

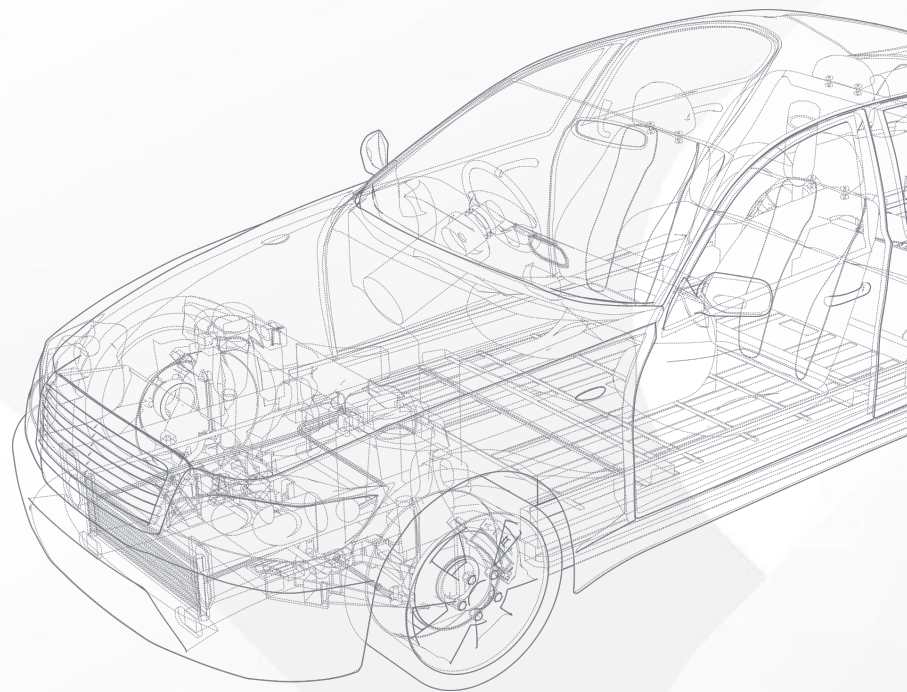


ESG Investor Presentation

Oddo BHF Breakfast

June 2024

SMART TECHNOLOGY FOR SMARTER MOBILITY



Safe harbour statement

Statements contained in this document which, when they 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, and product development and potential and 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 negotiated or imposed 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 related to the automotive equipment industry and to the development and launch of new products and risks due to certain global and regional economic conditions, environmental and industrial risks 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 2023 Universal Registration Document registered with the AMF on March 29, 2024 (under number D.24-0218).

In addition, other risks which are currently unidentified or considered to be non-material by the Group, could have the same adverse impact and investors could lose all or part of their investment. Forward-looking statements are given only as at the date of this document and Valeo does not undertake to update the forward-looking statements to reflect events or circumstances which occur subsequent to the publication of this document. Valeo 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 neither intends to review, nor will it confirm, any estimates issued by analysts.

01



Sustainable
Positioning



A summary of our sustainable positioning: purpose, technologies, market trends, taxonomie and ESG KPIs

02



Environmental
Strategy



Our climate strategy and targets validated by SBTi, and our contribution to carbon neutrality

03



Human
Capital



Attracting talent, in particular women & engineers, and insuring safe working conditions to our employees

04



Societal
Ecosystem



Our social policies and commitments with suppliers and local communities

05

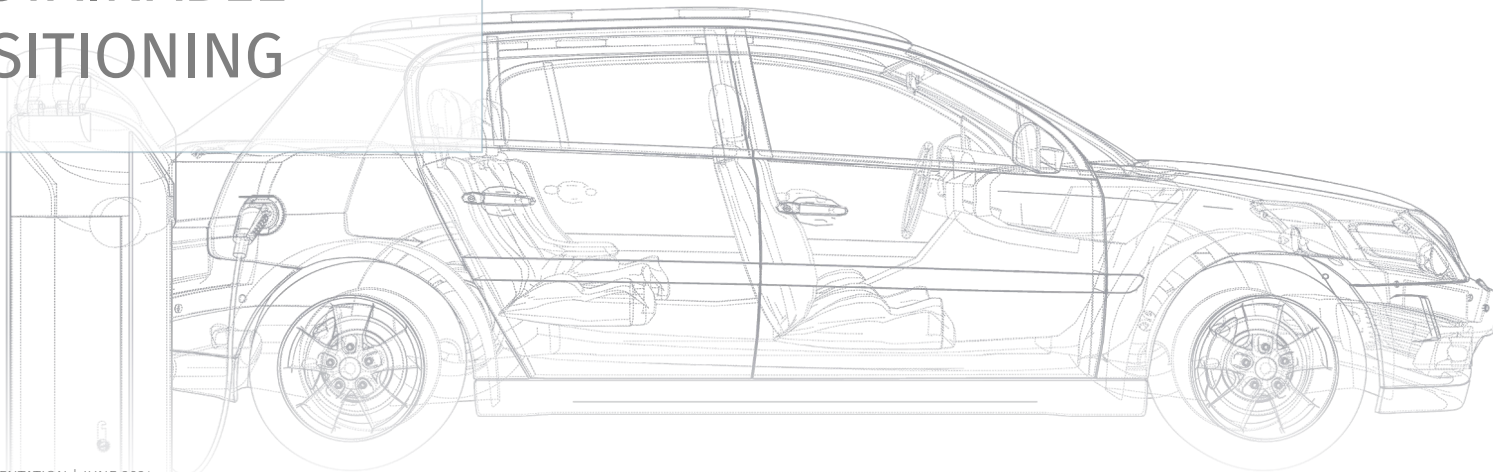


Responsible
Governance



A dual governance: an independent Board, with a Comex focused on the execution, and a dedicated CSR governance

01 SUSTAINABLE POSITIONING



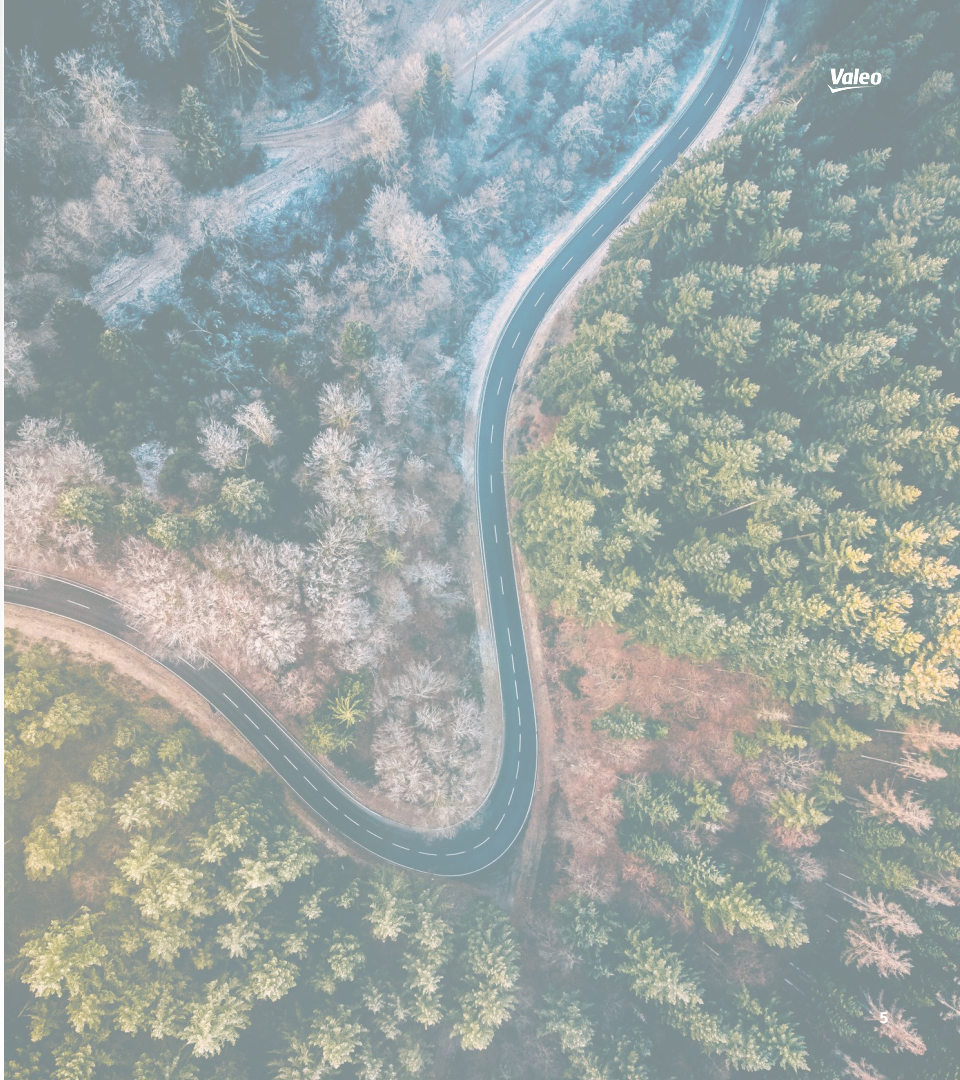
Our Corporate Purpose

**Valeo's ambition,
as a tech company, is to play
a major role in tomorrow's mobility.**

At the heart of today's environmental and social issues, future mobility must be greener, safer and more diverse. It must also contribute to the well-being and safety of citizens and consumers.

We will achieve our ambition thanks to our unique positioning and technological leadership in areas that are at the heart of the transformation of the automotive industry and sustainable mobility, across the globe.

This positioning and leadership are rooted in our expertise, innovations and operational excellence. They are driven by our values and business culture, oriented towards serving our customers, employees, shareholders and the regions in which we operate.



