

Integrated  
report  
2023

# A SUSTAINABLE MOBILITY TECHNOLOGY LEADER

**FORVIA**  
Inspiring mobility

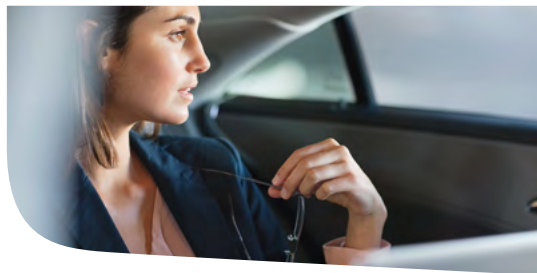
# A SUSTAINABLE MOBILITY TECHNOLOGY LEADER

This integrated report aims to give all stakeholders a better understanding of the company's vision and strategy for profitable growth. FORVIA's business model is focused on creating value for all its stakeholders, ensuring both financial and non-financial performance over the short and long term.

FORVIA's mission is to pioneer technology for mobility experiences that matter to people. This year we have reached significant milestones and continued to lay the foundations for our growth, making us a stronger, more resilient and more future-focused Group.

This document is the introductory chapter of FORVIA's 2023 Universal Registration Document. For further information, please consult [www.forvia.com](http://www.forvia.com)

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“The Group is robust and committed to sustainable, safe, customized and affordable mobility.”

# Foreword from Michel de Rosen

Chairman of the Board, FORVIA

**Back from CES\* 2024, where FORVIA showcased industry-leading technologies, I am deeply proud of the progress achieved by our company in the last two years. The Group is robust and committed to sustainable, safe, customized and affordable mobility.**

The Rolling Stones' most famous song says: 'I can't get no satisfaction'. In 2023, FORVIA and its customers had many reasons to be satisfied. FORVIA's cutting-edge broad portfolio led to significant commercial success across all regions and activities. The year was marked by pioneering developments in future-facing areas, including hydrogen and low-carbon materials, and the ongoing implementation of an ambitious Net Zero roadmap.

The Group moved forward with its POWER25 plan, as announced to the financial community at the end of 2022. The three priorities of this plan are: to reduce our debt following the acquisition of the majority stake in HELLA; to unlock the synergies made possible by this acquisition; and to pursue sustainable growth that creates value for all our stakeholders through innovation. The Group has made progress on all fronts, in a highly

volatile and uncertain context. The efforts and the results are impressive. Deleveraging was our top objective: FORVIA successfully completed its €1 billion asset disposal program in record time – and then launched an additional program of the same magnitude.

These achievements have been made possible by close and fruitful cooperation with HELLA teams, facilitated by the Group's balanced governance structure and a dedicated integration organization. This setup encourages smooth decision-making and mutual support, while allowing HELLA, a German-listed company, to continue delivering value in its best interests and for its stakeholders.

Support for our strategy was shown by the approval by our shareholders of all the resolutions presented at our Annual General Meeting in May. On this occasion, we welcomed two new members to our board: Esther Gaide brings her expertise in auditing and finance, and Michael Bolle brings his experience in automotive technology. This General Meeting also marked a new stage in the development of FORVIA, with the approval of the change of name of the parent company from Faurecia SE to FORVIA SE. This decision by our

shareholders is in line with the Group's founding strategy: to be strongly positioned to grow and benefit from the major factors transforming the automotive industry today.

In October, Jürgen Behrend resigned for personal reasons. Jürgen was one of the architects of FORVIA's creation, and, for many reasons, a pillar of HELLA. I thank him sincerely for his invaluable leadership, contribution and sensitivity. We welcomed Nicolas Peter to our Board of Directors. His rich knowledge of the automotive sector makes him an ideal partner to continue building the future of FORVIA. We will propose that our shareholders appoint Christel Bories, the current Chief Executive Officer of Eramet, with broad and recognized managerial and operational experience.

In a challenging, volatile yet exciting environment, our success is driven by the leadership of our management, the dedication of our teams, the trust of our customers and the confidence of our shareholders. I extend my warmest thanks to all of you.

\*Consumer Electronics Show

# Interview with Patrick Koller

Chief Executive Officer, FORVIA



# "2023 was a year of acceleration."

## **2023 was another eventful year for FORVIA. As the Group approaches its second anniversary, can you share some highlights?**

I would first like to thank all our teams, whose hard work and dedication contribute to the continued success of our Group. As FORVIA, we are addressing our strategic challenges. Our broad portfolio and diversified technology offerings empower us to rapidly tap into growing segments of the mobility industry. 2023 brought us new high-value contracts, confirming the compelling appeal of our sustainable, safe, customized and affordable solutions.

This was a year of acceleration on many fronts. We intensified cash generation and deleveraging, completing a €1 billion disposal program ahead of schedule and launching another of equal value. We accelerated our synergies with HELLA, particularly in sales, purchasing, IT and operations with the implementation of our common FORVIA Excellence System. Another milestone was the definition of the six values that are the cornerstones of our shared culture: drive, accountability, teamwork, agility, respect and open-mindedness. We also accelerated our POWER25 strategy, driven by technology, sustainability and the need for speed. In less than four months, we inaugurated three industrial sites and an R&D center dedicated to future mobility in hydrogen, sustainable materials and advanced electronics. We achieved all that while dealing with a challenging and unpredictable environment, marked by ongoing inflation and high interest rates. This illustrates just how much stronger we are together.

**"2023 brought us new high-value contracts, confirming the compelling appeal of our sustainable, safe, customized and affordable solutions."**

# “Climate change calls for a rapid and profound transformation of industry players and a great capacity for innovation.”

## **You mentioned technology and sustainability as your guiding principles. How does that translate into action?**

FORVIA aims to address future mobility needs with sustainable and innovative solutions that benefit our customers, consumers and the planet. Climate change is the major trend transforming our industry; the second is artificial intelligence. Climate change affects everything in a vehicle: powertrains, design, architecture, materials. It calls for a rapid and profound transformation of industry players and a great capacity for innovation to meet these challenges.

Today, we emit just over 39 megatons of CO<sub>2</sub> a year, equivalent to the emissions of 2 million European electric vehicles over their lifespan. Our journey to net zero by 2045 is well underway. In our plants, we are acting in two key areas: energy efficiency and renewable energy. We are one year ahead of our planned schedule to reach CO<sub>2</sub> neutrality by 2025. When it comes to products, we have committed to reduce our emissions by 45% by 2030, coining our own expression: “designed for scope 3.” This involves rethinking our architecture to make systems more modular and upgradable, using fewer and lighter components, and developing a range of cutting-edge low-carbon materials within our MATERI'ACT activity.

We are accelerating our own transition to net zero, as well as supporting our customers in their drive to create more sustainable vehicles. All of this must be achieved without a cost increase for the consumer. Sustainable mobility must remain affordable.

## **What about zero-emission mobility?**

Future mobility will be both battery electric and hydrogen-powered. FORVIA offers a comprehensive technology range – from hydrogen storage systems to fuel cell stacks and battery management solutions – suitable for every electrification strategy, in all regions. We believe in hydrogen as the only credible complementary alternative to battery electrification. Through Symbio, our joint venture with Michelin and Stellantis, we control 75% of the hydrogen mobility value chain. 2023 was eventful for us in this field, with the inauguration of two cutting-edge industrial sites: Allenjoie, the first mass production plant of hydrogen storage tanks for mobility applications in Europe, and SymphonHy, Europe’s largest integrated site producing hydrogen fuel cells. In 2023, FORVIA delivered 10,000 tanks worldwide and has been awarded two contracts in North America, achieving an important milestone in our quest to become the market leader.

## **Another megatrend is AI. What’s the potential?**

AI will bring disruptions in numerous areas over the next three to five years: engineering, design, operations. We are already capitalizing on AI throughout our value chain, from optimizing R&D to streamlining operations to providing cutting-edge features for customers. It helps us boost efficiency, makes us more competitive by streamlining our development timelines, reduces the necessary testing, and enables us to better forecast future demand – allowing for adjustments in our inventory. On scope 3 more specifically, AI enables us to accelerate time-to-market and maintain price



“The Electronics megaplant we inaugurated in Fengcheng this year is our Group’s first net zero plant and an industry-leading example of sustainable production.”

“One of the main challenges ahead is reaching our 2030 target for scope 3. We have six years – two generations of cars – to transform powertrains, architecture and materials.”



competitiveness in sustainable materials, which are more costly to develop. Through the creation of adaptive formulas, AI also ensures the stability of these materials despite variability in raw resources.

### **Talking about zero emissions and digital innovation, a market that comes to mind is China.**

Absolutely. The automotive industry’s center of gravity has shifted to Asia: first and foremost China, which is a major player in the electric vehicle market and at the forefront of digital and connected cockpit technologies. FORVIA has been present there for 30 years. Today, we collaborate with over 40 original equipment manufacturers (OEMs) in China. Among the top 20 Chinese OEMs, 19 are FORVIA clients. We also support these OEMs in their global development, such as in Thailand, where we have recently launched the construction of a new seat assembly plant with our partner BYD.

Our activities in China are at the vanguard, both from a business and environmental perspective. Take the Electronics megaplant we inaugurated in Fengcheng this year, which is our Group’s first net zero plant and an industry-leading example of sustainable production.

### **What’s your outlook for the next few years?**

2023 confirmed that the creation of FORVIA has paved the way for profitable growth and strong value creation. We are now better equipped to navigate market challenges through an extended geographic and customer reach, and have reduced exposure to the internal combustion engine. One of the main challenges ahead is reaching our 2030 target for scope 3. We have six years – two generations of cars – to transform powertrains, architecture, materials. This is a challenging but exciting task for our engineers and all our teams, which motivates us and makes us proud. I’m confident FORVIA will achieve its goals, and I would like to thank everyone who is working in or with the Group to advance our mission: We pioneer technology for mobility experiences that matter to people.

# Accelerating the energy transition

**-45%**

of FORVIA  
scope 3 CO<sub>2</sub>  
emissions  
by 2030





## Reuben Sarkar

President and CEO for the American Center for Mobility

Globally, the transportation sector ranks second in emitting greenhouse gases, accounting for just over one-fifth of CO<sub>2</sub> emissions worldwide. In the US, it has become the top emitter of greenhouse gases, surpassing the electric power sector since 2017.

Electrification, a key factor in emissions reduction, extends beyond battery electric vehicles. Hydrogen fuel cell vehicles offer a versatile alternative. Clean electrons can be sourced from hydrogen production using renewable, nuclear or even fossil energy with carbon capture.

As electrification gains traction, hydrogen will play a vital role, particularly in hard-to-electrify sectors such as long-haul trucking and aviation. Hydrogen's appeal lies in its fast filling rate, comparable to diesel and shorter than batteries, making it suitable for large vehicles requiring long-range capabilities and quick refueling. Beyond fuel cells, hydrogen can also be used in internal combustion engines.

Whether hydrogen becomes widely adopted is dependent on achieving a market-driven price. This requires making low-carbon energy more affordable and achieving economies of scale for production, storage, distribution and dispensing systems. While some regions may have access to low-cost solar, wind or hydro power, in other areas, R&D breakthroughs will be required in advanced water-splitting methods, still under development, as well as continued advancements in storage and transport solutions.

Tackling greenhouse gas emissions requires improving vehicle efficiency, embracing electrification through diverse means, and investing in cutting-edge technologies to make alternative fuels such as hydrogen economically viable. This integrated strategy is crucial for a sustainable, low-emission future in the transportation sector.

## Elisabeth Delval

Sustainability Vice President, FORVIA



As an automotive supplier, FORVIA provides, on average, half of a car's content. In the energy transition, we are working to address the CO<sub>2</sub> emissions throughout the vehicle's lifecycle: from manufacturing to usage and recycling phases – from cradle to grave.

We support automakers in their drive toward ultra-low and zero-emission mobility by pioneering hydrogen solutions, energy-management innovations for battery electric vehicles and depollution technologies for combustion engines.

At FORVIA, our goal is to achieve net zero by 2045, with two intermediate milestones: CO<sub>2</sub> neutrality on scopes 1 & 2 by 2025; -45% on scope 3 by 2030. "Using less, better, longer" is our mantra. We design our products for scope 3: working with fewer virgin materials, transitioning to frugal architecture, and creating products that last longer and are easier to recycle. On scopes 1 & 2, we have been leveraging partnerships with major energy players since 2019 to implement and accelerate energy reduction strategies, generate green power at our own sites, and purchase renewable energy. We are on track to achieve our ambitious net zero goal approved by the Science Based Targets initiative – a first in the automotive industry (see page 22).

Mobility is at the heart of people's lives: in the climate transition, the car must be both sustainable and affordable. At FORVIA, we are challenging ourselves to inspire future mobility in a cost-conscious way (see page 50).

# Embracing AI in mobility

250+

use cases for generative AI identified at FORVIA



## Kay Talmi

Head of Global Technology  
and Innovation, FORVIA HELLA



Companies in the mobility sector can clearly benefit from transformative opportunities by leveraging AI in three key areas.

The first is personal productivity: I like the analogy of AI as “the world’s best intern” – it can augment human performance, freeing up time so we can focus on what we do best.

The second area is company productivity to fully automate certain activities, from inventory optimization to quality checks. AI can help to reveal bottlenecks and reduce inefficiencies.

The third area involves using AI to enhance the core business, such as in product design to develop digital twins, to expand the usage of virtual simulations before building the physical asset, and to reduce the CO<sub>2</sub> footprint.

Furthermore, there are opportunities to leverage AI to bring new innovative product solutions to the market, such as a “concierge” inside the cockpit that can be activated by voice. Another area with a lot of potential is predictive maintenance, for example, to use AI to monitor the health of the car.

Of course, all this relies on data: there is no AI without data. A company may have a great idea for a use case, but it needs the data at scale and the IT foundation to achieve it. With this in place, AI can result in significant benefits for customers, employees and society.

