



2024 INTEGRATED REPORT

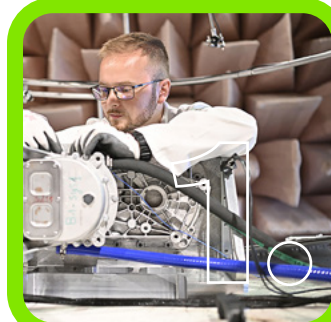
SMART TECHNOLOGY FOR SMARTER MOBILITY

For the tenth year running, Valeo has elected to use integrated reporting to present its purpose and business model.

From the vantage point of Group strategy, the report provides an overview of the mechanisms through which its financial and non-financial performance, governance and outlook within its ecosystem contribute to short-, medium- and long-term value creation. Valeo complies with the International Integrated Reporting Council's (IIRC) framework and applies all the recommendations in its Integrated Report. It addresses all of the Group's stakeholders, namely employees, customers, suppliers, the financial community, institutional and non-governmental organizations, and other local partners. The report covers the Group's financial, sales and non-financial performance for 2024, and its carbon neutrality contribution ambition. The Integrated Report is prepared by Valeo's Investor Relations Department and is the result of a collective effort to collect information and contributions from several departments. It is included in the Universal Registration Document and the standalone version is also available on the Valeo website www.valeo.com

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JOINT INTERVIEW
with the Chairman of
the Board and the
Chief Executive Officer



In 2024, Valeo was able
to strengthen its position
in a difficult environment"

GILLES MICHEL

CHAIRMAN OF VALEO'S BOARD
OF DIRECTORS

**HOW WOULD YOU DESCRIBE VALEO'S
PERFORMANCE IN 2024?**

Gilles Michel: In 2024, Valeo was able to strengthen its position in an environment shaped by lower automotive production volumes. The Group met its financial objectives, reporting an improvement in its financial performance for the third year running. The Group worked hard to improve its cost base, competitiveness, industrial footprint and productivity, as well as its R&D efficiency by harnessing artificial intelligence. Valeo consolidated its strengths and addressed its weaknesses.

Christophe Périllat: Let me start by thanking the Valeo teams for their outstanding work. They have overcome every obstacle and maintained strict control of our operations. This work, combined with our work on pricing and costs, together with the attractive nature of our technologies, has enabled us to achieve our operating margin objectives and exceed our cash generation objective. We also reduced our debt by 215 million euros. Our annual results for 2024 take us a step further along our financial improvement journey.

**WHAT ARE THE GROUP'S OBJECTIVES
AND PRIORITIES FOR 2025 AND BEYOND?**

C. P.: Our 2024 results are better, but they don't yet reflect Valeo's potential. Our 2025 objectives therefore aim to deliver a further improvement in our financial performance. So how are we going to achieve this? We will continue to defend our prices, step up the pace of improvements to our

cost base, increase the efficiency of our gross R&D to support our cash generation, and leverage the attractiveness of our technologies to book a large volume of orders without compromising the related margins in 2025.

The Group is ideally positioned in the mobility technologies of the future, particularly in the areas of advanced driver assistance systems, software-defined vehicles, electrification solutions and vehicle lighting. Our positioning drives growth and margins. We will be holding an Investor Day on November 20, where we'll present the expected outcome of this positioning over the coming years.

G. M.: 2025 is a pivotal year from a strategy perspective, in a context of considerable uncertainty: tariffs, production volumes, Chinese market demand and the slowing pace of electrification. The challenge is to continue improving Valeo's financial, competitive and industrial positions.

To meet this challenge, we'll need to maintain the same commitment to managing prices, maintaining operational discipline, reducing costs, closely managing CapEx and improving R&D efficiency, while also ensuring that we are positioned in the right technology segments, with the right customers, in the right geographical areas, in order to generate sustainable growth for Valeo.

WHAT IS THE BOARD'S ROLE IN SUPPORTING THESE STRATEGIES?

G. M.: The role of the Board is to act as guarantor for the Group's value creation strategy. The Board is a collegial working body with a good mix of skills, independence and diversity, that constructively accompanies and challenges management's choices, while providing the necessary support and endorsements. The Board also ensures that the Group conducts its business ethically, responsibly and in line with best practice.

IN TERMS OF SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY, WHAT ARE THE GROUP'S COMMITMENTS AND MAIN ACHIEVEMENTS IN 2024?

C. P.: Our teams have worked incredibly hard to meet the requirements of the new European Corporate Sustainability Reporting Directive (CSRD), which aims to improve the transparency and quality of non-financial reporting. Our first sustainability report is part of a broader process of continuous improvement and transparency. Valeo is regularly recognized by the main

ESG rating agencies as one of the best performing groups in terms of sustainability. Just recently, we were very proud to be awarded an A rating by the CDP, the globally recognized organization for corporate environmental impact disclosures. We have also been invited to join Sustainability 50, which comprises the top 50 global companies in terms of sustainability across all sectors. We remain fully committed to increasing the positive impact of our initiatives.

G. M.: Sustainability is embedded in Valeo's DNA and making a significant contribution to reducing mobility-related greenhouse gas emissions is a central part of our corporate mission. The Board of Directors takes great care to ensure that this mission is fulfilled in the most responsible manner possible, from an environmental, social and societal point of view, for the benefit of our employees and all the Group's host regions.



Valeo has taken a new step in its financial improvement journey"

CHRISTOPHE PÉRILLAT
VALEO'S CHIEF EXECUTIVE OFFICER

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 toward serving our customers, employees, shareholders and the regions in which we operate.





PROFILE & POSITIONING

100 YEARS OF INNOVATION IN SUPPORT OF SUSTAINABLE MOBILITY

1923

BEGINNINGS AND GROWTH

Founded by automotive pioneer Eugène Buisson in a small workshop just outside Paris, Société Anonyme Française du Ferodo (SAFF) begins producing the first friction materials made in France.

In the early 20th century, SAFF is already leading the automotive revolution and by the eve of the Second World War, it dominates the French brake linings and clutches market.

By the early 50s, it employs nearly 2,500 people.

1950

THE REVOLUTION IS UNDERWAY

In France, the thirty-year post-war period of prosperity is a boon for automakers and automotive suppliers alike. Valeo steps up its innovation drive and broadens its business portfolio to all types of electrical automotive equipment, including spark plugs, alternators, starters and ignition, lighting and wiper systems. The strategy soon pays off, enabling the Group to begin expanding internationally in the early 1960s through a series of acquisitions.

1980

VALEO, AN INTERNATIONAL UMBRELLA BRAND

As the 1980s dawn, the Company has operations in 15 countries through more than 70 subsidiaries. At the May 28, 1980 Annual Shareholders Meeting, the company changes its name to Valeo. From its first foray into the Spanish market to its rise to prominence in Asia in the 2000s, Valeo gradually builds a position as a leader in the global automotive market.

2000



2000S: NEW, MORE SUSTAINABLE TECHNOLOGIES

In 2009, the Group positioned its business on technologies to reduce greenhouse gas emissions and improve road safety, for safer, cleaner, and smarter mobility. Thanks to its innovations and having anticipated the industry's transformation toward the electric, autonomous and software-defined vehicle, the Group is gradually evolving from a traditional automotive supplier into a technology company at the heart of the revolutions driving mobility. A new milestone was crossed in 2024 with the merger of the Thermal Systems and Powertrain Systems Business Groups. The Group is now organized around three Divisions: POWER, BRAIN, LIGHT.

"At a time when the automotive industry is undergoing the biggest transformation in its history, Valeo's teams stand ready to deploy their determination, engagement and capacity for innovation to reinvent mobility."

CHRISTOPHE PÉRILLAT
CHIEF EXECUTIVE OFFICER

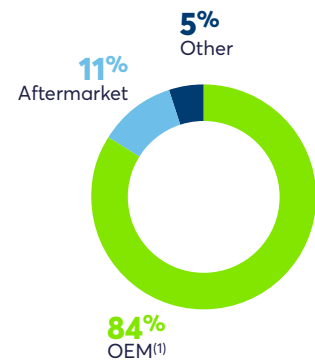
VALEO AT A GLANCE

Valeo is an automotive supplier and long-term partner to automakers and new actors in the mobility market. In 2024, the Group was reorganized around three coherent and balanced Divisions, offering innovative solutions that are ever more closely aligned with market demand for cleaner, safer and smarter mobility. Valeo enjoys technological and industrial leadership in the key areas that are transforming mobility – electrification, ADAS, software-defined vehicles and interior experience reinvention. It has a balanced global presence, close to its customers' major hubs.

In 2024, Valeo reported total sales of 21.5 billion euros. Its **core original equipment**⁽¹⁾ business accounts for 84% of sales. **The aftermarket business, which contributes 11% of sales**, is structured as a cross-Division unit. Valeo shares are traded on the Euronext Paris stock exchange with a free float of 85%, alongside such leading shareholders as Bpifrance Participations and SITAM (the Dassault family's holding company); the Group's employees hold 4.36% of the capital.

€21.5bn

SALES



155

PLANTS

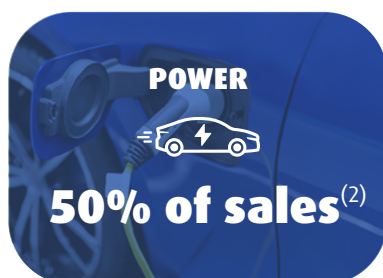
64

R&D SITES

106,100

EMPLOYEES

THREE DIVISIONS



A comprehensive range of electric and thermal power systems.



An offer to accelerate and develop opportunities in advanced driver assistance systems (ADAS) and enhance the software-defined vehicle revolution through the development of new centralized electrical/electronic architectures.



Lighting and wiper technologies to improve road safety and the design of new vehicles introduced to the market.

AND VALEO SERVICE



Supplying replacement parts and services to car dealership networks and the independent aftermarket.

⁽¹⁾ OEM: original equipment manufacturer

⁽²⁾ % of total Group sales, including the cross-functional Valeo Service activity

Organized around three Divisions – BRAIN, POWER, LIGHT – Valeo has solid foundations thanks to a diversified customer positioning and a balanced geographical footprint that has been reinforced in regions with strong growth potential, particularly in Asia.

Geographical footprint



EUROPE
(INCL. AFRICA)

48%
OF SALES⁽¹⁾

€8.6bn in sales⁽¹⁾

66 plants

32 R&D sites

51,384 employees



VOLKSWAGEN
GROUP



Mercedes-Benz



RENAULT



MITSUBISHI



NISSAN



TOYOTA



HONDA



SUZUKI



HYUNDAI
MOTOR GROUP



CHERY



GEELY



BYD



Great Wall



Li Xiang



ASIA
(INCL. MIDDLE EAST
& OCEANIA)

31%
OF SALES⁽¹⁾

€5.6bn in sales⁽¹⁾

65 plants

24 R&D sites

36,191 employees

o/w China 15% of sales⁽¹⁾

25 plants

9 R&D sites

18,025 employees

STELLANTIS



**NORTH
AND SOUTH
AMERICA**

21%
OF SALES⁽¹⁾

€3.8bn in sales⁽¹⁾

24 plants

8 R&D sites

18,525 employees



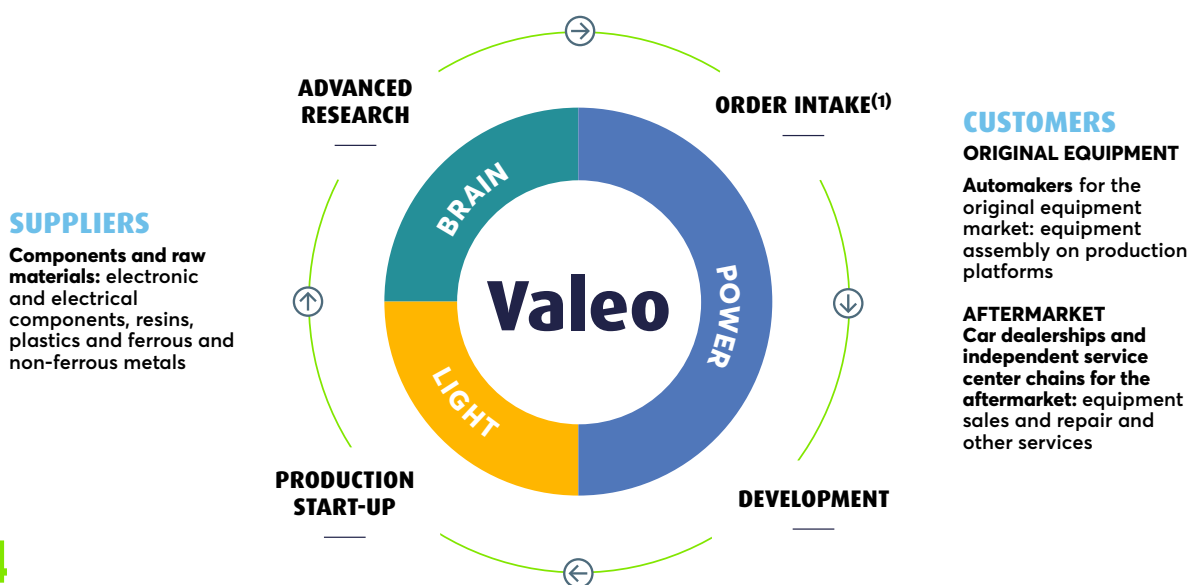
Non-exhaustive list.

⁽¹⁾ Original equipment sales.

