

DRIVER OF SUSTAINABILITY

SUSTAINABILITY REPORT 2023

The Vitesco Technologies Group is a supplier of modern drive technologies and electrification solutions for sustainable vehicles. Its product portfolio comprises electric drive units, electronic controls, sensors, actuators, and solutions for treating exhaust gases. With more than ten years' experience in electric vehicles, Vitesco Technologies offers trailblazing solutions for all the possible steps to electrification that will be taken for all the drive technology developments in the future. The

Company has production and development sites in all growing markets (China, Europe, and North America). In the 2023 fiscal year, the Group achieved sales of €9.2 billion and had 35,528 employees at approximately 50 sites. Vitesco Technologies Group AG is the parent company and has been based in Regensburg, Germany since September 30, 2021.

www.vitesco-technologies.com

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FOREWORD BY ANDREAS WOLF

TO OUR STAKEHOLDERS GRI 2-22, -23



Andreas Wolf
Chief Executive Officer

Dear readers,

2023 was a challenging year: in addition to Russia's ongoing war of aggression against Ukraine, various geopolitical crises impacted the earnings and prospects of many businesses. Despite the challenges, I am pleased about Vitesco Technologies' continued good business performance.

Thanks to the commitment of our employees among others, our company kept growing, expanding its order backlog, and positioning itself internationally as a leading provider of electrification solutions. At the same time, we achieved measurable improvements in advancing towards our strategic sustainability goals.

New challenges await us in 2024: The planned merger with Schaeffler and the resulting larger group of companies will enable us to utilize and contribute our expertise even better. Together with Schaeffler, we will open a new chapter in what is now our common company history – and join forces to advance further along the road to cleaner mobility.

How we tackled our sustainability goals in the past fiscal year, and how well we succeeded, is the central topic of what is now Vitesco Technologies' third Sustainability Report. The standards of the Global Reporting Initiative and the Sustainability Accounting Standards Board provided important points of reference for its preparation; the Sustainable Development Goals and the United Nations Global Compact were also taken into account. We also followed the recommendations of the Task Force on Climate-related Financial Disclosures. Using these frameworks, we seek to provide you, our stakeholders, with the transparency and comparability you need to make informed decisions.

In this spirit, I wish you an informative and stimulating read.

Andreas Wolf
Chief Executive Officer

FOREWORD BY INGO HOLSTEIN

TO OUR STAKEHOLDERS GRI 2-23



Ingo Holstein
Chief Human Resources Officer

Dear readers,

Three words sum up what we are all about at Vitesco Technologies: “Electrified. Emotion. Everywhere.” And if you are wondering where sustainability comes into all this, the answer is easy: in our business model. As a provider of intelligent electrified drive systems, we are primarily concerned with one thing: the decarbonization of the transport sector.

This commitment is an expression of the corporate responsibility we assume towards people and the environment for our entire value chain. In this Sustainability Report, we seek to provide you with comprehensive information on all the material topics associated with this. So in the following report, you will learn more about our strategic sustainability goals and the measures and management tools we use to achieve them.

First of all, a few highlights from the reporting year: by setting up our HR management system and establishing a Human Rights Committee, we took important measures to promote human rights within and outside our company. Independent analysts recognized the sustainability of our business practices, with MSCI, Sustainalytics and EcoVadis once again raising their ratings of Vitesco Technologies’ environmental, social and governance (ESG) performance. Another success was the certification of our short-term climate targets by the Science Based Targets initiative. The certification confirms that

we are pursuing a science-based approach with our climate protection strategy.

Together with our employees, we took further important steps in 2023 to make our company more sustainable. Among other things, we launched Vitesco Technologies Sustainability Community, which has enabled all employees to work together on sustainable projects across the Group and raise their awareness of environmental issues ever since. We are also particularly proud of the successful launch of our resilientMIND mental health program, which is designed to foster the well-being of our employees and promote a healthy working environment.

We are also preparing intensively for new regulatory developments, e.g., in connection with the latest amendments to the EU Taxonomy Regulation and the EU Corporate Sustainability Reporting Directive. The aim is to fully comply with the requirements of the legislation, which we also see as an opportunity to enhance trust in our company by providing transparent information about our sustainability performance.

On behalf of the management of Vitesco Technologies, I would like to extend our sincere appreciation for your interest in our report.

Ingo Holstein
Chief Human Resources Officer

« Thanks to our passionate team and our strong ambition to be a ‘Driver of Sustainability’, we managed to further embed sustainability in our business processes in 2023. We have thus performed valuable pioneering work and paved the way for our future endeavors. »



Anja Rivera de la Cruz
Global Head of Sustainability & Security

« In a world that is constantly changing, we stand at a crossroads of higher responsibility. With a team guided by our values – ‘Passionate, Partnering, and Pioneering’ – we are on the right path. For the third year in a row, we have advanced our sustainability efforts, making progress across all aspects of our sustainability strategy, and we will keep doing so to the absolute best of our ability. »



Maxim Safieh
Global Sustainability Manager

VITESCO TECHNOLOGIES SUSTAINABILITY AGENDA



Clean Mobility

“Powering clean mobility” is our mission. As electronics champion we are leading the transition of automotive powertrain suppliers towards e-mobility. By providing innovative electrification solutions, we do our part for reducing the environmental impacts of the automotive industry and promote emission-free mobility worldwide.



Climate Protection

With technologies and measures to protect the climate, we proactively counteract global warming and promote the reduction of greenhouse gas emissions in our business activities and product life cycle. We aim for climate neutrality in our production, development and administration sites, and step by step along the entire value chain.



Resource Efficiency and Circularity

We are committed to the efficient use of natural resources and prevent pollution such as emissions to soil, air, and water and reduce waste. We decrease the consumption of energy, water, raw materials and operation materials and strive for closed resource and production cycles.



Fair Work and Diversity

“Passionate, Partnering, Pioneering”. Based on these Values, we offer our employees fair and attractive working conditions with personal freedom and empowerment, opportunities for training and career, and a special focus on diversity, equity, inclusion and flexibility.



Responsible Sourcing and Partnerships

Socially and environmentally responsible action does not end at our plant gates. We are actively committed to ethical business practices, sustainability and human rights due diligence in our business relationships and stand for responsible sourcing and considerate collaboration with our suppliers.



Occupational Health and Safety

Safety and health protection are essential elements of our corporate culture. We undertake preventative measures, eliminate hazards, reduce risks and protect all persons in our company from accidents and work-related illnesses. We actively foster the health of our employees and conduct operational support emergency management to avoid damage to people, asset, and the environment.



Business Ethics and Compliance

Ethics, integrity and fair business practices form the foundation of our corporate governance. With our global compliance organization, we ensure compliance with the law and internal policies, detect risks and prevent violations. This includes measures to combat corruption and bribery in accordance with industry leading standards.