## Eric Chaniot

Data and AI-driven Innovation  
General Manager, Microsoft



There has been tremendous progress in AI in the last 12 months, and it is starting to become a major game changer when it comes to automotive use cases. On the one hand, AI will help us expand our portfolio of products for the benefit of customers – for example, in car access applications, autonomous parking and other driver assistance and safety features. On the other hand, AI holds immense potential to amplify our competitiveness, profitability and operational efficiency across all domains.

It will make it possible to enhance R&D efforts significantly. For example, our software developers are using AI-tools like GitHub Copilot to assist them in programming, which already saves them a lot of time and lets them focus on value creation.

The most critical success factor lies in identifying and prioritizing high-impact use cases for AI. The funnel of ideas is endless, but we need to prove and measure the added value before we scale a solution throughout our organization. Looking forward, one thing is certain: there will be a lot more technology advances in the years to come. We need to be open and flexible and ready to embrace anything that we can use to our benefit.

# Driving a circular economy

70%

recycled content  
in FORVIA's new  
plastics by 2030



## Rémi Daudin

President of MATER'ACT



Giving new life to plastic waste is an important part of society's transition to a circular economy. At Plastic Odyssey,\* we are on the frontline.

Oceans represent the planet's main reservoir of biodiversity: preserving and restoring them is essential in the fight against climate change. Currently, five billion tons of untreated waste materials are floating in the ocean. By recycling one out of every two waste items in the 30 coastal countries most affected by this plastic pollution, we could avoid 40% of global pollution.

Our laboratory ship left Marseille in October 2022 for a three-year, three-continent expedition across the world, navigating to the regions most affected by plastic pollution. The aim is to identify innovative and practical solutions for recycling plastic waste and test scalable models for replication. Our goal is also to foster economically viable local businesses that transform existing plastic waste into resources.

As experts in materials, FORVIA, as part of a partnership signed in June 2023 between the FORVIA Foundation and Plastic Odyssey, provides an industrial perspective that will help us refine recycling processes for plastic waste and optimize the quality of recycled materials – a key lever to give them a second life.

\*Plastic Odyssey is a global project to reduce plastic pollution in the ocean by creating a worldwide network of local recycling initiatives.

## Simon Bernard

Co-founder of Plastic Odyssey



Leveraging 20 years of materials innovation, FORVIA established MATER'ACT as a pure player in sustainable materials in 2022. In late 2023, we inaugurated our world-class R&D Center in Villeurbanne, France, where we develop and industrialize innovative low-CO<sub>2</sub> materials. Our offering ranges from sustainable foils to bio-based and recycled plastic compounds, and carbon fibers with an ultra-low footprint, enabling a reduction in CO<sub>2</sub> emissions of up to 85% by 2030 compared to existing materials.

When it comes to securing the appropriate types and volumes of raw materials and identifying new formulations, speed is of the essence. At MATER'ACT, we are using AI to progress more rapidly and develop stable, homogeneous products from variable feedstock. Plastics are the second most-used material in a vehicle: by 2030, our goal is to achieve approximately 70% recycled content in our new plastics for upcoming automotive programs – a significant contribution to FORVIA's circular economy and Net Zero roadmap.

Our partnership with Plastic Odyssey is yet another example of our circular approach. Through our team's pro bono engagement, we co-created and showcased a door panel prototype made of collected plastics at CES 2024 – a real breakthrough innovation in the automotive industry. This solution is more environmentally friendly and also supports local entrepreneurs.

# China: a laboratory for new mobility

46%

of FORVIA's sales in China are in the electric vehicle segment





## Ma Chuan

Executive Vice President,  
China, FORVIA



Since 2009, the automotive industry in China has been the largest in the world. While most of the cars manufactured in China are sold in its home market, in 2023 the country also became the world's largest car exporter. This remarkable acceleration has been driven in part by the Chinese industry's ability to leverage its "youth," allowing it to quickly pivot to become a leader in the electric vehicle (EV) market.

Since 2020, they have scaled from producing 1 million EVs to 9 million – about a third of their total car production. By 2030, the electric vehicle penetration rate in China is likely to reach 60%.\* Today, Chinese brands are selling 85% of new EVs in China.

While affordability is a key strength, Chinese OEMs also really know how to deliver popular digital features in electric vehicles. They see the car as a connected place where your time can be used productively. The cockpit is conceived as a platform, a data aggregator for personalized user experiences. China is the world's largest digital economy, and Chinese brands are very strong in in-cabin connectivity – Chinese consumers demand this. Looking forward, what I call a "smart tier" of technology integrators that have the capability to create a differentiated user-centric experience will be the winners in this new ecosystem.

\*Source: China Society of Automotive Engineers – 2030 forecast

## Bill Russo

CEO of Automobility Ltd. and Chair of the  
Automotive Committee at the American  
Chamber of Commerce in Shanghai



With over 80 sites and 32,000 employees, China is FORVIA's primary country in terms of operations. In 2023, we inaugurated the Group's first net zero plant, a site that is also at the forefront of digitization. China is an important market for its growth potential and innovation dynamic. We have been present here for more than 30 years, including through a number of joint ventures with local OEMs. This allows us to serve more than 40 OEMs in total, global and Chinese, especially in the electric vehicle segment, which today represents 46% of our sales in China.

Key to this are our local R&D centers, where our Chinese teams participate in the development of technology for the Chinese market and beyond. A great example is the second-row zero-gravity Captain Chair that we showcased at Auto Shanghai 2023, which reclines the seat to an angle that is almost completely flat. This was specifically engineered with the Chinese premium customer in mind, meeting the market's demand for heightened comfort in rear seats. Our state-of-the-art LUMI seating illumination technology was also developed in China and has now been sold to Renault.

Our presence here – with local talent and local leadership – gives us insights into local customers, which, alongside the expertise and support of our teams around the world, allow us to create technologies that elevate the in-car experience to new levels for all markets.



At FORVIA, we're driven by our mission of pioneering technology for mobility experiences that matter to people. Our strategy is to embrace, advance and grow with the transformations that are shaping our industry. We are leveraging our innovation ecosystem and the power of digital solutions to accelerate the transition to sustainable mobility, while taking a holistic approach to reducing our environmental impact that goes beyond decarbonization. To achieve this, we put our people, who are our greatest asset, at the center of our activity as we strive for excellence in industrial performance.

# LEADING SUSTAINABLE TRANSFORMATION



# Three strategic pillars

**The only constant is change – and in mobility, the pace of change is accelerating. FORVIA’s strategy is to embrace, drive and grow with this transformation.**

With game-changing shifts toward electrification and connected mobility, the automotive industry must unlock the potential of two key market trends: digitalization and sustainability. At the heart of these trends, we at FORVIA are on a mission to pioneer technology for mobility experiences that matter to people.

With our diversified portfolio spanning six business groups, FORVIA offers comprehensive technology across all the key areas essential for tomorrow’s mobility. The creation of the Group in 2022, bringing together the complementary activities of Faurecia and HELLA, marked a step change in scale, geographic and customer reach, and our strategic options. In 2023, we continued to capitalize on our three strategic pillars – electrification and energy management, safe and automated driving, sustainable and digital cockpit experiences – recording €31 billion in order intake, including more than €14 billion in electric vehicles – a clear indicator of customer satisfaction and trust.

The Group secured multiple hydrogen storage system programs, including two contracts in North America; a €1.7 billion global award in seating for commercial vehicles; a groundbreaking contract with a premium German OEM to introduce VIBE® in a next-generation SUV by the end of 2025; and over €11 billion in orders in Asia. Contracts also included awards for innovations in Electronics and Lighting, such as the world premiere of the digital headlamp system SSL | HD in the new Porsche Cayenne.

These sustained sales successes stem from our ability to offer state-of-the-art solutions, with a strategic focus on research and development. A range of innovation recognitions demonstrate our technology focus.

In 2023, we contributed key technologies to six of the seven vehicles shortlisted for the European Car of the



**“Our strong order book is the result of our sound strategy. To remain the supplier of choice for our customers, it is important that we continue to focus on delivering a five-star experience in every interaction we have with them.”**

Thorsten Muschal, Executive Vice President,  
Sales & Program Management, FORVIA

Year awards, including the winner, the Jeep Avenger. At the Consumer Electronics Show 2024, we received four innovation awards for vehicle technology and advanced mobility.



## Electrification and energy management

FORVIA is supporting automotive manufacturers as they reduce fleet emissions, comply with air-quality regulations, and shift from ultra-low to zero emissions. There is no universal one-size-fits-all technology solution: considering the variety of user requirements for vehicles, regional regulations, automakers' roadmaps, and the uncertainty surrounding raw material supply for batteries, tomorrow's mobility environment will be characterized by a mix of powertrain technologies. To meet these diverse needs, FORVIA offers a range of solutions: ultra-low emissions technology for depolluting 22 million internal combustion engine passenger and light commercial vehicles; a growing portfolio of technologies to optimize the performance, range and efficiency of battery electric vehicles; storage and distribution systems; and fuel cell stacks through our joint venture Symbio for zero-emission hydrogen. In strategic terms, this broad product portfolio ensures the relevance of our offer across all powertrains.



## Safe and automated driving

With our industry-leading expertise in lighting, sensors, perception software and actuation, FORVIA provides solutions both inside and outside the vehicle. These are already playing a vital role in making the driving environment safer for all road users. Our innovations include radar and camera solutions, best-in-class sensors, intelligent lighting, interior monitoring, eMirrors, and by-wire technology, replacing mechanical systems and paving the way to automated driving. With our focus on safety-critical solutions, we are helping to build public trust in tomorrow's automated and autonomous mobility modes.

## Digital and sustainable cockpit experiences

One of FORVIA's core principles is to frame everything through the lens of sustainability; another is to see everything from the point of view of end users. In our approach to digital and sustainable cockpit experiences, we bring these two imperatives together, offering solutions that improve comfort and usability while reducing environmental impacts. We develop modular seats and interiors for maximum flexibility, upgradability and sustainability. Our new materials, such as bio-based and recycled compounds, foils and fibers, reduce resource consumption. Combined with lightweight architecture and energy-optimized electronics, they enable significantly lower CO<sub>2</sub> emissions. We also offer functions that reduce drivers' cognitive load, allowing them to access menu items while keeping their eyes on the road.



# Climate and environment

**Through a holistic approach to reducing carbon emissions and minimizing environmental impact, FORVIA is accelerating the transition to sustainable mobility.**

As automakers strive to create more sustainable vehicles, FORVIA aims to be a driving force, focusing not only on decarbonization but also on initiatives to preserve biodiversity, reduce water and natural resource consumption, and adapt to the effects of climate change.

## **Climate: partnering on the path to carbon neutrality**

Our overriding climate objective is our Net Zero roadmap: by 2025, we will already be carbon neutral in scopes 1<sup>1</sup> and 2;<sup>2</sup> by 2030, we will cut scope 3<sup>3</sup> by 45%; we will reach net zero in 2045. In 2022, we became the first French company and first global automotive group to be awarded the Science-Based Targets initiative's most ambitious certification: Net-Zero Standard. This trajectory is a collective journey toward carbon neutrality as we collaborate with partners, including energy players.

With energy being key to reaching our first milestone in 2025, we are accelerating our efforts to improve energy efficiency (-26% in 2023 versus 2019) and to increase the use of renewable power through on-site generation (solar panels) and off-site purchases. As the Group's first net zero plant, our recently inaugurated Electronics site in China reflects our ambitions. Additionally, a new wind power purchase agreement announced with Renewable Power Capital in May has boosted our renewable energy capacity to up to 70% of consumption within Europe.

In design and production, we follow the principles of using less, using better, and using longer, designing repairable and replaceable products while developing bio-based and recycled materials. One year on since the establishment of MATERI'ACT in late 2022, with nearly 100 engineers, researchers and data scientists, and a recently inaugurated world-class headquarters and R&D center, this activity is strategically positioned to produce the next generation of low-CO<sub>2</sub> materials and support our scope 3 targets.

Moreover, carbon neutrality forms part of our executive pay structure, with variable remuneration for our CEO, the Group's top 300 senior executives and 4,800 managers,<sup>4</sup> and the HELLA Management Board, linked to our scope 1 and 2 targets. To finance climate-related, environmental and sustainable projects, we have also issued €2.4 billion in green and sustainability-linked bonds to date.

## **Environment: caring for those around us**

To reduce the footprint of our sites worldwide, we follow an eco-design approach encompassing every aspect of the environment, from waste management and water use to protecting local biodiversity. Our Green Factory White Book outlines the best environmental practices and constraints to be applied when developing new facilities – approximately 15 to 20 annually. An example is our new industrial platform in Allenjoie, France, which incorporates 5,000 m<sup>2</sup> of photovoltaic panels and three biomass-fired boilers.

With 24 of our sites located within 3 km of protected areas, we have a role to play in preserving biodiversity. We have initiated biodiversity audits to define local action plans. FORVIA is also committed to the international Act4Nature initiative led by the Enterprises for the Environment association (EpE), promoting practical business actions that benefit nature based on ten standard commitments and individual pledges. FORVIA supported ETE 2030, a study released by EpE in late 2023, outlining initiatives to accelerate the ecological transition in France.

We are also working on adaptation measures, contracting AXA Climate to assess how climate change will affect our sites, while a study with Carbone4 is examining our process resilience at three locations. Our proprietary 24-hour FORVIA Weather Alert System protects both our employees and our production capacity.

1. Direct emissions
2. Emissions from bought-in power
3. Indirect emissions
4. Excluding HELLA perimeter

## Virtuous supply chain: a joint effort

As a prerequisite to joining our supplier panel, our suppliers are assessed by EcoVadis on 21 criteria grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. In 2023, FORVIA required suppliers to get a minimum score of 45 out of 100; those scoring above 62 are assessed every three years, while others are assessed annually. On its own EcoVadis assessment, FORVIA scored 74, placing the Group in the top 3% of companies in its category; FORVIA's purchasing department scored 80, demonstrating the robustness of the Group's methodology.