GROUP POSITIONING

Value chain positioning

Valeo is a tier-one automotive technology supplier that serves its automaker customers with a wide array of electrical, electronic, thermal and other technologies and equipment, including application software. **At the heart of the Group's business model lies a commitment to innovation**, driven by its powerful Research and Development capabilities. Its cross-Division organization is a source of economies of scale. Thanks to its **5 Axes operational excellence model**, Valeo can meet and exceed the automotive industry's highest standards of quality.



64

R&D CENTERS

Research partners

- Universities
- Technology institutes
- Competitiveness clusters
- Start-ups

More than 1,600

NEW PATENTS FILED IN 2024
Valeo is the world's leading French patent filer

Some 19,000

PEOPLE DEDICATED TO R&D
including more than 9,000 software and systems engineers

The 5 Axes operational excellence model



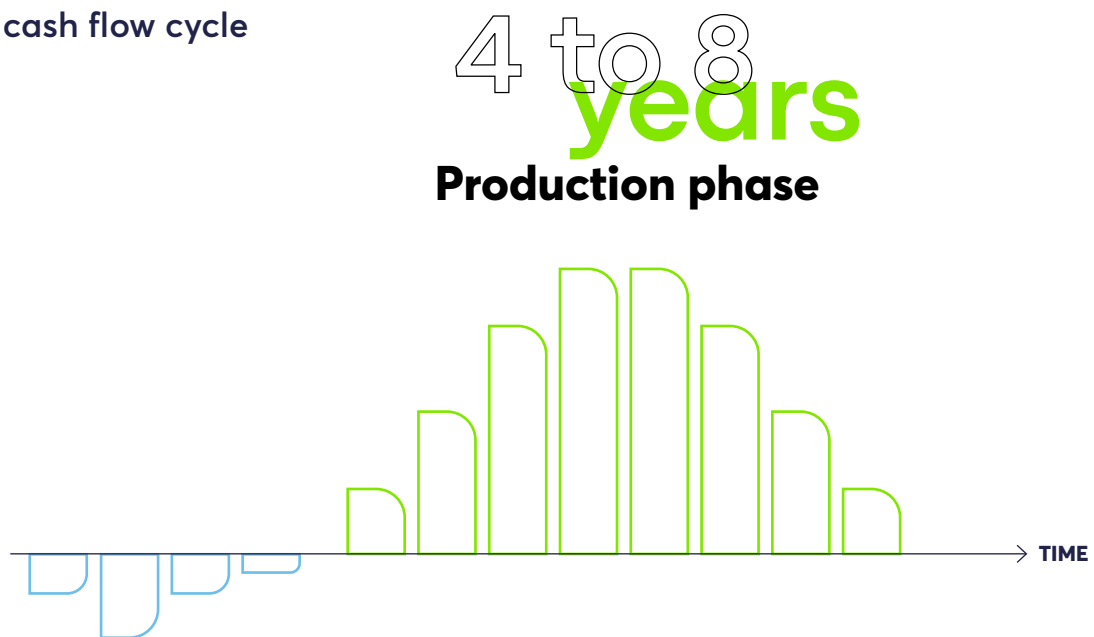
(1) See glossary.

Project life cycle

The project life cycle includes:

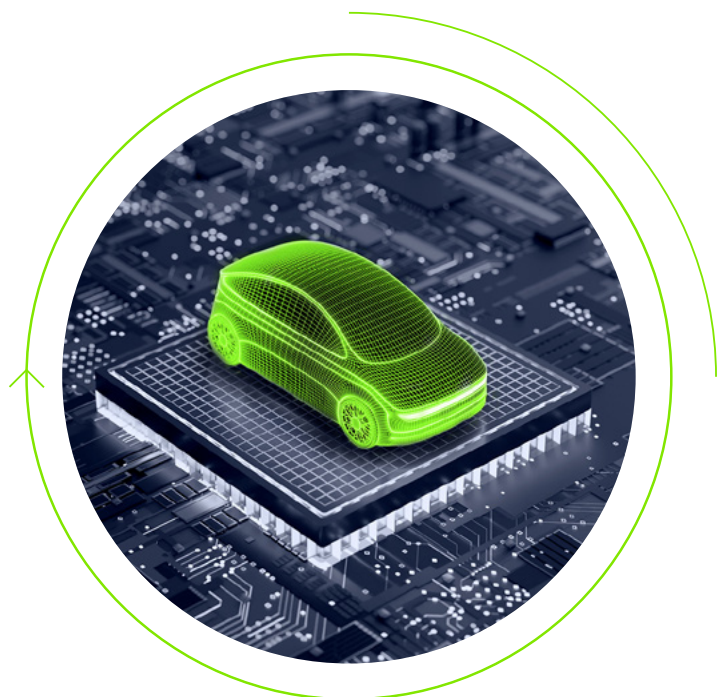
- the **upstream research** phase, which lasts two to four years;
- then the **development** phase, which begins after the order is booked and can last another two to four years;
- and lastly, the **production** phase, which can last up to eight years until the end of the project's life.

Project cash flow cycle



2 to 4 years

Investment phase



The typical project life cycle presented above is summarized from all of Valeo's many different projects. Cash flows may vary from one project to another.

PRODUCT POSITIONING

Thanks to its technological solutions, Valeo is ideally positioned to serve the megatrends shaping tomorrow's cleaner, safer and smarter mobility market. The three Divisions are constantly innovating, to offer widely affordable products to meet every need.

50%

of Valeo's global business is powertrain-agnostic

BRAIN



OPTIMIZING VISIBILITY FOR BETTER SAFETY AND MORE FREEDOM OF DESIGN, THANKS TO THE DEVELOPMENT OF ELECTRIC VEHICLES

The LIGHT Division offers technologies to improve vehicle visibility for drivers and other road users:

- **Innovative, intelligent exterior and interior lighting systems:** headlamps and lights, intuitive interior lighting, etc.
- **Windshield and rear window wiping systems and sensor cleaning systems.**

LIGHT



DEVELOPING A SAFER, MORE IMMERSIVE DRIVING EXPERIENCE

The BRAIN Division develops ADAS and a reinvented interior experience:

- **sensors** (cameras, LiDARs, etc.);
- **software and hardware systems**, including high-performance computing units;
- **interior systems** to monitor the driver (interior camera) and improve the onboard experience (head-up display);

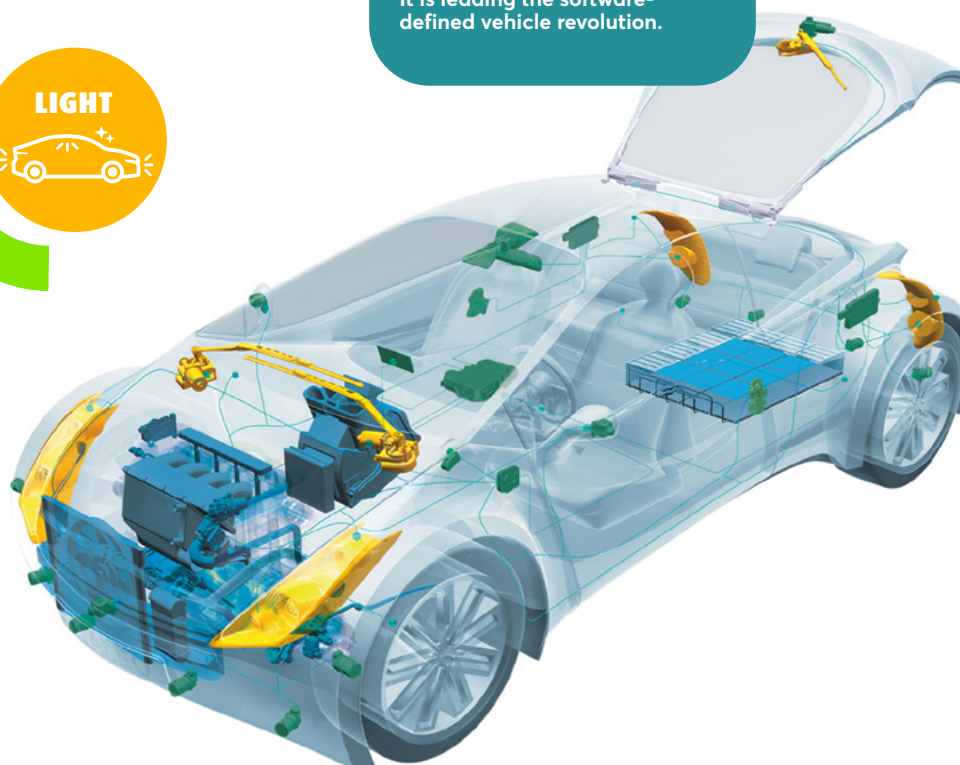
It is leading the software-defined vehicle revolution.

DECARBONIZING MOBILITY AND OPTIMIZING ENERGY MANAGEMENT

The POWER Division brings together all the expertise in thermal management systems and powertrain systems to offer a unified and comprehensive range of solutions for the electrification market:

- **electrification solutions** for hybrid and electric vehicles, from mild-hybrid 48V systems to high-voltage electrification systems (electric motors, inverters, on-board chargers, etc.);
- **automated and hybrid transmission systems;**
- **battery thermal management**, to maintain range and battery life and facilitate rapid charging;
- **cabin thermal management**, including heat pumps and other high value-added equipment.

POWER



SUSTAINABILITY, EMBEDDED IN VALEO'S DNA

Sustainability is embedded in Valeo's DNA. A member of the UN Global Compact since 2004, Valeo has structured its sustainability commitment around a dedicated department created in 2011.

The Sustainable Development and External Affairs Department reports to the Finance Department. The three pillars of the sustainability strategy are closely aligned with the Group's challenges and address seven of the UN's Sustainable Development Goals.

This year sees the publication of Valeo's first Sustainability Report meeting the requirements of the new European Corporate Sustainability Reporting Directive (CSRD), which aims to improve the transparency and quality of non-financial reporting.

ENVIRONMENTAL



Decarbonizing mobility

Resource use and circular economy

SOCIAL



Workforce engagement

Health and safety
Diversity, Equity, Inclusion
Development of skills and expertise
Quality of worklife

SOCIETAL



Supplier sustainability

Developing educational ecosystems

Local community engagement

The European Taxonomy

European Taxonomy reporting illustrates Valeo's sustainable positioning thanks to its high-tech solutions, which help to mitigate climate change and contribute to the transition towards a circular economy.

	TURNOVER	CAPEX	OPEX
	2024	2024	2024
ELIGIBLE PORTION ⁽¹⁾	17.5%	15.0%	20.6%
ALIGNED PORTION	17.5%	14.1%	20.6%

100%

The percentage of business aligned with climate change mitigation objectives and the transition to a circular economy is close to 100% for each indicator.

(1) In Taxonomy categories 3.4, 3.18, 3.6, 5.1, 5.2 and 6.5.



MARKET TRENDS

20

MEGATRENDS AND THE AFTERMARKET

Megatrends

To address the transition to safer, cleaner mobility, **Valeo has identified four structural growth megatrends:**

- electrification acceleration;
- accelerating the development of ADAS, software and the software-defined vehicle;
- interior experience reinvention;
- lighting everywhere.

For Valeo, these megatrends are driving a sharp increase in value of content per vehicle.

All three Divisions are positioned in at least one of these megatrends.

In addition, each megatrend is directly helping to advance several of the UN's four Sustainable Development Goals.

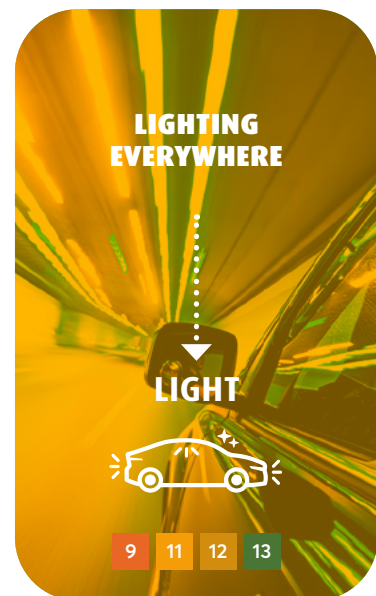
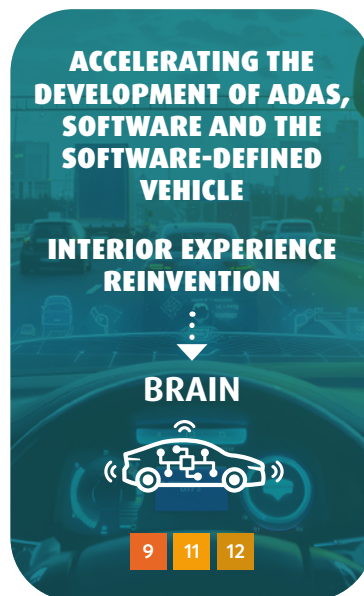
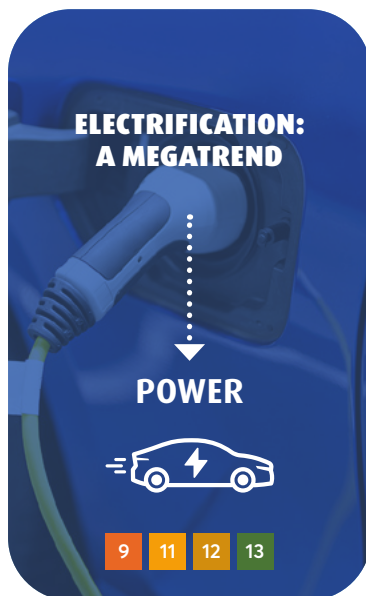
Aftermarket

The aftermarket segment is enjoying resilient growth, led by:

- the aging of the world's automobile fleet and its increased size;
- growing digitalization and the development of new insurance services.