VITESCO TECHNOLOGIES SUSTAINABILITY SCORECARD



CLEAN MOBILITY



Share of business with electric and electrified solutions in Group revenues in %

Target: Play a leading role in the transformation of powertrain technologies towards electrification and emission-free mobility



Electrification investments per total investments in %

Target: Increasing share of electrification investments in business with electric and electrified solutions



CLIMATE PROTECTION



Climate neutrality rate of total own greenhouse gas emissions in %

Target: Reduction of absolute scope 1 and 2 greenhouse gas emissions by 100 % by 2030 from a 2019 base year



Share of external electricity procurement from renewable energies in %

Target: Since 2020: ensure 100 % purchased electricity from renewable energy sources, including power purchase agreements (PPAs) and the purchase of energy attribute certificates (EACs)

VITESCO TECHNOLOGIES SUSTAINABILITY SCORECARD



RESOURCE EFFICIENCY AND CIRCULARITY

2023 **93.1** 2022 **93.5**

Certifications for environmental management systems (ISO 14001), employee coverage (as of Dec. 31) in %

Target: Increase and maintain the proportion of employees covered by certifications for environmental management systems (ISO 14001) to over 95 % by 2030

2023 **91.8** 2022 **85.7**

Certifications for energy management systems (ISO 50001), employee coverage (as of Dec. 31) in %

Target: Increase and maintain the proportion of employees covered by certifications for energy management systems (ISO 50001) to over 95 % by 2030

2023 **95.2** 2022 **94.6**

Waste recovery quota in %

Target: Increase and maintain the waste recovery quota, defined as proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use, to 95 % by 2030



FAIR WORK AND DIVERSITY

2023 **17.0** 2022 **15.4**

Share of women in management positions (executives and senior executives; as of Dec. 31) in %

Target: Raise share of women in management positions (executive and senior executive) to 21 % by 2026



2023 **30** 2022 **24**

Employee Net Promoter Score, eNPS

Target: Increase the Employee Net Promoter Score as an indicator of employee satisfaction to a value of 25 by 2026

VITESCO TECHNOLOGIES SUSTAINABILITY SCORECARD



RESPONSIBLE SOURCING AND PARTNERSHIPS

2023 **98.3** 2022 **92.8**

Share of strategic suppliers covered by Business Partner Code of Conduct (as of Dec. 31) in %

Target: Increase and maintain the percentage of strategic suppliers covered by the Business Partner Code of Conduct to 100 % by 2023

2023 **55.8** 2022 **27.8**

Share of high-risk production material suppliers which conducted a self-assessment in %

Target: Increase and maintain the percentage of high-risk production material suppliers which conducted a self-assessment to 50 % by end of 2023



OCCUPATIONAL HEALTH AND SAFETY

2023 **92.0** 2022 **91.5**

Certifications for occupational health and safety management systems (ISO 45001), employee coverage (as of Dec. 31) in %

Target: Increase and maintain percentage of employees covered by certifications for occupational health and safety management systems (ISO 45001) to over 95 % by 2030



2023 **1.4** 2022 **1.7**

Accident rate (number of accidents per million hours worked)

Target: Reduce accident rate to 1.4 by 2027

REPORT PROFILE

GRI 2-2, -3, -4, -5, -14

This report is the separate Sustainability Report of Vitesco Technologies and, like the financial reporting, refers to all of the Group's fully consolidated companies¹. The report covers the fiscal year from January 1 to December 31, 2023, as well as recent developments up to the editorial deadline of March 12, 2024. The editorial deadline for the content from the Annual Report 2023 presented in this report was March 7, 2024.

The framework for the preparation of the Consolidated Non-Financial Statement contained in the Sustainability Report is the German Commercial Code (HGB). In accordance with sections 315b and 315c of the German Commercial Code in conjunction with sections 289b to 289e of the German Commercial Code, the Consolidated Non-Financial Statement contains disclosures on environmental, employee-related, and social concerns, as well as on the topics of respect for human rights, and combating corruption and bribery, to the extent that these are necessary for an understanding of the company's business performance, results, and situation, as well as the company's impact on the aforementioned aspects. For specific disclosures on the share of environmentally sustainable business activities in Vitesco Technologies' total turnover, capital expenditure, and operating expenditure, the EU Taxonomy Regulation and the related delegated acts of the EU Commission serve as a framework.

The Sustainability Report has a modular structure and is approved by the Chief Human Resources Officer, who is responsible for sustainability at Executive Board level. It brings together the sustainability information from

the Annual Report 2023 – including the Consolidated Non-Financial Statement, parts of the Corporate Governance Report, and parts of the Management Report and the Consolidated Financial Statements – and supplements it with information with reference to the 2021 standards of the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

The indices in the Annex show the allocation of this report's content to these standards and also include an overview of report content in terms of the Sustainable Development Goals (SDGs). In addition, the report reflects information requested by customers and investors in the areas of environment, social, and governance pillars.

This Sustainability Report uses rounded figures. For this reason, rounding differences may occur in some cases when the values rounded within tables are added up.

The main contents of this Sustainability Report were audited by an independent auditor. The externally assured contents are marked according to the table on page 12. In addition, the overview provides a guide to the text's other markings, relevant to this Sustainability Report.

An update of activity data, emission factors, and calculation methods was carried out to determine the Scope 3 emissions for fiscal 2023. As part of this process, the Scope 3 emissions and by extension the total GHG

emissions for fiscal 2022 were recalculated (see chapter Climate Protection).

In case of discrepancies in content, the Sustainability Report in the German language prevails.

¹ See chapter Notes to the Consolidated Financial Statements, section Companies Consolidated and Information on Subsidiaries and Investments in the [Annual Report 2023](#).

Marking		Text content	Valid auditor's report	Date of the auditor's report	Reference
A	Content that has been audited by an independent auditor	Content from the Consolidated Financial Statements and the Combined Management Report (including the Consolidated Non-Financial Statement)	Auditor's opinion on the Consolidated Financial Statements and the Combined Management Report	March 7, 2024	Annual Report 2023 → Further Information → Independent Auditor's Report
A → ← A	→ indicates the beginning and ← the end of the audited content	(reasonable assurance)			
	Sources and notes on the audited content can be found at the end of the respective sections	Content from the Disclosures in accordance with the EU Taxonomy Regulation (limited assurance)	Limited assurance report of the independent auditor on the Disclosures in accordance with the EU Taxonomy Regulation	March 7, 2024	Annual Report 2023 → Management Report → Sustainability and Consolidated Non-Financial Statement → Disclosures in accordance with the EU Taxonomy Regulation → Limited assurance report of the independent auditor
		Selected key performance indicators from the Sustainability Report: <ul style="list-style-type: none"> > Greenhouse gas emissions Scope 3 in million t CO₂e > Greenhouse gas intensity (Scope 1-3) in kg CO₂e per € > Energy reduction achieved from efficiency projects in GWh (limited assurance)	Independent assurance report on an independent limited assurance engagement on selected environmental indicators disclosed in the Sustainability Report 2023	March 12, 2024	Link
Focus	Focus topics whose content has not been audited by an independent auditor	Content that complements the activities in the subject area	–	–	–
Focus → ← Focus	→ indicates the beginning and ← the end of the content of the focus topic				
GRI 306-2	Sections of text with content related to the requirements of the respective GRI 2021 Standards The markings and the GRI Index published in the Annex were not audited by an independent auditor	–	–	–	–
No marking	Content without markings was not audited by an independent auditor	–	–	–	–

COMPANY PORTRAIT

ORGANIZATION, STRATEGY AND BUSINESS MODEL

Organizational structure

GRI 2-1

A→ The Vitesco Technologies Group (hereinafter Vitesco Technologies) is a supplier of modern drive technologies and electrification solutions for sustainable vehicles. Its product portfolio comprises electric drive units, electronic controls, sensors, actuators, and solutions for treating exhaust gases. With more than ten years' experience in electric vehicles, Vitesco Technologies offers trailblazing solutions for all the possible steps to electrification that will be taken for all the drive technology developments in the future. The Company has production and development sites in all growing markets (China, Europe, and North America). In the 2023 fiscal year, the Group achieved sales of €9.2 billion and had 35,528 employees at approximately 50 sites. Vitesco Technologies Group AG is the parent company and has been based in Regensburg, Germany since September 30, 2021.

The Vitesco Technologies Group concentrates on the development and production of components and system solutions for the power train in hybrid vehicles, electric vehicles, and combustion engines. Its portfolio comprises 48-volt electrification solutions, electric drive systems, and power electronics for hybrid electric and battery electric vehicles. Furthermore, its product palette includes electronic controls, sensors, actuators, turbocharger, hydraulic components, and pumps as well as exhaust-gas solutions.

