

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Financing Framework

Forvia SE

4 July 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">▪ Sustainability-Linked Instruments
Relevant standard(s)	<ul style="list-style-type: none">▪ Sustainability-Linked Bond Principles, as administered by the ICMA (as of June 2024)
Scope of verification	<ul style="list-style-type: none">▪ Forvia's Sustainability-Linked Financing Framework (as of June 28, 2024)
Lifecycle	<ul style="list-style-type: none">▪ Pre-issuance verification
Validity	<ul style="list-style-type: none">▪ Valid as long as Forvia's Sustainability-Linked Financing Framework and benchmarks for the Sustainability Performance target(s) remain unchanged.

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SCOPE OF WORK

Forvia SE (“Forvia” or “the Issuer” or “the Company”) commissioned ISS-Corporate to assist with its sustainability-linked instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Forvia’s Sustainability-Linked Financing Framework (as of June 28, 2024) and structural components of the transaction, benchmarked against the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Market Association (ICMA).
2. The sustainability credibility of the key performance indicator (KPI) selected and sustainability performance targets (SPTs) calibrated — whether the KPI selected is core, relevant and material to the Issuer’s business model and industry, and whether the associated targets are ambitious.
3. Consistency of the issuance of sustainability-linked instruments with Forvia’s Sustainability Strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

FORVIA BUSINESS OVERVIEW

Forvia SE is a holding company engaging in the manufacturing and supply of automotive components. It operates through the following segments: Seating, Interior Systems, Clean Mobility, Electronics, Lighting, Lifecycle Solutions. The Seating segment designs and manufactures complete vehicle seats, seating frames and adjustment mechanisms. The Interiors Systems segment develops and produces full interior systems including instrument panels, door panels, smart surfaces, and center consoles and focuses on sustainable materials.. The Clean Mobility segment designs and manufactures exhaust systems, solutions for fuel cell electric vehicles and aftertreatment solutions for commercial vehicles. The Electronics segment designs software & artificial intelligence for personalized user experiences. This was launched in 2019 and brings together the expertise of Clarion, Parrot Automotive, Coagent Electronics, CovaTech, Creo Dynamics, and HELLA. The Lighting segment produces lighting technologies such as Headlamps, Rear Lamps, Interior Lighting and Car Body Lighting. The Lifecycle Solutions develops solutions to extend the vehicle lifecycle with spare parts as well as workshop equipment and applying Original Equipment know-how for special target groups. The company was founded on July 1, 1929, and is headquartered in Nanterre, France.

ESG risks associated with the Issuer Industry

Forvia is classified in the auto components industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies¹ in this industry are environmental impact of products, resource-conserving production, product safety and social challenges in the supply chain.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

¹ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

EVALUATION SUMMARY	
Part I: Alignment with the SLBP	The Framework is in line with the Sustainability-Linked Bond Principles.

Part II:	KPI Reduction of GHG Emissions (absolute Scope 1, 2 and 3 GHG emissions) (in %)
KPI Selection	
Relevant	Relevant
Core	Core
Material	Material
Assessment	Best Practice

	SPT 1 Reduce absolute Scope 1, 2 and 3 GHG emissions by 10% by 2026 from a 2019 base year	SPT 2 Reduce absolute Scope 1, 2 and 3 GHG emissions by 15% by 2027 from a 2019 base year	SPT 3 Reduce absolute Scope 1, 2 and 3 GHG emissions by 45% by 2030 from a 2019 base year
SPT Calibration			
Against Issuer's past performance	Ambitious	Ambitious	Ambitious
Against Issuer's industry peer group	Ambitious	Ambitious	Ambitious
Against international targets	Limited information ³	Limited information ⁴	In line with Paris Agreement
Level of ambition	Good⁵	Good⁶	Robust⁷

² The evaluation is based on the engagement conducted from May to July 2024 on the Issuer's Sustainability-Linked Financing Framework (as of June 28, 2024).

³ The intermediary target is not in line with the SBTi target linear trajectory because Forvia's 2030 decarbonization trajectory is nonlinear due to the specificities of the Issuer's industries, such as the long time between product design and production that delays impacts on emissions.

⁴ Ibid.

⁵ Two of the three SPTs' benchmarking approaches have been assessed positively.

⁶ Two of the three SPTs' benchmarking approaches have been assessed positively.

⁷ All three SPTs' benchmarking approaches have been assessed positively.

