



SMART TECHNOLOGY FOR SMARTER MOBILITY

FEBRUARY 4TH 2021

**VALEO
CARBON NEUTRAL
STRATEGY DISCLOSURE**



A LONG TERM SUSTAINABLE GROWTH STRATEGY ANNOUNCED FOR 10 YEARS



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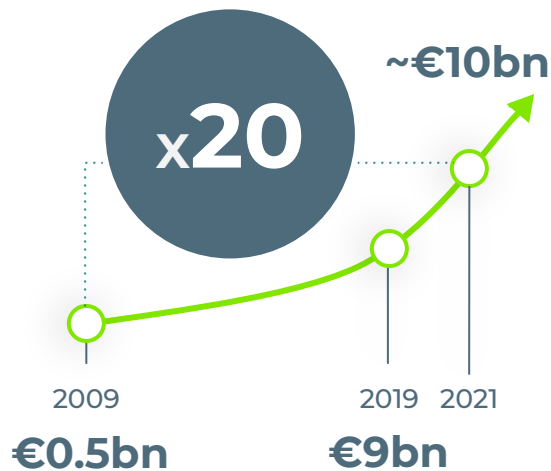
Our **growth engine**
for the **next decade**:
CO2 emission reduction

”

Jacques Aschenbroich
Chairman & CEO
Valeo Investor Day
March 2010

WE ARE STAYING TRUE TO OUR COMMITMENT...

GREEN SALES



2020 EV MOMENTUM



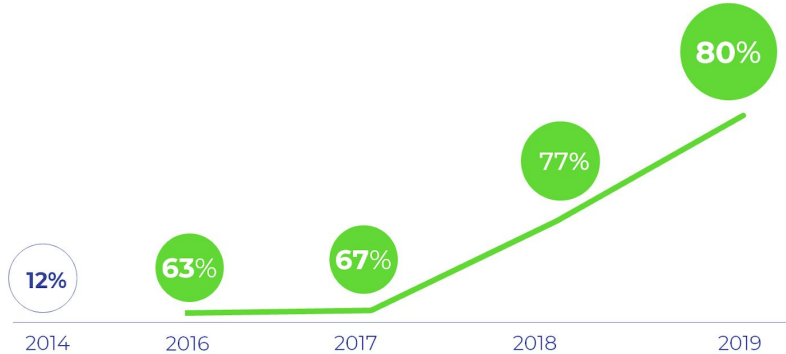
**WE LED A SUCCESSFUL TRANSFORMATION OF VALEO
AS GREEN MOBILITY PROVIDER IN 10 YEARS**

SUSTAINABILITY IS IN OUR DNA

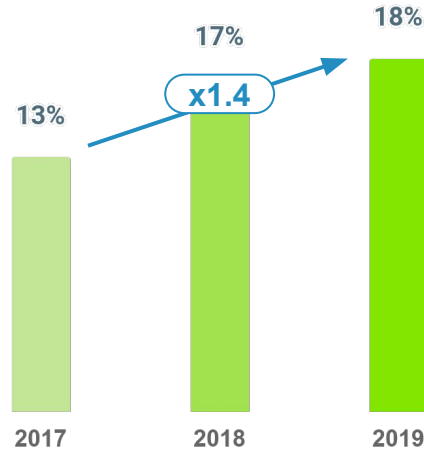
INVOLVING ALL
OUR SUPPLY
CHAIN IN OUR
SUSTAINABILITY
STRATEGY

OUR
OPERATIONS AS
A ROLE MODEL

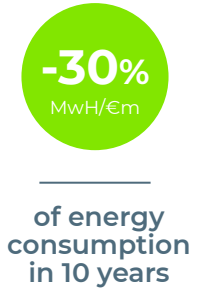
SHARE OF PRODUCTION SUPPLIERS COVERED BY THE ASSESSMENT (% of total purchases)




