

2015

Annual Report

Managing high value
added processes
globally



CIE Automotive

IAR2015

Summary

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1. Key metrics

| 1.1. Financial and non-financial metrics

| 1.2. Group profile

2015 will go down in CIE Automotive's history books for its earnings performance and its renewed social and environmental commitments.

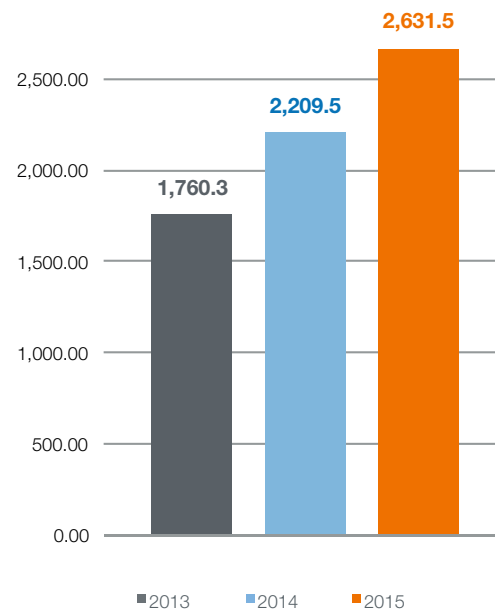


1.1. Financial and non-financial metrics

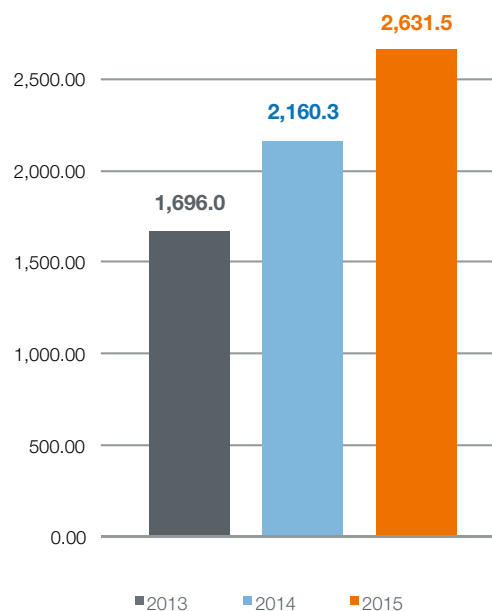
1.1.1. Financial metrics

2015 was a record year in terms of CIE Automotive's key economic-financial indicators.

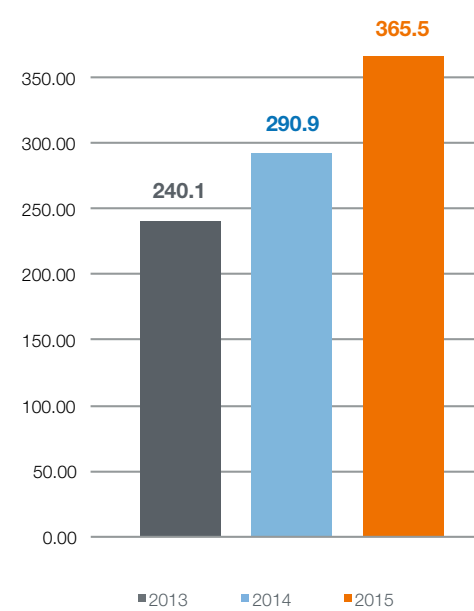
Revenue



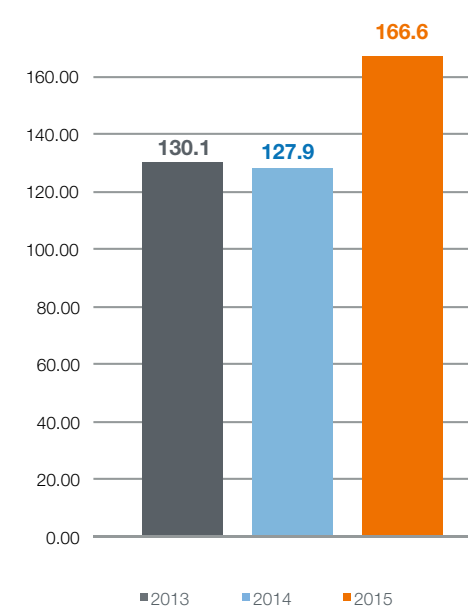
Adjusted revenue*



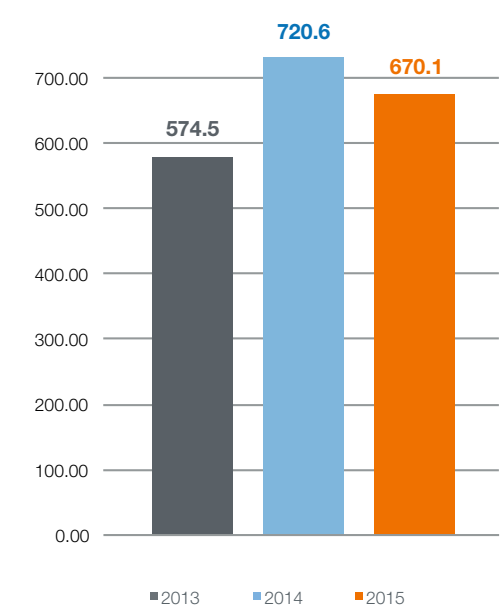
EBITDA**



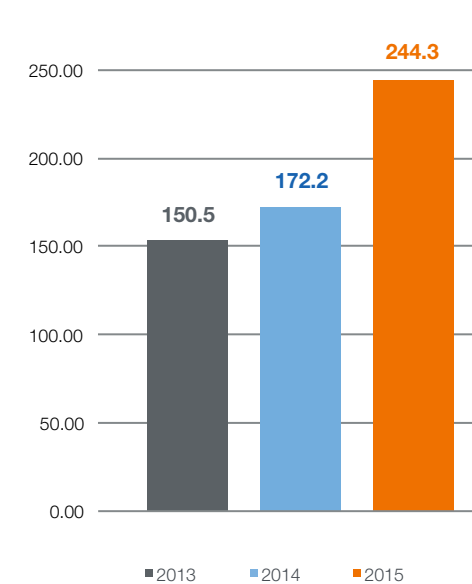
Capital expenditure



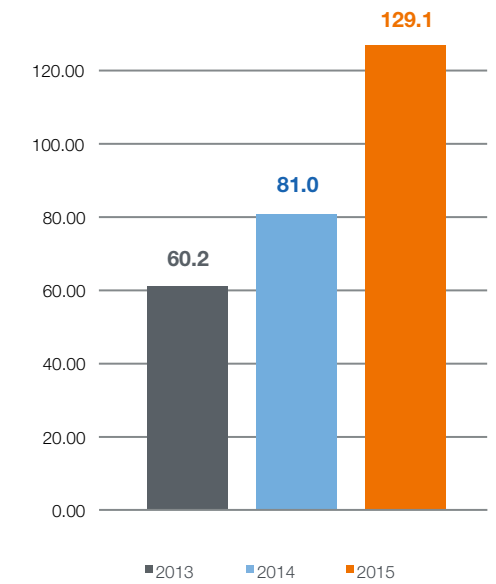
Net debt***



EBIT**



Net profit



(*) Pro forma data calculated by eliminating sales of diesel for fuel mixing.

(**) EBITDA: earnings before interest, tax, depreciation and amortisation; EBIT: earnings before interest and tax;

Net profit: profit attributable to shareholders.

(***) Net debt: Bank and other interest-bearing borrowings - cash and cash equivalents.

1.1. Financial and non-financial metrics

> 1.2. Group profile



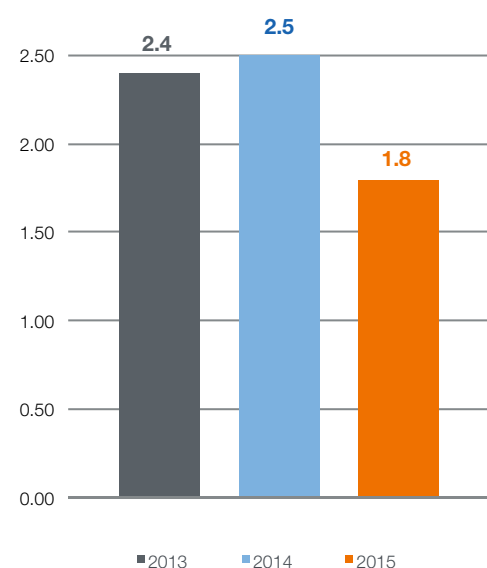
1.1.2. Financial structure

In 2014, CIE Automotive successfully raised financing for the following five years, lowering its average funding cost and lengthening its maturity profile in the process.

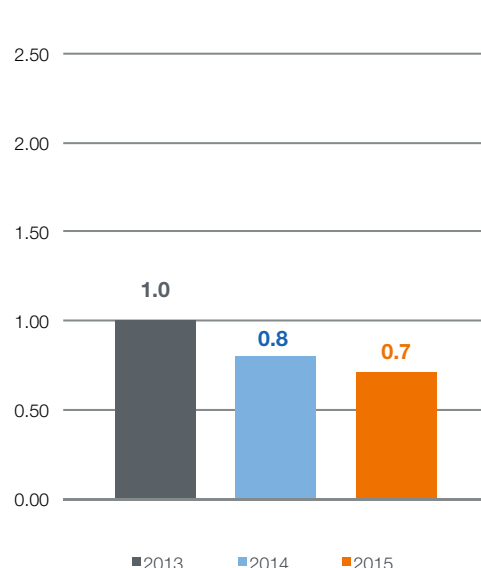
1.1.3. Share price performance

The market rewarded CIE Automotive's strategic positioning by bidding its shares 37% higher.

Net debt/EBITDA*



Net debt / Equity



(*) EBITDA: earnings before interest, tax, depreciation and amortisation. Net debt: Bank and other interest-bearing borrowings - cash and cash equivalents.

	2013	2014	2015
Number of shares at year-end	118,820,046	129,000,000	129,000,000
Share price at year-end (€)	8.00	11.27	15.45
High for the year	8.35	12.29	15.46
Low for the year	5.00	7.21	10.65
Market capitalisation at year-end (€ million)	950.6	1,453.2	1,993.1
Trading volume ('000 shares)	44,953	62,970	60,619
Dividends paid (€ million)	18.6	22.3	25.8
Dividend per share paid (€)	0.18	0.18	0.20
Payout* (%)	35%	32%	33%
Earnings per share (€)	0.51	0.63	1.00
P/E multiple**	15.7	17.9	15.4

(*) Payout: percentage of profit paid out to shareholders.

(**) P/E multiple: ratio between share price and EPS.

1.1.2. Non-financial metrics

The first full year of consolidation of the alliance with Mahindra & Mahindra and the mergers pursued by Dominion.

Human resources



2013



2014



2015

		2013	2014	2015
Headcount		19,247	23,517	22,812
Job creation (net)		2,963	4,270	-705
Diversity	Men	83.9%	84.3%	83.9%
	Women	16.1%	15.7%	16.1%
By geography	Europe	6,335	8,304	8,383
	Americas	9,646	9,793	8,963
	Asia, Africa & Oceania	3,266	5,420	5,466
Lost-time injuries		655	636	532
Injury frequency rate		16.6%	15.9%	14.4%
Injury severity rate		0.3	0.3	0.6

Economic value distributed (€ million)

	2013	2014	2015
To shareholders (dividend)*	18.6	22.3	25.8
To employees (employee benefits expense)	381.7	514.1	600.3
To suppliers (consumption of raw and auxiliary materials)	1,012.6	1,272.1	1,470.4
To society (income tax paid)	16.4	19.5	31.9

(*) Dividend paid during the year.

Environmental metrics

	2014	2015
Greenhouse gas emissions (tonnes/€ 000)	0.22	0.21
Energy/revenue (Kwh/€ 000)	165.1	155.2
Electricity/revenue (Kwh/€ 000)	415.1	362.2
Water/revenue (m3/year/€ 000)	0.81	0.68
Recycled aluminium (tonnes)	28,033	48,089
Recycled oil (tonnes)	23,720	24,351

It is not possible to compare the 2015 emissions figures with those published in prior years. The 2015 calculation includes the Mahindra facilities in India, Germany and the UK. The emission factors used have been updated to reflect the 2013 factors recommended by the IPCC (Intergovernmental Panel on Climate Change, set up by the United Nations and International Energy Agency). The 2014 figures have been recalculated accordingly, revealing a clear-cut trend of improvement.

Economic value generated (€ million)

	2013	2014	2015
Revenue	1,760.2	2,209.5	2,631.5

1.2. Group profile

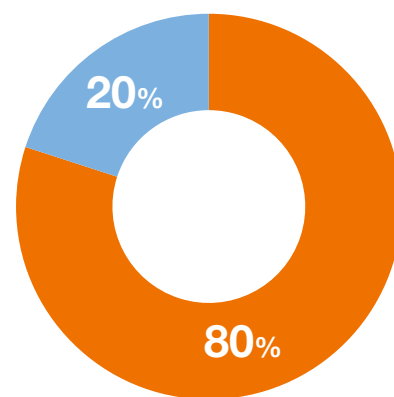
CIE Automotive is a manufacturing group specialised in value-added processes. It has two core businesses: Automotive Components and Smart Innovation.



Automotive Components

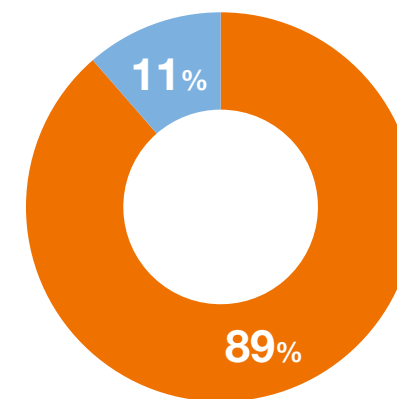
The Automotive Components business, CIE Automotive's core business since 1996, encompasses the design, production and distribution of components and sub-assemblies for the global automotive market.

Revenue by business, 2015 (*)



■ Smart Innovation
■ Automotive Components

EBITDA by business, 2015



■ Smart Innovation
■ Automotive Components

This business is carried out by Dominion, which has been a CIE Automotive subsidiary since 2011.

Its mission is to help its customers make their business processes more efficient either by fully outsourcing them or by deploying specialised solutions underpinned by technology and software platforms.

Dominion currently encompasses two operating segments: multi-technology services (Services) and solutions and expert engineering (Solutions).

(*) Adjusted revenue: Pro forma data calculated by eliminating sales of diesel for fuel mixing.

(**) EBITDA: earnings before interest, tax, depreciation and amortisation.

Global footprint

WEST EUROPE

SPAIN

Headquarters
R+D
Aluminium
Forging
Stamping & Tube Forming
Machining
Plastic
Roof Systems
Bionor
Dominion

FRANCE

R+D
Machining
Roof Systems
Dominion

ITALY

Machining
Dominion

GERMANY

R+D
Forging
Dominion

PORTUGAL

R+D
Plastic
Dominion

UK

Forging
Dominion

DENMARK

Dominion

CENTRAL & EAST EUROPE

SLOVAKIA

Dominion

CZECH REP.

Stamping & Tube Forming
Machining
Plastic
Cold Forging

LITHUANIA

Forging

POLAND

Dominion

ROMANIA

Aluminium
Roof Systems

RUSSIA

Aluminio

NAFTA

USA

Plastic
Dominion

MEXICO

R+D
Aluminium
Forging
Stamping & Tube Forming
Machining
Plastic
Roof Systems
Dominion

CENTRAL AMERICA

GUATEMALA

Bionor

HONDURAS

Dominion

SOUTH AMERICA

ARGENTINA

Dominion

BRAZIL

R+D
Forging
Stamping & Tube Forming
Machining
Plastic
Casting
Dominion

CHILE

Dominion

COLOMBIA

Dominion

PANAMA

Dominion

PERU

Dominion

AFRICA

MOROCCO

Plastic

SOUTH AFRICA

Dominion

OCEANIA

AUSTRALIA

Dominion

INDONESIA

Dominion

MIDDLE EAST

BAHRAIN

Dominion

OMAN

Dominion

QATAR

Dominion

SAUDI ARABIA

Dominion

UNITED ARAB EMIRATES

Dominion

ASIA

CHINA

Forging
Stamping & Tube Forming
Machining
Plastic
Roof Systems

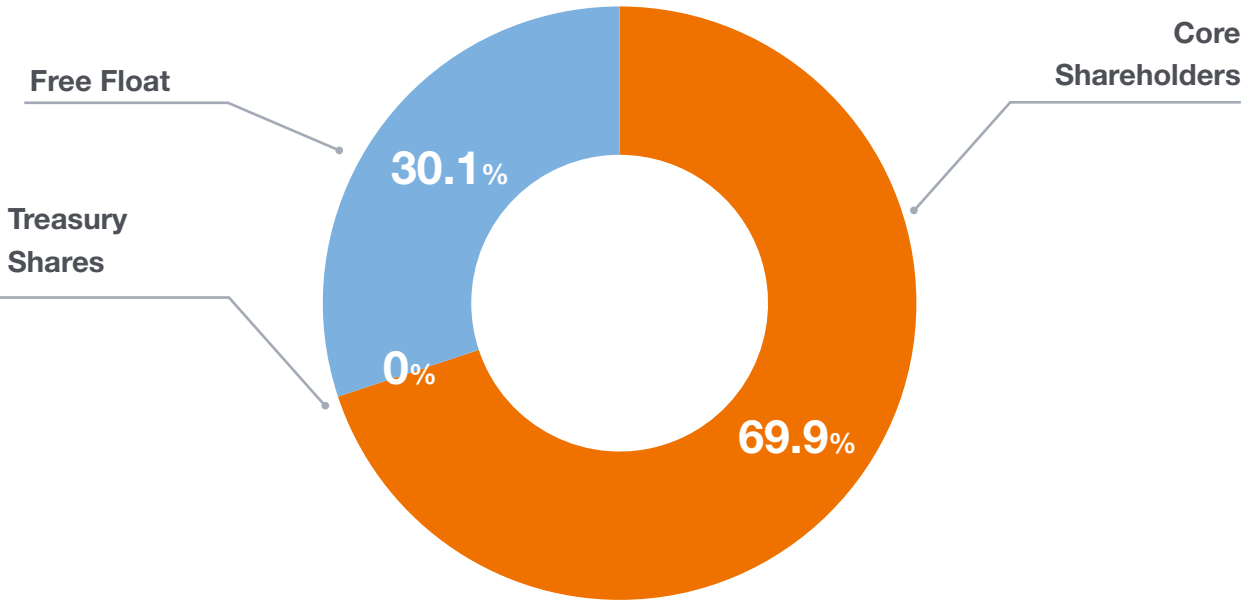
INDIA

R+D
Forging
Stamping & Tube Forming
Machining
Casting
Composites
Dominion

VIETNAM

Dominion

Shareholder structure at year-end 2015



Significant shareholdings at year-end

Shareholder	Direct	Indirect	Total	%
Acek Desarrollo y Gestión Industrial, S.L.	12,652,182	16,900,021	29,552,203	22.909
Mahindra & Mahindra, Ltd.		16,040,706	16,040,706	12.435
Antonio María Pradera Jáuregui	6,450,009	8,984,650	15,434,659	11.965
Elidoza Promoción de Empresas, S.L.	12,386,138		12,386,138	9.602
Nmas1 Asset Management, SGIIC, S.A.		6,465,671	6.465.671	5.012
Addvalia Capital, S.A.	6,450,208		6,450,208	5.000
Santander Asset Management S.A., SGIIC		3,921,146	3,921,146	3.040

Company data

Registered name:	CIE Automotive SA
Registered address:	Alameda Mazarredo, 69 - 8º 48009 Bilbao, Vizcaya. Spain.
Telephone number:	+34 946 054 835
Website:	www.cieautomotive.com
Share capital:	32,250,000.00 euros
Number of shares:	129,000,000
Par value:	0.25€ share
Activity:	Manufacture of Automotive Components and Smart Innovation (Dominion).
Markets:	CIE Automotive Group is present in 35 countries and its shares are listed on the Madrid and Bombay stock exchanges.

2. Chairman's statement



Chairman's statement

Dear shareholder,

2015 will go down in the company's history as the first full year of consolidation of the alliance with Mahindra and the mergers pursued by Dominion, as well as the year in which we redefined and reinforced our social and environmental commitment.

Looking back on our financial performance, we can be proud to say we surpassed record earnings, posting a net profit of €129 million, up 59% year-on-year, driven by topline growth of 22% to €2.63 billion.

This performance was shaped by first-time consolidations but also evidences an excellent performance in the automotive business, particularly in Europe and NAFTA, and exponential growth at our smart innovation platform, Dominion.

Thanks to continuous honing of our business model, we were able to deliver the targets originally set for 2017 - doubling 2013 profit and lifting the EBIT margin above 9% - ahead of schedule. And we did so pursuing a tailored strategy for each project and geographic region.

In Europe, we worked to boost our share of an increasingly dynamic market and to bring the Mahindra CIE factories up to CIE Automotive standards. In NAFTA, we launched strategic products which reported margins above the group average. In Brazil, we continued to eke out productivity gains and increase our market share despite the challenging economic situation. In Asia, operating momentum is growing daily.

Dominion, our smart innovation platform, has set the foundations for strengthening the business in the coming years by placing the spotlight on organic growth and cross-selling. We continue to analyse potential mergers and acquisitions and to boost our profitability via a mix of operating efficiency and high-margin products.

Against this backdrop, at CIE Automotive we have prepared a new business plan for the next five years and we are ready to assume a new commitment: we will double our 2015 net profit by 2020.

"Thanks to continuous honing of our business model, we were able to deliver the targets originally set for 2017"

Looking beyond our earnings performance in 2015 and the promising near-term horizon, I am pleased to announce that we have rolled out a Corporate Social Responsibility (CSR) Strategic Plan. The idea is to rescue our environmental, social and governance (ESG) commitments from a supporting role to put them front stage, built seamlessly into our corporate objectives.

The first step in putting this plan into practice was to rethink, verbalise and incorporate into our mission, vision and values a more holistic perspective of what we want to be: a vehicle for creating value for our shareholders, a catalyst for social and economic progress in the communities we operate in, an engine for technological innovation tied to environmental protection and an obstacle in the face of any sign of fraud or corruption.

Having reformulated our identity, we designed and approved CIE Automotive's CSR Policy. We also sought to make our commitment to a sustainable business model public by becoming a participant of the United Nations Global Compact.

By means of this integrated annual report which I have the honour of introducing, we hope to present CIE Automotive in its various dimensions: economic, social, environmental and governance. We hope that by so doing we will strengthen our ties with society and all those we engage with day after day.

In the course of 2015, shareholders, investors and analysts once again displayed their support for our profitable growth strategy, driving our share price 37% higher, as a result of which we significantly outperformed the benchmark index. CIE Automotive, in turn, paid out a dividend equivalent to one-third of its 2014 net profit.

In order to cater to the demands of over 40 automotive customers worldwide, we continued to add to our product portfolio and expand our facilities. At Dominion, we multiplied our suite of solutions and services designed to shore up the profitability of over 1,000 companies across 28 markets.

We managed this with the assistance of a diverse and multicultural workforce - made up of almost 23,000 professionals worldwide - and the indispensable contribution

of the roughly 13,000 companies which help us provide our customers with a valuable proposition. Indeed, one of the targets we set for ourselves last year was to guarantee the sustainability of our supply chain.

Together, we performed research in the eco-design field in order to manufacture more efficient products and we invested to enhance our processes and facilities with the aim of reducing our activities' adverse impact on the environment.

"In 2016, we expect to make further progress on this profitable and sustainable growth path with the involvement of all our stakeholders"

In our capacity as a listed company, we adapted our governance system to new company legislation and worked towards complying with prevailing Spanish corporate governance recommendations.

In 2016, we expect to make further progress on this profitable and sustainable growth path with the involvement of all our stakeholders.

My sincerest gratitude for collaborating with this exciting endeavour,

Antón Pradera
Chairman

3. CEO's statement



CEO's statement

Dear shareholder,

Publication of our 2015 Annual Report gives me a fresh occasion to weigh up CIE Automotive's financial performance and share our enthusiasm for its two platforms - Automotive Components and Smart Innovation - with you.

2015 was another year of records for our company, with net profit growth accelerating to €129 million, up 59% year on year. Revenue growth was 22%, while EBITDA rose 26%.

Those who follow our trajectory closely know that these results are not the mere consequence of a revitalised economy and sector but rather the reward for developing a unique and effective business model without ever wavering from our long-term strategic vision.

Placement of our automotive component factories there where our clients need us, diversification of our customer portfolio between the major car makers (OEMs) and Tier 1 suppliers and our ability to offer different technological solutions for a given component are the singular hallmarks of our business model, which, coupled with rigorous investment discipline and decentralised management, has enabled us to grow in

times of crisis and, with that crisis behind us, positioned us for continued delivery of double-digit growth.

Similarly, Dominion, our smart innovation platform, continues to gain weight in our statement of profit and loss with its range of solutions and services, underpinned by its technology intensive approach, geographic and sector diversification, financial discipline and tireless search for operational gearing and scalability.

"We are what we repeatedly do. Excellence, then, is not an act, but a habit", said Aristotle. Allow me, please, to briefly overview our management performance last year, the first full year of consolidation of the most recent additions to our two core platforms.

In 2015, we witnessed the recovery of the European automotive sector, in our case from a position of strength: highly-specialised factories, automation of productive processes, a strategic commitment to innovation and a wellentrenched culture of continuous improvement. With these tools, we managed to grow faster than a market in the

throes of recovery and to considerably reinforce our margins.

In November, we completed construction of our new factory in Togliatti (Russia), where we make cast and machined aluminium parts, and we inaugurated the fifth forged crankshaft manufacturing line at the CIE Galfor factory in Ourense (Spain).

"2015 was another year of records for our company, with net profit growth accelerating to €129 million"

At the European forging factories integrated in the wake of our alliance with Mahindra Group we established an action plan for bringing them up to the standards of the rest of the group's facilities; this plan is already yielding very encouraging results. Their margins, however, were affected by the impact of the restructuring effort in Germany.

We celebrated our twelfth anniversary in Mexico where we are developing four new projects in the machining, forging, stamping and aluminium areas. The recovery in the US and the 'Europeanisation' of cars in this region are creating excellent growth prospects for our company, so that we will continue to invest and add to our technology offering in this region.

We maintained our presence in Brazil and further raised the efficiency and productivity of our factories in this market as we await culmination of the automotive sector restructuring process and economic recovery. Against this backdrop, we inaugurated a plastic parts manufacturing facility in Recife, the capital of Pernambuco.

The alliance with the Mahindra Group has enabled us to achieve one of our strategic objectives: entry into the Asian market. Over the course of last year, we worked to make our Indian factories more profitable. India remains the region's genuine growth engine. Going forward, we expect to continue to invest in this region with a view to increasing our penetration of the Japanese and South Korean OEMs' business.

Dominion, meanwhile, consolidated the results of Bilcan and Near, acquired in 2014, for the full year. The healthy results obtained in both the services and solutions segments evidence the success of the effort to rationalise, unify cultures and exploit synergies.

All these transactions and activities were tackled without undermining the group's financial strength. Quite to the contrary: whereas equity increased by 2.7% year-on-year to €885.0 million, net debt dropped by 5.9% to €670.1 million. Cash generation permits us to aspire to further growth via greenfield builds and acquisitions.

"Having already delivered the targets originally set for 2017, we have devised a new business plan which calls for doubling revenue by 2020"

Having already delivered the targets originally set for 2017, we have devised a new business plan which calls for doubling revenue by 2020. I rely on the confidence and collaboration of all to tackle this new challenge.

Many thanks,

Jesús M^a Herrera
CEO

4. About this report

| 4.1. Methodology

| 4.2. Stakeholder engagement

| 4.3. Contact data



4.1. Methodology

This 2015 Annual Report provides relevant and accurate information about the economic, social and environmental performance of CIE Automotive and its subsidiaries over the course of the year.

For the second year in a row, the company is presenting an integrated report, providing information about economic financial matters as well as issues related to the group's social responsibility. It has been prepared taking into consideration the recommendations issued by benchmark international institutions considered authorities on corporate reporting matters: the Integrated International Reporting Council (IIRC) and the Global Reporting Initiative (GRI).

All of the issues covered are relevant for the organisation or substantively influence the assessments and decisions of its stakeholders.

Report scope and boundary

The economic and financial information covered in this report covers the activities of the CIE Automotive Group in its 35 operating markets.

In the information provided on its social and environmental dimensions, the boundary is specified; in general, it is broken down by business unit (Automotive Components and Smart Innovation) in light of the very different nature of the group's

platforms and their repercussions on the environment.

The content of this report is rounded out by the other documents CIE Automotive is legally required to present, which are available on its corporate website at www.cieautomotive.com: the Annual Financial Statements and Management Report, the Annual Corporate Governance Report and the Annual Report on Director Remuneration.

4.2. Stakeholder engagement

CIE Automotive firmly believes that mutual trust, respect and tangible recognition of the dignity of all should underpin its stakeholder relations.

In 2015, the company drew up a Corporate Social Responsibility (SCR) and Sustainability Strategic Plan establishing the strategic lines of initiative to be pursued until 2018 and identifying the various groups which, directly or indirectly, contribute to its business development or are impacted by it: shareholders, professionals, customers, partners, suppliers, society, public authorities, the sector and financiers.

Aware that the company's long-term sustainability depends on its ability to satisfy these groups, in 2015 it fostered communication with them.

CIE Automotive's stakeholders

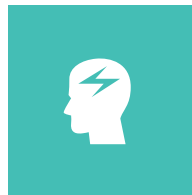


Shareholders



CIE Automotive creates value for its shareholders by means of profitable growth, which in turn fuels its share price and enables it to pay out one-third of its net profit. In order to earn and maintain the market's confidence, the company has mechanisms for the provision of accurate and regular information to the investment community.

Professionals



With their hard work and dedication, CIE Automotive's professionals make the company's growth possible. Keenly aware of the importance of its human capital, the company strives to meet its professionals' expectations by providing them with a safe and healthy workplace, decent pay - in keeping with prevailing market conditions - and the training they need to develop their careers. The company ensures unwavering compliance with internationally recognised human and labour rights.

Financiers



The company collaborates with its financial institutions by placing trust and mutual benefit at the heart of its engagement. Against this backdrop, it negotiates the best possible conditions on the basis of its investment requirements and prevailing market conditions.

Business partners



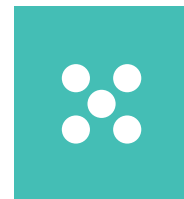
CIE Automotive entered into a strategic alliance with Mahindra Group in 2013. This agreement is profitable for both parties, reinforces both entities' positioning by creating new synergies and increases shareholder returns. Collaboration with various technology partners is crucial to the development of new solutions in the smart innovation business.

Customers



All of the company's activities are articulated, directly or indirectly, around satisfying its customers' needs. To deliver this objective, it invests in innovation, guarantees the quality and safety of its products, improves its supply chain year after year and manages its resources efficiently in order to keep prices down. These processes are carried out while ensuring that all fundamental rights are upheld and minimising, to the extent possible, any environmental fallout.

Sector



CIE Automotive commands significant influence in the automotive sector and participates actively in a number of trade associations. It chairs ACICAE, the Association for the Automotive Cluster in the Basque Region, EUROFORGE, the umbrella organization of the European National Associations for the Forging Industry, and the marGUNE Centre for Cooperative Research into High-Performance Manufacturing, among other organisms. It participates actively on the governing bodies of various organisms, such as SERNAUTO (the Spanish Association of Automotive Components Manufacturers), M2F (Spanish Automotive Technology Platform) and Tecnalia Research & Innovation. It is also a member of the Automotive Suppliers Association (CLEPA), sitting on its research and development committee, the European Green Vehicles Initiative Association (EGVIA), the European Road Transport Research Advisory Council (ERTRAC), the Spanish Forgers Association (SIFE), the Spanish Aluminium Casting Association (TEDFUN) and its European counterpart, the European Die Casting Association (EDCA).

Dominion is a patron of the the APD (Association for Management Progress) and a member of @ asLAN, the Association of Network, Internet and Telecommunication Systems Suppliers.

Suppliers



The relationship with suppliers is based on mutual collaboration and benefits. CIE Automotive deems its suppliers an essential part of the value creation process and strives to meet their expectations by ensuring open competition and equal opportunities, transparency, optimal pricing and fair payment terms. It also tries to foster cooperation and dialogue in order to better respond to customers' needs, convinced that their satisfaction translates into benefits for all.

