Renewable and non-renewable materials used	2021	2022	2023
Steel	212,054.30	292,228.60	262,420.00
Aluminium	19,301.00	24,729.00	22,626.00
Stainless steel	1,472.90	950.10	1,249.00
Fasteners	2,302.30	3,803.80	3,703.70
Renewable Materials (t)			
Welding wire	100.50	109.00	96.20
Glue	N/A	N/A	N/A
Oil	N/A	N/A	N/A
Buying parts – tubes and profiles	N/A	N/A	N/A
Card, sheets	N/A	N/A	N/A
Subtotal	235,231.00	321,820.50	290,094.90
Non-Renewable Materials (t)			
Subtotal	N/A	N/A	N/A
Total materials used	235,231.00	321,820.50	290,094.90

GRI 302: Energy 2016

Location

302-1 Energy consumption in the company

Chapter 5.1. Energy Efficiency and Climate Change 102

Energy (MJ)	2021	2022	2023
Consumption of fuels from non-renewable sources			
Natural Gas – Stationary	6,577,479.1	5,355,961.5	2,813,285.1
Diesel – Stationary	4,103,863.9	3,139,755.2	4,815,685.6
Subtotal	10,681,343.0	8,495,716.7	7,628,970.7
Consumption of fuels from renewable sources	34,660,834.8	128,531,066.9	155,113,344.0
Total consumption of energy purchased for consumption (Electricity)	331,736,088.2	335,370,222.3	368,077,204.3
Total consumption of energy purchased for consumption (Heating)	N/A	N/A	4,815.69
Total energy sold	0	0	0.0
Total	377,078.3	472,397.0	530,824.3

302-3 Energy intensity

Chapter 5.1. Energy Efficiency and Climate Change

102

Energy Intensity	2021	2022	2023
	0.097	0.108	0.060

Note: This indicator considers consumption within the company (GRI 302-1). The metric used to calculate the ratio was NPV net change produced (1.30T), and the types of energy included in the ratio are GHG scopes 1, 2, and 3.

302-4 Reduction of energy consumption

Source	Unit	2021	2022	2023
Electricity		N/A	N/A	55,742,599.0
Solar energy	MJ	N/A	N/A	7,835,148.0
Recycled Scrap		N/A	N/A	3,555,102.7
Subtotal	N/A	0	0	67,132,849.7

Note: We used GHG kaizens basically in electricity and energy efficiency GHG type 2 and those for reducing MUD – by reducing steel scrap GHG type 3 kaizens.

GRI 305: Emissions 2016

Location

305-1 Direct (scope 1) Greenhouse Gas Emissions

Chapter 5.1. Energy Efficiency and Climate Change 102

Direct emissions (scope 1) (t CO ₂ e)	2021	2022	2023
Stamping Oil	410.2	483.0	406.6
Diesel generator	33.3	33.3	33.3
Washing oil	76.4	108.4	108.4
Welding Gas	1,931.8	375.2	672.0
Hot Stamping Gas	2,188.9	2,314.4	3,572.1
Gas for the Gas Painting Line	1,296.8	971.9	1,259.0
Own transportation	554.7	448.5	190.0
Heating system	12,596.8	9,050.6	14,079.0
Total	19,088.9	13,785.3	20,320.3

Note: CO₂ gases were considered to calculate this indicator. The base year for comparing data when calculating GHG emissions was 2019, the period when the carbon footprint calculation began. This year, we have one more unit to consolidate: the one in South Africa, representing 8.6 tonnes of CO₂. The source of the GWP was the carbon intensities present on the internet per unit and GHG scope 1 energy consumption, the direct method of calculation.



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**305-2 Indirect (scope 2) GHG emissions**

Chapter 5.1. Energy Efficiency and Climate Change 102

Indirect emissions (scope 2) (t CO ₂ e)	2021	2022	2023
Electricity	28,347.5	22,913.8	19,303.5
Total	28,347.5	22,913.8	19,303.5

Note: CO₂ gases were considered to calculate this indicator. 2019 was used as the base year, since it was the first year in which Sodecia Group reported this indicator. This year, 2023, we have included the Pretoria unit in SASA in the calculation. Additionally, to support the calculation, we used the Carbon footprint (www.carbonfootprint.com/international_electricity_factors.html) and the direct GHG scope 2 calculation method.