Since January 1, 2023, the business operations of the Vitesco Technologies Group have been run in two

Divisions: the Powertrain Solutions Division and the Electrification Solutions Division. **←A**

Executive Board

GRI 2-9

A→ The Executive Board of Vitesco Technologies Group AG currently consists of six members:

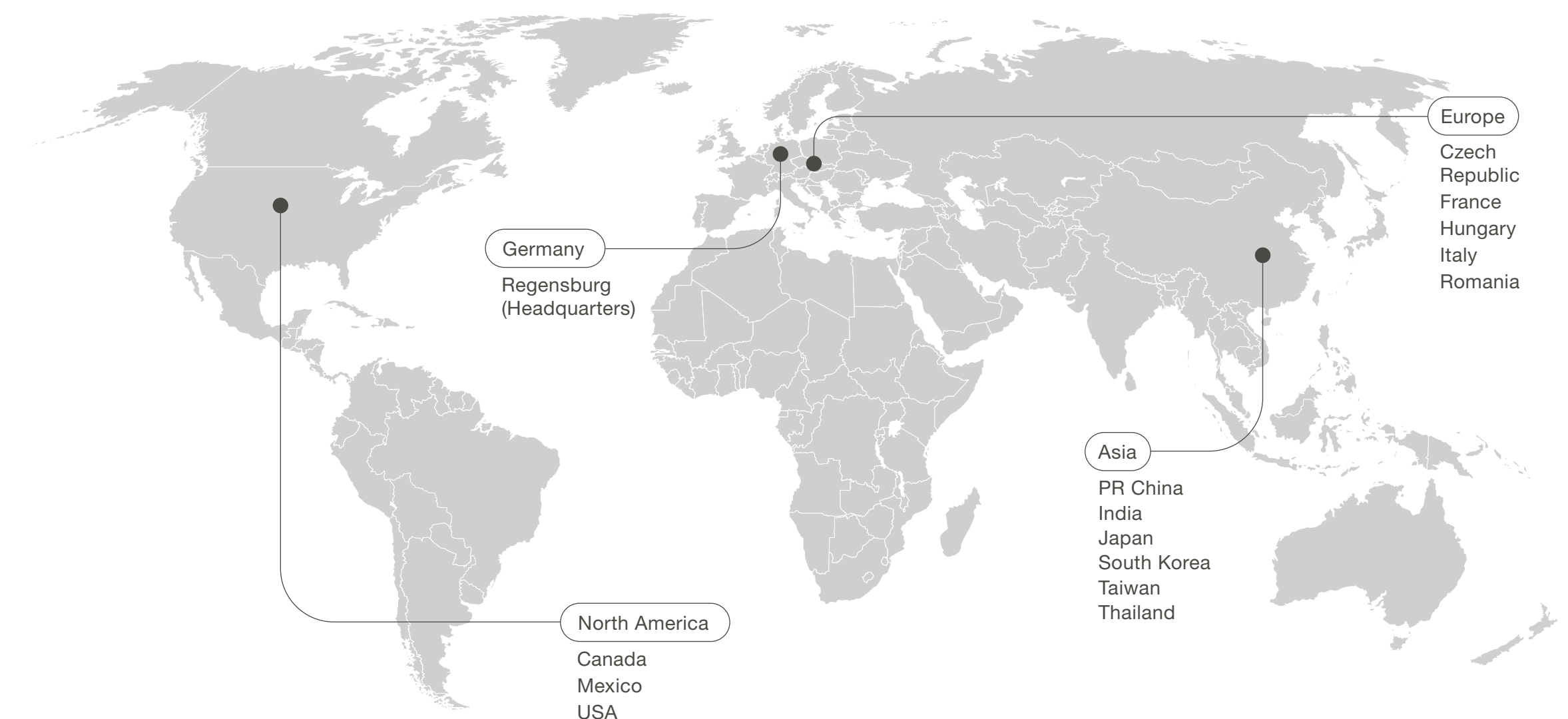
- > Andreas Wolf, Chief Executive Officer
- > Sabine Nitzsche, Chief Financial Officer
- > Ingo Holstein, Chief Human Resources Officer

- > Stephan Rölleke, Member of the Executive Board for Integrity and Legal
- > Klaus Hau, Executive Board member
- > Thomas Stierle, Executive Board member **←A**

Sites

GRI 2-1

A→ The Vitesco Technologies Group is represented at approximately 46 locations worldwide. The map below shows the key regions and countries. **←A**



Sites of Vitesco Technologies

Vitesco Technologies Group

Sales: €9,233.2 million; employees: 35,528

Powertrain Solutions	Electrification Solutions
Sales: €6,118.8 million Employees: 20,391	Sales: €3,162.3 million Employees: 15,071
<ul style="list-style-type: none"> > Actuation > Aftermarket & Non-Automotive > Hydraulics & Turbocharger > Sensorics & Controls 	<ul style="list-style-type: none"> > Controls > Electric Drive Systems

A Overview of Group structure

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Corporate profile → Structure of the Group

Notes: The chapter has been adopted in excerpts. Page references have been adjusted.

Group strategy DIRECTION 2030 GRI 2-6

A→ To pursue a clear direction and contribute to cleaner mobility, Vitesco Technologies has created DIRECTION 2030, a strategic framework that provides orientation for the organization on its journey to the year 2030. Based on the projects successfully completed in the past, the topics for the fiscal year 2023 have been reviewed and refined.

The Company, its employees, and other Vitesco Technologies stakeholder groups can orient and align

themselves with this initiative. It lets arising opportunities be used strategically to ensure sustainable growth while also increasing the Company's value.

The strategy falls under the umbrella of the Company's "Electrified. Emotion. Everywhere." Vision, which represents Vitesco Technologies' ambition to pave the way to clean transportation through electrification. It is powered by Vitesco Technologies' development of intelligent and reliable solutions that put the emotion in motion. The intention behind it is to enable electric transportation everywhere, for any market, any architecture, and any person.

Our mission of "Powering Clean Mobility" is part of the journey to an electrified world. The actions of Vitesco Technologies are based on a clear commitment to reducing emissions. By developing these solutions, the Company is shaping the future of clean mobility and transportation and fulfilling its corporate social responsibility, acting as a dependable partner for its customers, and making profitable choices for its investors.

To enable and review the practical implementation of this ambitious vision by 2030, the Company has defined five focus areas which each have qualitative and quantitative targets:

- > Leader in Electrified Solutions
- > Business Excellence
- > Great People, Great Company
- > Driver of Sustainability
- > Investors' Choice



A Group strategy DIRECTION 2030

The focus on being a "Leader in Electrified Solutions" is underpinned by a conviction that all powertrains will be electric in the future. Vitesco Technologies has the goal of being a leading supplier of battery-electric vehicle drive systems. Accordingly, it aims to generate most of its sales from electrification by 2030.

"Business Excellence" is the foundation for accomplishing the transition from combustion engine drive to electrified drive systems. A focus on customer satisfaction, and efficient production, are essential for meeting or even exceeding the requirements of our customers. They are also a foundation for gaining new business contracts.

Vitesco Technologies believes that its employees are the key to lasting business success in the future. Its focus on "Great People, Great Company" is based on this belief and involves setting strategic targets to support the right employees with the right motivation in the right environment.

Sustainability is a fundamental element of Vitesco Technologies and a key requirement for its future commercial success. The focus on being a "Driver of Sustainability" centers things such as the Group's carbon footprint. Vitesco Technologies has set an objective of net zero greenhouse gas emissions from in-house production operations by no later than 2030. In terms of its

products and their impact on the environment, it intends to employ life-cycle engineering throughout the product life cycle, from resource extraction to recycling, in order to optimize their emissions reduction.

All these focus areas are also reflected in an ambition of being the “Investors’ Choice.” Planning provides for progressively increasing profitability thanks to a focus on core activities. This profitability will simultaneously allow the Group to finance its future growth ←A

Source of the previous audited section: [Annual Report 2023](#)
 → Management Report → Corporate profile → Group strategy
 Note: The chapter has been adopted in excerpts.

Divisions GRI 2-6

On January 1, 2023, the reorganization of Vitesco Technologies into two completely restructured Divisions took effect, in order to further sharpen the company’s strategic focus on the electrification of vehicle drives. Vitesco Technologies is now structured into two Divisions: Electrification Solutions and Powertrain Solutions.