Public authorities



Relations with the public authorities are framed by legal limits, cooperation and transparency in all business markets. In its capacity as automotive components manufacturer, the company generates solutions which support and improve various public services.

Society



As a manufacturer of automotive parts, CIE Automotive contributes to the creation of safer and more environmentally friendly vehicles. The smart innovation activities related to civil protection, healthcare and meteorology are some of the ways in which Dominion gives back to society. In addition, the group generates economic and social progress in its 35 operating markets: it boosts local economic activity by generating jobs and purchasing from suppliers; it contributes to society by paying taxes and funding a range of charitable initiatives targeted at the least privileged segments of society.

Stakeholder communication channel

CIE Automotive's core channel for communicating with its stakeholders is its corporate website (www.cieautomotive.com), where it systematically publishes all information of relevance to them. The overriding objective is to make sure that transparency governs the company's relations with its stakeholders first and foremost.

"CIE Automotive has two channels for dealing with corporate social responsibility related matters"

In addition to the corporate website, CIE Automotive has two dedicated communication channels for engaging with and involving its various stakeholders in relation to CSR matters:

- E-mail inbox: csr@cieautomotive.com
- Mail address: Corporate CSR & Sustainability Committee.

Alameda de Mazarredo 69, 8º - CP: 48009 Bilbao (Vizcaya), Spain.

4.3. Contact data:

Annual Sustainability Report:

Cross-Group CSR and Sustainability Committee
(smolinuevo@cieautomotive.com)

Investor Relations and Communication Officer:

Lorea Aristizabal
(laristizabal@cieautomotive.com)

HR Officer:

Javier Álvarez
(jalvarez@cieautomotive.com)

CSR & Sustainability Officer:

Susana Molinuevo
(smolinuevo@cieautomotive.com)



5. Business model

| 5.1. Identity and commitments

| 5.2. CIE Automotive, a responsible company

The CIE Automotive Group's business model is articulated around four dimensions: economic, environmental, social and governance. This four-dimensional approach to business is seamlessly built in across the entire organisation.



5.1. Identity and commitments

5.1.1. Mission, vision and values

CIE Automotive's corporate governance model is underpinned by critical thinking about its identity, aspirations and the values intrinsic to its corporate spirit.

Mission: Who are we?

We are an **industrial group specialised in managing high value-added processes**:

- We have applied this concept so as to become a **supplier of components and subassemblies** to the **global automotive market**, using complementary technologies and a range of associated processes.
- We apply this concept to **management** in general, with an integrated vision of all phases of the **value chain** in industries with attractive long-term growth prospects. Our Smart Innovation platform, targeted at all sectors in which digitalisation can drive efficiency and competitiveness gains, is a case in point.

We are growing steadily and profitably with the aim of becoming a **benchmark partner** by meeting our customers' needs through innovative, competitive, end-to-end highly value-added solutions.

We seek excellence through the following commitments:

- **Continuous improvement** of processes and efficient management.
- Encouraging **participation, involvement and motivated teamwork** in a pleasant, safe work environment.
- **Transparency and integrity** in everything we do.
- **Respect for the environment and a commitment to improving our environmental record.**

Vision: What do we want to be?

We aim to be a **benchmark industrial group** specialised in managing highly value-added processes.

Become the paradigm of a **socially-responsible company through our commitment to**:

- **People and their fundamental rights.**
- The **environment, fostering initiatives** which translate into greater environmental responsibility.
- **Value creation.**
- **Stakeholder collaboration.**
- **Management excellence.**

Standard-bearer within the value chain for:

- Quality.
- Service.
- Technology.
- Eco-innovation.
- Eco-design.

Values: What is important to us?



People

Respecting their fundamental rights.
Providing them with fair working conditions.

Encouraging:

- Their initiative, creativity and originality.
- Engagement and teamwork.
- Their ability to deliver targets and add value.
- A positive attitude towards change and continuous improvement.



The environment

Taking a preventative approach.
Working to minimise any adverse impact.



Transparent management

Promoting responsibility, integrity and commitment to a job well done.

Disclosing in a clear manner all information of relevance to our activities.



Stakeholders

Promoting honest relations.
Respecting their rights.



Legal compliance

Upholding Spanish and international law

Honesty, fairness, integrity and transparency underpin all these values

5.1.2. CIE Automotive, a responsible company

CIE Automotive builds the universal ethics, social and environmental principles enshrined in the United Nations Global Compact, of which it became a signatory last October, into its governance, strategy and everyday activities.

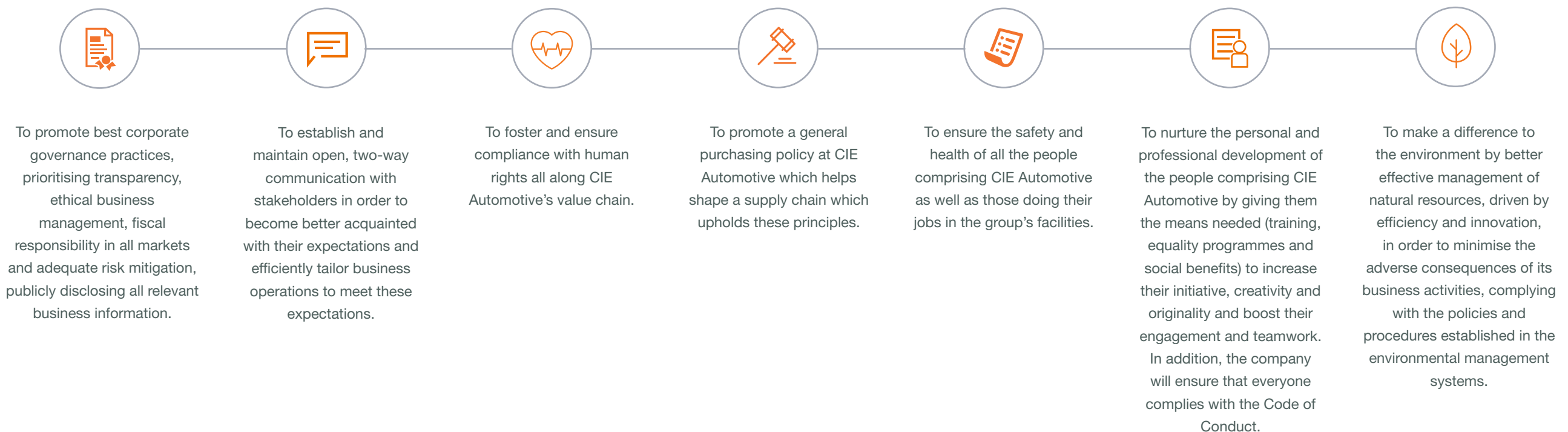
In 2015, it began to execute its new 2015-2018 CSR and Sustainability Strategic Plan. This plan maps out the lines of initiative guiding the company's financial management in terms of governance, stakeholder engagement and environmental footprint minimisation.

The first step in executing this plan was the elaboration and approval, in December, of the new Corporate Social Responsibility Policy, based on top-down management of all of the impacts deriving from its business activities.

"In 2015, the company began to execute its new CSR and Sustainability Strategic Plan"



Guiding principles



5.1. Identity and commitments > 5.2. Platforms

Dimensions of CIE Automotive's social responsibility

**Corporate Governance**

As a socially-responsible company, CIE Automotive has developed its own corporate governance system, which complies with international standards, paves the way for delivery of its financial targets and guarantees protection of shareholder rights, framed by business ethics and a transparency pledge.

In 2015, it adapted its internal body of rules and regulations to the new Unified Good Governance Code for listed companies published by Spain's securities market regulator, the CNMV, in February. In addition, it set up a Corporate CSR & Sustainability Committee within the Board of Directors which will supervise the progress made in this arena by a Cross-Departmental Committee, similarly set up last year.

Social Dimension

The company created value for its shareholders once again last year by offering its customers personalised and innovative solutions, providing its employees with a safe and healthy workplace and treating its suppliers fairly. With these efforts it not only managed to rally forces around the creation of product value but also contributed to progress and social cohesion in its operating markets.

In its quest to satisfy their legitimate expectations, in 2015, it defined and approved new group-wide policies governing dealings with various stakeholders. For example, it approved Purchasing, Human Rights, Community Work and Anti-Corruption & Anti-Fraud policies.

Environmental Dimension

As a company engaged in environmental protection, it applies innovative solutions which drive energy efficiency, reduce pollution and optimise the use and re-use of material resources.

Economic Dimension

Crystallised in CIE automotive's culture, oriented around value creation, and in a business model, articulated around multiple manufacturing bases, customer diversification, a multi-technology approach, disciplined investment and decentralised management.

Integration of CSR into the management model

In 2015, CIE Automotive enhanced its management model to ensure the integration of its corporate social responsibility commitments.

The first step in this process was to expand its vision and values, placing greater emphasis on its aspiration to become

the paradigm of a socially-responsible company and a benchmark in areas such as eco-design and eco-innovation. It also specifically added the promotion of stakeholder engagement and respect for the law to its formal corporate values.

In describing its business model it formally set down its sustainable growth objective, to which end it emphasised

anticipation of customers' needs and its stakeholder commitments.



Strategic drivers



Preferred supplier

Providing our customers with
end-to-end solutions which
resolve their problems

We anticipate their needs and
surpass their expectations
using a multi-technology
approach and eco-design
criteria

Generating
value

Increasing business volume over
the medium and long term

Generating growing returns

Socially
responsible

Committed to stakeholders

Respect for people and the
environment



Sustained and profitable growth

5.1.3. Creating added value

CIE Automotive creates added value by means of a complex system of processes involving all areas of the company, all of which are ultimately aimed at delivering customer satisfaction.

CIE Automotive & Dominion's process map



5.2. Platforms

CIE Automotive encompasses two differentiated business platforms or units: Automotive Components and Smart Innovation. The Automotive unit focuses on the design and manufacture of parts for vehicles, while the smart innovation platform is articulated around the delivery of technology solutions and services designed to make productive activities more efficient. Multiple locations, customer diversification, multitechnology, disciplined investment and decentralised management are the traits common to both endeavours.

5.2.1. Automotive Components

CIE Automotive is a global supplier of end-to-end services, components and sub-assemblies for all parts of a vehicle.

The company has been building scale thanks to a unique business model which sets it apart from its peers and has enabled it to increase profitability despite adverse economic cycles, earning the market's confidence in the process.

Five traits place CIE Automotive at the forefront of its sector: multiple locations, customer diversification, a multi-technology approach, disciplined investing and stringent return criteria and decentralised management.

Singular traits



Multiple locations



Customer diversification



Multi-technology approach



Disciplined investing and stringent return criteria



Decentralised management that generates value

Automotive components manufacturing plants by major market

	TOTAL	Aluminium	Forging	Casting	Machining	Stamping	Plastic	Composites	Roof systems
Europe*	40	5	8	-	13	5	6	-	3
NAFTA	11	1	1	-	1	4	3	-	1
Brazil	13	-	1	1	2	4	5	-	-
Asia	17	-	2	2	3	6	1	2	1
TOTAL	81	6	12	3	19	19	15	2	5

(*) Includes one factory in Morocco.

Geographic diversification enables the company to mitigate potential difficulties in the odd market with business volumes in faster-growing markets. This is tangible in the company's exceptional positioning in NAFTA, via Mexico, and its reinforced presence in Asia, via India.

The group pursues different strategies in each geography to ensure the profitability of the company as a whole.



Multiple locations

CIE Automotive meets its customers' needs wherever they are. In recent years, the automotive conglomerate has expanded its scope to new countries by means of alliances, acquisitions and greenfield factories with the aim of bringing its productive facilities closer to the OEMs' assembly plants.

In December 2014, it completed the integration of all the companies comprising the new group, Mahindra CIE Automotive - with 17 factories spanning multiple technologies in India and Europa. The shares of the new company, in which CIE Automotive has a 53% stake, are traded on the Bombay stock exchange.

In the wake of the full integration of Mahindra's plants, CIE Automotive has reinforced its presence in Asia via India and

emerged as one of the leading players in the automotive components market.

At year-end, the company had 78 manufacturing facilities and seven R&D centres in 16 countries across Europe, NAFTA, Asia and Africa, which between them employ some 17,415 professionals.

These factories supply four major car manufacturing markets: Europe, NAFTA, Mercosur and Asia.





Europe

CIE Automotive has 39 productive plants in 10 European countries: Spain, France, Germany, Italy, Portugal and the UK in Western Europe and the Czech Republic, Lithuania, Romania and Russia in Central and Eastern Europe. It also has one factory in Morocco.

The company is currently leveraging the prevailing momentum in the European market thanks to the specialisation of its factories, automation of its processes, strategic commitment to innovation and continual improvement of its factories. A good example of this ongoing fine-tuning is the inauguration, in June 2015, of the fifth forged crankshaft manufacturing line at the CIE Galfor factory in Ourense.

Also in November, the company inaugurated the Togliatti factory in Russia, devoted to the manufacture of cast and machined aluminium parts. This new facility's maiden order is for the manufacture of seven parts for the new petrol engine being made by Renault at the Avtovaz factory in Russia and at Renault's Russian facility. Installed capacity is sufficient to supply parts for 150,000 engines a year; this capacity will be gradually increased in response to demand.

As for the European forging factories integrated in the wake of the alliance with Mahindra, the group established an action plan for bringing these facilities' margins in line with those of the rest of the group's factories. Among other measures, this plan entails the optimisation of work flows, increased productive efficiency,

the automation of certain processes, the outsourcing of noncore processes and price renegotiation. Against this backdrop, in February 2015, the company decided to close the Gevelsberg (Germany) factory on a staggered basis over the course of the year and transfer the team and production to other Mahindra Forgings Europe plants in this market; this process culminated in November 2015.

Metalcastello, in Italy, has seen its profitability rise thanks to higher sales margins, having analysed customers, products and processes across the board, and the restructuring process initiated in 2014 and fully effective in 2015. All this translated into considerable EBITDA growth. Maintenance of current profitability entails reinforcement of existing customers, who have already placed orders that will have repercussions for the next five years, the search for new customers in existing market segments (agriculture, earth-moving equipment and defence) and the entry into new segments (such as the rail, maritime and automotive industries).

NAFTA

CIE Automotive has 11 manufacturing facilities in Mexico and the US which service the light vehicle market in NAFTA (US, Mexico and Canada) and, to a lesser extent, the Brazilian, European and Asian markets.

2015 marked CIE Automotive's twelfth anniversary in Mexico; since entering this market, the group has been gradually adding new facilities in order to cater to the OEMs' demands, ultimately emerging as the market leader. Last year, it continued to work on four greenfield builds in the machining, forging, stamping and aluminium areas; these facilities are expected to generate aggregate revenue of approximately €150 million in the coming years.

NAFTA is one of the world's highest-potential markets: against the backdrop of a US market in the throes of recovery and consolidation of its position as the number two maker of vehicles worldwide, Mexico is key on account of its high vehicle production volume and the 'Europeanisation' of the car in this region.

Going forward, the company plans to continue to invest to increase its capacity and technology offering in Mexico where installed capacity continues to fall short of demand and returns are compelling.



Asia

The alliance entered into with the Mahindra Group in 2013 enabled CIE Automotive to establish a foothold in India and reinforce its presence in Asia, a priority market in which it already has 16 factories.

India has emerged as the region's growth engine: growth for the next decade is estimated at between three and 10 million vehicles per annum.

The group manufactures forged, smelted, machined, stamped and magnetic products at its factories in India, as well as making composites.

At present, it is working to make its factories more profitable and develop a sales relationship with the key global accounts. The company is also analysing the possibility of introducing products in which it commands a prominent position in other regions into this market along with the scope for implementing new technologies such as plastic and aluminium injection moulding.

Against this backdrop, it plans to continue to expand its footprint to other South-East Asian markets such as Thailand

and Indonesia, while gaining a bigger sales presence among the Japanese and Korean OEMs which dominate these markets.

In China, currently the world's largest car maker, CIE Automotive boasts an important market niche in certain products thanks to relationships with European customers.

Brazil

CIE Automotive has 12 factories in Brazil where its presence spans the plastics, stamping, forging, casting and machining technologies. In this market the group is highly specialised in plastic technology, colour body paintwork and chrome plating.

The Brazilian market continues to account for a significant percentage of group sales. Although the automotive sector is immersed in a restructuring process due to currency devaluation and the country's economic difficulties, Brazil remains the world's ninth-largest vehicle producer and its growth potential is huge: vehicle penetration per capita is significantly below that of more developed economies.

In 2015, CIE Automotive's Brazilian plants continued to increase their efficiency by automating processes and specialising in highly value-added products.



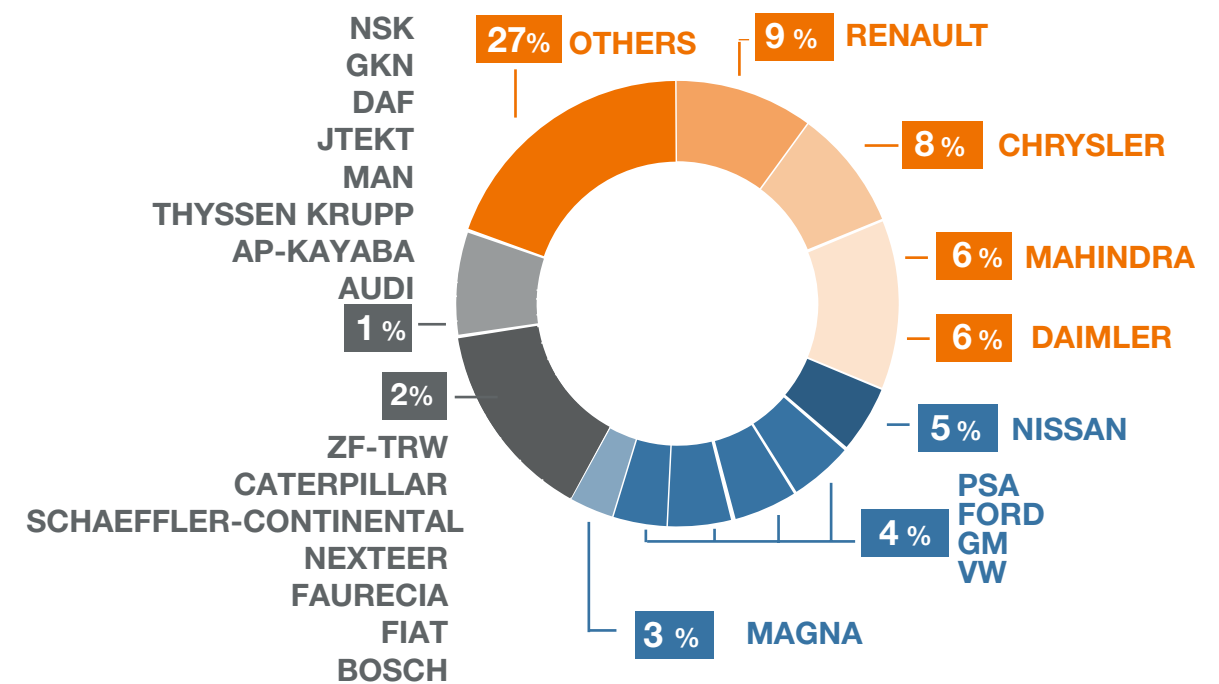
Customer diversification

CIE Automotive's customer base spans more than 40 companies all around the world and includes the major multinational car makers (OEMs) and Tier 1 suppliers. Group revenue is roughly evenly split between the OEMs and Tier 1 suppliers.

By diversifying its customer base and establishing a presence in different countries, CIE Automotive minimises its exposure to potential dips in demand, while shoring up its pricing power vis-a-vis customers.

The fact that it was not highly dependent on any one brand or make of car enabled the company to continue to grow throughout the recession in Europe at a time when many other car part makers were forced to cope with drastically reduced revenue and even close their doors.

2015 Automotive revenue by customer



OTHERS

■ BMW	■ AUTOLIV	■ KS KOLBENSCHMIDT	■ NTN
■ JLR	■ DELPHI	■ MAHLE	
■ HONDA	■ HYUNDAI	■ LEAR	
■ TATA	■ JOHNSON CONTROLS	■ MARUTI	



Multi-technology approach

CIE Automotive's product portfolio comprises more than 6,000 component and subassembly SKUs developed using seven basic different processes or technologies: forging, aluminium, casting, machining, stamping, plastics and roofing systems.

This multi-technology platform sets CIE Automotive apart from its peers as very few Tier 2 suppliers are able to offer a range of techniques for a given part or the ability to manufacture a subassembly using different technologies at a global level.

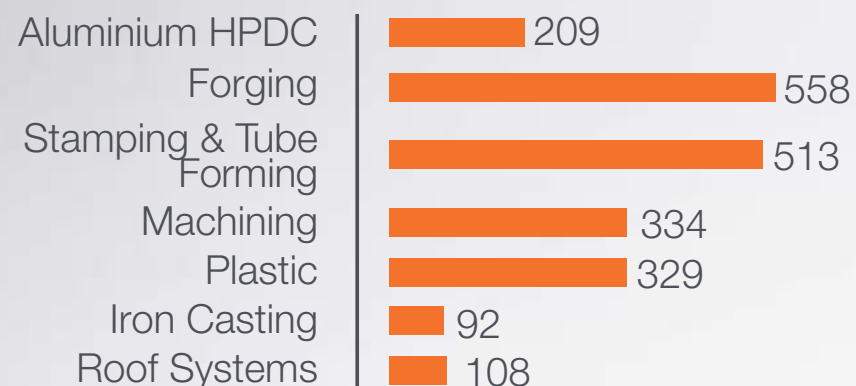
This broad range of technologies increases business opportunities by enabling it to make more types of products and focus its investments on prevailing winning technologies, while adding more value for customers who can select the optimal solution without having to contact different suppliers and developer teams.

For example, CIE Automotive's multi-technology approach has made it a leader in powertrains worldwide and has played a crucial role in its international expansion. The company has

continued to add factories specialised in different technologies to its fold in response to customer feedback and added new sales outlets at other factories in a given market without sustaining cannibalisation.

As illustrated in the accompanying chart, CIE Automotive has the ability to offer a range of technologies in most of its core markets.

Revenue by technology
(€ M)



Nota:

Additional turnover in other technologies: €44 million
Intercompany sales of €80 million

"CIE Automotive has the ability to offer a range of technologies in most of its core markets"

Leading products

The group focuses strategically on core products in which it is the leading supplier and for which demand is growing at above-average rates.

These products echo the latest trends in the automotive sector: making vehicles lighter, reducing fuel consumption and emissions and enhancing comfort standards and vehicle safety measures in all regions.



Product portfolio

Forged products	Crankshafts*	Tulips and CV joint housings*	Axle shafts	Axles
Aluminium products	Gearshift housing*	Clutch casing*	Crankcases	Steering box*
Cast products	Cage Turbochargers	Crankshafts	Differential case	Drum brakes
Machined products	Hubs & rings*	Electrical steering components*	Differential cage	Flanges*
Tube stamping and shaping	Body in white (BIW)	Steering column tube*	Brake covers, chambers and membranes*	Seat structures
Plastic products	Logos	Ashtrays*	Armrests*	Decorative items
Roofing systems	Sliding windows*	Panoramic roofs*	Shade systems	
Multi-technology	Oil pan using three technologies: sheet metal stamping, aluminium injection moulding and plastic injection moulding*	Forged common rails for diesel engines Tubular fuel rails for petrol engines*	Forged and case crankshafts	

(*) Strategic products presenting growth and profitability above the market average on which CIE Automotive is focusing.





Disciplined investing and stringent return criteria

CIE Automotive's automotive division invested €155 million in 2015. Of this total, €66 million were earmarked to developing new capacity and factories (greenfields), while the remaining €89 million were invested in making existing facilities more productive and flexible, as well as in quality.

All of the company's investments are designed to satisfy customer needs and are preceded by rigorous analysis which specifies expected returns. Control over capital expenditure and return criteria is articulated around three pillars: flexible

standard machinery, strict investment discipline and EBITDA-to-cash conversion.

Pillars of capital expenditure discipline



Flexible standard machinery

Machinery that can be used to manufacture for multiple customers and platforms, thereby maximising capacity utilisation.

Investment criteria: recurring capex with minimum ROI of 4%, designed to enable facility maintenance plus organic growth of 2-3%.



Strict investment discipline

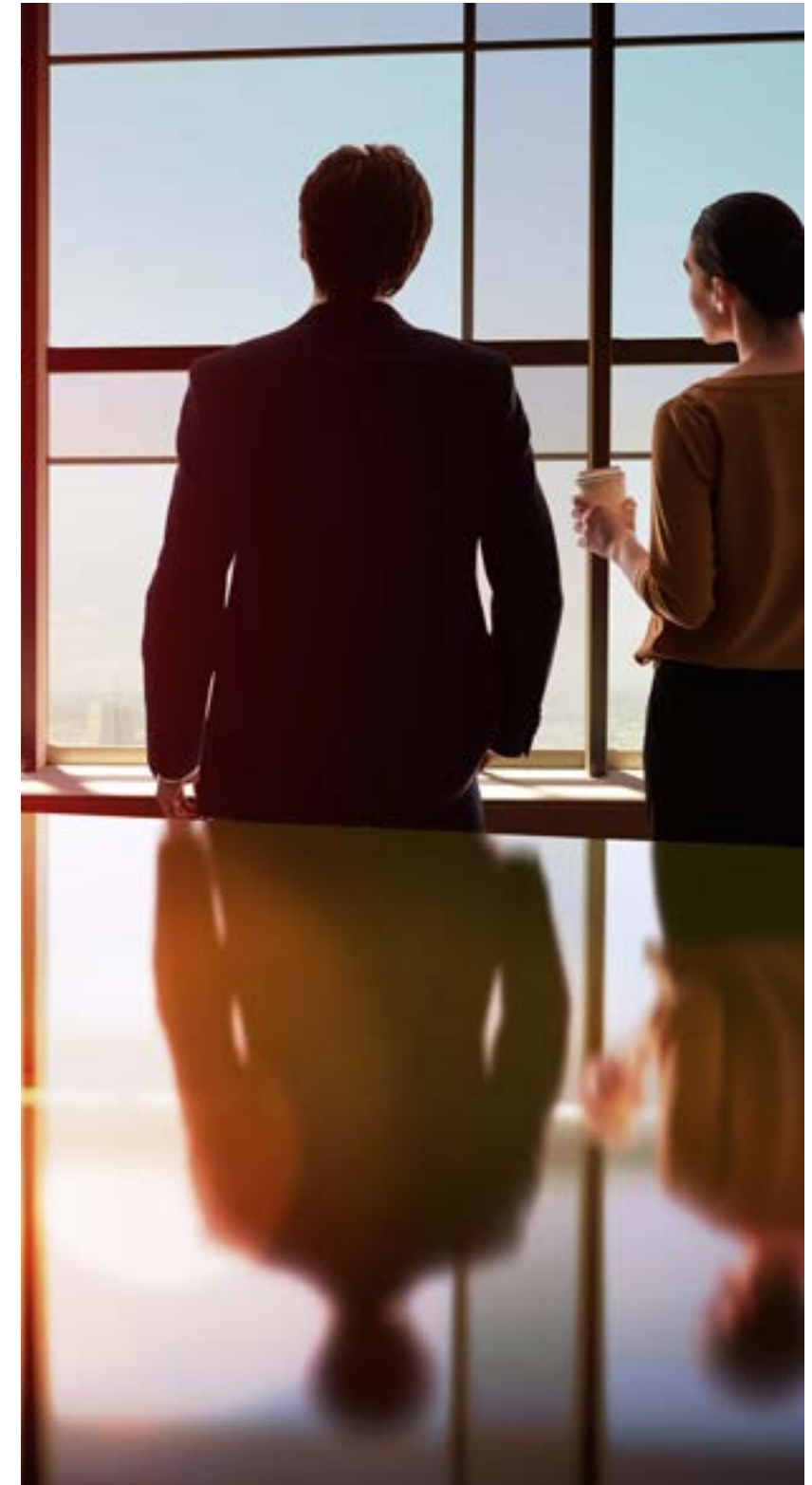
Disciplined analysis of investment opportunities, imposing stringent return hurdles.

- Zero operating working capital requirement.
- M&A criteria: EV/EBITDA $\leq$ 3 in 3 years.



EBITDA-cash conversion ratio

By streamlining productive capacity and controlling investment, the company's EBITDA-to-cash conversion ratio is higher than the market average. Target conversion ratio: 50%.

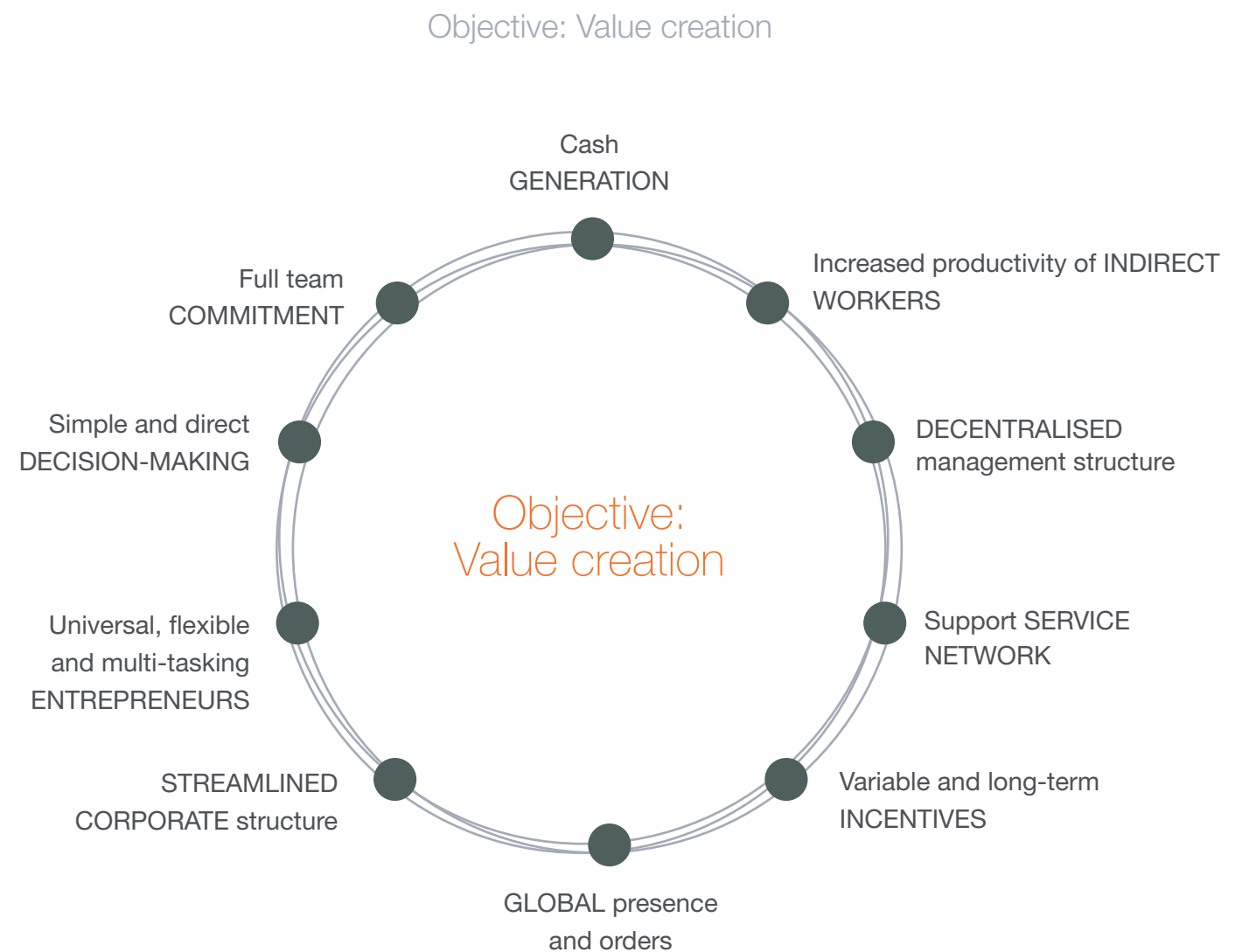




Decentralised management creates value

CIE Automotive has constituted a decentralised management system made up of seven divisions which act as independent decision-making centres and a group-wide corporate network which supports these divisions and injects balance and consistency at the group level.

This management model generates value and enables delivery of the group's corporate objectives by facilitating nimble decision-making and giving the conglomerate the flexibility and multi-functionality needed to compete successfully in the marketplace.