01

Valeo in a nutshell

€22.0bn

Total Sales

85%

OEM Sales

10%

Aftermarket

5%

Miscellaneous

112,740

employees

141 nationalities

175

plants

29 countries

66

R&D Centers

#1 French
worldwide
patent registrar

Move up Strategic Plan
with 2025 financial targets

ADAS & Electrification
Champion

ESG Strategy: 20 KPIs
with 2025/2030 targets

Leader in ESG ratings
Extra-financial agencies

3 Divisions *

2023 Total Sales in €bn

VALEO POWER

(former Powertrain + Thermal)

€11.6bn

VALEO BRAIN

(former Control and Driving Assistance)

€4.9bn

VALEO LIGHT

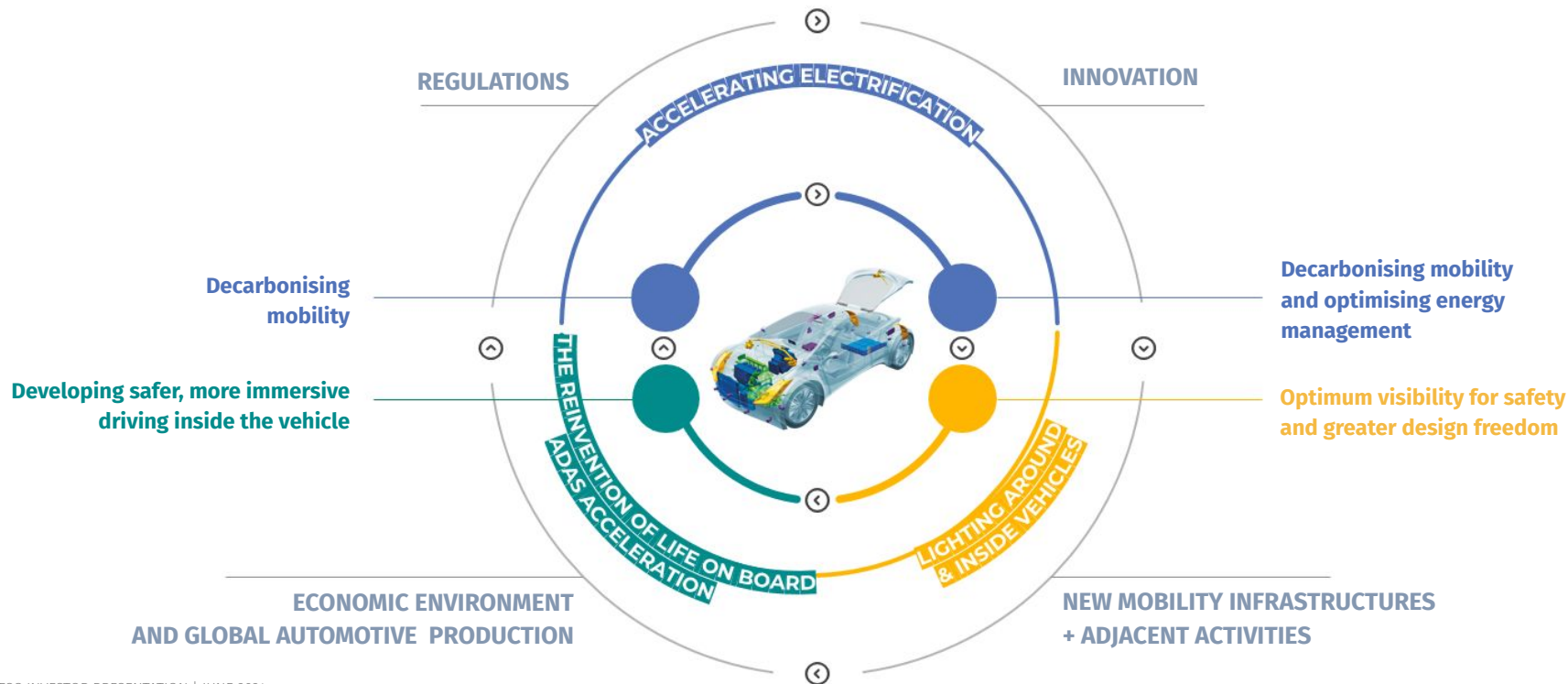
(former Visibility)

€5.5bn

* 2023 figures are not pro forma figures ; they are presented, as an estimation, only in a purpose of information, and are non audited.

Valeo is a powerful motor of this revolution

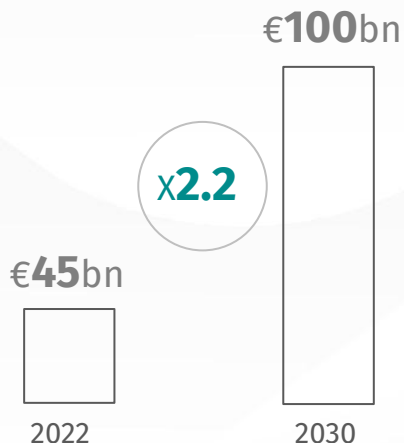
We are taking concrete and rapid actions to anticipate tomorrow



Automotive industry transformation: focus on 2 strong market trends

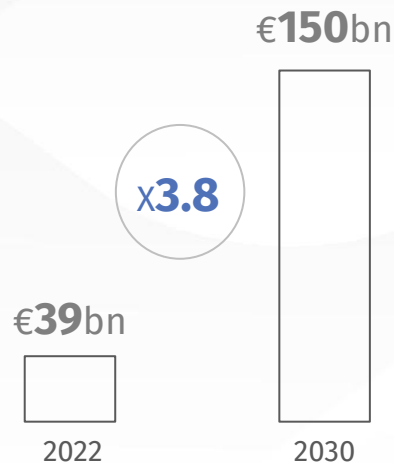
01

**Advanced Driving Assistance Systems
Software Defined Vehicle
Interior experience**



02

**Electrification
Systems market**



Valeo order intake
 (as of Dec. 31st, 2023)

Group **€34.9bn**

> 50%

Order intake related to
 ADAS, SDV and interior
 experience

€6bn

Order intake are related to
 high-voltage
 Electric Vehicle

Aftermarket and remanufacturing

A dynamic activity and a product diversification strategy, thanks to solid market trends:

- Growth and aging of the global vehicle fleet
- Expansion into new product categories and segments
- Geographic expansion into new markets

10% of Group 2023 Total Sales



Developing a remanufacturing sustainable and profitable business

- **VALEO 4R** circular economy framework
- Remanufacturing and eco-design, 7 sites worldwide
- All brands, 80% of parts reused, expanding to electronics

**1 million products remanufactured each year
Target of 2 million by 2030**

Aftermarket and remanufacturing performance is integrated within the Group

A well balanced footprint



20%*

North America

28 plants
8 R&D sites
19,331 employees



STELLANTIS



48%*

Europe

75 plants
34 R&D sites
55,230 employees



VOLKSWAGEN
AGRIENGESellschaft



Mercedes-Benz



RENAULT



NISSAN



MITSUBISHI



16%*

Asia excl. China

72 plants
24 R&D sites
38,179 employees



TOYOTA



HONDA

HYUNDAI
MOTOR GROUP



CHERY

BYD



Great Wall



16%*

China

31 plants
11 R&D sites
18,297 employees



SUZUKI



GEELY



Li Xiang

Sustainability is at the heart of Valeo's strategy

Green portfolio

A portfolio contributing to the decarbonisation of road mobility

- **21% of 2023 turnover is eligible** to and **European Taxonomy**, and **19% of this turnover is aligned with this regulation**
- **Green Financing Framework 2 Green Bonds** (Oct. 2023, April 2024) € 1.450 bn **for financing a sustainable portfolio** of technologies dedicated to the environmental transition

Sustainable ecosystems

Beyond operations, improving sustainability in the value chain & in ecosystems

- **Questionnaire** assessment on **6** sustainability topics, on **85%** of top-suppliers in spent value
- **On-site audits with a focus on highest-risk suppliers** (ASEAN, Electronics)
- **Fostering** the development of **ecosystems to prepare the industry of tomorrow**

Talent transformation

In the course of the transition

- **Cost-conscious R&D** with international **tech-center strategy**
- **Strong** implication in **Software Defined Vehicle**
- **Keeping innovation** at the top or priorities - **Valeo #1 French patent register worldwide**

01

Our technological solutions are sustainable

By innovating to support more sustainable mobility and the climate transition

With **60% of 2023 OEM Sales**, Valeo is assertively facilitating the transition to **cleaner, and safer mobility**.

Alternative Performance indicators*

Mobility cleaner 45%

Reducing new vehicle greenhouse gas emissions thanks to our electrification technologies



VALEO POWER



E-Motor



Power Electronics



Heat Pump



Battery Thermal Management

Mobility cleaner and safer 15%

Improving road safety thanks to our visibility technologies



VALEO LIGHT



Led-Illuminated Grilles

Mobility safer 31%

Improving road safety thanks to our driving assistance technologies



VALEO BRAIN



Ultrasonic Sensor



Interior Camera

* Alternative Performance indicators are internal operating reporting source, % of 2023 OEM Sales, please refer to 2023 URD page 243.

01 Exposure to European Taxonomy

2023 Figures

	Turnover	CapEx	OpEx
Taxonomy-eligible portion*	21%	14%	19%
Taxonomy-alignment portion	19%	13%	19%

* Categories : 3.4, 3.18, 3.6, 5.1 and 5.2. Please refer to URD 2023 pages 266 to 273.