305-3 Other indirect (scope 3) GHG emissions

Chapter 5.1. Energy Efficiency and Climate Change 102

Indirect emissions (scope 3) (t CO ₂ e)	2021	2022	2023
Employee transport	1,628.8	468.3	773.6
Cleaning	127.8	208.4	166.1
Transportation service	1,881.6	1,967.8	3,411.7
Non-recovered containers	607.2	629.5	684.8
Surplus metalworkers	25,251.8	26,498.2	22,199.7
Recycled	55.1	40.4	8.4
External warehouses	1,628.8	468.3	37.4
Total	31,181.1	30,280.9	27,281.7

Note: CO₂ gases were considered to calculate this indicator. 2019 was used as the base year, since it was the first year in which Sodecia Group reported this indicator. This year, 2023, we have included the Pretoria unit in SASA in the calculation. Additionally, to support the calculation, we used the direct method GHG scope 3, energy intensity values on the GWP website.

305-4 GHG emissions intensity

	2021	2022	2023
GHG emissions intensity (tCO ₂ e/FTE)	0.11	0.07	0.06

Note 1: For calculation purposes, "Total group sales including intercompany" was used as the denominator. In calculating the intensity, scopes 1, 2, and 3 were considered, based on CO₂ emissions..

Note 2: In 2023, we sold €1,025,000,000 consolidated.

305-5 Reduction of greenhouse gas (GHG) emissions

Reduction of GHG emissions as a direct result of reduction initiatives (t CO ₂ e).	2021	2022	2023
	N/A	N/A	8,000.0

Note 1: To calculate this indicator, we used 2022 as a reference, given that our roadmap includes the goal of reducing CO₂ by 10% compared to the previous year. In calculating the intensity, scopes 1, 2, and 3 were considered, based on CO₂ emissions.

Note 2: GHG scopes 1, 2, and 3 kaizens, as well as the purchase of 100% green energy in Brazil, compared to 20% green energy in Germany. The use of Iberdrola as a supplier in Germany brought the carbon intensity down to 0.0614 kg eq / KWh, which led to a 51% reduction in GHG scope 2 compared to 2022. We also have solar generation of 2,176,430 KWh with savings of 615.3356 tonne eq CO₂ through solar panels at our Guarda-PT, Nitra-SL, Valencia-ES, Oelsnitz-DE, and Dalian-CH sites.

GRI 306: Waste 2020

Location

306-1 Waste generation and significant waste-related impacts

Chap. 5.2. Circular Economy 106

306-2 Management of waste-related significant impacts

Chap. 5.2. Circular Economy 106

306-3 Generated waste

Generated Waste	2021			2022			2023		
	Total SAINT	Total SSMINT	SODECIA Group	Total SAINT	Total SSMINT	SODECIA Group	Total SAINT	Total SSMINT	SODECIA Group
Total Hazardous Waste (t)	6,413.741	487.850	6,901.591	10,978.272	369.968	11,348.240	15,688.986	403.728	16,092.714
Total non-hazardous waste (t)	9,602.779	11,540.775	21,143.554	13,086.387	10,906.699	23,993.086	434,137.930	9,448.663	443,586.593

Note 1: For 2021 and 2022, the data to be presented in the 2023 Sustainability Report is different from that presented in SODECIA's 2022 Sustainability Report. This change is due to the use of a different organisation for the units, with the data having been calculated on the basis of the SAINT (SADEUR, SANA, and SASA) and SSMINT (SSGRD, SSMAUB, SSMDAL, SSMLSC, SSMOEL, SSMPUK) divisions. basis of the SAINT (SADEUR, SANA, and SASA) and SSMINT (SSGRD, SSMAUB, SSMDAL, SSMLSC, SSMOEL, SSMPUK) divisions.



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306-4 Waste for recovery operations

As there was no information on all the geographies considered in indicator 306-3, SODECIA chose not to report Waste destined for recovery operations (306-4) and Waste destined for disposal operations (306-5).

306-5 Waste for disposal operations

As there was no information on all the geographies considered in indicator 306-3, SODECIA chose not to report Waste destined for recovery operations (306-4) and Waste destined for disposal operations (306-5).

GRI 308: Environmental Assessment Of Suppliers 2016

308-1 New suppliers selected based on environmental criteria

No data was reported on new suppliers selected on the basis of environmental criteria.

308-2 Negative environmental impacts in the supply chain and actions taken

No data on negative environmental impacts in the supply chain and actions taken were reported.

GRI 400: Social Performance

GRI 401: Employment 2016

401-1 Hiring of new employees and employee turnover

		2023					
		Entries			Exits		
Number of entries and exits, by location, gender, and age group		<30	30-50	>50	<30	30-50	>50
Saint	By Group	411	656	86	251	484	145
	Male		727			644	
	Female		426			336	
	Subtotal		1,153			980	
Smint	By Group	133	160	50	104	181	57
	Male		301			281	
	Female		42			61	
	Subtotal		343			342	
Total Entries and Exits (by age group)							
Total Entries and Exits (by gender)	Male		1,028			925	
	Female		468			397	
Total Entries and Exits (by Location)	SAINT		1,153			980	
	SSMINT		343			342	
Total Entries and Exits			1,496			1,322	