<p>Part III:</p> <p>Consistency of sustainability-linked instruments with Forvia's Sustainability Strategy</p>	<p>Consistent with the Issuer's sustainability strategy</p> <p>The key sustainability objectives and the rationale for issuing sustainability-linked instruments are clearly described by the Issuer.</p> <p>The KPI selected by the Issuer is related to climate change. This has been defined as one of the Issuer's key priorities for its sustainability strategy and has been assessed as a material sustainability topic. This transaction contributes to the Issuer's sustainability strategy due to the KPI's clear link to the Issuer's decarbonization plan and ambitious SPTs against the Company's past performance and peer group.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>
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SPO ASSESSMENT

PART I: ALIGNMENT WITH THE SUSTAINABILITY-LINKED BOND PRINCIPLES

This section describes our assessment of the alignment of Forvia’s Sustainability-Linked Financing Framework (as of June 28, 2024) with the SLBP.

SLB PRINCIPLES	ASSESSMENT	OPINION
1. Selection of KPI		A detailed analysis of the sustainability credibility of the KPI selection is available in Part II of this report.
2. Calibration of SPT		A detailed analysis of the sustainability credibility of the SPT calibration is available in Part II of this report.
3. Bond Characteristics	✓	The description of the sustainability-linked bond characteristics provided by the Issuer is aligned with the SLBP. The Issuer gives a detailed description of the potential variation of the financial characteristics of the securities.
4. Reporting	✓	The reporting description provided by the Issuer is aligned with the SLBP. This will be made available annually to investors and include valuable information, such as the performance of the KPI, any update that might affect the achievement of the SPTs, and — if relevant — a reassessment of the KPI and/or restatement of the SPTs. The report will be made publicly available through Forvia’s Universal Registration Document, published on the Company’s website.
5. External verification	✓	The Verification description provided by the Issuer is aligned with the SLBP. This report constitutes the SPO. The performance of the SPTs against the KPI will be externally verified with a limited assurance annually until maturity of the instrument.

PART II: KPI SELECTION AND SPT CALIBRATION

1. Selection of the KPI

KPI is defined as "Scope 1, 2, and 3 GHG emissions"

Opinion	<i>The KPI is relevant, core and material to the Issuer’s overall business, and of strategic significance to the Issuer’s current and/or future operations. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable. It covers Scope 1, 2 and 3 GHG emissions, representing 100% of the Company’s total GHG emissions.</i>
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Assessment⁸	Not aligned	Aligned	Best Practice
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KPI	KPI definition:	Reduction of GHG Emissions (absolute Scope 1, 2 and 3 GHG emissions) (in %)
Characteristics and Features	Scope and perimeter:	The KPI scope and perimeter are transparently defined as it covers Scope 1, 2 and 3 GHG emissions of all Forvia operations. As of 31 Dec. 2023, Scope 3 (including category 11) represents 98% of the company’s total GHG emissions.
	Quantifiable/Externally verifiable:	<p>The KPI is quantifiable and calculated according to the GHG Protocol’s Corporate Accounting and Reporting Standard as:</p> <ul style="list-style-type: none"> ▪ Direct greenhouse gas emissions are calculated in CO₂ equivalent. Emissions related to the consumption of Scope 1 fuels are calculated based on emission factors taken from the French Environment and Energy Management Agency and the Department for Environment, Food and Rural Affairs. ▪ Fugitive emissions are calculated using emission factors from the sixth report of the Intergovernmental Panel on Climate Change. ▪ Indirect emissions related to electricity are calculated using the market-based

⁸ The KPI selection assessment is classified on a three-level scale: "Not Aligned," "Aligned" or "Best Practice." For further information on ISS methodology regarding KPI assessment, please refer to Annex 2 on Page 20.

		<p>approach, in line with the trajectory declaration to the SBTi.</p> <p>The KPI is externally verifiable, because an absolute GHG emission KPI is widely disclosed and standardized in the market.</p>
	Externally verified:	<p>The historical and baseline data for the KPI selected have been verified by a qualified third party. The Issuer commits to having the future data verified by an external reviewer, as well.</p>
	Benchmarkable:	<p>By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPTs in relation to this KPI has been analyzed below.</p>

KPI	
Analysis	The KPI considered is:

Relevant to the Issuer’s business as it relates to the key issue of “resource-conserving production” faced by the auto components industry according to key ESG standards for reporting and an ISS ESG assessment.

Core to Forvia’s business as the measures will affect some key processes and operations of its business model. The Company will tackle its energy use and consumption by switching to renewables (either produced on-site or through PPAs), implementing measures for energy efficiency and investing in electrification. Forvia does not plan to use offset mechanisms to reach its targets. Additionally, it will work with suppliers to reorganize its purchasing process to source more low-carbon material, products and services. The Issuer is working to refine its ability to assess, measure and reduce its carbon footprint and to be able to help suppliers and partners also set up reduction targets and action plans.

Material⁹ to Forvia’s business model as the KPI covers all the relevant sources of GHG emissions. For Scope 1 and 2 GHG emissions it covers production, assembly and R&D sites, as well as registered office sites. For Scope 3, it covers the whole upstream and downstream value chain (Categories 1-10, 12 and 15 — use of sold products in cars, as well as Category 11).

