



CSR REPORT

2014



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President's Statement

Dear Sirs,

It is a great honor to share with you our first CSR report, which attempts to offer the reader an overview of Ficosa's performance to face the CSR challenges of the automobile sector and describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations.

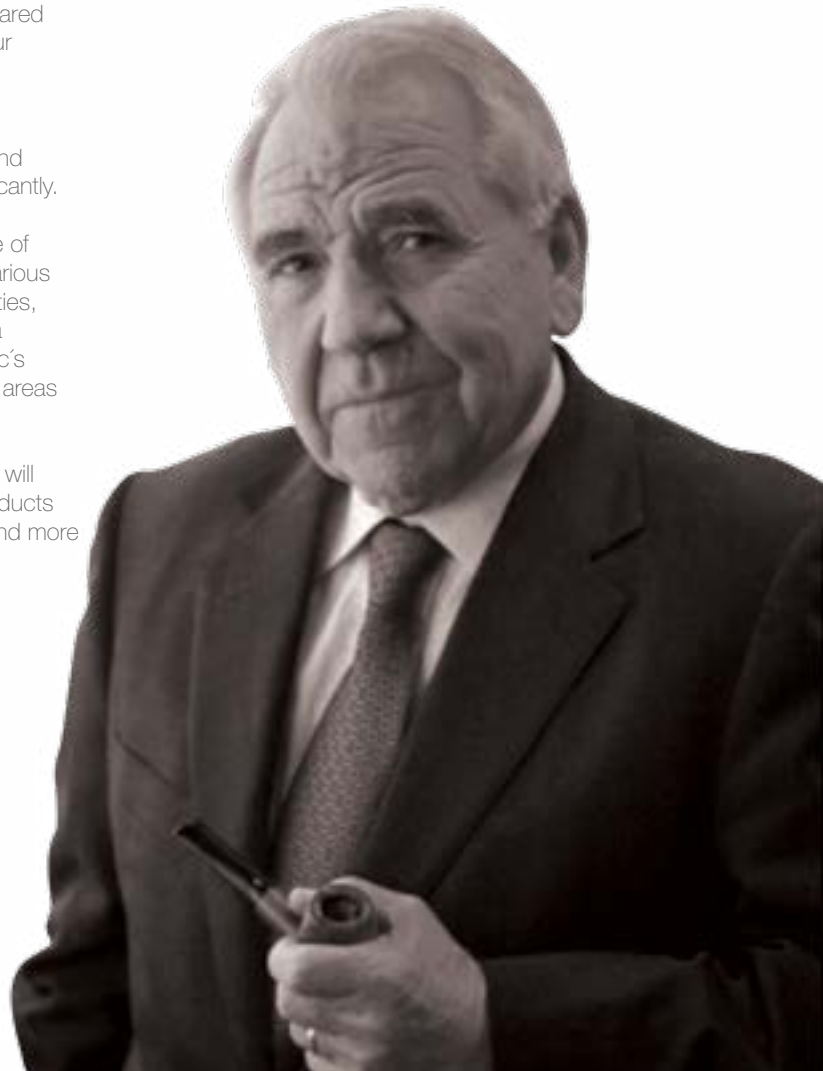
Since the beginning, the company's strengths come from its commitment and its understanding that being the best means being able to respond to the needs of our employees, customers, community and shareholders in equal manner. In this regard, we continue our efforts to generate shared value among our stakeholders and add sustainability practices in our business strategy and culture.

Ficosa is at a key moment in its expansion, due to the momentum generated by new technologies, such as safety, communications and e-mobility, where, in recent years, the company has invested significantly.

The year 2014 has been crucial for the company, with the signature of an investment agreement between Ficosa and Panasonic. Since various conditions, including approval from the competent anti-trust authorities, have been fulfilled, Panasonic have completed investment in Ficosa on 2015. The objective of this new alliance is to combine Panasonic's technologies with Ficosa's expertise in image recognition and other areas to quickly develop new technologies.

It will not only bring complementary knowledge and technology, but will also provide regional synergies and lead to developing superior products and solutions that will benefit people and help them to have safer and more efficient ways of driving.

Sincerely yours,
Josep Maria Pujol
President



About our report

In this report, Ficosa wants to explain how Corporate Social Responsibility (CSR) challenges are approached, and the performance of Ficosa's activities in 2014, for the purpose of offering stakeholders complete and reliable information.

This report is the first CSR report of the company and attempts to offer the reader a transparent and balanced overview of Ficosa's performance in relation to the CSR challenges that the company has faced in 2014.

As for the first one, the company focuses its reporting on explaining how the company is taking into account environmental, ethical and social aspects in the daily activities of the company. Likewise, it describes the annual progress made by the company in implementing the Ten Principles of the United Nations Global Compact in terms of human and labor rights, the environment and the fight against corruption.

The information shown in Ficosa 2014 CSR report shows the performance of the company at global level and includes 100% of the facilities and sites where Ficosa holds a majority stake and, consequently, responsibility for operation and control.

For some data – such as the environmental data – the scope has been identified for each indicator, as it does not correspond to 100% of Ficosa's activities. Ficosa is working on a better reporting system that will enable the company to report 100% of its activities for the next year.

To provide a better understanding of the company's performance, previous years' data – if available - have also been provided.

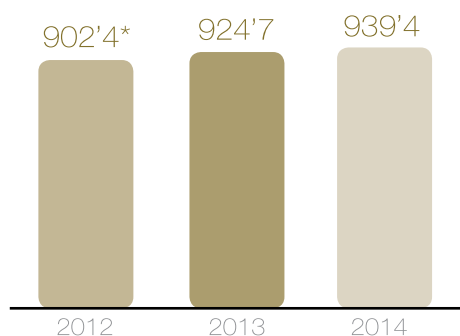
The report focuses on the main business lines of the company: research, development, production and sales of safety, communication and efficiency systems for the automotive industry. However, it is important to note that the report also includes information on other activities of the company, such as the production of electronic products for new technology sectors.



Company profile

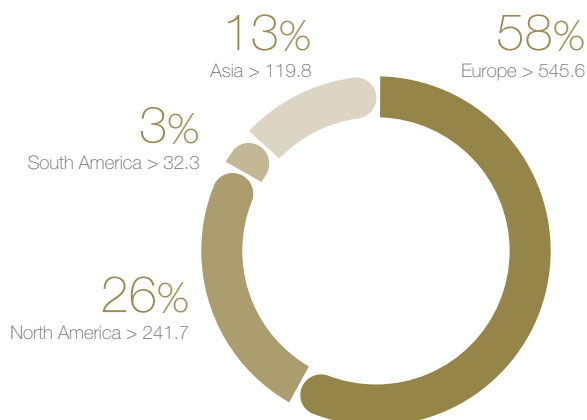
Founded in 1949, Ficosa is a multinational corporation engaged in the research, development, production and commercialization of systems and parts for the automotive industry and electronic products for new technology sectors. The company, with headquarters in Barcelona (Spain), generated sales of €939.4 million in 2014 and has a team of almost 8,500 employees, with manufacturing plants, technological centers and offices located throughout 17 countries in Europe, North America, South America and Asia.

Sales (€ million)



*+ 50M€ for the sales of Sony's LCD TV.

Sales per region 2014 (% sales, € million)



Headquarters & 5
productions plants



Bruyeres/Dieuze



Detroit (MI)
Crossville (TN)
Shelbyville (KY)