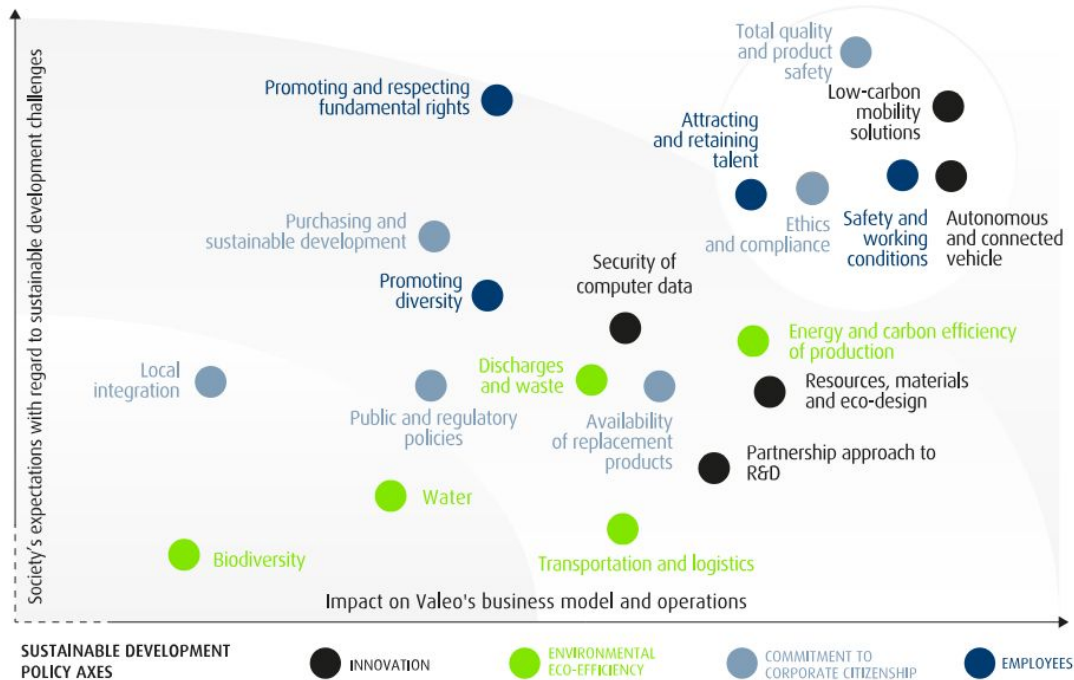
Valeo performed well in 2023, with alignment of **~100%** for each indicator (turnover, capital expenditure and operating expenses) relating to eligible activities under the climate change mitigation objective.

Taxonomy categories & contribution to objectives

- Valeo's activities covered by the Taxonomy include the **manufacture of automotive systems and components for electric mobility (categories 3.18) and other low-carbon manufacturing technologies (category 3.6) compared with the market reference**
- For examples:
 - all activities related **to electric vehicle battery management (Category 3.4, battery Thermal Management Systems),**
 - **components that are essential to the electric vehicle (Category 3.18, motor, inverter ...)**
 - **and other technologies that demonstrate a better carbon footprint (category 3.6, than the market benchmark) at vehicle level**
- Validated **by the auditors:** all the products and components eligible for the Taxonomy categories, as well as the figures (sales, capex and opex)

The Group has made reducing carbon emissions from mobility a strategic priority. With its electric vehicle solutions from powertrains to battery thermal management, the Group covers all low-carbon mobility segments and applications.

Materiality Matrix

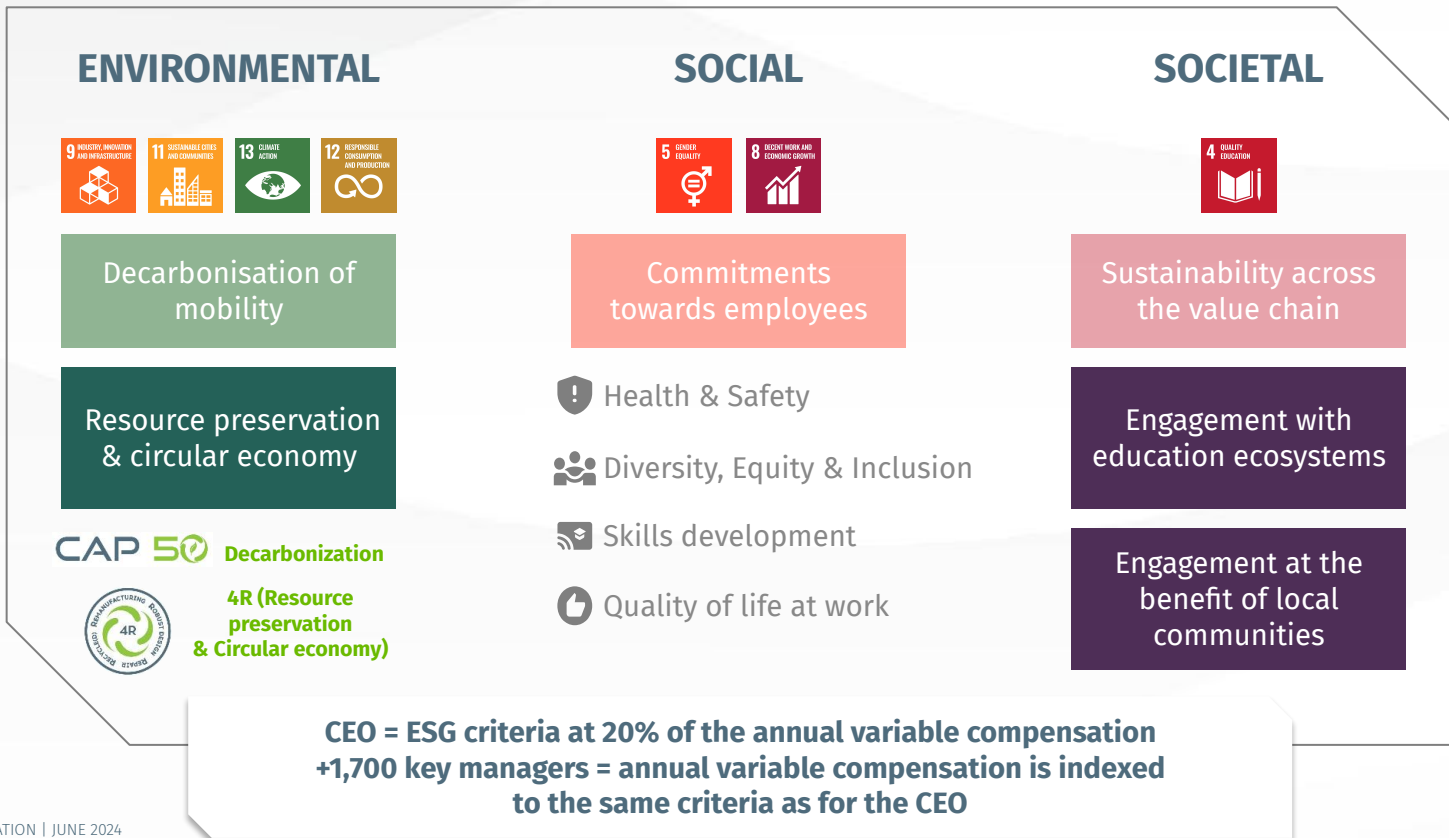


Double materiality matrix (CSRD)

- **Being finalized in the course of CSRD**
- **5 main topics are identified both in terms of impact & financial:**
 - climate change
 - circular economy
 - employees
 - consumer end users
 - business conduct

Please refer to URD 2023, page 196, for more detailed information.

Our 3 sustainable pillars, contributing to the 7 SDGs



2023 ESG performance, on track to achieve our 2025 objectives



Environmental footprint

CO2 emissions* (scopes 1, 2, 3)

-9% in absolute value

-20% intensity ratio (as a proportion of sales)

Taxonomy

100% alignment for each eligible indicator

Water consumption**

-18% in volume & New CDP Water **A** Rating



Gender diversity & Safety

Women in managers & engineers

25.5% (+1.4pts vs. 2022)

Women in the Group's various management committees

23.6% (+2.9pts vs. 2022)

Safety, FR1 indicator***

0.8 (vs. 1.1 in 2022)



Business practices towards end to end integrity

New, 2 revised Codes
code of business ethics
& business partners code of conduct

Compliance trainings
anti-corruption, anti-trust and
economic sanctions and export control

* Million of T CO2 eq., compared with 2019 reference year and including scope change

** Volume in cu.m, compared with 2019 reference year and including scope change

*** FR1: Accident frequency rate (FR1): number of accidents with lost time per million hours worked

20 Sustainable KPIs & targets 2025 and/or 2030

9 environmental indicators

Challenges	Environmental indicators	2019 Baseline	2023 Results	2025 Targets	2030 Targets
Carbon Neutrality Contribution Plan	Emissions from operating activities Scopes 1 & 2 (MtCO ₂ ep.)	1.1	0.65 -41%	0.65 -41%	0.28 -75%
	Emissions from purchased goods and services Upstream Scope 3 (MtCO ₂ ep.)	9.5	8.3 -12.6%	8.9 -6%	8.1 -15.0%
	Emissions from the use of Valeo products Downstream Scope 3 (MtCO ₂ ep.)	39.0	36.2 -7%	35.8 -8%	33.1 -15%
	Total Scopes 1,2 and 3 emissions (MtCO₂ep.)	49.6	45.2 -9%	45.3 -9%	41.4 -17%
Energy	Energy consumption as a proportion of sales (MWh/€m)	142	133	134	-30%
	Share of low carbon electricity purchased	5.5%	43.8%	50%	80%
Water Discharges and Waste	Water consumption as a proportion of sales (cu.m/€m)	197	148	185	-
	Production of hazardous and non-hazardous waste as a proportion of sales (t/€m)	16.4	12.7	15.0	-

Criterion included in the variable annual compensation of the Chief Executive Officer