The aftermarket offers a compelling response to the social responsibility challenge of improving circularity.

Replacing end-of-life parts with similar quality refurbished parts, for example, not only optimizes materials use, but also enables us to offer products at lower cost.



ELECTRIFICATION: A CORE TREND



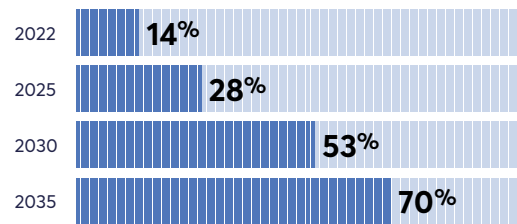
The electrification market is expected to see robust growth through 2030, expanding four-fold over the decade to around 150 billion euros. Expansion is being led by the high-voltage segment (automotive e-powertrain market), 40% of which is outsourced to equipment manufacturers.

For Valeo, electrification means a roughly 4.5-fold increase in high-voltage content per vehicle by 2030. While in the short term, growth in the electrification market is volatile, particularly in Europe, **Valeo intends to increase the value of its content per vehicle over the medium to long term.**

In addition, the Group is committed to leveraging its **expertise in 48V** systems, to seize growth and diversification opportunities in **light two-, three- and four-wheeled land mobility platforms**, such as electric bicycles, tricycles and scooters, small city EVs and automated droids.

Thermal systems are also benefiting from the growth in electrification. Thermal management is critical to optimizing EV range, supporting ultra-fast battery charging and preserving battery life.

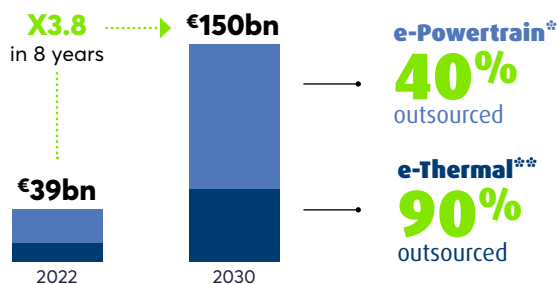
NEW ENERGY VEHICLES (BEV+PHEV*)



Share of new-energy vehicles (100% electric and plug-in hybrids) in global production.

* BEV: Battery electric vehicles
PHEV: Plug-in hybrid vehicles

ELECTRIFICATION MARKET



e-Powertrain*
40%
outsourced

e-Thermal**
90%
outsourced



* Low- and high-voltage powertrain systems designed for all levels of electrification, from mild hybrid to full electric, including new mobility solutions.

**Smart thermal management systems for electrified vehicles (hybrid or full electric), optimizing battery and propulsion performance and passenger climate comfort.

FAVORABLE REGULATORY DEVELOPMENTS

New national legislation is spurring a gradual shift in new vehicle manufacturing output in favor of EVs and by 2030, electric vehicles are expected to account for 28% of total new vehicle production.

GROWTH IN THE TAKE-UP OF ELECTRIC TECHNOLOGY

Yesterday	Today	Tomorrow
Beginning of the electric car <ul style="list-style-type: none"> Pioneer Passion for technology Sensitivity to climate issues 	Increasing take-up of hybrid and electric cars <ul style="list-style-type: none"> Innovation Subsidies Regulations New models Convenience Performance 	Hybrid and electric cars the norm <ul style="list-style-type: none"> Obligation New electric vehicle models Autonomy Charging speed Performance ++ Running costs Infrastructure Recyclability Contributing to carbon neutrality



ACCELERATING DEVELOPMENT OF ADAS⁽¹⁾, SOFTWARE AND THE SOFTWARE-DEFINED VEHICLE⁽²⁾, INTERIOR EXPERIENCE REINVENTION



By 2030, the market for advanced driver assistance systems (ADAS), software, software-defined vehicles and the reinvention of the interior experience is expected to have more than doubled in less than a decade. The momentum is being fueled by driver expectations for smarter, more intuitive, more connected cars and by regulations pushing the market towards safer vehicles.

Today, nearly 65% of vehicles are equipped with ADAS, a percentage that will rise to nearly 90% of new vehicles in 2030.

With its broad portfolio of sensors, control units, advanced cameras, software, artificial intelligence, cybersecurity and other ADAS products, Valeo is reaping the benefits of this increase in content per vehicle, with a multiplier of around 2, and the market penetration of its technologies.

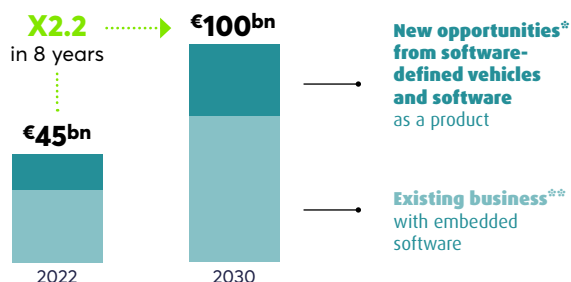
As the world's leading manufacturer of ADAS sensors, Valeo has already supplied more than 1.5 billion units over the past 30 years and will produce another 1.5 billion over the next five years.

THE STRONG GROWTH IN ADAS IS BEING SUPPORTED BY:

- **consumer demand** for safer, more comfortable vehicles promising more free time at the wheel and higher tech content; and
- **increasingly stringent regulations.** In the European Union, for example, all new vehicles marketed since July 2024 now have to be equipped with active safety systems covering advanced emergency braking, intelligent speed assistance, a lane departure warning and a driver drowsiness and distraction warning.

The systems require an increasing number of cameras and sensors both inside and outside the vehicle.

ACCELERATION OF ADAS, SOFTWARE & SDV

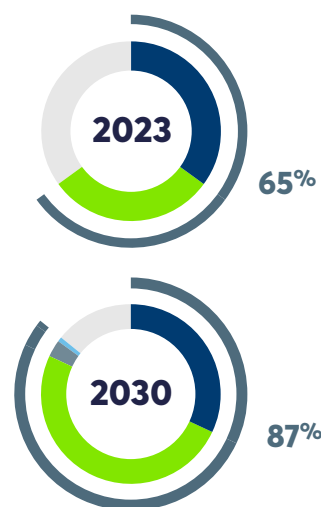


* Software-defined vehicle and software as a product or service
 **Sensors, interior experience and connectivity solutions

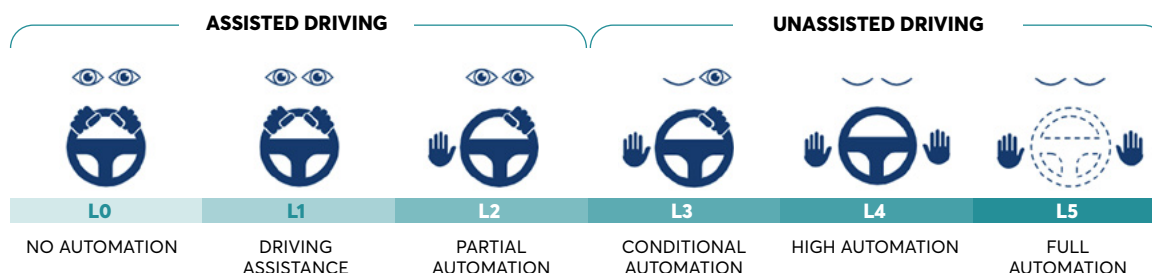
SHARP RISE IN LEVEL 2 AUTOMATION

- L0
- L1
- L2
- L3
- L4

L = Level



SAE⁽³⁾ AUTOMATION LEVELS



(1) ADAS: advanced driver assistance system.
 (2) SDV: software-defined vehicles.
 (3) SAE: Society of Automotive Engineers.



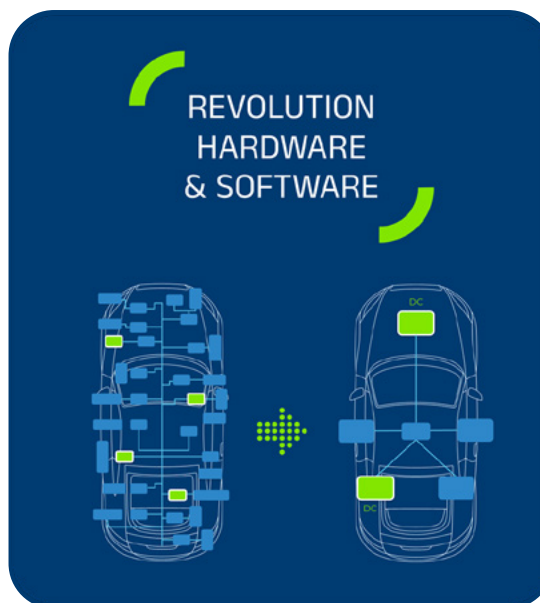
THE SOFTWARE-DEFINED VEHICLE, USHERING IN A NEW ERA OF MOBILITY

By offering greater personalization and constant upgradability, the software-defined vehicle transforms the car into an everyday technological companion that adapts to changes and evolving needs throughout its life cycle.

The potential for innovation is immense, for an ever more immersive driving experience.

THREE KEY TAKEAWAYS:

- The software-defined vehicle is an evolving vehicle offering the most accomplished user experience, which can be enhanced throughout its use.
- The software-defined vehicle radically transforms the vehicle architecture, by centralizing all software functions.
- The software-defined vehicle is driving a deep-rooted change in the automotive industry, by creating new business models and strengthening collaboration between stakeholders.



THE MARKET FOR SOLUTIONS THAT REINVENT THE INTERIOR EXPERIENCE

This market will grow significantly over the coming years, with **average annual growth of around 10% forecast between now and 2030. By 2030, it is estimated that 90% of new cars will be connected.**

This growth is being driven by accelerating consumer demand for comfort and safety with intuitive interfaces and by regulations making driver monitoring systems mandatory in Europe since July 2024.

SAFETY



HEAD-UP DISPLAY



DRIVER MONITORING

COMFORT



5G TELEMATICS
CONNECTIVITY



INTERACTIVE SURFACES



VEHICLE LIGHTING



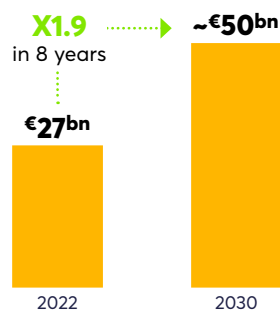
In addition to playing an essential role in improving driving visibility, lighting systems have become a powerful vector for improving road safety, given that **72% of fatal accidents occur at night**, when visibility is poorest.

The Division's growth is being driven by **safety concerns and regulations** through the resulting increase in content per vehicle.

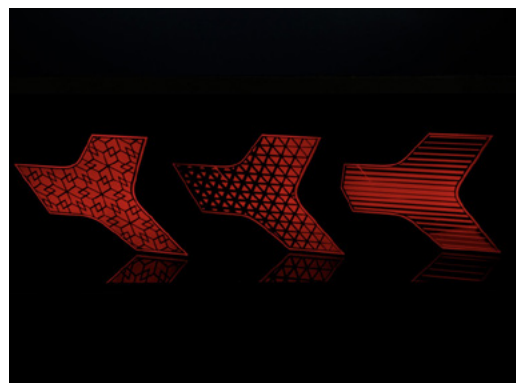
Lighting improves the vehicle's communication with its environment, as well as onboard driver and passenger comfort. It also offers automakers **a source of differentiation** with new, increasingly efficient technologies.

It is a business that demands a high level of industrial expertise, as well as increasingly prominent software skills.

THE LIGHTING SYSTEMS MARKET



FRONT LIGHTING



REAR LIGHTING



LIGHTING EVERYWHERE



STRATEGY

30

INNOVATION TO SUPPORT GREENER, SAFER MOBILITY AND THE CLIMATE TRANSITION

Valeo supports mobility by developing technological products and solutions.

It is assertively facilitating the transition to cleaner, safer mobility with products that have a direct impact on reducing new vehicle greenhouse gas emissions and improving road safety.

Reducing or avoiding carbon emissions

through our electrification technologies



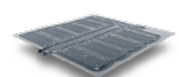
HV E-MOTOR



POWER ELECTRONICS



HEAT PUMP



BATTERY THERMAL MANAGEMENT SYSTEM

Improving road safety

through our driving assistance and visibility technologies



ULTRASONIC SENSOR



DRIVER MONITORING CAMERA



LED-ILLUMINATED GRILLES



MATRIX AND PIXEL LIGHTING

CLOSE-UP COLLABORATIVE SOLUTIONS DELIVERING EFFICIENT NEW TECHNOLOGIES

Valeo develops collaborative solutions through partnerships with universities and industrial and technology players in different sectors, particularly automotive, aerospace, electronics and energy, to deliver robust automotive innovations. In this way, the Group gains additional expertise and perspective, reduces development costs and accelerates time-to-market. Valeo conducts numerous research projects all over the world.

R&D AT VALEO

NORTH AMERICA

6 development centers

EUROPE (incl. Africa)

14 research centers
18 development centers

SOUTH AMERICA

2 development centers

ASIA (incl. China, the Middle East and Oceania)

4 research centers
20 development centers

€2.6bn
GROSS R&D SPEND

SOME 19,000
PEOPLE DEDICATED TO R&D

+9,000
SOFTWARE AND SYSTEMS ENGINEERS

33,400
ACTIVE PATENTS

COMMERCIAL PARTNERSHIPS

A core component of Valeo's strategy, commercial partnerships are win-win arrangements designed to share development costs and shorten new product time-to-market. Commercial partnerships have been formed in each of the Divisions with renowned companies around the world.