Powertrain Solutions

A→ The Powertrain Solutions Division develops high-performing, safe, and cost-effective solutions for the vehicle power train. Its product portfolio includes intelligent solutions for the precise measurement and management of all drive systems in cars, commercial vehicles, and two-wheel vehicles. The electric vehicle development activities are currently concentrated on components for

electric motors, batteries, and fuel cells. The Division comprises four business units:

- > Actuation
- > Aftermarket & Non-Automotive
- > Hydraulics & Turbocharger
- > Sensorics & Controls ←A

Electrification Solutions

A→ The Electrification Solutions Division offers a wide product portfolio revolving around electric drive systems, power electronics, electronic controls, and thermal management for electric vehicles of all kinds. Featuring modular and scalable solutions, Vitesco Technologies supports global automotive manufacturers with an ultramodern range of developments, tests, services and production in the rapidly accelerating electrification market. The system solutions and components are designed to make mobility cleaner, more efficient, and more affordable. The Division comprises two business units:

- > Controls
- > Electric Drive Systems ←A

Source of the previous audited sections: [Annual Report 2023](#)
 → Management Report → Corporate profile → Structure of the Group
 Note: The chapter has been adopted in excerpts.

Corporate governance GRI 2-23, -24

A→ The following documents are key foundations of our sustainable and responsible corporate governance:

> Passionate, partnering, and pioneering are the corporate values of Vitesco Technologies Group AG. Our mission, vision, corporate values, and actions based on them are the foundation of our corporate culture.

The Vitesco Technologies mission and vision are published on the Company’s website in the “Company” section (ir.vitesco-technologies.com), while our corporate values are in the “Careers” section (ir.vitesco-technologies.com).

> The Corporate Human Rights Policy can be found in the “Sustainability” section of the Company’s website (ir.vitesco-technologies.com).

> Code of Conduct and Business Partner Code of Conduct. The Group publishes these codes of conduct in the “Company” section on its website (ir.vitesco-technologies.com). They define the conduct that is expected of the Group’s employees and business partners in relation to ethical and legal matters. ←A

Source of the previous audited section: [Annual Report 2023](#)
 → Our shareholders → Corporate governance → Statement on corporate governance

Notes: The chapter has been adopted in excerpts. Page references have been adjusted.

Risk and opportunity management

A→ Risk and opportunity management is practiced to analyze and manage the overall situation across the Group. Business management at Vitesco Technologies is done in such a way that it aims for sustainable growth

and permanent increases in the Group’s value. We evaluate risks and opportunities responsibly and on an ongoing basis in order to achieve our goal of adding value. ←A

Further information on risk and opportunity management, the internal control system, risk assessment and reporting, and the risks and opportunities identified as material can be found in the Risk and Opportunity Report included in the Annual Report 2023 (available at ir.vitesco-technologies.com).

Source of the previous audited section: [Annual Report 2023](#)
 → Management Report → Risk and opportunity report
 Note: The chapter has been adopted in excerpts.

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY STRATEGY AND MATERIALITY ASSESSMENT

Strategic anchoring

GRI 2-12

A→ Sustainability is an integral part of the Vitesco Technologies' business model and at the heart of its mission: "Powering Clean Mobility." By deploying innovative and efficient solutions, the company aims to help reduce the environmental impact of the automotive industry worldwide and promote emission-free mobility in the long term. Vitesco Technologies' management is actively driving this transformation and aligning the portfolio to an electrified future while at the same time striving for profitable growth and operational strength.

Beyond its products, Vitesco Technologies pursues the goal of driving sustainability in all its business activities across the value chain. The DIRECTION 2030 strategy described in the chapter Group Strategy formulates this in the claim "Driver of Sustainability," thereby establishing sustainability as one of five strategic focus areas. A Sustainability Agenda adopted at Executive Board level, with clearly defined targets and key performance indicators, provides the framework for the strategic development, management, and implementation of the topics identified as material in this focus area.

The company also takes account of the strategic importance of sustainability by integrating selected performance indicators from the Sustainability Agenda into the long-term incentive plans for its Executive Board members and senior executives. More information on this can be found in the chapter Remuneration Report in the Annual Report 2023 (available at ir.vitesco-technologies.com). **← A**

Sustainability organization

GRI 2-12, -13

A→ The Sustainability & Security department bundles all key sustainability topics (occupational health and safety, operational environmental protection, human rights due diligence, climate protection and decarbonization) and coordinates the requisite cross-functional strategy development and implementation. Its responsibilities also include organizing the activities of the Sustainability Steering Committee and the Sustainability Core Team of Vitesco Technologies, as well as the company's Sustainability and Non-Financial Reporting.

The Vitesco Technologies Sustainability Steering Committee chaired by the Chief Human Resources Officer operates at the highest level of management and is comprised of permanent members of management (including the Chief Financial Officer and several heads of business units) as well as in-house experts. It manages and monitors the implementation of the Sustainability Agenda and makes decisions regarding sustainability targets, indicators, projects, and measures. In addition, the committee advises the Sustainability Core Team and the Executive Board and, if necessary, prepares Executive Board decisions. It meets at least four times a year.

At the operational level, the Sustainability Core Team, comprised of sustainability experts from various Group functions (e.g., Technology & Innovation, Sales, Purchasing & Supplier Quality Management, Engineering, and Operations), is responsible for implementing the Sustainability Agenda along the value chain.

In addition to the Global Sustainability Core Team and the country-level Sustainability Core Team established in China in 2022 to implement specific national requirements, in 2023 Vitesco Technologies set up another country-level Sustainability Core Team for the US and Canada region.

Beyond this, sustainability activities and accompanying measures are planned and implemented in the thematically responsible specialist departments, as part of the business units' product development activities, and decentrally by country coordinators or directly at the individual Vitesco Technologies sites. **← A**

Source of the previous audited sections: [Annual Report 2023](#)
→ Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

Sustainability Community

In 2023, Vitesco Technologies further expanded its sustainability organization by launching a Sustainability Community. The Sustainability Community is an open internal community aimed at sharing news, updates, and information about sustainability at Vitesco Technologies. Anyone who is interested in sustainability and/or has a professional interface with the topic of sustainability is invited to join the Sustainability Community. It provides a global platform to interact and connect with other departments and offers helpful presentations and documents on relevant sustainability topics, and strives to create an engaged community passionate about driving sustainability.

Twice a year, a Global Sustainability Community Call is organized and prepared by members of the Sustainability Core Team, who facilitate the interaction and share main highlights from their areas of expertise. The community members are also encouraged to share their experiences, lessons learned, and raise questions. The first Global Sustainability Community Call was held in April 2023 to celebrate the launch of the community and the publication of Vitesco Technologies' Sustainability Report for fiscal 2022. The second Community Call took place in November 2023 and was based on the concept of speed networking with nine experts working in the field of sustainability at Vitesco Technologies, each introducing their projects and highlights of the year.

As part of this initiative, a Sustainability Community Wiki was launched, listing the most relevant and frequently used terms and topics with a short description and contact persons. By the end of 2023, more than 500 global members have joined the Sustainability Community. The community, through its network, supports also Vitesco Technologies Ambassador Community, where global sustainability ambassadors play an active role in it when it comes to employer branding and sustainability interfaces, among others.

Stakeholder involvement

GRI 2-26, -29

Vitesco Technologies regularly exchanges information with various internal and external stakeholders. Stakeholders are identified and selected based on their relevance to the company's business activities and social commitment. Vitesco Technologies' most important

stakeholders are its employees and their representatives, customers and suppliers, investors and shareholders, trade unions and associations, as well as politics and authorities. The company's stakeholder groups also include civil society and the media. Topics and expectations relating to the company's social and environmental responsibility are also on the agenda in dialogs with the relevant stakeholders. Vitesco Technologies takes the findings from these into account in its strategic development of sustainability along the value chain.

The table on the right shows the key stakeholders for Vitesco Technologies and the dialog formats that are relevant for the respective groups.