Our levers for 2030 emissions reduction targets

Scopes 1 & 2, Scope 3 upstream & downstream

Scopes 1 & 2

Levers	2019 Data	2030 Target
Number of ISO 50001 certified sites *	18%	65%
% of low carbon electricity purchased	5.5%	80%
Scope 1&2 CO2 reduction vs 2019	na	-75%

400 m€
Green Capex
from 2020 to 2030

Scope 3 Upstream

Levers	2019 Data	2030 Target
Share (%) of production purchases with Sustainability practices assessed	80%	>90%
% supplier sustainability maturity Level 3	0%	80%
Scope 3 Upstream CO2 reduction vs 2019	na	-15%

Intensifying and deepening the supplier questionnaire sustainability

Scope 3 Downstream

Levers	2019 Data	2030 Target
Share of products contributing to the reduction of GHG-Greenhouse Gas emissions	57%	>50%
Scope 3 downstream CO2e SBTi reduction vs 2019	na	-15%

Working on establishing more ambitious target

2023-2019 Results: on track to achieve our 2030 targets



WATER CONSUMPTION

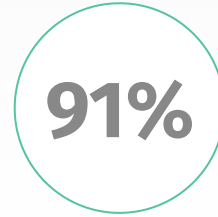


BETWEEN 2019 AND 2023
IN ABSOLUTE VALUE



BETWEEN 2019 AND 2023
IN ABSOLUTE VALUE

WASTE PRODUCTION



WASTE RECOVERED OR RECYCLED
IN 2023



BETWEEN 2019 AND 2023
AS A PROPORTION OF SALES



BETWEEN 2019 AND 2023
AS A PROPORTION OF SALES



BETWEEN 2019 AND 2023
AS A PROPORTION OF SALES



Decarbonation Mobility: 2023 highlights

SCOPE
1&2

CHINA
Shenyang
Solar panels



-3,444t
eq. CO₂ per year*

ASIA
Penang
Solar panels



-1,250t
eq. CO₂ per year*

NORTH AMERICA
Seymour
Elec Power units



-1,750t
eq. CO₂ per year*

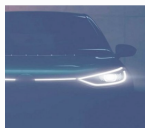
EUROPE
Fischbach
Biomass heating



-364t
eq. CO₂ per year*

SCOPE
3

Full halogen to full
LED technology



-40%
CO₂ emissions

Replaced steel & aluminum by organosheet

-30% weight reduction
-50% CO₂ emissions



=> In 2023, 60 recycled or biosourced
materials validated

20 Sustainable KPIs & targets

8 employee-related indicators

Challenges	Employee-related indicators	2019 Baseline	2023 Results	2025 Targets	2030 Targets
Health and Safety	Accident frequency rate (FR1)	1.9	0.8	<1	-
	Gender equity index	82 pts	88.9 pts	90 pts	-
	Percentage of women on the Group's management committees	16%	23.6%	24%	32%
	Percentage of sites run by local directors	78%	77%	>80%	-
	Percentage of employees with disabilities on Group payroll	2.1%	1.9%	2.5%	-
	Percentage of new hires under 25	20%	32%	>35%	-
Quality of worklife	Rate of compliance with the "Building a well-being environment" Employee Engagement roadmap	61%	53%	64% ⁽¹⁾	-
Skills	Number of hours of technical training (in thousands of hours)	1,743	5,026	3,000	-
<i>Criteria included in the compensation of the Chief Executive Officer</i>					

⁽¹⁾ The 2025 target of a 75% rate of achievement for the <Building a well-being environment= roadmap, launched in 2018, was reached at the beginning of 2023. In January 2023, the Involvement of Personnel axis was renamed <Employee Engagement=, and the <My well-being= roadmap was incorporated into the new axis, with a target rate of achievement of 64% by 2025. For a more detailed description of this transition, see section 4.3.4.2 of 2023 ValeoURD. It should also be noted that the 2019 result mentioned is that of the <Building a well-being environment= roadmap, which was calculated using a different methodology than the <My well-being= roadmap, and is therefore not comparable.

3 social indicators

Challenges	Employee-related indicators	2019 Baseline	2023 Results	2025 Targets	2030 Targets
Purchasing and Sustainable Development	Share of production purchases for which the suppliers' sustainable development practices were assessed during the year (% of total purchases)	80%	85%	82%	-
Local Integration	Organization of initiatives and events by the Valeo sites with educational and vocational training institutions (in % of sites)	68%	73%	85%	-
Local Communities	Share of sites participating in the "One plant, One initiative program"	50%	64%	100%	-

Best practices in Corporate Governance

1

Dual governance

- Separation of Chairman & CEO roles*
- Independent Chairman of the Board**
- CEO appointed*, previously Deputy Chief Executive Officer

2

Independence & Diversity of the Board

- 15 members⁽¹⁾
- 92% of independent members⁽¹⁾⁽²⁾⁽⁵⁾
- 42% of women⁽¹⁾⁽³⁾⁽⁴⁾
- 5 Nationalities⁽¹⁾
- 98% attendance rate⁽³⁾

3

Specialized Committees & CSR incentive

- 4 Committees under the supervision of the Board
 - Governance, Appointments & CSR
 - Audit & Risks
 - Strategy
 - Compensation
- CEO and +1700 key managers annual variable compensation is indexed on CSR criteria at 20%

* Since 26 January 2022. ** 1st January 2023

(1) May 23, 2024

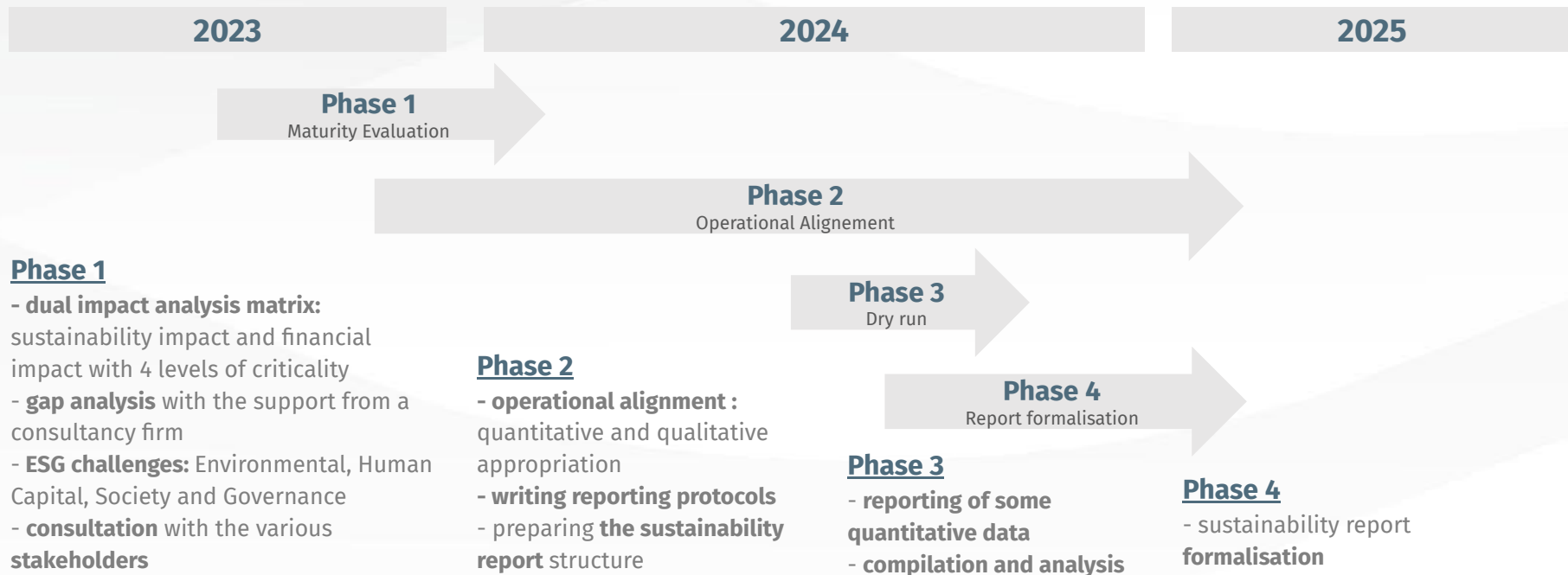
(2) In accordance with the recommendations in Article 10.3 of the AFEP-MEDEF Code, directors representing employees and employee shareholders do not count toward the number of independent directors.

(3) At December 31, 2023 and rounded to the nearest percentage

(4) In accordance with Articles L.225-23 and 225-27-1 of the French Commercial Code, directors representing employees and employee shareholders do not count for the purpose of determining the proportion of men and women on the Board.

(5) Rounded to the nearest percentage.

