



Sustainability Supplier Assessment Criteria

Valeo's strong commitment to society is demonstrated through initiatives that have a positive impact on its business sector, its ecosystems and the local community.

Valeo's actions covering the upstream steps of its supply chain are an integral part of its commitment to society as a corporate citizen. Aware of the diversity and increasing complexity of the companies that make up its value chains, the Group carefully measures the sustainable development practices of its suppliers, via surveys and audits. It then sets them objectives in line with its own commitments.

Embracing the future of sustainable manufacturing, Valeo's CAP 50 plan has been defined in line with the CO2 emission reduction trajectories, defined in the Paris Agreements, to limit the rise in temperature to 1.5°C above pre-industrial levels. The 2030 targets for GHG Protocol Scopes 1, 2 and 3 (upstream and downstream) are defined according to the Science-Based Targets initiative (SBTi) guidelines and have been validated by this initiative.

Surveys

The Group's Purchasing Network is committed to deploying Valeo's sustainable development strategy across the entire supplier base. This is performed through 3 main axes:

- Monitoring the implementation of sustainability principles by our suppliers through the Sustainability Self Assessment Questionnaire (SAQ).
 - The questionnaire is sent to more than 80% of our Supplier Panel in spent and contains specific questions aimed at measuring suppliers' commitment towards the environment.
 - Topics covered include Biodiversity, Climate, Human Rights, Labor Rights, Organisational Commitment, Data Protection, Diversity & Inclusion, Product Stewardship, Resilience and Resource Use.
- Collection of Environmental Supplier Performance through CDP (Carbon Disclosure Project), a global non-profit specialized in environmental reporting.
- A dedicated focus on CO2 emission savings identification at the product level or category of purchase, through the determination of concrete actions at:
 - Commodity or Segment Level by Match Pairs (Purchasing and R&D); and
 - Platform Project Level by Division CAP 50 Managers.



Audits & Training

Valeo conducts targeted audits in Europe, Asia and North America to provide suppliers with a new dimension of support in their sustainable development approach.

Valeo's sustainable development requirements are systematically set out in agreements with suppliers. Suppliers are required to not only align their objectives with the Group's commitments, but also pass on these requirements to their own value chains.

Valeo has also created some training tools for its suppliers to help them ramp up their skills in sustainable development, with a particular focus on reducing greenhouse gas emissions.