A LONG TERM SUSTAINABLE GROWTH STRATEGY ANNOUNCED FOR 10 YEARS

Our growth engine for the next decade: CO2 emission reduction

Jacques Aschenbroich
Chairman & CEO
Valeo Investor Day
March 2010
WE ARE STAYING TRUE TO OUR COMMITMENT...

GREEN SALES
- 2009: €0.5bn
- 2019: €9bn
- 2021: ~€10bn

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

2020 EV MOMENTUM
- High Voltage eDrive
- Inverter, Battery cooling
- 48V iBSG
- 48V eACCESS
SUSTAINABILITY IS IN OUR DNA

IN VOLVING ALL OUR SUPPLY CHAIN IN OUR SUSTAINABILITY STRATEGY

OUR OPERATIONS AS A ROLE MODEL

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

- 2014: 12%
- 2016: 63%
- 2017: 67%
- 2018: 77%
- 2019: 80%

PERCENTAGE OF PLANTS CERTIFIED ISO 50001

- 2017: 13%
- 2018: 17% (x1.4)
- 2019: 18%

ENERGY SAVING

-30% MWh/€m

of energy consumption in 10 years
SUSTAINABILITY IS IN OUR DNA

OUR LEADING ESG PERFORMANCE ACKNOWLEDGED BY SUSTAINABILITY INDEXES

* excl. Tyres companies
VALEO’S WORLDWIDE COMMITMENT IN LINE WITH EUROPEAN GREEN DEAL AMBITION
WHAT DOES IT MEAN FOR VALEO?

Valeo

-45%

C02

2019 2030 2050
VALEO 2019 CARBON FOOTPRINT

49.6Mt

SCOPE 3 DOWNSTREAM
USE PHASE
39Mt*

SCOPE 1 DIRECT EMISSION
0.2Mt

SCOPE 2 PURCHASED ENERGY
0.9Mt

SCOPE 3 UPSTREAM
SUPPLY CHAIN
9.5Mt

*2019 public CO2 data (2019 Registration Document) - Scope 3 Downstream value revised in 2020 to align with sector-based calculation methodology
VALEO’S 2030 COMMITMENTS

**SCOPE 3**
- **UPSTREAM**
  - 9.5 Mt eq CO₂
  - -15%*
  - 8.1 Mt eq CO₂

- **DOWNSTREAM**
  - 39 Mt eq CO₂
  - -50%**
  - 19.5 Mt eq CO₂

**SCOPE 1&2**
- 1.1 Mt eq CO₂
- -75%*
- 0.28 Mt eq CO₂

* 2019 baseline
** NET 2030 Valeo target = SBTi 2030 absolute value + additional 2030 CO₂ reduction yearly realised vs 2019 baseline thanks to Valeo electrification portfolio
**SCOPE 1&2**

**OUR OPERATIONS AS A ROLE MODEL**

-75%

**400M€**

Investment for the next 10 years

### 2 Key Levers

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy Efficiency &amp; Emission Avoidance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of ISO 50001 sites</td>
<td>27</td>
<td>67</td>
<td>100</td>
</tr>
<tr>
<td><strong>Low carbon Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of low carbon electricity purchased</td>
<td>5.5%</td>
<td>50%</td>
<td>80%</td>
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</table>

![Graph showing CO₂ emissions and targets](image)
### Energy Efficiency Emission Avoidance

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

<table>
<thead>
<tr>
<th>Region</th>
<th>CO2 Savings* per site**</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>-1,500 t</td>
</tr>
<tr>
<td>Asia w/o China</td>
<td>-1,250 t</td>
</tr>
<tr>
<td>East Europe</td>
<td>-1,250 t</td>
</tr>
<tr>
<td>North America</td>
<td>-1,000 t</td>
</tr>
<tr>
<td>West Europe</td>
<td>-500 t</td>
</tr>
</tbody>
</table>

*2019 baseline **In average in 2025
Energy Efficiency
Emission Avoidance

Short term operational investments focused on eco-efficiency

- Eco-buildings
  Eco-chiller-building

- 100% LED Lighting

- New electronics
ever

- Heat recovery compressors
Power Purchasing Agreement (PPA)