Representation of interests and political dialog at Vitesco Technologies

GRI 2-28

As an innovative company, Vitesco Technologies is involved in political dialog and proactively contributes the technological expertise of its employees to socio-political debates. This commitment covers a wide range of topics, including research and development, innovation and sustainability, financial and industrial policy as well as industry transformation, and the framework conditions for future-oriented technologies. Vitesco Technologies is also involved in publicly funded research and development projects with partners from science, industry, and research.

Transparency in its interaction with political institutions is of the utmost importance to Vitesco Technologies.

Stakeholder involvement	Dialog formats (selection)
Employees	e.g., regular development meetings, global employee survey, central live webcasts, intranet, newsletters, online magazine “#we are electrified”, social media, town hall meetings (live and virtual)
Customers	e.g., key account management, cooperations, trade fairs
Shareholders and investors	e.g., conferences, annual general meetings, roadshows, capital market days, quarterly publications
Suppliers	e.g., trainings, surveys, interviews, awards
Research and science	e.g., trade fairs, university events, congresses, exchanges with scientific institutions, interviews and publications in print media, implementation of cooperation projects for research and development
Trade unions and civil society	e.g., dialog with employer and employee associations, discussions, supervisory board meetings, invitations to committee meetings, regional events at company sites
Politics, associations, authorities	e.g., dialog formats with politics and administration, committee and working group meetings, plant tours, bilateral discussions, external forums and events, trade fairs, participation in advisory bodies
Media and the public	e.g., interviews, press releases, financial reporting, information events, media round tables, social media

The company is listed in the relevant transparency registers both at the European Union (EU) level and in Germany. For example, Vitesco Technologies' interactions with the European Commission – including funding received for collaborative research and development projects – can be viewed in the EU Transparency Register. The German Lobby Register publishes data on Vitesco Technologies' activities vis-à-vis the German Bundestag and the German government. This includes, for example, the number of employees in the area of lobbying and the associated financial expenditure. Memberships in industry associations and the amount of government funding are also published. In addition, the company is listed in the lobby register of the Bavarian State Parliament and the Bavarian State Government.

In addition to direct dialog with political decision-makers, Vitesco Technologies is actively represented in industry associations and on government platforms with a view to jointly developing positions and recommendations. Vitesco Technologies is also a member of various environmental and sustainability-oriented associations so as to further strengthen its efforts in this area. A representative selection of memberships can be found in the table to the right.

Sustainability Agenda and material topics

GRI 2-14, -23, -24, 3-1, -2

A→ Vitesco Technologies' Sustainability Agenda provides the framework for managing business activities with a view to social and environmental issues and

responsible corporate governance. It is codified in the company's Sustainability Policy.

In fiscal 2023, an extensive materiality assessment was carried out in preparation for the European Corporate Sustainability Reporting Directive (CSRD), based on the final European Sustainability Reporting Standards (ESRS) published in July 2023. In line with the results of the analysis, the Sustainability Agenda was further developed in consultation with the Sustainability Steering Committee. The six material topics of the existing framework were reaffirmed and complemented with the addition of the topic Business Ethics and Compliance.

In addition to legal requirements and the demands of customers, business partners, the capital market, employees, and the public, the Sustainability Agenda also reflects Vitesco Technologies' commitment to respecting external frameworks. In particular, these include the UN Sustainable Development Goals, the principles of the UN Global Compact signed by Vitesco Technologies, the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the UN Convention against Corruption. In addition, the core conventions of the International Labor Organization (ILO Declaration on Fundamental Principles and Rights at Work), the OECD Guidelines for Multinational Enterprises, the Paris Agreement on Climate Change, and other topic-specific guidelines and standards are considered.

Vitesco Technologies' own corporate guidelines relating to the material sustainability topics are the Code of

Significant memberships	Further information
Catena-X Automotive Network	Link
CDP	Link
CEO Water Mandate	Link
CharIN – Charging Interface Initiative e. V.	Link
Charta der Vielfalt	Link
CLEPA – European Association of Automotive Suppliers	Link
DIN – Deutsches Institut für Normung e. V.	Link
econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e. V.	Link
ECPE – European Center for Power Electronics e. V.	Link
eNOVA Strategiekreis Automobile Zukunft	Link
FIEV – French Federation of Vehicle Equipment Industries	Link
MEMA – Motor & Equipment Manufacturers Association	Link
RBA – Responsible Business Alliance	Link
RE100	Link
SBTi – Science Based Targets initiative	Link
UN Global Compact	Link
UN Global Compact Netzwerk Deutschland e. V.	Link
VDA – Verband der Automobilindustrie e. V.	Link
VDE – Verband der Elektrotechnik Elektronik Informationstechnik e. V.	Link
VDSI – Verband für Sicherheit, Gesundheit und Umweltschutz bei der Arbeit e. V.	Link
Women's Empowerment Principles	Link

A Material Topics for Sustainability Reporting	Correspondence to section 289c HGB
Clean Mobility	Environmental concerns
Climate Protection	Environmental concerns
Resource Efficiency and Circularity	Environmental concerns
Fair Work and Diversity	Employee concerns, respect for human rights
Responsible Sourcing and Partnerships	Environmental concerns, social concerns, respect for human rights
Occupational Health and Safety	Employee concerns, respect for human rights
Business Ethics and Compliance	Combating corruption and bribery

Conduct for employees and Business Partner Code of Conduct, the Human Rights Policy, the Environment, Safety and Health Policy, and the Energy Management Policy. Vitesco Technologies is also required to comply with the Code of Conduct of the Responsible Business Alliance (RBA), an industry initiative of which it has been a member since 2021. **A**

Source of the previous audited section: [Annual Report 2023](#)
 → Management Report → Consolidated Non-Financial Statement
 Note: The chapter has been adopted in excerpts.

Ratings and rankings

Vitesco Technologies is committed to reducing the environmental impact of the automotive industry and promoting cleaner and more sustainable mobility. Vitesco Technologies therefore continuously reviews its activities and targets using key performance indicators

to measure success and identify potential for improvement. ESG ratings play a central role in this process. Rating agencies collect and interpret data on companies’ environmental, social, and governance (ESG) issues and then evaluate them. The assessment also takes into account the handling of long-term ESG risks. Rating agencies therefore play an important role on the capital market and are increasingly influencing investment decisions. Vitesco Technologies is aware of the role of leading rating agencies and maintains an open and cooperative exchange with them.

In 2023, Vitesco Technologies was again comprehensively assessed by various ESG rating agencies, with all existing ratings improving compared to the previous year. Going forward, Vitesco Technologies aims to continuously develop its sustainability strategy and communicate it even more transparently in order to further improve its rating results.

Rating	Rating scale	Score 2023	Score 2022	Description
MSCI ESG	“AAA” to “CCC,” with “AAA” representing the best and “CCC” the worst value	BB	B	MSCI ESG Rating aims to measure the management of financially relevant environmental, social, and governance risks and opportunities.
Sustainalytics ESG Risk	Five risk categories: Negligible (0–10), Low (10–20), Medium (20–30), High (30–40), Severe (40+)	Low Risk	Medium Risk	Sustainalytics’ ESG risk rating defines sustainability risks and assesses how well a company responds to these risks.
EcoVadis	100–0 points, where 100 is the best and 0 the worst value	70/100 points and gold status	61/100 points and silver status	The EcoVadis rating evaluates companies based on their impact on the environment, labor and human rights, ethics, and sustainable procurement.
CDP	Rating: “A”–“D-,” where “A” represents the best and “D-” the worst value	Climate change (B) Water safety (B)	Climate change (B-) Water safety (C)	The CDP score measures the environmental impact and progress towards the 1.5 degree target and a water-secure future.
ISS ESG	“A+”–“D-,” where “A+” represents the best and “D-” the worst value	C	C-	The ISS ESG rating evaluates companies according to a variety of environmental, social, and governance criteria.
S&P Global Corporate Sustainability Assessment (CSA)	100–0 points, where 100 is the best and 0 the worst value	48/100 (88th percentile, January 22, 2024)	37/100 (80th percentile) ¹	The S&P Global Rating measures a company’s performance in relation to material ESG risks, opportunities, and impacts.

