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Introduction from Jacques Aschenbroich, Chairman and CEO

Dear Valeo employees,

It has been over 90 years since we started manufacturing automotive parts and equipment. Today, Valeo has established itself as an innovative technology company, partnering with automakers worldwide to develop efficient and intuitive driving technologies that will carry us into the future.

Our success and growth are based upon a set of profound values: Ethics, Transparency, Empowerment, Professionalism and Teamwork and upon a group of passionate people dedicated to their company, colleagues and customers.

Wherever we operate in the world, whatever activity or responsibility we are in charge of, we act with integrity and respect for each other, our stakeholders, shareholders and for our environment.

As we grow and develop throughout the world, we want to continue upholding the highest standards of integrity and share our values with our people and business partners, with Valeo’s future at heart.

This Code reflects our very strong business ethics. It applies to our day to day business life at Valeo and addresses situations and dilemmas that we may be faced with. It will help you find answers and guidance.

But beyond rules and principles, it is all about integrity and the willingness to do the right things. It is all about our people and this is why we, individually and collectively, are the ambassadors and the guardians of our ethical values and principles, and of our future.
Ethics and Compliance program – Valeo Code of Ethics

Please study this code carefully and refer to it frequently. You will ensure our future success by sharing this code and its principles with your colleagues. Feel free to ask questions and seek advice when you have any concerns.

Sincerely,
Jacques Aschenbroich, CEO

“MY TWIN OBSESSION FOR VALEO: GROWTH AND PROFITABILITY WITH INTEGRITY”

Jacques Aschenbroich, Chairman and C.E.O.
1. Introduction to the code

1.1. A culture of integrity

It has always been Valeo policy to follow the laws of the countries in which we operate. We promote and abide by Valeo’s Values—Transparency, Empowerment, Professionalism and Teamwork—which are essential to our culture of excellence and integrity. Consistent with our Values, we are also committed to upholding the global principles of human rights, labor, respecting the environment and anti-corruption through our membership in the Global Compact of the United Nations.

At Valeo, we believe that ethics and compliance are essential to the trust and satisfaction of all of our stakeholders and employees. Above all else, we believe in a culture of personal and professional integrity that, combined with clear rules and expectations, set the right framework for sustainable and profitable growth.

In light of our global footprint and rapid expansion, we want to reiterate our commitment to ethics and compliance through a revised Code reflective of our Group’s culture of excellence and integrity.

Based on the highest business standards, the Valeo Code outlines the policies, ethical principles and rules to which we must adhere. It is a document of action, guiding our work each day and reflecting our company’s commitments to its employees, business partners and customers, as well as its surrounding communities and the environment.

Subject to local law, the Code works together with our other policies, rules and regulations that provide further detail on specific topics.
These additional policies include but are not limited to, the Group’s Legal Policies, Marketing Policies, Sales Practices, the Administrative and Financial Manual (Manuel Administratif et Financier, or M.A.F.), and the Code of Good Conduct covering securities transactions and compliance with French regulations on insider trading. The Code also resonates with each of our 5 Axes – Involvement of Personnel, Total Quality, Constant Innovation, Supplier Integration and the Valeo Production System.

The Code is essential to our sustainable and profitable growth. We expect all Valeo employees to know and strictly comply with it. Thank you for supporting our business ethics and values.

Catherine Delhaye
Chief Ethics and Compliance Officer

1.2. To whom the code applies

The Valeo Code is a guiding document that applies to all Valeo employees equally, regardless of job title. That said, leaders within the company have added responsibility; they must lead by example, making decisions that promote and comply with our Code and related policies. Their guidance is essential in creating an ethical and positive work environment.

The Code is mandatory for all Valeo employees, managers, executives, subsidiaries, joint ventures and similar entities managed or controlled by Valeo. Every director, officer, and employee of the Valeo Group has an obligation to abide by this Code and may not enter into agreements, contracts, or other actions that violate this Code or the law.

A dedicated Code has been created for suppliers and other business partners to communicate Valeo’s values and expectations. This Business
Partner Code of Conduct gives more specific guidelines relating to our work with people outside of Valeo. That code is available on the Ethics and Compliance portal.

We have zero tolerance for code violations. Misconduct or non-compliance with the Code is taken very seriously and may lead to disciplinary action up to and including termination.

2. Integrity vis-à-vis our people and our environment

All employees have the right to work in a positive environment, free from harassment and discrimination.

In joining the Global Compact of the United Nations in 2004, Valeo commits to respect and promote the fundamental rights of each person as defined in the Universal Declaration of Human Rights wherever we work in the world. This means we embrace and protect the intrinsic worth of each individual by following guidelines related to wages and benefits, minimum age requirements, equal rights for men and women and by respecting the private lives of employees.