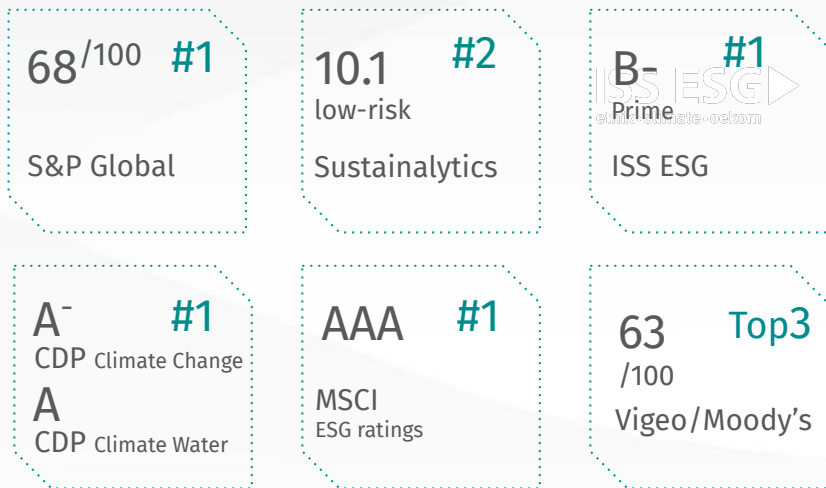
Preparing actively the new CSRD Disclosure



- **AGM May 2024:** Appointment of Mazars, auditor in charge of the certification of sustainability information
- **Annual Variable compensation of CEO:** Deployment of Group CSRD reporting process is a criterion

ESG Investor

Leader in ESG ratings*, extra-financial agencies



Staying ahead of market practices

- Decarbonisation plan (CAP 50 Plan)
- Climate strategy
- Circularity program
- European Taxonomy
- Transparency and disclosure (TCFD)

Valeo is included in major ESG indices*



To conclude

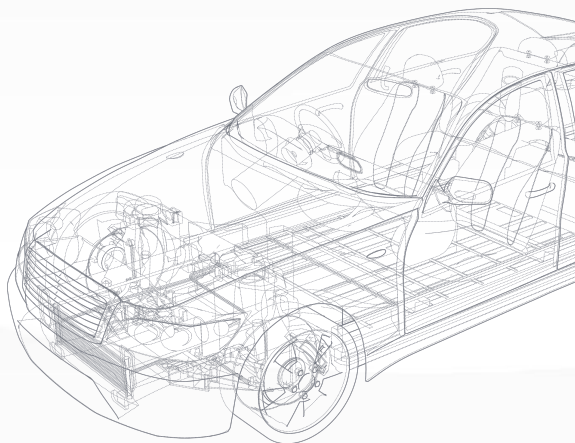
Valeo is



**A unique positioning
towards a more greener
and safer mobility**



**Fully committed to the
transition**



Valeo gets

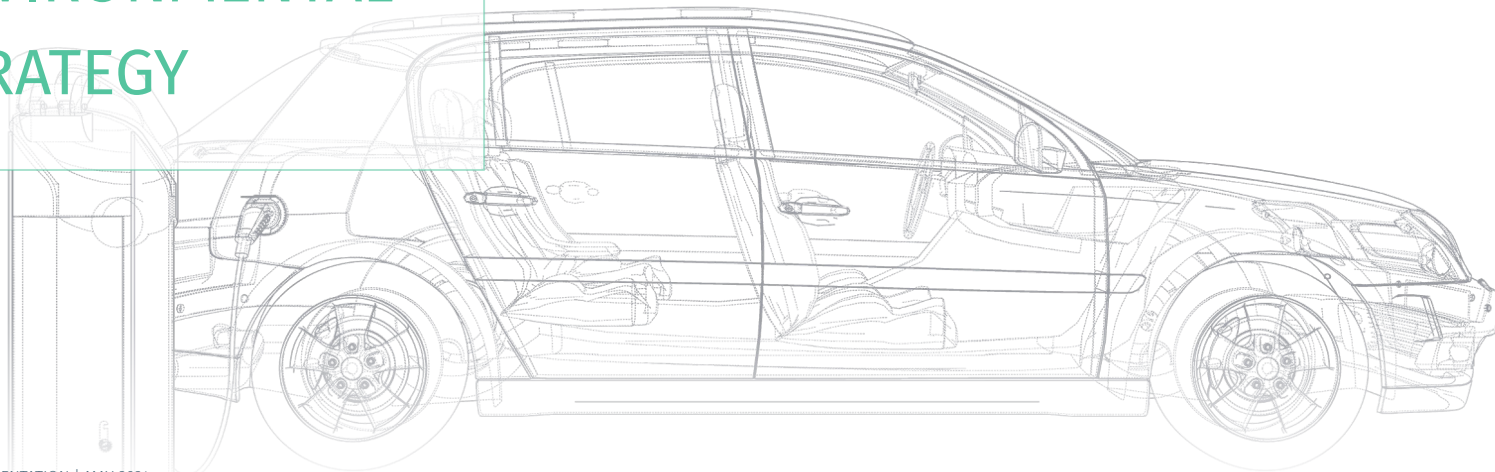


**A virtuous circle between
Finance and Sustainability**



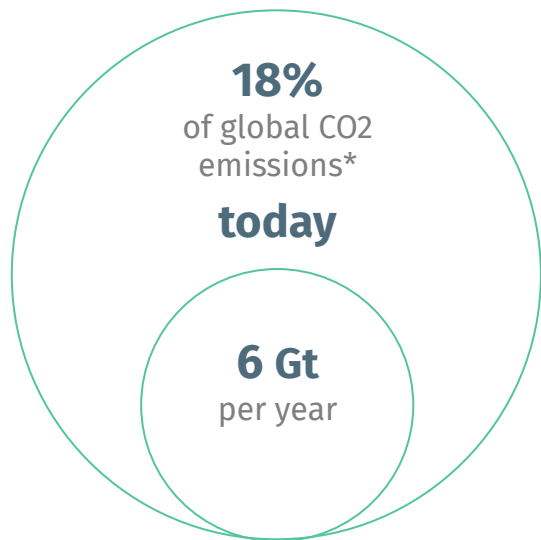
**Ready for the sustainability
challenges of tomorrow**

02 ENVIRONMENTAL STRATEGY



Taking action against climate change

The automotive sector has a key role to play in the fight against climate change



*Source: Road mobility, August 1, 2022, By Timo Möller and Patrick Schaufuss, & Répartition sectorielle des émissions de CO2 dans le monde, Ministère de la transition écologique

Our industry turned the corner on decarbonisation: e-mobility

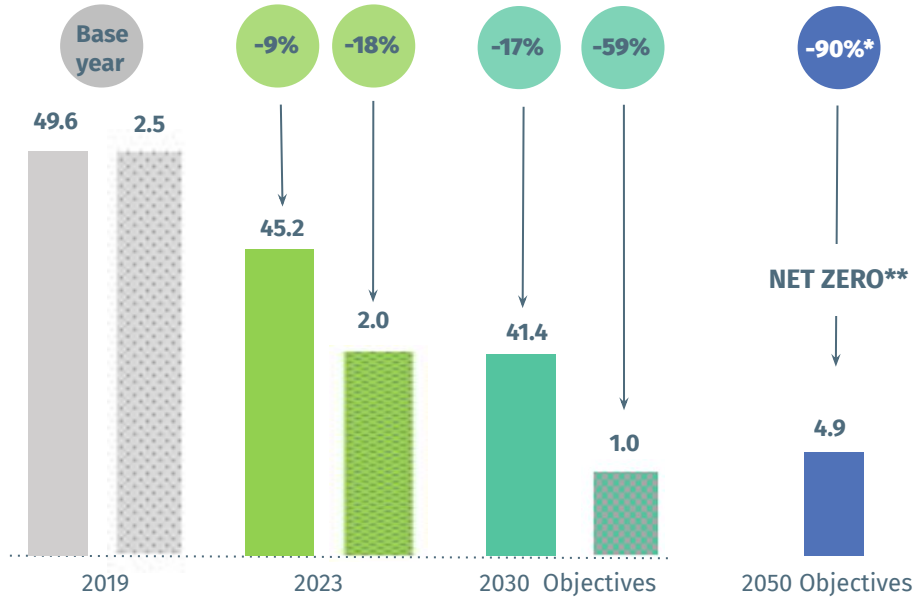


* Source Valeo

** Battery Electric Vehicle, Plug In Hybrid Vehicle, Full Hybrid Vehicle

Cap 50 Plan: Our carbon reduction plan

SBTi Valeo's GHG emissions reduction targets on Scopes 1, 2 and 3



Absolute data



Intensity data



* 10% residual emissions of 2019 baseline and neutralised.
 ** Submitted for SBTi approval in January 2024.

2030 Targets (vs 2019)

Scopes 1&2

Absolute data

-75%

Scope 3

-15%

Upstream

Scope 3

-15%

Downstream

Intensity data

Scopes 1&2

-88%

Scope 3

-59%

Upstream

Scope 3

-59%

Downstream

CAP 50



SCIENCE
BASED
TARGETS

BUSINESS
AMBITION FOR 1.5°C

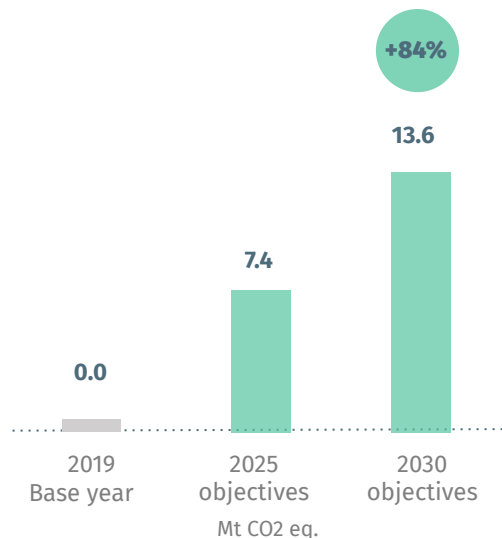


- becoming carbon neutral by 2050 in all of its operating activities and across its supply chain worldwide (Scopes 1 & 2, and upstream Scope 3)
- achieving 100% carbon neutrality in Europe (Scopes 1, 2 and 3, including the end use of its products)

02

Emissions avoided by third parties, thanks to Valeo Technologies

Valeo's technologies are expected to **enable third parties to avoid 13.6 MtCO₂eq.** of GHG emissions, or **27% of** 2019 baseline emissions



Positive impact of avoided emissions by third parties

As a **developer of electrification technologies** that are key for the decarbonization of mobility, **Valeo's objective was to highlight the benefits of these solutions in terms of greenhouse gas emissions reductions** (downstream Scope 3, related to the use of Valeo products). **Valeo refers to these benefits as "emissions avoided by third parties", or "avoided emissions".**

The methodology developed by the **Science Based Targets initiative (SBTi)** does not currently allow for emissions avoided by third parties.