⁹ ISS ESG bases this analysis on the Issuer’s own emissions reporting and makes no comment on the quality or consistency of the Issuer’s Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol or to established norms for the Issuer’s sector. ISS ESG notes that Scope 3 reporting may differ between companies in the same sector and does not undertake any benchmarking of an Issuer’s reporting.

Leasing and franchise businesses are excluded as they are not part of the Company's business model and thus accounts for 0% of its revenue.

Of strategic significance to Forvia's current and future operations as the KPI is consistent with the company's overall sustainability strategy and business model. According to a Deloitte report,¹⁰ the Automotive sector is a major contributor to climate change. As such, original equipment manufacturers and suppliers, such as the Issuer, have a key role to play in climate change action and require a shift in their business models to remain competitive.

¹⁰ Deloitte, 2023, "Automotive: Pathways to decarbonization," <https://www2.deloitte.com/content/dam/Deloitte/es/Documents/manufacturing/Deloitte-es-manufacturing-descarbonizacion-sector-automocion.pdf>.

2. Calibration of the SPT

SPT is defined as reaching:

SPT 1 Reduce absolute Scope 1, 2 and 3 GHG emissions by 10% by 2026 from a 2019 base year

SPT 2 Reduce absolute Scope 1, 2 and 3 GHG emissions by 15% by 2027 from a 2019 base year

SPT 3 Reduce absolute Scope 1, 2 and 3 GHG emissions by 45% by 2030 from a 2019 base year

Opinion	<p><i>SPT 1 is (i) ambitious against the Company's past performance, (ii) ambitious against industry peers, and (iii) and there is limited information to assess the level of ambition against international targets.</i></p> <p><i>SPT 2 is (i) ambitious against the Company's past performance, (ii) ambitious against industry peers, and (iii) and there is limited information to assess the level of ambition against international targets.</i></p> <p><i>SPT 3 is (i) ambitious against the Company's past performance, (ii) ambitious against industry peers, and (iii) it is in line with the Paris Agreement.</i></p> <p><i>The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the Company's Framework.</i></p>
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Level of Ambition of SPT 1 ¹¹	No Evidence	Moderate	Good	Robust
Level of Ambition of SPT 2 ¹²	No Evidence	Moderate	Good	Robust
Level of Ambition of SPT 3 ¹³	No Evidence	Moderate	Good	Robust

¹¹ The SPT selection assessment is classified on a four-level scale: "No Evidence," "Limited," "Good" or "Robust." For further information on the ISS methodology related to the SPT assessment please refer to Annex 2 on Page 21.

¹² Ibid.

¹³ Ibid.

<p>SPT</p> <p>Characteristics and Features</p>	<p>SPT definition:</p>	<p>There are three SPTs:</p> <p>SPT 1 is defined as the reduction of absolute GHG emissions from Scope 1, 2 and 3 by 10% by 2026 from a 2019 base year.</p> <p>SPT 2 is defined as the reduction of absolute GHG emissions from Scope 1, 2 and 3 by 15% by 2027 from a 2019 base year.</p> <p>SPT 3 is defined as the reduction of absolute GHG emissions from Scope 1, 2 and 3 by 45% by 2030 from a 2019 base year.</p>
	<p>Baseline performance and year:</p>	<p>41,711,000 tCO₂e in 2019.</p>
	<p>Target performance and observation date:¹⁴</p>	<p>37,539,900 tCO₂e on Dec. 31, 2026.</p> <p>35,454,350tCO₂e on Dec. 31, 2027.</p> <p>22,941,050tCO₂e on Dec. 31, 2030.</p>
	<p>Trigger event:</p>	<p>If, following the publication of the relevant Universal Registration Document within six months of the end of the relevant fiscal year, one of the events below occurs:</p> <ul style="list-style-type: none"> ▪ The Issuer fails to achieve the selected the SPT(s) on the relevant Target Observations Date(s); ▪ The reporting does not meet the requirements set out in the KPI Reporting section of the Framework; ▪ The verification of the SPT(s) has not been provided and made public as set out in the Verification section of the Framework.
	<p>Long-term target:</p>	<p>Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2045 from a 2019 base year.</p>

¹⁴ The Issuer expresses SPTs in percent reduction from baseline data and not in absolute terms.