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Percentage of entries and exits, by location, gender, and age group		2023					
		Entries			Exits		
		<30	30-50	>50	<30	30-50	>50
Saint	By Group	33%	25%	9%	20%	18%	16%
	Male		19%			17%	
	Female		39%			31%	
	Subtotal		24%			18%	
Smint	By Group	57%	18%	11%	44%	20%	13%
	Male		26%			25%	
	Female		10%			14%	
	Subtotal		22%			22%	
Total Entries and Exits (by age group)							
Total Entries and Exits (by gender)	Male		46%			42%	
	Female		49%			45%	
Total Entries and Exits (by gender)	SAINT		58%			48%	
	SSMINT		36%			39%	
Total Entries and Exits			95%			87%	

Note: We have no data on the entries and exits of the SANA unit.

401-2 Benefits for Full-time employees that are not provided to Temporary or part-time employees

3.3 Caring for our employees 72

SAINT	2023
SAEUR	Benefits
Supplementary pension insurance – 3rd pillar	Slovakia
Stays for children, leisure, spa, and rehabilitation stays	Slovakia
Weekend trips and outings	Slovakia
Loyalty programme for employees based on years of service	Slovakia
Contributions (e.g. birthdays, birth of a child, blood donation, etc.)	Slovakia
Social assistance and loans	Slovakia
Taking a leaver	Spain
One month of holidays	Spain

SAINT

2023

SASA	Benefits
Medical assistance	Annual medical examination for Directors (SASA/SASER)
Medical Aid – Insurance	Specific
MIBCO Holiday Bonus	Specific
13th Salary	Specific
60% food allowance – Canteen	Specific
Fuel Card for Managers and Supervisors	Global
Life Insurance Coverage for Expatriates	Global
Pension Provision	Global
SANA	Benefits
Vacation	Branches
Vacation Bonus	Branches
7% Savings Fund	Branches
7% Bonus	Branches

SSMINT

Benefits

Health Insurance	AUB Specific
Temporary Disability	AUB Specific
Long-term Disability	AUB Specific
Vision Insurance	AUB Specific
Dental Insurance	AUB Specific
401K	AUB Specific
Life Insurance	China
Health Insurance	China
Disability Benefits	China
Maternity/Paternity Leave	China
Support for school books (children in high school)	SSMGRD
Discounts on the purchase of products or services in establishments with protocols with Sodecia	SSMGRD

Note: SMLSK also has benefits (see its own factsheet). SSMPUK – To prevent health problems and serious medical issues among our full-time employees, we offer a significant group medical insurance policy and on-site healthcare.

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GRI 402: LABOUR RELATIONS 2016

402-1 Prior notification deadlines regarding operational changes

SODECIA complies with the legally defined minimum deadlines in each geography where it operates.

GRI 403: Occupational Health and Safety 2018

Location

403-1 Occupational Health and Safety Management System

Chapter 4.1.2 Occupational Health and Safety

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SODECIA's Occupational Health and Safety Management System (OHSMS) is implemented at all of the Group's facilities and must be complied with by all employees, temporary workers, and third-party employees (Service Providers) who provide services at our facilities.

This system was created to ensure the best conditions for well-being at work, preserve the environment of the surrounding communities from any negative impact of operations, and fulfil the legal requirements and local and international HS technical standards applicable in the various geographies where SODECIA has facilities.

Sodecia's OHSMS was created on the basis of:

- Legal requirements and technical Safety and Environmental standards.
- SODECIA's Safety and Environmental Performance Indicators and programmes.
- Audits of Current Safety and Environmental Procedures.
- ISO 45001 and ISO 14001;
- Identification and control of Safety and Environmental Risks.
- Focus on behaviour.
- Incident and accident database.

SODECIA's activity is an industrial operation related to the automotive industry. In this context, the majority of our workers operate on the factory facilities, carrying out tasks within the scope of industrial processes, while the rest of the workforce performs administrative and management support tasks for the operations.

Sodecia's OHSMS is supported by the company's top leadership and, at factory level, by specific workers. The EHS Leaders are supported by the General Managers and Factory Managers, and all activities and workers are covered by the OHSMS.

403-2 Hazard identification, risk assessment, and incident investigation

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The occupational risk assessment process falls under the "Risk Management" Corporate Procedure, which applies to all of Sodecia Group's business units, all employees, third parties, and visitors. All activities and workstations must have a "Risk Assessment", as do new projects, process changes, layouts, or any other type of change that causes alterations to the organisation's context. New projects or changes must have a "Risk Assessment" carried out before and after implementation.