Safety and well-being in the workplace are key aspects of Valeo’s broader commitment to sustainable development. Our employees are the heart of our operations and we want to foster respectful and inclusive workplaces founded on our values of ethics and transparency.

2.1. Ensuring workplace safety

We are committed to maintaining safe workplaces that comply with all applicable workplace health and safety laws as well as our own policies. Safety standards have been developed to protect our employees and to
make our operations as safe as possible. These standards must be followed carefully.

It is essential that each employee understand the specific health, safety and security standards associated with his or her position. Any hazard or concern should be reported immediately to avoid any accident or injury.

In keeping with our commitment to safety, we maintain drug- and alcohol-free workplaces. We forbid the distribution, sale, purchase, exchange, possession and use of illegal drugs in the workplace. The same restrictions apply to alcohol with few exceptions; reasonable use at a company party may be acceptable when allowed by local laws and expressly authorized by local management. Smoking is only permitted in designated areas.


### 2.2. Respecting human rights

We combat forced and child labor. We do not employ children under the age of 16 and comply with ILO Conventions related to the employment of children between 15 and 18 years of age. We expect our suppliers and partners to comply with these standards, as well.

All our operations are free from forced labor. Workers are treated fairly, equally and are paid according to applicable wage laws (including minimum wage, overtime and mandated benefits).
Our employees have the right to express themselves and to join or set up unions in line with local laws. A trustful and active social dialog is also clearly valued and promoted at Valeo. Human rights and the safety of our workers and business partners are of the utmost importance to Valeo; therefore, anyone who suspects violations of human rights must speak up, knowing that Valeo protects against any potential acts of retaliation. Please refer to Section 7: “Raising Concerns – Alerting” to learn how to make a report.

2.3. Developing people – valuing diversity

Involvement of our personnel is part of the Valeo 5 Axes methodology and helps us build a culture of excellence.

Valeo regularly invests in the training and specialization of our employees. New skills and assets lead to higher levels of performance, autonomy and the potential for increased responsibility.

Numerous career opportunities are available and we offer fair pay.

A sense of well-being at work is important; this is why we carefully listen to our people via surveys and polls. In many countries, we have developed successful Well-being at Work programs. As a result, we have been recognized as a top employer in many countries.

Our global workforce is diverse and we welcome further diversity. Several programs have been established to promote diversity with a particular focus on women, senior citizens and disabled people. We also welcome younger generations with internships and apprenticeships. To know more about Valeo’s diversity programs, please read the Valeo Annual Report.
2.4. Preventing discrimination and harassment

We do not allow discrimination and comply with laws that prevent it. Our employment decisions — including but not limited to hiring, training, compensation, benefits, work assignments and promotions — are based objectively on qualifications, position, experience and performance.

Valeo does not consider place of birth, ancestry, gender, sexual preferences, age, family status, genetic characteristics, nationality, race, political opinions, union activities, physical appearance, health, disability, pregnancy or any other protected status when making such decisions.

We combat harassment to build a safe and respectful workplace. Any sexual or psychological harassment, bullying or any other conduct that creates a hostile or intimidating work environment is not allowed.

Any employee who believes he or she has been harassed or believes harassment is taking place should report the alleged conduct immediately to either his or her manager, the Group Vice President of Human Resources, the Group General Counsel or the Chief Ethics and Compliance Officer.

We take harassment and discrimination very seriously and we need to know when these kinds of behaviour occur. If you believe that you or your colleagues have been sexually harassed, you must make a report so we can address the problem immediately. Please submit your report in writing to any member of the sexual harassment committee within three months of the incident.
Any report of discrimination, harassment or bullying will be handled promptly, confidentially and without the threat of retaliation.

For more information on Valeo’s zero-tolerance policy toward harassment and discrimination, employees are encouraged to consult the Anti-harassment Reporting Policy.

2.5. Respecting the environment

Environmental stewardship is a major part of our identity. We consider sustainability and our goal of developing innovative technologies to be our unique contribution to the well-being of the communities in which we operate and the natural world. By complying with local environmental laws and maintaining our own high standards, we are acting with integrity, building trust and ensuring Valeo’s growth long into the future.

We commit to an ambitious program of sustainable development that positively impacts our surrounding environment and communities.

We implemented an Environment Management System (EMS) in order to protect the environment by optimizing natural resources and reducing waste discharges during the creation and use of all of our
products. In addition, we forbid the manufacturing or selling of products that present an unacceptable risk for individuals’ health and the environment.