Divisions and areas

CIE Automotive's automotive business is divided into seven divisions: Forging, Machining, Plastics, Aluminium, Metal, Casting and Roof Systems, all of which with a global presence.

The corporate network, meanwhile, is made up of the following areas or networks: Corporate Engineering, Sales, Purchasing, Quality and Human Resources.

- **Corporate Engineering** deals with new business openings. It develops highly value-added products which leverage the technological edge afforded by the group's know-how in pioneering processes, always framed by the corporate culture and financial rationale criteria. It tracks new technologies and offers technical support to the sales network.

- **The Sales** area's job is to ensure access to the key customers' decision-making centres with a view to becoming their global supplier for star products. It ensures the existence of a global vision of the market and customer needs and complements the divisional sales teams on global projects.

- **The Purchasing** area coordinates the Lead Buyers, sourcing specialists with a big-picture vision of the market and its needs. This area dictates the product family procurement strategy, identifies suppliers, leads negotiations and contracts global services.

- **The Quality** area ensures homogeneous quality standards across the divisions with the goal of achieving excellence and delivering the triple-zero target: zero defects, zero accidents and zero contamination.

- **The Human Resources** area supports the team by fostering personal development

Sustainability project: biofuels

CIE Automotive's commitment to the environment is crystallised in a project within the Automotive platform: the recycling of used oils for biofuel production purposes: Bionor.

Bionor is devoted to the procurement of raw materials (recycled oils, animal fats, oleins, etc.) for transformation into biofuel.

Investment in Bionor is aligned with the level needed to facilitate its organic growth and is expected to be recouped by means of a gradual recovery in EBIT.

5.2.2. Smart Innovation

Dominion is CIE Automotive's smart innovation platform. This multi-sector group, with over 5,000 employees across 62 workplaces in 28 countries, offers solutions and services to more than 1,000 companies.

Its business consists of helping its customers make their business processes more efficient either by fully outsourcing them or by deploying specialised solutions and engineering developed by means of a combination of innovation, technology and software platforms.

Dominion was founded in 1999 as a technology firm focused on the provision of value-added services and solutions to customers in the telecommunications industry. In this field, which is highly competitive and ever changing, Dominion was forced to adapt to growing innovation, technological commoditisation and slim margins by developing a nimble approach to customer needs while maintaining profitability, underpinned by strict financial discipline.

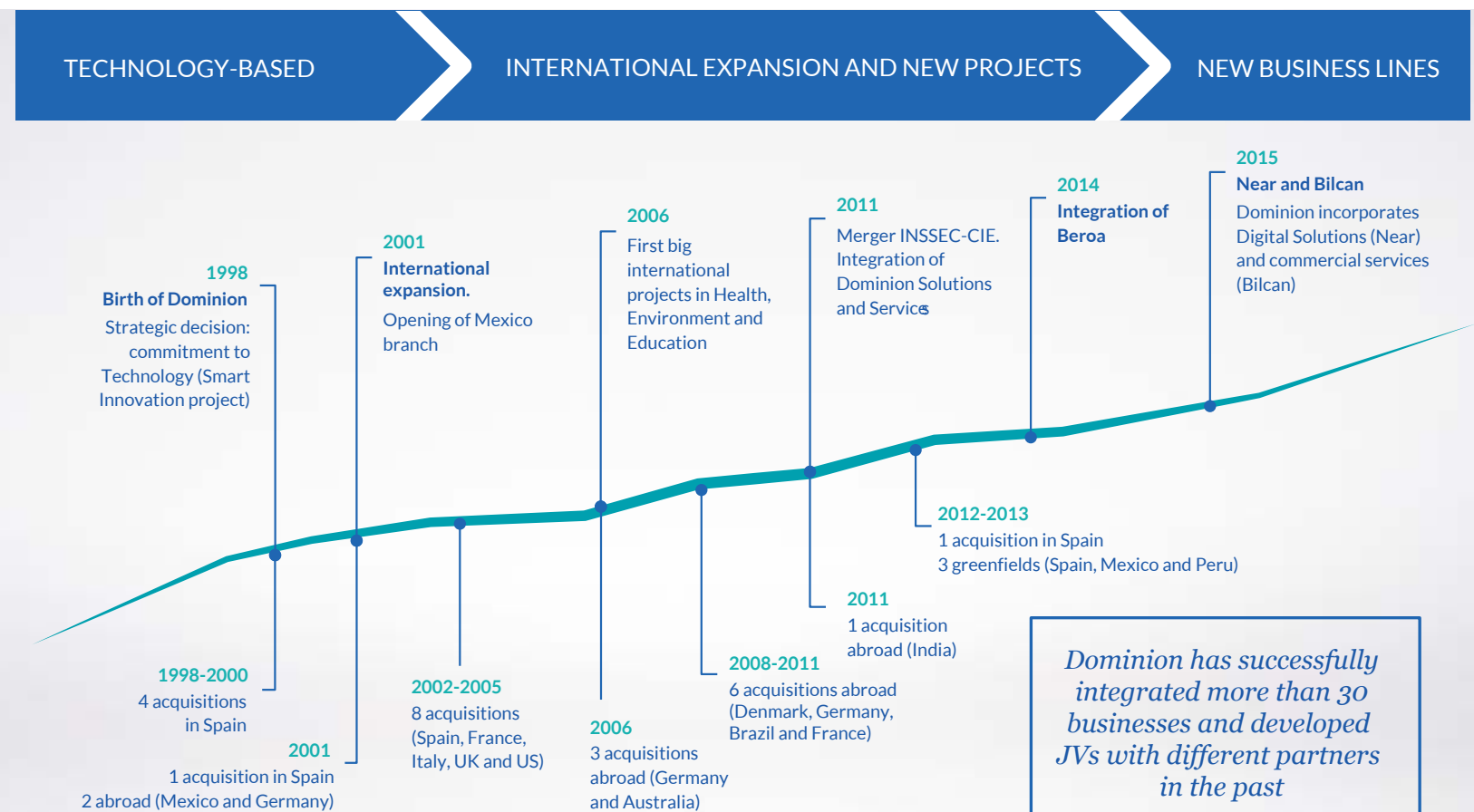
Dominion has been growing and proven capable of transferring these skills and methodology know-how, which are now part of its value proposition, to other sectors. Today, it has emerged as a global supplier of multi-technology services, solutions and specialised engineering and commands a leadership position in certain market segments.

Since its integration within the CIE Automotive Group in 2011,

Dominion has undertaken several mergers and acquisitions in order to diversify its business. Some of the most significant transactions include the acquisitions of Beroa (industrial services and solutions), Bilcan (commercial services) and Global Near (digital software and solutions).

Dominion and Beroa have between them pursued over 30 acquisitions, mergers and joint ventures and the group's geographic footprint has extended to reach 28 countries.

"Dominion's geographic footprint has increased to 28 countries, thanks to mergers, acquisitions and joint ventures"





Segment

Dominion articulates its activities around two segments:

Multi-technology services (Services)

This segment provides value-added services, such as the design, implementation, update and maintenance of fixed and mobile telephony networks, the management of sales and distribution processes for telecommunications providers, and inspection, maintenance, repair and renovation services for industrial and energy companies.

In general, Dominion's Services segment takes on end-to-end management of customer processes by means of business process outsourcing (BPO) arrangements. The contracts entered into in this segment tend to span several years and therefore constitute a source of recurring revenue.

Solutions and specialist engineering (Solutions)

The Solutions segment executes one-off projects designed to offer end-to-end solutions or improve specific customer business processes. This segment encompasses the following activities:

- **Execution of turnkey or engineering, procurement and construction (EPC) projects:** projects for the design, construction and operation of specialist infrastructure such as hospitals, civil protection systems and industrial facilities.
- **The design, construction, repair and renovation** of facilities related with the management of heat produced in industrial processes (e.g., refractory linings for industrial furnaces, flues and refrigeration towers).
- **The design and implementation of technological and business solutions** for customers in select markets.

Solutions and services by area of expertise

Within the foregoing segmentation, the group offers its multiple services and solutions in three main areas of activity or specialisation:

- **T&T** (technology and telecommunications), providing multiservices and solutions and EPC contracts in industries such as the healthcare, education, telecommunications, transportation, logistics and public sectors.
- **Industry**, offering multi-services and solutions to the metal, petrochemicals, glass and cement industries, among others.
- **Renewable energy**, mainly in the photovoltaic, solar thermal and wind energy segments.

Services and
Solutions PortfolioActivity
FieldsMulti-Technical
ServicesSolutions & Specialized
Engineering

T&T



Telecommunication services: technical services in telecommunication networks (design, construction, installation and maintenance of fixed and mobile networks).

Commercial services: management and operation of complete sale processes for telecom operators and industrial companies.

Internal solutions: develops and commercializes its own technological platforms and business solutions.

External solutions: third parties solutions oriented to monitor and improve client's processes.

360° Projects: complete turnkey projects mainly in the healthcare, civil protection and environmental sectors.

Industry



Outsourcing services: maintenance activity integrated in the continuous production process of the clients mainly in the steel industry.

Shutdown Management and Repair Services in the area of industrial linings for the basic industry.

Hot repairs: repair of furnaces while in production.

Tall structures: turnkey construction of concrete chimneys and steel chimneys, cooling towers, solar towers, silos, LNG tanks and concrete windmills.

Industrial linings: turnkey projects of refractory linings for furnaces and boilers, external insulation, acid proof linings and fire proofing.

Renewable
Energy

Maintenance services: monitoring and maintenance of renewable energy plants, mainly in the wind and solar photovoltaic industries.

EPC Projects: complete turnkey projects of renewable energy plants (engineering, civil works, monitoring systems, electrical wiring, commissioning, etc.).



A successful model

Dominion's business model is underpinned by the following key principles:



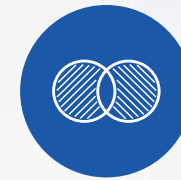
Technology-intensive approach

Dominion leverages its sector and technology know-how and ability to innovate to help customers redesign and optimise a broad range of business processes. Taking a 'onestop shop' approach, Dominion strives to integrate technology developed internally and externally with a view to developing new services and solutions capable of adding value for its customers.



Operational gearing and scalability

The company seeks to create operational gearing and scalability by concentrating its technology, sector and smart process knowhow upstream within its light and nimble central structure, while encouraging cross-selling and cost flexibility on the part of its decentralised middle management teams by means of appropriate use of tools such as outsourcing arrangements.



Diversification

By concentrating its technological track record and process intelligence centrally, Dominion can apply its know-how across multiple sectors and geographies by pursuing a 'plug-and-play' philosophy in order to promote crossselling and the ability to adapt thanks to its reduced dependence on individual customers or businesses.



Financial discipline

Dominion establishes and encourages exacting objectives centred on the generation of healthy cash flow, efficient working capital management, strict capex discipline, management of the R&D effort and M&A activity.

6. Strategy

| 6.1. Market backdrop

| 6.2. 2013-2017 Business Plan

CIE Automotive has already delivered, in 2015, some of the key guidance initially contemplated for the end its 2013-2017 Business Plan, which is based on three key lines of initiative: an increased presence in Asia, growth via greenfields and maintenance of a solid financial position.





6.1. Market backdrop

2015 was a year of growth in the automotive industry: vehicle sales rose 2.2% year-on-year to 85.4 million units, a new world record. However, the pace of growth in global sales was the lowest since 2010 and the international panorama was replete with contrasts.

The mature markets, particularly the US and western Europe, topped expectations. The US consolidated its position as the number two sales market, registering sales growth of 6%, while Europe confirmed the anticipated recovery. In contrast, some of the key emerging markets, such as Brazil and Russia, remained immersed in a downward spiral, with sales plummeting 26% and 36%, respectively.

China held onto its global leadership position and, despite a sharp slowdown, posted sales growth of 6%. India, the world's

sixth largest manufacturer at almost four million vehicles, managed to find its way back to growth on a par with the Chinese market - 6% - in the wake of two years of sales contraction.

"In NAFTA, vehicle sales reached 1.9 million units in December 2015, year-on-year growth of 7.6%, bringing the 2015 regional total to 20.5 million units"

These contrasts are expected to be less pronounced in 2016. The US and European markets are expected to remain dynamic, albeit growing less spectacularly than in 2015, according to IHS. In contrast, the decline in other markets which have already

contracted sharply, such as Russia, South America and certain markets in South-East Asia, is expected to slow. In all, sales are expected to grow by 1.9% in 2016 to 87.1 million units.

Current forecasts point to annual global growth in light vehicle sales of 2.3% to 2021 to 99 million units.

Vehicle sales worldwide

(million units)

	2014	2015
Europe	18.03	18.65
China	22.22	23.52
Japan/Korea	6.96	6.60
Middle East/Africa	4.26	4.10
North America	19.24	20.50
South America	5.34	4.38
South-East Asia	7.51	7.68
TOTAL	83.56	85.43



Industry trends

The importance of logistics in terms of vehicles is emerging as an essential part of the automotive industry and this trend is expected to continue to gain force in the coming decade. Competitors, suppliers and logistics providers need to monitor these trends and developments to come up with a joint strategy.

At a time when quality standards are virtually on a par all over the world, the ability to eke out additional margins per vehicle is becoming a key success factor. The ability to deliver a high-quality product in low cost markets, particularly for the best-selling brands, will be important to triumphing in this increasingly competitive environment.

Looking to what the future holds in store for Europe's OEMs, foreign purchases are expected to slow; however, the sector will be marked by ongoing changes within the region, specifically a shift in the western European supply model towards lowercost central and eastern European procurements. Mexico, meanwhile, would appear to be emerging as a major regional, if not global, production base.

Towards more environmentally-friendly vehicles

In today's increasingly environmentally-aware society, people are questioning whether the diesel engine is really the way forward for the automotive industry, reactivating the search for alternatives. Innovation is currently focused on electric engines, although the revolution implied by the use of shale gas in the US is also worth highlighting.

Looking forward, certain experts are talking about autonomous

or quasi-autonomous cars in response to growing environmental and safety concerns in the industry. In parallel, new business models are expected to proliferate, such as car-sharing arrangements in which vehicle usage is decoupled from vehicle ownership. This format is already being rolled out in major European cities.

Confirmed recovery in Europe

Vehicle production rose by 4.3% in Europe in 2015, while vehicle sales increased 3.4% to 18.6 million units, driven by dynamic sales in Western and Central Europe (sales growth: 14.7%), offsetting contraction in Eastern Europe.

This trend confirmed the momentum initiated the European Union (including Turkey) the year before, driven by economic recovery, with vehicle production jumping 7.5%. The strength in internal demand was mitigated, however, in part by the contraction in shipments to Russia and China.

In contrast, production plummeted 28% in the Commonwealth of Independent States, which was less than the correction in internal demand thanks to exports.

Eastern Europe also continued to register a worrying drop in sales of 13.7%, shaped partly by Russia where sales were some 37.5% lower.

In Spain, the automotive industry is proving one of the key sectors in the economic recovery and is spearheading the shift in productive model, moving into the manufacture of highly

value-added vehicles.

The major OEMs remain committed to Spain thanks to employee skill levels, cost-cutting and the modern and highly automated nature of the factories. The 17 manufacturing facilities operated by the multinational car makers in Spain assembled 2.7 million vehicles in 2015, 13.2% more than in 2014. This figure ranks Spain eighth in the world in terms of vehicle production, ahead of Brazil (with 2.3 million).

The innovation and technology specialisation contributed by the automotive parts makers have been key to earning and maintaining the OEMs' confidence. In 2015, the sector invoiced close to €32 billion, up 7% from 2014, according to estimates compiled by SERNAUTO, the Spanish association of automotive components manufacturers. Another key figure revealing the weight of this industry in the Spanish economy: it employs 330,000 people directly and indirectly, making it one of Spain's core strategic sectors.

6.1. Market backdrop



6.2. 2013-2017 Business Plan

North America

In North America, vehicle production rose 2.5% to 16.4 million units in 2015. It is worth highlighting how the US OEMs are positioning themselves as exporting powerhouses: 8.5% of production is exported and this figure is expected to increase to 10% in 2020.

Vehicle sales amounted to 1.9 million units in December 2015, year-on-year growth of 7.6%, bringing the 2015 total to 20.5 million units.

The US secured its position as the world's second largest vehicle producer once again, producing 11 million units in 2015. The growth in production by Japanese OEMs, which have invested significantly in US factories, research centres and car dealers, stands out.

The major US OEMs still have their eye on Mexico, the world's seventh largest producer, at 3.2 million vehicles, with multimillion investments slated for this market.

Looking ahead, experts are predicting significant home-market demand growth driven by increasing middle class prosperity in Mexico. Estimates point to production levels of five million units by 2020, which would push Mexico up to fifth place in the global production rankings.

India

In India, one of CIE Automotive's priority markets, vehicle sales gathered momentum gradually over the course of the year, registering double-digit growth in the last quarter, driven by year-end discounts and lower interest rates, among other factors. India produced 3.8 million vehicles in 2015, up 5.8% from 2014.

The outlook for this market is promising, underpinned by consumer spending buoyancy in recent months.

Brazil

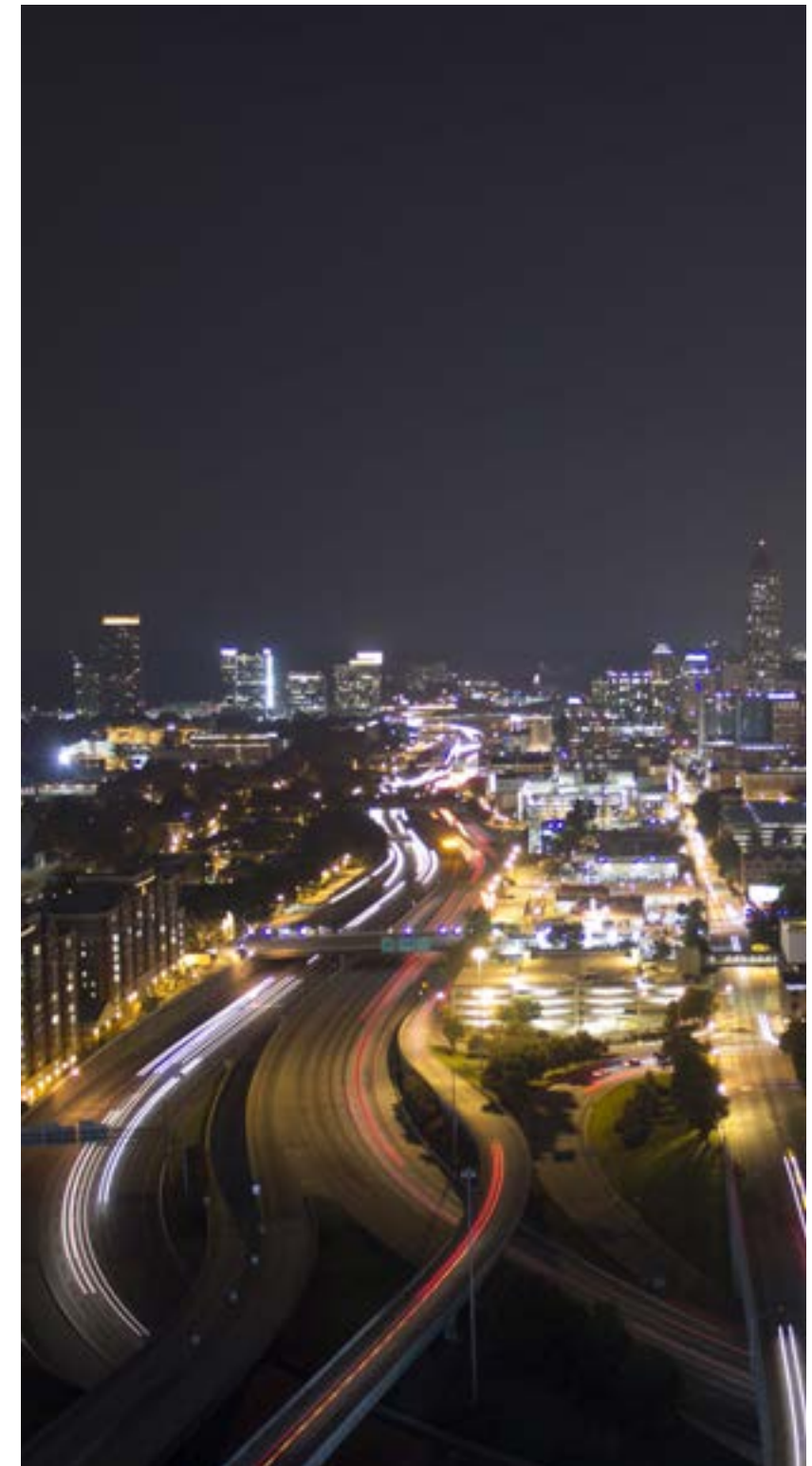
Against an adverse economic backdrop, marked by unemployment, high interest rates and a credit crunch, new vehicle sales in Brazil were hit hard, hurting production in the process.

Vehicle sales fell by 25.6% to 2.5 million units in 2015, while production contracted by 22% to 2.3 million vehicles, the worst performance since 2006.

China

Production growth in China eased to 5% in 2015 to 22.7 million units. Light vehicle sales, meanwhile, totalled 23.5 million units, year-on-year growth of 6%.

The sector is expected to remain dynamic going forward thanks to government stimulus measures as well as the fact that there are only seven cars per 100 inhabitants in China, compared to 50 in Germany and 80 in the US.





Dominion's market environment

Dominion's smart innovation business, which is focused on enhancing its customers' productive processes, depends fundamentally on growth in production and investment levels in each of its operating sectors and the level of maturity of each in terms of their process digitalisation needs.

Given the broad spectrum of sectors and geographies in which Dominion operates, it is hard to provide a detailed description of the market environment. There are, however, a series of meaningful trends:

Shift towards outsourcing:

Enterprises are concentrating on their core businesses in order to boost productivity.

Growing interest in reducing costs and boosting operational efficiency Increasing complexity and digitalisation of industrial processes and construction systems.

Growing regulatory requirements and search for energy efficiency:

Environmental and energy efficiency regulations are becoming increasingly stringent.

There is growing energy awareness and interest in streamlining costs in this arena.

Increasing regulatory requirements for maintenance and renovation services.

Demand for end-to-end solutions and services:

Growing interest in suppliers capable of providing 'one-stop shopping' services and solutions.

Outsourcing decisions are being taken at the corporate level.

Growth potential deriving from current market fragmentation:

Highly fragmented competitive landscape creating opportunities for efficient consolidation policies.



6.2. 2013-2017 Business Plan

CIE Automotive launched its 2013-2017 Business Plan three years ago. This plan established a roadmap for doubling group sales over a five-year period to the €3 billion mark, delivering an EBIT margin of over 9% and a leverage ratio of 1.5 times EBITDA.

6.2.1. Business Plan

Between 2013 and 2014, the company was extremely active at the corporate level, developing greenfield factories in Mexico and Russia, issuing equity, closing several financing transactions, acquiring Beroa, Bilcan and Near via Dominion, delisting Autometal in Brazil and integrating Mahindra CIE.

CIE Automotive already delivered in 2015 some of the key objectives initially set for 2017 and at the time of issuing this report the Business Plan will be published.



	2013	2017
Revenue	≈ €1.8 billion	≈ €3 billion
CAPEX	CAPEX 2013: €500 million	CAPEX 2013-2017: €1 billion (accumulated)
EBITDA margin	≈ 14%	≈ 14%
EBIT margin	≈ 9%	> 9%
NFD / EBITDA	2.4x	<1,.5x



Lines of initiative

The company established three major lines of initiative in its 2013-2017 Business Plan which it has been executing in record time, fulfilling the plan two years ahead of schedule:



1

Significantly increasing its presence in Asia.

2015 was the first full year of consolidation of Mahindra CIE, the company created in the wake of the alliance entered into with the Mahindra Group in 2013. This integration marked the company's entrance into the Asian market via India, a democratic nation where vehicle registrations are rising and are forecast grow by 14% in 2016.

2

Fostering a growth strategy articulated around greenfield projects, leveraging the company's know-how, to make strategic products designed to reduce consumption and increase safety and comfort.

The company has rolled out greenfield projects in Mexico, Brazil, China and India to respond to customer needs. At the end of November, it completed construction of a new factory in Togliatti (Russia), which will make injection moulded and machined aluminium parts.

In recent years the company has been committing strategically to strategic, value-added products, mirroring market trends, notable among which, crankshafts, fuel rails and electric steering parts.

3

Maintaining a solid financial position coupled with a management model focused on value creation.

2014 marked the successful completion of the process of raising funds for the five-year plan. This process enhanced the group's debt structure and borrowings costs. In 2015, it renewed its syndicated loan, reducing the spread and extending the maturity date.

In 2015, the group perfected its management model by integrating the newest corporate governance recommendations for listed companies into its governance system.



On the smart innovation front,

the strategy at the heart of Dominion's plan is to extend its sustained and profitable growth by leveraging its know-how, capabilities and market position.

Its medium-term strategy calls for compound annual organic sales growth of 7%, topped up by acquisition-led growth. The plan is to boost this platform's EBIT and EBITDA margins by two points and to keep its RONA above 20% and its ND/EBITDA ratio below 2.

To achieve this, Dominion will leverage a series of profitability growth drivers:

Growth drivers:



Spotlight on cross-selling

Dominion's presence in many geographic markets is limited to a single line of activity. The company's goal is to offer its full range of areas of expertise in both the Services and Solutions segments in all its geographic markets. In parallel, Dominion's extensive customer base generates significant untapped opportunities for cross-selling.



Cross-fertilisation

Dominion's ability to eke efficiency from productive process using its smart innovation model is valid for companies in a broad range of sectors and can be tailored for every customer's unique characteristics. This scope for crossfertilisation represents a huge growth opportunity.



Mergers & acquisitions

Dominion's markets are highly fragmented and comprise a large number of small-sized regional and local players. Against this backdrop, Dominion believes that the industry consolidation trend is set to continue, to which end it is continually evaluating potential transactions.

Profitability drivers:



Combination of high-margin businesses and operating efficiency

Dominion intends to increase its profitability and cash flow generation by implementing three interrelated initiatives:

- A gradual increase in the relative weight of the solutions segment which tends to present higher margins.
- A strategic focus on higher-margin customers and projects, i.e., not sacrificing margins for volumes.
- Ongoing overhead rationalisation underpinned by Dominion's lean management model and its ability to absorb new sources of margin contribution without increasing the central structure.



Platform priorities

In 2015, CIE Automotive pursued a different strategy for each platform and region. Execution was supported by the joint efforts of the divisional organisations and corporate network.

On the automotive front, it worked on the following lines of initiative:

- Boosting its market share in a burgeoning European market.
- Bringing the Mahindra CIE operations in line with CIE Automotive's standards.
- Launching higher-margin strategic products in NAFTA.
- Increasing productivity and market share in Brazil.
- Stepping up the pace of improvement at its Asian operations.

By sticking closely to its strategic plan, in 2015, CIE Automotive already delivered the key strategic objectives initially set for 2017: doubling 2013 profit and lifting its EBIT margin above 9%.

It also managed to return to its leverage comfort zone (Net Debt / EBITDA of < 2x), lift its return on net assets (RONA) above 17%, boost equity by €320 million relative to 2013 and double its market capitalisation to €1.99 billion.

As for management of its financial needs, it enhanced its debt maturity profile and negotiated reductions in initially-agreed spreads. Taking advantage of ultra-low interest rates, it locked in more fixed-rate debt in respect of its long-term structural borrowings.

Dominion's efforts in 2016, meanwhile, will focus on:

- Shaking up operations in the various activities, further entrenching Dominion's culture and model, characterised by a high level of autonomy paired with stringent financial and regulatory discipline.
- Fostering cross-selling across the various activities, technologies, countries and accounts that currently comprise Dominion, placing particular emphasis on 'cross-fertilisation', understood as the transfer from one area to another of the strategic focus on process digitalisation as the means to driving efficiency gains.
- Focusing on cost-cutting, internal benchmarking and the ongoing integration of Beroa, Bilcan and Near.

Thanks to this strategy, the company met its guidance under the Business Plan, posting revenue of €525 million, up 79% from 2014, and EBITDA and EBIT margins of 8% and 6%, respectively.



New sustainability plan

In 2015, CIE Automotive rolled out a new 2015-2018 Corporate Social Responsibility (CSR) and Sustainability Strategic Plan

which establishes the lines of initiative for integrating and addressing its stakeholders' concerns.

This plan calls for the following three main lines of initiative:

To respond to stakeholders' legitimate expectations by:

- Developing a new ethics framework by means of the creation of a new Code of Conduct and different policies establishing the guidelines governing relations between the members of CIE Automotive and each of their stakeholder groups.
- Systematising the process of identifying stakeholder expectations.
- Integrating environmental, social and governance (ESG) risks into supply chain management.
- Defining a talent management plan.
- Establishing an eco-efficiency plan along with a regime for monitoring it.
- Defining a community action management model.
- Providing sufficient information about all of the above in an annual report prepared in accordance with international integrated reporting standards and the GRI indicators.

To improve risk management and internal control:

- The company will implement an SAP tool between 2016 and 2017 which will centralise the information pertaining to all of the group's factories with a view to enhancing risk management.
- This tool will add value to the various divisions by improving and expanding the control environment, clearly exerting a dissuasive influence, while providing management with useful reports.

To ensure regulatory compliance in all markets:

- Ensuring compliance with the regulations in force in the various countries in which CIE Automotive does business by centralising contacts with all the legal firms that work for the various factories and controlling legal compliance across the different areas.

To meet these objectives, in 2015, the group set up a CSR & Sustainability Committee within the Board of Directors whose remit is to supervise the work of a Cross-Group Committee.

The latter, made up of eight of the organisation's professionals with expertise with respect to the various stakeholders, is tasked with execution of the CSR & Sustainability Strategic Plan, with the support and collaboration of senior management. The idea is for these concerns to be disseminated group-wide and to trickle down the organisation from top to bottom.

"The Cross-Group Committee, made up of eight members, is tasked with execution of the CSR & Sustainability Strategic Plan"

In its first year in operations, the Cross-Group Committee achieved the following:

- Elaboration of the 2015-2018 CSR & Sustainability Strategic Plan, with the help of Deloitte.
- CIE Automotive signed the United Nations Global Compact: communication throughout the organisation and performance of the work needed to position the company at the standards implied by this pledge.

- Preparation of the first Annual Report, corresponding to 2014, combining the financial and ESG reporting efforts, framed by relevance, transparency and sustainability criteria.
- Communication with expert CSR and Sustainability analysts: Vigeo, FTSE and MSCI.

7. Corporate governance

- | 7.1. Corporate governance model
- | 7.2. Corporate governance bodies
- | 7.3. Business ethics
- | 7.4. Risk management

CIE Automotive has established a corporate governance system designed to protect investor rights, curtail the governing bodies' power and regulate stakeholder engagement. In 2015, the company adapted this organisational structure in response to Spain's latest Unified Code of Good Governance for listed companies, fine-tuned its risk management model and enriched the group's body of ethics rules with new internal regulations, such as the new Code of Conduct, which was drafted factoring in best practices in this field and recent reforms to Spain's Criminal Code.





The corporate governance model is designed to protect the company's interests and is based on transparency and international governance standards. In constant evolution, in 2015, the model was adapted to reflect the requirements of the Unified Good Governance Code for listed companies published by Spain's securities market regulator, the CNMV, in February.

The most important governance bodies are the Annual General Meeting (AGM) and the Board of Directors. The powers and workings of each are regulated by the Bylaws, the Board Regulations and the General Meeting Regulations. At the 2015 AGM, the shareholders ratified the partial amendment of these rules and regulations to bring them in line with the CNMV's requirements.

These rules and regulations are part of an in-house governance framework which in 2015 was expanded with the drafting of new internal policies designed to govern stakeholder relations. Risk management and effective internal control are crucial elements of the governance model. Better definition and control of the risk management function is one of the objectives enshrined in the 2015-2018 CSR & Sustainability Strategic Plan set in motion last year.

“One of the key objectives enshrined in the 2015-2018 CSR & Sustainability Strategic Plan is enhancement of the enterprise risk management and internal control system”

The Board of Directors is the body responsible for defining and periodically revising CIE Automotive's organisational structure at the highest level; it delegates the duty of ensuring that the areas of the company below this structure have the human and capital resources they need in the executive team.

Transparency

Transparency is the bedrock of CIE Automotive's governance model. The company reports true and accurate information about its financial performance to generate credibility vis-à-vis its stakeholders. It files notices regarding price-sensitive information with the CNMV and prepares a Management Report to accompany its annual financial statements which details the company's performance and the strategy pursued each year. In 2015, it presented its first Integrated Report, providing information about financial matters as well as issues related to the group's social responsibility in a single document.