This methodology enables the continuous identification of occupational risks and incidents, as well as the definition of the necessary controls, using Form P0007-Form02-Risk and Hazard Survey. Three stages are considered: 1. Hazard Identification, 2. Risk Analysis and Assessment, 3. Risk Management. After the risk assessment, and following the risk reduction hierarchy, actions should be taken such as implementing operational controls, monitoring, and other measures.

Risk assessment must be an ongoing process and reviewed every two years, or whenever situations arise such as: after the implementation of preventive measures to assess residual risks, innovations and changes in technologies, environments, processes, conditions, procedures, and work organisation that imply new risks or alter existing risks, identification of inadequacies, insufficiencies or inefficiencies in preventive measures, work-related accidents or illnesses, and changes in applicable legal requirements. The Health and Safety team must be involved in all changes to the process, activities, conditions, and layout to carry out the risk assessment and approve the start of activities.

All risk assessments must be reviewed by the Engineering Director and Factory Manager and are considered ongoing processes with mandatory reviews every two years. Once the corrective actions/control measures have been finalised, their effectiveness must be assessed to ensure that the risk is eliminated.

The competence of the people involved is guaranteed by their experience and professional certification. The results of these processes are monitored at specific meetings of the SODECIA Management Model to identify gaps or discuss improvement actions. In the event of a gap, immediate action plans are put in place to overcome it. Each unit must set its own target for reporting unsafe conditions, considering that each employee must report at least one unsafe condition per month. All unsafe conditions identified must be reported in the Unsafe Conditions Programme in SoftExpert.

This information is contained in SODECIA's Values and Ethics Handbook "31. WHISTLE-BLOWER PROTECTION 31.1. The Sodecia Group encourages anyone, including employees, service providers, contractors, suppliers, stakeholders, among others (the "Whistle-blowers"), regardless of the relationship they have, have had, or may have in the future, to report all cases of unlawfulness or that jeopardise corporate values and ethics. 31.2. Whistle-blowers are protected and will not suffer retaliation, in accordance with specific regulations.

The Health and Safety Procedure "Incident Investigation", which seeks to define the process for recording accidents, investigating causes, and identifying and addressing unsafe conditions, as well as implementing corrective actions, is applicable to all of Sodecia Group's business units, all employees, third parties, and visitors. The process for identifying hazards is the "Unsafe Conditions Programme", and the process for investigating the causes of accidents (incidents with injuries) or close calls, with high and very high risks, is the "5Bp" methodology.

If any of these occur, the safety technician must immediately issue an alert to the entire company and, within two weeks, a team led by the safety technician must carry out an analysis of the accident and an investigation ("5Bp") to find its causes. The "5Bp" investigation, complemented by the results of the investigation, enables clearly identifying the causes and actions implemented to mitigate, eliminate, and prevent any recurrence, and must be disseminated throughout the company within a two-week period. After this, all the safety technicians in the other units must carry out a cross-sectional analysis of these risks in their units, based on the causes of accidents identified. The whole process is carried out in a system called SoftExpert.



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**403-3 Healthcare Services**

Chapter 4.1.2 Occupational Health and Safety

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The implemented functions of the occupational health and safety services that contribute to the identification and elimination of risks and the minimisation of hazards are:

- Monitoring the implementation of Corrective Actions, together with those responsible, thus ensuring that similar Accidents do not recur.
- Carrying out a cross-sectional risk analysis of the causes of Accidents in other business units, planning and implementing preventive measures if similar risks are identified.
- The person responsible for the Unsafe Conditions Programme must analyse the Unsafe Conditions reported, assess the risk, define the Corrective Actions, deadlines and those responsible, and, if necessary, create an Action Plan.
- Carrying out monthly analyses of all Unsafe Conditions, especially those of high and very high risk, and investigating the root causes.

In accordance with SODECIA's Management Model, there are specific meetings to monitor and analyse the results and feedback from our employees. Employee confidentiality is maintained through the General Data Protection Regulation and the advice of the Group's Data Protection Officer.

403-4 Participation, Consultation, and Communication with Employees on Occupational Health and Safety

Chapter 4.1.2 Occupational Health and Safety

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In each unit, there is a "Health and Safety Committee" made up of a group of employees, representing an average of 5% of the workforce, from various activities in different areas of the company.

The Safety Committee will support the safety department in carrying out internal safety audits, risk analyses, and accident investigations, promoting communication between all workers on the premises on Health and Safety issues. It will also hold regular meetings for security-related matters.

The responsibilities of the Health and Safety Committee are:

- Preparing a work plan that enables preventive action to resolve occupational health and safety problems.
- Assisting in analysing risks and implementing preventive measures.
- Checking conditions in the working environment through safety inspections.
- Evaluating the achievement of objectives and discussing identified risk situations.
- Disseminating information to workers on occupational health and safety.
- Collaborating in the development and implementation of programmes related to occupational health and safety.
- Participating in accident investigations in conjunction with the Safety department.
- Annually promoting the Internal Week for the Prevention of Accidents at Work.