Strategic partnership to develop thermal imaging technologies to enhance automotive system safety. At the end of 2023, first contract signed with a major automaker to supply thermal cameras incorporated in ADAS, notably for night vision and automatic emergency braking.



Partnership to develop the next generation of power modules for electric motor inverters, combining the two partners' respective expertise in mechatronics, thermal management and software development. Under the partnership agreement, ROHM will supply Valeo with its TRCDRIVE pack™ with 2-in-1 silicon carbide (SiC) molded modules for future powertrain solutions.



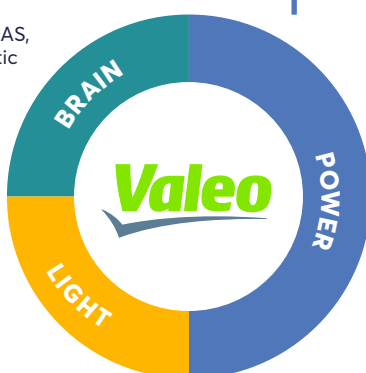
Partnership to develop an innovative magnet-free electric powertrain system, targeting upper segment electric vehicles with peak power ranging from 220kW to 350 kW. This cutting-edge inner Brushless Electrical Excitation (iBEE) technology aims to revolutionize the performance and efficiency of magnet-free electric motors.



Strengthened partnership to develop innovative solutions that optimize the performance of electric vehicle batteries while reducing the vehicles' carbon footprint. This partnership focuses on the following key areas: development of an immersive cooling solution that keeps the battery at the optimal temperature, improves its autonomy and protects against thermal runaway risks, and extension of these immersive fluids' use to other vehicle components for more efficient thermal management.



Partnership to transform vehicle interior lighting into a dynamic environment using innovative Open System Protocol (OSP) technology. This partnership combines ams OSRAM's OSIRE® E3731i intelligent LEDs with Valeo's dynamic ambient lighting systems, setting new standards in automotive interior design and functionality. The collaboration has led to the creation of custom interior lighting animations that enhance the user experience and safety.

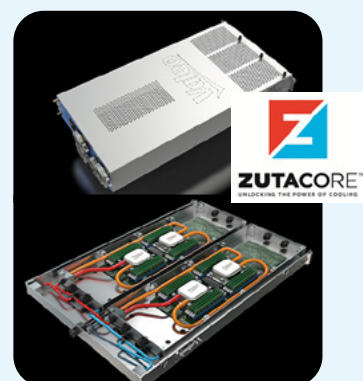


CLOSE-UP

LONG-TERM PARTNERSHIP BETWEEN VALEO AND ZUTACORE

- **January 2024:** four-year commercial agreement signed to develop innovative liquid cooling solutions for data centers, with the aim of increasing computing power, cutting costs and reducing CO₂ emissions.

- **January 2025:** commercial production launched of Heat Reuse Units (HRU) compatible with ZutaCore's Two-Phase Direct-to-Chip Liquid Cooling Solution. Valeo's compact HRU incorporated in ZutaCore's HyperCool system, ushering in a new era of sustainable performance for artificial intelligence (AI) server farms.



HUMAN CAPITAL

INTERVIEW WITH AGNÈS PARK

Chief Human Resources Officer

Valeo employs more than 100,000 people worldwide in its production plants, R&D centers and headquarters. These employees are an essential asset for the Group, which means that the Human Resources Department has a major role to play in managing and developing our human capital.

In a difficult industry environment, what are Valeo's priority Human Resources challenges?

Agnès Park: We are currently experiencing a massive technological transformation of the automotive sector, in a period of

uncertainty shaped by escalating competition and pressure on volumes. This situation led us to initiate substantial reorganizations in 2024, which in some cases unfortunately had consequences for employment, particularly in France and Germany. Against this backdrop of product and organizational transitions, people are at the center of our concerns more than ever, and our primary mission is to support all Valeo employees during this period.

We attach considerable importance to forging close relationships. At each of our sites, our managers take care to explain Valeo's vision and decisions and help their teams to upgrade their skillsets. They endeavor to strike the right balance between maintaining adequate wages in an inflationary environment and keeping our sites' cost bases competitive. They also deploy assistance programs where needed.

In addition, we take care to maintain high quality social dialogue with employee representatives and the trade unions, particularly in connection with the ongoing reorganizations. We are very sensitive to the need to offer measures that go beyond the strict legal requirements. Naturally, we do our utmost to encourage internal redeployment and assist with geographical mobility where possible, and we have also implemented measures to support employees and help them find jobs outside the Group. Respecting the dignity of employees throughout the reorganization process is a priority for Valeo.



It should also be stressed that thanks to the quality of our social dialogue we have been able to sign agreements with the social partners.

Can you say a few words about last year's main initiatives and achievements?

A. P.: During the reorganizations I've just mentioned, priority was given to managing internal

redployment. 2024 was also the year we signed a new Corporate Social Responsibility agreement, which amends the 2016 agreement and concerns all the pillars of our CSR policy for all our sites worldwide. It was negotiated with the European Works Council and signed by representatives from all countries, driving genuine social dialogue on this matter.

An important new feature is the definition of a minimum parental leave entitlement of 14 weeks maternity leave and 6 days paternity leave.

Since 2023, we have also placed strong emphasis on supporting managers.

All corporate leadership training courses have been reviewed, and 50% of line managers have received leadership training in the space of less than two years. In September, we also launched a new societal engagement program for employees, "One site, One cause". The program reflects the spirit of solidarity that is part of our corporate DNA and acknowledges the fact that

GENDER EQUALITY

32%

WOMEN
in the workforce

89.1 pts

GENDER EQUITY INDEX

**CULTURAL
DIVERSITY**

134

NATIONALITIES

**GENERATIONAL
DIVERSITY**

22%

EMPLOYEES BELOW 30

DISABILITY

2%

**EMPLOYEES
WITH DISABILITIES**

our employees clearly want to get involved in causes that are important to them through concrete actions. By 2025, each site will propose initiatives that have a positive impact on its local community, in areas such as the environment, education, mobility for all or solidarity. Lastly, we are continuing to digitize our HR tools, to enable every manager and every employee to play a central role in managing their own development and that of their team.

All these initiatives have enabled us to preserve the level of employee engagement, despite a complicated economic environment: for the annual Pulse survey, 81% of our workforce participated and their engagement rate rose slightly to 7.2 (from 7.1 in the previous survey), attesting to the quality of the support provided by local managers.

Is the representation of women within the Group progressing in line with your objectives?

A. P.: We have developed a practical action plan comprising several initiatives designed to make our corporate

culture increasingly inclusive and to expand the presence of women at all levels of the organization.

In 2024, 25.6% of our executives were women, exceeding our target for the year. But we want to go faster and, to this end, we have set clearer objectives and will be extending the scope of our target of 32% women by 2030 to cover all the Group's managerial positions.

CLOSE-UP

GENDER PARITY: TWO PRACTICAL INITIATIVES

1 • "Rock the talk" program:

One day dedicated to women who are starting out in their career, encouraging them to dare to aspire to a management role and become more assertive. The program is open to all female employees worldwide with three to eight years' professional experience. It is already available in eight countries and will gradually be extended to all geographies.

2 • 2.5-hour "Diversity for success" workshop on inclusive management:

For male and female managers and members of management committees.

2024: 15 sites worldwide in four pilot countries (United States, Czech Republic, China, France).

2025: gradual roll-out to all Group management committees.

A CULTURAL TRANSFORMATION UNDER WAY

Valeo is breathing new life into its leadership and management culture. In 2024, a series of programs was launched across all the organization's management levels. The programs give every manager the opportunity to amplify their personal impact on their teams and the business, and to adjust their leadership style to each situation. In two years, more than 9,000 managers have been trained (representing over 50% of the entire managerial population), demonstrating Valeo's ambition to place employees and managerial quality at the center of its social policy and the Group's performance indicators.

As part of this ambition, the Group is also strengthening its feedback culture, with some 500 leaders participating in 360° performance appraisals and a new "Time for feedback and recognition" training module rolled out to 1,250 people in the space of a year.

CLIMATE STRATEGY

Valeo's Climate strategy is pursuing two main pathways:

1

Significantly reducing its direct and indirect CO₂ emissions with the CAP 50 Plan

2

Supporting the circular economy with the dedicated 4R program

1 THE CAP 50 PLAN: A DUAL OBJECTIVE



On February 4, 2021, Valeo unveiled a plan to contribute to carbon neutrality.

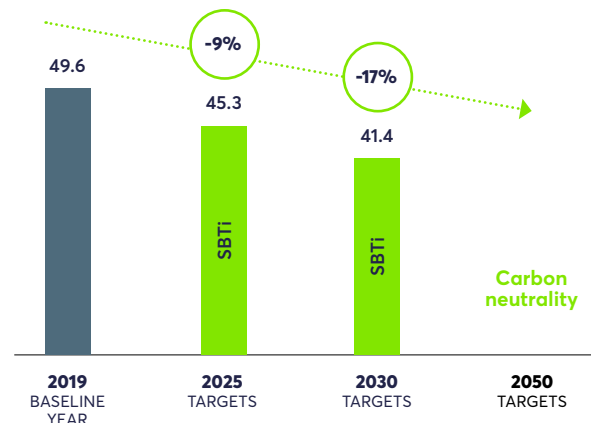
Known as CAP 50, the plan covers the entire value chain, including suppliers, operating activities and the end use of products sold by the Group (Scopes 1 and 2 direct and Scope 3 indirect emissions).

Valeo is committed to:

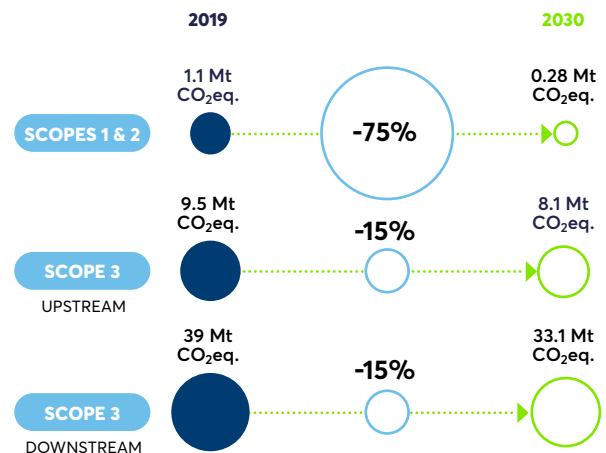
- **achieving net zero by 2050** across all of its operating activities and its supply chain worldwide (Scopes 1 and 2 and upstream Scope 3), and across its entire value chain in Europe (Scopes 1, 2 and 3, including the end use of its products);
- **implementing a plan over the period to 2030** to reduce Scope 1 and 2 emissions from its operating activities by 75% and Scope 3 upstream (supply chain) and downstream (product use) emissions by 15%, in absolute terms, vs the 2019 baseline. In all, Valeo aims to reduce its emissions across all scopes by 17% by 2030. These targets have been approved by the SBTi⁽¹⁾.

In addition, the Group's technologies should avoid 13.6 MtCO₂eq. of greenhouse gas emissions by third parties, equivalent to 27% of its own emissions (vs 2019 baseline).

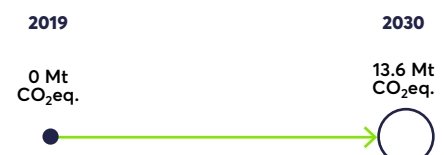
EXPECTED REDUCTION IN CO₂ EMISSIONS IN METRIC TONS AND PERCENT
(% reduction compared with the 2019 baseline)



2030 CO₂ EMISSIONS REDUCTION TARGETS BY SCOPE VALIDATED BY SBTi
(vs. 2019 baseline)



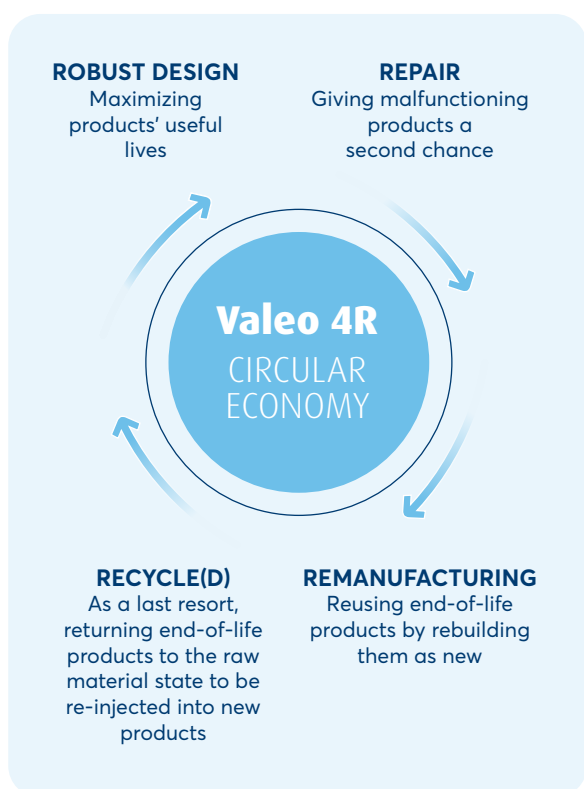
THIRD-PARTY EMISSIONS AVOIDED



(1) Science Based Targets initiative.