¹ The value for the 2022 financial year is based on a limited rating using publicly available information. Participation in the comprehensive CSA, including completion of the detailed CSA questionnaire, took place for the first time in fiscal 2023.

MATERIAL REPORTING TOPICS



Clean Mobility

Climate Protection

Resource Efficiency and Circularity

Fair Work and Diversity

Responsible Sourcing and Partnerships

Occupational Health and Safety

Business Ethics and Compliance



CLEAN MOBILITY

Objective

A→ The motto “Powering Clean Mobility” sums up Vitesco Technologies’ mission. Accordingly, promoting cleaner and climate-neutral mobility is the stated goal and an integral part of the business strategy. Linked to this is the ambition to play a leading role in the market as an automotive supplier in the transformation of powertrain technologies towards electrification and emission-free mobility. **←A**

Concept

A→ Fundamental to the topic of Clean Mobility is the Executive Board’s strategic decision to phase out technologies that, in line with the objectives described above, are not part of the core business and have no long-term strategic prospects. For one, the phase-out of contract manufacturing is to be completed by 2026. Secondly, more than 50 % of the combustion engine technologies in the portfolio that are not part of the core business are to be phased out by then. This is accompanied by a decision to focus increasingly on the electrification business across all business units. Recent changes in the automotive industry and relevant regulations confirm the path taken by Vitesco Technologies.

In the transformation process, Vitesco Technologies is focusing on products and technologies for the electric powertrain as well as on electrification solutions for hybrid vehicles. While electric drive implies zero emissions during operation, improving engine efficiency, enabling fuel savings, and reducing emissions of

pollutants and greenhouse gases are focus topics in the electrification of hybrids.

For further information on the transformation process and business model, please refer to the chapter Group Strategy, the chapter Research and Development, and the Risk and Opportunity Report included in the Annual Report 2023 (available at ir.vitesco-technologies.com).

←A

Results

A→ The first key performance indicator (KPI) for Clean Mobility is the revenue from electric and electrified solutions generated by Vitesco Technologies. This revenue is comprised of two factors in line with the company’s portfolio orientation as described above. First, from the business with purely electric products, components, and solutions; these are required for the operation of electric drive systems. Second, from the revenue with products, components, and solutions for electrification in hybrid drive systems; these are key components for the construction of hybrid drives. Revenues generated with electric and electrified solutions amounted to €1,313.4 million in the 2023 financial year, a year-on-year increase of €231.4 million (previous year: €1,082.0 million). This corresponds to a 14.2 % share of Group revenues (previous year: 11.9 %). The consistent strategic focus on generating revenues in the area of electrification has led to this increase.

The second KPI for the topic of Clean Mobility is Vitesco Technologies’ share of electrification investments per

total investments. This KPI measures the volume of investments made both in connection with the future production of purely electric products, and with components and solutions for the electrification of hybrid drive systems. The methodical calculation is based on the CapEx definition as defined in the EU Taxonomy Regulation.

In the 2023 fiscal year, these investments amounted to €188.8 million (previous year: €102.7 million), which corresponds to 27.0 % of Group investments (previous year: 18.1 %). The share was thus increased by 8.9 percentage points compared to the previous year. This was due to the systematic implementation of Vitesco Technologies’ long-term strategy of reducing investments in combustion engines and focusing on the electrification business. In the Electrification Solutions Division, there was a significant increase in required investments in the business areas of electric drive systems and electronic control systems for battery-powered electric vehicles and plug-in hybrid electric vehicles. For example, investments in high-voltage electronics and high-voltage electric drives as well as charging and energy control systems were twice as high as in the previous year.

Further information on the topic of Clean Mobility and the relevant KPIs can be found below in the chapter Disclosures in accordance with the EU Taxonomy Regulation. **←A**

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

A Key Performance Indicators for Clean Mobility

	2023	2022
Revenue from electric and electrified solutions in € million	1,313.4	1,082.0
Share of business with electric and electrified solutions in Group revenues in %	14.2	11.9
Electrification investments in € million	188.8	102.7
Electrification investments per total investments in %	27.0	18.1

Divisions of Vitesco Technologies

On January 1, 2023, the reorganization of Vitesco Technologies into two completely restructured Divisions took effect, in order to further sharpen the company’s strategic focus on the electrification of vehicle drives. Vitesco Technologies is now structured into two Divisions: Electrification Solutions and Powertrain Solutions.

Electrification Solutions

The Electrification Solutions Division offers a broad product portfolio covering electric drives, power electronics, electronic controls, and thermal management – for electrified vehicles of all kinds. Vitesco Technologies supports global automotive manufacturers with modular and scalable solutions, providing state-of-the-art development, testing, service, and production in the rapidly accelerating electrification market. The system solutions and components are designed to make mobility cleaner, more efficient, and more affordable.

› Example: EMR4

The EMR4 (electronics motor reducer) series is the fourth and latest generation of integrated electric axle drives from Vitesco Technologies. It is scheduled to launch in 2024. Experience gained from successful predecessor models has been incorporated into its development. The new axle drive features a high level of integration: The modularized, standardized, and scalable drive platform lets vehicle manufacturers offer different performance levels for a given car model worldwide – without having to adapt interfaces or mounting points.

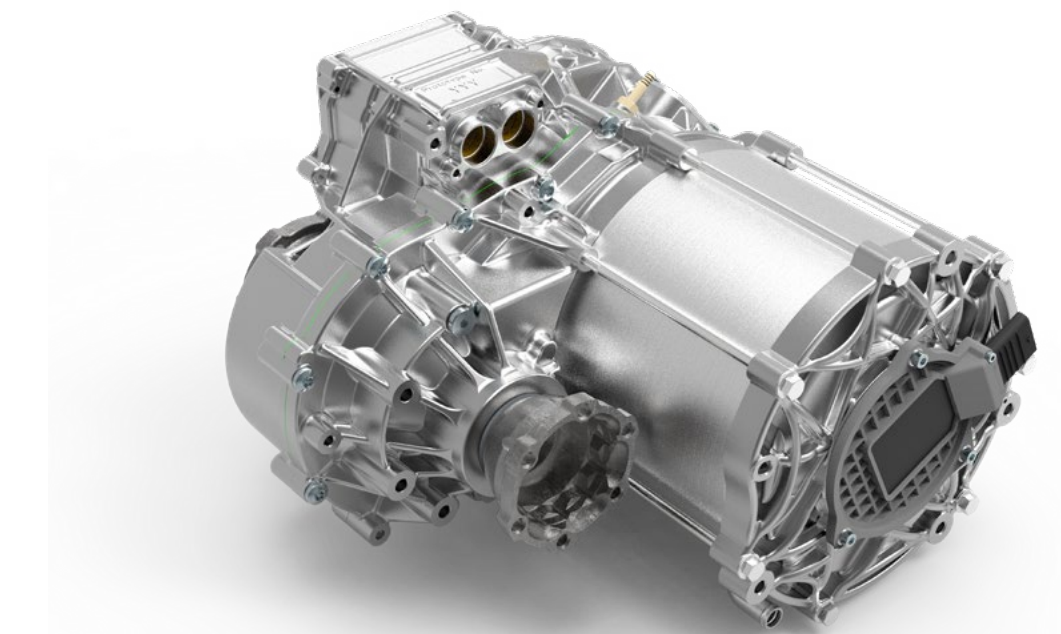
Compared to the EMR3 series, which is already used in award-winning vehicles, the EMR4 series is even more energy-efficient. Its axle drive weighs up to 25 % less with the same performance, and is cost-optimized by around 30 %. True to the principle of life cycle engineering (LCE), the fourth generation of the fully integrated electric axle drive

platform is being extended by an additional option for an improved environmental footprint: a new rotor without permanent magnets is part of the platform development. This rotor forms the heart of an externally excited synchronous machine (EESM), for which no rare earths are required. This reduces the cost of the rotor and also avoids GHG emissions from the ore extraction and processing that would otherwise be necessary.