	<p>Strategy and action plan to reach the target:</p>	<p>To reduce its Scope 1, 2 and 3 GHG emissions, Forvia is focusing its efforts on:</p> <ul style="list-style-type: none"> ▪ Energy efficiency: <ul style="list-style-type: none"> ○ Heat recovery ○ Energy savings ○ Digitalization and smart actuators ▪ Transition to low carbon energy: Process and heating electrification ▪ Renewable energy: <ul style="list-style-type: none"> ○ On-site production ○ Off-site power purchase agreements ▪ Improve sites' environmental performance ▪ Use environmentally friendly materials, develop carbon-neutral products and improve eco-design ▪ Supplier engagement
	<p>Key factors/risks beyond the Issuer's direct control that may affect the achievement of the SPTs:</p>	<p>When it comes to reducing Scope 3 GHG emissions, Forvia has identified the following risks:</p> <ul style="list-style-type: none"> ▪ Less-supportive regulation for sustainable mobility, such as for electric vehicles and use of alternative materials ▪ Supply/demand imbalance for renewable energy beyond 2025 ▪ Electric vehicle supply chain disruptions ▪ Slowing pace of the electrification of the automobile market
	<p>Historical data verified:</p>	<p>Forvia provides historical data by setting the baseline year of its SPT to 2019 and providing yearly GHG emissions data between 2019 and 2023. This is relevant as Forvia set its SBTi-verified target in 2022. In addition, the company acquired a controlling share of HELLA and became Forvia in 2022.</p>

	SPT set with Borrower/Lender Group:	N/A
	Recalculations or pro-forma adjustments of baselines	The recalculation event wording is defined in the Framework and is included in the sustainability-linked instruments' terms.

SPT Analysis	The level of ambition of the SPTs is assessed as follows:
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(i) Against past performance:

The Issuer provided three years of relevant historical data, including for the baseline year of 2019. The data are shown in Table 1. Calculating the compound annual growth rate (CAGR) of the past performance shows that the Issuer has achieved an average yearly reduction of 1.32% between 2019 and 2023 for Scope 1, 2, and 3 GHG emissions.

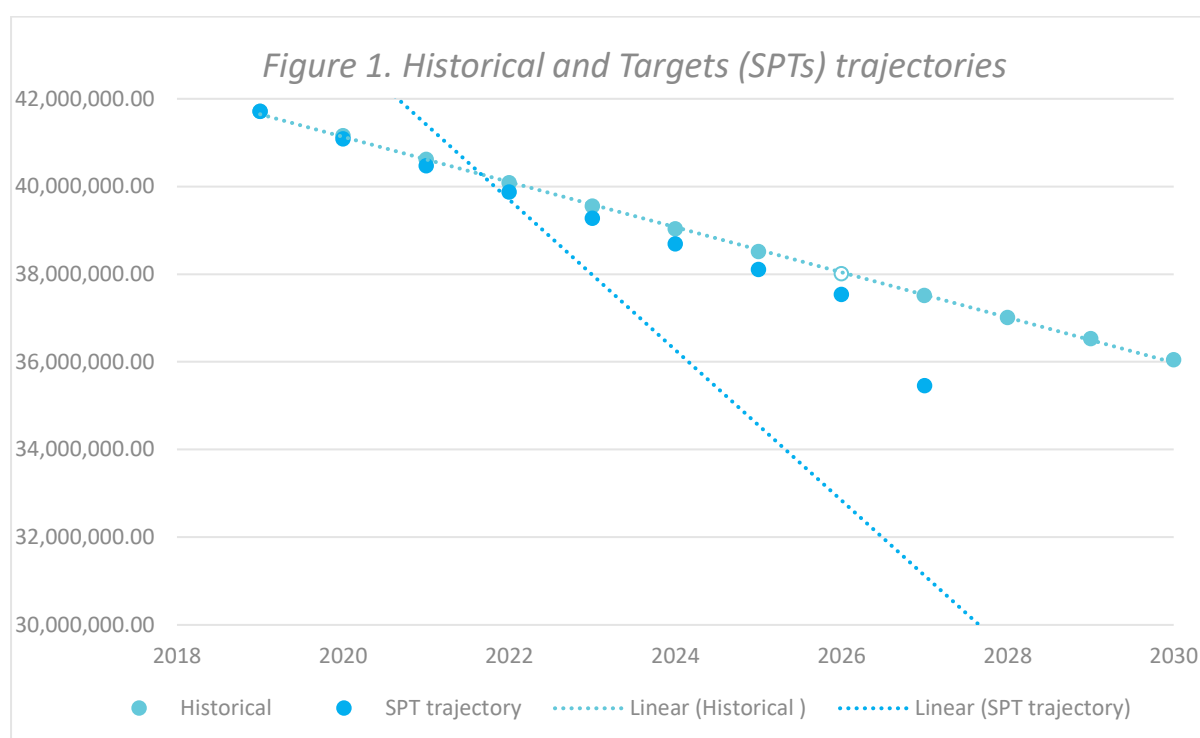
TABLE 1.	2019 – BASELINE	2022	2023	2026 – SPT	2027 – SPT 2	2030 – SPT 3.
KPI metric (tCO₂eq)	41,711,000	38,629,000	39,554,000	37,539,900	35,454,350	22,941,050
CAGR 2019 – 2023			-1.32%			
CAGR 2019 – 2026				-1.49%		
CAGR 2019 – 2027					-2.01%	
CAGR 2019 – 2030						-5.29%