2 THE CIRCULAR ECONOMY POLICY ORGANIZED AROUND FOUR PILLARS

According to the *Circularity Gap Report*, the global economy is barely circular today, with only 7% of resources cycled back into use. Aware of the importance of the circular economy in its industry and markets, **Valeo deployed the 4R circularity program in 2022, which it strengthened in 2023 and maintained in 2024. The program addresses the full range of circularity issues, based on four pillars as described below.**



Valeo's approach involves action in the following areas:

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

The 4R program is proving to be most impactful in the development of Valeo's aftermarket business. Over **one million parts are reconditioned and repaired every year, with a target of two million a year by 2030. In December 2023, Valeo and Stellantis signed a major circular economy strategy cooperation agreement** to launch the first windshield-mounted video front camera remanufactured by Valeo at its Circular Electronics Lab in Nevers, France.

Valeo is committed to gradually extending its 4R program:

- **to all its geographies**, whereas it is currently focused mainly on Europe;
- **to all products, including electronics.**

Valeo deploys the 4Rs through



THE BUSINESS
with circular aftermarket services

**REPAIR &
REMANUFACTURING**



THE DESIGN PHASE
using eco design

**ROBUST,
DISMANTLABLE DESIGN**



OPERATIONS
with the right ecosystem

**RECYCLING
AS A LAST RESORT**

SUPPLIERS

The watchwords of Valeo's supplier relationships are **quality and service, competitiveness, innovation and technology**. This is reflected in the purchasing policy's sustainability objectives.

It is also reflected in Valeo's **commitment to supporting suppliers in their sustainability initiatives**. Valeo's sustainability standards are systematically included in agreements with suppliers,

who are expected not only to align their targets with Group commitments, but also to cascade these standards down through their own value chain.

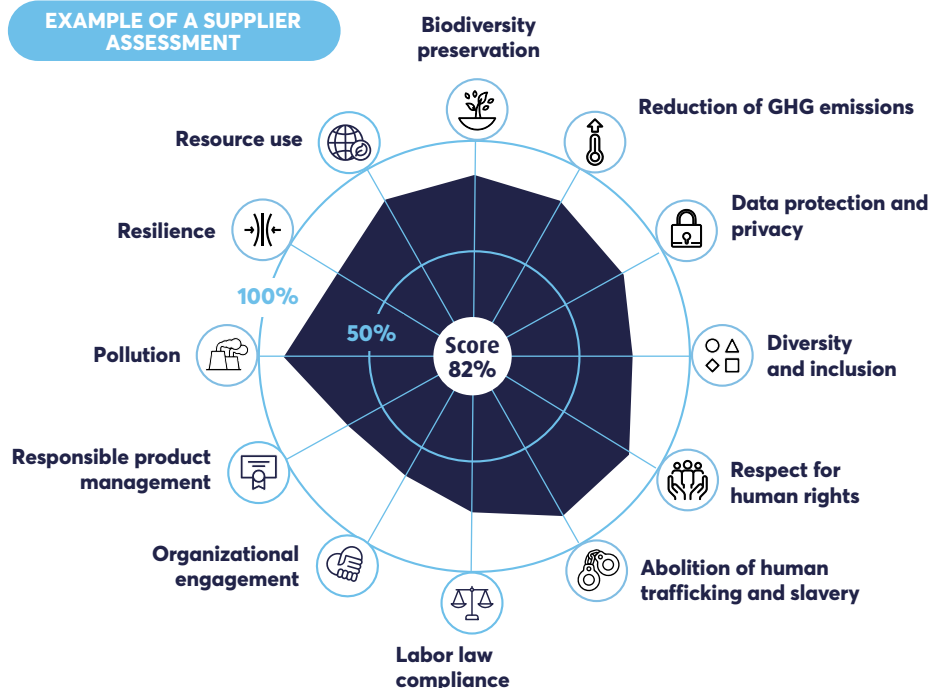
Valeo has also set up a **training program to help suppliers ramp up their skills in addressing sustainability issues**, with a particular focus on reducing their greenhouse gas (GHG) emissions.

Assessing and supporting suppliers' sustainability practices

As part of its policy of stepping up support for suppliers throughout the value chain, Valeo has extended the scope of these assessments by increasing the topics addressed from six to twelve, covering all sustainability matters.

90% OF PRODUCTION PURCHASES COVERED BY THE SUSTAINABILITY PRACTICES QUESTIONNAIRE IN 2024

EXAMPLE OF A SUPPLIER ASSESSMENT



CLOSE-UP

ON THE CAP 50 PLAN AND REDUCTION OF UPSTREAM SCOPE 3 EMISSIONS

To achieve its objectives as regards reducing upstream Scope 3 emissions, and roll out the objectives to suppliers, Valeo has defined a 4-level roadmap (0 to 3) to measure their CAP 50 maturity in terms of GHG emissions reduction. Each supplier is expected to be at maturity level 3. If this is not the case, an action plan is drawn up in conjunction with the supplier's Purchasing Segment.

CARBON MATURITY LEVELS

GHG emissions are not measured	The 3 scopes (1, 2, 3) are measured
0	1
Level 1 achieved and reduction targets defined in line with Valeo's objectives	Level 2 achieved and annual results and targets disclosed
2	3



Suppliers with a CDP rating of A- or higher will be considered to have a maturity level of 3.

KEY FIGURES

1,935

SUPPLIERS account for 95% of direct purchases (purchased production inputs)

10

LARGEST SUPPLIERS account for 11% of purchases



SOLUTIONS ALIGNED WITH MARKET TRENDS

40



TECHNOLOGIES FOR AUTOMATION, DRIVING ASSISTANCE AND SOFTWARE-DEFINED VEHICLES

Valeo offers a comprehensive range of **ADAS** comprising components, instrumentation (sensors) and control units (domain and zone controllers), as well as functional software **delivering active safety features and supporting level 2+ and above⁽¹⁾ automation**. With this triple expertise in sensors, electronics and software, Valeo is now positioned as an ADAS **integrator-validator**.

The Group has solid expertise in **ADAS**, enabling it to produce ever-more efficient solutions at optimal cost. Today, Valeo is **the world leader, equipping one out of every three new cars on the market**.

1

Ultrasonic sensor

Sensor capable of detecting the presence of a solid object from a distance of 30 cm to a few meters. Several sensors are needed on a façade to avoid detection blind spots.

2

Surround-view camera

Cameras installed all around the vehicle providing a 360° view of the vehicle's surroundings and assisting the driver during low-speed maneuvering. Surround-view cameras are also required for autonomous parking applications.

3

Front camera

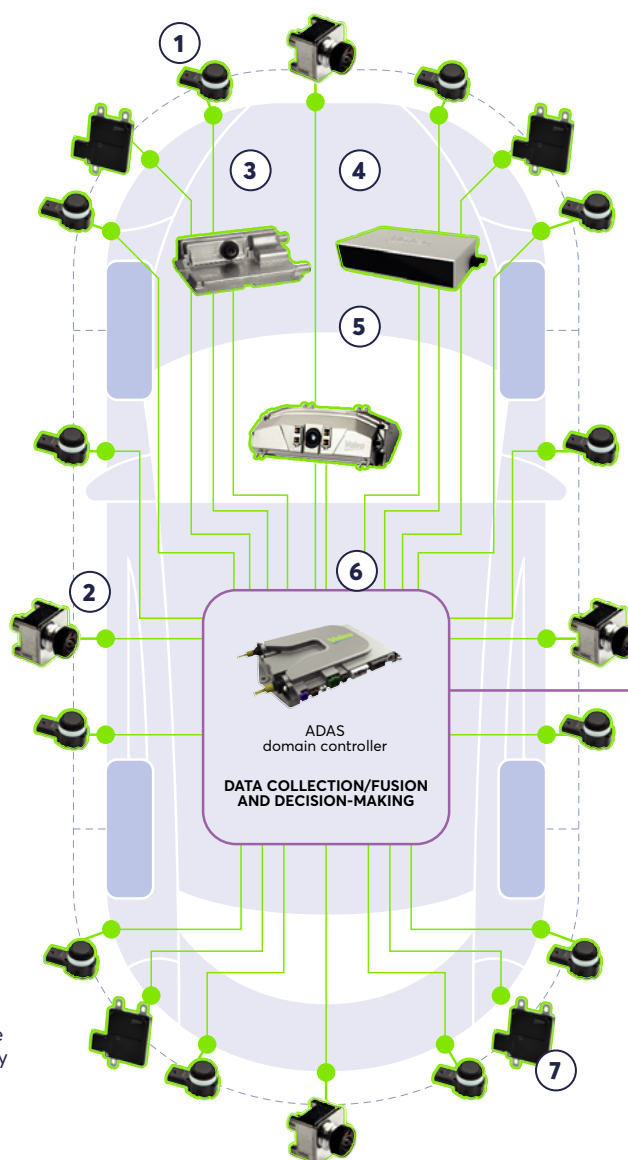
Front-mounted cameras with 100 m perception capabilities for driving assistance and Level 2 automation applications.

4

LiDAR

Sensor using a laser beam to scan and display a 3D vision of the vehicle's surroundings, and to detect, classify and track objects and road markings up to more than 200 m. As the latest generation of autonomous vehicle sensors, LiDAR can also accurately position the vehicle on a high-definition map to within just a few centimeters.

● Sensor data flows
— Actuator control signal



5

Interior camera

Interior system that monitors, in real time, driver fatigue and distraction as well as, more broadly, the interior cabin environment. Technology required from 2026 in Europe and globally for all high levels of vehicle autonomy.

6

ADAS domain controller

Powerful ADAS processor providing high-speed data collection, sensor data fusion and real time decision-making.

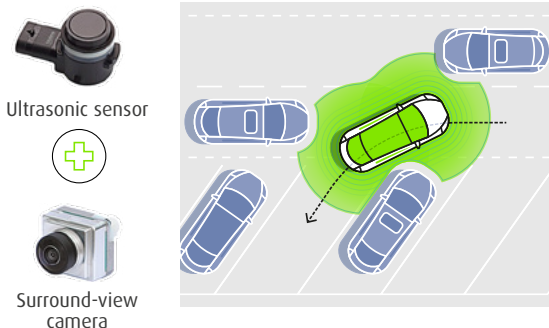
7

Radar

The corner radar sensor is positioned on all four corners of the vehicle to provide a panoramic, wide-angle view. It quickly and accurately detects obstacles and people, especially in blind spots.

(1) See page 18.

Low-speed maneuvering & parking assistance

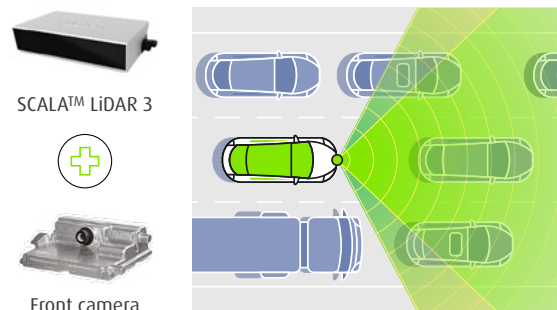


Valeo develops all **parking assistance solutions**, including sensors and functional software, from entry-level to fully automated systems.

Autonomous parking applications, in which the system takes control of steering, accelerating and braking, requires a set of sensors that includes **ultrasonic sensors and surround-view cameras**.

Valet Parking applications, where the driver is no longer present in the vehicle and can rely not only on the vehicle's own sensors but also on those fitted on the parking lot infrastructure.

High-speed driving assistance



Valeo's ADAS solutions can be used to **delegate driving** in many situations, **including on the highway at speeds of up to 130 km/h**.

Sensor and software-based perception systems enable a vehicle to get a precise picture of its surroundings and support driving assistance functions for greater safety and comfort. In particular, our LiDAR, which can detect an object such as a tire left on the roadway at a distance of more than 150 m, thereby preventing collisions, paves the way for Level 3 automation capabilities.

CLOSE-UP

THE SOFTWARE-DEFINED VEHICLE

The vehicle of tomorrow is being developed under the emerging **software-defined vehicles concept** (see page 19)

In this new architecture, Valeo supplies:

- operating systems, application software and related services;
- the high-performance computer controlling vehicle driving strategies and ADAS;
- zone controllers to improve power management performance and substantially reduce the amount of wiring;
- ADAS components, such as ultrasonic sensors, visualization and driving cameras, radars and LiDARs.



VALEO'S COMPETITIVE ADVANTAGES

- Reliable management of large contracts
- One of the top 5 buyers of automotive electronic components
- Expertise in thermal systems
- Credible software solutions

SEPARATING HARDWARE FROM SOFTWARE CREATES OPPORTUNITIES FOR SOFTWARE SALES



Software as a product
Software as a service

Valeo BRAIN

present on all software layers

> 9,000

software and systems engineers



TECHNOLOGIES FOR HYBRID AND ELECTRIC VEHICLES

Valeo supplies an end-to-end range of technological solutions for electric vehicles, covering:

- **the powertrain:** from low-voltage (LV) to high-voltage (HV) solutions, including electric motors, inverters, onboard chargers, DC/DC converters and transmission systems (clutches, shock absorbers, reducers, etc.)

- **thermal systems,** which fully optimize energy efficiency in cooling modules, air-conditioning modules, battery thermal management systems and the powertrain.

The Group is among the leaders in each of these markets, with growth expected to remain strong over the medium and long term, particularly in high-voltage applications.

1 Compact, quiet front-end cooling module

Disperses heat and cools the engine, electronics, battery and heat pump.