PERCENTAGE OF PLANTS CERTIFIED ISO 50001



ENERGY SAVING



SUSTAINABILITY IS IN OUR DNA



Now a Part of **S&P Global**

#1*

MSCI
ESG RATINGS **AAA**

CCC B BB BBB A AA AAA

#1

ISS ESG
ethix • climate • oekom

#1*

The Voice for Clean Capitalism
Corporate Knights

#1

CDP
DISCLOSURE INSIGHT ACTION

A LIST
2020

CLIMATE

SUSTAINALYTICS
a Morningstar company

#1

OUR LEADING ESG
PERFORMANCE
ACKNOWLEDGED BY
SUSTAINABILITY
INDEXES

* excl. Tyres companies



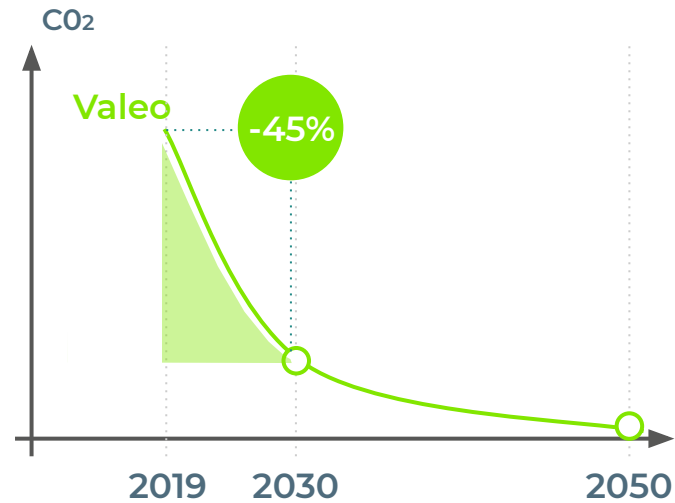
VALEO'S WORLDWIDE COMMITMENT IN LINE WITH EUROPEAN GREEN DEAL AMBITION



**BUSINESS
AMBITION FOR 1.5°C**  



WHAT DOES IT MEAN FOR VALEO ?



VALEO 2019 CARBON FOOTPRINT



*2019 public CO2 data (2019 Registration Document) - Scope 3 Downstream value revised in 2020 to align with sector-based calculation methodology

VALEO'S 2030 COMMITMENTS

SCOPE 3 UPSTREAM

9.5 Mt eq CO₂

-15%*



8.1 Mt eq CO₂

SCOPE 1&2

1.1 Mt eq CO₂

-75%*



0.28 Mt eq CO₂

SCOPE 3 DOWNSTREAM

39 Mt eq CO₂

-50%**



19.5 Mt eq CO₂

BUSINESS AMBITION FOR 1.5°C



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

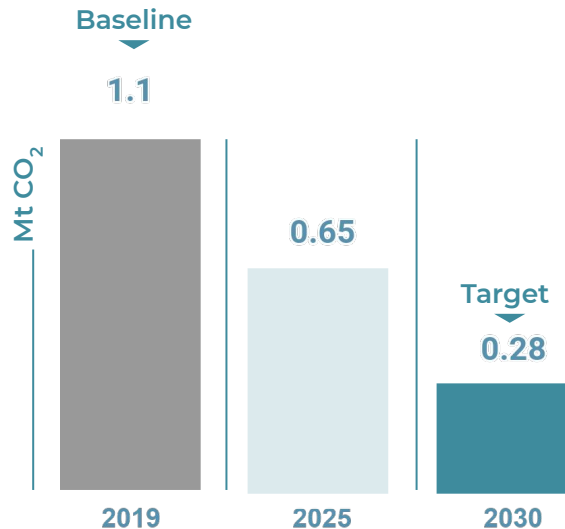
* 2019 baseline

** NET 2030 Valeo target = SBTi 2030 absolute value + additional 2030 CO₂ reduction yearly realised vs 2019 baseline thanks to Valeo electrification portfolio

SCOPE 1&2

OUR OPERATIONS
AS A ROLE MODEL

-75%



400M€

Investment for
the next 10 years

2 Key Levers		2019	2025	2030
Energy Efficiency & Emission Avoidance	Number of ISO 50001 sites	27	67	100
Low carbon Energy	% of low carbon electricity purchased	5.5%	50%	80%



China

-1,500 t

eq. CO2 savings* per site**

Asia w/o China

-1,250 t

eq. CO2 savings* per site**

East Europe

-1,250 t

eq. CO2 savings* per site**

North America

-1,000 t

eq. CO2 savings* per site**

West Europe

-500 t

eq. CO2 savings* per site**

Energy Efficiency Emission Avoidance

Short term **regional strategy** focused on top emitters



* 2019 baseline ** In average in 2025



+ Eco-buildings

Eco-chiller-building



Energy Efficiency Emission Avoidance

Short term **operational investments** focused on **eco-efficiency**

+ New electronics oven



+ 100% LED Lighting



+ Heat recovery compressors





Power Purchasing Agreement (PPA)