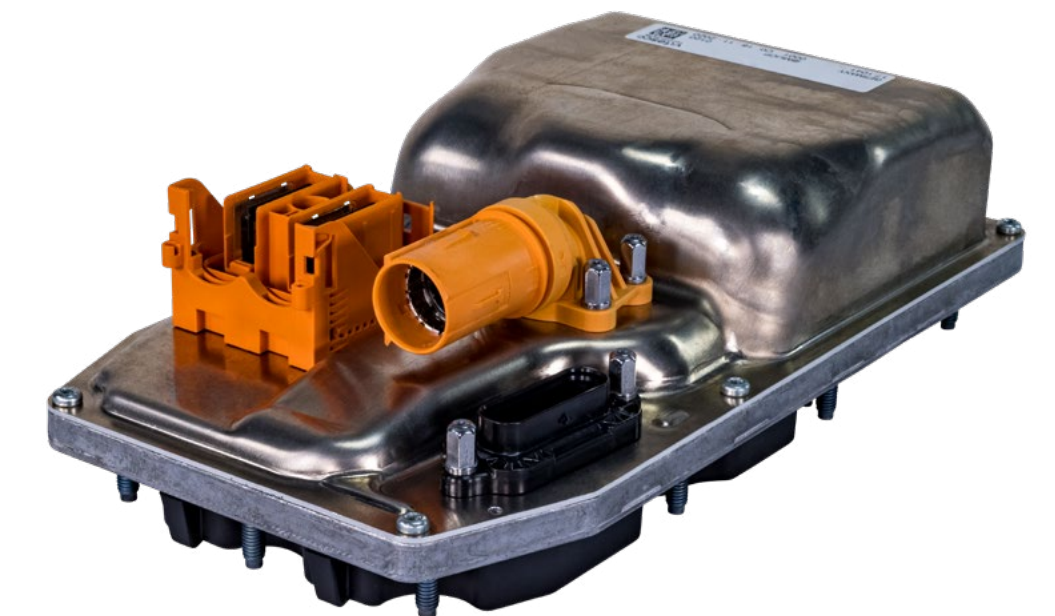
› Example: High-voltage battery management system

The high-voltage battery management system (BMS) protects the battery and therefore the most expensive component of an electric vehicle against overloading and damage. The BMS acts as a central control unit for the battery by regulating the charging and discharging processes of the individual battery cells, including balancing the state of charge between the cells. It also provides precise diagnostic data and ensures electrical safety under all circumstances. The BMS includes algorithms that constantly monitor for possible undesirable operating conditions, detect them, and take corrective action to maximize range and battery life.

An optionally available wireless variant reduces the cabling within the battery. This reduces installation complexity and frees up installation space, which either provides room for a larger battery capacity or enables the use of a more compact, lighter battery system. Furthermore, the BMS determines the amount of electrical energy that the battery can safely absorb and thus not only contributes



EMR4



High-voltage battery management system

significantly to lower overall costs, but also limits the carbon footprint over the life cycle of the vehicle.

> Example: Power module

The innovative power module is manufactured using the transfer molding process. The power electronics are sealed under a dielectric material, which protects the components particularly well in combination with an efficient cooling interface. The newly developed power module consists of three overmolded half-bridges, which form the heart of the power electronics. This controls both the drive energy and the energy recovery (recuperation) in high-voltage electric vehicles.

Vitesco Technologies has been adapting and using transfer molding technology since 2020, initially for compact transmission control units designed to be fully integrated into a transmission.

The power modules manufactured using the transfer molding process combine highly efficient, modern silicon carbide chip technology with overmolding. The resulting product is robust and characterized by increased power density, lower costs, and reduced weight. Compared to the traditional frame module, the mold module variant potentially decreases the product carbon footprint (PCF) by up to 13 %.

Powertrain Solutions

The Powertrain Solutions division develops high-performance, safe, and cost-efficient solutions for the powertrain. Its product portfolio comprises intelligent solutions

for the precise measurement and control of all drive systems in passenger cars, commercial vehicles, and two-wheelers. Development activities for electric vehicles are currently focused on components for electric drives, batteries, and fuel cells.

> Example: Rotor position sensor

The rotor position sensor determines the exact position of the rotor and thus enables precise control of the electric drive. In addition, the sensor's inductive measuring method reduces susceptibility to stray magnetic fields and ensures the drive's efficient operation.

> Examples: Sensors for battery management

A thermal runaway sensor is used in battery housings to increase the safety of vehicle occupants. Based on pressure or gas sensor technology, it monitors whether a thermal event is about to occur in one of the battery cells; the corresponding information is forwarded to the battery management system. It is also possible to use a high-voltage current sensor in battery management systems to enable more efficient energy management in the vehicle.

> Examples: Components for fuel cells

The Powertrain Solutions division also develops components for fuel cell-powered vehicles. In addition to a control unit for the fuel cell, the division has various solutions for actuators and sensors in its portfolio for these means of transportation. These include fuel cell valves, mass air flow sensors, and hydrogen concentration sensors.

The hydrogen concentration sensors make it possible to detect a hydrogen leak in the vehicle and initiate appropriate safety measures depending on the location of the leak. The air mass sensors are used on the cathode side of the fuel cells in the form of specific throttle valves that regulate the air supply to the fuel cell stack.

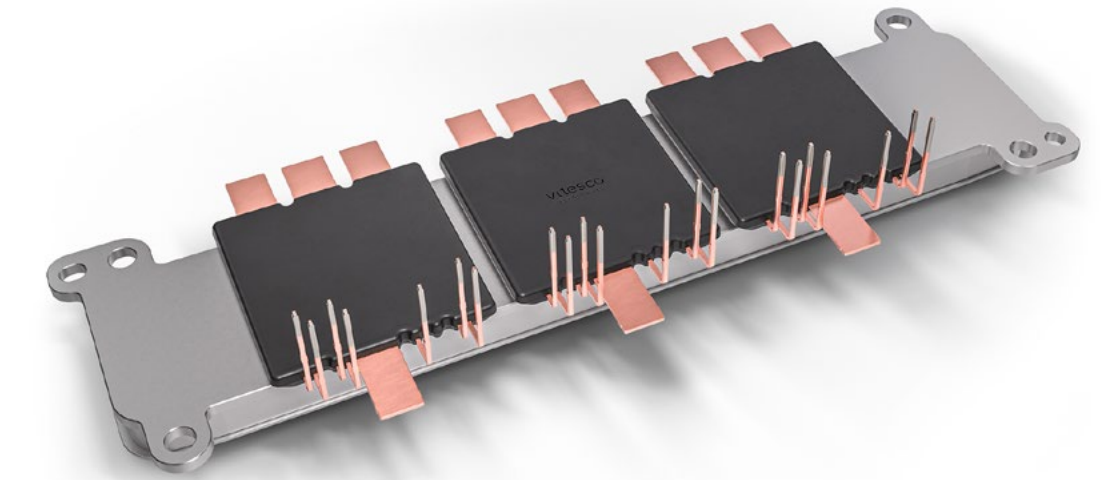
High order backlog in the electrification sector

Electrification on the global vehicle market continues to gather pace. In fiscal 2023, the company again recorded numerous orders for its electrification components. Vitesco Technologies' total order intake in 2023 amounted to more than €12 billion (2022: €14 billion). Roughly €8.3 billion were attributable to electrification components (2022: €10.4 billion). The total order backlog in the electrification business now amounts to well over €30 billion, reaffirming that Vitesco Technologies' position as a preferred supplier in the electromobility sector.

Vitesco Technologies is therefore also planning to expand its global production: The high-voltage inverter including power module is to be produced in North America from the second quarter of 2025.