2 Smart heat pump

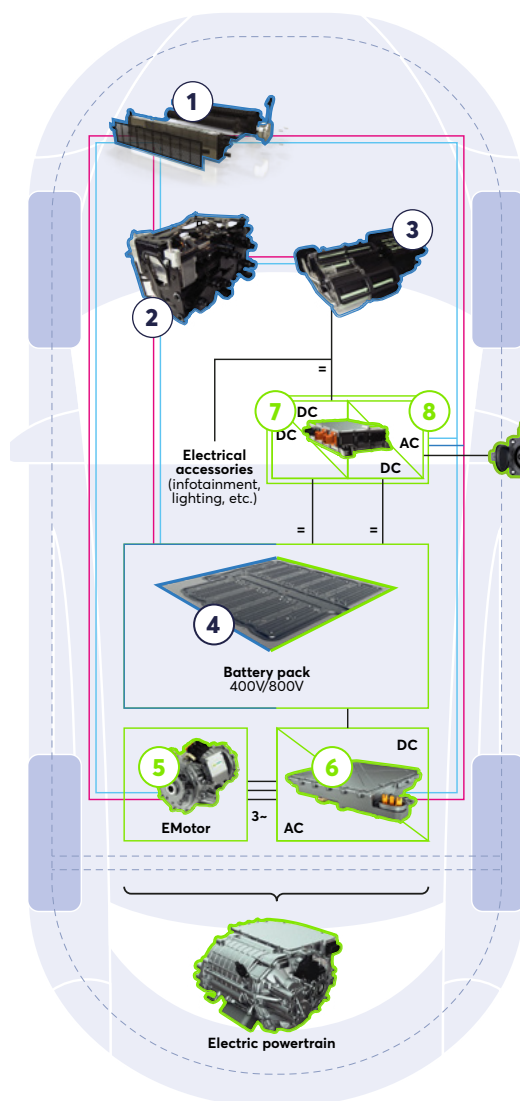
Compact and efficient system with an integrated compressor that provides cooling and heat for the vehicle's cooling and heating loops.

3 Silent HVAC module

Regulates cabin temperature and ensures passenger comfort. Electric vehicle HVAC systems are quieter and more efficient.

4 Battery thermal management system

Large heat exchanger to maintain the battery cells in the right temperature range (25-40°C), preserving their lifespan and reliability over time. Also cools the battery during rapid charging.



5 Electric motor

Electric device that can serve both as a motor, delivering torque to the wheels, and a regenerator, recovering energy during braking and deceleration.

6 Inverter

Device that converts direct current electricity stored in the battery into AC current to control speed and engine torque.

7 DC/DC, LV/HV converter

Device that reduces the battery's DC voltage (400-800V) to power accessories (>12V).

8 Reversible onboard charger

Charges the vehicle battery by converting alternating current from the power grid into direct current. Can also send electricity stored in the battery to the power grid during periods of peak demand.

Powertrain system
Thermal system
Electricity flows

Heating/cooling flows
DC or "—" "direct current
AC or "~" "alternating current

3~ three-phase power



LIGHTING AND WIPER TECHNOLOGIES

Valeo offers a comprehensive range of systems to see and be seen, including lighting, signaling and wiper components, control units and functional software that provides **all the performance, style, safety and durability features**.

Valeo is the world leader in lighting, wiper and sensor cleaning systems, thanks to a solid foundation combining expertise and innovation, standardized and competitive technological platforms, and a product portfolio perfectly aligned with market trends.

1

Illuminated front panel

Providing a distinctive lighting signature and improving communication with oncoming vehicles and pedestrians. Illuminated surfaces are expanding, with front panels featuring LED lighting on the fascia, around the brand logo and between the lighting modules.

2

Integrated wiper systems

The electronic motor, Aquablade single or double wiper blades, arms, electronics and software increase wiping efficiency and halve the amount of cleaning fluid used.

3

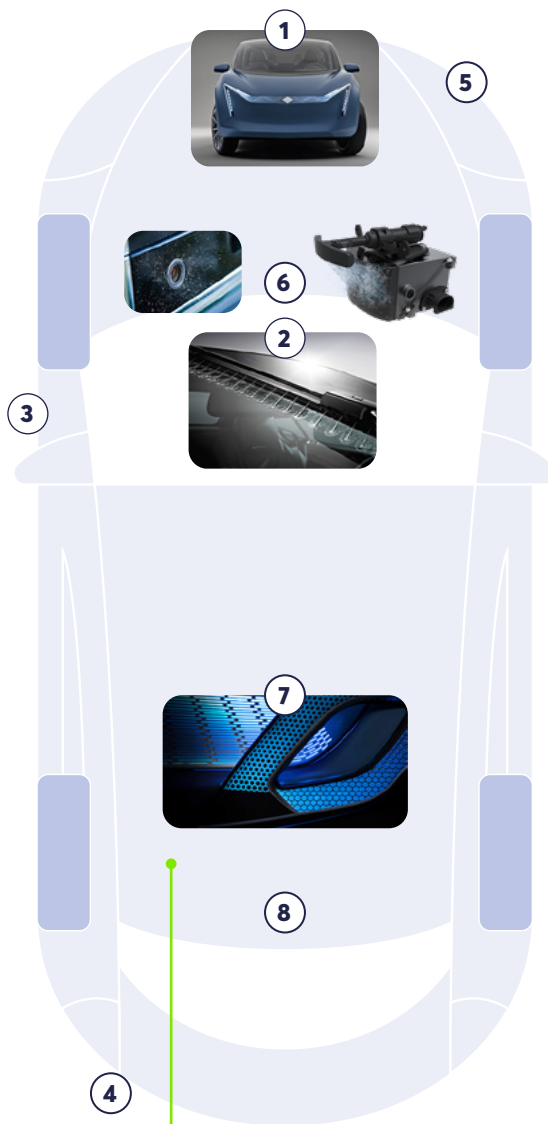
Short-range ground projection

Enables the projection of static or dynamic welcome messages for an experience that begins as the vehicle slows to a halt. Will also enable extended signage.

4

Illuminated rear panel

At the rear, too, the illuminated surfaces are being extended to create a personalized lighting signature that is in symmetry with the front panel, with a subtle combination of taillights, an illuminated logo and bumper light signaling. The incorporation of control units and software enables the system to communicate with its environment.



Software

Valeo is a pioneer in the development and supply of lighting and wiper software for centralized architectures. Software suites enhance safety, visibility and comfort.

5

Front lighting modules

Ultra-slim lighting modules with integrated dipped and main beam lamps, and an anti-glare function, from 20 pixels to high definition. The module features standardized components incorporated in an intelligent system.

6

Sensor cleaning

ADAS sensors are always operational, whatever the weather and environmental conditions, thanks to a range of air- and water-based cleaning solutions.

7

Interior lighting

For a more comfortable driver and passenger experience (Red-Green-Blue lighting, backlit surfaces), interior lighting systems are evolving towards functional lighting solutions (dynamic lighting of information, surface projection).

8

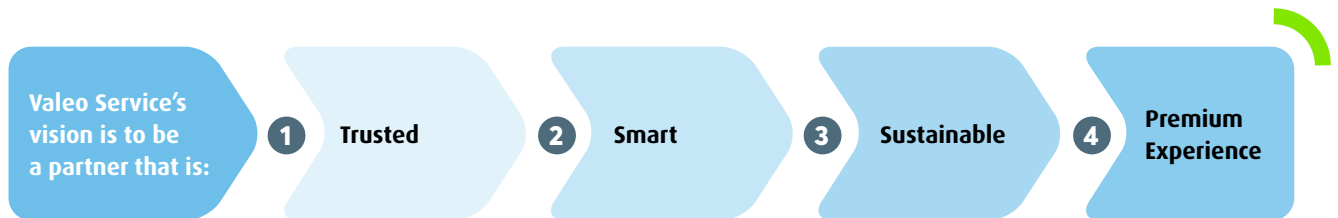
3rd brake light & rear wiper

Integration of ultra-compact rear wiper functions with the third brake light. The package adds differentiating features such as retro-projection in the rear window.



AFTERMARKET SOLUTIONS

Valeo Service offers a variety of mobility aftermarket solutions, supplying replacement parts and services to car dealer networks, the independent aftermarket, EV recharging station installers and electric bike repair shops.



1 A TRUSTED PARTNER

Valeo Service supports professionals in their technological transformation by providing the aftermarket with the latest original equipment innovations and by developing dedicated aftermarket solutions. As part of this commitment, Valeo is strengthening Tech Assist, its online technical assistance platform for professionals. Valeo also facilitates the training of professionals who are expected to continue servicing IC vehicles, but also to prepare to maintain electric and autonomous vehicles.

3 A SUSTAINABLE PARTNER, ENGAGED IN THE CLIMATE TRANSITION

In 2024, Valeo continued to deploy the I Care for the Planet program, which is designed to help shrink the automotive aftermarket's environmental impact through:

- the development of product innovations with a lower environmental impact;
- the development of circular-economy product ranges, including remanufactured offers available across a growing number of product categories.

2 A SMART PARTNER

Valeo is committed to acting as a smart partner by providing its distributors and workshops with personalized, optimized digital solutions.

- Accelerated global deployment of Valeo Service websites.
- Deployment of the Valeo MyPortal, a digital portal designed specifically for distributor customers in over 50 countries.
- Expanding the Valeo Specialist Club, a specific workshop loyalty program.

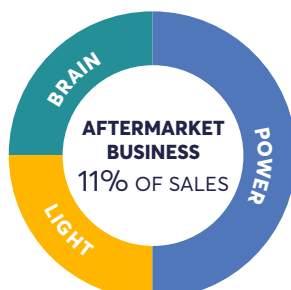
4 PREMIUM EXPERIENCE

By placing the customer at the center of its organization, Valeo Service is committed to offering a premium service that is increasingly efficient and more personalized.

The Net Promoter Score (NPS) approach is an essential tool for Valeo Service to assess the satisfaction of its distributor and workshop customers. It is measured twice a year and enables us to identify expectations, areas for improvement and levers for progress. The scores obtained are particularly encouraging; they have improved steadily, year after year, and are now approaching excellence.

AFTERMARKET BUSINESS SERVING OUR THREE DIVISIONS

- **Resilient** with lower sensitivity to fluctuations in economic conditions.
- **A profitable business** that generates cash.



150
COUNTRIES
COVERED

320
PRODUCT
FAMILIES

1,255
EMPLOYEES



GOVERNANCE, RISK MANAGEMENT, ETHICS AND COMPLIANCE



THE BOARD OF DIRECTORS

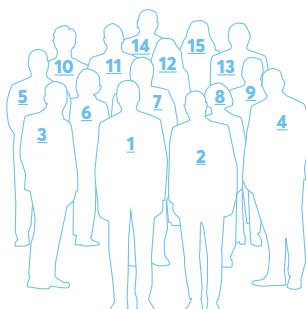
The Board of Directors determines Valeo's business strategies and ensures that they are implemented effectively.



- 1- Gilles Michel***
Chairman of the Board of Directors
- 2- Christophe Périllat**
Chief Executive Officer
- 3- Alexandre Dayon***
- 4- Éric Chauvirey⁽¹⁾**
Director representing employee shareholders
- 5- Éric Poton⁽¹⁾**
Director representing employees

- 6- Véronique Weill***
- 7- Bruno Bézard***
- 8- Mari-Noëlle Jégo-Laveissière***
- 9- Fonds Stratégique de Participations*,**
represented by Julie Aurane

- 10- Bpifrance Participations*,**
represented by Alexandre Ossola
- 11- Sascha Zahnd***
- 12- Stéphanie Frachet***
- 13- Patrick Sayer***
- 14- Grzegorz Szelag⁽¹⁾**
Director representing employees
- 15- Beatriz Puente***



15
DIRECTORS

including
11 independent directors and
3 directors representing employees and employee shareholders

10
MEETINGS IN 2024

42%
WOMEN⁽¹⁾⁽²⁾

98%
ATTENDANCE RATE IN 2024⁽²⁾

92%
INDEPENDENCE⁽¹⁾⁽²⁾

5
NATIONALITIES



(1) Directors representing employees and employee shareholders do not count for the purpose of determining the proportion of (i) independent directors in accordance with the recommendation in Article 10.3 of the AFEP-MEDEF Code, and (ii) gender diversity in accordance with Articles L. 225-23 and L. 225-27-1 of the French Commercial Code.

(2) Rounded to the nearest percentage.

* Independent directors

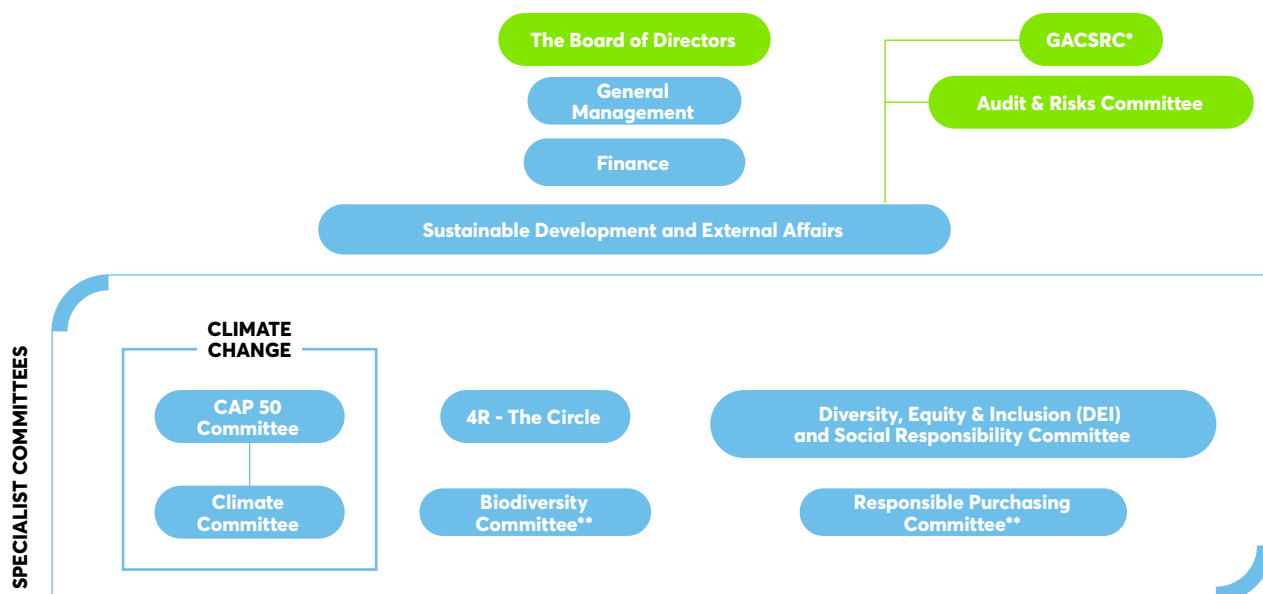
THE FOUR BOARD COMMITTEES

The Board of Directors has set up four committees to issue recommendations on key matters, improve its operating procedures and, ultimately, secure the Group's sustainable growth.