Source: Forvia's Sustainability-Linked Financing Framework

Forvia sets SPT 1, SPT 2, and SPT 3 to achieve a reduction of Scope 1, 2 and 3 GHG emissions by 10% in 2026, 15% in 2027, and 45% in 2030 respectively compared to a 2019 baseline. Calculating the CAGR amounts to an average of:

- 1.49% annual reduction between 2019 and 2026
- 2.01% annual reduction between 2019 and 2027
- 5.29% annual reduction between 2019 and 2030

Since the projected average annual reductions to achieve SPT 1, SPT 2, and SPT 3. are quantitatively larger than the historical annual reduction rate, we conclude that the SPTs are quantitatively ambitious against past performance.



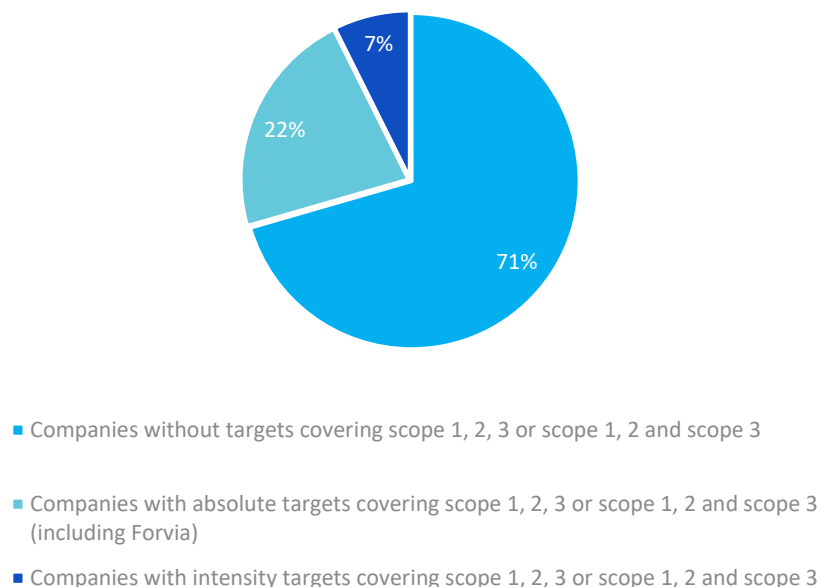
(ii) Against peers:¹⁵

We conducted a benchmarking of the SPT set by Forvia against the auto components peer group of 95 listed companies (including the Issuer) as per the ISS ESG Universe.

Aside from Forvia, 27 other peers also set a target — either absolute or intensity — covering Scope 1, 2 and 3 GHG emissions. From this subgroup, 20 companies set an absolute emissions reduction target (including Forvia) and seven set an intensity target. As such, Forvia belongs to the top 29% of companies in terms of target setting.

¹⁵ ISS-Corporate assesses the ambitiousness of the Issuer's SPT against its peers by computing the CAGR of the SPTs and the targets publicly disclosed by the Issuer's sectorial peers. The calculation assumes that every peer will follow a linear trajectory to achieve the targets set until, at least, the Issuer's target year.

Figure 2: scope 1, 2, 3 or scope 1, 2, and scope 3 emissions target setting amongst industry peer group



We compared Forvia’s target with the peers who also set an absolute target covering either Scope 1, 2 and 3 GHG emissions or Scope 1 and 2 and Scope 3 GHG emissions with a target date at or before 2031. We found 15 comparable peers (excluding Forvia). By calculating the CAGR for this group,¹⁶ it is found that:

- For SPT 1, 12 peers have targets requiring a steeper reduction rate, placing Forvia in the top 14%.
- For SPT 2, 10 peers have targets requiring a steeper reduction rate, placing Forvia in the top 12%.
- For SPT 3, two peers have targets requiring a steeper reduction rate, placing Forvia in the top 2%.

Therefore, we conclude that SPT 1, SPT 2, and SPT 3. set by Forvia are ambitious against industry peers.

(iii) Against international targets:

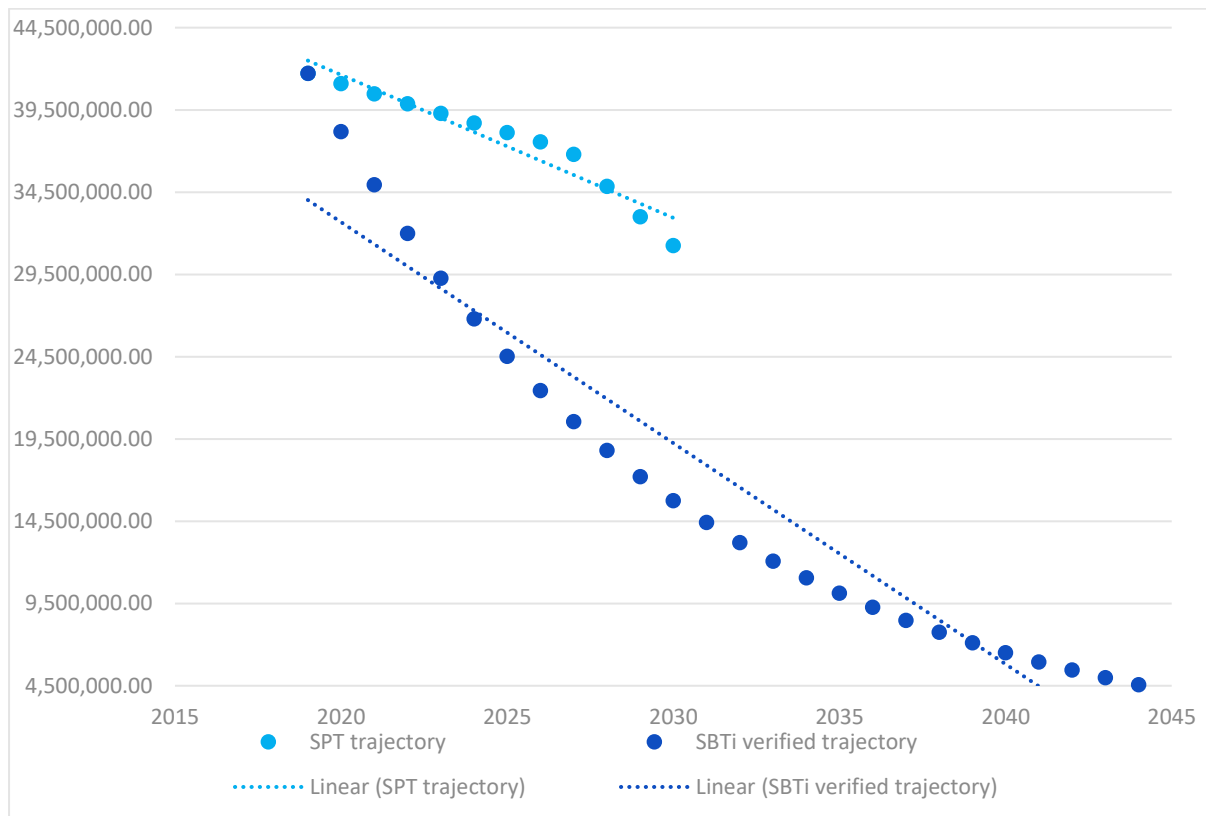
Paris Agreement

Forvia has an SBTi-approved emission reduction target of cutting Scope 1, 2 and 3 emissions by 90% by 2045 from a 2019 base year. This target has been confirmed by the SBTi to be consistent with the reductions required to keep the global mean temperature increase to 1.5°C.

¹⁶ Please note that for companies who set reductions targets for Scope 1 and 2 and Scope 3 separately, ISS calculated the weighted average between the Scope 1 and 2 and Scope 3 CAGRs. For this we considered a split in the emission of 2% in Scope 1 and 2 and 98% in Scope 3, as it was for Forvia in 2023.

We compared the CAGR for SPT 1, SPT 2, and SPT 3. with the CAGR to reach the SBTi-verified target (-8.48%) which is quantitatively larger than the CAGRs for SPT 1. However, we can compare the SBTi intermediary target to “Reduce absolute scope 3 GHG emissions 45% by 2030 from a 2019 base year” with SPT 3. As the company is committed to become carbon neutral in Scope 1 and 2 GHG emissions by 2025, the SBTi intermediary target for Scope 3 and SPT 3. are the same. As such, we can consider it in line with the Paris Agreement.

SPTs 1 and 2. are intermediary targets to Forvia’s SBTi-verified target, though they are not in line with the SBTi target linear trajectory. Therefore, there is limited information to conclude the ambition against international targets. It is worth noting that Forvia’s decarbonization targets are nonlinear given the long product development cycle (generally five to six years), and the nonlinear pace of electrification and low-carbon product and R&D technologies, which delays the impacts on GHG emissions.



Consistency with the Issuer sustainability strategy: Forvia’s emissions target is consistent with its strategic vision for decarbonization and sustainability, aligning with long-term goals such as achieving net-zero climate neutrality by 2045. Additionally, the Issuers considers climate change as a relevant risk to its business with a potential impact on its activities¹⁷.