Competences include:

- Summoning members to meetings of the Security Committee.
- Coordinating meetings of the Security Committee.
- Keeping the employer informed about the work of the Safety Committee.
- Coordinating and supervising secretarial activities.
- Delegating responsibilities to the Vice-President.

The Safety Committee will hold regular monthly meetings, previously scheduled in the annual calendar, and special meetings that may take place in cases of emergency.

403-5 Worker training on Occupational Health and Safety

Chapter 4.1.2 Occupational Health and Safety

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Health and Safety (H&S) training is governed by a specific corporate procedure "Training and Integration", which defines the H&S qualifications and awareness-raising required for SODECIA employees and third parties, with the goal of minimising and eliminating the risks of accidents, occupational illnesses, and environmental impacts. As part of this procedure, there is a Health and Safety training matrix (Annex-GP02-P0019-Training Matrix) which includes 22 compulsory training actions in the field of Health, Safety, and Environment applied to all employees in all of Sodecia Group's business units.

All units must have an integration plan for new employees, which must take place before the start of the activity, covering general safety concepts and specific job requirements, including general safety instructions.

The integration process for operators should include detailed practical training on tasks, step by step, including how to operate equipment and information on the Safe Work Instruction. The integration plan template can be found in guideline GP-HS-FO019A – Integration Plan.

The minimum content to be covered includes: safety policy, basic safety rules, Personal Protective Equipment (PPE) use matrix, general emergency rules, corporate safety procedures, incident reporting, Safe Work Instruction, 5S methodology. A new integration must be implemented whenever there are changes to the position, workstation, or new position, assessment of hazards and risks, or updating of the identified Safe Work Instruction. Before starting work on a specific activity, employees must undergo appropriate training in accordance with GP-HS-PR007C – Safe Work Instruction.

Each unit must draw up its annual training schedule in accordance with the Human Resources corporate procedure. EHS training must be defined through a needs assessment by area (Annex A – Training Matrix), stating at least: target area and employees, workload, programme, objectives, frequency, and validation by the EHS and HR departments and mandatory training in accordance with the applicable legislation.

In order to meet the EHS training needs established by the Training Matrix, "training programmes (courses)" must be prepared on the basis of the corporate training models, which are supplemented in accordance with the hazard and risk surveys and the respective applicable legislation. All HS training is provided to employees free of charge and during working hours. Effectiveness is assessed by surveys and written tests. Every three months, as part of the employee performance appraisal, HS awareness is also assessed. As part of the Safe Behaviour Programme, there are daily evaluations of employees' performance vis-à-vis the Safe Work Instruction for their job. The results are also a measure of the effectiveness of HS training.



**403-6 Employee Health Promotion**

At locations in Europe, employee health promotion is carried out in accordance with national and public health services. At other SODECIA locations, outside Europe, the company provides all employees with external private healthcare services.

There are actions promoted locally by the Health and Safety Team of the respective units with the goal of encouraging preventive measures for various general public health issues, such as: COVID-19; drugs and alcohol, following the General Data Protection Regulation implemented by the company's Data Protection Officer.

403-7 Prevention and mitigation of Occupational Health and Safety impacts directly related to business relationships

SODECIA's Health and Safety System includes specific procedures and programmes/tools to guide implementation: Occupational Health Risk Management; Unsafe Behaviour and prevention control, as well as prevention of unsafe conditions.

Regular audits of Occupational Health and Safety conditions are also promoted, such as: Daily Visit to the Unit and Monthly EHS Master Plan. From the audits, the irregularities identified are the subject of action plans to overcome the problems and prevent similar situations.

In the event of an accident, it is mandatory to carry out a 5Bp, which is a process of investigating and analysing the root causes, along with an action plan to resolve the problems and implement preventative measures to avoid similar situations recurring. The results of 5Bp are shared with all the other units, and a risk assessment is mandatory, taking into account the root causes of the accident and, if necessary, an action plan to eliminate the risks identified.

403-8 Workers covered by an occupational health and safety management system

No. and % of employees and other workers covered by an OSHMS certified or audited by an external organisation 2023	No.	%
Total number of employees	4,115	
Total number of other workers	N/A	
Employees covered by the OSHMS	4,115	100%
Other workers covered by the OSHMS	N/A	N/A
Total (employees and other workers) covered by the OSHMS	4,115	100%

No. and % of employees and other workers covered by a non-certified OSHMS 2023

	No.	%
Total number of employees	446	
Total number of other workers	N/A	
Employees covered by the OSHMS	N/A	0%
Other workers covered by the OSHMS	446	---
Total (employees and other workers) covered by the OSHMS	446	100%

Note: SODECIA's OSHMS (Occupational Safety and Health Management System) covers all workers, whether they are employees or not, since the work is carried out in a workplace controlled by the company, which includes all our facilities.