Audit & Risks Committee 7 MEMBERS 100% independent members ⁽¹⁾ <hr/> 6 meetings 100% attendance rate 67% women ⁽¹⁾⁽²⁾	Governance, Appointments & Corporate Social Responsibility Committee 5 MEMBERS 100% independent members ⁽¹⁾ <hr/> 5 meetings 96% attendance rate 50% women ⁽¹⁾	Compensation Committee 5 MEMBERS 100% independent members ⁽¹⁾ <hr/> 5 meetings 96% attendance rate 50% women ⁽¹⁾	Strategy Committee 6 MEMBERS 100% independent members ⁽¹⁾ <hr/> 5 meetings 96% attendance rate ⁽²⁾ 20% women ⁽¹⁾
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SUSTAINABLE DEVELOPMENT GOVERNANCE

As a technology company committed to delivering cleaner, safer and smarter mobility, Valeo considers sustainability to be a strategic priority and has established a robust governance structure spanning all levels of the organization, to ensure the overall consistency and effectiveness of sustainability-related decision-making processes.



* Governance, Appointments & Corporate Social Responsibility Committee
 **In the process of being set up

(1) Directors representing employees and employee shareholders do not count for the purpose of determining the proportion of (i) gender diversity in accordance with Articles L. 225-23 and L. 225-27-1 of the French Commercial Code, and (ii) independent directors in accordance with the recommendation in Article 16.1 of the AFEP-MEDEF Code.
 (2) Rounded to the nearest percentage.

EXECUTIVE COMMITTEE

The Executive Committee meets once a month to review the operational management of the Divisions, coordinate project management and help implement Group strategy.



From left to right: **Xavier Dupont**, Chief Executive Officer of the POWER Division and Group Executive Vice President; **Marc Guédon**, Chief Purchasing Officer; **Édouard de Pirey**, Chief Financial Officer; **Catherine Delhaye**, Chief Ethics, Compliance and Data Protection Officer; **Maurizio Martinelli**, Chief Executive Officer of the LIGHT Division and Group Executive Vice President; **Christophe Périllat**, Chief Executive Officer; **Marc Vrecko**, Chief Executive Officer of the BRAIN Division Group Executive Vice President; **Agnès Park**, Chief Human Resources Officer; **Éric Antoine Fredette**, Group General Counsel and General Secretary; **François Marion**, Chief Communications Officer; **Detlef Juerss**, Chief Sales and Business Development Officer; **Éric Schuler**, Chief Executive Officer of Valeo Service Activity

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer's 2025 **compensation**, as defined in the 2025 compensation policy⁽¹⁾, breaks down as follows: **22% fixed compensation and 33% variable compensation**, representing annual short-term compensation; **45% performance shares**, representing long-term compensation. In this way, **78%** of the Chief Executive Officer's compensation is subject to performance conditions.

ANNUAL VARIABLE COMPENSATION – MAXIMUM 150% OF FIXED COMPENSATION		CRITERIA WEIGHTING (OUT OF 100%)	PERFORMANCE SHARES – MAXIMUM 200% OF FIXED COMPENSATION		CRITERIA WEIGHTING (OUT OF 100%)
QUANTIFIABLE CRITERIA	<ul style="list-style-type: none"> EBIT: 20% Free cash flow: 20% Net income: 20% Net debt/EBITDA: 20% Profitable order intake on identified strategic projects: 10% 	60%	INTERNAL PERFORMANCE CRITERIA	<ul style="list-style-type: none"> ROCE: 30% EBIT: 30% 	60%
	<ul style="list-style-type: none"> Strategic vision: 20% Risk management: 20% 	27%	EXTERNAL PERFORMANCE CRITERION	<ul style="list-style-type: none"> Total shareholder return (TSR): 10% CAC 40 TSR 10% Europe Automotive Equipment Suppliers Panel TSR 	20%
QUALITATIVE CRITERIA	<ul style="list-style-type: none"> Reduction trajectory in CO₂ emissions in line with the CAP 50 Plan Safety performance Increase in the gender equity index Improvement in CSR performance metrics. 	13% 20%	CSR CRITERION: DIVERSITY	<ul style="list-style-type: none"> Percentage of women in the different Group management committees 	10%
			CSR CRITERION: THE CAP 50 PLAN	<ul style="list-style-type: none"> Reduction trajectory of CO₂ emissions in line with the CAP 50 Plan 	10%



1,700 KEY MANAGERS

The annual variable compensation for the Group's 1,700 key managers is indexed to similar criteria (including CSR criteria) to that used to determine the Chief Executive Officer's compensation.

⁽¹⁾ Subject to approval at the Shareholders' Meeting.

RISK MANAGEMENT

Because the Group conducts its business in a constantly changing environment, it is exposed to risks.

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.



RISK CATEGORIES	RISK FACTORS
STRATEGIC RISKS	<ul style="list-style-type: none"> ● Risks related to the automotive equipment industry ● Risks related to talent engagement and retention
OPERATIONAL RISKS	<ul style="list-style-type: none"> ● Risks related to the development and launch of new products ● Risks related to the quality and safety of products and services sold ● Cybersecurity ● Supplier and supply chain failure risk
FINANCIAL RISKS	<ul style="list-style-type: none"> ● Risks related to an increase in operating costs ● Foreign currency risk

Criticality ● High ● Medium

ETHICS AND COMPLIANCE

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, Division and function;
- a whistleblowing system based on a global online platform and a network of corporate and local correspondents.

NEARLY

100%

OF NEW HIRES CONFIRMED THEY HAD RECEIVED THE CODE OF BUSINESS ETHICS

95%

of new hires successfully completed the Induction to COMPLIANCE PROGRAM MODULE

NEARLY

100%

of the employees concerned completed THE ANNUAL ANTI-CORRUPTION TRAINING MODULE

ETHICS AND COMPLIANCE

INTERVIEW WITH CATHERINE DELHAYE

Chief Ethics, Compliance and Data Protection Officer

Given the events of 2024, what were Valeo's priorities in terms of Ethics and Compliance?

attention to international economic sanctions, as they are constantly evolving in the current geopolitical environment and require considerable vigilance and very close monitoring. Since the beginning of the Russia-Ukraine conflict, the legal implications of international sanctions and export and import controls have been continuously monitored to ensure that regulatory changes, particularly those concerning Russia and Belarus, are immediately reflected in our dedicated and closely supervised global compliance program. The program includes both guidelines and practical tools for our operating teams. Human rights are also a major focus area. A specific policy has been developed, responding to the imperative need to protect and enforce human rights, not only in Valeo's own operations, but also in those of suppliers and service providers in its supply chain. Demonstrating its commitment in this area, Valeo made updating and deploying the Business Partners Code of Conduct, which complements Valeo's Code of Business Ethics, an additional priority for 2024. These codes are essential components of our compliance program, and we require our employees and suppliers to comply with them.

What have been your main achievements in this environment?

the Code of Business Ethics, which was updated in 2023, and the new rules in force, particularly with regard to export controls, economic sanctions and human rights. We have also updated our risk map relating to corruption and influence peddling in accordance with the requirements of the Sapin II law.

With regard to the Antitrust program, we have massively strengthened employee awareness of the need to evaluate and supervise collaborative projects that may involve competitors, including at the

Catherine Delhaye:

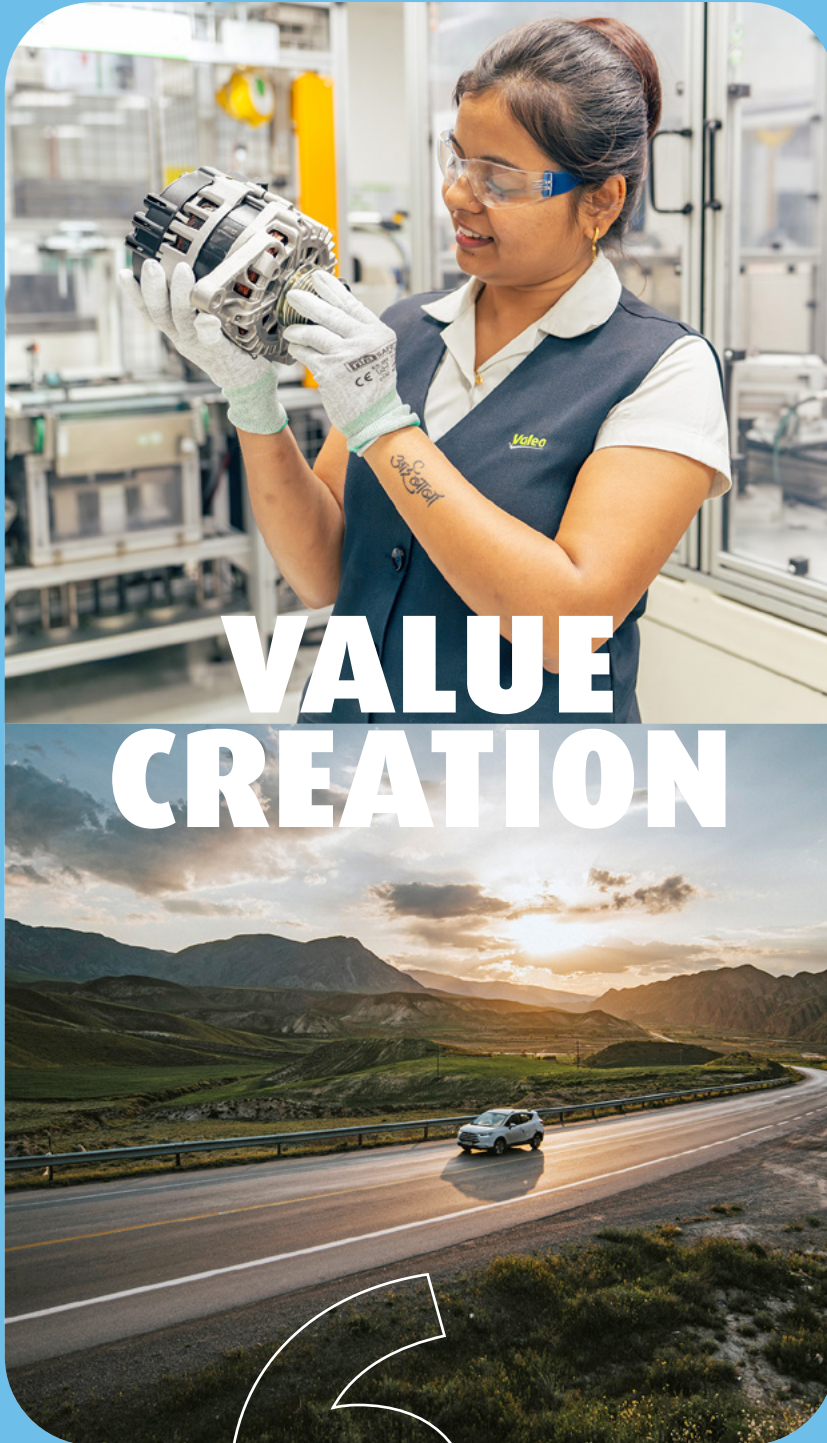
While the fight against corruption and anti-competitive practices remains an important matter, we also pay particular



request of customers. In the area of human rights, we have broadened the scope of our due diligence to take into account the requirements of regulators and updated the Due Diligence Policy accordingly. Finally, we have laid the foundations of our compliance and governance policy in the field of artificial intelligence. It will be deployed in the first half of 2025 for functions including R&D, Purchasing, Human Resources and Sales.

There has been no end to new regulations. How do you manage them efficiently?

C. D.: Any compliance program naturally involves compliance with regulations. Active legal watch is therefore essential. It enables existing compliance programs to be constantly adjusted as needed, and additional tools or ad hoc training to be developed if required. These adjustments must then be communicated as quickly and widely as possible to the leadership team and then to the employees concerned, with the help in particular of our network of Compliance Champions and Data Protection Champions. This approach also enables us to meet our customers' growing compliance requirements. Finally, whether it is a question of fighting corruption, complying with international sanctions or applying legislation on conflict minerals or deforestation, we must be agile and able to adapt to constantly changing regulations.



VALUE CREATION

6.