# -45%

scope 3  
emissions  
by 2030



"Addressing all levers of scope 3 – accounting for 98% of our CO<sub>2</sub> emissions – is crucial to achieve net zero. Our employees are decisive players in this cultural transformation, influencing everything we do, from processes to new automotive architecture. Therefore, we are expanding our climate and environmental awareness training."

Victoria Chanial, Executive Vice President  
Group Communications, Public Affairs and  
Sustainability, FORVIA

# We believe people matter

**Our mission is to pioneer technology for mobility experiences that matter to people. Our teams are what make this possible.**

We put people – our employees, customers, stakeholders and communities – at the center of our activity. After all, mobility is not just about how we move, but how we live. Our greatest asset is our teams, whose excellence and diversity give FORVIA its edge as a global technology leader.

## We attract the best talent

Our attractiveness continues to progress, and now, with our AI-powered careers website, we have boosted our capacity to find talent that matches the needs of our journey. This has resulted in quadrupling the number of quality applicants: a total of 150,000 CVs received, with one-third coming from the more than 70 virtual fairs that we have organized. Close to 6,000 managers and professionals have made the choice to join FORVIA in 2023 and “take a journey that matters.”

## Learning at the core of what we do

Joining FORVIA means diving into a transforming industry and fast-changing environment, where learning and growing are encouraged. We foster continuous skills development for our employees through FORVIA University. Its five campuses deliver key training in leadership and functional areas, including new skills such as international relations and sustainability. This is complemented by the online Learning Lab, which has reached 400,000 hours of training. To grow talent, we prioritize internal promotions, dynamic and personalized career paths, and the opportunity to work on challenges that matter – especially as our core activities change. For instance, at the new Clean Mobility plant in Allenjoie, France, our H<sub>2</sub> School is training our employees in hydrogen activities, developing the people who will help shape future mobility. 80% of our talent working in hydrogen today has come from our traditional depollution business.

## Diversity and inclusion

Diversity is in our DNA, with operations in 41 countries and 140 nationalities in our workforce. We aim to build an inclusive workplace that provides equal opportunities for all, based on performance and potential. This commitment is a fundamental driver of our transformation, as a more diverse and inclusive workforce gives us a richer understanding of our environment and acts as a key catalyst for innovation.

FORVIA has been a signatory of the UN’s Women’s Empowerment Principles since 2020, and the compensation of the Group’s top 300\* managers is linked to the achievement of gender diversity targets. Our active policy to promote gender diversity globally encompasses the systematic and rigorous roll-out of our Diversity & Inclusion (D&I) initiatives throughout the Group, which has intensified over the years. These include training to support female leadership and foster an inclusive culture, the development of targeted recruitment, coaching and mentoring programs – featuring our RISE program specifically designed to accelerate the representation of women in our leadership team – and the highlighting of women’s careers in our communications.

Our robust internal network of 60 ambassadors, located in 20 countries, plays a pivotal role in bringing D&I to life locally through initiatives tailored to specific contexts and through the sharing of experiences.

In 2023, with 30.8% of women managers and skilled professionals and 27% in the top 300 positions, the Group\* achieved its gender diversity objectives two years ahead of schedule – an exciting milestone resulting from several years of commitment, and a significant step in our collective dedication to fostering a truly diverse workplace.

\*Excluding HELLA perimeter





**38%**

of new recruits were women managers and skilled professionals in 2023\*

\* Excluding HELLA perimeter

**35%**

women managers and skilled professionals and 30% women in top 300 by 2030

## Defining our values

We celebrate diversity, but we share a common culture. In 2023, co-design workshops involving employees from Faurecia and HELLA defined the six key values intrinsic to FORVIA's identity: drive with vision, build on accountability, cultivate teamwork, embrace agility, act with respect, and believe in open-mindedness. These values will allow us to continue to push the boundaries to deliver sustainable, safe, customized and affordable mobility for all.



**€3M**

yearly budget to support local communities through the FORVIA Foundation

**6,000**

beneficiaries from employee-led solidarity actions since 2020

## Solidarity actions: inspired to care

FORVIA is a member of the community in each region where we operate, contributing to local economic development and creating social value. One lever to address local needs and make a positive impact is the FORVIA Foundation, which supports employee-led projects with a tangible social impact linked to advancing education, improving mobility or protecting the environment. In 2023, the Foundation funded 26 projects led by employees from 11 countries, ranging from helping schools to promote girls' education, to planting trees to reforest land, to creating clean energy solutions for villages. In 2023, it joined forces with two new partners - Plastic Odyssey and the Maud Fontenoy Foundation - to raise awareness of the need to protect the oceans, which represent the planet's main reservoir of biodiversity and, therefore, a key ally in the fight against climate change.



**"Diversity & Inclusion is not a target; it's our journey. Let's continue progressing toward an ever-more inclusive workplace, where individuals can thrive to their full potential and drive our collective success."**

Jean-Pierre Sounillac,  
Executive Vice President,  
Group Human Resources, FORVIA

# Cultivating innovation

**FORVIA's innovation ecosystem brings together our own experts with cross-sector mobility innovators around the globe, enabling us to pioneer transformative technologies with speed and efficiency.**

The Group leverages an internal network of experts in electronics, artificial intelligence, system architecture, product design, and materials science. Our R&D engineers actively share insights across diverse expertise to anticipate the design needs of tomorrow.

## Collaboration and collective thinking

Innovating requires collaboration and knowledge-sharing across industries. We actively engage in consortiums that bring together key players, start-ups, think tanks, and academic institutes, serving as a powerful tool for securing funding, pooling skills, and sharing innovation risks. The Group also participates in various Society of Automotive Engineers initiatives, including leading the Technical Committee of FISITA, the International Organization for Automotive Engineers.

Since 2022, FORVIA has participated in four EU-funded programs exploring sustainable composite manufacturing and circular approaches for automotive electronics. Our R&D teams engage with French engineering schools on polymers and mechatronics. We have also partnered with the University of California (Berkeley), the Indian Institute of Science (Bangalore), and Tongji University (China) on cutting-edge sensor development. In 2023, we started a 4-year collaboration with CentraleSupélec (France) focusing on the automotive applications of artificial intelligence for sensor fusion.

We collaborate with a diverse range of players, from global industrial groups to promising start-ups with disruptive ideas identified through our scout network. Through Symbio, an equally owned joint venture between FORVIA, Michelin and Stellantis, we inaugurated SymphonHy in 2023, Europe's largest integrated site for producing hydrogen fuel cells, paving the way for large-scale production. In Berlin, we operate The Drivery, a mobility innovation hub with over 800 members, including 140 start-ups, and expanded this concept to



**“We have taken the necessary steps to unlock AI’s potential. The greatest risk would be not capitalizing on this technology. FORVIA’s future competitiveness will also depend on its ability to intelligently harness the advantages of AI.”**

Christopher Mokwa, Executive Vice President,  
Strategy & Digital Transformation, FORVIA

China in 2023. These innovation ecosystems are crucial to meet scope 3 targets.

## The power of digital

At FORVIA, digitalization has three priorities: enhancing decision-making by leveraging data, fostering digital co-innovation, and increasing agility through new ways of working. We strategically partner with key tech players, for example, Accenture for scaling our digital transformation, Palantir for data analysis, and Microsoft for our AI transformation. Data-based innovations leveraging AI facilitate collaboration between designers, engineers and customers, accelerating product development. Our digital transformation boosts our competitiveness and our capacity for innovation.



## AI to accelerate innovation

FORVIA harnesses data and AI across its value chain, with a dedicated team and powerful tools in a company-wide program. This initiative improves decision-making and execution across R&D, Operations, and support functions. Our Palantir Foundry platform is a key asset in this domain. AI improves quality control, safety and the driving experience, with features such as hands-free trunk access and child-presence detection in unattended vehicles. In sustainable materials engineering, AI develops predictive algorithms for adaptive formulations, ensuring stability and compliance of end products despite variations in raw materials. FORVIA also embraces generative AI solutions such as GitHub Copilot for software coding, critical in the continuous improvement of operational efficiency and product portfolio enrichment.

15,000

R&D engineers

13,000+

patents

# Operational excellence

**In a volatile, competitive environment, we need to excel at what we control: operations. Striving for best-in-class industrial performance, we transform our activities for sustainable competitiveness.**

## **Safety and environment: a must**

Ensuring the safety of our teams is our top priority. Our 7 Safety Fundamentals and CARE program aim to create a safe workplace, supporting our zero-accident goal. These are mandatory rules. Following two fatal accidents in October 2023 and January 2024 (the first since 2018), we are reminded of their importance. We insist on their rigorous application. Compliance audits and governance will continue to be enforced for these mandatory rules. We are also committed to continuously improving the environmental performance of our activities (see page 22).

## **A comprehensive approach to excellence**

Our 360° lean manufacturing approach, the FORVIA Excellence System (FES), is designed to help us achieve best-in-class industrial performance. It integrates best processes and practices from Faurecia and HELLA, incorporating digitalization and our sustainability roadmap.

Rolled out to FORVIA sites since mid-2023, FES plays a key role in achieving both our financial POWER25 and scope 1 & 2 carbon neutrality targets for 2025. This is our way to execute and improve. It serves as the foundation for delivering safety, performance and total customer satisfaction.

## **Digital transformation; industrial application**

Across our sites, we deploy automated guided vehicles, data analysis, and 3D simulations to optimize operations. In 2023, more than 90 digital model plants were utilizing the latest digitalized tools and processes, and over 30 more are planned for 2024. Innovative approaches are tested in benchmark model plants before wider implementation. We are also exploring GenAI, with pilots launching in selected plants in 2024.



**“With its emphasis on digitalization and sustainability, the FORVIA Excellence System aligns perfectly with our Industry 4.0 ambitions, representing a roadmap to premium customer service, intelligent production, maximum efficiency, and sustainable competitiveness.”**

Olivier Lefebvre, Executive Vice President, Group Industrial Operations and Clean Mobility, FORVIA

# 131

**supplier quality awards from 25 customers in 2023**

## Allenjoie: a blueprint for Industry 4.0

Inaugurated in 2023, the Allenjoie platform includes two major sites and is FORVIA's technological flagship in France. One plant produces seating components at an unparalleled degree of digitalization and automation, making it one of our most advanced facilities worldwide. The other is the first mass production site of vehicle hydrogen storage systems in Europe and will allow production costs for hydrogen solutions to be cut by five within two years. By 2030, this "Clean Mobility" plant will produce 100,000 hydrogen tanks a year, supporting the evolution in transport from ultra-low to zero emissions. Both plants are industry-leading examples of sustainable production, meeting the strictest environmental standards. The platform's rooftop solar arrays, biomass-fired boilers, heat-recovery and rainwater sanitation systems have earned it BREEAM<sup>1</sup> Excellent certification – the first awarded to an industrial site in France.



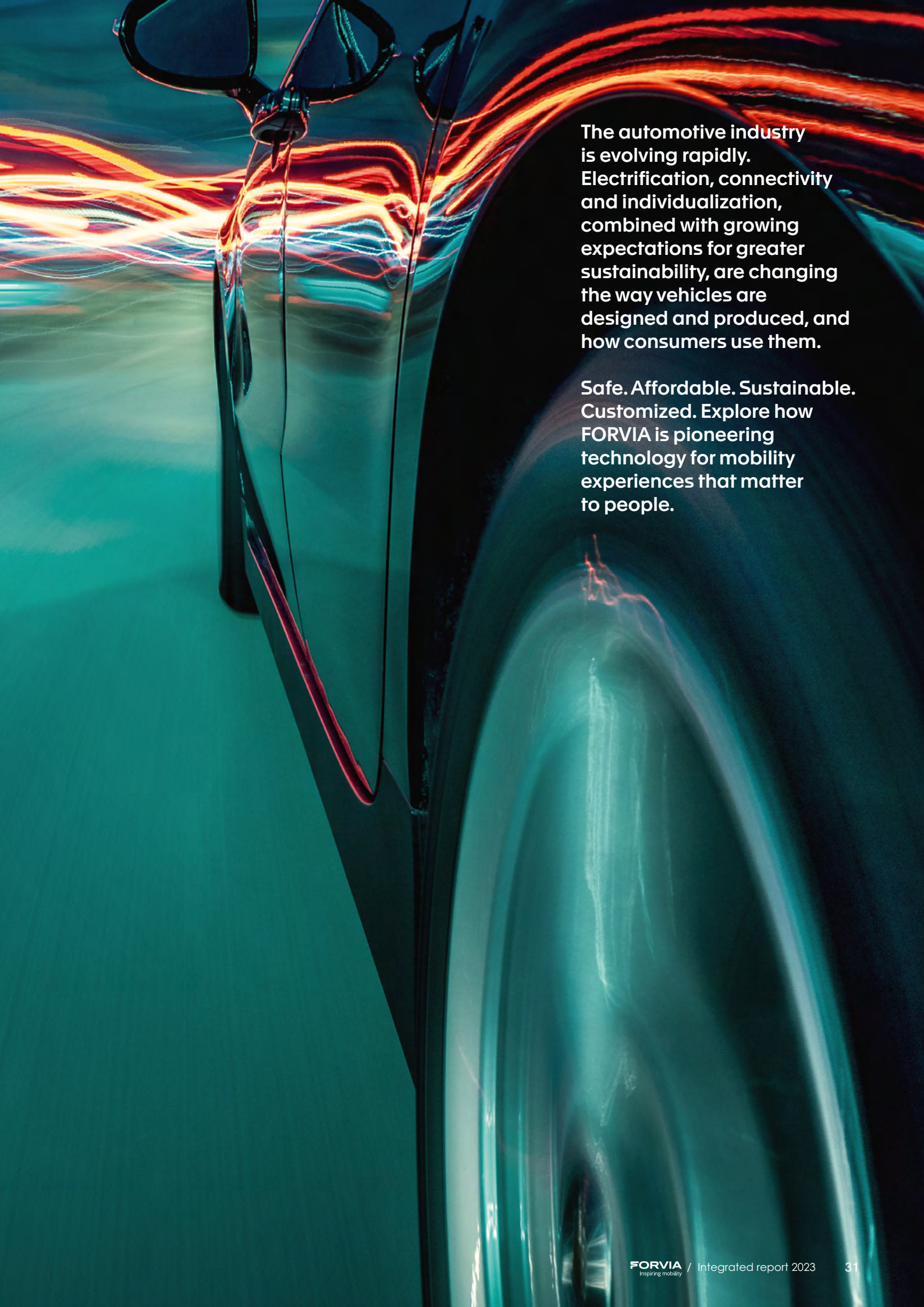
## Phoenix: a lighthouse in digitalization

Also inaugurated in 2023, the Phoenix plant in Fengcheng, China, is best-in-class both in smart manufacturing and sustainability. This new Electronics megaplant uses end-to-end digitalization to produce electronics systems for cockpit displays and automated driving, with a capacity of 2 million units per year. It sets a precedent for FORVIA – the first plant to be designed using digital-twin technology at such a level and scale to simulate its 89 production lines and workflows in a virtual environment, allowing streamlined construction and improved operational efficiency. This strategic pilot plant is on track to become a full "lighthouse" for the group, setting the standard for other similar plants around the world with real-time data analysis, state-of-the-art automation tools and intelligent digitalized warehousing. It is also FORVIA's first plant to achieve net zero on scopes 1 and 2: its green building design has been awarded LEED<sup>2</sup> Gold certification.