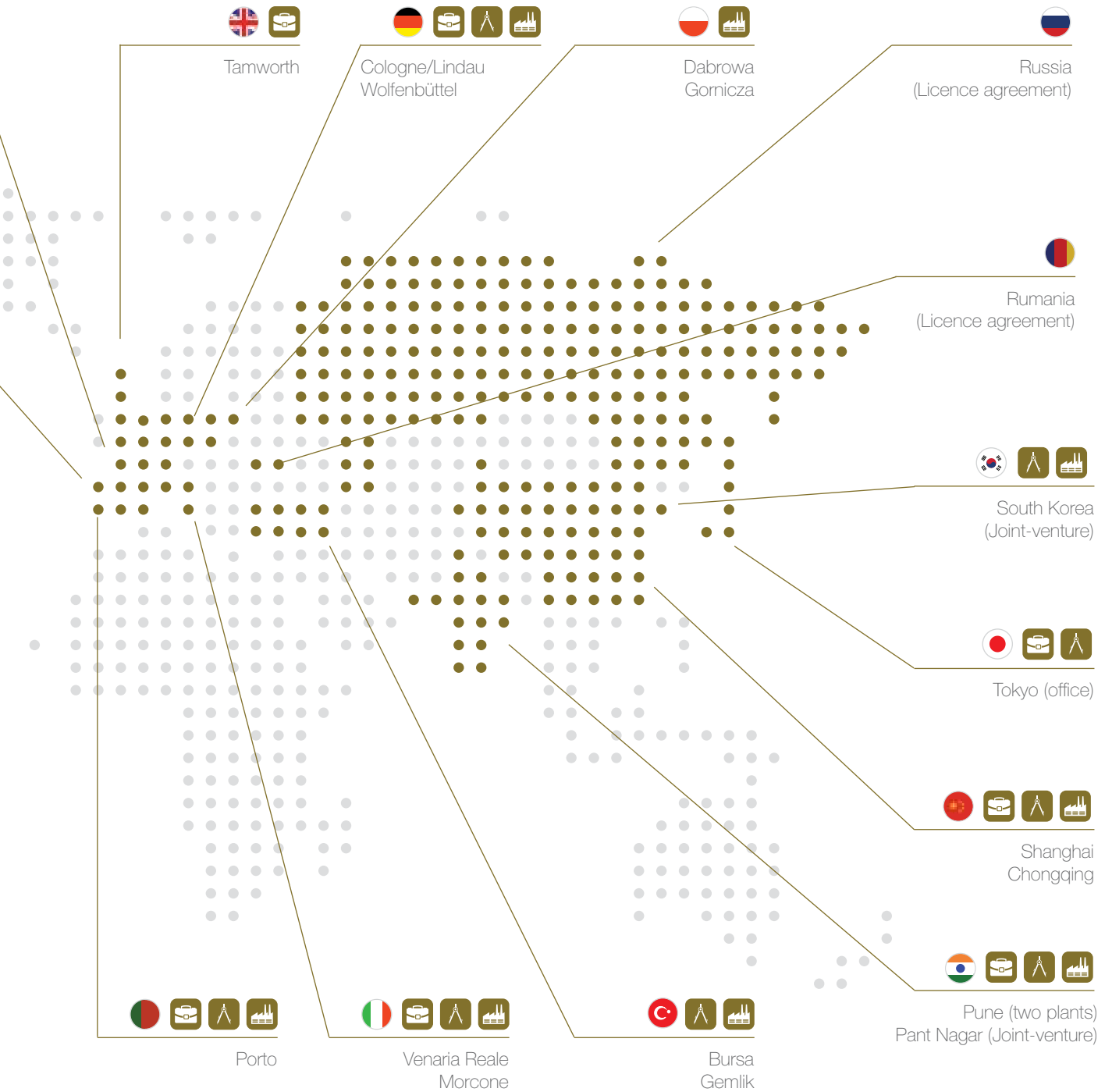


Salinas-Victoria
Escobedo

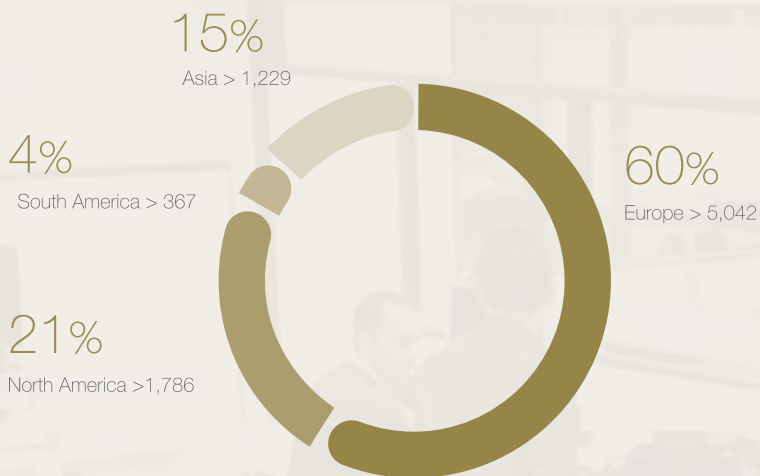


Sao Paulo

- Plants
- Technical Centers
- Commercial Officers



Distribution of employees per region 2014 (% employee, Num.)



Structure of Ficosa International

The Ficosa Group is made of companies from all over the world: Ficosa-owned companies, associated companies and subsidiaries, joint ventures and strategic alliances. The group is organized into different business units:

01 Rear-view system:
Develops, produces and commercializes rear-view mirrors and vision systems - forward, backward and lateral - for vehicles.

02 Command & Control System:
Develops, produces and commercializes systems which interact between the driver and the vehicle, such as shifters, parking brakes, and drive cables.

03 Under hood system:
Develops, produces and commercializes fluid and ventilation systems installed at the vehicles' underhood.

04 Advanced Communication:
Develops, produces and commercializes antenna systems for vehicles, communication modules and antennas for navigation systems.

05 Commercial Vehicle:
Develops, produces and commercializes all Ficosa's product portfolio for buses, trucks and industrial and commercial vehicles.

06 Doors & Seat Systems:
Develops, produces and commercializes systems and parts for seats and vehicle doors, such as actuators, cables, and lumbar systems.

07 Idneo:
Develops technologically innovative products as integrated value chain provider from the concept to the production.

08 Ficosa Solutions:
Sells technical services such as auditing, designing, manufacturing and financing in markets not covered by the traditional structure Ficosa's group. These areas includes: energy efficiency, communication machine to machine, smart cities and internet of things.

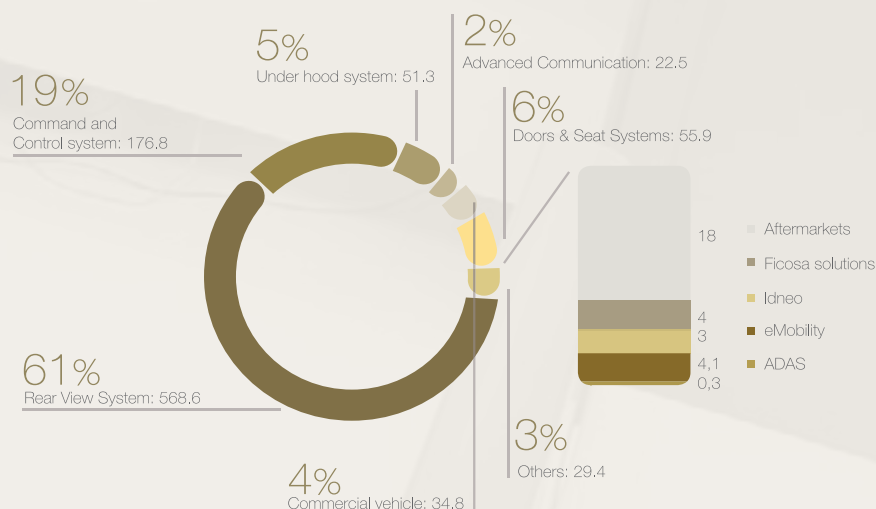
09 Advanced Driver Assistance Systems (ADAS):
Develops, produces and commercializes systems that help the drivers in its driving process.

10 Emobility:
Develops, produces and commercializes electric powertrain technologies and connected infrastructures to enable the electric propulsion of vehicles and fleets.

Ficosa is at a key moment in its expansion and faces the future with a more diversified and international business and products with higher added value. That is why Ficosa and Panasonic signed an investment agreement in September 2014 to ensure capital inflow, and a business alliance which will have been ratified in 2015. With these new agreement, Ficosa and Panasonic plan to integrate the image technology know-how and combine Panasonic's innovative image technology with Ficosa's automotive industry mirror technology and experience, thus accelerating the launch of the advanced technology electronic mirror system, which fosters a safe and comfortable driving.

This new alliance will consolidate Ficosa's market presence in new technology areas such as safety, communication and e-mobility, in which the company has been significantly investing over last years.

Sales by division - 2014 (% of sales, € millions)



How do we work?

| Mission

To innovate, develop and produce products with added value which contribute to mobility improvement in key factors of progress such as safety, comfort, communications and the environment, exceeding market expectations as well as those of our customers.

| Vision

Our strength comes from our commitment. For us, success does not lie in size, but in agility, speed, creativity and the understanding that being the best means being able to respond to the needs of our employees, customers, community and shareholders in equal manner.



Values

The company values are posted in the different company sites and every new employee receives an explanatory leaflet informing them about our values when joining the company.



Leadership

Humility, not taking sole credit, and understanding all persons are equally essential to Ficosa's leadership style: lead by example and with high regard for people. Delegate, decentralize, have faith in people's abilities. Integrate the company's values into the workplace.