¹⁷ Forvia, 2023, “Sustainability Report,” page 19, https://www.forvia.com/sites/default/files/2024-03/FORVIA_%202023_Sustainability%20Report_WEB.pdf

PART III: CONSISTENCY OF SUSTAINABILITY-LINKED INSTRUMENTS WITH FORVIA’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on governance, planet, business and people. These sustainability pillars were defined in 2018 through an in-house materiality analysis carried out by internal experts from different departments that included a peer comparison in the Automotive sector and was also based on SASB recommendations. Forvia also mapped its strategy topics against the U.N. Sustainable Development Goals.</p>
<p>ESG goals/targets</p>	<p>To address its strategic ESG topics, the Issuer has set targets on each pillar:</p> <ul style="list-style-type: none"> ▪ Governance: <ul style="list-style-type: none"> ○ Remain vigilant and comply with the highest ethical standards ○ Guarantee a safe working environment for all staff working on sites (whether directly or externally employed) ○ Build a responsible supply chain ○ Develop products and services of irreproachable quality and safety and technologies for an ever safer and smarter driving environment ▪ Planet: <ul style="list-style-type: none"> ○ Reduce waste intensity (metric tons per million euros of sales) by 34% by 2027 ○ Reduce water intensity (m³ per million euros of sales) by 30% by 2030 ○ Reduce impacts on biodiversity by 2025 ▪ Business: <ul style="list-style-type: none"> ○ Train all employees of the Code of Ethics by 2025 ○ Reach 1.5 accidents with and without lost time per million hours worked (FR1t indicator) by 2027 ○ Assess 85% of direct purchasing volume for CSR performance by 2025

	<ul style="list-style-type: none"> ▪ People: <ul style="list-style-type: none"> ○ Reach 25 hours of training per employee per year by 2030 ○ Reach 30% of women among top 300 leaders and 35% of women among managers and skilled professionals by 2030 <p>The Company’s performance is monitored annually.</p>
<p>Consistency with the KPI</p>	<p>KPI 1: Forvia has set decarbonization as one of its priority long-term goals. KPI 1 focuses on reducing the company’s Scope 1, 2 and 3 GHG emissions, and is therefore consistent with its decarbonization objective.</p>
<p>Action plan</p>	<ul style="list-style-type: none"> ▪ Governance and business: <ul style="list-style-type: none"> ○ Ethics: training and communication campaigns on policies, such as the Code of Conduct, and procedures around ethics and compliance. ▪ Planet: <ul style="list-style-type: none"> ○ Waste: reducing production waste, strengthening sorting practices, setting up recycling systems to recover waste externally and reusing packaging ○ Water: monitoring, leak prevention and closed-loop use, and installation of rainwater harvesting systems ○ Biodiversity: banning the use of herbicides or insecticides, control of light pollution and awareness raising ▪ People: <ul style="list-style-type: none"> ○ Women: improve job desirability among female engineering students with the “Women in technology” initiative, encourage partner recruitment agencies on gender equality, specific reviews of internal female employees to support their growth, and dedicated leadership training ○ Training: training platform available to all employees, and “Forvia University”

	<p>accessible in five campuses across the globe</p>
<p>Climate Transition Strategy</p>	<p>Forvia has set short-, medium- and long-term targets for its emissions that have been certified by the SBTi in 2022:</p> <ul style="list-style-type: none"> ▪ By 2025, the Company is committed to reduce Scope 1 and 2 GHG emissions by 80%. Forvia’s ambition is to become carbon neutral by 2025 in its own operations. It plans to do so by producing renewable energy on site or sourcing it externally, electrifying processes and heat production, and digitalizing processes (e.g., installing smart meters). ▪ By 2030, it plans to reduce Scope 3 GHG emissions by 45% through the adoption of lightweight solutions, eco-design, green manufacturing, use of recycled and bio-based material, and recyclability and modularity considerations. ▪ By 2045, Forvia’s final goal is to reduce CO₂ emissions from Scopes 1, 2 and 3 by 90%. It plans to remove the remaining share of emissions from the atmosphere.
<p>ESG Risk and Sustainability Strategy Management</p>	<p>In 2018, Forvia carried out an in-house materiality analysis to identify extra-financial risks. The list of identified risks was compared with a risk universe of peers in the automotive sector. The resulting preliminary list was screened following a methodology based on the frequency of occurrence and degree of seriousness and discussed with external shareholders. The final list has been approved by the Executive Committee and is updated yearly. This includes risks such as cybersecurity, business ethics, intellectual property and having a responsible supply chain. The Company’s sustainability strategy is overseen at the executive level by the executive vice president for communication, public affairs and sustainability and through the Sustainable Development Executive Committee. Additionally, each governance body handles sustainability considerations within its area of</p>