1. Building Research Establishment Environmental Assessment Methodology  
2. Leadership in Energy and Environmental Design



# PIONEERING TRANSFORMATIVE TECHNOLOGIES



The automotive industry is evolving rapidly. Electrification, connectivity and individualization, combined with growing expectations for greater sustainability, are changing the way vehicles are designed and produced, and how consumers use them.

Safe. Affordable. Sustainable. Customized. Explore how FORVIA is pioneering technology for mobility experiences that matter to people.

# Sustainable technologies

To reduce our scope 3 emissions by 45% by 2030 and reach net zero in 2045, we have to radically rethink our products, starting with what they are made of. With MATERI'ACT, we are accelerating the development of cutting-edge, low-carbon materials.



# Developing the materials of tomorrow with MATERI'ACT



Interview with Laurence Dufrancatel,  
Engineering Director, MATERI'ACT



**Just one year after the creation of MATERI'ACT, the company's headquarters and R&D center were inaugurated in November 2023. How key is this step for FORVIA?**

Materials are a key lever for decarbonizing the automotive industry. In 2011, with the NAFILean family (see page 35), we were the first automotive supplier to bring to market a bio-composite meeting the stringent requirements of a car cockpit. With MATERI'ACT, we are scaling up and leveraging more than a decade of expertise to produce cutting-edge materials that are not only less carbon-intensive, but are also making vehicles lighter and more recyclable. Sustainability and our knowledge across the value chain, from processes to materials, are unique strengths that guide the way we design system architecture and parts. This is a profound transformation.

**Can you tell us about MATERI'ACT's ambition?**

MATERI'ACT has three product lines – recycled and bio-based compounds, bio-based and recycled foils, and low-CO<sub>2</sub> carbon fibers for hydrogen tanks – and our target is to achieve sales of €2 billion by 2030.

In our world-class R&D center near Lyon, France, our teams leverage AI to develop materials faster,

guaranteeing their stability and conformity, whatever the variability of the initial raw materials. Then, we test our formulations in our pilot production line and our laboratory. In a nutshell, we control the entire chain, from formulation to production, enabling us to be agile and fast. Today, MATERI'ACT brings together a team of close to 100. By 2025, this will grow to 400.

**MATERI'ACT is working with a wider ecosystem. Can you tell us more?**

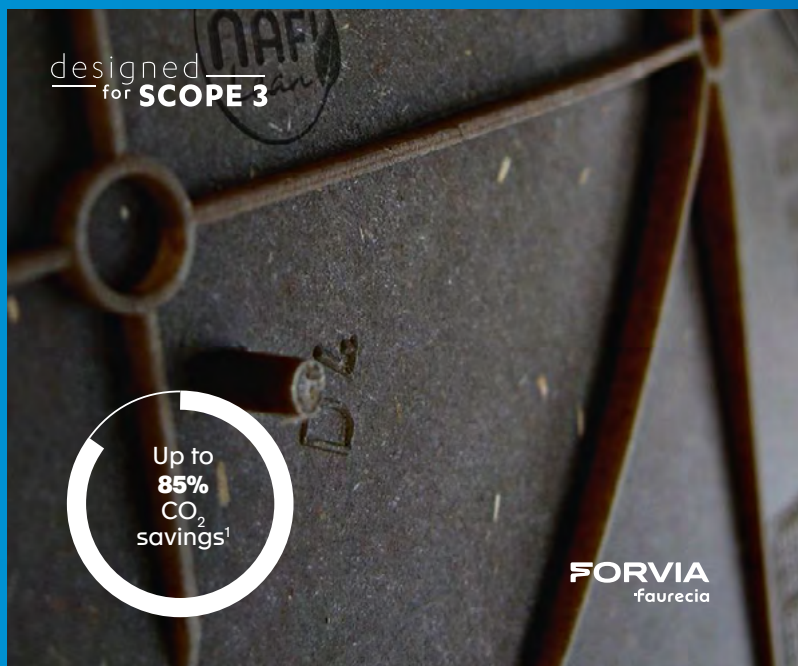
Pooling complementary expertise is vital to meet complex challenges such as qualifying, securing and transforming plastic waste or hemp into high value-added materials. Collaboration is also key to develop breakthrough solutions, accelerate their time to market and improve their affordability. MATERI'ACT has forged strategic collaborations with the agricultural cooperative INTERVAL (an APM joint venture) to integrate hemp fibers into polymers; with VEOLIA, to incorporate recycled plastics into polymers; and with ANANAS ANAM, to develop a leather alternative repurposing waste pineapple fibers. Additionally, our R&D center hosts an incubator for start-ups. This environment facilitates collaboration with entrepreneurs, fostering creativity and the cross-fertilization of ideas.

# Sustainable

At FORVIA, we frame everything through the lens of sustainability. We design products for scope 3, reducing our environmental impact and promoting responsible progress for our industry.

## MATERI'ACT: materials acting for the planet

Launched in late 2022 to accelerate the development of cutting-edge sustainable materials, MATERI'ACT has reached several major milestones in its first full year of operation. In 2023, the FORVIA company opened its headquarters as well as a world-class R&D center in Lyon, complete with a laboratory and pilot workshop. Mobilizing an entire ecosystem, MATERI'ACT is now spearheading development of three product lines, offering up to 85% carbon savings: bio-based and recycled compounds for interiors, seats and lighting; recycled and bio-based foils as leather alternatives for seats and interiors; and low-emission carbon fibers for hydrogen tanks.



designed  
for SCOPE 3

# technologies

## NAFILEan: a natural performer

Developed by Faurecia since 2011, the NAFILEan family of bio-composite materials is already found in more than 9 million vehicles worldwide, with plans to accelerate to 15 million vehicles by 2025. It now forms part of the MATERI'ACT low-carbon portfolio. In 2023, the NAFILEan-R compound, combining natural fibers and recycled materials, was recognized in the Innovation Awards organized by CLEPA, the European Association of Automotive Suppliers, for its ability to improve performance while supporting the circular economy and carbon emissions reductions. Combining 20% natural hemp fibers with a matrix of 100% recycled polypropylene, NAFILEan-R is used in injection-molded structural parts. The result is an 87% reduction in CO<sub>2</sub> emissions compared to industry benchmarks without compromising rigidity or durability. The latest generation, NAFILEan Vision, has been developed for visible parts. It integrates various biomass sources and recycled plastics. It offers a wide variety of colors and textures, creating an advanced decorative effect and an impactful appearance.



## Ecorium: sustainable premium

After three years in development, Ecorium, FORVIA's premium sustainable trimming material, was launched into mass production in 2023. We have been working with TMG, a leader in automotive coating materials, to integrate renewable and recycled materials into a more environmentally friendly vinyl with the same aesthetic appeal as real leather. The result is Ecorium, which now features in the trim of the all-new Renault Rafale scheduled for the first quarter of 2024. The new material offers carbon emissions reduction of 90% compared to natural leather or up to 37% (including biogenic carbon) compared to conventional synthetic alternatives.

1. 2030 versus 2019

2. Including biogenic carbon; 2030 versus 2019

# Sustainable



**FORVIA**  
faurecia



designed  
for **SCOPE 3**

## Supremo: in the driving seat

The shift toward battery electric and hydrogen vehicles opens new possibilities in vehicle design, and FORVIA is at the forefront with the Supremo seat. Based on a structure that is more compact than traditional seats, it frees up extra space for batteries and allows rear passengers to place their feet comfortably under the front seats. When the vehicle is recharging, occupants can enjoy optimum comfort in a highly reclined position, thanks to the design of the seat's compact frame as well as a headrest that is as soft as a pillow. Furthermore, its use of green-steel frames and other sustainable materials results in up to 68% lower CO<sub>2</sub> emissions compared to conventional designs.

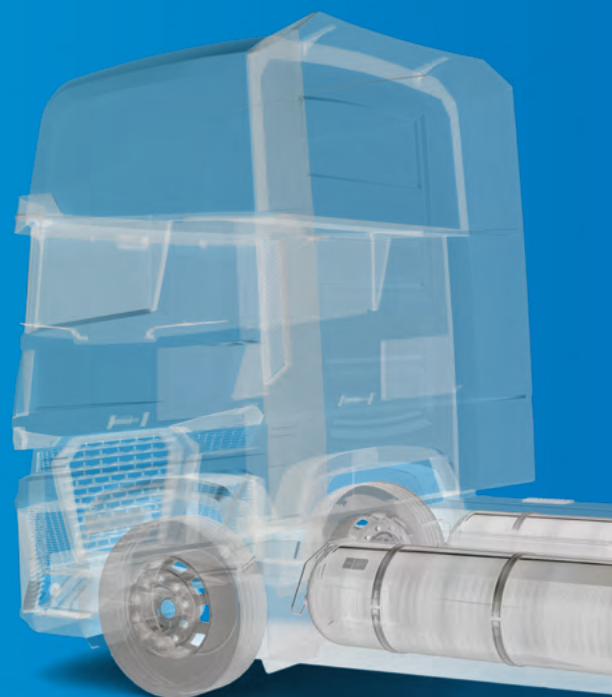
1. 2030 versus 2019

## Hydrogen solutions: tanks for trucks

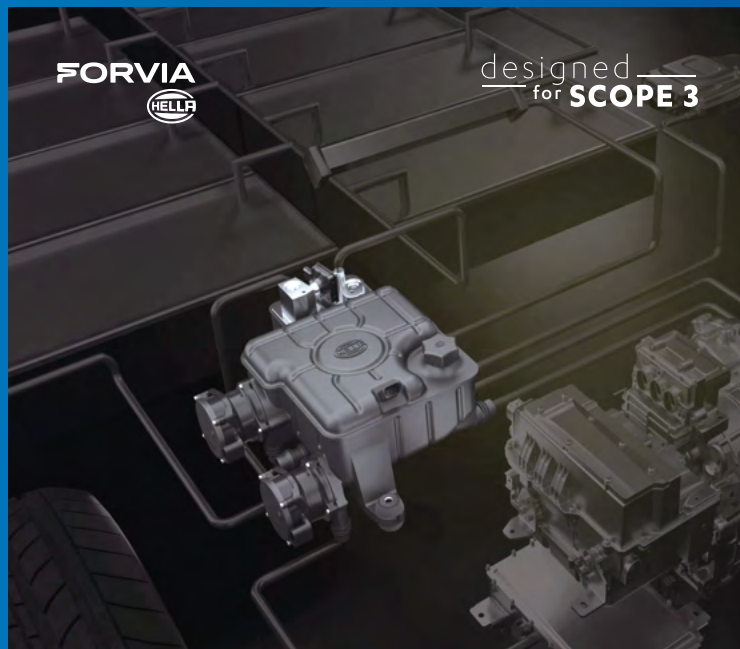
The pioneering Faurecia Hydrogen Solutions division is targeting two key verticals: hydrogen mobility and hydrogen transportation and distribution. Developed specifically for trucks, the XL Type IV composite storage tank represents a leap forward in hydrogen mobility for heavy goods vehicles. Pressurized at 700 bars, the Type IV tank offers up to 80% more storage capacity than 350-bar tanks and complies with side tank truck installation and belt mounting. This enables a real boost in vehicle autonomy and a path to market leadership for FORVIA in this segment – no wonder it was recognized in the 2023 Innovation Awards organized by CLEPA, the European Association of Automotive Suppliers.

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for **SCOPE 3**

**FORVIA**  
faurecia



# technologies



## HV PowerBox: more power to you

Presented at CES 2024, the latest FORVIA HELLA HV PowerBox offers a high-voltage DC/DC<sup>2</sup> converter with an onboard charger in a single device. The solution provides a safe and stable onboard power supply tailored to a vehicle's platform with reduced costs, installation space and weight. In addition, the PowerBox is specifically designed for cost-optimized production in large quantities. As a component in the electrical/electronic (E/E) architecture, the HV PowerBox shows how FORVIA can adapt existing products in its portfolio as new opportunities arise, enabling communication between hardware components in an electronic powertrain environment.

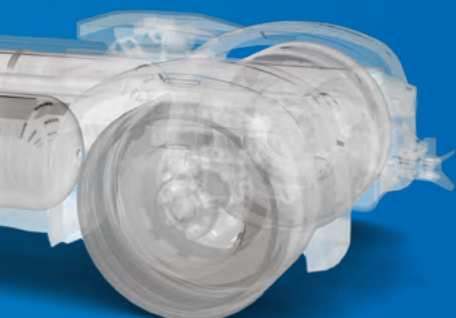
2. Direct current



designed  
for SCOPE 3

## Cool as a control hub

The Coolant Control Hub (CCH) from FORVIA HELLA is an innovative subsystem that is revolutionizing thermal management. CCH, which will be launched on the market as soon as this year, connects the cooling circuits for the battery, electric motor and vehicle interior. At CES 2024, the next level of CCH, with a maximum integration level now also including air conditioning, was launched. With the extension to the refrigerant cycle, CCH max can replace the refrigerant R-1234yf with natural refrigerants such as CO<sub>2</sub> or propane in a safe and economical way.