403-9 Work accidents

Employee data	2021	2022	2023	
Total number of	fatalities resulting from work-related accidents	0	0	0
	serious work accidents ¹ (excluding fatalities)	0	0	0
	work accidents with mandatory reporting ²	46	52	61
Index of	Hours worked	5,805,589	5,063,126	9,540,745
	fatalities resulting from work accidents	0	0	0
	serious work accidents (excluding fatalities)	0	0	0
	work accidents with mandatory reporting	8	10	12

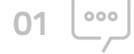
Note: Main types of work accidents:

Accidents without lost time – Minor injuries, temporary discomfort, muscle pain.

Accidents with sick leave of up to 15 days – Lacerations, sprains, bruises, wounds, fractures, eye injuries, musculoskeletal injuries, and back pain.

¹ High severity work injuries, according to the GRI criteria, are those from which the worker cannot, does not, or is not expected to fully recover to their pre-injury state of health within six months.

² Concerns any work-related injury or illness that results in one of the following: death, days away from work, restricted work or transfer to another position, medical treatment beyond first aid, or loss of consciousness; or significant injury or illness diagnosed by a doctor or other licenced health professional, even if it does not result in death, days away from work, restricted work or transfer of position, medical treatment beyond first aid, or loss of consciousness.





Data concerning Workers who are not employees, but whose work and/or workplace is controlled by the company		2021	2022	2023
Total number of	fatalities resulting from work-related accidents	0	0	0
	serious work accidents ¹ (excluding fatalities)	0	0	0
	work accidents with mandatory reporting ²	0	0	0
	Hours worked	81,658	963,789	1,431,447
Index of	fatalities resulting from work accidents	0	0	0
	serious work accidents (excluding fatalities)	0	0	0
	work accidents with mandatory reporting	0	0	0

Note: Main types of work accidents:

Accidents without lost time – Minor injuries, temporary discomfort, muscle pain.

Accidents with sick leave of up to 15 days – Lacerations, sprains, bruises, wounds, fractures, eye injuries, musculoskeletal injuries, and back pain.

¹ High severity work injuries, according to the GRI criteria, are those from which the worker cannot, does not, or is not expected to fully recover to their pre-injury state of health within six months.

² Concerns any work-related injury or illness that results in one of the following: death, days away from work, restricted work or transfer to another position, medical treatment beyond first aid, or loss of consciousness; or significant injury or illness diagnosed by a doctor or other licenced health professional, even if it does not result in death, days away from work, restricted work or transfer of position, medical treatment beyond first aid, or loss of consciousness.

403-10 Occupational diseases

	2021	2022	2023
Number of fatalities resulting from occupational diseases	0	0	0
Number of cases of occupational diseases reported	0	0	0
Number of confirmed occupational disease cases	0	0	0

Note: We have no reports of work-related health problems.

Work-related risks most likely to cause serious injury	Ergonomic conditions (For example: poor ergonomic conditions in the workplace, manual handling of loads, among others)
Identification of these risks	Daily visit to the unit; Unsafe Behaviour Programme; Internal Audits of the Health and Safety System; Audits related to Health and Safety Risk Management of equipment and workstations.
Risks that caused or contributed to work-related accidents with serious consequences during the reporting period	Any risk related to less favourable ergonomic conditions can lead to accidents with serious consequences.
Actions taken or underway to eliminate these risks and minimise hazards, using the risk control hierarchy	Elimination of manual tasks. Replacing manual tasks with robotic cells. Engineering controls.

Note 1: Any worker at SODECIA's units is excluded from this indicator or others related to SODECIA's Occupational Health and Safety System.

Note 2: Data collection methodology: Daily visit to the unit; Unsafe Behaviour Programme; Internal Audits of the Health and Safety System; Audits related to Health and Safety Risk Management of equipment and workstations.

Note 3: All the quantitative information reported here concerns the Automotive Division, and the data is consolidated from the Business Units belonging to the Automotive Division. The Divisional Structure began operations in 2021, which is why the data only refers to the years 2021 and 2022.