All this documentation is all available on the corporate website at www.cieautomotive.com.



7.2. Corporate governance bodies

7.2.1. Annual General Meeting

CIE Automotive's most important governance bodies are the Annual General Meeting and the Board of Directors. Its powers and duties comply with prevailing legislation and are mirrored in the Bylaws and these bodies' respective regulations.

The Annual General Meeting (AGM) is the body that represents CIE Automotive's shareholders. It meets at least once a year ordinarily during the first six months of the year to discharge the directors and management for their performance and ratify the annual financial statements and proposed appropriation of profit, as warranted.

Shareholder meetings other than AGMs are considered Extraordinary General Meetings (EGM).

CIE Automotive held its last AGM on 30 April 2015. It was attended, in person or by valid proxy, by 181 shareholders whose shares represented 78.66% of the total.

"The AGM of 30 April was attended by 181 shareholders whose shares represented 78.66% of the total"



The resolutions ratified at the AGM included:

- Ratification of the annual financial statements and discharge of management for the year ended 31 December 2014. Ratification of the consolidated annual financial statements.
- Approval for the payment of a final dividend from 2014 profits of €0.10 per share (before withholdings), which was paid out on 3 July 2015.
- Amendment of the Bylaws in order to adapt them to the amendments made to Spain's Corporate Enterprises Act 31/2004.
- Board authorisation for the derivative acquisition of own shares, either directly or through group companies, and for the reduction of share capital in order to cancel own shares, delegating the powers needed to execute this resolution in the Board.
- Board authorisation to increase share capital under the terms and limits stipulated in article 297.1.b) of the Spanish Corporate Enterprises Act, including the power to waive pre-emptive subscription rights in accordance with the terms of article 506 of the Corporate Enterprises Act.



7.2.2. Board of Directors

The Board of Directors of CIE Automotive is made up of 13 members, three of whom are executive, two independent and eight proprietary.

The company's highest decision-making body, its mission is to establish the general strategies for creating value for shareholders and supervising day-to-day management, which it delegates in the management team.

The Board's duties include authorising the annual financial statements, management report and proposed appropriation of profit of the company and its consolidated group for issue. It also strives to continually update and improve the corporate governance system. It appoints, ratifies, re-elects or dismisses directors as warranted and appoints directors to the various committees and committee positions and names and removes senior executives. It approves remuneration policy, dividend policy, tax policy and strategy and strategic investments and M&A deals.

In carrying out its remit, it considers the interests converging around it and oversees compliance with prevailing legislation in every operating market and with other corporate social responsibility commitments targets assumed voluntarily.

"In 2015, Shriprakash Shukla was appointed to represent Mahindra & Mahindra Ltd., replacing Hemant Luthra, who retired"

In 2015, the Board of Directors met on six occasions and all the meetings were presided by its chairman.

It is worth noting the resignation in 2015 of Hemant Luthra as the director representing Mahindra & Mahindra Ltd., having retired from his duties at the latter group for reasons of age. Shriprakash Shukla was appointed to replace him, similarly in representation of Mahindra & Mahindra Ltd., by means of the co-option procedure; his appointment is accordingly subject to ratification at the 2016 AGM.





Board of Directors (at year-end 2015)

	Position	Class of director	Executive Committee	Appointments and Remuneration Committee	Audit and Compliance Committee	RSC Committee
Antonio María Pradera Jáuregui	Chairman	Executive	Chairman			
ELIDOZA PROMOCION DE EMPRESAS, S.L., represented by Ms. Goizalde Egaña Garitagoitia	Vice Chairwoman	Proprietary	Member		Member	Chairwoman
Jesús María Herrera Barandiarán	Chief Executive Officer	Executive	Member			
Ángel Ochoa Crespo	Member	Independent		Chairman	Member	
Carlos Solchaga Catalán	Member	Independent		Vocal	Chairman	
Francisco José Riberas Mera	Member	Proprietary	Member	Vocal		
Juan María Riberas Mera	Member	Proprietary				
Fermín del Río Sanz de Acedo	Member	Ejecutivo	Member			
MAHINDRA & MAHINDRA, Ltd., represented by Shriprakash Shukla	Member	Proprietary				
MAHINDRA & MAHINDRA, Ltd., represented by Vankipuram Parthasarathy	Member	Proprietary				
ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L., represented by Francisco López Peña	Member	Proprietary				Member
ADDVALIA CAPITAL, S.A., represented by María Teresa Salegui Arbizu	Member	Proprietary			Member	Member
QMC DIRECTORSHIPS, S.L., represented by Jacobo Llanza Figueroa	Member	Proprietary				

Secretary (Non-Board Member):

- Don Roberto José Alonso Ruiz

Deputy Secretary (Non-Board Member):

- Don José Ramón Berecibar Mutiozabal



Committees

In order to carry out its duties more effectively, the Board of Directors articulates its work around four committees:

Executive Committee

A permanent committee in which the Board has delegated all of its powers other than those that that cannot be delegated in accordance with its Bylaws and those specifically reserved to the Board. The Executive Committee met five times in 2015.

	Position	Class of director
Antonio María Pradera Jáuregui	Chairman	Executive
Jesús María Herrera Barandiarán	Member	Executive
Fermín del Río Sanz de Acedo	Member	Executive
ELIDOZA PROMOCION DE EMPRESAS, S.L.	Member	Proprietary
Francisco José Riberas Mera	Member	Proprietary

Audit and Compliance Committee

Its purview is to oversee the financial reporting process and ensure the independence and effectiveness of the internal audit function. Its duties include revising the internal control and risk management systems, selecting, appointing and replacing the auditor and taking receipt of information from the auditor, whose independence it must safeguard. This committee held six meetings in 2015.

	Position	Class of director
Carlos Solchaga Catalán	Chairman	Independent
ELIDOZA PROMOCION DE EMPRESAS, S.L.,	Member	Proprietary
ADDVALIA CAPITAL, S.A.	Member	Proprietary
Ángel Ochoa Crespo	Member	Independent



Appointments and Remuneration Committee

Among other duties, this committee is tasked with formulating and reviewing the criteria for selecting director candidates, proposing and monitoring the director remuneration system, in particular the amounts of their annual pay, and overseeing new director selection procedures. It met three times in 2015.

	Position	Class of director
Ángel Ochoa Crespo	Chairman	Independent
Francisco José Riberas Mera	Member	Proprietary
Carlos Solchaga Catalán	Member	Independent

Corporate Social Responsibility Committee

Created in 2015, this Committee is made up of three members and its job is to promote the company's corporate governance and sustainability strategy, among other duties. It met once in 2015.

	Position	Class of director
ELIDOZA PROMOCION DE EMPRESAS, S.L.,	Chairman	Proprietary
ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L	Member	Proprietary
ADDVALIA CAPITAL, S.A	Member	Independent

“The Board of Directors created a dedicated Corporate Social Responsibility Committee, made up of three members, in June 2015 ”



Director profiles

CIE Automotive's directors are professionals of renowned solvency, competence and experience and they are appointed at the recommendation of the Appointments and Remuneration Committee.

Two of its 13 members (15.38%) are female. The Appointments and Remuneration Committee must propose candidates for membership of the Board who meet the requirements and have the skills needed for the post and ensure that the candidate selection process is not implicitly biased against female candidates.

CIE Automotive believes that the number of independent directors adequately reflects the company's shareholder structure, particularly in relation to the current free-float.

To prevent the risks posed by excessive concentration of powers in a single person, the roles of the Chairman and CEO are clearly defined in the company's Board Regulations and fall to different people, even though both sit on the Board of Directors. On February 25, 2015, the company notified the CNMV of the appointment of Carlos Solchaga Catalán as lead independent director. The lead independent director effect vely supervises the performance of the Chairman of the Board of Directors, the CEO and the Executive Committee.

Antonio María Pradera Jáuregui Chairman (executive)

A road engineering graduate from Madrid's Polytechnic University, Mr. Pradera began his career in 1979 as a director at Banco Bilbao, where he worked until 1985. In 1988, he was named executive director of Nerisa, where he stayed until 1993, when he moved to SEAT as director of strategy. He played an important role in the creation of INSSEC in 1995, where he served as chief executive until 2010. Since 2002, he has been serving as the executive chairman of CIE Automotive, working in the strategy and financial design departments. In May 2015, he was named director of Tubacex and in June 2015, director of Corporación Financiera Alba.

Goizalde Egaña Garitagoitia Vice Chairwoman (proprietary)

A graduate of economic and business science from Deusto University in San Sebastián, where she also completed post-graduate studies in Business Competitiveness and Regional Development and an executive financial management programme. She began her career in the finance department of Compañía Ibérica de Encuadernaciones S.A. (CINENSA) in 1989 and later joined the team of auditors at Attest Consulting (1990 - 1992). She also sat on the board of INSSEC for a time.

Jesús María Herrera Barandiaran Chief Executive Officer (executive)

A graduate of business administration from the Basque University, Mr. Herrera also holds a Master of International Expansion (from Euroforum). He joined CIE Automotive as CFO in 1991, also heading up the HR function for CIE Orbelan. In 1995, he was named deputy manager and in 1998 he was promoted to general manager. In 2000, he took over management of CIE Brazil and in 2002, of CIE Plasfil. That same year he was named global director of CIE Plástico, a position he held until 2005, when he took up the general manager spot at CIE America. He has been the CEO of Autometal

S.A. since 2010 and in 2011 he was named COO for the entire group; a year later he was named general manager of CIE Automotive. Lastly, in 2013, the Board of Directors appointed him as CEO of CIE Automotive.

Ángel Ochoa Crespo Director (independent)

A graduate of business administration from the Basque University, Mr. Ochoa also holds a Master of International Business Administration (MIBA) from the United States International University of San Diego. He boasts over 20 years' experience in the financial sector, having held a number of positions, including that of manager of the Multinationals Department at Barclays Bank, deputy director of Corporate Banking at Lloyds Bank, deputy general manager at Banque Privée Edmond de Rothschild Europe in Spain and director for the Basque and Cantabria regions at Banco Sabadell Atlántico. He has also sat on the boards of several open-ended collective investment schemes (SICAVs). He is currently investment advisor and partner at the firm Angel Ochoa Crespo EAFI. He is also director and secretary of ISLOPAN.

Carlos Solchaga Catalán Director (independent)

A graduate of economic and business science from Madrid's Complutense University, Mr. Solchaga has also completed post-graduate studies at the Alfred P. Sloan School at the Massachusetts Institute of Technology (MIT). In 1980, he was elected member of the Spanish Parliament as deputy for the PSOE and was subsequently re-elected in 1982, 1986, 1989 and 1993, ultimately presiding the Socialist Party's Parliamentary Group in 1993-94. Other noteworthy appointments: member of the Basque regional government prior to approval of the Euskadi Autonomous Statute (1979-80); president of the IMF's Interim Committee (1991-1993), Minister of Industry and Energy (1982-1985); and Minister of the Economy and Finance (1985-1993) in Spain. He is currently an international consultant and a managing partner of the firm Solchaga & Recio Asociados. Other current appointments

include: chairman of the Euroamerica Foundation; vice-chairman of the Royal Trust of the Reina Sofía art museum; president of the Arquitectura y Sociedad Foundation, chairman of the Advisory Board of the Roca Junyent law firm, member of the Scientific Board of the Elcano Royal Institute and member of the boards of Duro Felguera and Pharma Mar, S.A.

Francisco José Riberas Mera

Director (proprietary)

A law and business studies graduate from Universidad Pontificia de Comillas (ICADE) of Madrid. He began his career at Grupo Gonvarri in 1989 in the controller area, a group where he later assumed the roles of director of corporate development and CEO. He was one of the backers behind the creation of Gestamp in 1997, serving as this company's chief executive from the outset. In 1998, he joined the board of Aceralia Corporación Siderúrgica, a position he held until this company was integrated within the Arcelor Group. Today he is co-chairman of Corporación Gestamp and sits on the boards of Gonvarri Industrial and other Gestamp group companies. He is also a member of the management board of the IEF (acronym in Spanish for the Family Business Institute) and sits on the Spanish council of the NGO, Endeavor.

Juan María Riberas Mera

Director (proprietary)

A law and business studies graduate from Universidad Pontificia de Comillas (ICADE) of Madrid. He began his career at Grupo Gonvarri in 1992 in the business development area, a group where he later assumed the role of CEO. In 2005, he was one of the backers behind the creation of Gestamp Renewables, taking on the position of executive chairman in 2007. Since 2010 he has been serving as chairman of Gonvarri Steel Industries and co-chairman of Corporación Gestamp, the family-owned holding company. He is also a trustee of the Juan XXIII Foundation.

Fermín del Río Sanz de Acedo

Director (executive)

Fermín del Río Sanz de Acedo is a graduate of business administration (San Sebastián). He began his career as tax advisor in 1975 and is the founder of Norgestión (a consultancy specialised in mergers & acquisitions, tax law and finance). He provided services to this firm until 2008. Mr. Fermín del Río has also headed up ADEGI (the Guipuzcoa business association) and been a member of CONFEBASK, the Basque committee of business owner associations. Fermín del Río has served as chairman of Autometal S.A. and

is currently an executive director of CIE Automotive. He also sits on the boards of Fegemu S.A. and LM Machinery S.L.

Shriprakash Shukla

Director (proprietary)

A technology graduate from the Indian Institute of Technology at Banaras Hindu University, Mr. Shukla also holds an MBA from the Indian Institute of Management of Ahmedabad. He has built his career at multiple companies, including Dunlop India, Swisscom Essar (currently Vodafone Essar) and Reliance Infratel, where he served as executive chairman before joining the Mahindra group. He currently runs the latter group's Aerospace & Defence subsidiary, chairs Mahindra Sanyo Special Steels and sits on the Executive Committee of Mahindra & Mahindra. Previous posts at this group included director of strategy and of brand management.

Vankipuram Parthasarathy

Director (proprietary)

A commerce graduate from Gujarat University, Mr. Parthasarathy also holds an AMP from Harvard Business School. He began his career at Xerox, where he reached the position of associate director. In 2000, he joined the Mahindra group, where he held various executive positions. He is currently the CFO and CTO of Mahindra & Mahindra as well as sitting on the group's Executive Committee and on the boards of 15 subsidiaries.

Francisco López Peña

Director (proprietary)

A road, canal and port engineering graduate from Barcelona Polytechnic University, Mr. López also holds an MBA from IESE in Barcelona. He performed general management functions in mining sector companies between 1985 and 1990 and in the textile-retailing sector between 1990 and 1997. He joined Gestamp in 1998 as director of corporate development. In 2008, he took up the position of vice-chairman and CFO of the Gestamp group. He has been a member of Gestamp's board of directors since 2010

María Teresa Salegui Arbizu

Director (proprietary)

A graduate of economic and business science from Deusto University. Ms. Salegui began her career at the transport firm La Guipuzcoana (1988-2002), where she worked as general manager, a position she also held at DHL Express Iberia (2002-2004). She is currently the chairwoman of Addvalia

Capital and Perth Espacio y Orden, as well as sitting on the boards of several companies, including One Facility Management, Baztango and Sinergia Advisors.

Jacobo Llanza Figueroa

Director (proprietary)

A graduate of economic and business science from Paris's Sorbonne University. He built his career in investment banking, starting out in a number of positions at Banque Indosuez and Bancapital, before going on to create AB Asesores Moneda in 1992, an AB Asesores group company. In 1999, he joined Dresdner Kleinwort Wasserstein, where he worked as managing director of equities & derivatives for Latam, Eastern Europe, Africa and the Middle East. In 2002, he joined N+1, where he is a managing partner, as well as CEO of N+1 Asset Management. He also sits on the board of Tubos Reunidos.



7.2.3. Executive Committee

CIE Automotive has a Management Committee consisting of its CEO and the directors of its various divisions. They meet as often as is deemed advisable to evaluate the performance of the various business divisions and certain of their operating and strategic aspects.

7.2.4. Integration of CSR into the company's management

The Board of Directors is responsible for setting the company's social responsibility policies. On 15 December 2015, this Committee approved the Corporate Social Responsibility (CSR) and Sustainability Policy in order to establish the basic principles and general framework governing management of the sustainability practices embraced by CIE Automotive.

The principles enshrined in this policy (go to the "CIE and Corporate Social Responsibility" section of the "Business Model" chapter on page 23) provide the foundations for integrating corporate social responsibility into the group's management model and business strategy, thereby creating sustainable value for all stakeholders and the company itself.

"Oversight of the CSR & Sustainability Policy is the remit of the CSR Committee"

CIE Automotive's CSR & Sustainability Committee, newly created in 2015, is tasked with oversight of this policy, to which end it has delegated the duty of monitoring application of these principles in the new Cross-Group CSR & Sustainability Committee.

The latter committee is made up of eight professionals from a range of areas.

Effective application of the CSR & Sustainability Policy and the potential risks associated with it are framed by CIE Automotive's Risk Management and Control Policy, under which, in accordance with ISO 31000 methodology.

Members of the Cross-Group CSR & Sustainability Committee

Member	Area
Javier Álvarez	Human Resources
Lorea Aristizabal	Corporate Development
Yago Barandiaran	Dominion
Gonzalo Ceberio	Quality & Environment
Iker Hernández	Internal Audit
Susana Molinuevo	CSR & Compliance
Irache Pardo	Purchasing
José Yudego	Sales



7.2.5. Remuneration policy

Director remuneration seeks to reward the levels of commitment and responsibility assumed by the members of the Board of Directors with respect to the company and is determined on the basis of the duties and dedication intrinsic to the positions each director holds.

Director remuneration consists of a fixed annual sum paid in cash to all members of the board. Certain members, depending on their services and responsibilities, may also receive a bonus, similarly in cash, tied to objective indicators related with individual director target delivery as well as the company's performance. They also receive meeting attendance fees, which include the opportune insurance cover.

In 2015, the members of the Board of Directors as a whole received €3.5 million to remunerate them for their services, up 24% from 2014.

For further information on director remuneration, go to page 8 et seq. of the **Annual Report on Director Remuneration**, which is available on the corporate website www.cieautomotive.com



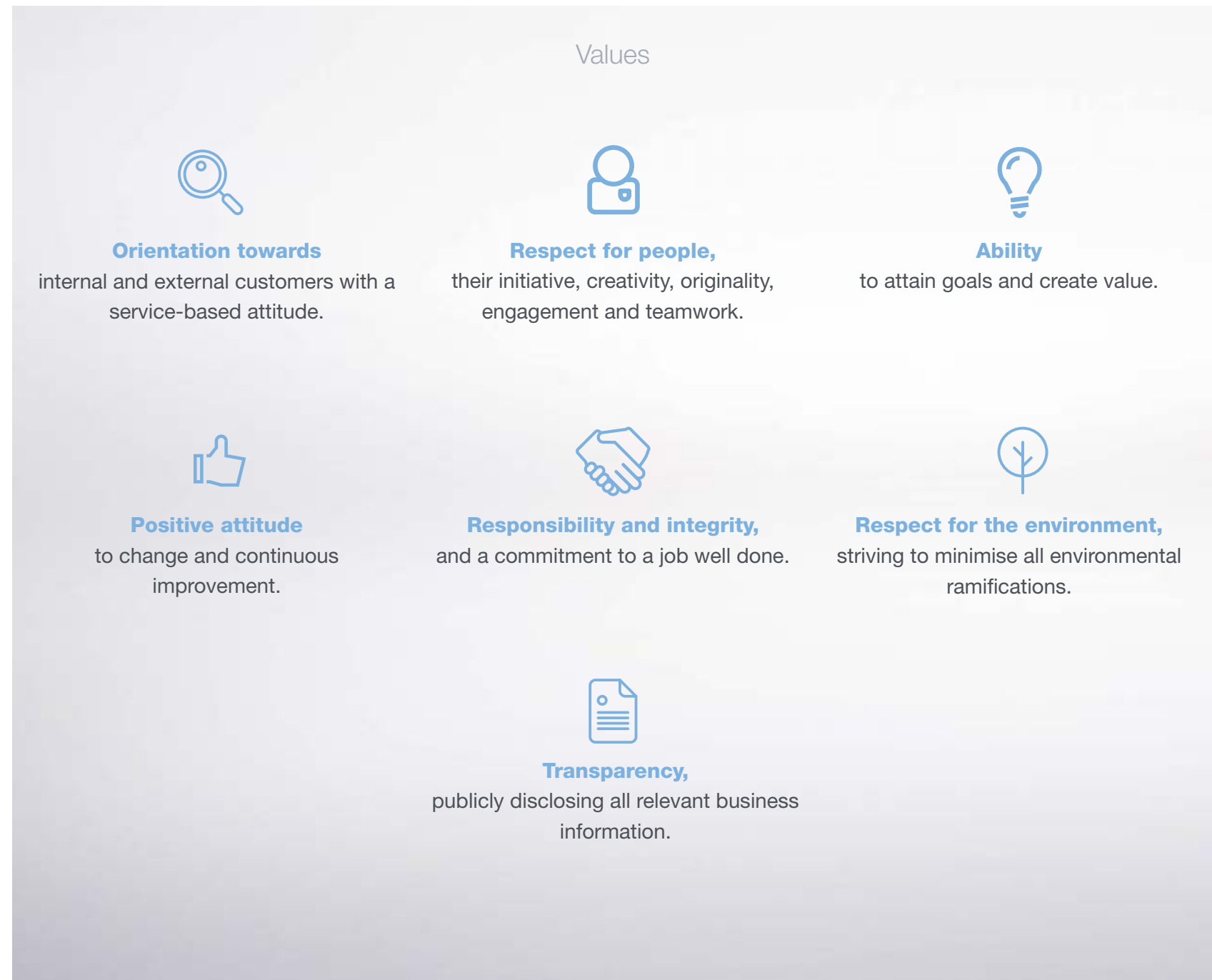
CIE Automotive



7.3. Business ethics

CIE Automotive has nurtured its corporate culture around the principles which govern its everyday work: customer orientation, respect for people, shareholder protection, target delivery, positive attitude to change, pride in a job well done, transparency and respect for the environment. Inspired by these values, in December 2015, the company approved a new Code of Conduct and enriched its ethics framework with regulations governing stakeholder relations. In tandem, it publicly demonstrated its support for universal rights by signing the United Nations Global Compact.

Since its incorporation, CIE Automotive has demonstrated integrity and professionalism in its business conduct, never failing to uphold prevailing legislation and internationally-recognised fundamental rights. In October 2015, it made this pledge formal by becoming a signatory of the United Nations Global Compact. By signing this initiative, the company has committed to voluntarily defending human and labour rights, protecting the environment and battling fraud.





Code of Conduct

CIE Automotive's commitment to ethical conduct and integrity is enshrined in a body of internal rules and regulations that have been designed with international corporate social responsibility standards in mind, notable among which the new Code of Conduct, approved on 15 December 2015.

This Code of Conduct, which is binding upon all members of the group, is intended to guide the actions of the directors, executives and employees of all of its companies.

In it, the company publicly manifests its zero-tolerance stance towards any form of criminal conduct; introduces transparency as the basic guiding code of conduct; pledges compliance with tax obligations and the proper use of public funds; and assumes its health and safety related duties, emphasising this obligation in respect of its employees. In addition, it categorically forbids all manner of corrupt or fraudulent behaviour or conduct, advocates respect for intellectual and industrial property rights and pledges to protect the personal data provided to it by the people it engages with. It establishes how the company's members should engage with the various stakeholders in both its everyday activities and in the event of conflicts of interests.

The Code of Conduct itself warns that breach of its rules can lead to the imposition of penalties.

The Corporate Social Responsibility Committee within the Board of Directors is responsible for supervising due compliance with the Code of Conduct.

CIE Automotive also has an Internal Securities Market Code of Conduct which stipulates how to deal with inside information, price-sensitive information and conflicts of interest.

CIE Automotive's General Secretary is tasked with managing a Control and Oversight Body which is in turn in charge of ensuring compliance with the provisions laid down regarding securities market dealings; this supervisory body reports to the Audit and Compliance Committee.

Whistle-blowing channel

The company has set up a whistle-blowing channel which any person within the organisation can use to make enquiries with respect to the Code of Conduct or report any perceived breaches thereof.

- **Dedicated e-mail inbox:**
whistleblowerchannel@cieautomotive.com
- **Postal correspondence addressed to the Compliance Department:** Alameda de Mazarredo 69, 8º 48009 Bilbao (Vizcaya), Spain.
- **Information and a communication channel within the corporate website.**

The information exchanged via the whistle-blowing channel is treated confidentially.

No claims were presented through the whistle-blowing channel in 2015.



New policies

CIE Automotive's ethical framework also comprises a body of in-house rules which stipulate how the company should conduct itself in different arenas.

CIE Automotive's commitment to responsible management was reinforced in 2015 by the approval of a host of internal policies related with its corporate social responsibility effort, all of which have been approved at the Board level:

"CIE Automotive has approved a universe of in-house policies related with its corporate social responsibility pledge"



CSR & Sustainability Policy

This policy establishes the basic principles and general framework governing the management of CSR & Sustainability practices and serves as the basis for integrating these issues into CIE Automotive's management model and business strategy, thereby creating sustainable value for all stakeholders and the company itself.



Purchasing Policy

This policy is designed to guide all procurement professionals with the ultimate aim of building a solid base of suppliers and partners, while enabling all group companies to purchase goods and services on the best possible terms.



Suppliers' Corporate Social Responsibility Commitment

Establishes binding criteria for CIE Automotive's suppliers in relation to universally-recognised social and labour rights and ethical business conduct.



Human Rights Policy

This policy formally sets down the company's human rights pledge, underpinned by the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work and the Tripartite declaration of principles concerning multinational enterprises and social policy.



Anti-Corruption and Fraud Policy

This policy is centred on combating corruption in all its forms by establishing the principles for guiding the conduct of the persons comprising the group.



Social Action Policy

This policy regulates CIE Automotive's actions in the community work arena, underpinned by the premise that the group is duty-bound to contribute solutions to the difficulties existing in its operating communities.



7.4. Risk management

2015 marked the kick-off of a Risk Management project the goal of which is to tighten control at all of the group's factories across its 35 operating markets, guided by the Risk Control and Management Policy.

CIE Automotive has an Enterprise Risk Management (ERM) system which ensures that all significant risks (strategic, operational, financial and compliance) are duly prevented, identified, evaluated, subjected to ongoing control and mitigated to within the tolerance thresholds approved by the Board of Directors.

This system is based on ISO 31000 methodology tailored for the group's needs. It defines the following main components: communication, establishing the context, risk identification, risk analysis, risk evaluation, risk treatment and risk monitoring and review.





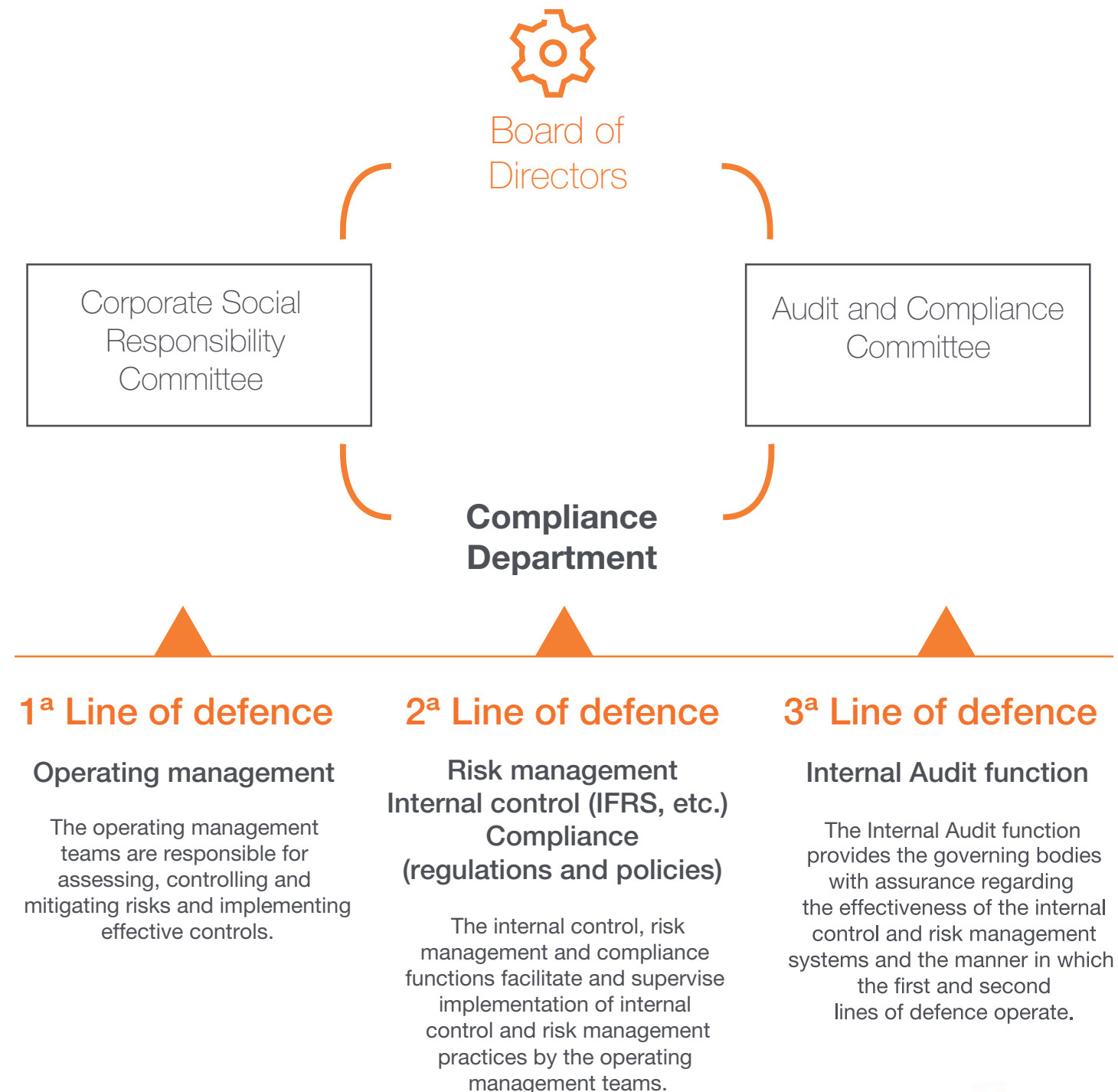
Risk owners

The various risk roles assigned under the ERM model can be grouped into three lines of defence against the risks that threaten delivery of the organisation's strategic, operational, financial/reporting and compliance objectives.

The Board of Directors is ultimately responsible to the company's shareholders for the effectiveness of the ERM model and is tasked with its supervision via the activities performed by the Audit and Compliance Committee.

Whereas the first line of defence depends directly on the senior officers and management team, the second and third lines of defence fall under the scope of the Compliance Department.

The internal audit function evaluates effectiveness of the ERM model and reports periodically on any shortcomings detected, taking a preventative approach designed to reduce sources of risk. Once the main risks have been identified, it elaborates action plans, sets deadlines for implementing them and designates the professionals accountable for their execution. The measures designed to correct the company's key risks are set down in the Internal Audit Annual Plan.





Improved risk identifiers and controls

In 2015, the company executed phase one of its Enterprise Risk Management project in order to enhance risk indicators and controls, process automation and fraud detection.

The company is working to specify risk identifiers in accordance with its Business Plan, expanding their scope beyond ICFR risks to encompass compliance risks in relation to criminal, tax and other applicable legislation.

As for controls, the company is working to lift the number of controls per facility to around 60, one-third of which will be fully automated, one-third semi-automated and the remainder manual. The scope of this initiative is 100% of CIE Automotive's factories worldwide.

At year-end 2015, a risk control and management software suite had been installed at 27 factories. This software enables online tracking of the level of internal control performance and any incidents and resulting action plans.

The processes controlled are: period-end closings (consolidation and reporting), property, plant and equipment, financial assets and liabilities, inventories, revenue/trade receivables, cash, provisions, cost of sales/accounts payable, human resources, tax, offers and industrialization.

Each of the types of risk outlined below has been duly monitored by the Compliance Department and the various divisions; in 2015, the internal control systems functioned properly and

the risks itemised did not have a material impact on the 2015 consolidated financial statements.

Thanks to this management effort, none of the substantial risks which could hinder delivery of CIE Automotive's business objectives materialised in 2015.