Flagship Wind PPA in Chennai (India, 2017)

Up to 90% of energy covered

Renewables energies

We will rely on
renewable energy
partnership &
self production



Self production on site with solar panel projects

Bad Rodach (Germany, 2016)

20% energy coverage



Sanand (India, 2018)

30% energy coverage



Chonburi (Thailand, 2020)

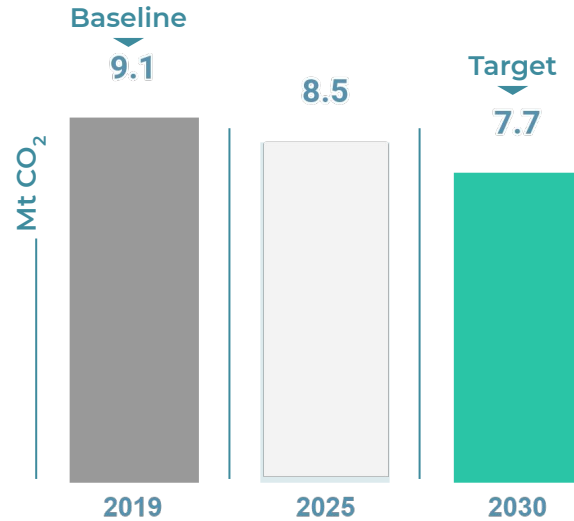
20% energy coverage



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**SCOPE 3
UPSTREAM**
DRIVING OUR
SUPPLIERS CARBON
FOOTPRINT REDUCTION

-15%



4 Key levers	
SOURCING	Set CO2 target to suppliers aligned with our commitment
AUDIT	Ensure supplier's action plan deployment
SPECIFICATION	Increasing usage of low emission material in product design
INNOVATION	CO2 impact from design rules



SPECIFIC CO2 EMISSIONS TARGETS SET TO VALEO'S SUPPLY BASE FOR:



SOURCING

As of Dec. 2020, for all new business, suppliers are required to **align with Valeo on their own carbon reduction strategy**

AUDIT

Leverage the annual assessment of main business partners on their **carbon reduction** strategy & achievements **year by year**



**WE PROACTIVELY TRANSFORM
GREEN MOBILITY AT SCALE**

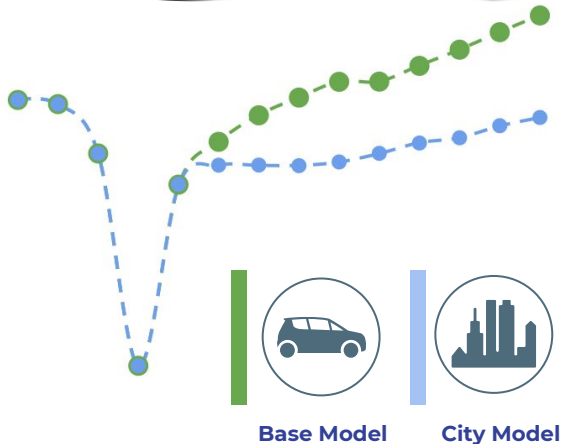
**WE COMMIT TO CUT SCOPE 3
DOWNSTREAM EMISSIONS BY 50% IN 2030**

**+ ECOSYSTEM
BASED VISION OF
MOBILITY**

**+ A PRODUCT
PORTFOLIO
ELECTRIFYING
MOBILITY**

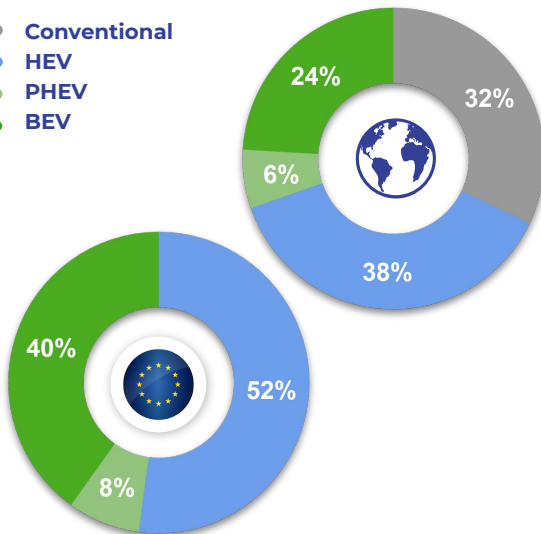
BUILDING 2030 MOBILITY SCENARI LEVERAGING OUR UNIQUE ECOSYSTEM AS A TECHNOLOGICAL PROVIDER FOR MOBILITY SOLUTIONS