However, this does not call into question their positive contribution.

02

CO2 emissions figures

A continuous achievement of annual greenhouse gas emissions targets, each year since the plan has been set up

KtCO2eq.	2019	2020	2021	2022	2023
Scope 1	196	171	193	191	186
Scope 2 (including renewable energy purchases)	966	460	582	517	464
Scope 3 Upstream (purchased goods and services, and transportation and distribution)	9,479	8,521	8,617	8,697	8,317
Scope 3 Downstream (use of sold products)	39,000	30,800	36,845	35,814	36,200
Total emissions (Scope 1,2 and 3)	49,64	39,952	46,237	45,220	45,168
Target Scopes 1,2 & 3 Annual greenhouse gas emissions	49,64	48,883	48,143	47,397	46,684
Achievement of the annual target		Yes	Yes	Yes	Yes

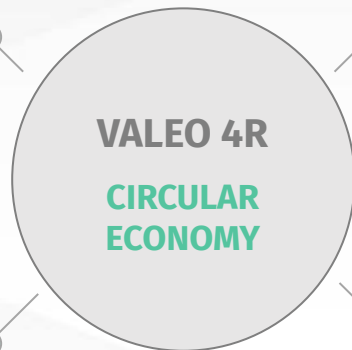
Circular economy: Valeo 4R program

ROBUST DESIGN

Maximize product lifespan

RECYCLE(D)

As last resort, to go back to raw materials to reuse in new products



REPAIR

Give second chance to dysfunctional products

REMANUFACTURING

Reuse end of life products to rebuild them as new

The program addresses the full range of circularity issues. In particular, the approach focuses on:

- preventing, managing and recycling process **waste**
- collecting **damaged or obsolete assembled products** from across the Group
- reusing **packaging materials**
- and sustainably using resources, with policies and action plans covering **water use** and supply and the **more efficient use fewer raw materials**

The 4R program is proving to be most impactful in the development of Valeo's **Aftermarket business**. Valeo is committed to gradually extending its 4R program to **all its geographies and to all products including electronics**.

A commitment spanning the entire value chain

Valeo has 7 major initiatives to significantly reduce its carbon emissions across its entire value chain



Green and sustainability-linked financing framework overview

(October 2023)

Green Financing Framework

Use of Proceeds

Clean Transportation
Renewable Energy
Energy Efficiency
Sustainable Water and
wastewater management
Circular Economy

Project evaluation and selection

Green Financing Working Group
overseeing the Financing
Program

Management of proceeds

Full allocation within 2 years
after issuance and
possibility of refinancing

Reporting

Annual publication of
allocation and impact
reports until full allocation

Sustainability-Linked Financing Framework

Selection of KPIs

KPI 1: Valeo's total adjusted carbon footprint
(Scopes 1, 2 & 3 GHG emissions)

KPI 2: Share of production purchases from which suppliers are
subject to the evaluation of their sustainable development
practices over the year

Calibration of SPTs

SPT 1: Reduce absolute adjusted carbon footprint to 37.95M
CO₂eq tons in 2025 and 27.88M CO₂eq tons in 2030

SPT 2: 82% of the Group's production purchases comes from
suppliers whose ESG practices have been assessed in 2025 and
86% in 2030

Financial characteristics

The financial and/or structural characteristics may vary if the
SPT(s) is (are) not achieved as of the relevant Target
Observation Date(s) or if Valeo fails to comply with reporting
and verification obligations

Reporting

Public annual reporting to calculate or observe the
performance of KPIs until maturity of the instruments

Verification

Pre-issuance review by ISS ESG
Post-issuance independent and external verification

Second Party Opinion



Alignment with market standards



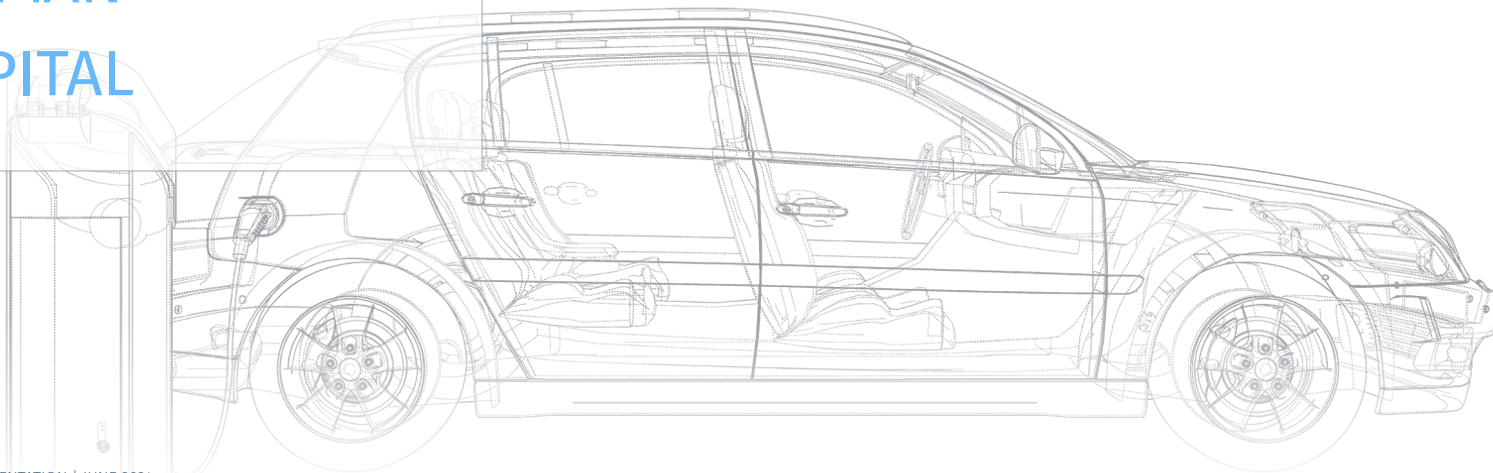
EU Taxonomy

Following EU Taxonomy's TSC for a substantial
contribution to climate change mitigation for 2
clean transportation sub-categories:
"Development of zero emission technologies"
and "Smart mobility"

Positive contribution to UN SDGs



03 HUMAN CAPITAL



03

Human capital mission

Chief Human Resources Officer, a member of the Executive Committee, is in charge of the HR policy

TOP 4 priorities of the human resources policy:

- **safety** and **working** conditions
- **attracting** and **retaining** talent
- promoting **diversity, equity and inclusion**
- respecting and promoting **fundamental rights**

5 dedicated targets on:

- **accident frequency**
- **women representation & gender equity index**
- **new hires under 25**
- **employee engagement**
- **technical training hours**

03

Human capital in a nutshell

112,740 employees, 141 nationalities

19,376 engineers, of which +9,000 software engineers

Training & Accident Rate

93% employees trained

24 hours of training / employee

2.5 m of hours of training

0.8 accident rate (FR1)

Turnover & Engagement

7.2% voluntary turnover rate of Managers & professionals

7.1 engagement score

53.4% employee shareholders

Quality of life at Work

54.8% working From Home Managers & Professionals

91% plants implemented 1 action of QLW

75% plants promote sporting activities

13,643 employees trained on awareness of QLW

03

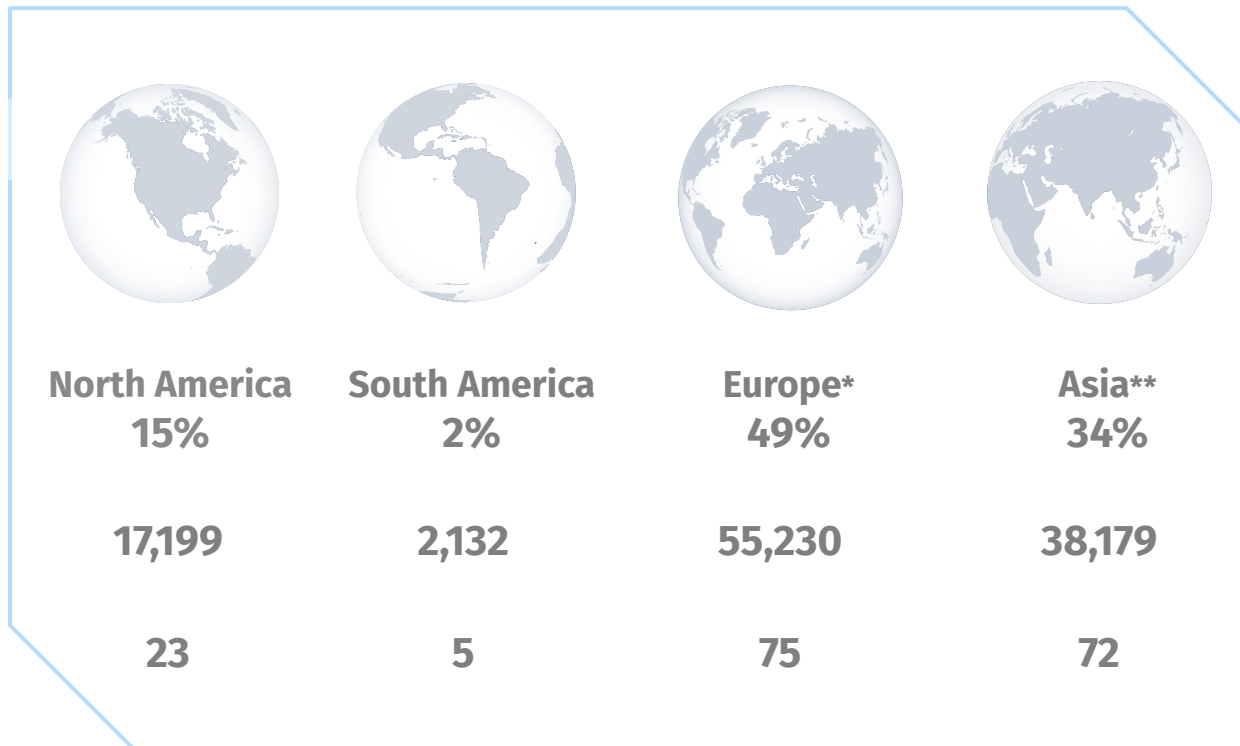
Our geographical footprint

Worldwide

% of headcount

Employees 112,740

Plants 175



03

Research & Development

€2.6bn

dedicated to R&D effort

19,376

Engineers

+9,000

Software Engineers

19

Research centers

47

Development centers

EUROPE

(including Africa)