Flagship Wind PPA in Chennai (India, 2017)
Up to 90% of energy covered

Self production on site with solar panel projects

Bad Rodach (Germany, 2016)
20% energy coverage

Sanand (India, 2018)
30% energy coverage

Chonburi (Thailand, 2020)
20% energy coverage

Renewables energies

We will rely on renewable energy partnership & self production
SCOPE 3
UPSTREAM
DRIVING OUR SUPPLIERS CARBON FOOTPRINT REDUCTION
-15%

4 Key levers

<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOURCING</td>
<td>Set CO2 target to suppliers aligned with our commitment</td>
</tr>
<tr>
<td>AUDIT</td>
<td>Ensure supplier’s action plan deployment</td>
</tr>
<tr>
<td>SPECIFICATION</td>
<td>Increasing usage of low emission material in product design</td>
</tr>
<tr>
<td>INNOVATION</td>
<td>CO2 impact from design rules</td>
</tr>
</tbody>
</table>
SPECIFIC CO2 EMISSIONS TARGETS SET TO VALEO’S SUPPLY BASE FOR:

**SOURCING**

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

**AUDIT**

Leverage the annual assessment of main business partners on their carbon reduction strategy & achievements year by year.
WE PROACTIVELY TRANSFORM GREEN MOBILITY AT SCALE

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

+ ECOSYSTEM BASED VISION OF MOBILITY

+ A PRODUCT PORTFOLIO ELECTRIFYING MOBILITY
BUILDING 2030 MOBILITY SCENARIOS
LEVERAGING OUR UNIQUE ECOSYSTEM AS A TECHNOLOGICAL PROVIDER FOR MOBILITY SOLUTIONS

A growing 4 wheelers market

Electrification accelerates
- Conventional
- HEV
- PHEV
- BEV

= 24%
= 38%
= 6%
= 32%
= 52%
= 40%
= 8%

2030 City Scenario e-fleet share

Kickscooters 100%
eBikes 65%+
e-2 Scooters 95%+
e-3 Wheelers 95%+

Urbanization drives micromobility boom

Source: McKinsey Center for Future Mobility, Emisia, IEA, IHS
**2 Key Levers**

<table>
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<tr>
<th>Green products roadmap</th>
<th>Develop products contributing to CO2 emissions reduction for mobility</th>
</tr>
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<tbody>
<tr>
<td>Use phase optimization</td>
<td>Light material &amp; alternative technology to reduce overall weight. Improve our products energetic efficiency</td>
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*NET 2030 Valeo target = SBTi 2030 absolute value + additional 2030 CO2 reduction yearly realised vs 2019 baseline thanks to Valeo electrification portfolio*
ACCELERATION OF OUR INNOVATIONS TO OPTIMIZE VALEO PRODUCTS USE PHASE

VALEO FlexHeater

Electrical energy consumption in winter: ~ -50%
BEYOND CARS, WE ELECTRIFY MOBILITY
WE ARE PART OF AN EVOLVING ECOSYSTEM TOWARDS LOW CARBON & SMART CITIES
CIRCULAR ECONOMY AT THE CORE OF OUR STRATEGY ELECTRIFICATION RELIES ON SUSTAINABLE INITIATIVES

ICE TO EV
- Retrofit
- ReManufacture

FOOTPRINT
- Expand Portfolio
- Reduce

METAL
- ReCycle
- Magnet
- 95% Project

RARE EARTH
- Metal
WE WILL GO CARBON NEUTRAL BY 2050 -45% ACHIEVED IN 2030

Be carbon neutral by 2050 or sooner (scope 1, 2, 3 upstream)

Reach carbon neutrality by 2050 or sooner (scope 1, 2, 3)

Carbon Neutral

2019 | 2025 | 2030 | 2050

Scope 1 & 2

Scope 3 Upstream

Scope 3 Downstream

Mt CO₂

49.6

39

37.95

28.4

19.5

27.88

9.5

8.9

8.1

1.1

0.65

0.28

-45%
A LONG TERM SUSTAINABLE GROWTH STRATEGY ANNOUNCED TOWARDS 2050

“Our target is clear: towards carbon neutrality in 2050.
In 2030, we will be close to half way through.”

Jacques Aschenbroich
Chairman & CEO
Valeo Carbon Neutral Strategy Disclosure
February 2021
WE WALK OUR TALK:

From 2021, sustainability criteria are part of the variable compensation of more than 1,500 top managers.
SAFE HARBOUR STATEMENT

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

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