A growing 4 wheelers market



Electrification accelerates

- Conventional
- HEV
- PHEV
- BEV



Urbanization drives micromobility boom

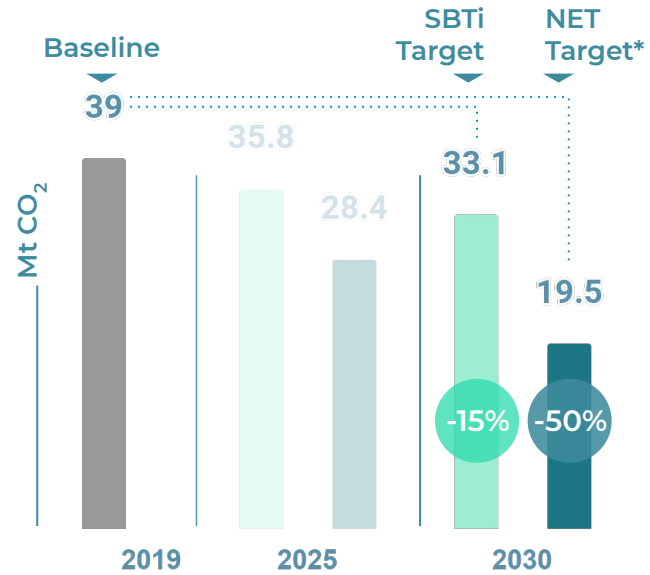
	2030 City Scenario	e-fleet share
	Kickscooters	100%
	eBikes	65%+
	e-2 Scooters	95%+
	e-3 Wheelers	95%+

Source: McKinsey Center for Future Mobility, Emisia, IEA, IHS

SCOPE 3 DOWNSTREAM

MOBILITY
DECARBONATION WITH
OUR PRODUCTS

-50%
in NET



2 Key Levers

Green products roadmap

Develop products contributing to CO₂ emissions reduction for mobility

Use phase optimization

Light material & alternative technology to reduce overall weight. Improve our products energetic efficiency

* NET 2030 Valeo target = SBTi 2030 absolute value + additional 2030 CO₂ reduction yearly realised vs 2019 baseline thanks to Valeo electrification portfolio

ACCELERATION OF OUR INNOVATIONS TO OPTIMIZE VALEO PRODUCTS USE PHASE



VALEO FlexHeater

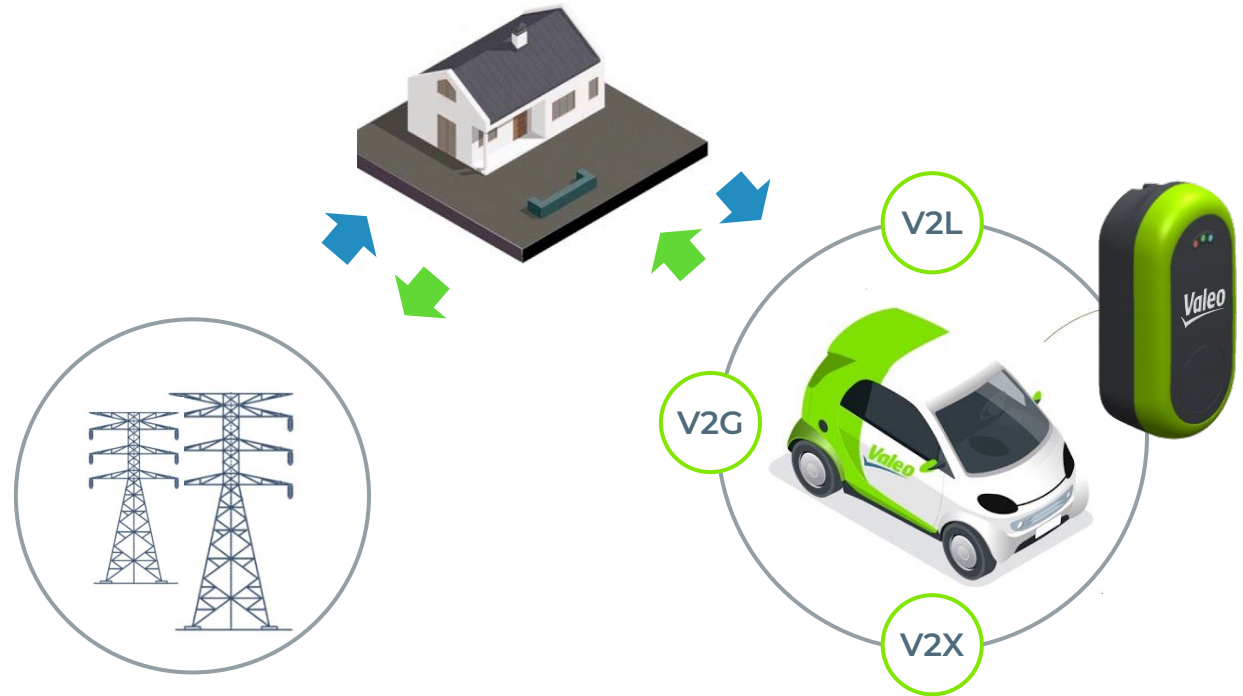
Electrical energy consumption in winter: ~ -50%