## SSAB steel: hard and fast reductions

2023 saw FORVIA unveil the world's first carbon-free steel seat structure. As part of a strategic partnership with Nordic steel manufacturer SSAB, from 2026 on, FORVIA will be using carbon-free steel for full-scale integration. The prototype was manufactured with steel produced at the HYBRIT pilot plant in Luleå, Northern Sweden, which replaces fossil-fuel power by hydrogen and renewable electricity. The structure is made up of 1.5 mm-thick parts, representing a total of 10 kg of steel per vehicle and an almost 90% carbon savings compared to conventional steel. By 2030, this sustainable supply should account for up to 45% of FORVIA's steel consumption.

designed  
for SCOPE 3



# Safe technologies

As the level of automated driving increases, people need to trust handing over control of the vehicle. We support automakers in building confidence in future automated and autonomous mobility modes through safety-critical solutions – from best-in-class sensors and radars to intelligent lighting and innovative by-wire vehicle controls.

# Powerful radars with 360° coverage for safe mobility on the roads



Interview with  
**Sebastian Jousen,**  
Global Head R&D Radar,  
FORVIA HELLA

## **Sensors, trust and safety – where do they connect?**

Sensing systems inside and outside the vehicle as part of automated driving systems can assist drivers in making sound decisions. Utilizing our radar sensors and intelligent software to detect and share information or even to take action, we can provide maximum road safety.

With sensors, we are transitioning to a new mobility experience where the driver acts as a vehicle supervisor. While remaining responsible for the car, the driver relies on onboard intelligence to adjust speed, align on the road, and identify obstacles. Ensuring the system sees, understands and reacts appropriately to the environment is crucial for safety, and this relies on highly reliable technology. Trustworthy features significantly contribute to increased safety.

## **So radars, which capture the information needed to inform the system's decisions, are at the core of this safety improvement trend?**

Absolutely. And as we move toward autonomy, the demand for high-quality and reliable sensors both inside and outside the vehicle increases. Some years ago, cars

were equipped with two or three radar sensors, but now we reach 10, or even more radars on some models.

FORVIA HELLA pioneered the development of these components, building its radar sensor portfolio over the years to meet the evolving demands of autonomous driving. With Gen 7, our solutions provide a 360° view, irrespective of external conditions such as brightness, humidity or fog. They enable the vehicle to detect stationary objects or road boundaries continuously and precisely, and to dynamically track moving elements such as pedestrians, bikes or cars, ideal for driving or parking assistance.

Leveraging this extensive 20-year experience and collaborations with over 20 customers worldwide, FORVIA HELLA has established itself as a mature and reliable safety partner.

## **What are the latest developments?**

We've introduced 77 GHz radars, equipped with innovative waveguide antenna and advanced chip technology, providing extended distance recognition and precision to support complex scenarios in automated driving at Level 3 and beyond.

Our ongoing work on the seventh generation of these radars builds on the reliability of the six previous generations, still in use today, to continue improving safety on the road at lower prices with higher performance.

# Safe

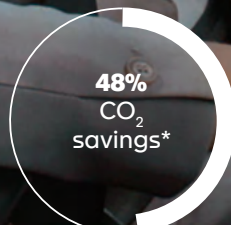
We relentlessly seek to enhance vehicle safety – inside and out. Through our safety-critical solutions, we're proactively addressing the challenges that will face tomorrow's vehicles while innovating for smoother, smarter and safer driving today.



designed \_\_\_\_\_  
for **SCOPE 3**

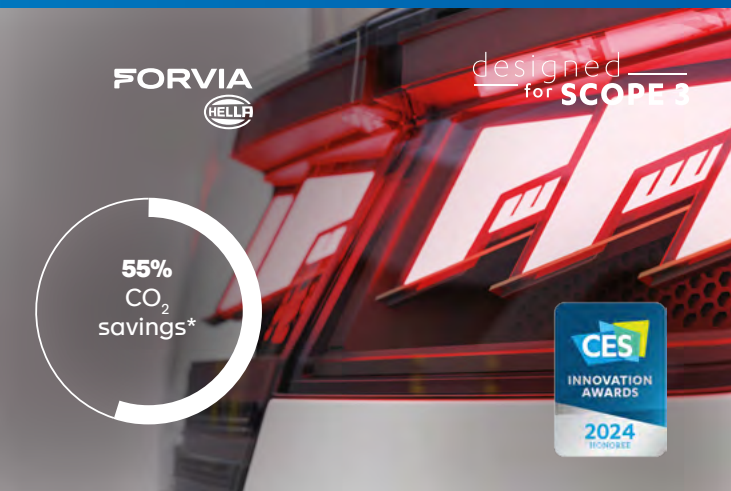
## Radar portfolio for powerful 360° coverage

Based on more than 20 years of experience and business with over 20 global customers, FORVIA HELLA provides scalable, flexible radar sensors, either standalone or integrated into the Advanced Driver Assistance System (ADAS) platforms of cooperation partners. Our 77 GHz radars are equipped with innovative waveguide antennae and the latest chip technology to provide extended distance recognition and greater precision over the whole field of view. With the latest Gen 7 solutions, we continue to extend our portfolio, offering increased sensor capability that is also cost-effective.





# technologies



## Advanced lighting technologies

Winner of a CES 2023 Innovation Award, the FORVIA HELLA Solid State Lighting | High Definition (SSL | HD) headlamp provides new, safety-relevant functionalities thanks to the intelligent control of up to 25,000 individual LED pixels. Front Phygital Shields are not only used as a style-defining, brand-differentiating design element of electric vehicles, but can also integrate radar sensors. The FORVIA HELLA FlatLight |  $\mu$ MX, winner of a CES 2024 Innovation Award, is based on micro-optics, enabling extremely thin modules and multi-colored combinations of indicators, stop lights and tail lights in just one optical element, while reducing energy consumption by 80% compared to conventional LED tail lights.

**"We are driven by the ambition to keep pushing the boundaries of what is feasible in automotive lighting technology and thus ensure greater safety, efficiency and comfort on the road."**



Yves Andres,  
Managing Director Lighting, FORVIA HELLA

\* 2030 versus 2019

## Activating interior surfaces

FORVIA is innovating to "activate" the car interior for the purposes of safety or aesthetics, converging the physical and digital to create a phygital cockpit. An example is our Light Tile Technology, which won a CES 2024 Innovation Award. A transparent light tile is perfectly integrated into the upper door panel, providing a high-quality display of the outside vehicle environment to detect potential risks. In addition to serving as an ADAS, the tile technology can be used for dynamic ambient surface lighting to produce a unique onboard atmosphere.



# Safe



## Intelligent Power Distribution Module with Integrated Electronic Fuse

After introducing the first eFuse to the market in 2023, FORVIA HELLA is now one of the first to replace the traditional fuse functionality in the Intelligent Power Distribution Module. This solution manages any operational concerns regarding the power distribution within demanding vehicle powertrains, an especially important aspect as vehicles move toward autonomous driving. Our integrated eFuse recognizes and reacts to critical energy-usage-related safety situations, requesting energy management changes to prevent issues from occurring.

## Traffic Rules Engine

Highly automated vehicles (Level 3+) can handle driving scenarios without human intervention. To do so, they must always know and manage the applicable traffic regulations. FORVIA HELLA developed the Traffic Rules Engine to meet this need. Like a virtual co-driver, this software continuously monitors planned actions of the car and compares them with the current traffic rules based on sensor and map data. The Traffic Rules Engine ensures the use of the latest and locally applicable traffic regulations at all times, and will be certified and used by TÜV Rheinland to homologate cars in a virtual environment.



# technologies



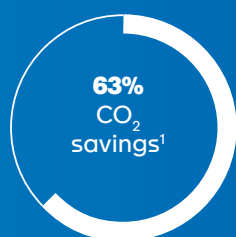
## Bringing Smart Car Access to the next level

FORVIA HELLA continuously develops further software functions for its UWB<sup>2</sup>-based Smart Car Access System. With Smart Presence Detection, vehicle safety is brought to a new level by alerting drivers in the case of intrusions as well as occupancy detection. For child-presence detection, our algorithms can detect even the slightest chest movements of a baby or animal under a blanket. In case of a risk, a notification is immediately sent to the linked mobile phone. The kick sensor for trunk opening and closing eliminates the need for an additional conventional system, while providing extra comfort.

2. Ultra-wideband

## eMirror Safe UX

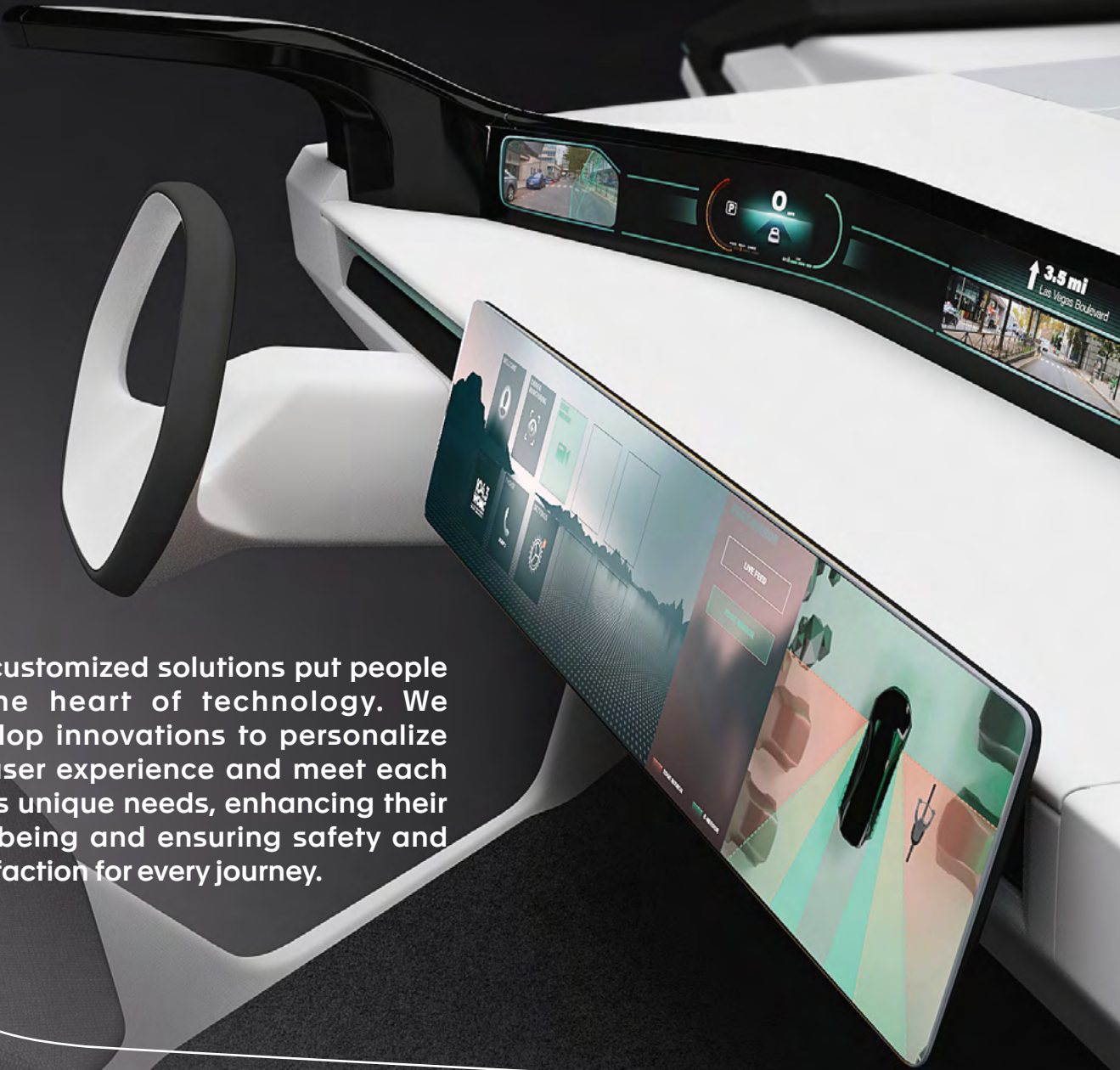
Winner of a CES 2024 Innovation Award and certified for both EU and Chinese standards (FORVIA was the first to get certification for an eMirror in China), the latest generation of our eMirror Safe UX software platform helps drivers better see their environment by replacing side and rearview mirrors with a camera-based system to provide better visibility, safety alerts, and fuel/energy efficiency. Transparent View, Reactive Dimming, and Advanced Image Processing are software features expanding the driver's field of view and improving visibility in challenging environments.



1. 2030 versus 2019



# Customized technologies



Our customized solutions put people at the heart of technology. We develop innovations to personalize the user experience and meet each user's unique needs, enhancing their well-being and ensuring safety and satisfaction for every journey.

# A cockpit connected to the future



**Interview with Vanessa Picron,  
Innovation, Strategy  
& Automated Driving  
Vice President, Faurecia  
Clarion Electronics**

## **What do you see as a growing need from automakers and end users?**

Connectivity – along with vehicle electrification and automation – is a major trend shaping our industry. Today, when you purchase a vehicle, you're not just buying a means of transportation, but a mobility experience. People want a vehicle that allows them to use their time efficiently and safely, while staying connected during their journey. The state-of-the-art features we're developing respond to this need and will be a growing factor in consumers' purchase decisions.

## **So what should we put in the cockpit to attract consumers?**

With the digitalization of the onboard experience, connected services are increasingly important. End users expect services personalized for their unique tastes and habits that are integrated into their vehicles and intuitive to use. We are developing electronics innovations that enhance the driving environment in terms of safety, comfort and enjoyment. One example is our immersive display, which offers a new era of perceptual experience, capable of customizing a user's perception depending on interior and exterior context. Coupled with our camera systems and AI, it enhances situational awareness, as does our eMirror

Safe UX, which received a CES 2024 Innovation Award. Another example is our connected cockpit software services offer, based on our leadership position in the automotive apps market with Faurecia Aptoide Automotive.