Commitment & Passion for one's Work

The enthusiasm for participating in the company project and integrating its values. Participating in achieving our vision through perseverance, work and enjoyment, and a job well done. Acknowledging that all jobs are equally important.



Honesty & Integrity

Being honest and upright in our actions and behavior. General ethics and our values should guide our daily decisions.



Teamwork / Learning together

Knowledge-sharing, open communication, learning from mistakes, cooperation, and understanding that personal success is everyone's success.



Customer Focus

Helping our customers succeed is key to achieving our success. Being able to build trusting relationships with our customers, understanding and anticipating their needs.



Interest in People

People are the center of our company project, whose essence consists in learning, training, respect, diversity, affection and friendly "informal" relationships.



Innovation & Creativity

All our employees have the capacity to innovate and create, and should therefore, ensure that their ideas flourish through our leadership. Challenging the market by being bold and taking risks while using good judgment.

Our Values express the spirit of our company, the way we think and how we believe we should act

CSR in the company

Ficosa's approach to CSR sits at the heart of the business and is supported at the highest level

Any new CSR initiatives and programs are reported to the Executive Committee, through the Chief HR Officer, member for the Committee and highest responsible for CSR in the company. The integration of CSR into daily activities is promoted through the Human Resource (RH) department and a cross-functional organization that involves different business functions and countries.

Until 2014, the Occupational Health, Safety and Environment (OHSE) strategy and program were the responsibility of the decentralized locations. In 2014, the company decided to define a corporate structure that allows OHSE data collection and

management at a corporate level.

Ficosa has numerous disparate CSR programs and initiatives. With the aim of bringing together in the form of a coherent strategy, the company decided to unify the diverse range of the company's CSR initiatives all under one umbrella by conducting a global CSR diagnosis and implementing a CSR action plan. To help the company determine which CSR areas should future efforts and financial resources focus on, Ficosa carried out an internal diagnosis at corporate level and country level.



Human Rights & business ethics

The Group's corporate policies and values that define the culture of the company include the strict observance of Human Rights and are clearly against any form of extortion and/or money laundering. Some sites, such as Poland or Germany, are working on a specific policy against corruption. The company is in the process of defining a corporate code of conduct that will set rules outlining the responsibilities of, or proper practices for the organization.

Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships between organizations. For preventing any human rights violations in Ficosa work locations, a training session has been conducted in some countries like Turkey and Brazil to raise employee awareness of working conditions, ethics and environmental responsibility. Mexico has implemented a specific program to ensure that all the employees understand and "live" the values of FICOSA. In USA, the company is planning to adapt and implement at local level the initiatives started by Mexico.

Ficosa wants to be responsible not only for its own decisions and activities, but also wants to make sure that its suppliers and business partners also operate in line with the company's CSR principles and respect the Universal Declaration of Human rights and environmental protection. Following the General Purchasing Conditions, in addition to all applicable laws and regulations to be observed by the supplier, it is also the supplier's obligation to respect social responsibility duties and especially the requirements based on the Universal Declaration of Human Rights (UDHR) and International Labor Organizations (ILO) conventions proclaimed to respect employees' rights, age and working-hours limits, etc.

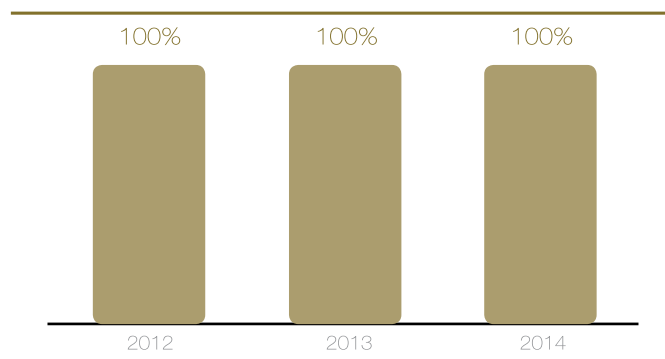
The purchase orders sent by any company of Grupo Ficosa or any of its subsidiaries must include the terms and clauses of these purchasing conditions.



Commitment to quality

| Quality Management

Operational facilities certified ISO/TS 16949 and ISO 9001 (%)



ISO/TS 16949:2009 defines the quality management system requirements for the design and development, production and, when relevant, installation and service of automotive-related products. It is specific to the automotive industry and based on the ISO 9001 standard.

Additionally, in 2009 Ficosa defined the Corporate Quality 3Q3 program, which aims to improve quality thrice within three years' time, thus elevating the business to the top of the automotive sector.

The 3Q3 program is updated every three years and accompanied with a specific road map to make sure that all the regions are following the best practices in this regard. This program demonstrates Ficosa's commitment to put quality at the forefront of the group. The company performs more than 100 audits per year to ensure that all the sites comply with the quality requirements of the company.

Company quality is managed through the monitoring of indicators (soft metrics or hard metrics). The company performance indicators play an important role in achieving its mission to provide excellent and efficient products by helping the company to prioritize the areas that may need improvement. All

the performance indicators used are in line with the ones used by the main clients.

As an example, in the last 5 years, the company has reduced defective parts indicator by 94% and customer claims by 67%. Ficosa wants to keep improving and make sure that its clients are receiving the best products and services that they deserve.

Ficosa has received numerous awards from its clients regarding the product quality, among which stands out the Toyota award received in 2014 for Ficosa manufacturing facilities in Portugal, Turkey and China.

Ficosa production centers in Portugal and Turkey have been awarded by Toyota Motor Europe in the categories of Quality and Value Analysis, respectively; while Ficosa China has been distinguished with the prize for Quality granted by Faw-Toyota.

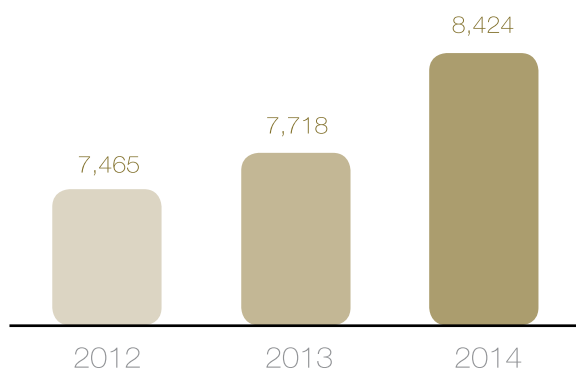
Ficosa has been awarded on multiple occasions by Toyota Motor Europe, a fact that highlights the policy of quality, excellence, service, flexibility and continuous improvement that the multinational keeps with all customers.

The quality management goes beyond Ficosa activities. The company wants to make sure that its suppliers also operate in line with the company's commitment to excellence.

All the suppliers must have a quality certification (ISO 9001, VDA, EAQF, and ISO/TS 16949) and must provide Ficosa with written evidence of the most recent certification renewal. The company conducts some periodic supplier assessments to ensure that the suppliers' quality worldwide meets the standards established by Ficosa. When necessary, Ficosa implements activities and specific action plans with the suppliers, with the aim of continuously improving customer satisfaction and ensure that suppliers operate in line with the principles of the company (for more information, see "Responsible management of the supply chain" section of this report).

Commitment to our people

Workforce (Num.)



Ficosa's commitment to people is the foundation of the company's culture.

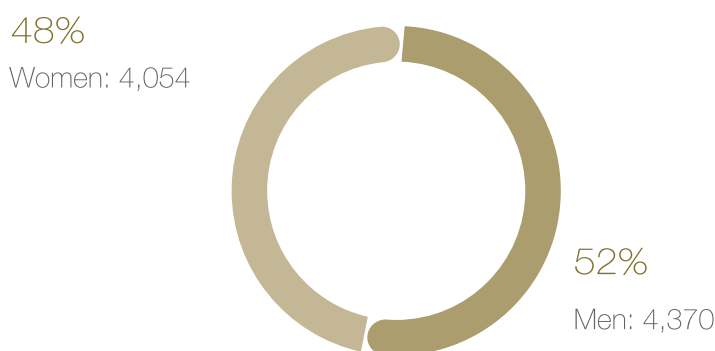
Since 2008, the company has tapped into new business areas and international markets and integrated these into the corporation. In this regard, Ficosa has banked firmly on creating highly valuable jobs, as shows the fact that the number of engineers working in the headquarters in Viladecavalls, has risen by 60% from 2013 to 2015.

Moreover, looking towards the 2019 horizon, the multinational company is planning to create 240 new jobs for engineers and university-qualified technology professionals. This new strategy is bringing new challenges for the company as competition for specialist and managerial staff is growing in some areas of the global labor markets. For that reason, Ficosa wants to make sure that each employee has the best working conditions they deserve.