BEYOND CARS, WE ELECTRIFY MOBILITY



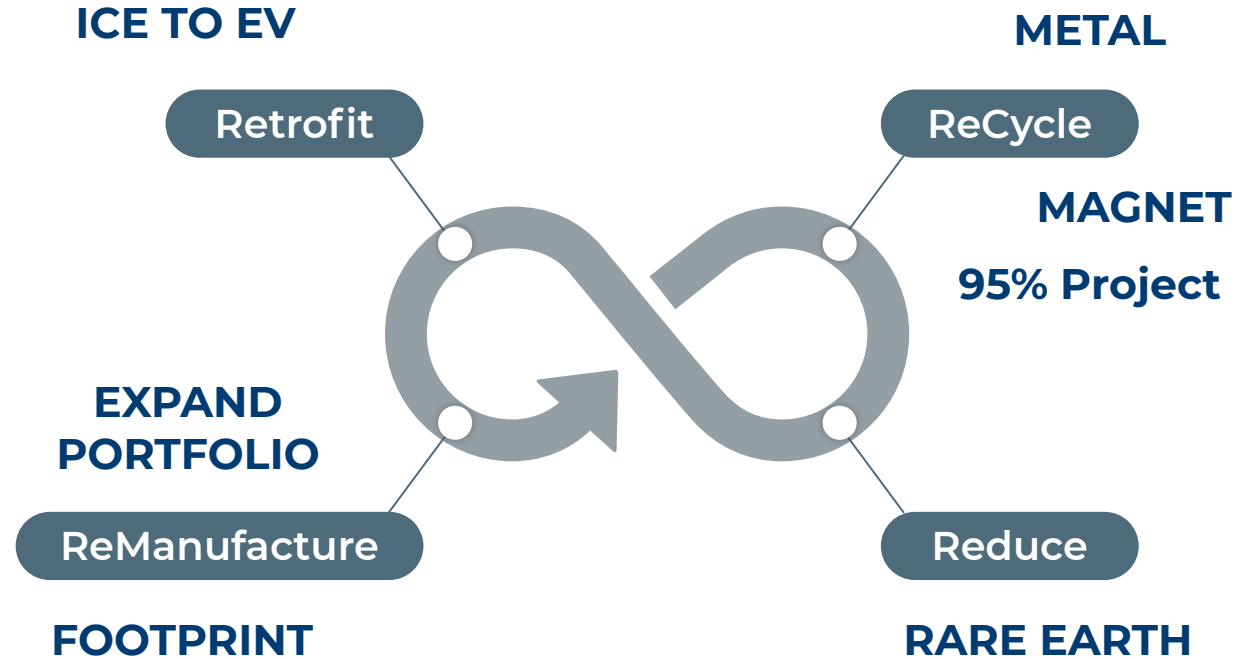


WE ARE PART OF AN EVOLVING ECOSYSTEM TOWARDS **LOW CARBON & SMART CITIES**





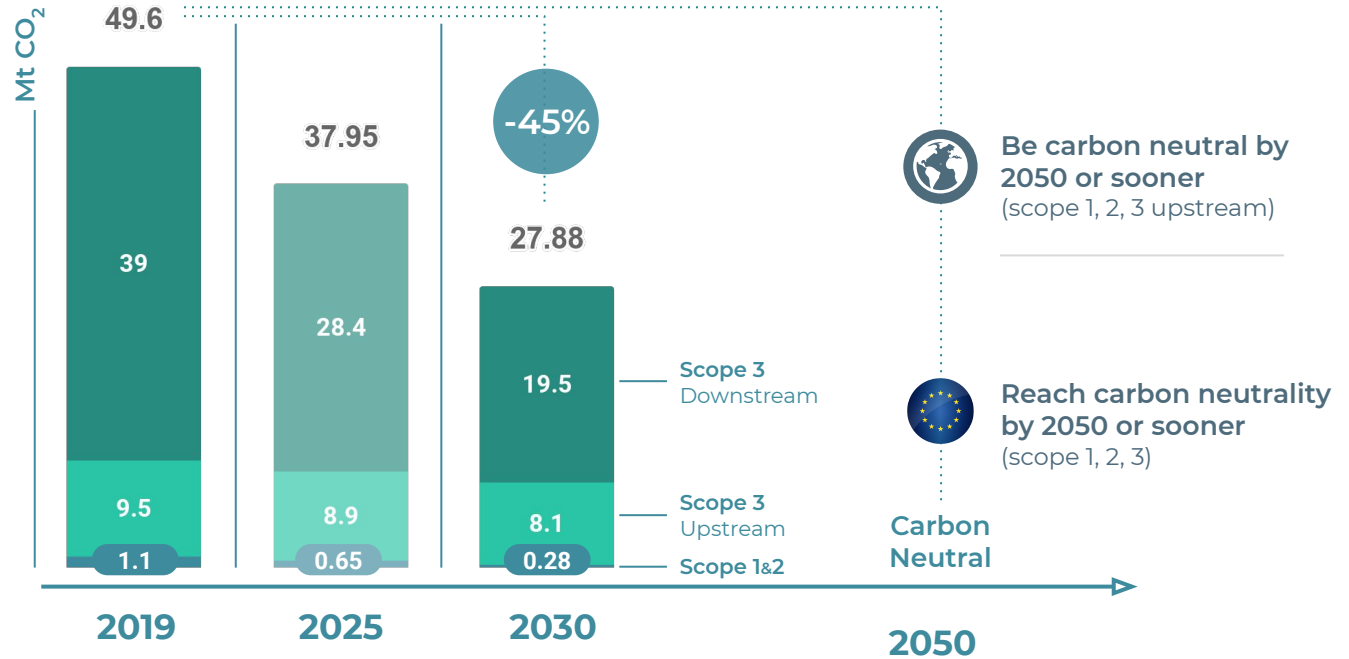
CIRCULAR ECONOMY AT THE CORE OF OUR STRATEGY ELECTRIFICATION RELIES ON SUSTAINABLE INITIATIVES





WE WILL GO CARBON NEUTRAL BY 2050

-45% ACHIEVED IN 2030



A LONG TERM SUSTAINABLE GROWTH STRATEGY ANNOUNCED TOWARDS 2050



Our target is clear:

**towards carbon
neutrality in 2050.**

**In 2030, we will be close
to half way through.**



Jacques Aschenbroich

Chairman & CEO
Valeo Carbon Neutral
Strategy Disclosure
February 2021

WE WALK OUR TALK:

From 2021, sustainability criteria are part of the variable compensation of more than **1,500** top managers

SAFE HARBOUR STATEMENT

Statements contained in this document, which are not historical fact, constitute “forward-looking statements”. These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo’s Management feels that the forward-looking statements are reasonable as at the date of this document, investors are put on notice that the forward-looking statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo’s control, which could cause actual results and events to differ materially from those expressed or projected in the forward-looking statements. Such factors include, among others, the Company’s ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the antitrust authorities as identified in the Universal Registration Document, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks, risks associated with the Covid-19 epidemic, as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (*Autorité des marchés financiers* – AMF), including those set out in the “Risk Factors” section of the 2019 Universal Registration Document registered with the AMF on April 28, 2020 (under number D.20-0385).

The Company assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this document. Valeo does not intend or assume any obligation to review or to confirm the estimates issued by analysts or to update any forward-looking statements to reflect events or circumstances which occur subsequent to the date of this document.



SMART TECHNOLOGY
FOR SMARTER MOBILITY