BUSINESS MODEL



CHALLENGES AND OPPORTUNITIES

- Greener and safer mobility
- Economic environment and global automotive production
- Regulatory developments
- Talent engagement and retention

OUR RESOURCES

EMPLOYEES

- 106,100 employees
- 134 nationalities
- 32% women

INNOVATION

- Nearly 19,000 R&D employees working at 18 research centers and 46 development centers
- More than 9,000 software and systems engineers
 - More than 1,600 patents filed in 2024
- R&D representing 10% of 2024 sales
 - Open innovation approach

INDUSTRIAL AND COMMERCIAL ASSETS

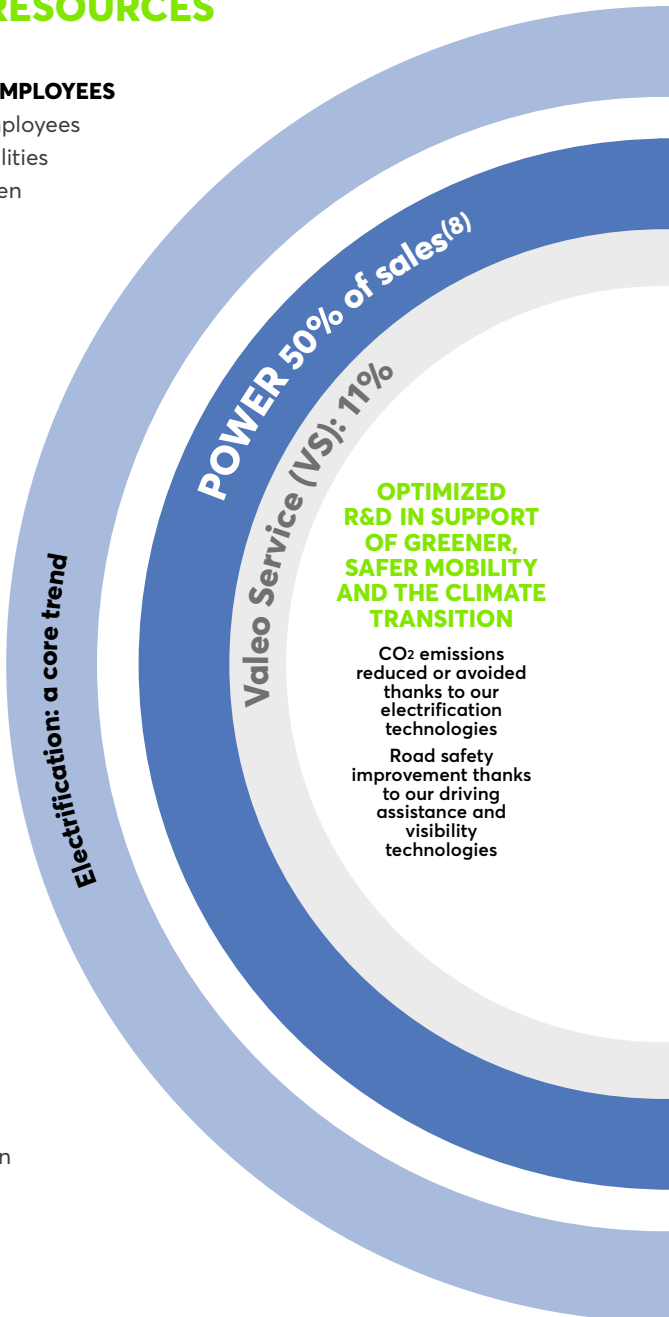
- Investments in property, plant and equipment: 5.3% of 2024 sales
 - 155 plants
- Balanced geographic footprint: 28 countries
 - Diversified customer portfolio

ENVIRONMENTAL AND SOCIAL AMBITION

- 90% of Group production purchases from suppliers whose ESG practices have been assessed
- New Valeo Business Partners Code of Conduct in 2024
 - Rollout of the 4R program: Robust Design, Remanufacturing, Repair, Recycle(d)

FINANCIAL RESOURCES

- Available cash of €3.2bn at end-2024
 - Undrawn credit lines: €1.6bn
- Two green bonds issued in October 2023 and April 2024 for a total of €1.45bn



(1) Number of lost-time occupational accidents per million hours worked (frequency rate [FR1])
 (2) Greenhouse gas.
 (3) Science Based Targets initiative.
 (4) Original equipment sales: 84%, Aftermarket: 11%, Miscellaneous sales (R&D, tooling): 5%.
 (5) See glossary.
 (6) To be submitted for approval at the Shareholders' Meeting of May 22, 2025.
 (7) % of total Group sales.
 (8) Advanced driver assistance system.

LIGHT + BRAIN = 50%

**of activity independent from
the type of powertrain**

VALUE CREATION



EMPLOYEES

• Accident frequency rate ⁽¹⁾	0.8	Comp.
• Gender equity index	89.1 pts	Comp.
• Percentage of women in Group management committees	25.6%	Comp.

ENVIRONMENT

• CAP 50 plan: GHG ⁽²⁾ emissions Scopes 1, 2 & 3 (aligned with SBTi commitments ⁽³⁾)	38.8 MtCO₂eq. 2024 objective achieved	Comp.
• 1 million parts reconditioned and repaired per year, with the goal of 2 million per year by 2030		
• Use of Valeo technologies for applications in non-automotive industries: an opportunity- driven approach to reducing CO ₂ emissions		

ETHICS

• Deployment of the new antitrust program and implementation of a new risk map in relation to the fight against corruption	Comp.
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FINANCIAL PERFORMANCE

• Sales ⁽⁴⁾	€21.5bn	
• EBITDA margin ⁽⁵⁾	13.3%	Comp.
• Operating margin ⁽⁵⁾	4.3%	Comp.
• Free cash flow ⁽⁵⁾ after one-off restructuring costs	€481m	Comp.
• Leverage ratio ⁽⁵⁾	1.3x	
• Dividend in respect of 2024 ⁽⁶⁾	€0.42	



Criterion included in the short-term variable compensation and/or long-term compensation of the Chief Executive Officer (subject to shareholder approval at the Shareholders' Meeting on May 22, 2025).

FINANCIAL AND NON-FINANCIAL PERFORMANCE HIGHLIGHTS

FINANCIAL PERFORMANCE	2023	2024
GROUP SALES (IN €M)	22,044	21,492
Original equipment sales (in €m) <i>As a % of Group sales</i>	18,701 85%	17,950 84%
Aftermarket sales (in €m) <i>As a % of Group sales</i>	2,267 10%	2,262 11%
Miscellaneous sales (in €m) <i>As a % of Group sales</i>	1,076 5%	1,280 5%
R&D expenditure (in €m) <i>As a % of Group sales</i>	(2,029) -9.2%	(2,127) -9.9%
EBITDA (IN €M) <i>As a % of Group sales</i>	2,647 12%	2,863 13.3%
OPERATING MARGIN EXCL. SHARE IN JVS (IN €M) <i>As a % of Group sales</i>	838 3.8%	919 4.3%
Other income and expenses (in €m) <i>As a % of Group sales</i>	(111) -0.5%	(313) -1.5%
Attributable net income (in €m) <i>As a % of Group sales</i>	221 1.0%	162 0.8%
BASIC EARNINGS PER SHARE (IN €)	0.91	0.67














STATEMENT OF CASH FLOWS	2023	2024
Change in working capital <i>As a % of Group sales</i>	278 1.3%	492 2.3%
Investments in property, plant and equipment (in €m) <i>As a % of Group sales</i>	(964) -4.4%	(1,138) -5.3%
Investments in intangible assets incl. capitalized development expenditure (in €m) <i>As a % of Group sales</i>	(1,037) -4.7%	(1,086) -5.1%
FREE CASH FLOW (IN €M)	379	481

FINANCIAL STRUCTURE	2023	2024
Net debt (in €m)	4,028	3,813
LEVERAGE RATIO: NET DEBT TO EBITDA	1.5x	1.3x

DIVIDENDS	2023	2024
DIVIDEND PER SHARE (IN €)	0.40	0.42⁽¹⁾

(1) To be submitted for approval at the Shareholders' Meeting to be held on May 22, 2025.

NON-FINANCIAL PERFORMANCE

CHALLENGES	ENVIRONMENTAL INDICATORS	2019	2024	SDG IMPACTED
CARBON NEUTRALITY CONTRIBUTION PLAN	Emissions from operating activities – Scopes 1 & 2 (MtCO ₂ eq.)	1.1 <i>Baseline</i>	0.4	
	Emissions from purchased goods and services – Upstream Scope 3 (MtCO ₂ eq.)	9.5 <i>Baseline</i>	7.9	
	Emissions from the use of Valeo products – Downstream Scope 3 (MtCO ₂ eq.)	39.0 <i>Baseline</i>	30.5	
	Gross emissions – Scope 1, 2 & 3 (MtCO ₂ eq.) in line with SBTi commitments	49.6 <i>Baseline</i>	38.8	
ENERGY	Energy consumption as a proportion of sales (MWh/€m)	142 <i>Baseline</i>	125	
	Share of low-carbon electricity purchased	5.5%	61	
WATER	Water withdrawals as a proportion of sales (cu.m/€m)	197 <i>Baseline</i>	121	
DISCHARGES AND WASTE	Production of hazardous and non-hazardous waste as a proportion of sales (t/€m)	16.4 <i>Baseline</i>	12.3	
CHALLENGES	EMPLOYEE-RELATED INDICATORS	2019	2024	SDG IMPACTED
HEALTH AND SAFETY	Accident frequency rate (FR1): number of accidents with lost time per million hours worked	1.9	0.8	
PROMOTING EQUALITY AND DIVERSITY	Gender equity index	82 pts	89.1 pts	
	Percentage of women on Group management committees	16%	25.6%	
	Percentage of employees with disabilities on Group payroll	2.1%	2%	
SKILLS	Number of hours' training per employee during the year	-	19h	
CHALLENGES	SOCIAL INDICATORS	2019	2024	SDG IMPACTED
PURCHASING AND SUSTAINABILITY	Share of production purchases for which the suppliers' sustainability practices were assessed during the year (% of total purchases)	80%	90%	
LOCAL INTEGRATION	Organization of initiatives and events by the Valeo sites with educational and vocational training institutions (in % of sites)	68%	71.1%	
LOCAL COMMUNITIES	Share of sites participating in the "One Site, One Initiative" program	50%	68%	

OUTLOOK

In 2025, Valeo is aiming for structurally higher profitability and cash generation, driven by the attractive positioning of its offering and rigorous cost management.



In 2025, we will continue to build on our recovery, and are aiming for a further improvement in our financial performance. Our goal is to deliver an original equipment sales outperformance versus automotive production, and to increase our operating margin and free cash flow generation. For the period 2024-2025, this would be equivalent to free cash flow generation of around one billion euros, which remains the Group's priority. Our Move Up strategic plan will come to an end in 2025. We have reduced our costs and structurally improved our profitability and cash generation. Our customers have demonstrated their trust and growing interest in our technologies. Since 2022, the profitability of our order intake has increased sharply. We will outline a new phase of profitable, cash-generating growth for Valeo at an Investor Day to be held on November 20, 2025."

CHRISTOPHE PÉRILLAT
VALEO'S CHIEF EXECUTIVE OFFICER

		2024	2025 OBJECTIVES ^(a) (b)
SALES (in billions of euros)		21.5	21.5 to 22.5 OE sales outperformance
EBITDA (as a % of sales)		13.3%	13.5% to 14.5%
OPERATING MARGIN (as a % of sales)		4.3%	4.5% to 5.5%
FREE CASH FLOW (in millions of euros)	Before one-off restructuring costs	551	700 to 800
	After one-off restructuring costs	481	+ 450 to 550
Cumulative cash flow of around 1 billion euros for the 2024-2025 period, after taking into account 300 million euros in one-off restructuring costs.			

(a) Based on S&P Global Mobility estimates as at February 18, 2025 and regulations relating to tax and tariffs, in effect at February 27, 2025.

(b) Second-half margins and free cash flow generation higher than in the first half, thanks to higher production volumes and efficiency gains.

RATINGS

ESG ratings (as of March 1, 2025)

ESG performance and commitments recognized by non-financial rating agencies	S&P GLOBAL 74/100	SUSTAINALYTICS 8.8 negligible risk	ISS ESG B- Prime
	CDP A Climate change A- Climate Water	MSCI ESG RATINGS AAA	MOODY'S 61/100

ESG indices (as of March 1, 2025)

ESG stock market indices of which Valeo is a member	EURONEXT CAC 40 SBT 1.5°	STOXX Global ESG Leaders
		MSCI ESG Leaders

Credit ratings (as of March 17, 2025)

Deleveraging as a Group priority	STANDARD & POOR'S BB/B Outlook: stable	MOODY'S Ba1/Non-prime Outlook: negative

FINANCIAL GLOSSARY

Order intake corresponds to business awarded by automakers during the period to Valeo, and to joint ventures and associates based on Valeo's share in net equity, less any cancellations. Figures are based on Valeo's best volume, sale price and service life estimates. Unaudited indicator.

Like-for-like (or LFL): the currency effect is calculated by multiplying foreign currency sales by each currency's prior-period exchange rate against the euro. The Group structure impact is calculated by (i) eliminating, for the current period, sales of companies acquired during the period, (ii) adding to the previous period full-year sales of companies acquired in the previous period, and (iii) eliminating, for the current period and for the comparable period, sales of companies sold during the current or comparable period.

Outperformance is a business growth indicator corresponding to growth in Valeo's like-for-like original equipment sales compared with growth in automotive production volumes, as defined by S&P Global Mobility (formerly IHS Markit), over a given period and geography.

Operating margin (EBIT) corresponds to operating income before other income and expenses before share in net earnings of equity-accounted companies.

EBITDA corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

EBITDA margin: EBITDA/sales.

Free cash flow corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and net payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

Net debt comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

Leverage ratio: Net debt to EBITDA.

Gearing ratio: Net debt/stockholders' equity.



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