For Ficosa, being a responsible employer involves a number of challenges: train employees, advance their careers, provide them with fair salaries that motivate them, look after their well-being at work, combine operational excellence and personal development and encourage a full social dialogue.

Ficosa has numerous internal policies to ensure that all the sites are following the best practices in this regard.

Diversity men/women 2014 (% , Num.)



| Career Management System

Ficosa is committed to being an employer of choice, providing lifelong learning and helping employees answer their career questions. For the company, a successful career is a very personal issue and depends on life situations, values and interests of each employee.

In this regard, Ficosa decided to build a personalized and comprehensive Career Management System that helps each employee to successfully manage their careers according to their expectations:

For job vacancy positions, internal candidates will always be preferred to external ones. The company defines a specific HR procedure for covering job vacancies with internal candidates.

01 A competences Matrix
that enables employees to compare the adjustment of their technical knowledge and abilities to the profile required for specific job positions.

02 A Ficosa Career Option Self-Assessment
that helps employees to consider the best option for their career.

03 A Functional Career Pathing Map
that provides employees and managers of every functional area with specific standard career tracks or models.

04 Specific Curriculum Plans
that provide the standard training courses needed by functional area. These Curriculum Plans are used to orientate training needs and detect competencies to develop.



Employee development

Employee development is a priority for Ficos. Since 2011, Ficos has adopted a new system-wide performance which focuses on setting performance goals for employees according to their duties and area objectives.

Every site decides the employee target at the beginning of the year, taking into account process implementation and local situation and sharing this decision with corporate development.

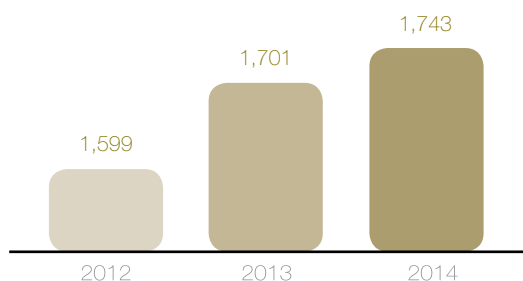
Competency Development Program

Since 2014 the company has launched a new competency development program with the aim of identifying and develop potential for key employees.

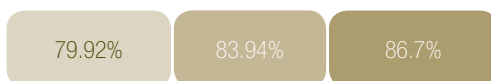
The program includes a Development Center that enables each participant to better understand their behaviors and attitudes in the work environment. includes simulation exercises that place the employee in different roles, group and individual exercises and interviews. Participants will obtain deep competence feedback report and coaching sessions that will serve as basis for design an individual development plan.

Speed up employee professional development and support his/her growing in the company will come after participation.

Num. of employees receiving regular performance and career development review (employee target):



% employees that fulfilled the performance and career development reviews



| Employee training

Contribute actively to the professional development of the employee is the best way of increasing the company's leadership position by improving competitiveness.

With this aim, Ficosa considers that training actions have to be integrated into a coherent training plan that results from a complete analysis of the employees' training needs.

Each year, each site defines a quantified and budgeted annual training plan and submits it to the formal approval by the corresponding Plant Manager, Country General Manager or Region/Business Unit Director.

The company collects the annual training data of each site to detect improvement areas in the training activity achieved worldwide.

Num. of training hours provided to employees 2014 (h)

195,282

Training investment 2014 (€)

1,346,105



Average training hours per employee 2014 (h/person)

23.2

Average cost of training per employee 2014 (€/person)

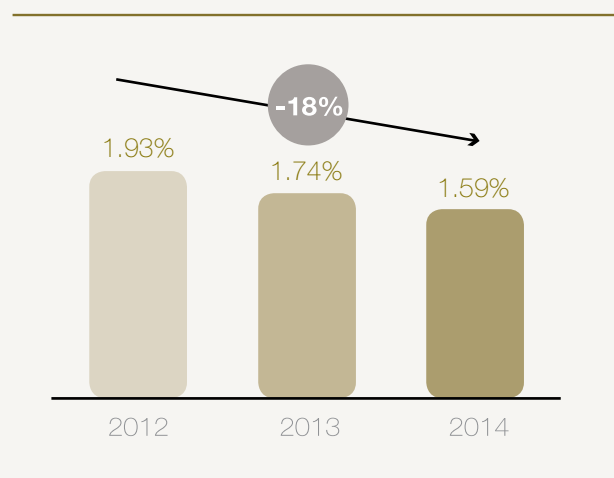
789



Furthermore, Ficosa develops a specific “recently hired” program to guarantee successful integration within the company. For every new job position and taking into account Curriculum Plans, a Plan of Integration of New Employees (PINE’s) is defined.

The low turnover rates in 2014 demonstrate the company's commitment to be employee oriented and ensure that all Ficosa employees have the best working conditions they deserve.

Turnover (%):



International assignments

International assignments are a key part of people development at Ficosa. Employees benefit by gaining international experience, growing personally and professionally and Ficosa benefits by expanding the distribution of knowledge and skills, supplementing technical expertise and promoting a consistent global culture.

Ficosa defines a specific International Assignments Management procedure to guarantee the application of homogeneous practices within all the sites of the company.

The company guarantees in any case that employees coming back to their home country have at least a job position with the same level of classification than the level they had before the international assignment and a salary level in the home country equivalent to the level of the last position developed in the destination of expatriation.

Employee communication & satisfaction

At local level, some countries have developed an employee survey in the last 3 years. The results were presented to the top management and were accompanied by an action plan.

Workplace health promotion & work-life balance

Ficosa is working to make sure that the entire workforce receives an annual medical examination in all the countries where it operates.

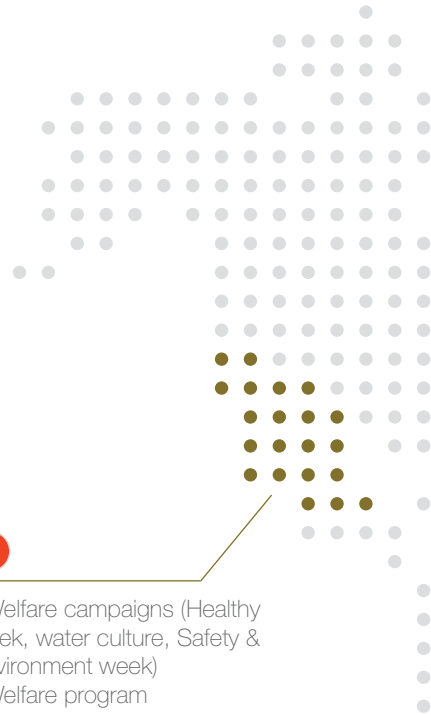
The company defines a specific program to make sure that all the sites implement measures related to workplace health promotion & work-life balance, including formal objectives for the prevention of stress. This program will be effective from the next year. In some locations, the company has already implemented some initiatives:

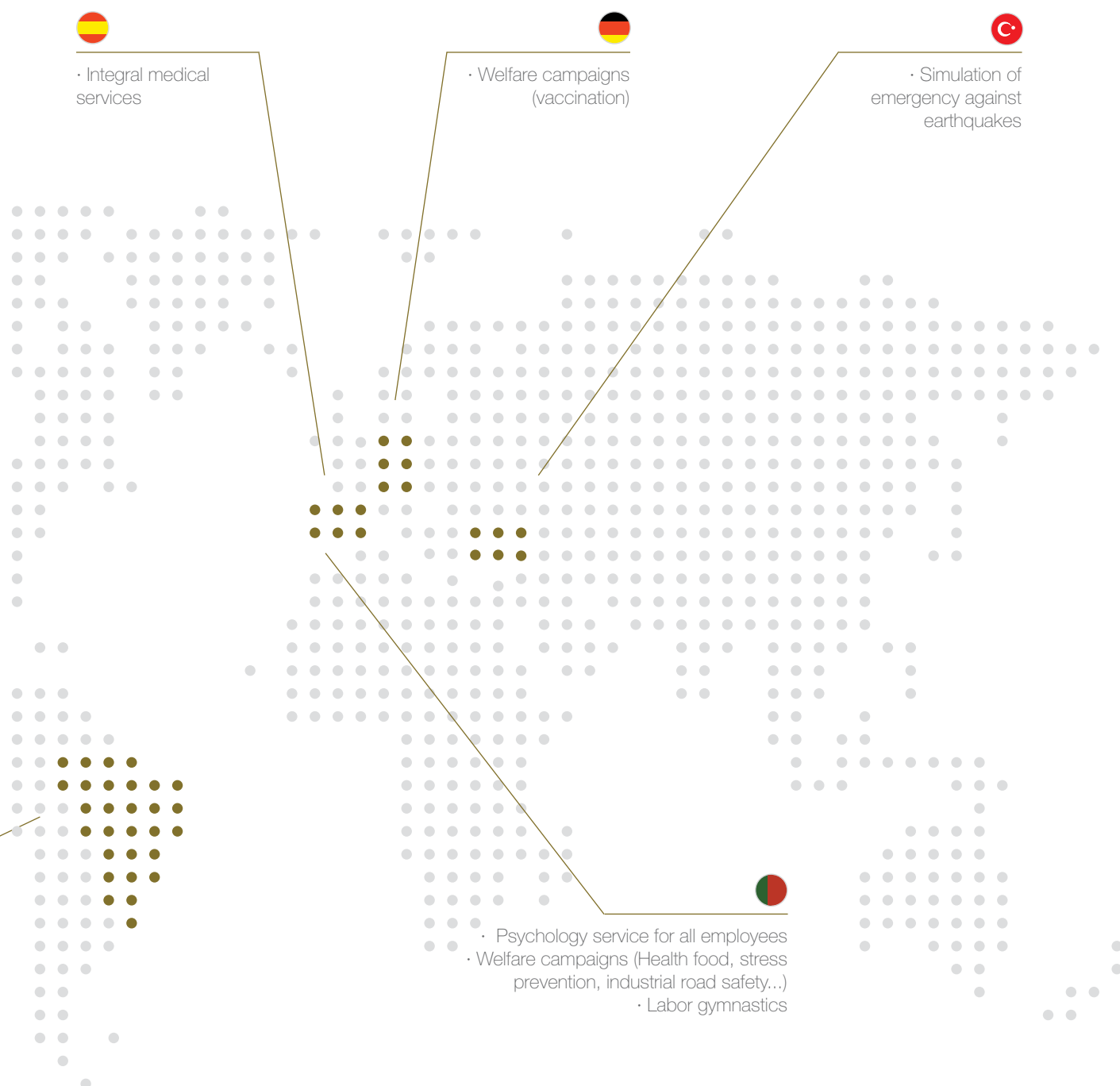


- Welfare campaigns (Healthy week, water culture, Safety & Environment week)
- Welfare program



- Welfare campaigns (natural resources responsible consumption, hand protection, how to prevent AIDS, healthy lifestyle, Prevention incident week)





Commitment to health & safety

Occupational health and safety are high priorities for Ficos. The policies, plans and programs focus on the identification and elimination of risks and the protection of the workers.

Until 2014, the Occupational Health, Safety and Environment (OHSE) management system and program were the responsibility of the decentralized locations. In 2014, the company decided to define a corporate structure that allows OHSE data collection and management at a corporate level.

The corporate OHSE department is responsible for formulating OHSE standards and procedures, which form the basis for safe working and safe production lines and processes.

Furthermore, the department establishes a global system for monitoring all the OHSE aspects from all the countries and ensuring that each subsidiary complies with the internal OHSE standards and procedures.

In 2014, 8 plants in 6 countries were certified in accordance with OHSAS 18001 – the international standard for Occupational Health & Safety (OHS) - which represent 75% of operational facilities. Other sites, such as France (Dieuze), Mexico (Escobedo & Salinas) and USA (Crossville) are in the process to be certified with this standard.

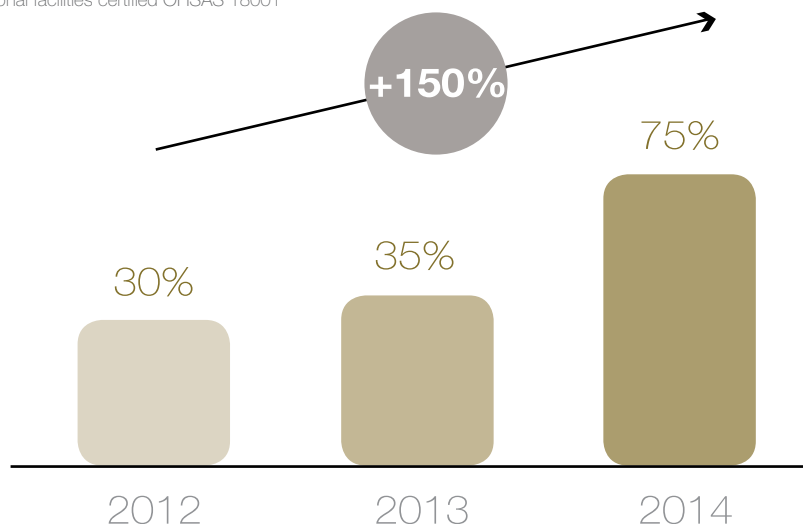
As part of the OHS certifications, all the industrial plants are carrying out internal OHS audits on a regular basis. This year, the internal OHSAS 18.001 audits have been performed with the collaboration of external experts.

One of the new initiatives implemented this year has been the integration of OHS questions into the Corporate Quality Audit “3Q3” led by the quality department. A check list with 12 OHS questions about equipment and machinery has been included.

Furthermore, the OHS internal standards have been improved to make sure that all the different plants are following the same criteria in the OHS risk evaluation.

Occupational Health, and Safety (OHS) Management

Operational facilities certified OHSAS 18001 (%)



Nevertheless, making sure that all the plants are following the OHS procedures and standards is not sufficient for Ficos. The company ambition is to get every professional an agent committed to their health and safety and everyone else's.

For this reason, the company is investing heavily in training and campaigns to make every employee aware of the OHS risk associated to their duties.

| OHS training in 2014

Num. of OHS training hours provided to employees (h)

21,110

Average OHS training hours per employee (h/person)

2.5

A new training on equipment design and maintenance deployment has been performed in the 20 plants of the company. Furthermore, at corporate level, the company is developing a risk assessment tool and has launched a new OHS forum to promote first-class exchange and share best practices within all the OHSE officers from all countries.

Through internal and external audits, certification, and special safety programs and training, the safety standards at Ficosa production sites are continually improving.

Lost time injury rate 2014

0.83

Incidence rate of over-1-day absence injury per 100,000 workers

Lost time severity rate 2014

0.64

(Num. of days lost due to injuries/ total number of hours worked)*1,000

Number of fatalities during the reporting period 2014

0





2015 Challenges

Ficosa still wants to improve its performance in terms of OHS and make sure to achieve zero incidents and injuries in all the plants where it operates. In this regard, the corporate OHSE department will work on different sets of actions, including:

- Increasing the manager's OHS awareness through local campaign and introducing OHS management review by plant.
- Improving the OSH training program by creating an on-line platform and preparing internal training material & new corporate procedures & standardization by process.
- Improving the OHS reporting by collecting monthly KPIs and monitoring the reporting performance of each plant.
- Defining a specific OHS budget by plant.
- Improving the implementation of OHS system by defining a self-assessment questionnaire that will help the different sites to improve their management system performance.

Commitment to the environment

Ficosa recognizes that the global expansion of its corporate activities is also reflected in an increasing use of natural resources, rising energy consumption, and the release of substances into the environment.

For that reason, in 2014, the company decided to create a specific corporate structure with the aim of setting corporate environmental targets and establishing a global system for monitoring all the environmental aspects. Before 2014, every site had its own monitoring process to ensure that the plant complied with the legislation and improved its energy efficiency. Nowadays, the OHSE corporate department is working on a corporate monitoring process to ensure that all the sites are following the Ficosa standards and procedures. Each plant has a Senior Manager/Officer in charge of implementing the company's OHSE instructions and system.

The environmental protection is a key management responsibility for Ficosa.

The ISO 14001 system provides a structure that enables every site to manage, assess, and continuously improve the effectiveness and efficiency of the management of their environmental activities.

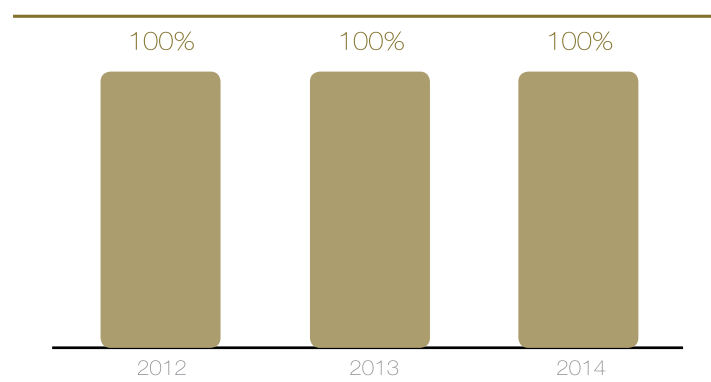
Nevertheless, the company is planning to go further and define a global environmental action plan that goes beyond environmental system management by establishing corporate environmental goals with the aim of minimizing consumption of resources and continuously reducing Ficosa's environmental impact.