GRI 404: Education and Training 2016

Location

404-1 Average annual training hours per Employee

Chapter 3.2 Investing in the talent of our Employees and Partners

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Employee category by gender	Gender	2021	2022	2023
Administrative, all departments	Male	282	269	986
	Female	166	164	239
	Subtotal	448	433	1225
Operators	Male	896	1281	3043
	Female	255	423	520
	Subtotal	1151	1704	3563
Technicians	Male	422	521	573
	Female	80	104	120
	Subtotal	502	625	693
Logistics	Male	140	175	249
	Female	38	54	73
	Subtotal	178	229	322
Supervisors	Male	139	132	172
	Female	28	28	31
	Subtotal	167	160	203
Management	Male	73	99	125
	Female	11	14	21
	Subtotal	84	113	146
Total	Male	1952	2477	5148
	Female	578	787	1004
	Subtotal	2530	3264	6152

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Total no. of training hours, by employee category and gender	Gender	2021	2022	2023
Administrative, all departments	Male	7384	7640	9258
	Female	8146	6878	6895
	Subtotal	15 530	14 518	16 153
Operators	Male	116 886	172 786	221 751
	Female	30 943	36 766	42 074
	Subtotal	147 829	209 552	263 825
Technicians	Male	55 447	69 903	65 004
	Female	10 403	11 209	6527
	Subtotal	65 850	81 112	71 531
Logistics	Male	11 900	13 086	25 141
	Female	3662	5106	6688
	Subtotal	15 561	18 192	31 829
Supervisors	Male	18 502	24 111	12 858
	Female	4532	3762	3440
	Subtotal	23 035	27 873	16 298
Management	Male	3383	5228	17 183
	Female	65	255	2013
	Subtotal	3448	5483	19 196
Total	Male	213 502	292 754	351 194
	Female	57 751	63 976	67 637
	Subtotal	271 253	356 730	418 831

Average number of training hours, by employee category and gender	Gender	2021	2022	2023
Administrative, all departments	Male	26	28	9
	Female	49	42	29
	Subtotal	35	34	13
Operators	Male	193	173	73
	Female	121	87	81
	Subtotal	128	123	74
Technicians	Male	131	134	113
	Female	130	108	54
	Subtotal	131	130	103
Logistics	Male	85	75	101
	Female	96	95	92
	Subtotal	87	79	99
Supervisors	Male	133	183	75
	Female	162	134	111
	Subtotal	138	174	80
Management	Male	46	53	137
	Female	6	18	96
	Subtotal	41	49	131
Total	Male	109	118	68
	Female	100	81	67
	Subtotal	107	109	68

404-2 Programmes for skill development and end-of-career management

Chapter 4.1 Our employees

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**404-3 Percentage of employees receiving regular performance and career development reviews**

Employee category	Gender	2021	2022	2023
Administrative Staff	Male	85%	82%	95%
	Female	69%	69%	49%
	Subtotal	76%	75%	90%
Operators	Male	44%	46%	74%
	Female	44%	58%	37%
	Subtotal	44%	49%	71%
Technicians	Male	67%	70%	63%
	Female	71%	77%	72%
	Subtotal	68%	71%	72%
Logistics	Male	57%	43%	45%
	Female	48%	45%	44%
	Subtotal	55%	43%	45%
Supervisors	Male	83%	79%	43%
	Female	72%	81%	81%
	Subtotal	80%	7%	6%
Management	Male	49%	65%	78%
	Female	44%	89%	79%
	Subtotal	49%	67%	78%
Total	Male	55%	56%	75%
	Female	53%	64%	49%
	Subtotal	55%	57%	73%

Note: For 2021 and 2022, the data presented is different from that presented in SODECIA's 2022 Sustainability Report. This change is due to the use of a different organisation for the operational units, with the data having been calculated on the basis of the SAINT (SADEUR, SANA, and SASA) and SSMINT (SSGRD, SSMATT, SSMAUB, SSMDAL, SSMLSC, SSMOEL, SSMPUK) divisions.

GRI 407: Freedom of Association and Collective Bargaining 2016**407-1 Operations and suppliers where freedom of association and collective bargaining may be at risk**

There have been no reported cases of operations and suppliers where freedom of association and collective bargaining may be at risk.

GRI 408: Child Labour 2016**408-1 Operations and suppliers where there is a significant risk of incidents of child labour**

There have been no reported cases of operations and suppliers where there is a significant risk of incidents of child labour.

GRI 409: Forced or slave labour 2016**409-1 Operations and suppliers where there is significant risk of incidents of slave or forced labour**

There have been no reported cases of operations and suppliers where there is a significant risk of incidents of child labour.