Detailed procedures for implementing and evaluating our success can be found in the Group’s Environment Policies.

The Agreement on Corporate Social Responsibility that we signed with our European Works Council in 2012 outlines the social, corporate and environmental standards and commitments to which we adhere in order to promote sustainable development. This agreement extends to non-European countries with the cooperation of local leadership.
3. Integrity in the marketplace: Doing business fairly

At Valeo, we know that ethical business practices ensure our current and future success. This is why we adhere strictly to policies and laws that promote fair competition in the marketplace and that safeguard against anti-competitive practices, bribery and corruption. The consequences for violations in these areas are severe for Valeo and those individuals involved.

3.1. Dealing fairly and honestly with customers

We value our customers’ trust and we know it has to be earned every day. We know that customer satisfaction is created with innovation, high quality products and ethical standards in all our dealings.

In everything we do, we seek to add value for our customers. We are determined to fulfil our commitments and deliver promised supplies. We respect our customers’ intellectual property and confidential information. We refuse unethical means of obtaining such information.

Ultimately, we believe that fairness, mutual respect and integrity among business partners, customers, suppliers and other stakeholders are the foundations of long term quality and mutually beneficial relationships.

3.2. Upholding fair competition practices

Our antitrust program is based on simple and unquestionable principles: we respect the integrity of the marketplace and refuse any illegal actions intended to unfairly drive competitors out of business or
force business partners to accept unfair commercial conditions. We strictly prohibit anti-competitive practices.

Specifically, we do not collude with competitors in cartels, engage in price-fixing, market-sharing or bid-rigging. We must avoid even the appearance of non-competitive behaviors. Similarly, being careful to comply with antitrust laws, we do not exchange sensitive business data with competitors.

Please refer to our Antitrust Do’s and Don’ts. Many questions you may have will be answered in our: Antitrust Q&A.

We should be careful about joining trade associations or working groups as these cause us to interact with competitors. Participation in business associations is governed by the Valeo Membership to Business Associations and Working Groups Policy and subject to pre-approval.

The list of Approved Associations & Working Groups is available on the Ethics and Compliance Portal. The Valeo Participation to Associations, Working Groups Meetings and Events Policy provides additional guidance.

Our cooperation agreements with automotive industry stakeholders must be lawful, transparent and thoroughly managed. Our Managing compliance on joint projects involving third parties provides guidance on these agreements. These processes are embedded in our project development methodology, as well as in our R&D procedures.

We expect Valeo’s third parties to understand Valeo’s policy and expectations and comply with our standards of integrity related to antitrust. The Third Party Antitrust Risk Awareness Handbook and e-learning programs have been established for more detailed training and guidance.
We carefully follow our Valeo Sensitive Business Data and Information Sharing Policy which provides guidance when communicating with competitors. It is essential that we keep thorough records of discussions and meetings involving competitors. We must walk away from any discussions involving competitors that seem risky or problematic and must report any concerns as soon as possible to Valeo’s General Counsel and/or the Chief Ethics and Compliance Officer.

A breach of Valeo’s antitrust policies may result in disciplinary actions such as heavy fines for the company and the individuals involved, loss of future business and damage to our reputation. When in doubt, consult with the Legal Department or Chief Ethics and Compliance Officer.

3.3. Preventing bribery and corruption

Our principles are very clear: Bribery and corruption are prohibited at Valeo. We adhere to all applicable country laws (including Sapin 2, Foreign Corrupt Practices Act, UK Bribery Act, etc.).

We are aware of and avoid actions that may be construed as attempts to improperly influence customers, government or administrative decisions in matters affecting Valeo. We avoid any situation where Valeo might be perceived as vulnerable to active or passive bribery.
Receiving gifts and entertainment
Valeo policy forbids the acceptance of any gift or gratuity such as money, merchandise, services, entertainment, travel, favors and similar items except where the gift or gratuity is of minimal value.

If inappropriate gifts or gratuities have already been received, they must be returned to the giver unless it would be rude to refuse or return the gift. When refusing the gift would be overly offensive, the employee must inform the Group Vice President of Human Resources, the Chief Ethics and Compliance Officer or the Legal Department. We should also inform the gift giver about our strict policy on gifts to avoid any future problematic situations.

Limiting gifts, invitations and entertainment to commercial partners
Valeo employees and third parties are forbidden from promising or giving any gift, invitation or entertainment to obtain an improper business advantage. This includes gifts and entertainment provided directly or indirectly to customers, suppliers or other third parties.