Corporate risks:

- **Regulatory risks:** derived from the reliability of the financial information reported, the lawsuits taken against the company, securities market law, data protection law, potential changes in tax regulations (in Spain and abroad) and civil liability.
- **Financial risks:** leverage, liquidity risk, exposure to exchange rate variability, exposure to movements in interest rates, risks deriving from the use of derivative financial instruments and investment-related risk.
- **Reporting risk:** this category encompasses reputational risks which could affect CIE Automotive's image and risks related to transparency and relations with analysts and investors.

Business risks:

These risks specifically affect each of the businesses and vary as a function of each activity's idiosyncrasies.

- **Operational risks:** risks relating to contracting, relations with customers, product quality, the environment, procurements and subcontracting arrangements.
- **Non-operational risks:** risks related to workplace health and safety, human resources, compliance with the legislation and tax regulations applicable to each business, the accuracy of the financial and accounting information and management of financial resources and leverage.



In 2015, the company worked to review and define its risk map, an effort which has improved the existing risk detection and mitigation policies.

The methodology was improved from prior years by expanding the universe of interviewees within the organisation and integrating the risks detected in the course of preparing the new business plan for the next five years (2016-2020).

The Compliance Department sent a catalogue of risks to all the senior officers and the professionals comprising the corporate and divisional management teams in Europe, India, Brazil, Mexico and at Dominion so they could review them and provide feedback. Having compiled their responses, it then prepared

a questionnaire regarding the probability of occurrence and impact on the organisation for evaluation by the universe of interviewees.

The risks are categorised as strategic, operational, financial or compliance risks, as indicated above, and total 33 in number, each defined in detail, along with the events that could give rise to their occurrence.

The probability of occurrence, which is rated on a scale, depends on prior and future occurrence.

The impact, similarly rated on a scale, is calculated based on three dimensions: financial (statement of profit or loss),

reputational and organisational impact.

Once it has received all these assessments, the Compliance Department prepares various risk maps, using the corporate risk map as the management tool for monitoring purposes. The Top 15 corporate risks are shown in the accompanying table.

CIE Automotive's Top 15 risk factors

Risk description	2015	2014	2013	2012
Succession plans for key management personnel	1	2	2	9
Skilled professionals for tackling CIE's international expansion and growth. Training and talent management policy	2	1	3	29
Exchange rate	3	6	1	8
Handling of the integration of the companies acquired, deriving in lack of control over these acquirees	4	15	15	7
Technological edge and vitality	5	-	-	-
New business or projects under execution fail to yield the anticipated results	6	17	11	11
Inability to cross-fertilise group synergies	7	5	-	-
Excessive dependence on specific customers/platforms, product families, etc.	8	7	4	10
Tax/fiscal risk	9	-	-	-
Inability to pass cost inflation on to end customers	10	3	16	1
Country risk	11	9	23	37
Dependence on certain raw material suppliers	12	24	29	18
Unanticipated shift in market trends and/or customer needs	13	28	19	-
White-collar crime	14	-	-	-
Corporate social responsibility related risks	15	-	-	-



The conclusions drawn about this Top 15 evidence the alignment between the risk map and the company's strategy and the effectiveness of the internal control system in the operating arena.

The risks ranking number 14 and 15 - business crime and CSR related risks, respectively - are new entries on this year's Top 15.

The inclusion of business crime risk is logical in the wake of the reform of the Spanish Criminal Code addressing the criminal liability of legal persons. Against this backdrop, at the end of 2015, the company began a project with Deloitte (scheduled for completion in 1Q16) for the design of a crime risk prevention plan; it will define the controls associated with the risks falling into this category and be managed as part of the ERM system.

The advent of CSR-related risks on the list reflects the approval of the CSR Policy and consideration of CSR principles and initiatives as an essential part of the company's strategy, as reflected in the 2015-2018 CSR & Sustainability Strategic Plan.

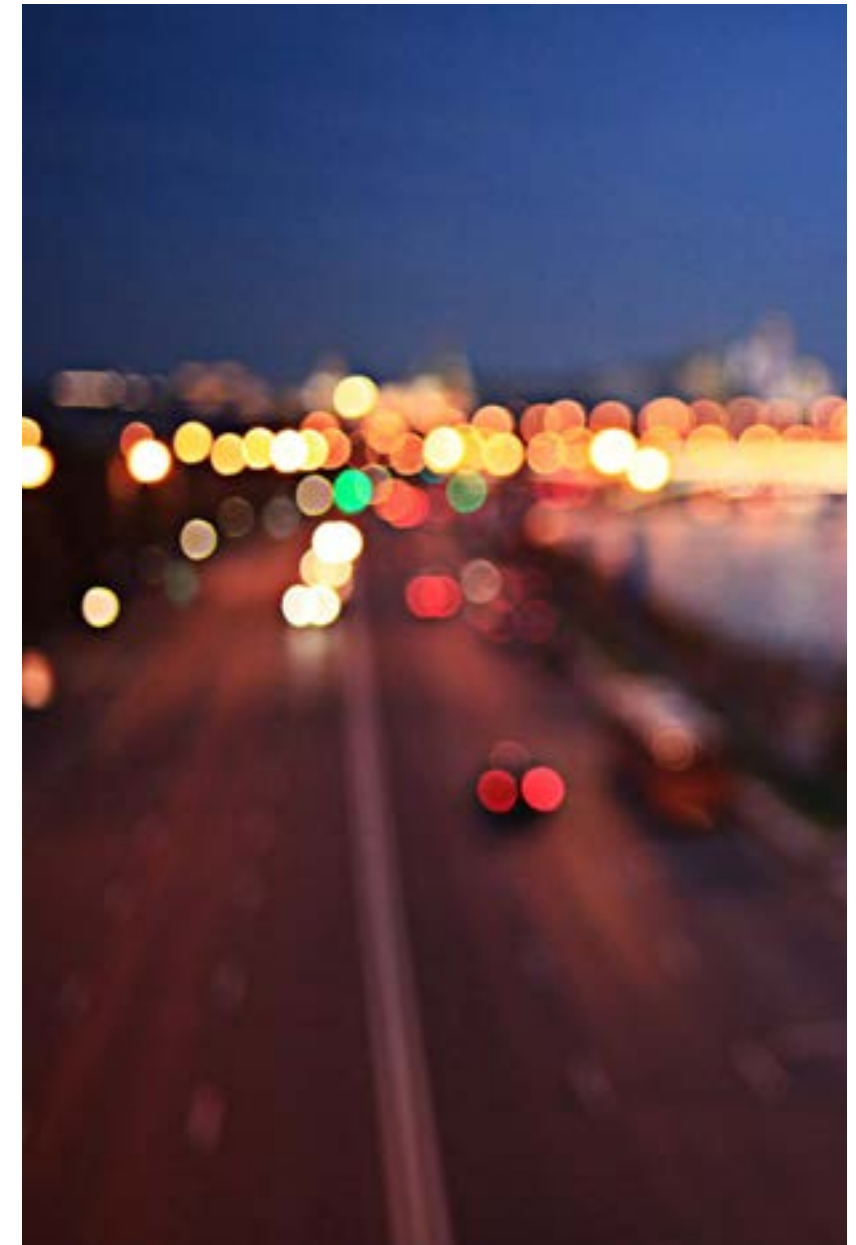
In the top positions, as in the last two years, are the strategic risks related to the succession plan for key management personnel and the need for skilled professionals to tackle the group's international expansion and growth. This is a crucial consideration and is directly related to the company's strategy; it has been heightened by the full consolidation of the businesses acquired from Mahindra Group, giving the company

a manufacturing presence in the automotive segments in new markets such as India, Germany, the UK and Italy, coupled with tremendous growth in NAFTA thanks to the launch of strategic products and new greenfield factories. It is crucial to increase the number of professionals versed in the 'CIE Automotive culture' to support the company's ongoing expansion.

Indeed, this aspect has been factored into the 2016-2020 business plan in respect of the various divisions comprising the company, for which there is a plan for hiring professionals with varying backgrounds. This plan will be supervised by the Compliance Department in order to establish a specific risk indicator.

CIE Automotive's presence in international markets obliges it to articulate an exchange rate risk management policy with the overriding objective of reducing the adverse impact on its activities in general and on its statement of profit or loss in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

To this end it uses a series of instruments including the forward sale-purchase of currencies; denomination of borrowings in local currencies if the debt markets are sufficiently deep, or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro; hedges of net investments in foreign operations (by denominating borrowings in the currency of the country in





which the company has operations insofar as these operations' assets are similarly denominated in that foreign currency, giving rise to currency translation risk).

Between 2013 and 2014, the group acquired majority shareholdings in companies located in India, so that the trend in the Indian Rupee is now being monitored in the same manner as the group's other international investments denominated in currencies other than the euro.

The group monitors the effects of exchange rate movements monthly (as a whole and for each of the currencies to which its operations expose it) on its statement of profit or loss, on the companies' operations and on each of the key headings of its consolidated balance sheet, including the net impact on equity. These impacts are reported to the Executive Committee and the Board of Directors.

Management risk in respect of newly-acquired companies is intrinsic to the top two risk factors in terms of the effort needed to instil CIE Automotive's business model and culture at the new acquirees and/or markets.

In light of the company's customers' growing demands, and to ensure due satisfaction of these demands, the need to constantly update and renew the cutting-edge technology implicit in its productive processes has emerged as a strategic imperative. Against this backdrop, the Corporate Engineering Department

is focused on creating new businesses, developing financially viable value-added products which fit with the corporate culture, detecting emerging technologies and providing the Sales Network with technical support (see section 8.3.1 of this integrated report). This risk is controlled by monitoring the order intake ratio; to date this risk has not been considered a significant business risk. However, its importance is growing in the wake of the company's growth trajectory. Regarding the profitability of new businesses and projects, this risk factor is analysed by means of ongoing monitoring, with the Compliance Department analysing the most significant investments as part of the rotating internal audits comprising the Annual Internal Audit Plan.

The risk factor related to the ability to unlock group synergies derives directly from the decentralised management model. However, work is being performed in this field in light of the global marketplace being targeted by the company; its importance has diminished from 2014.

Characteristically, CIE Automotive's diversified business model avoids undue exposure to customer/platform or product family concentration. However, concentration risk could materialise in certain specific geographies or at certain factories. Against this backdrop, the company's strategic initiatives remain focused on encouraging diversification.

The legislation and regulatory changes unfolding worldwide have made tax planning an urgent and vital imperative. This is



why tax risk features in the company's Top 15 corporate risks for the first time in 2015. This existence of risk and uncertainty is intrinsic to a tax system such as that prevailing, making it necessary for companies, particularly those with an international presence, to identify, monitor and minimise this exposure.

In 2015, in light of publication by the OECD of the 15 initiatives within its Base Erosion and Profit Shifting Action Plan, the group began work on a project consisting of the review of current application group-wide of all the recommendations issued with the aim of anticipating regulatory changes in each of the countries it operates in.

Under the umbrella of the strategic plan, the group has set a clear objective of increasing tax reporting transparency, having already begun to work in this direction in 2015.

Against this backdrop, in December 2015, the Board of Directors approved a Corporate Tax Policy and tax strategy, the overriding objective of which is to ensure compliance with applicable tax regulations in all the territories in which it operates. This fundamental objective - that of ensuring tax compliance - also fits with the broader objectives of upholding the company's interests and generating value for shareholders on a sustained basis by avoiding tax risks and inefficiencies in the business decision-making process.

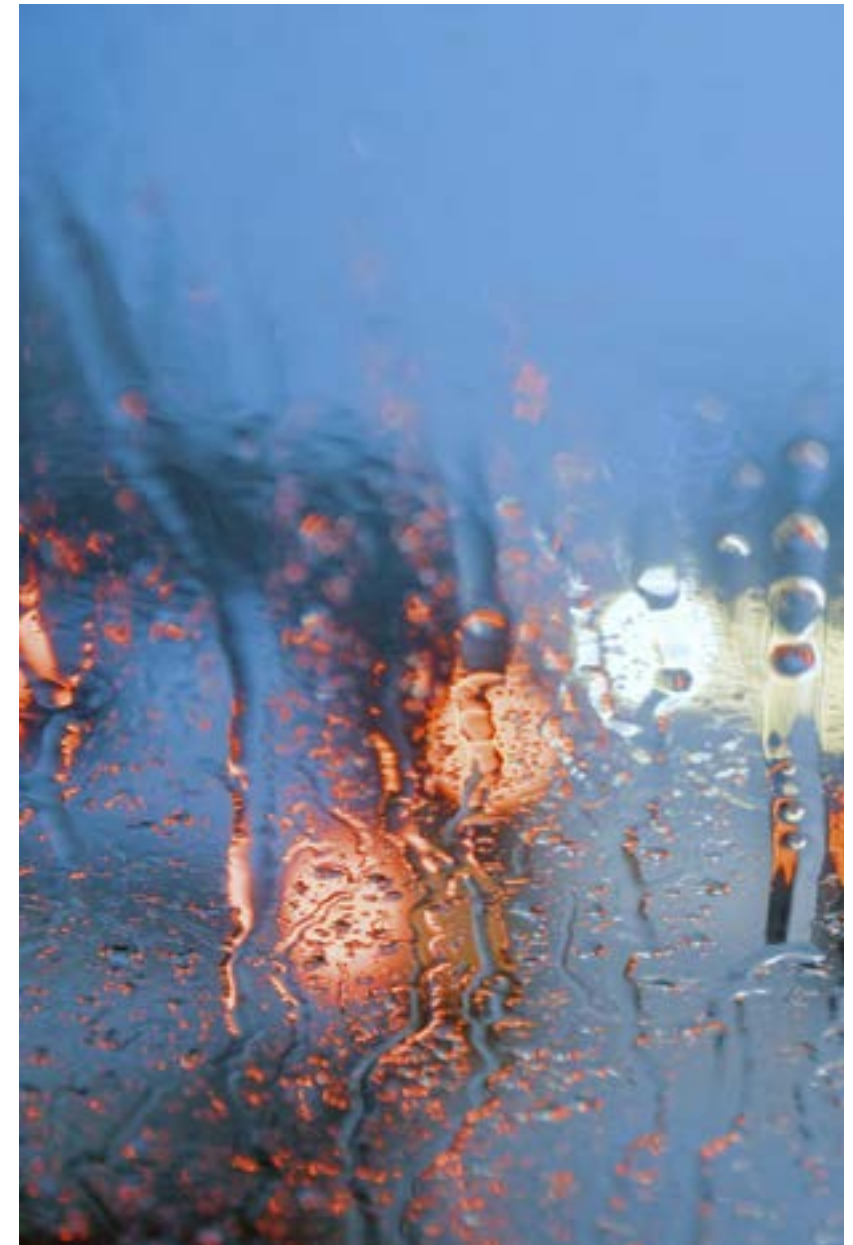
Under the umbrella of its CSR framework, the company promotes responsible tax practices taking into consideration the interests

and sustainable economic development of the communities it operates in, overseeing due application of best tax practices.

The company's long-term relationships with its customers and credibility in their eyes enable it to pass on cost inflation which affects both parties. The existence of multi-year supply orders means that substantial increases in costs can have a significant impact on the company's earnings. In some divisions, raw material costs are indexed to sales prices. In others, and for all other costs, these conditions are debated and negotiated with its customers, who are in turn tied to the company by the tooling investments made upfront.

Country risk is defined as the probability of occurrence of armed or political conflicts, legislative changes or other developments of any kind in a given country which could cause financial damage for the activities performed by CIE Automotive in that country. A good example is found in the political and legislative developments giving rise to protectionist and tax measures affecting imports in certain countries, such as Brazil. The existence of local partners in Asia, coupled with the experience gained in other geographies and management proximity, minimise the probability of occurrence of this risk factor. As for the economic situation in the various geographic regions, this risk is managed by increasing productivity and market shares, as achieved in Europe in recent years and in Brazil in 2015.

On the supplier front, the group strives to strike strategic agreements with suppliers which establish themselves as





benchmarks in terms of quality, innovation, design and fulfilment, as well as being cost competitive.

The execution of around 100 such strategic agreements in 2015 implies a competitive advantage by locking in competitive terms and conditions for the acquisition of products and services and guaranteeing pursuit of materials and process innovation projects destined to benefit both CIE Automotive and its suppliers and customers in the medium term. However, these agreements also pose a risk for the company, as evidenced by inclusion of this risk factor within the Top 15.

As part of the ongoing risk prevention and mitigation effort, the new target set for 2016-2017 is to increase the number of strategic agreements by 15%.

The risk related to the group's ability to adapt to market trends and/or customer needs has risen in the ranking substantially with respect to prior years as a result of the uncertain future of the diesel engine and its potential alternatives (full electric and fuel-cell powered vehicles, etc.). In this respect, the company is analysing the technology applicable to the various options, including the associated need to make vehicles lighter.

In a broader sense, the advance towards the fourth industrial revolution, marked by smart factories, interconnected systems along the productive process, additive manufacturing, collaborative robots and smart products (factory 4.0)

would seem unstoppable. This change is being shaped by customers who are going to demand personalised products in internet speed response times. In this sense, the automotive unit is complemented by Dominion, which positions it ideally for pioneering in these arenas and translating the changes afoot into a competitive advantage.

8. 2015

- | 8.1. Earnings performance
- | 8.2. Shareholder value creation
- | 8.3. Customer orientation
- | 8.4. Human resources
- | 8.5. Health & safety
- | 8.6. Sustainable supply chain management
- | 8.7. Environmental management
- | 8.8. Community

CIE Automotive posted its best-ever earnings performance in 2015: net profit of €129 million, up 59% year-on-year, driven by topline growth of 22% to €2.63 billion. 2015 was also marked by consolidation of the growth contributed by the alliance with Mahindra & Mahindra and the companies acquired by Dominion.

In terms of ESG developments, the group launched its Corporate Social Responsibility and Sustainability Strategic Plan which embodies the organisation's commitments to its stakeholders and the environment.



8.1. Earnings performance

CIE Automotive once again posted record net profit of €129 million, up 59% from 2014, and revenue of €2.63 billion, year-on-year growth of 22%. These figures evidence consolidation of the group's platforms after two years of intense M&A activity.

8.1.1. Milestones

JANUARY

Integration of all of the companies comprising Mahindra CIE concluded on 1 January.

Distribution of an interim dividend from 2014 profit of €0.10 per share, paid on 5 January 2015.

Dominion unveils its new corporate image, embodying its hallmark traits of efficiency, know-how and flexibility, to position and differentiate the brand.

Dominion presents its 2015-2019 Business Plan.

MARCH

Through its subsidiary, CIE Berriz, S.L., the company acquired 50% of CIE Automotive Hispamoldes, S.A., becoming this investee's sole shareholder.

MAY

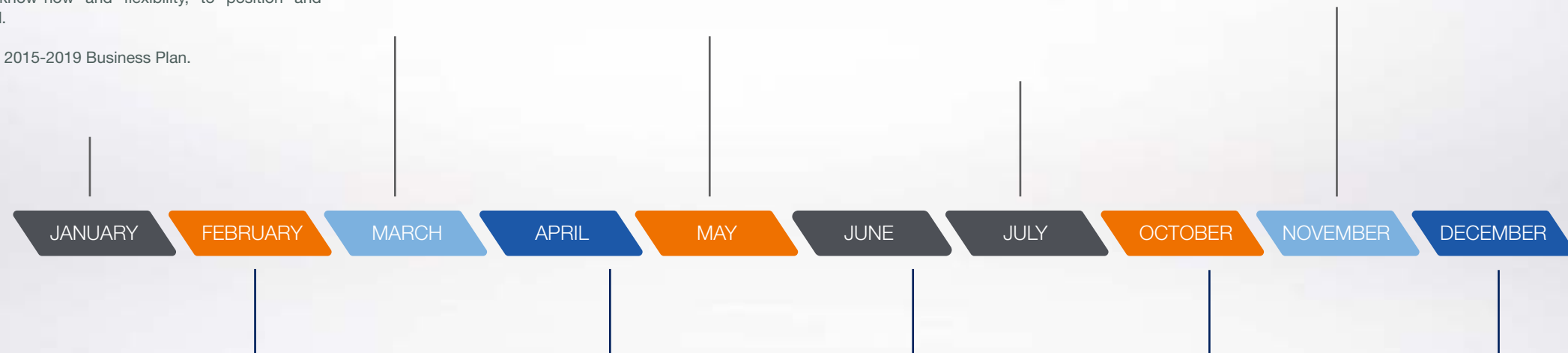
Dominion wins a contract from the Chilean rail system for the installation and maintenance of the radio communication system on the railroad stretch connecting Santiago and Rancagua worth €8.5 million.

JULY

Inauguration of a new factory in Pernambuco (Brazil) to manufacture all manner of plastic parts for FCA and other Tier 1 customers.

NOVEMBER

CIE Automotive inaugurates a new factory in the town of Togliatti (Russia), devoted to the manufacture of injection moulded and machined aluminium parts.



FEBRUARY

The CIE Automotive Group's shareholding in Metalcastello increased to 53.2% (2014: 50.87%) after this subsidiary's shareholders resolved to rebalance its negative equity, restoring it to €10 million.

Fuente Salada S.L. sold 6.46 million CIE Automotive shares (representing at 5.008% stake).

Dominion acquired 30% of the Chilean newco Sociedad Concesionaria Salud Siglo XXI, S.A. for the equivalent of €7.5 million, consolidating its interest in the construction and operation of the Antofagasta Hospital under a 15-year concession.

APRIL

Novation of the syndicated loan, negotiating a reduction in the initially-agreed spread and extension of the maturity date to 13 April 2020.

Shareholder approval at the AGM for the distribution of a final dividend of €0.10 per share (before withholdings) from 2014 profits.

JUNE

Interbox Technology emerges as a leading leading player just one year after its creation.

OCTOBER

CIE Automotive becomes a signatory of the United Nations Global Compact, thereby publicly committing to voluntarily defending human and labour rights, battling fraud and protecting the environment.

DECEMBER

Dominion initiates the provision of telecommunication services to Telefónica in Chile, reinforcing its presence in this country where it also has projects in the healthcare (Antofagasta Hospital), rail (Rancagua Express) and civil protection (Arica anti-tsunami system) sectors.

8.1.2. Earnings performance

CIE Automotive posted a net profit of €129.1 million, year-on-year growth of 59% in 2015, the first full year of consolidation of 100% of Autometal and the companies comprising the Mahindra sub-group. This new all-time record came in the wake of revenue growth of 22% to €2.63 billion.

Dynamic topline growth was accompanied by healthy growth in EBITDA (+26%) and EBIT (+42%) as well as significant margin expansion: the EBITDA margin widened to 13.9% and the EBIT margin, to 9.3%.

The group's solid earnings performance was driven mainly by the Automotive business, which accounts for 80% of revenue and 89% of EBITDA. This business not only consolidated new companies for the first time but was boosted by an excellent performance at the European and NAFTA factories, coupled with favourable exchange rate trends and a gradual improvement

in margins across the Mahindra CIE operations. Dominion contributed to the group's strong earnings performance, posting sharp revenue growth of 79%.



2015 earnings performance (€ million)

	2015	2014	Chg.%
Revenue	2,631.5	2,209.5	
Adjusted revenue (*)	2,631.5	2,160.3	+22%
EBITDA (**)	365.5	290.9	+26%
EBITDA margin (over adjusted revenue)	13.9%	13.5%	
EBIT (**)	244.3	172.2	+42%
EBIT margin (over adjusted revenue)	9.3%	8.0%	
Profit for the year	145.8	98.1	+49%
Net profit (**)	129.1	81.0	+59%

(*) Pro forma data calculated by eliminating sales of diesel for fuel mixing.

(**) EBITDA: earnings before interest, tax, depreciation and amortisation; EBIT: earnings before interest and tax; Net profit: profit attributable to shareholders.

A) Automotive

In an ever-changing sector such as the automotive industry, CIE Automotive's results evidence the fact that the company is well positioned, from both a geographic and operations standpoint, for continued growth. Adjusted revenue in this segment rose by 13% to 2.11 billion, while EBITDA climbed 21% to €323.9 million. It is worth highlighting the margin expansion at the EBIT level to over 10%.

Automotive earnings performance (€ million)

	2015	2014	Chg.%
Revenue	2,106.5	1,916.8	
Adjusted revenue (*)	2,106.5	1,867.6	+13%
EBITDA (**)	323.9	268.6	+21%
EBITDA margin (over adjusted revenue)	15.4%	14.4%	
EBIT (**)	215.1	160.6	+34%
EBIT margin (over adjusted revenue)	10.2%	8.6%	

(*) Pro forma data calculated by eliminating sales of diesel for fuel mixing.

(**) EBITDA: earnings before interest, tax, depreciation and amortisation; EBIT: earnings before interest and tax; Net profit: profit attributable to shareholders.

This excellent earnings performance was driven by a buoyant NAFTA market and stellar profitability at the Mexican and European factories, helping to cushion the challenging situation in the Brazilian market and low margins at the Mahindra factories integrated in 2014.

The group's unique strategic focus on multiple locations, customer diversification and stringent return criteria meant that growth at CIE Automotive outpaced the sector average by a factor of two.



In Europe, CIE Automotive's factories leveraged their productive capacity and operational excellence to take advantage of the gradual market recovery. This excellence is evident in the fact that margins widened for the seventh year in a row to levels well above the market average: the EBITDA margin was 18.4% and the EBIT margin, 11.6%.

Margins at Mahindra Europa remain lower, albeit continuing to improve, thanks especially to the performance at Metalcastello, integrated in December 2014. These factories are on track to reaching the group's standards, posting EBITDA and EBIT margins of 10.4% and 6.1%, respectively, in 2015, figures which include certain non-recurring costs, associated primarily with the closure of Jellinghaus.

Strong demand and the development of four greenfield projects in Mexico made NAFTA the group's second-largest market by sales. EBITDA and EBIT margins continued to widen to 22.1% and 18.1%, respectively.

In contrast, margins in Brazil narrowed due to market weakness and the recognition of restructuring charges. The EBITDA margin stood at 6.4%, while the EBIT margin fell to 0.7%.

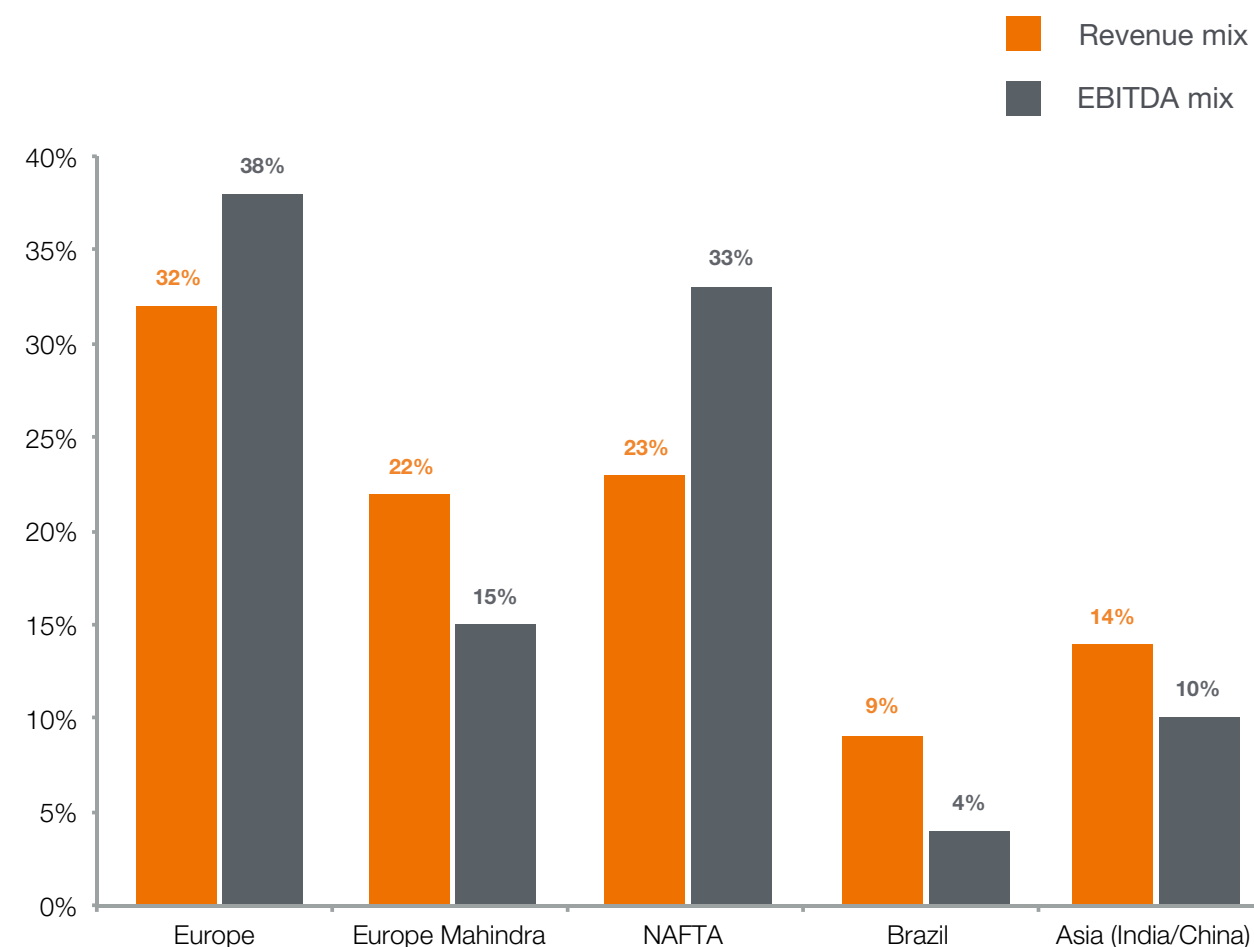
In Asia, margins were affected by the more recent integrations into Mahindra. The Indian business is awaiting new customer product launches, while the ongoing productive improvements are taking longer than anticipated to materialise.

In China, CIE Automotive is tackling the challenge of industrialising new projects with growing success.

As a result, this region's EBITDA and EBIT margins were 11.2% and 6.6%, respectively.

Earnings by geographic region

Geographic contribution to revenue and EBITDA



B) Smart Innovation

2015 was a very strong year in terms of revenue (which jumped from €292 million to €525 million in 2015) and the contribution margin (EBITDA before overhead, which increased from €31 million to €64.5 million). EBITDA was €41.6 million, growth of 87%, while EBIT growth was 152%.

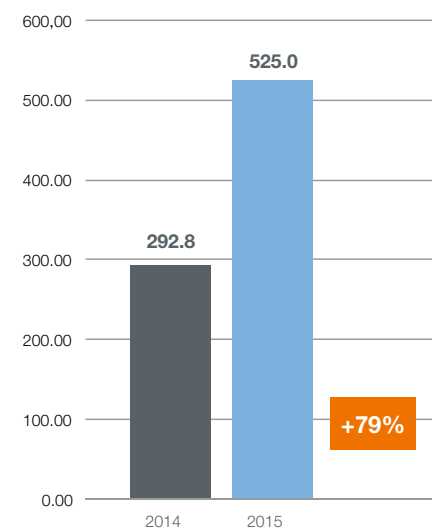
This trend was similar in both segments: solutions and services. Of total revenue, €200.3 million was accounted for by solutions sales and €324.7 million by services rendered. The contribution margin was 18.2% in the solutions division and 8.6% in services.

2015 was the first full year of consolidation of Beroa, Bilcan and Near and the results provide good evidence of the efforts made to rationalise, unify cultures, integrate teams and take advantage of business opportunities.

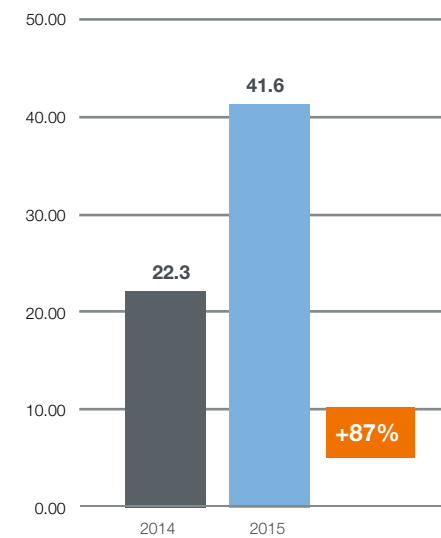
By market, Europe is Dominion's largest market by revenue (58%), followed by the Americas (25%) and Asia & Oceania (17%).