At the end of 2014, Ficosa decided to integrate environmental questions into the Corporate Quality Audit "3Q3" led by the quality department.



The company ensures that all the manufacturing processes are in line with the best environmental practices. Every year, every subsidiary shares its improvement in this regard. An example of good practices implemented this year are the use of watertight tanks for oil contaminated waste instead of bags or cartons, the improvement of electric consumption or the reuse of injection equipment. Any manufacturing process modification is validated by the OHSE department.

Environmental Management





Environmental performance

At the end of 2014, Ficosa developed two corporate procedures with the aim of homogenizing each site for collecting environmental data.

■ **A Carbon Footprint Procedure:** an internal GHG calculation system has been established, following the GHG Protocol (WBCSD) to calculate the GHG emissions of each plant. Each OHSE Senior Manager/Officer must report its GHG emissions on a monthly basis (Scope 1, 2 and 3). The data collected enable the OHSE department to analyze the progress of each plant and review which aspect needs to be improved.

■ **An Energy Efficiency Procedure:** Ficosa has developed a procedure that enables each plant to calculate and report its performance in terms of energy efficiency. This new procedure will ensure that each site implements specific actions to reduce its energy consumption.

Improvement in the painting process

In US Tennessee, the company will build a new paint shop in order to close an inefficient installation. Through this replacement the company will reduce its energy consumption associated to the painting process by 41.5%. The new painting process emits less VOC and enables less consumption of fresh air due to RTO (regenerative thermal oxidizer) and recirculation of the air on spray booths. The automation of the painting process with robots will improve OHS conditions for operators. Wet filtration on spray booths will improve paint waste separation and it will reduce scrap of hazardous waste.

In Poland, the company invests in new spray booths, which allows increasing capacity by 24% while reducing the usage of chemical components and paint waste.

In Fico Mirrors Soria, the company is distilling used paint in order to obtain pure solvent, which can be used as cleaning agent or it can be sold.

Energy consumption

Fossil fuel consumption of stationary facilities (2014):

Electricity (MWh)	96,329
Natural Gas (MWh)	18,564
Propane Gas (kg)	55,114
Gasoil (l)	198,430

Source: 17/20 plants are reporting its energy consumption of stationary facilities.

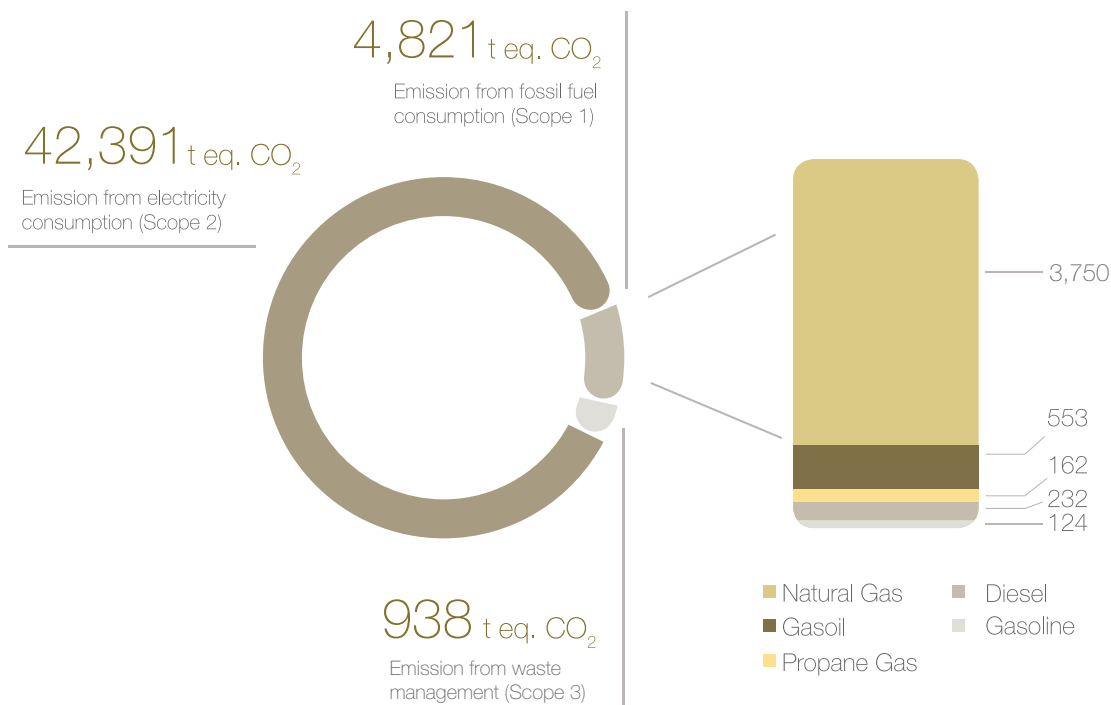
Own fleet of vehicles (2014):

Gasoline (l)	56,539
Diesel (l)	94,002

Source: 13/20 plants are reporting its gasoline and diesel consumption resulting from their fleet of vehicles.

Carbon footprint

CO₂ emissions from Ficosa activities (t eq. CO₂)



Source: the emission factors used for calculating the CO₂ emission related to electricity consumption have been provided by all the different sites, taking into account the electric mix of each country. The other emission factors come from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

2015 Challenges

Ficosa wants to continue reducing its environmental impact and make sure that all its plants are energy efficient. In this regard, the corporate OHSE department will work on different sets of actions, including:

- Improving the environmental reporting of the company by developing an environmental balance scorecard that enables Ficosa to measure and follow up the environmental performance of each plant.
- Increasing Ficosa's reporting on carbon footprint by ensuring that all the plants are reporting its CO2 emission.
- Increasing Ficosa's reporting on scope 3 carbon footprint by including the CO2 emissions associated with water use.
- Improving the energy efficiency of each plant by making obligatory the elaboration of an annual report that includes the total plant energy consumption, the evaluation of possible alternatives to improve energy efficiency and the definition of energy efficiency goals with deadline.



Innovation in our products

70% of the company's revenue currently comes from new products and projects that did not exist just 4 years ago.

In 2000, Ficosa set the innovation division to diversify its traditional manufacturing automotive component business, such as mirrors and gear shifts, towards the development of products with higher added value in the electronics and software fields. After 14 years, Ficosa has positioned itself for the future as a world leader in electronic systems with a global and more diversified business agenda aside from the automotive industry and an expanded added value product line.

Nowadays, the technological contributions are backed by 470 active patents currently held by Ficosa, being one of the companies that register more patents in Spain. The company is now a technological partner of a vast majority of vehicle producing companies from all over the world and seeks new ways to bring about further optimization and contribute to sustainable mobility.

R&D Capabilities

IDNEO

In 2011, the company created Idneo after the acquisition of the Sony plant in Viladecavalls. Idneo is an engineering services company specialized in designing and developing technology products. At present, Idneo gives services to clients on a global scale and has consolidated as reference engineering in such strategic sectors as medical devices, consumer electronics and the automotive industry.

In order to continue its consolidation and growth politics, Idneo has decided to make a strong commitment to internationalization.

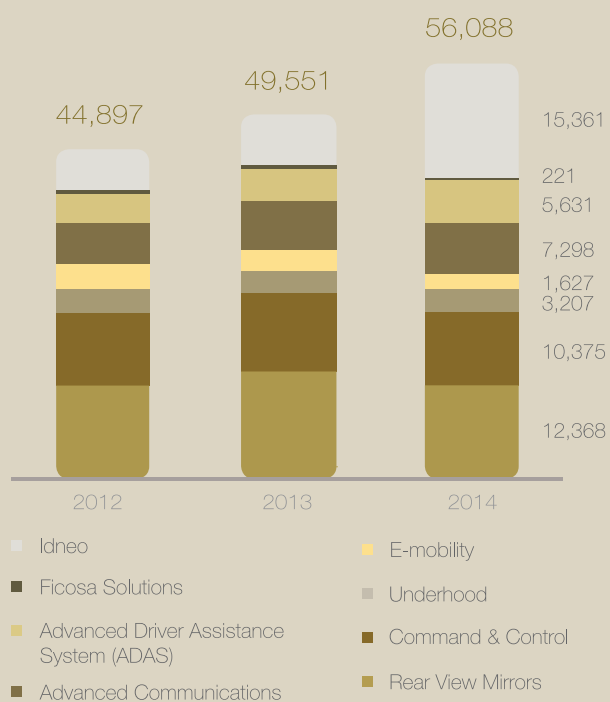
The Group invests 4% of its income in R&D, and operates one of the top technology development centers in Spain addressed to the automotive, electronics, energy and communications industries.