Valeo employees may only give gifts or entertainment that are reasonable, infrequent and in line with the Valeo Gift, Entertainment, Meals, Hospitality and Donations policy. This policy sets general rules and limits for gifts, invitations and entertainment. Associated Local Addenda set local specific guidelines where applicable. Decision making tools are available to help our people make the right decisions or ask for help. We must also respect the gift and entertainment policies of other companies we work with.

While bribery generally refers to money, it may also involve non-monetary items or anything of value such as gifts, benefits, entertainment, donations and hospitality. Read the Valeo Anti-bribery Q&A and consult with your management or the Chief Ethics and Compliance Officer for more information.
Prohibiting payments to government officials and personnel

Valeo’s rigorous anti-bribery and anti-corruption policies also apply to all dealings with government and public officials, personnel and administrative agencies.

Government or public officials are broadly defined as: government officers, heads of government ministries, political representatives and candidates, customs agents and other similar elected or appointed government workers including government or state owned companies and their employees. As it can be hard to identify government officials, we need to ask questions if the situation is not clear.

We are strictly forbidden from giving or promising to give, offering, paying or promising to pay in any way, directly or indirectly, anything of value to any government or public official in exchange for an unfair favorable action or an improper business advantage.

Business partners and third parties acting on Valeo’s behalf that interact with public officials are also subject to our policies on bribery and corruption that are available on the Ethics and Compliance portal.

A good way to avoid bribery and extortion is to plan ahead when working with the government so we don’t have to ask for favors, special treatment or find ourselves in a difficult situation.

Never improvise, never come late and always factor into your project planning, the time necessary to get appropriate approvals. Please, refer to the Valeo fighting corruption, Bribery can take multiple forms. It is important to be vigilant. We are expected to consult with the Legal Department or the Compliance Office in case of any doubt and to immediately alert management when we suspect corruption.
preventing and resisting extortion policy and take the related training as they provide more detailed information.

**Facilitating payments**
We need to recognize the difference between a legitimate payment request and a request for a facilitating payment. A facilitating payment is a payment in return for expedited performance of otherwise routine government duties.

Valeo considers facilitating payments to be bribes in most circumstances. There may be times when we are faced with real threats of violence and life-threatening situations in which it is permissible to make a payment. The law allows for a narrow exception to our policies against facilitating payments when faced with life-threatening situations. If you are faced with such a situation make a payment to protect your safety, and please report the payment afterward, as soon as possible.

**Prohibiting political and charitable contributions**
Valeo’s employees are welcome to support political candidates and causes in their personal time with their own resources. Valeo time and resources may not be used to provide support for political parties, elected officials or candidates for office. The same limitations apply to union and religious causes. Charitable contributions of our time or resources made on behalf of Valeo are subject to prior approval from the Group Chief Executive Officer.

**3.4. Guaranteeing integrity in procurement and supplier selection**

In line with Supplier Integration, one of the 5 Axes in our operating model, we have developed partnerships with an extensive network of suppliers and Business Partners. We want our
partnerships to be lawful, ethical and mutually beneficial.

We select Business Partners based on quality, need, performance and cost. We expect our partners to be as committed as we are to human rights, fair sales and marketing practices, confidential and personal information protection, intellectual property, anti-bribery. We want them to meet our high ethical standards.

It is the responsibility of each Valeo employee and manager to select business partners based on merit, without any favoritism or discrimination during the selection process.

Investing in a business partner or lending money to business partners is not permitted. We may not directly or indirectly accept any kickbacks or bribes.

We have a separate Business Partner Code of Conduct that details the special guidelines and standards relating to our suppliers and business partners. The Business Partner Code is available on the Ethics and Compliance portal. If you ever have questions when dealing with one of Valeo’s business partners, do not hesitate to ask the Chief Ethics and Compliance Officer.

3.5. Setting an ethical partnership framework with our stakeholders including agents and intermediaries

Valeo strives to develop and maintain ethical relationship with respectable Business Partners and stakeholders.

Consistent with the various legislations that require large companies to select their Business Partners, based on their risk profile, the Valeo Business Partners’ selection process is thorough and may encompass due diligence of clients, suppliers, vendors and other partners.
As to individuals and/or companies acting in the name or on behalf of Valeo, their selection is subject to the Valeo Third Party Intermediary Selection and Retention policy.

The associated Valeo Third Party Intermediary Anti-Bribery Compliance Contractual Provisions prohibit bribery and corruption, and require the cost of services to be accurately listed.

Many tools exist to educate third parties on our high ethical standards, including the Valeo Business Partners code of conduct. The Valeo Business Partners compliance awareness program which consists of free e learning and documentations provides further guidance on Valeo’s expectations vis à vis Business Partners.