Resultados Dominion

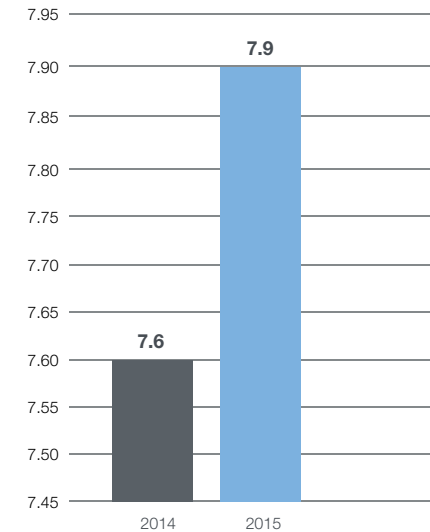
Revenue (€ million)



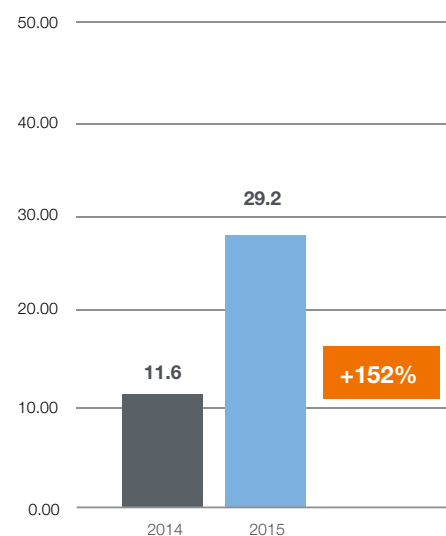
EBITDA



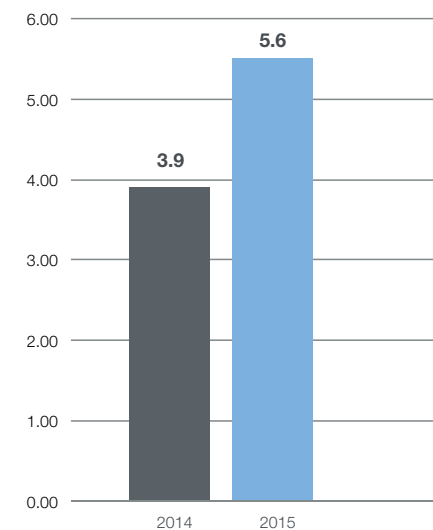
EBITDA margin



EBIT



EBIT margin



	Solutions	Services	TOTAL
Revenue by region			
Europe	16%	42%	58%
Americas	11%	14%	25%
Asia & Oceania	11%	6%	17%

Dominion's revenue split by geography, 2015

Contribution by area of expertise



T&T

In the T&T services area it is worth highlighting the entry into a new market (Chile), entrenchment of service provision to an important customer (Jazztel) and penetration of new regions in Spain (Barcelona) and new activities (4G).

In T&T solutions, the performances in Mexico and Spain stand out. In proprietary solutions, a significant effort was made to improve several platforms, such as the healthcare, money laundering and data protection solutions, with a view to introducing them into new Latin American markets in 2016. As for solutions supported fully or partially by third-party software, the performance was excellent, particularly in Mexico and Chile. In Chile, it is worth highlighting completion of the tsunami prevention system and the start of the Rancagua rail project associated with a 10-year project.

As for EPC projects in the T&T arena, 2015 was marked by the successful launch of the Antofagasta Hospital project under a 15-year concession, the biggest project undertaken by Dominion to date.



Industry

In the industrial area of expertise, 2015 was marked by the integration of Beroa in Dominion, the culmination of the division's restructuring, reducing costs and paving the way for margin expansion.

On the business front, the US and Latin American units performed well, business volumes were steady year-on-year in the Persian Gulf, while the European market remained stagnant.



Renewable energies

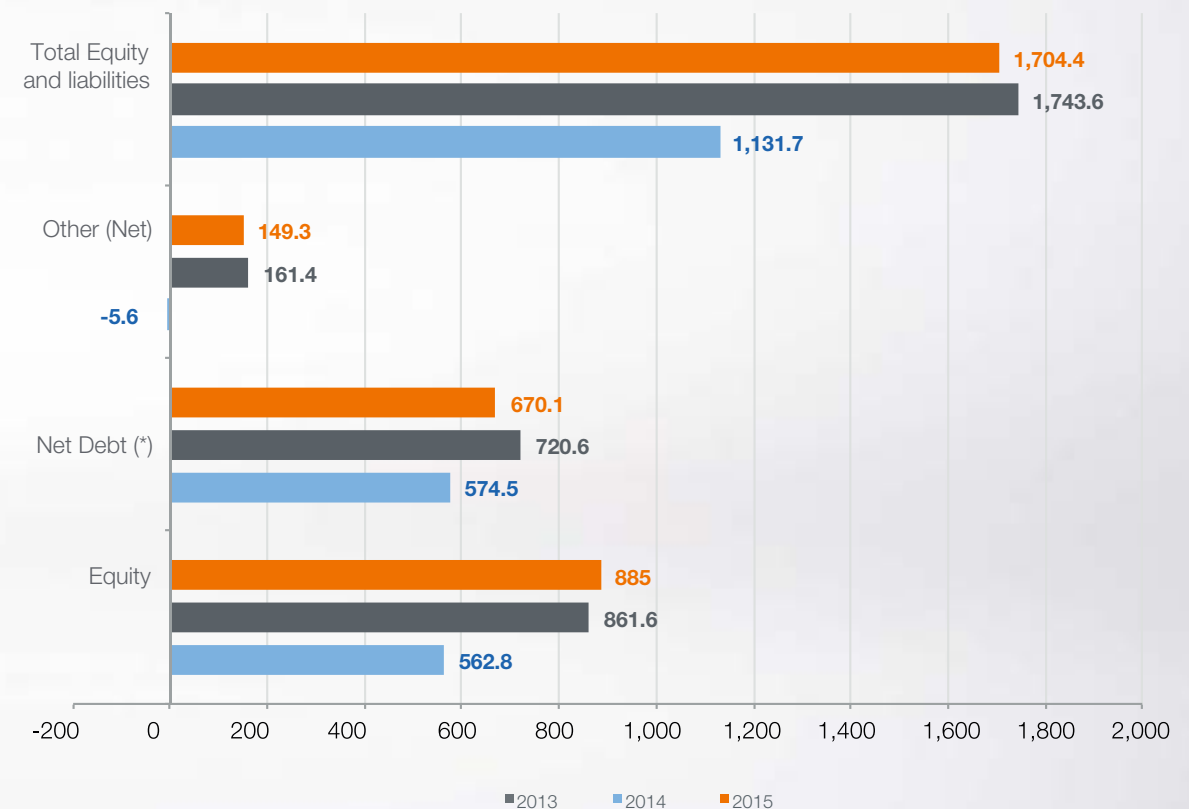
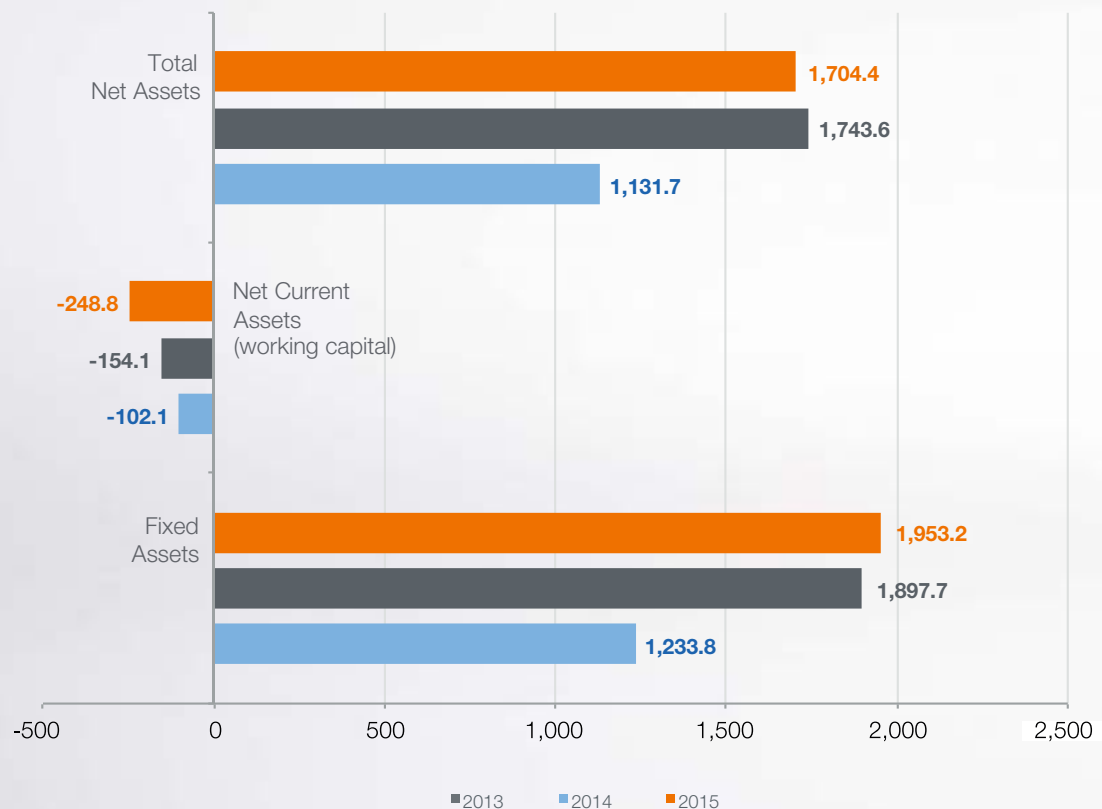
Dominion launched a new line of activity in 2015: renewable energies. The strategic rationale for this launch is to cross-fertilise best practices in a potentially fast-growing sector in which process digitalisation is set to emerge as a key success factor.

8.1.3. Financial situation

CIE Automotive ended 2015 with €1.70 billion of net assets, down €39.2 million from year-end 2014. Fixed assets stood at €1.95 billion, while the net working capital requirement amounted to €248.8 million.

Equity increased to €885.0 million, while net debt declined by 7.0% to €670.1 million.

Balance sheet at year-end
€ million.



(*) Net debt: Bank and other interest-bearing borrowings - cash and cash equivalents.



The company's return on net assets (RONA: EBIT/net assets) increased by 17%, closing in on the target of 20% set for 2017.

Maintenance capex was equivalent to 80% of group depreciation charges. This puts the company on track to meet its target of reducing depreciation and amortisation charges from 5% of revenue to 4%.

Operating cash flow, measured as EBITDA less tax and interest paid and maintenance capex, reached 53.8% of EBITDA, locking in funding for additional growth via greenfield builds and acquisitions.

Debt structure

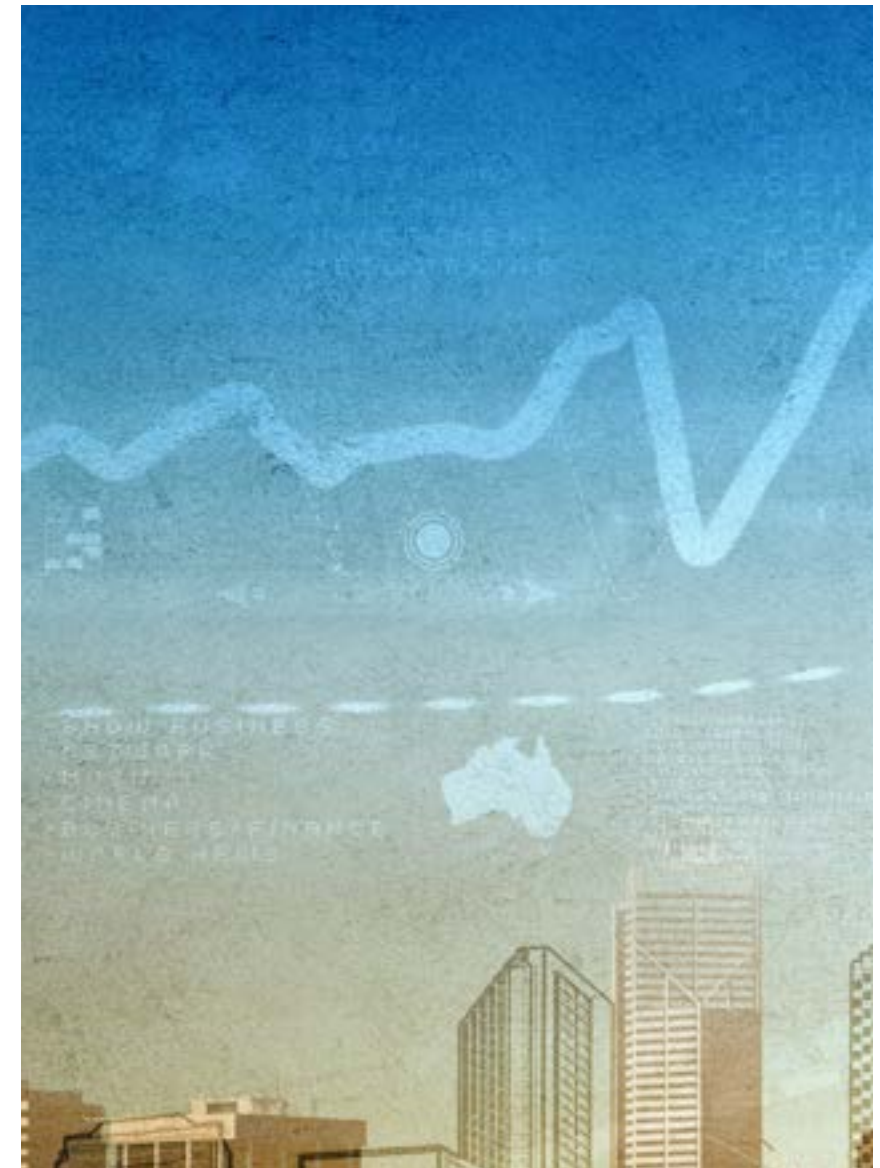
The company arranged a €450 million syndicated loan with six banks in July 2014; the proceeds were used to voluntarily repay the facility arranged in 2011, fund the Autometal delisting offer and finance various general business needs and investments by the parent.

CIE Automotive is financing the group's automotive research and development activities with a €70 million fixed-rate loan granted by the European Investment Bank in 2014.

In 2013, the group's Mexican subsidiary, CIE Autometal de México, arranged a bilateral loan with the Mexican bank, Bancomext, in the amount of USD120 million, repayable in bullet payments over seven years, after a one-year grace period. The loan carries a floating market rate benchmarked to LIBOR. The balance outstanding under this facility stood at €87 million at year-end.

In addition, through its Brazilian subsidiaries, at year-end the group had several loans denominated in US dollars in an aggregate amount equivalent to €45 million, down from €106 million at year-end 2014; the last instalment under these loans falls due in 2020.

The other balances included within borrowings correspond to bank loans and credit facilities distributed among the group's various companies. They carry market rates of interest and do not entail any specific additional guarantees.



Debt structure

	Amount	Maturity	Características
Syndicated loan	≈ €450 million	5-year bullet payment	- Denominated in euros - Rate grid tied to ND / EBITDA - Partial fixed-rate swap
EIB	≈ €70 million	7 years with a 2-year grace period	- Denominated in euros - Partial fixed-rate swap
Bancomext	= €85 million	7 years with a 2-year grace period	- Denominated in US dollars - Partial fixed-rate swap
Others	≈ €450 million	Sundry	- Borrowings comprising bilateral loans (mainly local), credit facilities, working capital lines, etc.
Debt Gross	≈ €1.02 billion		
Cash and cash equivalents	≈ €350 million		
Net Debt (ND)	≈ €670 million		

Non-recourse factoring amounted to €178 million at year-end 2015.

At year-end, 85% of the group's debt was denominated in euros and the remaining 15% in US dollars or other currencies.

Enhanced maturity profile

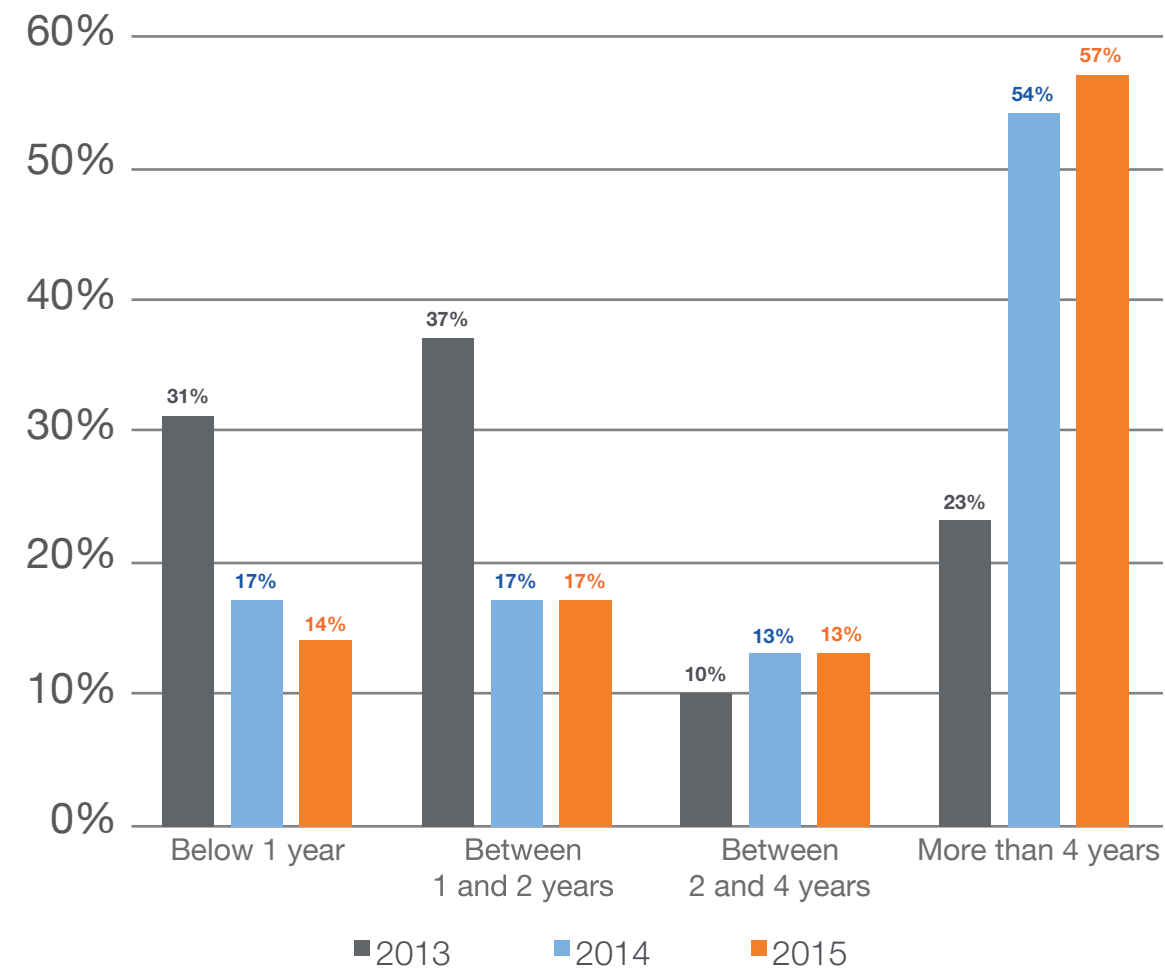
In 2015, the group repaid €293 million of bank borrowings and arranged new loans and credit facilities in the amount of €167 million. These repayments largely reflect a debt refinancing effort designed to extend and enhance the group's debt maturity profile.

Taking advantage of low interest rates, the group locked in more fixed-rate debt in respect of its long-term structural borrowings.

"It is worth highlighting the novation of the syndicated loan, having negotiated a lower spread and longer maturity"

In this respect it is worth highlighting the novation of the syndicated loan arranged in 2014, agreeing a reduction in the initially-negotiated spread and extending the repayment schedule so that the last bullet payment is now due on 13 April 2020. The new terms also contemplate the possibility of extending the final instalment payment until April 2021.

Debt maturity profile at year-end 2015

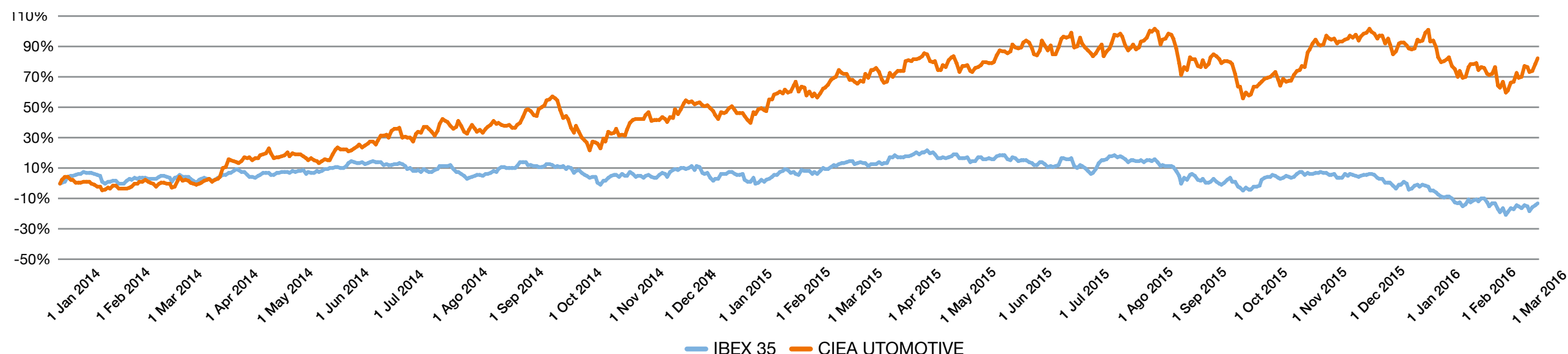


8.2. Shareholder value creation

Thanks to execution of its profitable growth strategy, CIE Automotive created dual value for its shareholders in 2015: the company's share price gained 37%, while the dividend increased to €25.8 million. Last year, the company strengthened its relationship with the investment community, stepped up the number of dedicated investor events, improved its financial reporting effort and expanded its IT effort to new financial centres. The analyst community's consensus recommendation was buy for the second year in a row, evidencing the market's confidence in the stock.

Share price performance

CIE Automotive's shares gained 37% in 2015, ending the year at €15.45. This excellent performance was once again shaped by the group's astute geographic positioning, diversification of its customer portfolio and strong earnings which, quarter after quarter, met guidance. At year-end, the company's market capitalisation stood at €1.99 billion.



Some 60,619 shares changed hands in 2015, implying a trading volume (cash value) of €814.2 million. The share price rallied from a low of €10.65 to hit a record high of €15.46.

CIE Automotive's share price significantly outperformed the Ibex 35, Spain's benchmark blue chip index, which corrected by 7.15% in 2015, while the company's shares closed 37% higher.

The company's share price performance was not, however, immune to the crisis triggered by the devaluation of the yuan and subsequent collapse of the Chinese equity market in August or to the widespread correction across automotive sector in September in the wake of the news that Volkswagen

had been manipulating its cars' emissions readings.

However, after an initial episode of marked uncertainty, the market recognised CIE Automotive's low exposure to the Chinese market and scant dependence on the German OEM. Throughout, the main brokerages reiterated their buy recommendations, confirming their confidence in the group's equity story.

Mahindra CIE's share price performance on the Bombay stock exchange

The shares of Mahindra CIE are traded on India's two main stock exchanges: the National Stock Exchange (NSE) (index: CNX Nifty 50) and the Bombay Stock Exchange (BSE) (index: S&P BSE Sensex). In 2015, 71,132,635 shares were traded on the NSE (volume by value: INR16.98 billion); the share price rallied to a high of INR313.8 during the year. On the BSE, the trading volume was 35,117,266 shares (by value: INR8.18 billion) and the share price peaked at INR314.1.

The share price significantly outperformed the benchmark Indian indices. On the NSE, the company's shares gained 18.2%, while the CNX Nifty corrected 4.1%. On the BSE, the share price rallied 15.5%, compared to a drop of 5% in the S&P BSE Sensex. Thanks to this performance, the Indian edition of Fortune magazine ranked Mahindra CIE as the country's second best-performing listed company in terms of wealth creation.

The company's credibility was mirrored in the opinions of the main brokerages, which reiterated their buy recommendations and raised their target prices.

Share price performance

	2013	2014	2015
Number of shares at year-end	118,820,046	129,000,000	129,000,000
Share price at year-end (€)	8.00	11.26	15.45
High for the year	8.35	12.29	15.46
Low for the year	5.00	7.21	10.65
Market capitalisation at year-end (€ million)	950.6	1,453.8	1,993.1
Trading volume ('000 shares)	44,953	62,970	60,619
Dividends paid (€ million)	18.6	22.3	25.8
Dividend per share paid (€)	0.18	0.18	0.20
Payout* (%)	35%	32%	33%
Earnings per share (€)	0.51	0.63	1.00
PER**	15.7	17.9	15.4

(*) Payout: percentage of profit paid out to shareholders

(**) P/E multiple: ratio between share price and EPS

8.2.2. Shareholder remuneration

CIE Automotive extended its policy of distributing onethird of net profit to shareholders, which translated into a payout of 33%.

As is now customary, in 2015 the group paid out two dividends from the prior-year profits: a dividend of €0.10 against estimated profit (paid on 5 January pursuant to a board resolution) and a final dividend in the same amount (approved at the AGM on 30 April and paid on 3 July).

In total, CIE Automotive distributed €0.20 per share against 2014 profit, implying a total outlay of €25.8 million.

On 15 December 2015, the Board of Directors approved the payment of an interim dividend from 2015 profit of €0.16 per share, implying a total outlay of €20.64 million. This dividend was paid out on 4 January 2016.

Shareholder returns

Dividend payments are just one element of CIE Automotive's strategy for creating shareholder value. All of its corporate initiatives are ultimately aimed at protecting their interests and generating a return on their investment.

Against this backdrop, the market applauded the company's financial strength and the various transactions undertaken in the course of executing its 2013-2017 Business Plan: definitive

entry into the Asian market via India thanks to the alliance with Mahindra and enhancement of its position in the Americas via Mexico, reducing its exposure to Brazil. The share price has gained 197% since 2013, rallying from €5.20 to €15.45 at year-end.

Thanks to astute management and investment decisions, earnings per share amounted to €1.00 in 2015, year-on-year growth of 59%.

"In 2015, CIE Automotive paid out €25.8 million to shareholders in two equal dividends of €0.10 per share"



8.2.3. Shareholder and investor engagement

A transparent reporting effort, marked by open and regular communication, is a vital part of the shareholder value creation strategy.

The company complies with its requirements under Spain's Corporate Enterprises Act, guaranteeing equal treatment at all times for all shareholders in the same position with regard to information, participation and the exercise of voting rights at the General Meeting.

All relevant group information, presentations and legally stipulated financial and corporate governance reports and documents are available to the public on the corporate website, www.cieautomotive.com. The website also provides contact data (a dedicated phone line and e-mail address) for shareholders.

The group's Investor Relations Department is tasked with the disclosure of accurate and regular information about the company's performance to the financial community. As part of this effort, in 2015, it organised 24 events, including conferences, roadshows and investor visits to R&D centres.

Investor events organised by the IR Department

	2014	2015
Conferences	4	8
Roadshows	14	7
R&D centre and factory visits	3	9
Total	21	24

"The consensus analyst target price for CIE Automotive's shares stood at €16.20 at year-end 2015, compared to €13.20 at the end of 2014"



This briefing efforts places the spotlight on the company's achievements and is essential to earning and retaining shareholder confidence. Indeed, as the company communicated progress on the 2013-2017 Business Plan and foreshadowed the prospect of early delivery (in 2015) of the related guidance, the analyst community successively increased their target prices, which have virtually doubled in the last two years. The consensus target price stood at €16.20 at year-end 2015, up from €13.20 at year-end 2014.

Communication between CIE Automotive and the financial community is particularly important to minimising the fallout from widespread stock market crises. In 2015, the information provided by the IR Department to the group's investors helped the analysts covering the stock verify the resilience of CIE Automotive's business model vis-a-vis the uncertainties sowed by China and Volkswagen in the automotive sector.



Master lines of initiative

Investor relations are framed by the criteria of compliance, transparency and accessibility, as established in the CSR & Sustainability Strategic Plan.

The Investor Relations Department's work is articulated around the following lines of initiative:



Expanding research coverage:

At year-end 2015, CIE Automotive was being covered by 14 equity research firms, compared to 10 in December 2014 and six in January 2014. The effort made by the department to increase research coverage has prompted coverage by the leading Spanish brokerages as well as by international firms such as Exane BNP, Haitong and Société Générale.



Cross-departmental coordination:

The IR departments of CIE Automotive and Mahindra CIE coordinate their objectives and event schedules. They participate jointly in certain roadshows, conference line-ups and investor meetings.



Consolidation and expansion of target financial centres:

Having focused on Spain and certain European financial capitals in 2014, last year the financial communication effort focused on consolidating CIE Automotive's share of mind in Europe and targeted US financial centres for the first time. This work is currently focused on consolidating financial communication in the Americas and establishing a presence in Asian financial capitals via Mahindra CIE.



Deepening knowledge of the shareholder structure:

The Investor Relations Department remained in constant and close contact with the group's Spanish shareholders, while expanding this effort to encompass its European and American shareholders in the wake of the equity issue undertaken to fund the Autometal delisting and the roadshows organised in the past two years. It is currently working on improving its statistics in order to continue to fine-tune its financial communication effort.



Enhancing CIE Automotive's image:

Having introduced quarterly earnings presentation conference calls, the Investor Relations Department worked on improving the contents and graphics of its financial disclosures with the aim of making them more transparent and readily accessible. Organisation of its first Investor Day, planned for 2016, is one of the upcoming initiatives expected to further enrich the group's image.

8.2.4. Ownership structure

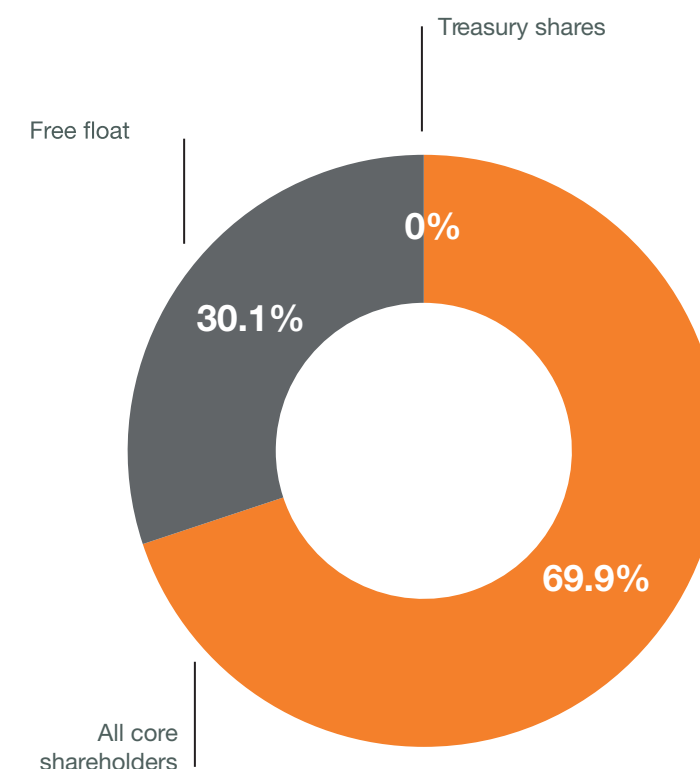
CIE Automotive's share capital stood at €32.35 million at year-end 2015 (129,000,000 shares with a unit par value of €0.25). These shares are admitted to trading on the Madrid and Bilbao stock exchanges and are also traded on the continuous market (SIBE for its initials in Spanish).

69.9% of the company's shares are held by core shareholders and the remaining 30.1% by retail shareholders. CIE Automotive did not hold any own shares at year-end.

Four of the core shareholders have committed to holding their investments in the company for the long term: Corporación Gestamp, Antonio María Pradera Jáuregui, Elidoza Promoción de Empresas, S.L. and Mahindra & Mahindra, Ltd. The first three have been on board since the company was founded and the fourth entered the shareholder ranks in 2013, having signed a global automotive parts alliance with CIE Automotive. They are all represented on the Board of Directors, accounting for 56.9% of its seats.

In February 2015, a core shareholder put 6.46 million CIE Automotive shares, representing a 5.008% interest, up for sale at €12.00. These shares were placed among over 30 qualified investors, thereby increasing the free float. The size of this block trade was accordingly €77.52 million.