	expertise. The identified risks are reviewed quarterly, and mitigation plans are implemented.
Top three areas of breaches of international norms and ESG controversies in the industry¹⁸	Layoffs, failure to prevent air pollution and failure to prevent deforestation/illegal logging.
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.
Sustainability Reporting	The Issuer reports on its ESG performance and initiatives annually. The report is prepared following the Global Reporting Initiative standards, Core option. Additionally, it implements the TCFD recommendations.
Industry associations, Collective commitments	The Issuer has been a signatory of the U.N. Global Compact since 2004 and the U.N. Global Women’s Empowerment Principles since 2020. Additionally, it is a member of the Hydrogen Council, the We Mean Business Coalition (since 2021), Movin’On LAB, and the Entreprises pour l’Environnement.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	The Issuer (then Faurecia) published a Sustainability-linked Financing Framework in December 2021. It also published a Green Bond Framework in March 2021. Both frameworks have been externally verified by ISS ESG (now ISS-Corporate). In 2021, Forvia issued a sustainability-linked bond (XS2405483301) raising EUR 1.2 billion and a green bond (XS2312733871) raising EUR 400 million. In 2022, it issued an additional sustainability-linked bond (XS2553825949) raising EUR 950 million. Additionally, the Company has issued the equivalent of EUR 747 million of Schuldscheindarlehen in 2021 and 2022, maturing in July 2024, January 2026, January 2027 and January 2028. Forvia also has a sustainability-linked revolving credit facility in place

Rationale for issuance

Forvia adopted its first Sustainability-Linked Financing Framework in 2021 to finance the advancement of its GHG reduction plan. In 2024, it is publishing a new one to account for its

¹⁸ Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the auto components industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

SECOND PARTY OPINION

Sustainability Quality of the Issuer
and Sustainability-Linked Financing
Framework

new GHG emission reduction targets and sustainability strategy. The issuances will directly support Forvia's decarbonization plan.

Opinion: *The key sustainability objectives and the rationale for issuing sustainability-linked bonds are clearly described by the Issuer. The KPI/SPT financed is in line with the Issuer's sustainability objectives.*

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as Forvia's Sustainability-Linked Financing Framework and benchmarks for the Sustainability Performance target(s) remain unchanged.
2. Second Party Opinion are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these Second Party Opinion, or any information provided therein. If the Second Party Opinion is provided in English and other languages, in case of conflicts, the English version shall prevail.
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ANNEX 1: ISS-CORPORATE SUSTAINABILITY-LINKED BONDS

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary methodology. For more information, please visit: <https://www.iss-corporate.com/file/publications/methodology/iss-corporate-sustainability-linked-bond-loan-spo-methodology-summary.pdf>

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles, an in-depth analysis of the sustainability credibility of the KPI selected and associated SPTs has been conducted.

The analysis has determined whether the KPI selected is core, relevant and material to the Issuer's business model and consistent with its sustainability strategy thanks to long-standing expertise in evaluating corporate sustainability performance and strategy. The analysis also reviewed whether the KPI is appropriately measurable by referring to key reporting standards and against acknowledged benchmarks. Based on the factors derived from the SLBP and using a proprietary methodology, the KPI selection assessment is classified on a three-level scale:

Not Aligned	Aligned	Best Practice
The KPI is not aligned if one of the core requirements from the SLBP selection of KPIs section is not satisfied.	The KPI is aligned if all the core requirements from the SLBP selection of KPIs section are satisfied.	The KPI follows best practice if all the core requirements from the SLBP selection of KPIs section are satisfied and if the KPI is fully material and follows best-market practices in terms of benchmarkability.

The ambition of the SPT has been analyzed against the Issuer's own past performance (according to Issuer's reported data), against the Issuer's industry peers (for example per ISS ESG Peer Universe data), and against international benchmarks such as the Paris Agreement (based on data from the Transition Pathway Initiative or Science-Based Targets initiative). Finally, the measurability and comparability of the SPT, and the supporting strategy and action plan of the Issuer have been evaluated.

Based on the factors derived from the SLBP and using a proprietary methodology, the SPT selection assessment is classified on a four-level scale:

No Evidence	Moderate	Good	Robust
If none of the three dimensions (past performance, industry peers and international benchmarks) are positively assessed.	If the SPT is ambitious against only one of the three dimensions.	If the SPT is ambitious against two of the three dimensions.	If the SPT is ambitious against all three dimensions.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Forvia commissioned ISS-Corporate to compile a sustainability-linked instruments SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles, and to assess the sustainability credentials of its sustainability-linked instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Sustainability-Linked Bond Principles, as administered by ICMA (as of June 2024)

ISSUER'S RESPONSIBILITY

Forvia's responsibility was to provide information and documentation on:

- Framework

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the sustainability-linked instruments to be issued by Forvia has been conducted based on a proprietary methodology and in line with the ICMA Sustainability-Linked Bond Principles.

The engagement with Forvia took place from May to July 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g., the Sustainability-Linked Bond Principles), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For information about SPO services, please contact: SPOsales@iss-corporate.com

Project team

Project lead

Marta Farina
Sr. Associate
Sustainable Finance Research

Project support

Marie-Bénédicte Beaudoin
Associate Director
Head of Sustainable Finance Research