Non-compliance with our code and policies is taken very seriously. Violations can result in the suspension of relationship or the termination of a Business Partner’s contract.

4. Integrity and protection of Valeo’s property and assets

As a technology company, Valeo invests significantly in research and innovation. Our ambitious and successful research programs make us a leader in our field and we pride ourselves on the multiple patents we
register each year. Our R&D related initiatives and investments need to remain confidential. Our success depends on our ability to identify the right commercial and geographic strategies and to make the right investments. To ensure we can grow and operate effectively, our assets and confidential information need to be protected and secured.

We are all responsible for making proper use of Valeo’s property and assets, including but not limited to the following:

- Intellectual property
- Confidential information
- Technology data
- Computer hardware and software
- Media for data storage
- Real estate
- Equipment, machinery and tools
- Raw materials
- Cash

Protecting Valeo’s assets and ensuring confidentiality takes discipline and attention. It is a continuous effort that doesn’t stop when we leave the office. More information on how to keep our information safe and secure can be found in the Valeo Confidentiality and Image Policy.
4.1. Protecting Valeo’s information and intellectual property

Maintaining the confidentiality of Valeo’s information and records is essential to our competitive advantage. Confidential information that must be carefully safeguarded includes data about Valeo’s:

► Commercial projects and agreements
► Financial data, prices and costs
► Commercial, investment and expansion strategies
► Customers and suppliers
► Intellectual property rights, copyrights and drawings
► Personal information about our employees and customers
► Technological information and any other sensitive information, such as information about production units’ earnings, R&D projects and patents
► All other material, non-public information

While working for the Valeo Group and after separating from the company, we may not use or disclose any of Valeo’s confidential information.

Proper use of confidential information means keeping passwords and codes private. We must use company technology, materials and space exclusively for professional duties, taking precautions to prevent any unauthorized use of company assets as established in Valeo’s Information Technology Charter.

We also respect our business partners’ intellectual property rights, trade secrets and copyrights including software, images and publications.

Any violation of our confidentiality or intellectual property guidelines may result in disciplinary action and even prosecution.
4.2. Protecting personal data

As a global automotive company, Valeo continuously develops and entertains relationship with clients, employees, candidates, students, suppliers, prospects and many other stakeholders. For purely business related purposes, Valeo needs to gather, store and use some of their personal data.

Valeo also develops products that may collect, use and transfer personal data (drivers, passengers, pedestrians....).

Valeo is committed to processing personal data in compliance with data protection regulations including the recent European Global Data Protection Regulation (GDPR) and to respecting the rights of data subjects be them employees, clients, Business Partners or stakeholders.

As an illustration, Personal Data include:

- Name, email address, fingerprint
- Government-issued identification numbers
- Financial, medical and compensation information
- Performance evaluations, promotions and other employment related information
- Biometrics Data

It is therefore Valeo policy to collect personal data in a fair, lawful and transparent way, to use them for legitimate purposes only, to implement measures to protect their integrity, to retain them for no longer than necessary and to fully support the exercise of their rights by data subjects.
Where Valeo needs to outsource European personal data processes and/or to transfer European personal data outside of the European Union, the selected Data processors must comply with the data protection laws and Valeo Data protection Contractual terms and instructions. They include Valeo’s requirements in terms of data breach, data subject rights or claims management and the prohibition of using unapproved sub processors, and the necessity of sensitizing its employees to Data Protection. International transfer clauses are also signed as legally required.

When Valeo develops, engineers and manufactures products that may trigger data protection obligations under the GDPR, Valeo takes data security into account at the time of designing, engineering and developing such products.

Should Valeo happen to process personal data or to develop a product on behalf of a client, Valeo will comply with the agreed to data protection specifications and clients’ instructions as per GDPR requirements.

The above commitments are supported by the Valeo Data Protection Compliance Program that encompasses numerous policies, procedures, tools, forms and contractual clauses as well as a detailed training and awareness program.

The Data Protection champions can and must be consulted in case of questions, issues or doubts. The Valeo whistleblowing system is also available to anyone who has reason to believe that the Valeo Data Protection Compliance Program is not being complied with or wants to report potential violations of this program in the law.
Finally, the Global Data Protection Officer can be reached for any request, question or claim at dpo.internal@valeo.com by all employees or at dpo.external@valeo.com by third parties.

We take measures to protect our employees’ personal information.

4.3. Complying with Export/Import and Economic sanctions restrictions

Valeo is committed to compliance with the applicable laws and regulations that govern the importing and exporting of goods, services, technologies and information, including re-exports and parallel trade.