The freely floated shares are held by a wide variety of investors, mainly European and American.



Shareholder evolution	2013	2014	2015
ACEK / Corporación Gestamp, S.L.	24.9%	22.9%	22.9%
Mahindra & Mahindra, Ltd.	13.5%	12.4%	12.4%
Antonio María Pradera Jáuregui	13.0%	12.0%	12.0%
Elidoza Promoción de Empresas, S.L.	10.4%	9.6%	9.6%
Nmas1 Asset Management, SGIIC, S.A.	7.0%	5.0%	5.0%
José Ignacio Comenge Sánchez-Real	5.0%	5.0%	-
Addvalia Capital, S.A.	5.0%	5.0%	5.0%
Austral B.V.	5.0%	-*	-
Santander Asset Management S.A., SGIIC	-	-	3.0%
All core shareholders	83.8%	71.9%	69.9%
Treasury shares	-	-	-
Free float	16.2%	28.1%	30.1%

(*) Austral B.V.'s shareholding dipped below 3% in 2015.

Shareholders	Direct	Indirect	Total	%
Acek Desarrollo y Gestión Industrial, S.L.	12,652,182	16,900,021	29,552,203	22.909
Mahindra & Mahindra, Ltd.	-	16,040,706	16,040,706	12.435
Antonio María Pradera Jáuregui	6,450,009	8,984,650	15,434,659	11.965
Elidoza Promoción de Empresas, S.L.	12,386,138	-	12,386,138	9.602
Nmas1 Asset Management, SGIIC, S.A.	-	6,465,671	6,465,671	5.012
Addvalia Capital, S.A.	6,450,208	-	6,450,208	5.000
Santander Asset Management S.A., SGIIC	-	3,921,146	3,921,146	3.040

8.3. Customer orientation

CIE Automotive's customer portfolio is made up of over 40 players from the global automotive sector and is evenly split between OEMs and Tier 1 suppliers. To meet their needs, it produces end-to-end innovative and value-added solutions which it improves year after year thanks to its perennial investing in research, development and innovation.

8.3.1. Investing in innovation

In 2015, the main R&D initiatives focused on projects and technologies for reducing vehicle weight, efficient powertrains, new forms of propulsion, new manufacturing technology and industry 4.0.



CIE Automotive articulates its business activities around identification and coverage of its customers' needs. Thanks to its multi-technology model and broad geographic footprint, it is capable of offering a range of technological alternatives for a given component or subassembly in the manufacturing markets, enabling it to cater to its customers' shifting demands.

This multi-technology approach requires heavy investment in research and continuous dialogue with the OEMs so that each product is designed not only with the required operating quality standards in mind but also taking the assembly process into consideration.

CIE Automotive has seven R&D centres to help it develop this technology strategy. The centres are home to decisive research programmes set to mark the group's direction in the years to come.

The group carried out a number of research programmes in 2015 with a view to helping reduce vehicle weight while making them safer and more environmentally-friendly, in anticipation of looming sector developments.

Dominion: diversification & innovation

Dominion's business model is based on its pairing of know-how and technology, underpinned by the smart innovation concept which it leverages to offer multi-sector solutions and services that make its customers' productive processes more efficient.

The company boasts a broad and diversified customer base, made up of over 1,000 companies, leaders in their respective markets.



Dominion main clients by sector

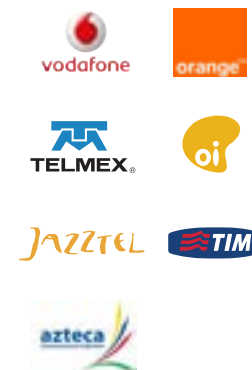
Industry and Services



Utilities



Telecom



Finance & Insurance



Transportation & Technology



Innovation, Dominion's DNA

R&D is a cornerstone of Dominion's activities and plays a crucial role in its positioning and consolidation in the market. To this end, a number of teams focus on the development or upgrade of software platforms and products for the internal and external customers of the services and solutions divisions.

The R&D investment effort accounts for a little over 1% of revenue and this figure is trending higher. In 2015, this effort entailed total investment of €5.3 million.

The main lines of research pursued in 2015 related to the energy, industry, healthcare, civil protection, environment and mobility fields. R&D projects leverage proprietary know-how and collaborations with universities, prestigious technology centres and other leading companies in their areas of expertise.

Dominion's R&D projects qualify for grants from different Spanish and international institutions and are carried out in collaboration with multiple partners, including universities (Madrid Polytechnic University, Basque University, León University, Burgos University) and research centres (the

Vicomtech-IK4, Tecnalía and ITCL research centres).

The company protects the results of its research work with patents and other contractual agreements.



8.3.2. Quality control

CIE Automotive is a benchmark for quality in the automotive sector. The company put its operational excellence programme - AVANZA - in place in 2003. This programme pursues the defined triple zero target of ‘zero defects, zero accidents and zero contamination’ via four lines of initiative: safety, training, systematic reviews and ongoing learning.

Certifications

Certification	CIE factories *	Certified factories	%
ISO TS 16949	75	71**	95
ISO 14000	75	68	91
OHSAS 18000	75	43	58
ISCC***	1	1	100

(*) Includes 4 multi-technology facilities.
(**) Four new greenfield facilities: Pernambuco (Brazil), Togliatti (Russia), Forjas de Celaya (Mexico) and Zaheerabad (India).
(***) International Sustainability and Carbon Certification.

In 2015, the group continued to strive towards excellence at all its productive facilities, securing a range of certifications for different aspects, including its quality management (ISO TS 16949), environmental management (ISO 14000) and occupational health and safety systems (OSHAS 18000).

In addition, four of its newest facilities are pending certification (they must be in operation for at least one year to qualify for certification under these standards): Pernambuco (Brazil), devoted to plastic injection moulding, Togliatti (Russia), devoted to the manufacture of injection moulded and machined aluminium parts, Forjas de Celaya (Mexico), devoted to steel part casting and machining, and Zaheerabad (India), devoted to stamping.

Quality management at Dominion

Dominion, the group’s smart innovation platform, boasts adequately certified and respected quality management processes, trains its teams on quality issues and supports its activities with knowledge-rich platforms.

Dominion has secured ISO 9001 and ISO/IEC 17025 certification for 21 of the 35 facilities comprising its various divisions, depending on their characteristics and needs.





8.3.3. Customer satisfaction

Customer satisfaction evaluation is a prerequisite for continual process improvement. To this end, the company has put in place a control system which measures, tracks and analyses customer feedback with the aim of proposing improvements at the various plants as warranted.

This system performs two types of measurements: the company tracks (i) each manufacturing facility's performance in terms of customer relations; and (ii) customer feedback. To evaluate individual plant performance, the company tracks claims, deliveries, external PPMs (defective parts per million) and line stoppages, while customer perception conclusions are drawn from customer audits, evaluations and annual statistics.

The results are compiled into an annual quality management report and corrective action plans are drawn up as necessary.

External acknowledgement

CIE Automotive has been named best supplier by several market-leading OEMs and Tier 1 suppliers.

OEM accolades

Fiat Chrysler	CIE PEMSA (Mexico)	Best supplier 2015
General Motors	CIE Egaña (Spain)	Excellent supplier status
General Motors	CIE Inyectametal (Spain)	Excellence award
PSA	Egaña 2 (Spain) Inyectametal (Spain) CIE Compiegne (France) CIE Metal (Czech Republic)	Best supplier plant
Ford	CIE Nakayone (Brasil)	Best stamping provider
TATA Motors	Mahindra CIE Stampings	Award for best runner
AGC	European Plastic Division	Recognition for the work and results of the industrialization team

Tier 1 supplier prizes

Nexteer	Nova Recyd	Perfect Quality 2015
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In addition, it is worth highlighting the nomination of the Saltillo factory as one of the top three suppliers at QUALITAS 2015, an annual event organised by FCA in Detroit.

Dominion, meanwhile, was awarded the following prizes:

- Computer World awarded its Innovation prize to Near Technologies (a Dominion subsidiary).
- The Bilbao Talent Club gave diplomas to several professionals from Near Technologies.
- The Adecco Foundation, which works with the disabled, selected Dominion to feature in a video about companies committed to employing people with different abilities.

8.4. Human resources

At year-end 2015, CIE Automotive had 22,812 employees across all five continents. The company reiterated its commitment to providing decent work and equal opportunities, taking a zero-tolerance stance on discrimination, child and compulsory labour and protecting the freedom of association and collective bargaining rights in its new HR Policy. In parallel it continued to foster its professionals' career development by means of training plans and personalised career paths.

8.4.1. Employment

CIE Automotive's headcount stood at 22,812 at year-end, 705 fewer than the year before. The drop in headcount is attributable to the Brazilian operation, which has been resized in the wake of automotive sector restructuring and the economic difficulties affecting the country, and Germany, where the Mahindra forging plants integrated have been restructured to bring them in line with CIE Automotive's standards.

Geographic breakdown of the workforce
(31/12/2015)

				
		2013	2014	2015
Europe		7,290	8,304	8,383
	Automotive	5,917	5,832	5,367
	Smart Innovation	1,374	2,472	3,016
Americas		8,642	9,793	8,963
	Automotive	7,325	7,213	7,006
	Smart Innovation	1,317	2,580	1,957
Asia, Africa & Oceania		3,314	5,420	5,466
	Automotive	3,011	4,850	5,042
	Smart Innovation	303	570	424
TOTAL GROUP		19,247	23,517	22,812
	Automotive components	16,253	17,895	17,415
	Smart Innovation	2,994	5,622	5,397





Seventy-six per cent of the group's headcount, 17,415 employees in total, work in the Automotive segment and the remaining 24%, 5,397 employees, work in the smart innovation segment.

This diverse workforce encompasses people of all academic backgrounds, with all sorts of experience and a broad variety of skills. At year-end, 560 employees were executives (2.4%); 7,121 were university graduates, technicians and clerical staff (31.2%); and 15,131 were skilled workers (66.4%).

Over half of the group's professionals (58%) were aged between 30 and 50, while 27% were under 30 and 15% were over 50.

By gender, 83.9% of the people working for CIE Automotive at year-end were male and the remaining 16.1%, female.

In 2015, the group made 5,946 new hires, 3,977 in the Automotive segment and 1,946 in the smart innovation unit.

In parallel, 2,903 people resigned voluntarily, 2,356 in the Automotive business and 547 in the smart innovation segment.

8.4.2. Ethics

CIE Automotive upholds national legislation in all of its operating markets as well as the principles enshrined in the United Nations Global Compact, of which it is a signatory.

In its new Human Resources Policy, approved in December 2015, the company reiterates its commitment to providing decent work and equal opportunities, taking a zero-tolerance stance on discrimination, child and compulsory labour and protecting the freedom of association and collective bargaining rights.

More specifically, the new policy, which addresses company-employee relations and working conditions, embraces the following commitments:



Providing decent work

CIE Automotive commits to providing its employees with fair pay, in line with their skills and knowledge. Moreover, the company commits to upholding labour legislation in all its operating markets and, to the extent possible, establishing flexible working hour measures.



Keeping its people safe and healthy

CIE Automotive promises to provide its employees with a safe and healthy work environment, complying scrupulously with applicable legal requirements to this end.



Facilitating collective bargaining and freedom of association

CIE Automotive respects its employees' freedom of association and right to collective bargaining. The group will, to the extent feasible, facilitate its employees' efforts to meet and freely debate matters of significance to their jobs and employment.

Quality work

The company generates stable, high-quality work: at year-end, 80% of the workforce was employed under an indefinite contract.

All employees earn a fixed salary, in keeping the nature of the work they do as well as their performance; performance at the company and group levels is also taken into consideration.

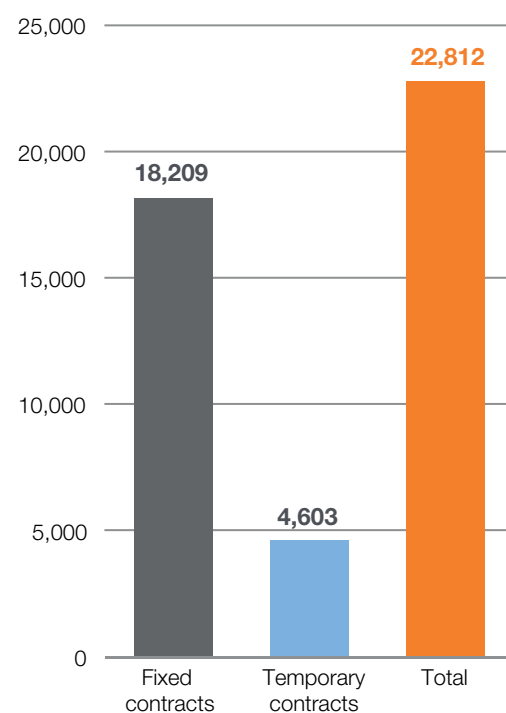
In 2015, 7,821 employees also earned a bonus for delivery of set targets, an outstanding job performance or a much-improved performance.

Right to collective bargaining

CIR Automotive facilitates collective bargaining and freedom of association. Seven out of every 10 professionals working at CIE Automotive are covered by collective bargaining agreements. There are 396 worker representatives.

In 2015, the company engaged in dialogue with these worker representatives at a number of its workplaces and company and/or sector agreements were signed for 27 factories.

Workforce breakdown by contract type



Factories/companies which signed collective bargaining agreements in 2015

CIE Matricon, S.A.
 Inyectametal, S.A.
 Autocromo Cromaço de Plásticos Ltda.
 Autoforjas, Ltda.
 Autometal SBC Injeção, Pintura e Cromaço de Plásticos, Ltda.
 Autometal, S.A.
 Durametal, S.A.
 Jardim Sistemas Automotivos e Industriais, S.A.
 Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.
 Metalúrgica Nakayone, Ltda.
 Pintura y Ensamblés de México, S.A. de C.V.
 Pintura, Estampado y Montaje, S.A.P.I. de C.V.
 Bionor Berantevilla, S.L.U.
 Biosur Transformación, S.L.U.

Nanjing Automotive Forging Co., Ltd.
 UAB CIE LT Forge.
 Alurecy, S.A.U.
 CIE Compiégne, S.A.S.
 Gameko Fabricación de Componentes, S.A.
 Mahindra Gears & Transmission Private, Ltd.
 Nova Recyd, S.A.U.
 Mahindra CIE Automotive, Ltd.
 BEROA Thermal Energy, S.L.
 Dominion Instalações e Montagnes do Brasil, Ltda.
 Dominion Networks, S.L.
 Halogica Tecnología, S.A.
 Prosat Comunicações, Ltda.



The company is in constant contact with the union representatives, particularly in the operating markets with more entrenched labour unions, but also in those with a shorter history of unionisation.

The group strives to manage any restructuring processes required responsibly, attempting to minimise the number of redundancies dictated by market circumstances and complying scrupulously with the law, offering advantageous terms in certain instances.

Equal opportunities

In its recently-approved Human Resources Policy, CIE Automotive pledges to prevent discriminatory practices by ensuring a work environment free of bias on the grounds of gender, race, religion, age, sexual orientation, nationality, civil status or socio-economic background.

83.9% of the people working for CIE Automotive at year-end were male and the remaining 16.1%, female. This gap is largely attributable to the fact that automotive factories are traditionally operated by men.

The percentage of female employees is, however, higher in the company's more senior positions: as shown in the accompanying chart, in the more senior job categories (executives and university graduates), the percentage of female professionals rises to 20%.

The company is working to increase the percentage of women in its workforce despite the difficulties in so doing in some of its operating markets. Notably, in 2015, 24% of new hires were female, eight points above the current percentage of female employees, demonstrating the organisation's commitment to gender equality.

Worker representatives by country

SPAIN	101
BRAZIL	27
INDIA	41
MEXICO	35
CHINA	50
REST	87
AUTOMOTIVE	341
SMART INNOVATION	55
CIE TOTAL	396

Agreement coverage by country and platform

	Under collective agreement	Total employees	% coverage
BRAZIL	2,723	2,748	99%
SPAIN	2,066	2,187	94%
MEXICO	2,238	3,627	62%
INDIA	1,697	4,221	40%
REST	2,600	4,632	56%
AUTOMOTIVE	11,324	17,415	65%
SMART INNOVATION	1,965	5,397	36%
CIE TOTAL	13,289	22,812	58%

New hires by gender and age

	Men	Women	Total
Under 30	2,618	619	3,237
Aged between 30 & 50	1,726	741	2,467
Over 50	217	25	242
TOTAL	4,561	1,385	5,946



In parallel, the company fosters equal opportunities by creating teams of different abilities. In 2015, the number of differently-abled employees reached 335 (1.5% of the workforce). It also has an agreement with the Red Cross addressing the integration of people facing challenges in terms of re-joining the workforce.

Zero-tolerance stance on compulsory and child labour

CIE Automotive takes steps to ensure that no instances of compulsory or child labour occur at its activities. The company pledges to uphold labour legislation in its operating markets and to take corrective action whenever required.

Diversity and work-life balance

CIE Automotive's employees work in 35 different countries. The company complies with the labour legislation of each country and tries to adapt to each market's customs and traditions.

To facilitate work-life balance, the company offers flexible working hours in the factories/companies where production requirements so permit. In addition, its employees can avail of a series of paid leaves (maternity, paternity, nursing, death of a relative, marriage, etc.).

No. of employees availing of maternity/paternity leave (at year-end)

No. of employees availing of maternity/paternity leave	
Men	255
Women	189
Total	444



Workforce breakdown by job category and gender (at year-end)

	2013	2014	2015
Executives and university graduates	6,166	7,919	7,681
Men	5,003	6,109	6,170
Women	1,163	1,810	1,511
Skilled workers	13,081	15,598	15,131
Men	11,140	13,712	12,977
Women	1,941	1,886	2,154
TOTAL	19,247	23,517	22,812
Total men	16,143	19,821	19,147
Total women	3,104	3,696	3,665

8.4.3. Career development

CIE Automotive fosters its employees' career development by means of an HR management model which is used to define employee skill profiles, evaluate executive, middle management and skilled workers' job performance, identify areas for improvement and design career development and training programs, the latter by means of a dedicated Professional Development Programme.

Underpinned by the company's core values, employee skills are assessed across eight categories: results orientation, customer relations, proactive attitude, innovation, teamwork, decision-making, flexibility and leadership. All employees are evaluated annually and the evaluations of some 8,615 employees (38% of the headcount) are expressly documented for bonus calculation or internal promotion purposes.

Employees undergo an annual assessment with their immediate superiors with the aim of analysing theirs and the company's performance during the prior 12 months and listening to their expectations for the near and longer term. Whenever skill gaps are detected, the employee in question is included in a specific training programme.

Attracting talent

The company strives to attract top talent for the purpose of embodying and enabling its philosophy of innovation and continuous improvement. With this purpose in mind, last year it executed a range of recruitment programmes targeted at young graduates with international ambitions.

It also collaborated with a number of universities and public entities, offering work practice opportunities associated with their Masters and vocational training courses and supporting the educational efforts of multiple centres by offering plant visits and presentations. In this respect it is worth highlighting the collaborations with Deusto University, Guanajuato Polytechnic University, Madrid Polytechnic University and Barcelona Polytechnic University and the agreements with the following Technology Schools: Ecatepec, Coacalco, Tlanepantla, Celaya and Saltillo.





Professional training

CIE Automotive encourages the professional growth of its employees within the organisation by means of two classes of training programmes:

- **Training at the plant level:** factory workers receive very specific training. Most of these courses are operational in nature and are designed to help employees use resources more efficiently and perform their jobs more easily.

- **Training at the group level:** the company offers people with certain profiles advanced management and interpersonal skills training. The courses provided by external providers in management skills (leadership, motivation, teamwork) and specific functional areas (buying management, negotiation, finance) stand out.

In 2015, some 516,439 training hours were imparted in total to 18,108 employees (80% of the workforce), which is equivalent to 29 training hours per employee.

In addition, there are countless unofficial training initiatives across the organisation which mean that in practice all of the group's employees benefit from one or more training processes during the year.



Employee communication

Employee relations are based on mutual trust, respect and express support for the dignity of all employees.

Employee feedback is a cornerstone of the group's human resources policy, as crystallised in the Workplace Climate Survey, which helps to detect employee concerns and establish corrective action.

For the 2015 survey, employees were asked to evaluate the company, give their opinion on its organisational structure, rate relations between them and management and provide feedback on their work and job satisfaction. The results of this latest survey reveal that work and job satisfaction were top-rated attributes; these scores improved by 2% with respect to the feedback given at the same companies in 2013.

The company also attempts to foster a cordial work environment. In addition to maintaining the company intranet, it makes contributions to various employee sports competitions, organises events to mark certain special dates (Father's Day, Mother's Day, Christmas, etc.) and grants a prize to the best student of the year, among other contests organised for employees and their relatives.

8.5. Health & safety

CIE Automotive's workplace health and safety policy is designed to deliver its zero accidents target. In 2015, it continued to roll out health and safety training initiatives. In parallel, it developed innovative safety measures to ensure its teams and facilities continue to meet the highest industrial safety standards. The result was a fresh drop in the accident rate to 532. On a like-for-like basis, the number of accidents fell by 104 year-on-year.

Despite the positive trend in the overall number of lost-time injuries indicated in the preceding paragraph, the group deeply regrets the accidental death of one employee in 2015.

The standards observed by CIE Automotive are more stringent than those legally imposed by the health and safety authorities. As a responsible and proactive company, it evaluates potential workplace risks, establishes preventative measures and monitors the effectiveness of initiatives implemented by means of internal audits. In parallel, it provides its employees with skills training and information tailored to their workplaces and jobs.

The corporate safety department audits the group factories annually, except in the Americas where the plants audit each other. These audits give rise to corrective measures which are executed at the factory level and supervised at the corporate level.

Starting from the premise that every accident is a learning experience, all the accidents were investigated and duly reported following 8D methodology with a view to establishing corrective measures designed to prevent their repetition.

Workplace health and safety indicators*

	2013	2014	2015
Lost-time injuries	655	636	532
Fatalities	0	0	1
Injuries frequency rate	16.6	15.9	14.4
Injuries severity rate	0.3	0.3	0.6

(*) Data for both the Automotive (complete) and Smart innovation (Spain only) platforms



Accident frequency and severity rates

CIE Automotive tracks its injury frequency and severity rates closely.

- **Frequency rate:** the indicator used to track the number of lost-time injuries (more than one work day lost) for every million man-hours worked during a defined period of time (year). In 2015, the frequency rate was 14.4.

- **Severity rate:** a calculation that gives an indication of the time lost through injuries for every one million man-hours worked (per annum). In 2015, the injury severity rate was 0.6, which was higher than in 2014 and 2013 due to the integration of new companies. This metric is expected to trend significantly lower in the years to come, trending towards the group average prior to the mergers.

Safety plans

Each plant has its own health and safety plan which is put together on the basis of a framework system that is subjected to continual audit as part of the group's workplace safety management systems. This structure enables the company to adapt safety measures for each plant and evaluate the measures taken by it on this front as a whole.

As in prior years, the productive facilities established individual action plans for reaching a targeted level of improvement which is set as a function of last year's performance and the starting point.

The effort made on the health and safety front is evident in the fact that 39 automotive parts plants were OHSAS 18001/2007-certified at year-end.

At Dominion, in keeping with the targets set, the number of unproductive days in Spain associated with new hires was reduced to 2.7 days and the refresher training initiatives for employees working at heights were renewed and overall staff downtime was similarly 2.7 days.

The number of lost-time injuries, meanwhile, fell from 443 to 394 days, down 11% year-on-year.



Control of contractors and subcontractors

CIE Automotive has a corporate procedure that applies to all plants and is designed to assess, coordinate and certify that all the contractors and companies with access to its facilities meet legal requirements. This procedure is subject to internal and external audit.

In Spain, Dominion has 409 subcontractors with over 1,548 active employees, compared to 300 subcontractors and 1,200 active employees in 2014. They are coordinated using an electronic platform and by means of quarterly and annual in-person meetings. The Smart Innovation unit supports its subcontractors by providing them with training as well as purchasing and supplying them with protective gear and equipment. The supporting documentation side of the group's outsourcing arrangements has been improved and site visits have been stepped up; these visits are carried out for supervisory purposes but also to foster worker safety awareness.

CIE Automotive demands that its subcontractors offer minimum quality and productivity standards to ensure compliance with their health and safety duties. Compliance in this respect is supervised very closely, particularly in respect of subcontractors which have not worked with the group's facilities in the past. The following checks are performed before they are contracted:

- Identification of the tasks to be executed by the subcontractors.
- Identification and assessment of the associated risks. When the tasks outsourced are part of the core business, this risk assessment is conducted together with the subcontractor firm. In the case of non-business tasks, the risks for CIE Automotive are first assessed separately and then the risks that could be generated or modified by means of simultaneous and joint action by the two firms are identified together.
- Defining safety and protection measures and the resources needed for their correct execution, specifying which will be contributed by CIE and which by the subcontractor.
- In addition, complementary safety measures are identified to control residual risks: signage, work procedure standardisation and the identification of operations which will require special work permits and/or the use of individual protective equipment.





Workplace health and safety staff

All of the group's facilities have a health and safety officer. Group-wide, the number of professionals devoted to health and safety total 75.

Specific health and safety training

CIE Automotive informs its workers on the risks associated with their jobs and trains them on how to prevent them from materialising. Training content is updated regularly and the company makes sure that its employees receive all necessary training if they change jobs. The company also provides courses to employees in need of specific training.

The courses provided in 2015 included programmes dealing with working at a height, in confined spaces, with forklifts and cranes, emergencies, ergonomics and electric risks, as well as job-specific training developed as a result of risk evaluation processes. Group-wide, over 16,000 hours were devoted to health and safety training.

Capital expenditure

In 2015, the group invested over €2 million in health and safety; this money was earmarked mainly to employee training, work equipment upgrades, facility certification and making its facilities healthier and safer.

Best practices

In 2015, the group implemented an innovative optics system at most of its productive facilities which alerts of the presence of forklifts, increasing safety in warehouse passageways, particularly at crossings.

Improvements were also made to the safety procedures for working at a height at Dominion last year: the tie and positioning ropes were replaced by better quality, higher performance ropes.

A programme for the management of contractors and subcontractors, in keeping with recent Spanish legislative developments, was rolled out at four automotive parts factories in 2015. This programme implies:

- Reducing the costs of coordinating business activities.
- Reducing response times.
- Reducing staff downtime: technicians focus on safety work rather than document administration.

- Reducing inspection-related legal document issues.
- Increasing productivity.
- Enhancing decision-making.
- Making the factories safer.

Dominion uses the same IT tool to manage its contractors.



Safety forums

In its attempt to serve as an exemplary benchmark in terms of health and safety, CIE Automotive participates in a number of specialist forums. Specifically, it is a member of the Alava round-table forums for workplace safety, SEA, and the Guipuzcoa workplace safety forum.

The Guipuzcoa workplace safety forum is a meeting point for workplace safety professionals whose aim is to foster debate and add to collective know-how in this field. It is organised by ADEGI, the Guipuzcoa business association, as part of its effort to reduce accidents by means of better worker information, awareness, commitment and participation.

CIE Automotive is also a member of the AEC's occupational health and safety committee. AEC is Spain's Quality Association. This committee is conceived of as an open work community on which multiple backgrounds and sectors are represented with the goal of becoming a prestigious reference point for the promotion of best practices and a culture of accident prevention at companies.

Its goals include that of facilitating a venue for experts from different sectors to come together to collaborate and share safety experiences, acting as a legitimate representative before the public authorities and promoting best practices in workplace health and safety.

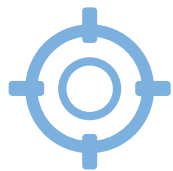
At the meeting held on 25 March 2015, the participants analysed management of business activity coordination, the safety scorecard and financial and psychosocial risks.



8.6. Sustainable supply chain management

CIE Automotive's expansion into new markets drove an increase in the number of suppliers to over 13,000 companies in 2015, some 4,000 more than in 2014. In light of the challenges posed by the group's globalisation, CIE Automotive set itself two clear and quantifiable targets in order to guarantee the sustainability of its supply chain: the introduction of significant improvements in the purchasing area and the rollout of a plan to ensure a more responsible supply chain.

Supply chain challenges tackled in 2015

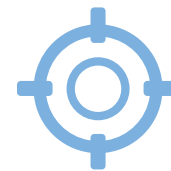


OBJECTIVE

Defending high quality standards by introducing significant improvements in purchasing area

MEASURES TAKEN

- Global management and local application.
- Open communication among factories globally.
- Support for and transfer of the model to newly-integrated factories.
- Execution of partnership agreements for core products or services.
- Unlocking of economic rationale by minimising overall acquisition costs.
- Effective management, operational excellence.
- Shared, systematic purchasing: procedures that are complied with and enforced.



OBJECTIVE

Development and rollout of a plan for ensuring a stable and sustainable supply chain from the CSR perspective.

MEASURES TAKEN

- Review and update of the purchasing policy.
- Integration of environmental and social criteria into supply certification processes.
- Increase in the percentage of local suppliers used.



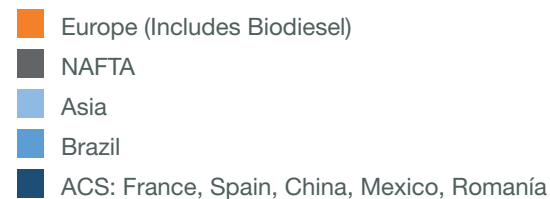
8.6.1. A global supply chain

2015 was a year of intensive activity for CIE Automotive's buyer teams worldwide. The group's sales growth translated into an annual purchasing volume of close to €1.1 billion and entailed considerable growth in investments to provide its legacy factories, greenfield operations and the facilities integrated in the wake of the alliance with Mahindra with resources, equipment, materials and services. This investment effort entailed total capital expenditure of €28 million across 67 facilities.

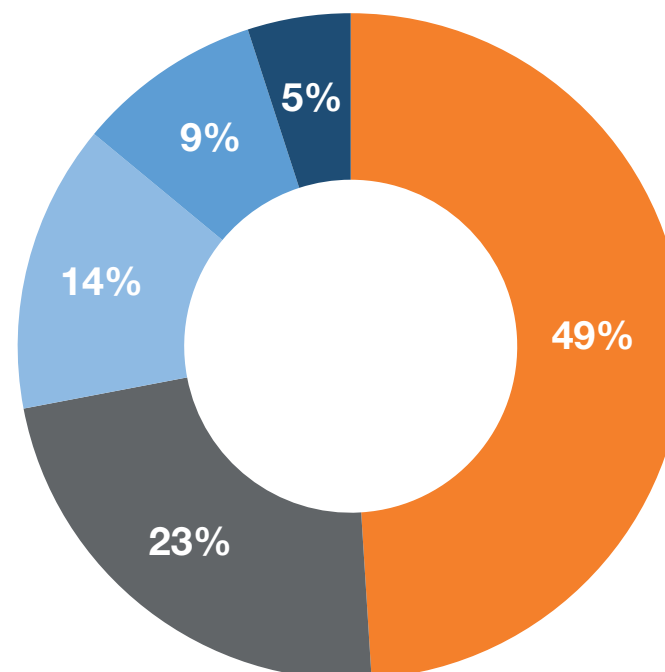
The company's dynamism required major intervention by its purchasing experts: its Lead Buyers. Framed by the principles of honesty, transparency and fairness, these professionals worked hard to guarantee timely and on-budget adjudication and compliance with the established procedures.

The global support provided by the Lead Buyers enabled the group to train new purchasing teams and transfer its know-how and methodology.

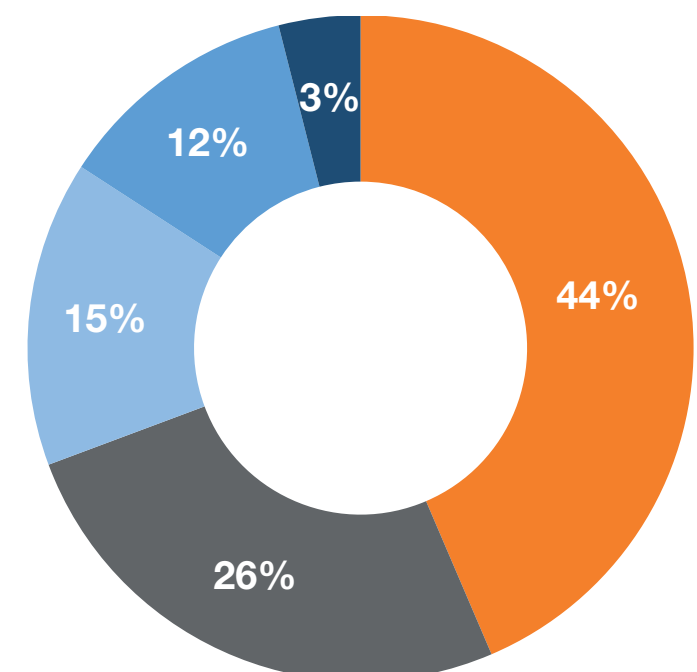
Purchasing volumes, 2015:
geographic split (%)



Purchases by geographic region, %



Suppliers by geographic region, %



8.6.2. Local suppliers and strategic agreements

The group's expansion into new markets and the addition of new productive facilities, mainly in Mexico, Russia, India, Germany, the UK and Italy, has also had the effect of increasing the number and contribution of local suppliers, understood as suppliers which invoice for tax purposes in the same country as that making the purchase.