GRI 413: Local communities 2016

Location

413-1 Operations with local community involvement, impact assessments, and development programmes

Chapter 4.2 Our communities

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GRI 414: Social Assessment of Suppliers 2016

Location

414-1 New suppliers selected based on social criteria

Chapter 3.4 Supply chain management

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414-2 Negative social impacts in the supply chain and actions taken

Chapter 3.4 Supply chain management

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GRI 416: Consumer Health and Safety 2016**416-1 Assessment of health and safety impacts of the major product and service categories**

	2021	2022	2023
SAINT			
Number of product and service categories made available by the company	1,698	2,723	2,631
No. of product and service categories where health and safety impacts are assessed	222	256	281
Percentage of product and service categories where health and safety impacts are assessed	13.07%	9.40%	10.68%
SSIMT			
Number of product and service categories made available by the company	1,471	1,471	1,471
No. of product and service categories where health and safety impacts are assessed	22	22	22
Percentage of product and service categories where health and safety impacts are assessed	1%	1%	1%



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416-2 Cases of non-compliance regarding health and safety impacts of products and services

Cases of non-compliance SAEUR W	2021	2022	2023
No. of cases of non-compliance with regulations that resulted in fines or penalties	0	0	0
No. of cases of non-compliance with regulations that resulted in warnings	0	0	0
No. of cases of non-compliance with voluntary codes	4	0	0
Total no. of cases of non-compliance	4	0	0

Note: No cases of non-compliance were recorded at the various units, with the exception of the SAEUR W factory where four cases of non-compliance with voluntary codes were recorded in 2021.

01

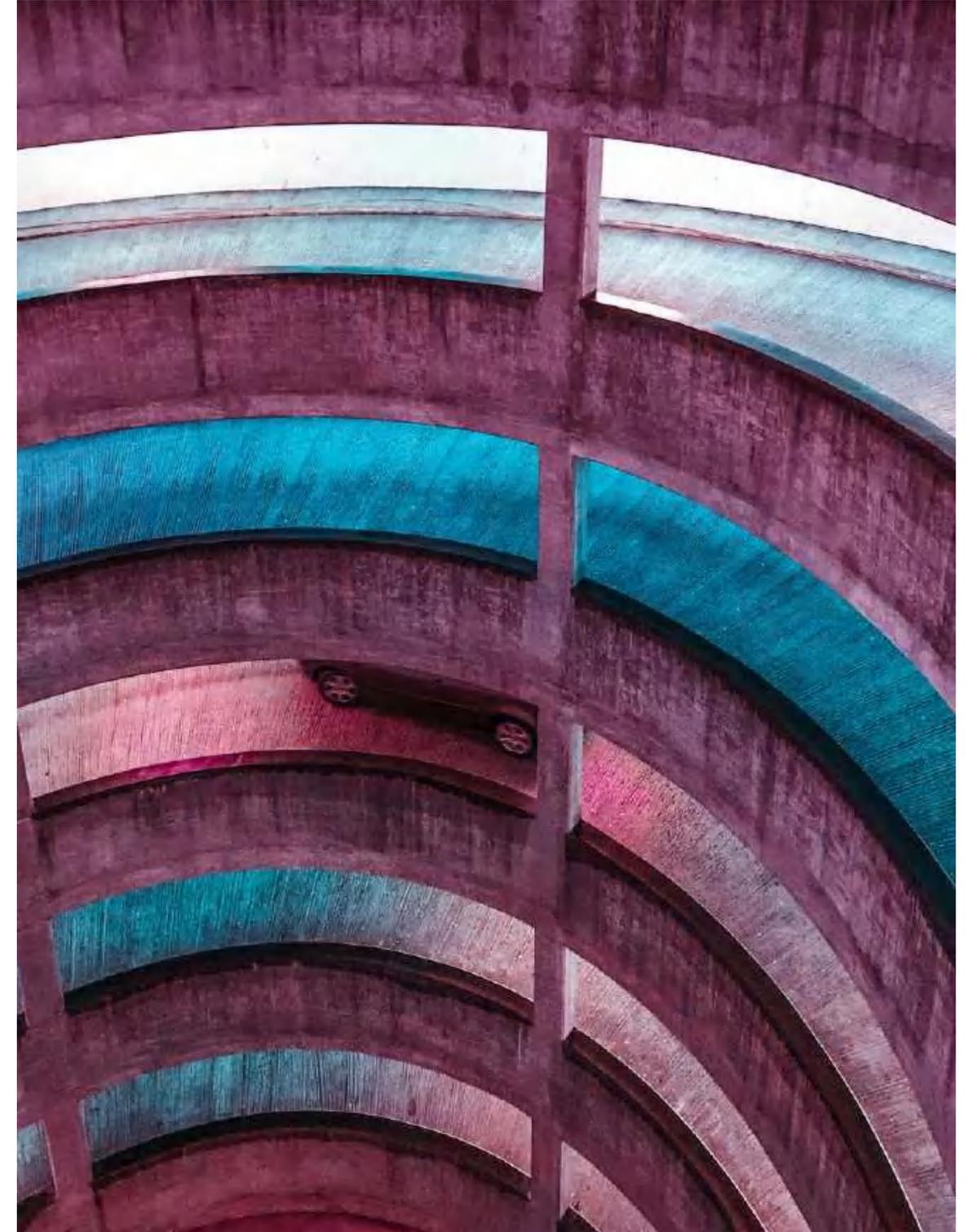
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