In particular, EU and/or US law in the following areas may be implicated depending on the nature of goods, services, technologies, currencies or parties involved:

► Sanctions regimes restricting direct or indirect imports from or exports to (including but not limited to payments to/from) a sanctioned territory, currently the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan or Syria, or a sanctioned party (such as those targeted by the EU and/or US restrictions) including imports or exports made via third countries or third parties (such as resellers or distributors).

► Government controls on the physical or electronic export of specific goods and technologies, for example where those items are capable of being used for military or political repression purposes and require a license.

► Correct customs classification and declaration of imported items.

Our Business Partners must act in compliance with these obligations including compliance with U.S. laws and regulations that have extraterritorial effect, and are expected to provide Valeo with information regarding their international business dealings, the origin and/or export classification of products/materials they are supplying to
Valeo, and/or confirm in writing the end-use and/or end-user of Valeo products they are purchasing from, or distributing on behalf of Valeo.

4.4. Protecting the confidentiality of employees’ private information

We take measures to protect our employees’ personal information. Personal information can include:

- Government-issued identification numbers
- Contact information and birth dates
- Financial, medical and compensation information
- Performance evaluations, promotions and other employment related information

Access to this type of information is limited to authorized individuals. We use, manage and dispose of such information in compliance with applicable laws.

Each employee must protect his or her own personal data as well as others’ personal data. We are forbidden from searching for such data about other individuals unless authorized to do so in connection with our duties. Other than authorized individuals, employees may only access information concerning themselves.

Valeo employees understand that they have no expectation of privacy when using company systems or devices, except in countries where privacy is legally authorized. More information on Valeo's commitment to privacy can be found in Valeo’s IT Charter.
4.5. Respecting third party intellectual property and confidentiality

We respect the intellectual property and confidential information of others. We refuse unethical or illegal means of obtaining the confidential or proprietary information of others.

Even after employees have left Valeo, they must protect Valeo’s confidential information and not share it with others.

4.6. Avoiding conflicts of interest – being loyal to Valeo

We must perform our duties and assignments loyally. No activity should be performed if it poses a conflict of interest between Valeo employees and the company.

A “conflict of interest” exists when an employee’s private interests interfere with Valeo’s interests. Some examples of conflicts of interest include, but are not limited to:

► Having an ownership share of a company that competes with Valeo
► Taking advantage of business opportunities that come our way because we work for Valeo
► Trying to sell products or services to Valeo, directly or indirectly
► Sitting on boards for other organizations that have dealings with or are in the same industry as Valeo
► Benefitting personally (or a close relative) from a transaction involving a company in the Valeo Group

Employee talent and loyalty are essential to our success. We should never seek to undermine the company’s success for personal gain.
Be aware of and avoid relationships or activities that could cause or appear to be conflicts of interest. Our decisions should have the best interests of Valeo at heart.

Executives and management employees have additional responsibilities to avoid conflicts of interest. No executive or member of management may hold a second job, or own or operate a business that will distract from his or her duties at Valeo. This rule does not forbid temporary involvement, outside working hours, in a family business (spouse or family member owned) that does not compete with Valeo.

We are expected to disclose any potential activities or relationships that pose a conflict of interest to our manager, the Human Resources department, the Group General Counsel, the Chief Ethics and Compliance Officer and/or the Internal Audit Director. In case of doubt, please consult with the Chief Ethics and Compliance Officer.

Speaking up when we witness or suspect any misconduct upholds our commitment to integrity. Non-retaliation for those who have the courage to speak up is our rule. Please refer to “Section 7. Raising concerns – Alerting” for further guidance on raising concerns.

4.7. Committing to professionalism and quality

Year after year, through our commitment to innovation and quality, we work to make products and services of value to our customers and partners. This commitment has earned us the praise and respect of others in the industry.

The high quality of our products and services depends on the integrity and reliability of our engineering and testing approach and of our production systems. We have in place rigorous production and quality-control standards, ensuring our products meet all applicable legal, regulatory and customer requirements. The goal of improving quality motivates and empowers us all.
Vigilance, transparency and early reports to management of any perceived issue, such as conception / engineering issue, concern or non compliance defective parts and actual or potential production difficulties are core foundations of our production and delivery ethics. Such attention to detail and professionalism is expected and ensures our success.

4.8. Truth and accuracy of accounts, books and records

All assets, liabilities, expenses, and other transactions carried out by companies in the Valeo Group must be recorded in the companies’ books and accounts which are to be kept truthfully and accurately, in accordance with the applicable accounting principles, rules and laws.