## **Where does the Faurecia Aptoide apps market fit into this landscape?**

A seismic shift in the automotive industry is occurring, from closed proprietary solutions to open digital platforms that allow more personalized and continually evolving services. It is expected that from 2025, more than 50% of all cars will come with Android Automotive systems. The Faurecia Aptoide apps market is at the forefront of this transformation. It offers data protection and a seamless digital experience with a broad app portfolio for the end user. From a car manufacturer standpoint, our leading white-label platform enables fully branded integration and new monetization opportunities, including in-car payment. With more than 8 OEMs onboarded worldwide and 20 million cars equipped by 2025, app developers will have unique access to automotive users through a single interface.

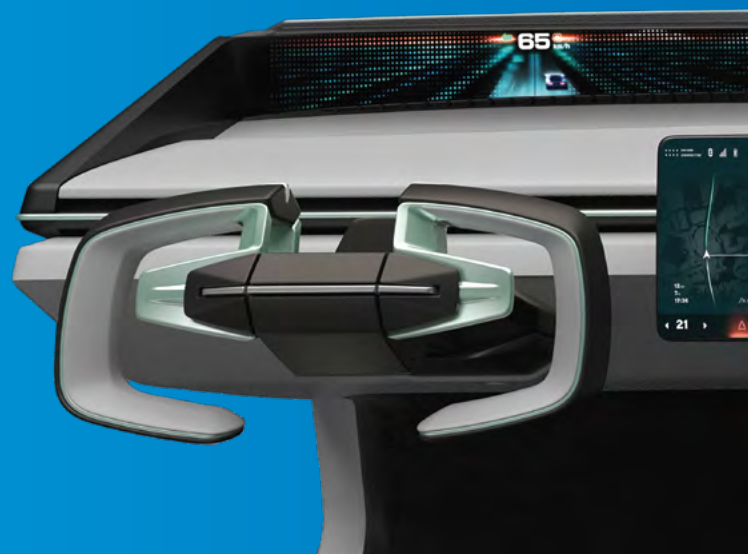
# Customized

Our solutions represent a new era of mobility, one that must increasingly resonate with users' lifestyles and preferences. With our customized innovations, we're ensuring that everyone can navigate the world in vehicles that enhance their well-being.



## Connected cockpit

Faurecia Aptoide is the leading white-label automotive apps market customizable by automakers. With it, automakers can easily integrate around 200 applications – including music, podcasts, gaming, web conferencing, video streaming and more – into their vehicle. Vehicle owners can access their digital world and preferred app seamlessly from the car independently of their smartphone. Over 3 million users are already using our apps market. By 2025, an estimated 20 million vehicles will feature this ecosystem, enabling vehicle owners to stay connected – safely – during their journey.



# technologies

## Award-winning immersive screen

Our Skyline Immersive Display was a winner of a CES 2024 Innovation Award. This next-generation cockpit interface uses LED rather than LCD screen technology, offering a more visually dynamic and affordable alternative than a traditional Heads-Up Display, and is fully customizable with the automaker's in-vehicle technology. Information is displayed at the bottom of the windshield to avoid driver distraction, and floating windows allow personalization by the user. This digital cockpit experience delivers flexibility and customization to automakers and vehicle owners alike, without sacrificing functionality or safety.



\* 2030 versus 2019



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for SCOPE 3

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faurecia

designed  
for SCOPE 3



## Tactile seating technology

A contract was signed in 2023 with a top-tier German OEM for VIBE®, an industry-first innovation that embeds tactile sensations within the car seat. This biomechanics solution will enhance safety: its Advanced Driver Assistance System (ADAS) features haptic alerts for blind spots, lane changes, speed limits and drowsiness. By emitting warm, low-frequency vibrations through the seat foam, it also offers a heightened level of immersion for music and entertainment, or promotes relaxation or boosts energy. Developed with the audio-haptic expert Aurasens, VIBE® is set to make its debut at the end of 2025, transforming the driving experience.

# Customized

## Seatback-embedded illumination

The all-new Renault Rafale, set to hit markets in 2024, will be the first to feature LUMI – a bold new approach to seating illumination. Ultra-thin LED-powered panels integrated into the front seats light up and pulse like a heart to greet the driver as they approach the car. The lighting also shifts from one tone to another to reflect driving modes. This state-of-the-art innovation is energy efficient and is covered with a perforated diffusion layer to keep seat comfort unaffected. LUMI transforms the way drivers interact with their vehicles, establishing a deeper connection and an invitation to driving pleasure.



## Floating image projection with AirVision

FORVIA's AirVision is an integrated system solution that offers new ways of displaying information and creating immersive experiences through image reflection. AirVision offers stable and vibration-free reflection by creating a 3D, virtual image of a display on a flat translucent surface integrated on the instrument panel. The system combines displays, lighting, surfaces and structures in a game-changing way. This scalable system can replace clusters, center displays, and co-driver display configurations in automotive applications.



# technologies

**FORVIA**  
faurecia

## All-in-one sensing seat

Our Intelligent Sensing Seat is equipped with advanced sensors that analyze the occupant's position and provide real-time feedback – enabling healthy postural adjustments without sacrificing in-vehicle safety. Integrated lighting accents give the seat a futuristic appearance, with precision stitching tailored to automakers' design requests creating a premium look and feel. This elegant concept made its debut at CES 2024: an "all-in-one" innovation that integrates comfort, safety, sustainability and intelligence into a single seat design.



designed           
for **SCOPE 3**



\* 2030 versus 2019

# Affordable technologies



By making cutting-edge technologies affordable, we're expanding access to ambitious, practical and sustainable innovations, empowering automakers to deliver advanced technological experiences without exhausting resources. FORVIA's focus on affordability ensures that innovation is within everyone's reach.

# Seats for the future: bridging innovation and affordability



Interview with Nicolas Michot,  
Complete Seat Product  
Line Director, FORVIA

## For FORVIA, what is the role of affordability in the future of mobility?

More than ever, there's a real need for technologies to do more than push the boundaries of possibility for mobility. Solutions for next-generation vehicles must be cost-effective, as much for our partners as for our end customers. At FORVIA, we're leveraging our expertise to respond to this challenge. This means taking an entirely new approach to the way we design and manufacture technology, rethinking innovation and production to also consider affordability and accessibility. A great example of our differentiating approach in action is happening in Seating, with our disruptive modular architecture.

## Tell us more about how rethinking seats can transform the industry and improve affordability.

Our modular seat architecture is designed with a focus on limited modules, integrating comfort and safety functions. This approach transforms our challenging seat manufacturing process into an easy assembly process, leading to a more than 50% reduction in manufacturing and assembly time in our just-in-time plants. There is no variability linked to seat content or difficult operation,

resulting in a less costly process. Modules can be mass produced in regional hubs before commissioning complete seats close to, or even within, our customers' assembly plants.

Significant cost reductions can be achieved in development and design, as a wide range of modules can be plugged into the same platform, serving multiple vehicle models.

This architecture has also been designed following circular economy principles to minimize the use of materials, facilitating the incorporation of recycled and recyclable materials. The comfort module functions can be easily dismantled (in less than 5 minutes), enabling updates, upgrades, refurbishments or repairs to seats at any time. This contributes to an extended lifespan of the car, reduces cost impact, and increases affordability for the end consumer.

## How has FORVIA's focus on affordable solutions led to strategic partnerships?

Our partnerships enable us to strengthen our innovative solutions. A key challenge for the "Seat for the planet" project was how to replace polyurethane, a polymer found in comfort parts such as foam. Through our partnership with Indorama Ventures, we developed Auraloop, a 100% recyclable solution that offers a twofold carbon footprint reduction compared to current materials. It's thanks to these projects that our innovations remain affordable, bringing us toward a more circular economy.

# Affordable

At FORVIA, our approach to innovation and production puts a priority on affordability. We're determined to create cost-effective solutions that support aspirations without exhausting resources.

## A modular seat for reduced costs and environmental footprint

FORVIA teams have come up with a radically new approach to designing and manufacturing automotive seats with a sustainable modular seat approach. Composed of a limited number of components and made with sustainable materials, this new seat is adaptable and affordable for both manufacturers and car owners. In production, the modular concept offers major synergies in automotive value chains. First, modules can adapt to any given seating frame platform, enabling customers to fit multiple vehicles at reduced upfront costs. Second, seat modules can be produced at scale at regional hubs and assembled close to or even at vehicle manufacturing plants, generating significant savings in logistics and quicker assembly. As the seat can be easily assembled and disassembled, its parts can also be replaced and upgraded with new functions and features at any point in its lifetime. This increases the seat's longevity and facilitates the recycling of its constituent parts. This modular, sustainable seating innovation received an eco-design trophy at the prestigious 2023 Sustainable Industry Awards organized by L'Usine Nouvelle.

FORVIA  
faurecia

designed  
for SCOPE 3

Up to  
**68%**  
CO<sub>2</sub>  
savings\*



\* 2030 versus 2019

# technologies



**FORVIA**  
faurecia

designed  
for **SCOPE 3**

## Hydrogen: faster, cheaper and cleaner

New technologies must be affordable, practical and accessible to be adopted on a wide scale, and when it comes to the environment, speed is also of the essence. With this in mind, FORVIA is playing a key role in driving the development of hydrogen mobility. We believe that hydrogen is a cornerstone of the energy transition and that hydrogen mobility is not only complementary to battery electrification, but the only credible alternative to it.

### Scaling up hydrogen mobility

FORVIA's industrial strength and experience are enabling us to ramp up production and make this innovative technology affordable. Notably, in 2023, the company commissioned Europe's first mass production plant for Type IV hydrogen tanks, in Allenjoie, France. The plant has already shipped

its first hydrogen storage systems. The aim is to produce 100,000 tanks annually by 2030 and reduce manufacturing costs by fivefold by 2025 as processes gain efficiency. We are the first automotive supplier globally to have serial production across major regions. Expansion plans in Asia and North America are already in motion, reinforcing our commitment to a decarbonized industry.

### Mastering 75% of the drivetrain value

Together with Symbio, our equally owned joint venture with Michelin and Stellantis, we cover 75% of the hydrogen drivetrain value: from fuel cell stacks to hydrogen storage systems. By 2030, our target is for our global systems to be no more costly than an equivalent battery pack. A key part of our plan is Symbio's gigafactory, SymphonHy, inaugurated in 2023. It is Europe's largest integrated site producing hydrogen fuel cells. By 2026, SymphonHy aims to produce 50,000 systems, up from 15,000 today. SymphonHy is part of HyMotive, a strategic €1 billion project to develop disruptive technology, supported by the European Union and the French government. Together with the manufacturing strength of Allenjoie, this production capability will help lower the costs of hydrogen systems, making these solutions more affordable for our clients and contributing to our goal of leading the hydrogen solutions market by 2030.

### Containerized solutions for transportation and distribution

FORVIA's hydrogen solutions are not limited to the mobility market. Work is underway on a containerized solution for hydrogen storage and distribution that will support the development of critical hydrogen infrastructure. It offers a world-class payload using large, lightweight tanks and a modular architecture. Designed to store up to 1 ton of usable compressed hydrogen, this lightweight solution drastically lowers the cost and CO<sub>2</sub> footprint of transporting hydrogen, contributing to affordability.

# Affordable



## Automated diagnostics: big data – big savings

The most important factor in vehicle repair is time. For vehicle users, especially commercial customers, time without their usual car, van or truck can lead to inconvenience and knock-on costs, while for the workshop, time spent looking for the cause of the problem can be costly. In response, HELLA Gutmann Solutions, a FORVIA HELLA subsidiary specializing in sophisticated vehicle diagnostics equipment, has created an automated system harnessing Big Data and artificial intelligence to identify faults faster than ever before. Available in 17 languages across 24 countries, this new automatic diagnostics function is now available to all workshops already using a current HELLA Gutmann Solutions diagnostic device and at no additional cost. The technology ascertains the vehicle identification number (VIN), accesses previously stored fault codes, evaluates their relevance, and compares actual and target values in the system parameters. It then consults 2 billion records of historic diagnostic cases, using AI to identify parallels and narrow down the origin of the fault to a specific component. This complex Big Data process chain runs in less than five minutes, helping workshop mechanics to start their search in the right place and radically speed up their work on each vehicle. Thanks to the swift roll-out of this automated diagnostics function and the quicker, cheaper repairs offered to end users, CLEPA, the European Association of Automotive Suppliers, named HELLA Gutmann Solutions a Top Innovator in its 2023 Innovation Awards.



# technologies

## Lifecycle Solutions: maximizing vehicle and environmental potential

Both sustainable and affordable mobility is not just about switching to zero-emission solutions; it also means maintaining a vehicle's value and extending its lifespan. That's why FORVIA HELLA has brought together its Independent Aftermarket, Workshop Solutions, and Special Original Equipment activities in the Lifecycle Solutions Business Group. This business aims at offering solutions covering the whole lifecycle of vehicles: from long-lasting design and robust production, through to fault diagnostics and spare-parts distribution, protecting the value of vehicles for everyone involved while promoting the responsible use and reuse of resources.

Customers are seeking longer lifespans for their commercial vehicles as vehicle uptime is crucial for business success. To this end, the Special Original Equipment segment is developing robust and modular products that allow long lifetimes and repairability. This supports customers in meeting environmental regulations and operational requirements at the same time. In the truck segment, for instance, EU legislation will require many truck cabins to be completely redesigned, allowing the development of wind-resistance optimized headlamps.

The segment of Workshop Solutions takes diagnostics to the next level, leveraging AI to automate the diagnoses, improving the efficiency of the workshops for our customers. In a next stage, this capability will allow us to move down the value chain from fault diagnostics in the workshop to predictive maintenance based on digital vehicle monitoring in the car. For fleet operators, having a partner that uses real-time data to identify and then rectify problems before they arise means savings – both on repairs and by avoiding lost capacity.