16 Research centers
18 Development centers

ASIA

(including, China, the Middle East & Oceania)

3 Research centers
21 Development centers

NORTH AMERICA

6 Development centers

SOUTH AMERICA

2 Development centers



Women representation

Tackling the sectoral legacy of women's under-representation

23.6%

in 2023

Percentage of women on
the Group's various
management
committees

target of

32% in 2030

x2

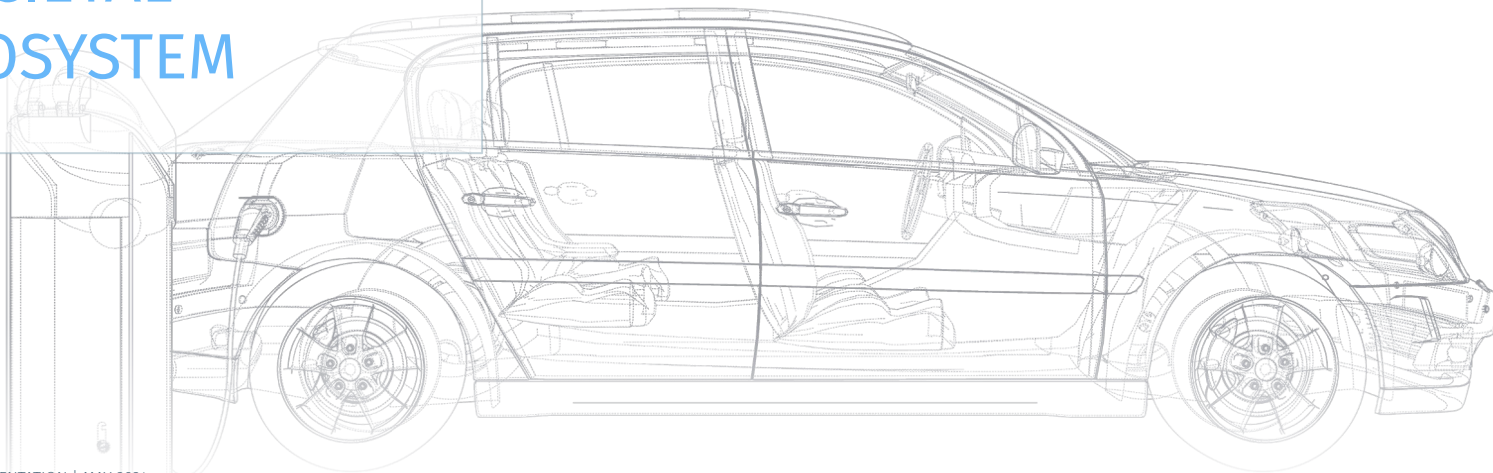
from 16% in 2019

	2021	2022	2023	
Key Indicators	Women in headcount (%)	32.4	31.8	33.1
	Women in new hires (%)	36.0	35.5	37.1
	Gender equality index (pts)	86.3	87.9	88.9
Women per socio-professional category	Managers & Professionals (%)	23.7	24.1	25.5
	Technicals (%)	24.2	24.7	26.0
	Operators (%)	39.6	39.2	40.4

“Elles bougent”

Valeo is committed to promoting industrial jobs among women. Valeo maintains its well-established link with Elles Bougent, an association whose purpose is to promote gender equality and diversity in companies in the industrial and technological sectors. Several projects have been carried out in collaboration with the association, and other partners, on the promotion of the place of women in the industry. On June 15, 2023, in partnership with Elles Bougent, Valeo organized the first edition of “Valeo Recruits Women recruitment forum” at their headquarters aimed exclusively at women.

04 SOCIETAL ECOSYSTEM



04

Supporting suppliers in sustainable development best practices

Supplier self-assessments questionnaire:

52 questions divided into 6 equally categories



Environment & carbon
(12 questions)



Health & safety
(8 questions)



Governance
(8 questions)



Working conditions & human rights
(14 questions)



Business ethics
(4 questions)



Management of own suppliers
(6 questions)

Example below of supplier assessment result



2023 Results of assessments of suppliers

Coverage of **85%** of the Group's production purchases

Closer monitoring of the level of supplier maturity relating to the greenhouse gas emissions reduction criteria but not only, for example, the assessment found that:

> 70% calculate and report their carbon footprint, including CDP report when available

> 70% have a resource and waste management program

> 90% have written a labor policy

On-site audits on top and highest risk suppliers

1,986 suppliers = **95%** of purchased production

10 largest suppliers = **14.3%** of total purchases

04

A proactive commitment to local communities

Action at sites level

Valeo has a policy of encouraging its sites to take responsibility and to support local initiatives around the world.

Valeo has set the following guidelines to commit to building local ecosystems by:

- **forming partnerships** with the world of education and local training
- **participating in the structuring and existence of local research ecosystems**
- **promoting initiatives in favor of and alongside local populations**

Action at country level

Valeo, a partner in academic research in social fields, in addition to research for the development of its technological mobility solutions

- EHESS France-Japan Foundation
- IFRI (French Institute of International Relations)

Commitment

Partners

Focus of the initiatives

Action with local communities

- Local populations
- Local governments
- Local schools (primary/secondary)
- Higher education and research organizations

- Support for local economic fabric and development
- Partnerships with the world of education and local training
- **Partnerships with the local research ecosystem**

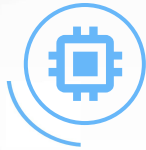
Action with local populations

- Local populations


- Dialogue with local stakeholders
- Solidarity initiatives through donations to local populations

A proactive commitment to research & innovation ecosystems

Collaboration with academic & research institutes, fostering ecosystems and accelerating innovation, for mobility and way beyond the automotive industry.



Software & Electronics

Valeo is in the Private
Member Board of the  ChipsJU

Connected, cooperative & automated mobility

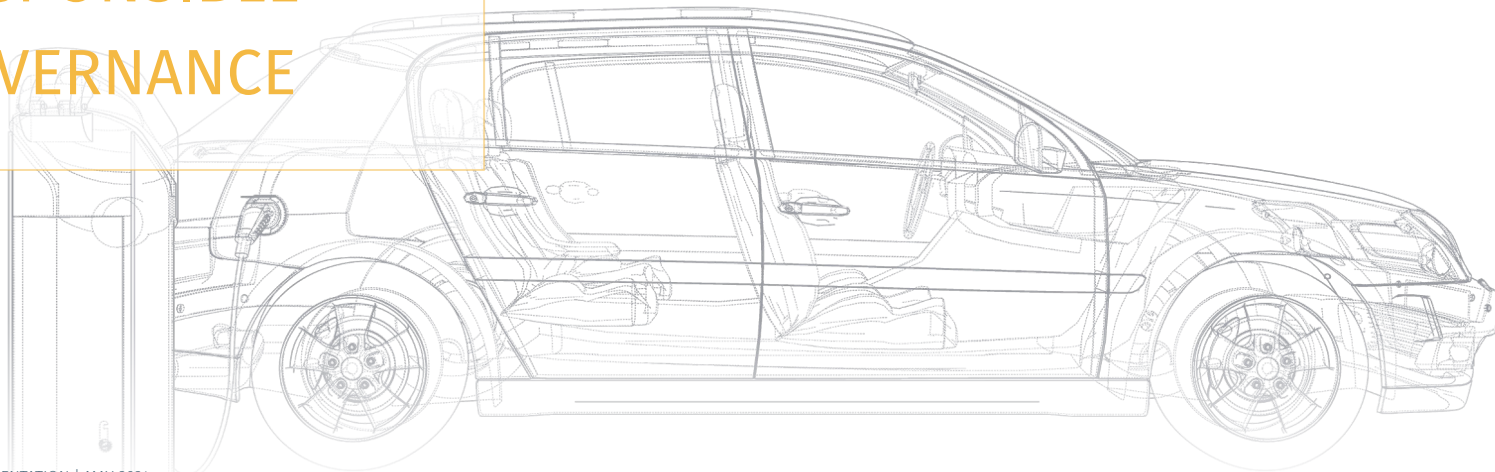


Electrification technologies

Advanced materials research



05 RESPONSIBLE GOVERNANCE



05

Board of Directors

Mission of the Board

The Board of Directors determines Valeo’s business strategies and ensures that they are implemented effectively

In line with best market practices, the roles of Chairman of the Board of Directors and Chief Executive Officer were separated

15
Directors
(23 May 2024)

5
Nationalities
(23 May 2024)

92%⁽¹⁾⁽³⁾
Independent
Directors
(23 May 2024)

42%⁽²⁾⁽³⁾
Women
(23 May 2024)