No undisclosed funds or unrecorded assets of Valeo companies or subsidiaries shall be established or maintained for any reason whatsoever. Documents pertaining to commercial or financial transactions must reflect these transactions faithfully. No payment may be approved or made with the intention or understanding that all or any part of such payment is to be used for any purpose other than that described in the documents supporting the payment.

No false or artificial entry may be made in the books and records of Valeo or its subsidiaries for any reason whatsoever.

**Integrity of our books and records**

Transparency is a guiding principle: accurate accounting and record-keeping are critical to prevent corrupt and fraudulent acts. All expenses, payments, records and books must accurately reflect the use and nature of transactions. Inaccurate, incomplete or misleading books and records are strictly prohibited.
**Maintaining accurate books and records**

The quality and reliability of our record-keeping is of high importance to us. All of Valeo’s books and accounts must precisely and accurately record all of the company’s assets, liabilities, expenses and other transactions in accordance with all accounting principles, policies and laws.

False records, books and documents can include:

- Misleading reports
- Altering or improperly disposing of company records
- Offering false or misleading financial information to a customer, supplier, regulator or shareholder

We must retain and catalog our records in accordance with local laws and Valeo internal procedures.

Some records need to be kept for years and others need to be destroyed on a regular schedule. Please consult the Legal or Finance Departments if you are ever unsure about whether or not to keep a record.

Accurately maintaining our records is an important and detailed topic. More information about Valeo’s record-keeping policies can be found in the Administrative and Financial Manual (Manuel Administratif et Financier, or M.A.F.). Any issues regarding misconduct with our records will be handled with confidentiality and without the threat of retaliation. Employees should alert management immediately if they witness or suspect violations.

Please, refer to the M.A.F.

**4.9. Combating money laundering**

“Money laundering” happens when individuals manipulate financial records to conceal unlawful funds or make the source of unlawful funds
appear legitimate. The practice of money laundering is often associated with violent and illegal activities. Valeo’s commitment to quality in its financial records requires a zero-tolerance stance on money laundering. We exchange our goods and services for acceptable forms of payment only.

In order to reduce our risk of enabling would-be money launderers, we should know our customers and be aware of unusual orders or payments.

By closely monitoring our payments, invoices and other transactions, we can better prevent money laundering. Report any unusual or suspicious payment, payment request or financial transaction to the Finance Director or the Group Treasury Director.

Refer to the Finance Team handbook for help on detecting bribery and money laundering risks.

5. Ethical communication

We communicate clearly, honestly and consistently with our shareholders, the media and other external parties. This includes communications using the internet and social media, on the phone and in person. We only discuss information that has been approved for external use and is consistent with Valeo’s confidentiality policy and Valeo Communication Department policies.
5.1. Communicating with caution

Communicating on behalf of Valeo to the media or investors requires thorough preparation and prior approval from the Communication Vice-President or the Investor Relations Director. In the event that you are asked for an interview by the media or any other external parties, including companies conducting surveys or pursuing expert opinions, seek approval from the Communication Department Vice President before responding. If giving an interview, the authorized person should be accompanied by a representative of the Communication or Investor Relations Department.

Conferences are great opportunities to showcase Valeo’s innovations and expertise. Make sure management is aware of, and has approved, the conferences and events you attend. If competitors may be in attendance, make sure your presentation is reviewed by management, the Group’s Communication Department, the Legal Department or Ethics and Compliance Office.

5.2. Carefully using social media

Valeo uses social media such as Facebook, LinkedIn and Twitter to communicate with our customers and stakeholders. However, only designated spokespeople from the Communication Department are authorized to communicate on behalf of Valeo via social media.

While we are free to use our own social media accounts as we see fit on our own time, we must be aware of the risks involved. Often,
information that we believe to be private can be seen by a wide audience on social media and a lack of diligence might lead to the disclosure of Valeo’s or Valeo stakeholders’ confidential information.

When using Facebook, Twitter, Instagram as well as any other social media to communicate with friends and contacts, be sure to respect the company, Valeo’s employees and protect our confidential information.

See our Confidentiality and Image Policy and its Social Media Guidelines for more information or consult with the Communication Department if you have questions.

**5.3. Insider trading – purchase and sale of Valeo shares**

Stock exchange regulations impose a significant risk of liability on any employees (not just officers) who have access to “sensitive” (privileged) information about Valeo (or any other company, including competitors, suppliers, customers or companies and individuals with which Valeo has business connections) that is not public knowledge and who purchases or sells, directly or through an intermediary, for himself, herself or on behalf of a third party, financial instruments issued by Valeo (or derivatives related to them) or recommends such purchase or sale to a third party (in particular, friends or family members) or discloses this information for purposes other than those for which they have been granted access to such information.