In addition, the Lifecycle Solutions Business Group is gearing up to offer solutions in the Independent Aftermarket for electric vehicles. As the first generations of EVs enter this sector, the requirements will change for spare parts, as well as for workshop equipment and expertise. FORVIA HELLA, through its subsidiary HELLA Gutmann Solutions, already offers a health check for the high-voltage batteries that are the core (and highest-value component) of electric vehicles, to help users maintain the vehicle's value and maximize its lifespan.



# Governance and performance

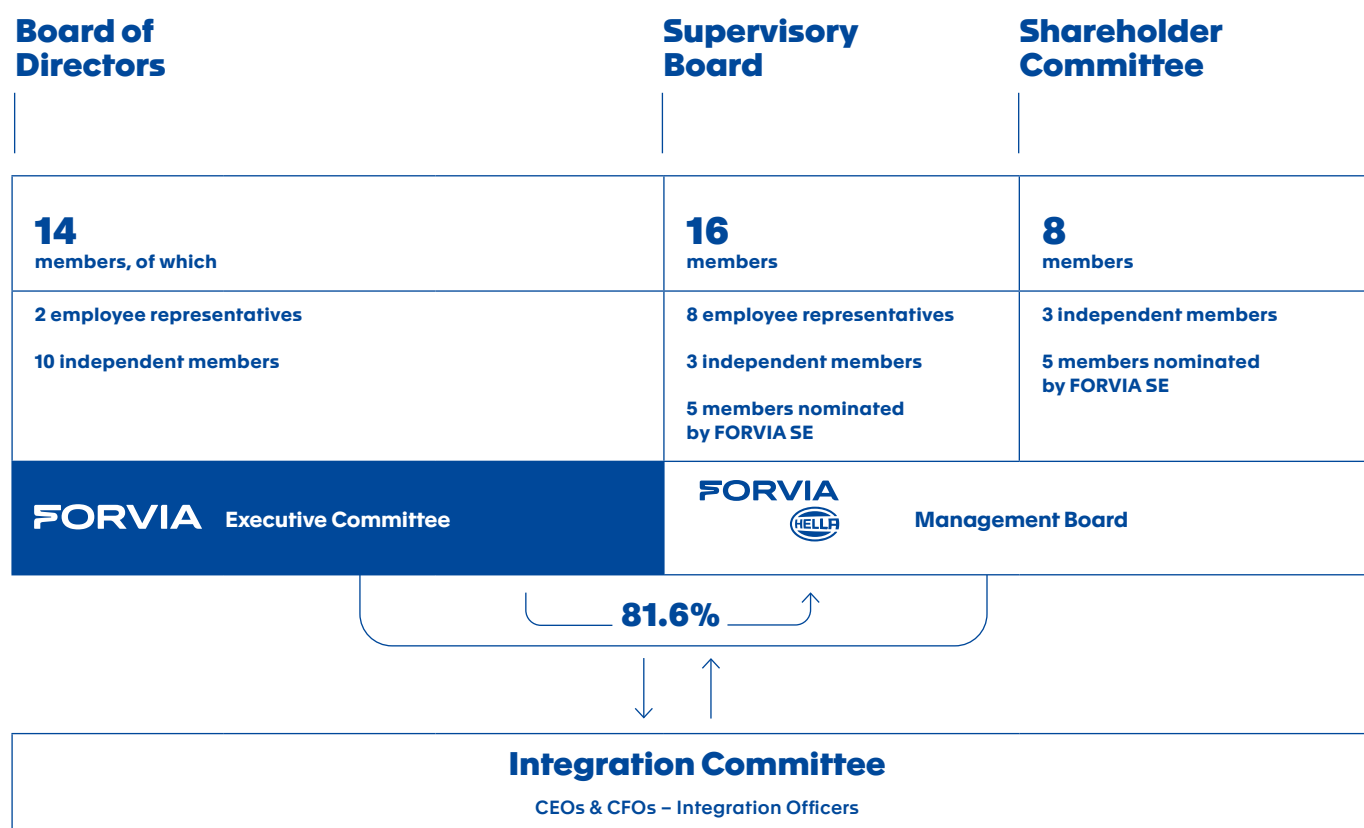
## Effective governance

The governance structure of the FORVIA Group comprises separate but complementary governance bodies at FORVIA SE and HELLA GmbH & Co. KGaA ("HELLA") (together with FORVIA SE, the "Group") with efficient decision-making processes within each governing body. This governance model allows the Group's companies to work together effectively, while adhering to the governance principles required for HELLA and FORVIA SE.

The highest standards of independence, transparency, openness, inclusiveness and responsibility guide the governance of FORVIA SE and HELLA, ensuring that the companies deliver on their joint strategy while acting in the best interests of their shareholders.

### One Group, two listed companies

At the date of the 2023 Universal Registration Document





# FORVIA SE: an active and independent Board of Directors

At the date of the 2023 Universal Registration Document

The Board of Directors oversees FORVIA SE's business, financial and economic strategies, and the implementation of these. Meeting at least four times a year, the Board of Directors of FORVIA SE consists of 14 members, two of whom are employee representatives.

Three permanent committees are tasked with preparing discussions on specific topics:

- the Audit Committee
- the Governance, Nominations and Sustainability Committee
- the Compensation Committee.

The Board may establish ad hoc committees to exercise oversight on key topics.

The committees make proposals and recommendations and give advice to the Board of Directors in their respective fields of expertise.

## Changes in 2023

The 2023 Shareholders' Meeting of FORVIA SE approved the appointment of Esther Gaide and Michael Bolle as independent Board members, respectively replacing Yan Mei and Peter Mertens, who opted not to be renewed for the subsequent terms.

At its meeting on October 19, 2023, the Board of Directors of FORVIA SE decided to coopt with immediate effect Nicolas Peter as an independent Board member on the proposal of the Hueck and Roepke family pool, following the July 13, 2023 resignation of Jürgen Behrend and the ensuing recruitment process.

The cooptation is subject to approval by the next Annual General Meeting.

## Changes in 2024

In December 2023, the Board of Directors decided to modify the composition of the Governance, Nominations and Sustainability Committee and the Audit Committee as follows:

- Judy Curran and Nicolas Peter joined the Audit Committee on February 14, 2024,
- Robert Peugeot, permanent representative of Peugeot 1810, was transferred from the Audit Committee to the Governance, Nominations and Sustainability Committee with effect on February 13, 2024.



**Michel de ROSEN**  
Chairman of the Board ● ●  
End of mandate – 2024 AGM



**Patrick KOLLER**  
Chief Executive Officer  
End of mandate – 2025 AGM



**Daniel BERNARDINO**  
Employee representative ●  
End of mandate – 10/31/25



**Michael BOLLE**  
Board member ● ●  
End of mandate – 2027 AGM



**Judy CURRAN**  
Head of Automotive Strategy of ANSYS ● ●  
End of mandate – 2024 AGM



**Odile DESFORGES**  
Board member ● ●  
End of mandate – 2024 AGM



**Esther GAIDE**  
Board member ● ●  
End of mandate – 2027 AGM



**Penelope HERSCHER**  
Board member ● ●  
End of mandate – 2025 AGM



**Valérie LANDON**  
CEO France and Belgium, Credit Suisse ● ●  
End of mandate – 2025 AGM



**Jean-Bernard LÉVY**  
Board member ● ●  
End of mandate – 2024 AGM



**Denis MERCIER**  
Deputy Chief Executive Officer of Fives Group ● ●  
End of mandate – 2027 AGM



**Nicolas PETER**  
Board member ● ●  
End of mandate – 2026 AGM



**Robert PEUGEOT**  
Permanent representative of Peugeot 1810, Chairman of the Board, Peugeot Invest ●  
End of mandate – 2025 AGM



**Emmanuel PIOCHE**  
Employee representative ●  
End of mandate – 10/31/25

- Independent
- Governance, Nominations and Sustainability Committee
- Compensation Committee
- Audit Committee



## A strong, international and expert management

Members of FORVIA SE and HELLA's management hail from a wide range of backgrounds, contributing a range of diverse and complementary skills.

FORVIA SE's executive functions are performed by an Executive Committee that meets at least once per month to review the Group's results and discuss operations and strategy.

Operating under the responsibility of the Chief Executive Officer (CEO), the FORVIA SE Executive Committee is composed of the CEO and 12 Executive Vice Presidents from the Group's international Business Groups and functional roles.

## Executive Committee

As of January 1, 2024



**Patrick KOLLER**  
Chief Executive Officer



**Victoria CHANIAL**  
Executive Vice President, Group Communications, Public Affairs and Sustainability



**Olivier DURAND**  
Executive Vice President, Group Chief Financial Officer



**Nik ENDRUD**  
Executive Vice President, Americas



**Jill GREENE**  
Executive Vice President, Group General Counsel and Board Secretary



**Olivier LEFEBVRE**  
Executive Vice President, Group Industrial Operations & Clean Mobility



**MA Chuan**  
Executive Vice President, China



**Jean-Paul MICHEL**  
Executive Vice President, Interiors



**Dr. Christopher MOKWA**  
Executive Vice President, Strategy & Digital Transformation



**Thorsten MUSCHAL**  
Executive Vice President, Sales & Program Management



**Christophe SCHMITT**  
Executive Vice President, Seating



**Jean-Pierre SOUNILLAC**  
Executive Vice President, Group Human Resources



**François TARDIF**  
Executive Vice President, Asia Business Region & Faurecia Clarion Electronics

**The HELLA Management Board oversees the strategic and operational management of the HELLA Group.**

The Shareholder Committee consists of four members nominated by the majority shareholders of FORVIA SE (Executive Committee members of FORVIA SE) and three independent members. The Shareholder Committee is the decision-making body of HELLA. Together with the Supervisory Board (see below), the Shareholder Committee advises the Management Board and decides on certain measures requiring approval. This multi-layered governance structure ensures compliance with German corporate law requirements and strong governance principles.

The HELLA Supervisory Board is composed of 16 members, five of whom are nominated by FORVIA SE. Together with the Shareholder Committee, it advises and supervises the Management Board, and oversees the delivery of certain required actions under the German Factual Group structure, such as the preparation and review of HELLA's Dependency Report.



**Bernard SCHÄFERBARTHOLD**  
CEO, CFO, Managing Director Human Resources until February 29, 2024



**Yves ANDRES**  
Managing Director Lighting



**Stefanie RHEKER**  
Managing Director Human Resources from March 1, 2024



**Stefan VAN DALEN**  
Managing Director Lifecycle Solutions



**Philippe VIENNEY**  
CFO from March 1, 2024



**Jörg WEISGERBER**  
Managing Director Electronics

# Smart on risks

In a complex and volatile world, the Group's robust Enterprise Risk Management (ERM) program allows us to maximize opportunities while minimizing threats, enhancing our performance and our resilience.

In today's environment, organizations need to be agile and reactive without jeopardizing business continuity. An effective risk-based thinking mindset is crucial for protecting and creating value. A cornerstone of this for FORVIA is our ERM framework, a systematic process based on the ISO 31000 standard that enables continuous improvement in the Group's performance. Its primary focus is the management of operational and industrial risks, the core business of our Group.

The ERM monitors 22 major risks that the Group could potentially face: operational and industrial, financial and market, and legal, regulatory and reputational. These are classified in three categories (A, B or C) according to the degree of threats and opportunities, and then processed by the relevant area to provide the most appropriate response. This risk mapping is overseen by FORVIA's Risk Committee and is supported by a network across all Business Groups and regions. It is also shared quarterly with the Audit Committee and the Board of Directors.

70

A network of close to 70 champions and sponsors to boost risk awareness

120

key risk indicators to continuously improve FORVIA's vulnerability management

500+

employees involved in specific risk mapping worldwide

This governance enables our Group to anticipate threats more effectively and develop targeted mitigation plans in the case of adverse events (e.g., natural hazards, supply disruptions, critical program launches or cybersecurity incidents). Boosting awareness of risk culture is a significant milestone in this risk approach, as all our teams potentially deal with risks daily around the world.

## Risk classification



# Strong on ethics and compliance

**In today's business environment, in which organizations are challenged to be increasingly agile and fast, FORVIA needs, more than ever, to be vigilant and remain compliant with the highest ethical business standards in all countries where it operates.**

Since 2004, FORVIA has been a member of the UN Global Compact, demonstrating our commitment to respecting ILO\* conventions on human rights, labor standards, and the environment in our business practices.

The Group is committed to strict compliance on ethics in every aspect of its activities. Our Code of Ethics enshrines fundamental rights for all, economic and social dialogue, and skills development. Our standards and rules of conduct must be understood and respected everywhere by all employees and business partners.

Our anti-corruption Code of Conduct, available in 12 languages, promotes best practices concerning policy

on gifts and hospitality, donations and sponsorship, managing conflicts of interest and competition law. Regular controls are carried out in business areas exposed to corruption risks. To complement this set of framework documents, FORVIA has deployed its Human Rights Policy since 2022, which is applicable to all employees, business partners and suppliers. As part of our Duty of Care plan, it aims to prevent serious violations of human rights, fundamental freedoms, or threats to the health and safety of people and the environment resulting from our activities or those in our supply chain.

\*International Labor Organization



## Speak up

FORVIA fosters a speak-up culture in line with our zero-tolerance policy for non-compliance, with a channel for employees (including temporary employees, subcontractors, etc.), partners, suppliers, civil society (NGOs), and local communities to raise concerns or report violations via [www.faurecia.ethicspoints.com](http://www.faurecia.ethicspoints.com) and <https://hella.whistleblownetwork.net/FrontPages/Default.aspx>.

All alerts are received only by the Group Chief Compliance Officer and Group General Counsel. They ensure, with the Regional Compliance officers, the anonymity of the whistleblower.