In 2014, FICOSA spent more than 56 million euros in R&D to provide its clients with the most innovative solutions that anticipate the challenges of a constantly changing industry.





R&D Investment (thousands €)



Research centers



Viladecavalls
 Wolfenbüttel / Lindau (Denso JV)
 Dieuze
 Porto
 Venaria
 Gemlik

Viladecavalls is the R+D headquarters for the whole Ficoso group and focuses its activity on safety, communications and efficiency. This center is the company's global investigation driving force, feeding 13 development centers around the world, close to the clients.

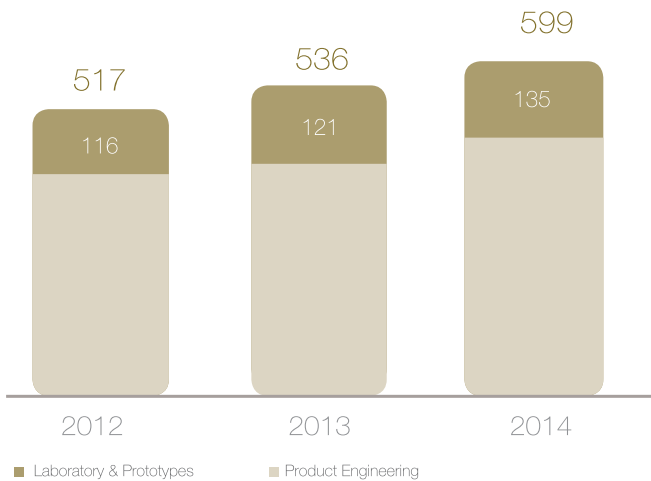


Korea (Joint-venture)
 Tokyo (Office)
 Shanghai
 Pune



Sao Paulo

R&D Capacities (Num.)



More than 590 engineers are working on research and development.

Ficosa collaborates with universities and technology centers on research into products that may improve safety, comfort, communications and sustainability in the automotive sector.

4G integration inside vehicles

In May 2014, Ficosa entered into collaboration with NTT DOCOMO, the largest mobile operator in Japan, with the aim of working in the integration of 4G Long Term Evolution (LTE) services into the automotive industry. The cooperation covers joint technical approaches to enable a seamless 4G solution integrated in vehicles by means of using connectivity modules (or IVTU's, in-Vehicle Telematic Units).

Ficosa's IVTUs have been recognized in the industry as best-in-class, being awarded several worldwide projects for major automotive OEMs (original equipment manufacturers).

This vocation for constant innovation has led to 70% of the company's revenue in 2014 coming from products and projects that did not exist just 4 years ago.



Innovation in sustainable products

Ficosa is convinced that its success and future are founded on innovative products that benefit people and help them to have safer and more efficiency ways of driving.

In this regard, Ficosa strives to continuously enhance the sustainability footprint of its products while helping its customers achieve their own sustainability goals.

Safer ways of driving

The Challenge

01 Action to reduce death and injuries on roads is urgently needed. Road Safety is a major societal issue. In 2014, more than 25,700 people died on the roads in the European Union. In the United States, more than 32,000 people died in traffic accidents in the same year. Getting an immediate alert in the event of an accident and knowing the exact location of the crash site cuts emergency services' response time by 50% in rural areas and 40% in urban areas.

How we are helping

- Ficosa participated in the Harmonized eCall European Pilot program (heERO), a four-year project where 15 countries carried out the start-up process of an interoperable and harmonized emergency call system, and especially in the development of the in-vehicle system (IVS).
- The final HeERO International Conference took place in Madrid from the 27th to the 28th November 2014, where live practical demonstrations of eCall were performed Dirección General de Tráfico (DGT).
- In 2014, Ficosa, with the collaboration of Oberthur Technologies, revealed an Emergency Call System for the Russian Automotive Market at the Mobile World Congress 2014 in Barcelona: the ERA GLONASS system, Russia's equivalent of the European eCall.
- Ficosa is working on the Intelligent Rearview Monitor System (irms), a new technology that enables the replacement of mirrors by a digital system integrating camera, ECU and display. This new technology will cover multiple advantages for a safer driving, by enabling a broader line of vision and eliminating blind spots.
- Ficosa is working on new electronic systems that will enable to clean automatically exterior sensors like cameras, using water & air fluids that will guarantee the correct visibility for the driver.



What we are offering our customers

- Ficoso develops, manufactures and markets Advanced Driver Assistance Systems (ADAS) that help the driver in its driving process (Parking Assist Vision System, embedded camera and monitor system, multi-purpose camera, Surround View System, etc.).
- Ficoso in partnership with GMV Innovating Solutions has developed a TCU - Telematic Control Unit – a smart and compact communication platform – that can be used in case of emergency call or enable location and immobilization of stolen vehicles.
- TotalVision is a set of innovative solutions offered by Ficoso to deal with the problem of blind spots in industrial vehicles and buses. As an expert in fields of vision, Ficoso has developed camera systems for monitoring driver's blind spots, complying with the requirements of the European Directive 2003/07/EC or 2005/27/EC.



The Challenge

02

According to the figures of the eSafety Forum, the proportion of fatigue-related crashes is about 8.3% of all vehicle crashes. This means nearly 100,000 crashes and about 125,000 injured people in the European Union every year. But that proportion rises when fatal accidents are considered: driver fatigue accounts for 20-35% of serious accidents.

How we are helping

- Ficoso, with the collaboration of other partners, works on the project KARKEN, with the aim of developing a non-intrusive system integrated into smart materials that is capable of monitoring cardiac and respiratory rhythms in order to prevent drivers from falling asleep.
- Fico Mirror S.A. participated in the definition of specifications, providing their requirements as developers of fatigue detectors, and provided their material resources in the on-road tests for the validation of the final prototype. The two-year project held its final meeting in June 2014.

What we are offering our customers

Ficoso has developed the SomnoAlert®, embedded software that studies the degradation of driving performance during a set time period and includes an option to characterize each driver.

More efficient ways of driving

The Challenge

03 The reduction in greenhouse gas global emissions, the increasing cost of carbon-based fuels, and the expected growth in mobility in the upcoming years highlight the need for efficient and environmentally sustainable vehicular technologies that do not generate CO2 emissions.

How we are helping

- Ficosa is promoting and working on the development of the Electric Vehicle (EV) and especially the development of a framework for the successful integration of large volumes of EVs into electrical power systems. In 2013, Ficosa participated in the CENIT VERDE project, a four-year research project which was devoted to the study and development of the technologies designed to facilitate the introduction of the electric vehicle in Spain. Ficosa brought its expertise in battery development.
- Furthermore, Ficosa has built a partnership with Technology experts such as GTD, Mobecpoint, CTAE and Edenway to work together on the program EVIT (Electric Vehicle Intelligent Charging). Implemented in 2012, the project objective is to develop smart infrastructures and innovative services for the deployment of electric vehicles in cities.



What we are offering our customers

- In all of its products, from rear-view system until parking brake systems, Ficosa takes into account the environmental aspects over the entire life cycle of its products, starting with the raw materials used, the product development and the manufacture, with the aim of decoupling growth and resource depletion. For example, the company is working on a new shift-by-wire system that covers multiple advantages such as reduction in weight and fuel consumption and maximization of cabin space.
- Ficosa is developing a Battery Management System for the new generation of electrical or hybrid vehicles. The on-board charger is a system able to provide energy to charge Electric/Hybrid vehicles batteries, such as cars, buses or motorbikes.
- Ficosa is defining the "eBox", a sub-unit responsible for monitoring, activating and deactivating the high voltage battery system of any electrical and hybrid vehicles.

The remarkable progress that Ficosa has made during the last years in the areas of safety, communication and efficiency advanced systems for the automotive industry, and opening up to new sectors has led the company to substantial and solid growth.