Accordingly, 85% of group purchases were procured from local suppliers in 2015, compared to 80% in 2014. The increase in this percentage clearly evidences the group's commitment to contributing to the industrial landscape and to social progress in its operating markets.

The identification of suppliers located close to the group's factories is a crucial component of its purchasing strategy because it helps create wealth in these regions, while reducing logistics costs and import duties and diminishing exchange rate risk.

Dominion's strategic partners

The characteristics of Dominion's business model mean that the role of the supplier is markedly different from the standard profile in the automotive segment. The generation of services and solutions which provide its customers with more efficient business process often necessitates intense collaboration with benchmark partners, leading companies in their respective areas of expertise, with which Dominion establishes close - and usually long-lived - technological and commercial ties. It is

also worth highlighting the fact that Dominion's activities do not typically entail the industrial transformation of raw materials or semi-finished products into finished products, but rather tends to entail the purchase of technological products, often virtual, for integration into complex services and solutions.

In this respect, it is worth highlighting supplier-customers (Orange, Telefonica, etc.), partners (Huawei, HP, Microsoft, Fluke, etc.) and providers of a one-off product/deliverable. Dominion's suppliers rarely lend themselves to certification, a process not yet in place at this unit. However, when it subcontracts professionals, an issue which is material to Dominion, certification systems are deployed.

The challenge set for 2016-2017 is to increase the number of strategic agreements by 15%. This would enable standardisation of equipment purchases worldwide and transfer group-wide the benefits of the know-how and framework agreements signed with suppliers in CIE Automotive's existing operating markets.

8.6.3. Purchasing policy

As part of its effort to continually improve its supply chain, in 2015, the group reviewed and updated its Purchasing Policy and the supplier certification procedure.

This policy is designed to guide all the professionals working in CIE Automotive's purchasing function with the ultimate aim of building a solid base of suppliers and partners, while enabling all group companies to purchase goods and services on the best possible terms.

CIE Automotive's Purchasing Policy



Objective, transparent, fair and unbiased, dealings and relations with all suppliers and partners.



Alignment of the Purchasing Department's strategy and efforts around the delivery of established targets.



Pledge of support, throughout the entire supply chain, for the United Nations **Global Compact**, specifically including the protection of human rights and fight against corruption.



Working, in-house and externally, to create awareness of the importance of **improving companies' environmental** record and complying with health and **safety regulations and labour rights**.



Implementation of **procedures and controls** designed to guarantee objective and fair adjudications.



Performance of **supplier selection** on the basis of objective criteria which measure quality, service and CSR criteria.



Identification and crystallisation of **group synergies**.



Development of **long-term collaboration and innovation agreements** with suppliers.



Search for **mutual understanding and benefits** in supplier relations.



Contribution to suppliers' **process development**.



Motivation and active involvement of CIE Automotive's employees in the purchasing function and maximisation of their skills in order to achieve **excellent performance standards**.



The group's Purchasing Policy was redefined in 2015. The goal for 2016 is to ensure that 100% of its buyers are aware of, understand and have signed this Purchasing Policy and the related new Code of Conduct. These documents expressly stipulate the fundamental principles governing the purchasing function, such as the provision of equal opportunities and the prevention of corruption. By accepting them, the group's buyers commit to complying with and enforcing CIE Automotive rules.

The Purchasing Policy takes a global approach, which is applied locally, catering to the differing needs of the various markets and countries. It is designed to ensure coordinated and transparent relations between the CIE Automotive Group companies and their suppliers.

The purchasing system comprises five procedures ranging from generation of the purchase requirement to payment for the product or service. Correct implementation of this system is monitored at the individual plant level using the four-step PDCA (plan-do-check-act) system, setting initiatives to be performed and measuring their implementation monthly.

Anti-fraud and anti-corruption measures

CIE Automotive is committed to combating corruption by establishing the principles for guiding the conduct of all the persons comprising the group.

To this end it has drafted a new Anti-Corruption and Fraud Policy which specifies, among other things, a vital commitment in respect of its suppliers: "Not to solicit or accept gifts or

courtesies that go beyond the merely symbolic or could be interpreted as an attempt to unduly influence a business, professional or government relationship". CIE Automotive has integrated its anti-corruption principles into all its activities and has set up in-house bodies to control and supervise compliance therewith.

In its bid to maximise transparency and continually improve the entire supply chain, CIE Automotive has a totally confidential whistle-blowing channel which can be used by any member of its staff or any third party to report irregular conduct or activities.

In addition, the group's purchasing departments worldwide can be contacted directly from the Suppliers tab within the group's new corporate website. And any company wishing to offer its products or services can send an e-mail to purchasing@cieautomotive.com. From 2016 on, all e-mails received at this inbox will be answered. CIE Automotive's objective is to deliver this information to the buyers who manage the service or product in question in each market in order to establish open and direct communication.

Dialogue with suppliers

CIE Automotive promotes ongoing communication with its suppliers by means of meetings, trade fair attendance and phone or e-mail correspondence. Although it does not have a specific supplier communication channel beyond the direct contact provided via the corporate website, the company is accessible to its suppliers, convinced that smooth-flowing communication makes for higher-quality suppliers and better service standards.



8.6.4. Supplier certification

CIE Automotive's purchasing process is efficient and straightforward. Supplier requirements depend on their classification in accordance with the product or service they offer: raw materials, components, equipment, tools, subcontractors and general purchases.

In keeping with UNE-ISO/TS 16949, the CIE Automotive Group's procurement procedures require that raw material, component, logistics and tool suppliers and subcontractors be assessed.

90% of CIE Automotive suppliers in the above categories are UNE-ISO/TS 16949 certified or have their quality management systems that are ISO 9001 certified; environmental certification under UNE-EN ISO 14001 is also positively rated.

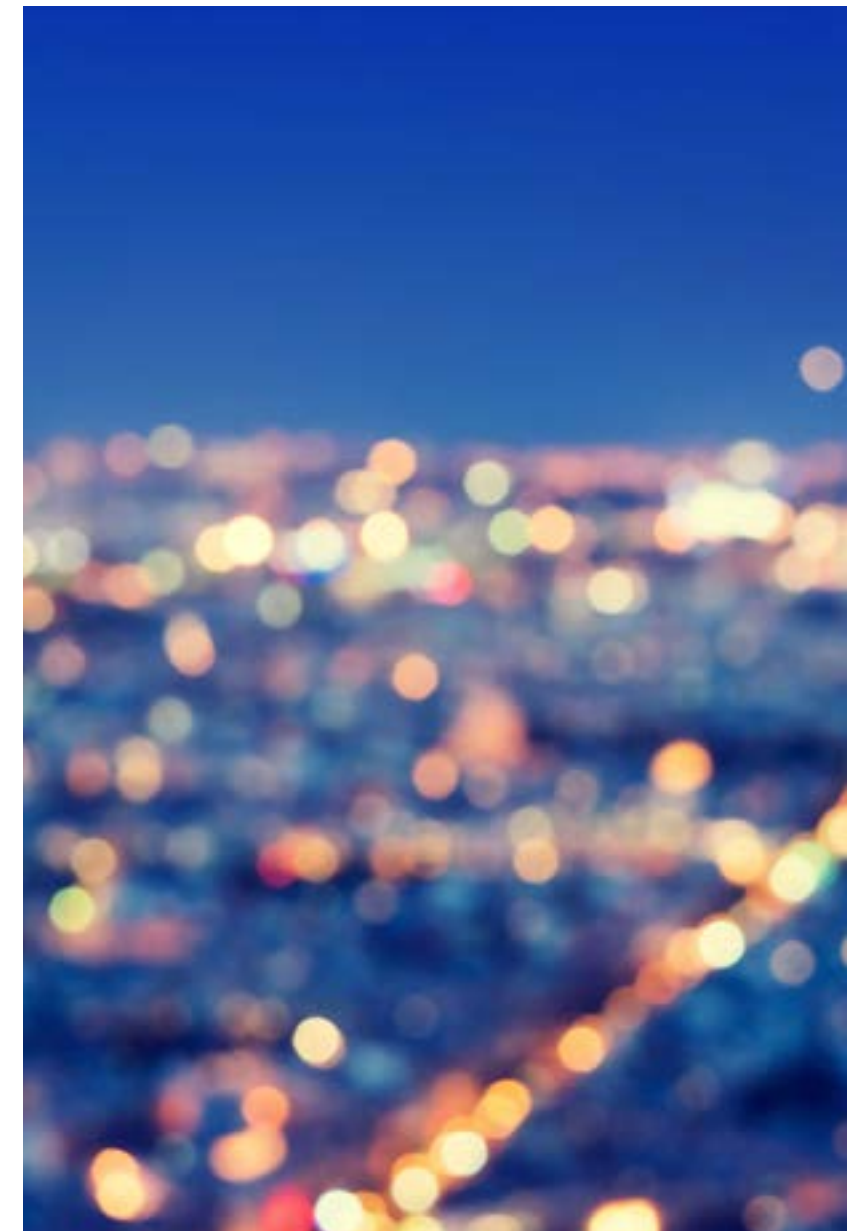
Supplier quality and service reliability

To ensure the reliability of the products and services supplied, suppliers are assessed periodically on two factors: quality and service. The frequency of these assessments is determined by each productive facility depending on its needs although they must be carried out at least annually.

These periodic assessments may be complemented annually by audits. The group has defined a specific procedure for these audits which assesses and scores suppliers on the following parameters: planning, reception, training and skills, process, maintenance, inspection, packaging, storage, continuous improvement and environmental record, customer satisfaction,

documentation and corporate social responsibility.

These audits are not only of use to the CIE Automotive Group and its customers, insofar as they ensure that the supply chain is solid and stable, but they are also highly appreciated by the suppliers themselves as they lead in time to improvements which benefit other customers and their own internal organisational structures.



Application of this assessment procedure yields one of four levels of compliance:

Unacceptable: the supplier ceases to be a CIE Automotive supplier, having scored less than 55%.

Conditional: these suppliers are required to draw up a plan for improving how their companies are managed, having only fulfilled between 55% and 74% of the assessment requirements.

Acceptable: these suppliers are asked to carry out certain specific improvements, having fulfilled between 75% and 89% of the procedural requirements.

Preferred: a compliance level in the wake of the audit of between 90% and 100%. These are the group's preferred suppliers.

In 2015, the group audited over 450 suppliers worldwide. Over 80% ranked as 'Acceptable' and have been required to introduce specific management improvements within a maximum timeframe of six months. The percentage of suppliers ranked as 'Unacceptable' in 2015 was less than 1.5%; the group took immediate action in this instances, switching supplier until such time as the non-performing supplier can present evidence that the required changes have been executed.

Notably in 2015, the group introduced a new specific, measurable section on supplier commitment to corporate social responsibility matters into its supplier selection and audit procedures. de selección de proveedores y auditoria a proveedores, un apartado específico y ponderable de compromiso de los proveedores en materia de responsabilidad corporativa.

GEOGRAPHIES	No. of AUDITS, 2015	%
Asia (India/China)	156	34.51%
Nafta (Mexico/USA)	135	29.87%
Europe	78	17.26%
Brazil	73	16.15%
Russia	10	2.21%

8.6.5. Supply chain, social and environmental considerations

CIE Automotive embraces its duty to foster a supply chain that upholds the universally-recognised ethical, labour, community and environmental principles which govern the company's business activities.

In order to ensure that its suppliers respect human and labour rights, on 2 December 2015, CIE Automotive's Corporate Social Responsibility Committee agreed to send all its regular suppliers (those whose orders are managed via SAP) a binding CSR declaration. New suppliers working with the organisation for the first time will be asked to approve and sign this declaration in conjunction with their first contracts or orders.

By means of this declaration, the suppliers commit to upholding the World Labour Organisation's (WLO) conventions such as the ban on child and compulsory labour, the freedom of association and the adaptation of pay, working hours and benefits to the legislation of each country. They must also foster the fair treatment, non-discrimination and health and safety of their employees.

This document also establishes the ethical principles governing these business relationships - integrity, fair competition, protection of privacy, personal data and intellectual property and the requirement to consult with local and indigenous communities.

On the environmental front, they are asked to uphold the principle of precaution, take initiatives to promote greater environmental responsibility and encourage the development and dissemination of environmentally-friendly technologies.

Environmental certification for suppliers

CIE Automotive has committed to continually reducing the overall carbon footprint generated by all of its business activities. Against this backdrop, in 2015 it developed a specific plan to be launched in 2016 under which it will strive to engage its supply chain in achieving emissions awareness, control and reduction targets.

To this end, CIE Automotive's corporate purchasing department and quality management network have defined a questionnaire which will be sent to each factory's top ten suppliers by invoicing volumes worldwide. Although business volume is the main criterion selected for monitoring purposes, suppliers whose

business activities have a substantial environmental impact will be included even if their turnover is below the cut-off threshold.

"CIE Automotive is moving proactively to shape a nimble and effective supply chain which is simultaneously socially and environmentally responsible"

The goal behind this initiative is to learn which suppliers are already certified sustainable suppliers and to ensure that those

that are not demonstrate efficiency managing, controlling and cutting greenhouse gas emissions and understand the climate change ramifications of their activities, managing the attendant risks adequately.

8.7. Environmental management

In its capacity as an environmentally-responsible company, CIE Automotive attempts to minimise the adverse consequences of its business activities by introducing energy-efficiency measures into its processes, making wise use of natural resources and managing waste appropriately. The company uses eco-design principles to make more environmentally-friendly products.

8.7.1. Respect for the environment

Environmental respect and protection are fundamental values at CIE Automotive. The company complies with prevailing environmental legislation in all of its operating markets and is committed to doing business in a manner that minimises adverse consequences for the environment.

In 2015, CIE Automotive earmarked €4.1 million to environmental investment and expenditure. Most of the capital expenditure went to upgrading its productive facilities to make them more environmentally-friendly, while the expenditure corresponds mainly to the waste management effort.

These investments and expenditure are part of the Environmental Strategic Plan which the company is in the process of executing, with the assistance of in-house employees and external specialist providers.



Improvement in environmental KPIs

In 2015, the company added new environmental performance indicators that will enhance the information at its disposal and enable it to track the various actions plans rolled out on the basis of this information. These indicators relate to material, energy and water consumption and to emissions and discharges.

The constant growth in the size of the CIE Automotive Group makes it hard to assess its performance along environmental parameters. In addition, the wide variety of technologies used by CIE Automotive makes it hard to find a single production unit that serves as a useful yardstick for its environmental performance. As a result, in certain instances the company has opted to use the euro as its common denominator, which can lead to differences on account of the product mix and varying raw material-value added percentages.

8.7.2. Consumption of water and material resources

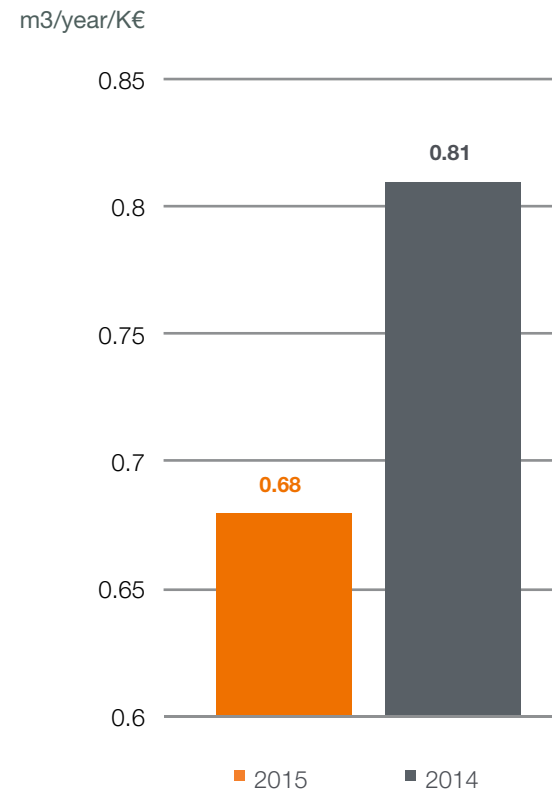
CIE Automotive's automotive parts manufacturing activity entails intense use of energy and raw materials. As a result, it continuously revises its processes to make them more energy-efficient and reduce water and raw material consumption.

Water is used extensively in making parts that require material transformation at high temperatures. The company has proprietary facilities for handling and recovering the various grades of wastewater produced to minimise discharges.

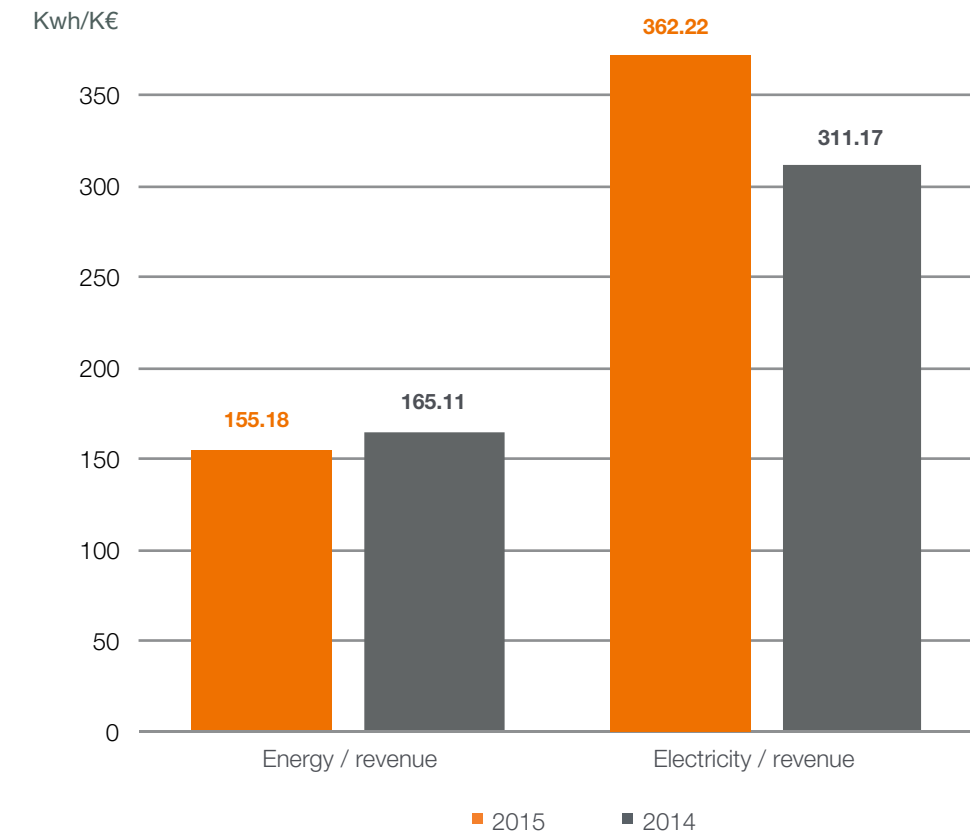
8.7.3. Energy efficiency and emissions

One of CIE Automotive's top priorities is to enhance its energy efficiency as so doing makes it more competitive by reducing expenditure, while helping to diminish its environmental footprint in tandem.

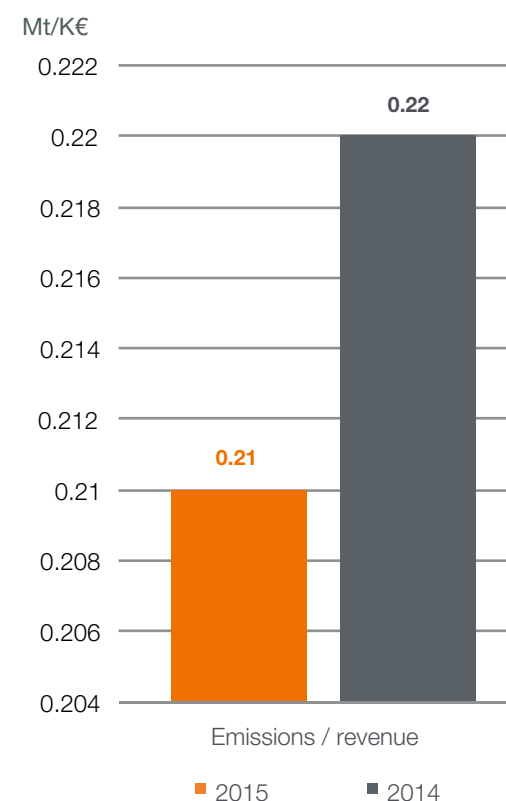
Water consumption



Energy consumption indicators



Emissions



The factors used to calculate emissions are the 2012 factors recommended by the IPCC (Intergovernmental Panel on Climate Change, set up by the United Nations and International Energy Agency).

8.7.4. Waste management, reuse and recycling

When it comes to managing the waste derived from its parts manufacturing activities, CIE Automotive prioritises reuse and recycling. The group has recycling processes that allow it, among other things, to turn shavings produced in the machining process into new parts or scrap for re-use.

The aluminium division recycled 48,089 tonnes using this process in 2015.

Bionor: oil recycling

CIE Automotive's strategic commitment to recycling has led it to come up with sustainable and ecological alternatives to the fossil fuel scarcity issue. Through its subsidiary, Bionor, it recycles used oil to turn it into biodiesel, a complex process. In 2015, it processed 24,351 tonnes of used oil.

Use of these products implies sharply reduced greenhouse gas emissions and provides a compelling alternative to the environmental damage and other dangers posed by conventional fuels.

Recycling snapshot

2015

Aluminium	48,089 MT
Oil	24,351 MT

8.7.5. Applied eco-design

CIE Automotive uses eco-design principles to make more environmentally-friendly products. In harmony with broader market trends, the company has thrown itself into the downsizing phenomenon, i.e., the effort to reduce the weight and size of engines so as to, in conjunction with super-charger technology, boost power while reducing fuel requirements and emissions.

By way of example, CIE Automotive is producing large quantities of common rail direct fuel injection systems for increasingly environmentally-friendly next-generation petrol and diesel

engines, as well as far more compact forged crankshafts for three-cylinder engines which present optimal consumption and emissions performance parameters.

Eco-design is not only applicable to product design but also to manufacturing processes, as it can lead to cost-cutting, competitive gains, product innovation, compliance with environmental regulations and improved product image and corporate reputation.



8.7.6. Dominion: solutions for enhancing environmental

Dominion's activities are intrinsically related to environmental protection through the projects it carries out for its customers. Within the services division, the various platforms developed to measure weather and water/air quality stand out. It also designs energy-efficiency solutions for application in its customers' productive processes with the aim of delivering energy savings by both reducing consumption and recovering residual heat.

On the project front, specifically through Dominion 360°, Dominion develops projects that are closely related to environmental protection, such as the meteorological networks deployed in Honduras and Venezuela.

One of the most noteworthy projects in terms of environmental value is the anti-tsunami alert system implemented in Arica (Chile), which also has a significant social component.

In terms of energy efficiency, it is worth singling out a range of initiatives carried out across CIE Automotive Components' manufacturing facilities with two aims:

- **Monitoring of energy and resource consumption** (electricity, gas, water and compressed air).
- **Implementation of energy optimisation solutions such as the reduction of injected engine fuel consumption,**

rationalisation of the compressed air circuit and recovery of compressor heat.

It is similarly worth highlighting the development of a new family of products based on video content management (VCM), which pairs artificial vision with artificial intelligence technology. These products, the result of the organisation's in-house R&D effort and collaboration with advanced technology research centres, are already being pilot-tested for commercial viability in areas of major interest such as accident prevention at rail crossings and early fire detection at industrial plants.

Environmental management system

Dominion has certified its environmental management system (ISO 14001) for various activities at six of the group's facilities. In March 2015, it passed the certification renewal process with very satisfactory results. The group plans to obtain environmental certification for its investee Steelcon, in Esbjerg (Denmark), in the course of 2016.

Waste treatment

The nature of Dominion's business means that the waste it generates mainly comprises office materials, including paper, ink, fluorescent bulbs, electric and electronic devices and batteries. This waste is managed using authorised waste handlers.

The group plans to automate the generation of information tracking Dominion's water and electricity consumption and current recycling activities.

In 2015, the group was not party to any significant environmental claims or lawsuits, nor did it benefit from environmental grants or tax credits.



Materials

	Un.	TOTAL GLOBAL		
		2015	2014	%
Raw material used	Kg	1,027,022,800.2	1,026,723,157.7	0,0 %
% Raw material re used	%	17.6	19.2	



Water

	Un.	TOTAL GLOBAL		
		2015	2014	%
Water used	m3/year	1,387,120.9	1,462,474.0	-5.2 %
Recycled water	m3/year	706,028.3	708,706.7	-0.4 %



Energy

	Un.	TOTAL GLOBAL		
		2015	2014	%
Direct consumption	Kwh	315,768,342.3	297,146,898.8	6.3 %
Indirect consumption	Kwh	739,116,237.8	747,042,871.8	-1.1 %
Energy savings	Kwh	10,827,939.8	12,133,092.6	-10.8 %
Energy intensity	Kwh	32,871.0	29,159.5	12.7 %



Discharges

	Un.	TOTAL GLOBAL		
		2015	2014	%
Water discharge	m3/year	700,441.7	888,904.5	-21.2 %



Emissions

	Un.	TOTAL GLOBAL		
		2015	2014	%
Emissions intensity	MT /K€	0.21	0.22	-7.6 %
Total emissions	MT	420,595.1	402,728.9	4.4 %
Direct emissions	MT	73,635.8	60,952.6	20.8 %
Indirect emissions	MT	346,959.3	341,776.3	1.5 %

Industrial
Waste

	Un.	TOTAL GLOBAL		
		2015	2014	%
Industrial waste	MT	200,042.1	215,747.8	-7.3 %
Total number and volume of significant spills	Report	0.0	0.0	0%
Weight of hazardous waste transported	MT	14,270.9	17,080.5	-16.4 %

Regulatory
compliance

Un.

TOTAL GLOBAL

2015

2014

%

Monetary value of significant
fines

Report

0.0

0.0

0.0 %

Number of non monetary
sanctions

Report

0.0

0.0

0.0 %

Environmental
claims

Un.

TOTAL GLOBAL

2015

2014

%

Environmental claims

Number

0.0

0.0

0.0 %



Investments

Un.

TOTAL GLOBAL

2015

2014

%

Total Cost & Investment

K€

4,059.1

3,216.3

26.2 %

8.8. Community

CIE Automotive generates economic progress and well-being in all its operating markets. In all of these countries it respects local legislation and contributes to local development by creating jobs, purchasing from local suppliers and paying taxes. It collaborates tirelessly with the authorities while playing a significant role in sector associations. In parallel, it performs community work, focusing on initiatives which provide solutions for the least privileged.

8.8.1. Value generated and distributed

Value generated and distributed
(€ million)

Economic value generated			
	2013	2014	2015
Revenue	1,760.2	2,209.5	2,631.5

Economic value distributed			
	2013	2014	2015
To shareholders (dividend)*	18.6	22.3	25.8
To employees (employee benefits expense)	381.7	514.1	600.3
To suppliers (consumption of raw materials and auxiliary materials)	1,012.6	1,272.1	1,470.4
To society (income tax paid)	16.4	19.5	31.9

(*) Dividend paid during the year

8.8.2. Community engagement

CIE Automotive engages in dialogue with its local communities and the authorities with the aim of minimising potential adverse consequences for its factories and factoring their feedback into its projects.

Its dealings with local government are based on collaboration and scrupulous respect for prevailing legislation. The company takes a politically-neutral stance and does not finance, either directly or indirectly, political parties or their representatives or candidates, either in Spain or abroad.

One of its missions is to advise the authorities on technical matters related to the automotive industry. Against this backdrop, in 2015, the chairman of CIE Automotive, Antonio María Pradera Jáuregui, assumed the rotating chairmanship of the public-private committee that will roll out the Basque Industry 4.0 strategy. This initiative is aimed at defending the Basque economy's industrial specialisation by promoting higher value-added manufacturing activities.





Membership of business associations

In engaging with the public sector, membership of a number of business associations, whose remit is to defend the automotive industry's interests vis-a-vis government, is of vital importance.

Examples of these associations include SERNAUTO (the Spanish association of automotive components manufacturers), the automotive suppliers association (CLEPA), the European Green Vehicles Initiative Association (EGVIA), the European Road Transport Research Advisory Council (ERTRAC), the Spanish forgers association (SIFE), the Spanish aluminium casting association (TEDFUN) and its European counterpart, the European Die Casting Association (EDCA), M2F (Spanish automotive technology platform) and Tecnalía Research & Innovation.

Dominion, for its part, has been a patron of the APD (association for management progress) since 2015 and is a member of @asLAN, the association of network, internet and telecommunication systems suppliers.

8.8.3. Community work

CIE Automotive aims to provide solutions to the difficulties facing its operating communities by participating in certain community work programmes.

To regulate this effort, in 2015 the company approved a Social Action Policy, applicable across all of the group's markets, establishing the scope of its community work and the guiding principles.

CIE Automotive's community work: guiding principles



Collaboration



Long-term
commitment



Transparency



Employee engagement in
company efforts



Contribution of added
value



Focus on
underprivileged places



In 2015, the company carried out various community projects, funded by well over €2 million, within the various categories stipulated in this corporate policy:

Donations:

CIE Automotive made donations to several non-governmental organisations (NGOs) to contribute to their work. In 2015, it provided financial support to DYA (a non-profit emergency relief association), Bomberos Unidos sin Fronteras [Firefighters without Borders], cancer societies, including the ACC and the Josep Carreras Foundation, and the Adecco Foundation, which works with the disabled.

Donations must be duly authorised and recognised in the group's accounting records. It is totally forbidden to make donations or financial contributions of any sort to organisations devoted or in any way related to the performance of illicit activities.

The group also purchased services from the special job centres run by the ONCE and Lantegi Batuak.

Sponsorship and patronage:

The company engages in sponsorship at the group and individual company levels.

One of its most emblematic projects in this arena is its sponsorship of the Dominion Bilbao Basket basketball club, to which it earmarked €1.6 million. The company hopes that its support will help the team build a new club model which embodies the company's hallmark values: teamwork and

sacrifice. Elsewhere, the group also sponsors a youth cycling team (youths aged 4 to 16) in Spain and a handball team in Germany (Handball Magdeburg), as well as supporting numerous employee sports teams, mainly by kitting them out.

As for cultural events, through various subsidiaries the CIE Automotive group is an associate member of the Guggenheim Museum in Bilbao and in 2015, it sponsored the Bruno Fael exhibition at the Milan Universal Exhibition.

Community investment:

CIE Automotive also makes long-term investments aimed at driving progress for different groups rather than generating a profit. Against this backdrop, its employees' volunteering work stand out, planting trees, donating sports and school materials and surfacing roads to schools. It also supports local culture and language initiatives under mixed company-employee financing formulae in keeping with the principle of 'shared commitment' which governs the group's community work.

Dominion and the community

Dominion's relationship with the community has a vector that is directly related to its business activities.

In its solutions division, the platforms developed to coordinate civil protection efforts, particularly in developing regions frequently devastated by natural disasters, stand

out. In the healthcare sector, Dominion has developed multiple solutions designed to improve hospital care; these systems lead the Spanish market and command a significant and growing presence in Latin America.

On the project front, specifically through Dominion 360°, the company carries out projects that are very valuable to the affected communities, such as the recent deployment of a tsunami alarm network in the city of Arica in Chile and the hospital equipment projects developed in Chile, Argentina and Honduras.

In 2015, Dominion secured a contract from the Chilean rail system for the installation and maintenance of the radio communication system on the railroad stretch connecting Santiago and Rancagua and the multi-service communication system supporting this line in Chile.

It also started to market a new product for the prevention of accidents at rail crossings using artificial vision technology.