# FORVIA's business model

## FORVIA resources

## Strategy & operational model



### People

- **153,000** employees
- **140** nationalities in 41 countries
- **5** FORVIA University campuses
- **106,750** employees connected to the e-learning platform, **48%** of whom are operators



### Business

- **€2,198M** gross R&D expenditure
- Global innovation ecosystem
- **15,000** R&D engineers
- **13,400** patents in our portfolio



### Planet

- **Up to 70%** renewable energy capacity across Europe
- Sustainable materials innovation with MATERI'ACT
- **88%** of production sites certified ISO 14001
- **24.9%** of sales aligned with green taxonomy

**FORVIA**  
Inspiring mobility

## We pioneer technology



### OUR THREE STRATEGIC PILLARS

- Electrification and energy management
- Safe and automated driving
- Digital and sustainable cockpit experiences

○ **ENVIRONMENTAL, SOCIAL AND GOVERNANCE AS A BUSINESS DRIVER**



1. Includes Faurecia Clarion Electronics and HELLA Electronics  
2. HELLA  
3. Excluding HELLA perimeter

4. FORVIA scope including the top 200 suppliers in HELLA's panel  
5. Dividends paid to minority interests in consolidated subsidiaries

## OUR SIX BUSINESS GROUPS

- Seating
- Interiors
- Clean Mobility
- Electronics<sup>1</sup>
- Lighting<sup>2</sup>
- Lifecycle Solutions<sup>2</sup>

...  
for mobility experiences that matter to people.

○ **POWER25: MEDIUM-TERM PLAN FOR PROFITABLE GROWTH**

## Value created in 2023



### People

- **28.6%** of managers and skilled professionals are women
- **27%** of the Top 300 leaders are women<sup>3</sup>
- **26.9 hours** of training per employee<sup>3</sup>



### Business

- **1,283** patent filings in 2023
- **84%** of direct purchasing volume assessed for CSR performance by EcoVadis<sup>4</sup>
- Customer satisfaction: **4.7** stars out of **5**<sup>3</sup>



### Planet

- CO<sub>2</sub> intensity: **26 tons** of CO<sub>2</sub>eq scopes 1 & 2 / € million sales
- Energy intensity of sites: **92 MWh** scopes 1 & 2 / € million sales
- Waste intensity: **8.9 tons** waste / € million sales

#### 2023 REVENUE

**€27,248M**

#### EMPLOYEE SALARIES & SOCIAL CHARGES

**€5,786M** 22.7%

#### SHAREHOLDER DIVIDENDS<sup>5</sup>

**€133M** 0.5%

#### BANK FINANCE COSTS

**€496M** 1.9%

#### NATIONAL/LOCAL TAXES

**€287M** 1.1%

#### SUPPLIER PURCHASES & OTHER EXTERNAL COSTS

**€19,630M** 77.1%

#### Ability to finance future growth

##### INVESTMENT IN FIXED ASSETS

**€1,137M** 4.5%

##### GROSS R&D EXPENDITURE

**€2,198M** 8.6%

##### INVESTMENT IN ACQUISITIONS

**€359M** 1.4%

# 2023 financial performance



In 2023, a robust rebound in production across all regions, facilitated by the gradual improvement of supply chains, allowed the automotive market to recover to its pre-Covid level.

In this context, FORVIA significantly outperformed the market by 430 basis points, recording sales of €27.2 billion and achieving organic growth of 14%.

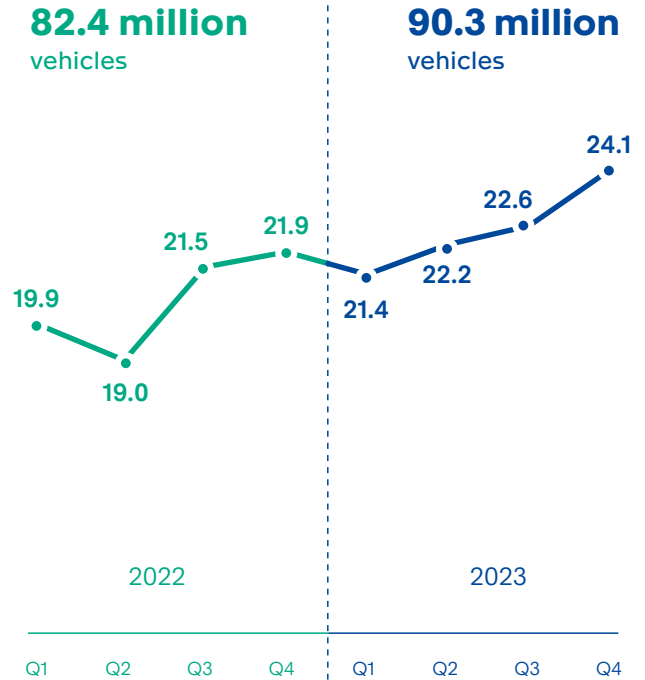
Our key financial indicators are on the rise and in line with the goals of our POWER25 plan presented at our Capital Markets Day in November 2022. Despite persistent inflation, the Group has improved its operational profitability by one point, reaching 5.3% of sales, notably benefiting from synergies with HELLA. The generation of high net cash flow, amounting to €649 million or 2.4% of sales, and the successful completion of the €1 billion asset disposal program announced in 2022 have allowed a reduction in net debt of close to €1 billion and a one-point decrease in the Net Debt/EBITDA ratio over 18 months, reaching 2.1x by the end of 2023.

By launching a second €1 billion asset disposal program at the end of 2023, FORVIA has reaffirmed its absolute priority for debt reduction and its commitment to accelerating the reduction of financial expenses while simplifying its business portfolio. In response to the ongoing transformations in the automotive market, the reinforcement of the Group's strategic and financial fundamentals instills confidence in the achievement of its 2025 objectives. We keep building a stronger Group, able to compete in a fast-changing environment.

## Olivier Durand

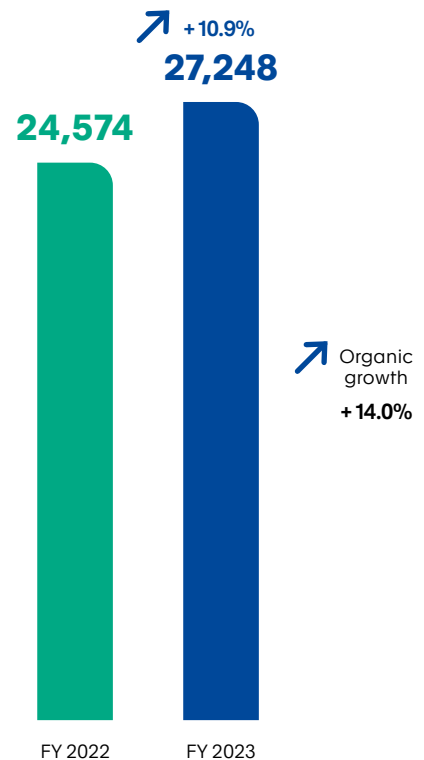
Executive Vice President  
Group Chief Financial Officer, FORVIA

### Worldwide automotive production



### Sales

(in millions of euros)

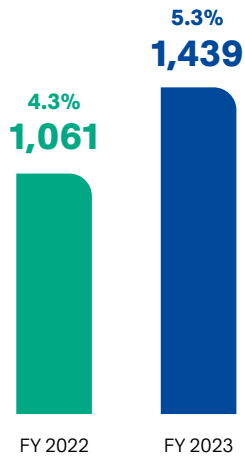




### Operating income

(in millions of euros)

% of sales



### Adjusted EBITDA

(in millions of euros)

% of sales



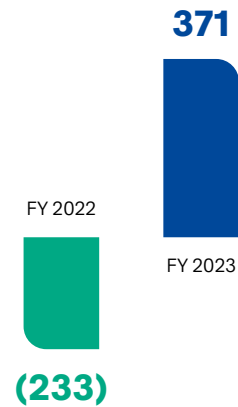
### Net cash flow

(in millions of euros)



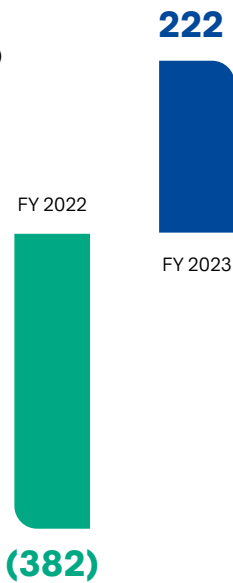
### Net income from continued operations

(in millions of euros)



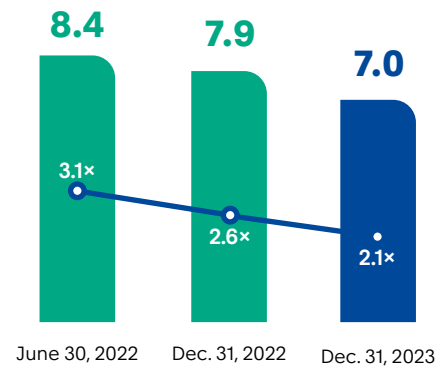
### Net income Group share

(in millions of euros)



### Net debt at year end Net debt/Adjusted EBITDA ratio

(in billions of euros)



# 2023 sustainability performance



The fight against global warming and the quest for a more inclusive world are increasingly at the heart of societal concerns. Faced with these challenges, FORVIA is a pioneer among the automotive sector industrial players.

The SBTi's approval of the Group's 2045 Net Zero roadmap is highly encouraging, and on this path, 2023 was another year of concrete actions. On scopes 1 and 2, FORVIA's ambition and speed are faster than the industry average. On scope 3, which is more challenging as it involves the value chain, upstream and downstream, FORVIA is demonstrating significant breakthroughs, particularly due to its investment in sustainable materials. This is a key lever for transforming industrial products and making them sustainable.

Beyond climate, the Group is committed to improving the environmental performance of its plants – waste and water management optimization, biodiversity –, building a responsible supply chain, promoting diversity and inclusion, and advancing societal engagement.

From the investment in technologies to the priorities set by the leadership team, FORVIA is walking the talk when it comes to sustainability – step by step. A lot has been achieved, and there is still work ahead. The journey continues.

## Jean-Bernard Lévy

Member of FORVIA Board of Directors –  
Chairman of the Governance, Nominations  
and Sustainability Committee


Our key 2023 indicators

Our sustainability roadmap



### Governance

Sustainability integrated into corporate governance



### Planet

Care for the planet

<p><b>CO<sub>2</sub> EMISSIONS</b> 0.69 metric tons of CO<sub>2</sub>eq (scopes 1 &amp; 2) 13.5 metric tons of CO<sub>2</sub>eq (scope 3 - excluding product usage)</p>	<p><b>ENERGY INTENSITY</b> 92 MWh scopes 1 &amp; 2 / € million sales</p>
<p><b>CO<sub>2</sub> INTENSITY</b> 26 tons of CO<sub>2</sub>eq scopes 1 &amp; 2 / € million sales</p>	<p><b>WASTE INTENSITY</b> 8.9 tons waste / € million sales</p>
	<p><b>WATER INTENSITY</b> 120.3 m<sup>3</sup> / € million sales</p>
	<p><b>GREEN TAXONOMY</b> 24.9% share of revenues aligned</p>

By 2025

**CO<sub>2</sub> neutral** in operations scopes 1 & 2

**-28%** in waste intensity

By 2027

**-34%** in waste intensity

By 2030

**-45%** in CO<sub>2</sub> emissions scopes 1, 2, 3

By 2045

**CO<sub>2</sub> net zero**

**83%**

independent Board members

**14**

Board members, including 2 employee representatives and 5 women (42%)

**1**

"Governance, Nominations & Sustainability" Board Committee

**4**

Executive Committee meetings on sustainable transformation initiatives per year

**2**

ESG criteria linked to remuneration (gender diversity and CO<sub>2</sub> emissions)



## Business

Responsible performance

**BUSINESS ETHICS**  
97% of targeted employees trained in the Code of Ethics

**RESPONSIBLE SUPPLY CHAIN**  
84% of direct purchasing volume assessed for CSR performance by EcoVadis\*  
**45/100** minimum score for suppliers assessed by EcoVadis

**SAFETY AT WORK**  
2.70 accidents with & without stoppage per million hours worked (FR1t indicator)

\*FORVIA scope including the top 200 suppliers in HELLA's panel

By 2025

**BUSINESS ETHICS**  
100% of targeted employees trained in the Code of Ethics

**RESPONSIBLE SUPPLY CHAIN**  
85% of direct purchasing volume assessed for CSR performance by EcoVadis

**55/100** minimum score for suppliers assessed by EcoVadis

By 2027

**SAFETY AT WORK**  
1.5 accidents with & without stoppage per million hours worked (FR1t indicator)



## People

Contribute to society

**DIVERSITY**  
27% of the top 300 leaders are women\*  
28.6% of managers and skilled professionals are women

**LEARNING ORGANIZATION**  
26.9 hours of training per employee\*

\*Excluding HELLA perimeter

By 2027

**DIVERSITY**  
25% women among the top 300 leaders  
30% women among managers and skilled professionals

By 2030

**DIVERSITY**  
30% women among the top 300 leaders  
35% women among managers and skilled professionals

**LEARNING ORGANIZATION**  
25 hours of training per employee per year

# FORVIA's sustainability ecosystem

The Group adheres to international norms and standards, reflecting its commitment to best environmental, social and societal practices. The Group also relies on recognized partners and methodologies to develop and monitor its sustainability strategy. It uses international reporting frameworks and certifications to ensure its transparency and guarantee the quality of its management systems and processes.



## FORVIA's ESG Ratings

**MSCI**  
**A**  
 Scale AAA to CCC

**MOODY'S** | ESG Solutions  
**62/100**

**SUSTAINALYTICS**  
 Risk category  
**"Low risk"**  
 No. 2 in the automotive parts sector

**CDP**  
 Climate **A**  
 Water **B**

**CDP**  
 A LIST 2023  
 CLIMATE  
 Supplier Engagement Leader **A**  
 Scale **A** to **D**

**FTSE4Good**  
**4/5**  
 Listed in the index series

**ISS ESG**  
**C**  
 Scale A+ to D



# FORVIA

Inspiring mobility

FORVIA

*Société européenne* with a share capital of €1,379,625,380

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