Commitment to society

Responsible management of the supply chain

Ficosa's commitment to sustainability extends to its supply chain. Ficosa continues to focus its efforts on improving management and implementing sustainability standards through its supply chain, mainly through two instruments:

1. Adaptation of the General Purchasing Conditions
2. Implementation of quality and sustainability criteria in its supply chain

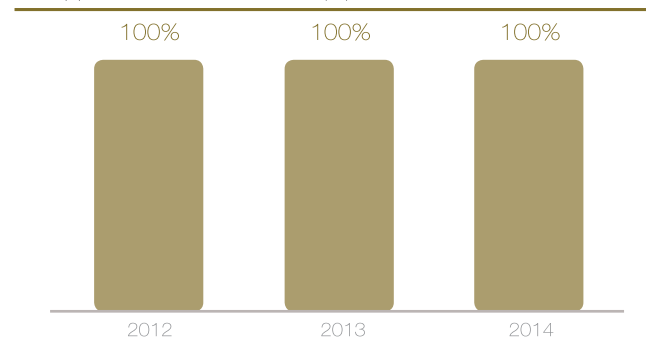
Adaptation of the General Purchasing Conditions

The General Purchasing Conditions establish the relationship between Ficosa and its suppliers. The purchase orders sent to suppliers by any Ficosa company or any of its subsidiaries or affiliates have to be accepted in accordance with these terms and conditions. In addition to all applicable laws and regulations to be observed by the suppliers, it is also their obligation to respect social responsibilities and duties, especially but not limited to the requirements based on the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions.

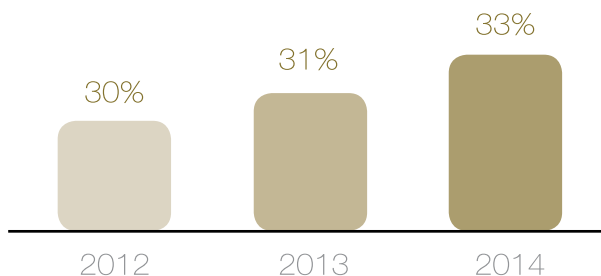
Implementation of quality and sustainability criteria in its supply chain

Any Ficosa supplier has to show evidence that it has an established effective quality management system in place certified by a third party. Ficosa recommends all its suppliers to certify their Quality Management system according to ISO/TS 16949 standard.

Suppliers certified ISO 9001 (%)



Suppliers certified ISO/TS 16949 (%)



Any supplier who wants to be included in the Ficosa Supplier panel must comply with the environmental regulations and requests of the country where the product is going to be produced and/or used, including but not limited to the Directive of end-of-life vehicles ELV (2000/53/EC and its updated Annex II), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) CLP/GHS (Classification, labelling and packaging of substances and mixtures) and the Dodd-Frank-Act in respect to Conflict Minerals.

In addition, any new supplier has to fulfill a Specific Company Self-Assessment and be approved by the Ficosa audit process. The aim here is to examine the supplier's suitability to supply over the long term by using specific indicators, including financial and quality criteria as well as general corporate aspects.

Ficosa regularly monitors the performance of its suppliers and evaluates them to confirm its performance versus the defined targets. These assessments enable the company to track the improvement of its suppliers and determine the potential support that they may need from Ficosa.

Conflict Minerals

In recent years, there has been an increasing international focus on "conflict minerals" emanating from mining operations in the Democratic Republic of the Congo (DRC) and adjoining countries. Armed groups engaged in mining operations in this region are believed to subject workers and indigenous people to serious human rights abuses and are using proceeds from the sale of conflict minerals to finance regional conflicts.

On August 22, 2012, in response to these concerns, the US Securities and Exchange Commission (SEC) adopted a final rule to implement reporting and disclosure requirements related to "conflict minerals". The "conflict minerals" are cassiterite (tin), columbite-tantalite (coltan), gold and wolframite (tungsten), as well as their derivatives and other minerals that the US Secretary of State may designate in the future (Dodd-Frank Section 1502).

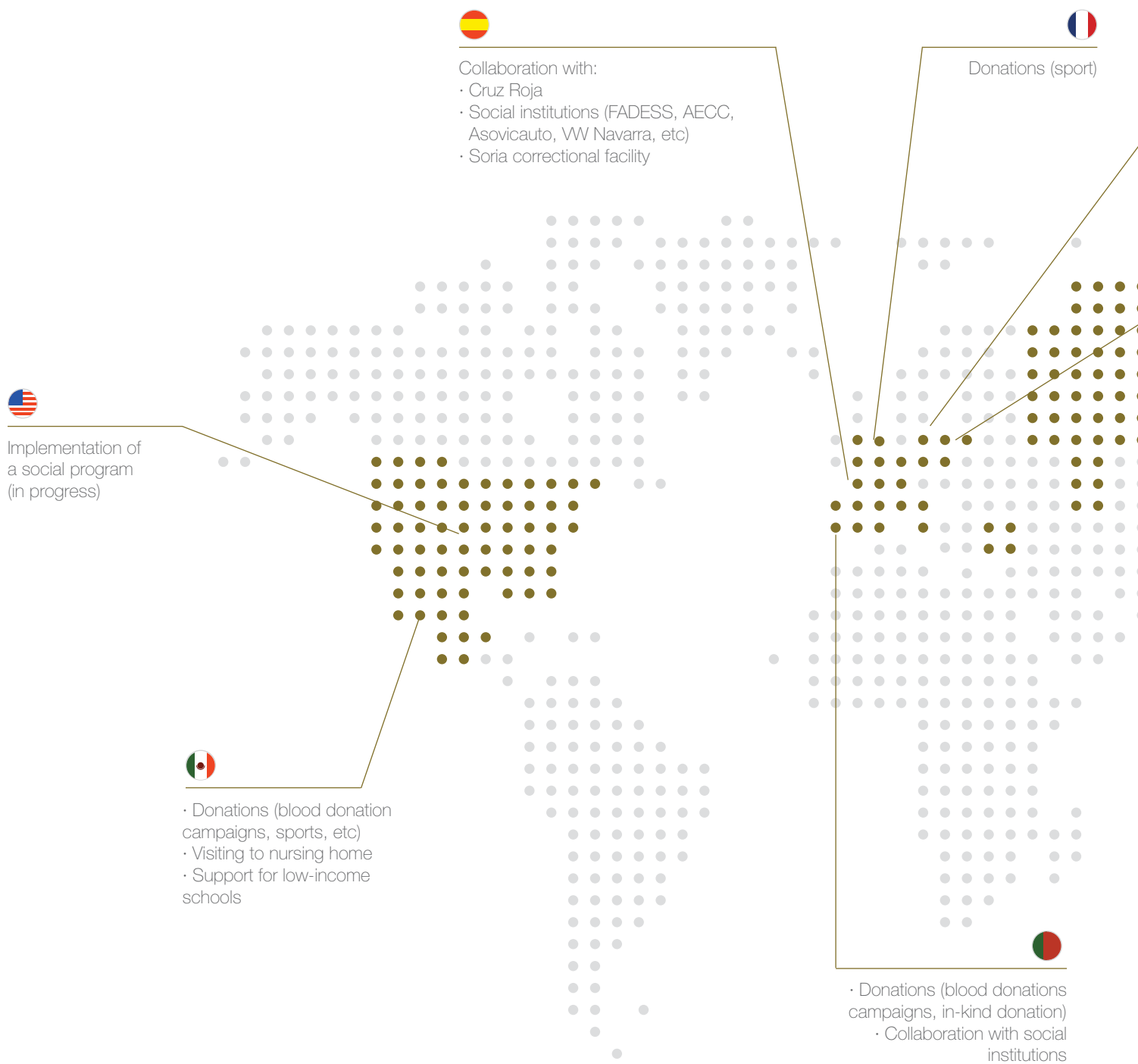
For that purpose, Ficosa defines a specific "Conflict Minerals Declaration" that explains the different steps that need to be fulfilled for every materials purchased by Ficosa. The company is planning to implement a review system to ensure that all the sites are using the company instructions to make sure that every supplier fulfills the Standardized Survey (EICC/GeSI template) in terms of conflict minerals.

Social responsibility

The decentralized locations are responsible for charitable projects, donations and other social initiatives. The social initiatives depend on the site-specific challenge and are led by the Human Resources department.



Examples of Ficosa social initiatives in locations where the company operates:





Donations (sport)



- Philanthropy and donations (Hospice of St. Thomas the Apostle, cancer treatment, child care)
- "Make your smile" campaigns

Visits to the factory

Every year, the Spanish factory FICOMIRRORS Soria organizes some visits to the factory for the personnel's children. After a presentation video of the Ficoso group, the children and the people accompanying them visited each of the 4 production areas (injection of plastic, smelting, painting and assembly of rear-view mirrors), where the managers explained to them the characteristics of the production process.

In Viladecavalls, the company is organizing visits for MBA students.

Ficosa reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this first CSR report, Ficosa describes its actions to integrate the Global Compact and its principles into its business strategy, culture and daily operations.





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