10
Meetings

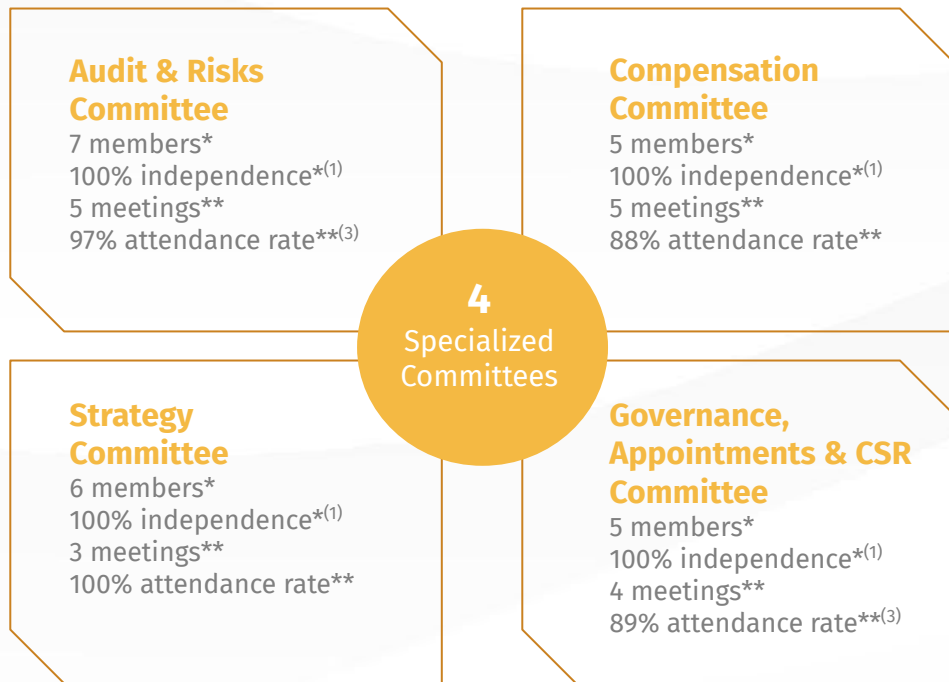
98%⁽³⁾
Attendance Rate

(1) Directors representing employees and employee shareholders do not count, in accordance with the recommendation of the AFEP-MEDEF Code.

(2) Directors representing employees and employee shareholders do not count, in accordance with the French Commercial Code.

(3) Rounded to the nearest.

The Board of Directors has set up **4 Committees** to make recommendations on key matters, improve its operating procedures



* 23 May 2024 ** 31 Dec. 2023

Risks are mapped using a global, iterative approach involving several stages:

- **identification:** their causes and consequences are analyzed using various methods, including interviews with key stakeholders
- **prioritization:** based on their assessed net impact and probability of occurrence
- **management:** action plans are prepared and controls implemented with the aim of continually improving risk management and limiting the impact and/or likelihood of occurrence of said risks as much as possible
- **review:** the risk map is reviewed and updated at regular intervals

Risk categories	Risk factors	Criticality
Strategy risks	Risk related to automotive equipment industry	●
	Risk related to attracting and retaining talent	●
Operational risks	Risk related to the development and launch of new products	●
	Risks related to the quality and safety of products and services sold	●
	Cybersecurity	●
Financial risks	Supplier and supply chain failure risk	●
	Risks related to an increase in operating costs	●
	Foreign currency risk	●

Criticality ● High ● Medium

A comprehensive **ethical** and **compliance** process with:

The engaged commitment of executive management:

- a Code of Business Ethics
- precise, explicit compliance programs
- multilingual tools and guidelines available to employees
- annual e-learning courses
- targeted classroom or online awareness-building sessions
- a Compliance Office and a network of Compliance Champions and Data Protection Champions by country, Business Group and function
- a whistleblowing system based on a global online platform and a network of corporate and local correspondents

~100%

of new hires have acknowledged reception of the code of business ethics

86%

of new employees followed and passed the induction to compliance program module

~100%

of the employees concerned completed the annual anti-corruption training module

Chief Ethics, Compliance and Data Protection Officer, member of the Executive Committee

05

Executive committee (as of April 2024)

A tight team of twelve experienced leaders



From left to right:

Catherine Delhaye, Chief Ethics, Compliance and Data Protection Officer

Marc Guédon, Chief Purchasing Officer

Detlef Juerss, Chief Sales & Business Development Officer

Xavier Dupont, CEO of Valeo Power Division & Group Executive Vice President

Éric Antoine Fredette, Group General Counsel and General Secretary

Maurizio Martinelli, CEO of Valeo Light Division & Group Executive Vice President

Edouard de Pirey, Chief Financial Officer

Éric Schuler, CEO of Valeo Service Activity

Agnès Park, Group Chief Human Resources Officer

François Marion, Chief Communications Officer

Christophe Périllat, Chief Executive Officer

Marc Vrecko, CEO of Valeo Brain Division & Group Executive Vice President

05

Compensation structure

Annual 2024 compensation

Target structure of the Chief Executive Officer

The Chief Executive Officer's 2024 compensation, as defined in the 2024 compensation policy⁽¹⁾, breaks down as follows: **24% fixed** compensation and **28% variable** compensation, representing annual short-term compensation; **48% performance shares**, representing long-term compensation. In this way, **76% of the Chief Executive Officer's compensation is subject to performance conditions.**

CEO = ESG criteria at 20% of the annual variable compensation
+1,700 key managers = annual variable compensation is indexed to the same criteria as for the CEO

Annual variable compensation - Criteria

(max. 120% of fixed compensation)

Criteria weight

(up to 100%)

Quantifiable	Ebit	18%	58%
	Free Cash Flow	18%	
	Net Income	16%	
Qualitative	Net debt/EBITDA	18%	22%
	Strategic vision	14%	
CSR Employee Related	Risk management	12%	10%
	Safety performance		
	Gender equity index		
	Deployment of a Group CSRD reporting process	12%	
CAP 50 Plan	Reduction trajectory of CO2 emissions in line with CAP 50 Plan	12%	10%

Performance Shares - Criteria

(max. 200% of fixed compensation)

Criteria weight

(up to 100%)

Internal performance	ROCE	30%	60%
	EBIT	30%	
External performance	Total shareholder return	10%	20%
	CAC 40 and Sector Index	10%	
CSR Diversity	Women on the different Group management committees		10%
CAP 50 Plan	Reduction trajectory of CO2 emissions in line with CAP 50 Plan		10%

Valeo's Sustainable Development governance

Governance, Appointments & Corporate Social Responsibility Committee

- **Role of Sustainable Development and External Affairs Department:** piloting and coordinating for the Group's departments, by lawing down policies, and performing risk management mapping
- **Strengthening collaboration** in the context of CRSD between **the Audit & Risks Committee and the Governance, Appointments and Corporate Social Responsibility Committee (GACSR)** understanding the risks and issues
- **Reviewing the main impulses of the Group's CSR policies, overseeing their implementation, and assessing the Group's contribution to sustainable development**
- **Identifying CSR objectives** and challenges, and **verifying the achievement of objectives**
- **Issues are covered** by the GACSR Committee and Audit & Risks Committee **several times a year and on demand in case of needed**

CAP 50 Plan Governance

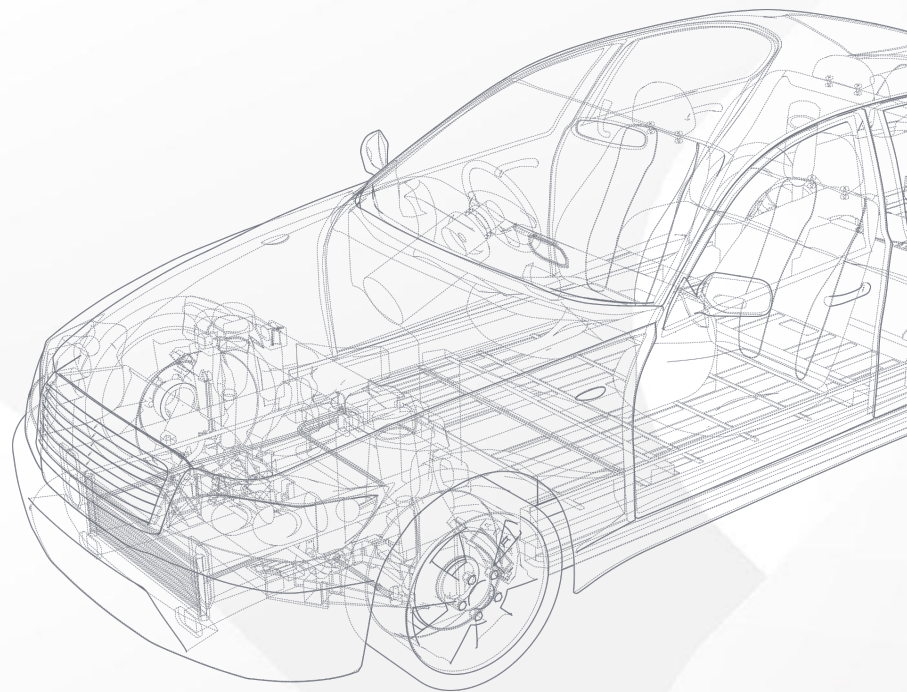
A CAP 50 governance system has been set up to ensure effective plan rollout at all levels of the Group:

- The **Strategy committee** is the steering body for the CAP 50 plan, setting the priorities and objectives
- The **R&D committee** brings together the R&D departments of Valeo's four Business Groups
- The **Industrial committee** defines and steers action plans aimed at both controlling and reducing Scopes 1 and 2 GHG emissions
- The **Materials Committee** acts as a bridge between Purchasing and R&D, ensuring the low-carbon materials purchasing strategy and product eco-design strategy are consistent
- The **Circular Economy Committee** leads the work of the R&D, marketing and industrial networks on second life solutions for products – remanufacturing and aftermarket

Chief Financial Officer supervises the Sustainable Development and External Affairs Department*



ESG Investor Presentation



SMART TECHNOLOGY FOR SMARTER MOBILITY