In addition to the risk of civil liability, and in certain instances, criminal liability for insider trading, Valeo is concerned about the negative impact publicity about insider trading might have on the entire Valeo Group and its shareholders.

Many employees have access to confidential information at Valeo. This does not mean that employees may never purchase or sell Valeo shares. Legal risks only arise if the
information would be “sensitive” for a “reasonable” investor or speculator, i.e. information that an investor might reasonably consider to be a significant factor in his or her decision to purchase, sell or hold Valeo financial instruments.

Generally speaking, privileged information is information that has not been released to the public and which, if it were to become publicly known, might influence the market price of the issuer’s financial instrument. Deciding whether information is privileged is then left to the good judgment of each individual.

At Valeo, other than unusual or exceptional circumstances, the most common example of “sensitive” or “privileged” information is information about sales or earnings that has not yet been released to the public.

Some examples of non-recurring events that may be deemed “privileged” information are investment deals, acquisitions, disinvestments, plans to close major production units, signing or terminating new major contracts, launching or withdrawing products from the market, major changes in shareholding or senior management, transactions affecting capital or dividends.

The prudent, conservative policy would be to time all purchases or sales after official public release of such information.

The policy explained above does not refer to purchasing shares through the exercise of stock options (since the price to be paid for stock options is established and set by Valeo’s Board of Directors beforehand), but it does apply to any sale of shares purchased through a stock option plan.
Furthermore, it also applies to any financial product or instrument connected to Valeo shares (for example, options, mutual fund shares, or derivatives).

Lastly, the policies explained above also apply to shares and securities in companies having business connections with Valeo (in particular, competitors, suppliers, customers, and companies or individuals with which Valeo does business).

6. Training – Developing our awareness

Understanding risks is essential to the success of our compliance program. All engineers, employees and executives who are more likely to encounter problematic situations receive regularly training on antitrust, anti-bribery and other topics. New members at Valeo must attend a compliance training as early as possible after hire to learn about our commitment to ethical business practices.

Our training focuses on developing a detailed understanding of certain illegal practices and related legislations. It provides practical examples and describes Valeo policies and procedures. This training is mandatory as it educates employees on identifying, reporting and resolving concerns.
7. Raising concerns - Alerting

Our Ethics and Compliance Program is aimed at preventing issues, managing risks and reducing our exposure to non-compliance; its success depends upon personal integrity and our collective determination to act ethically.

Detecting issues early to prevent violations of laws and policies is essential. When misconduct does occur, it is important to react as soon as possible to avoid reoccurrence.

It is in the best interest of the company to speak up when we witness or suspect an activity in violation of our code or policies. In doing so, we reassert our commitment to integrity. There are many avenues available to those wishing to express a concern:

► Your manager
► Your HR Team
► The Senior Vice President of Human Resources
► The Group General Counsel
► The Chief Ethics and Compliance Officer
► The Internal Audit Director

For fraud, bribery or antitrust misconduct, a specific reporting system is available. Subject to local legislation, the system offers several options to place a confidential and anonymous alert: Follow this link to learn more about Valeo’s Line of Alert procedure.

A dedicated hotline directs the caller to a person speaking his/her own language: Valeo Line of Alert phone numbers.

For those wishing to leave a confidential written alert, a dedicated, multi-language website is available 24 hour a day, 7 day a week at: http://www.expolink.co.uk/valeo
People may also choose to simply send an email using the following dedicated email address: valeo@expolink.co.uk

Employees worldwide, from all entities controlled or managed by Valeo, can use it. Subject to local legislations, messages can be made anonymously.

You can trust that any concerns you raise will be taken seriously and promptly investigated.

Valeo does not tolerate retaliation against any anyone making a report in good faith or for your participation in any aspect of an investigation, proceeding or hearing. Reports made in good faith are honest and accurate; we do not tolerate the filing of any reports intended only to harm an employee’s career or reputation. Regardless of whether your country permits anonymous reports, you should always feel safe to file good faith reports without concealing your identity.

For more information on Valeo’s policies about reporting violations and non-retaliation, please consult the section Line of Alert of the Ethics & Compliance portal.
PREVENTION IS KEY
The best way
to protect Valeo is to avoid
frauds, bribes and illegal practices

If you are aware of a potential violation of
✓ our Ethics and Compliance program
✓ or any applicable law

You can place a free, confidential*
and even totally anonymous alert to Valeo Chief Ethics and
Compliance Officer by using the following number, email or website.

0800 374199  Valeo@expolink.co.uk
www.expolink.co.uk/valeo

The sooner, the better

*Dpo.internal@valeo.com
Dpo.external@valeo.com