Sustainability-related key performance indicators in the product configuration tool

Vitesco Technologies uses iMCO (integrated Multicriteria Optimization), a software tool developed internally, to



Power module



Rotor position sensor



Thermal runaway sensor



High-voltage current sensor

develop and optimize future generations of the EMR series. The tool takes into account key performance indicators (KPIs) such as power density, cost, and efficiency. A key challenge in the development of integrated axle drives is that often, a specific configuration is ideal for only one component of the drive, but not for the system as a whole. iMCO addresses this problem by generating and simulating millions of different system configurations and evaluating them for power density, cost, and efficiency. Given the increasing importance of a product's carbon footprint in connection with corporate sustainability efforts, Vitesco Technologies has integrated a fourth sustainability-oriented KPI into iMCO: the product carbon footprint.

The aim of this measure is to consider sustainability aspects as early as the pre-development phase of future EMR product generations. By incorporating this KPI, a basic understanding of important factors influencing the PCF of the axle drive is also to be established. And finally, the company wants this project to contribute to the transfer of sustainability goals into product development, giving it greater visibility in the competitive environment with regard to product sustainability.

Another way in which Vitesco Technologies makes an important contribution to cleaner mobility is through life cycle-optimized product development. Further information on this can be found in the chapter Climate Protection.



Hydrogen sensor



Control unit for fuel cells



Shut-off valve for fuel cells

AN ADVENTUROUS ROAD TRIP IN THE SERVICE OF E-MOBILITY

E-NORDKAPP-CHALLENGE 2022

A team from Vitesco Technologies demonstrated its remarkable stamina in the eNordkappChallenge 2022, covering a distance of around 8,000 kilometers from Regensburg via Flensburg (Germany) to the North Cape in Norway and back to Regensburg.

The three-week test drive started on December 27, 2022. The two all-electric test vehicles, the Peugeot e208 and e2008, featured numerous new on-board technologies, such as the EPF4 inverter generation and the EMR4 electric axle drive generation. The team, consisting of Simon Baensch, Fabian Ottmann, Christian Schmidt, Rebecca Schum, and Daniela Maier, wanted not only to measure physical values, but also to prove that electromobility can cope even with the extreme conditions of Scandinavia.

The tour had to be planned with according care, ensuring the inclusion of spare parts, snow shovels, warm clothing, and emergency equipment. Space in the two cars was at a premium, because: "In order to obtain valid measurement data from our two all-electric test vehicles, it was necessary to install the full suite of measuring devices," explains Christian Schmidt: "this enabled us to upload a total of more than 400 GB of measurement data to our cloud during the tour, allowing our colleagues around the world to evaluate and analyze it in real time."





However, the adventure challenged not only the technology, but also the team members themselves: “19 days under extreme conditions. Short nights. Long rides. The cold. And all of it 24/7 with our colleagues,” recalls Simon Baensch: “It was a challenge on a personal level as well.”

The team outdid itself, as Fabian Ottmann tells us: “for example, in the middle of a snowstorm we pushed another team’s 2.5-ton vehicle, which had gotten stuck, aside to clear the way for a snow plough – and were ourselves amazed that we were able to.”

And so the team was all the more e-lated when it reached the North Cape after 10 days: “Electrified. Emotion. Everywhere,” is how Rebecca Schum sums it up in three words, citing the Vitesco Technologies vision: “and we showed what we are capable of when we follow it.”

Fabian Ottmann
Manager Product Communications and Marketing

Rebecca Schum
Head of Online Communications

Simon Baensch
Head of System Concepts

Christian Schmidt
Test Engineer

Daniela Maier
Product Communications Manager



CLIMATE PROTECTION

Objective

A→ In accordance with the Paris Agreement on Climate Change, Vitesco Technologies has committed to working towards limiting global warming to 1.5 °C and taking action to avoid, reduce and, where necessary, offset greenhouse gas emissions. The climate protection target was further developed in the fiscal year 2023: The goal is net climate neutrality of the own operational activities, as well as net-zero greenhouse gas emissions along the entire value chain.

The following stages were defined for achieving the objective:

- Since 2020: Zero greenhouse gas emissions (in relation to Scope 2) from external electricity purchases at the relevant production sites and research and development sites by switching completely to renewable energy, including through special power purchase agreements (PPAs), the purchase of energy attribute certificates (EACs) and self-generated renewable energy.
- By 2030: 100 % reduction in absolute greenhouse gas emissions from own operational activities (Scope 1 and 2) compared to the base year 2019 (target validated by the Science Based Targets initiative).²
- By 2030: 25 % reduction in absolute Scope 3 greenhouse gas emissions compared to the base year 2021 (target validated by the Science Based Targets initiative).³
- By 2040: Net-zero greenhouse gas emissions across the entire value chain (Scope 1 to 3) compared to the base year 2021.

Targets for the reduction or climate-neutralization of GHG emissions from the company's own operating activities (Scope 1 and 2) are also part of the long-term incentive plans for managers and are therefore strategically integrated into the remuneration system at Vitesco Technologies.

The company is also striving to improve the carbon footprint of its products during their life cycle. To this end, by 2030 all new products and part numbers are to be developed with 100 % life-cycle orientation, based on certified life cycle assessments (LCAs). An important element here is the automation of the analyses. For example, the recording and evaluation of data from internal processes and processes in the supply chain is to be automated in the future.

The originally formulated target of completing automation by 2024/2025 cannot be maintained: Such an automation of data collection, validation, and transfer, as well as a methodically consistent calculation of the product carbon footprint (PCF) currently pose challenges for the automotive industry due to remaining data gaps and a lack of standardization, among other things. To address these challenges, Vitesco Technologies has been a member of the Catena-X initiative since 2022, which aims to build the first open and collaborative data ecosystem across the entire automotive value chain. **←A**

² The target has been validated by the Science Based Targets initiative (SBTi) as a short-term reduction target compatible with the 1.5 °C target according to the SBTi Criteria and Recommendations Version 5.0 (October 2021).

³ The target has been validated by the Science Based Targets initiative (SBTi) as a short-term Scope 3 reduction target according to the SBTi Criteria and Recommendations Version 5.0 (October 2021).

Concept

A→ The development of Vitesco Technologies' climate protection concept is the responsibility of the Sustainability Steering Committee and the Sustainability Core Team described in the Sustainability Management section, as well as of the specialist departments represented on both committees. The above-mentioned objectives were approved by the Executive Board. The Group functions Technology & Innovation, Operations (including Facility Management and Logistics), Purchasing & Supplier Quality Management, and the Sustainability & Security department are of particularly importance in ensuring their operational implementation.

Climate neutrality is to be achieved in the company's own activities and in the value chain primarily by eliminating, reducing, and substituting processes, activities, and materials, that is, for example, by using renewable energy from external sources (e.g., via EACs or PPAs) and our own sources (e.g., photovoltaic systems), as well as through efficiency improvements, electrification, and the development of new technologies.

The review of product-related environmental impacts as part of LCAs is carried out systematically in line with the external standards ISO 14040, 14044 and 14067. The automation of data procurement and evaluation plays a key role here. The company is also focusing on creating awareness for the topic among its employees, building skills, and establishing processes and tools. Another key factor lies in enabling suppliers to provide life cycle and carbon footprint-relevant product data.

A Key Performance Indicators for Climate Protection	2023	2022
Direct GHG emissions (Scope 1) in million t CO ₂ e ^{1,2,4}	0.016	0.023
Indirect GHG emissions (Scope 2 location-based) in million t CO ₂ e ^{1,2,3}	0.286	0.292
Indirect GHG emissions (Scope 2 market-based) in million t CO ₂ e ^{1,2,3}	0.004	0.004
Total own GHG emissions (Scope 1 and 2 location-based) in million t CO ₂ e ^{1,2,3,4}	0.301	0.316
Total own GHG emissions (Scope 1 and 2 market-based) in million t CO ₂ e ^{1,2,3,4}	0.019	0.027
Share of external electricity procurement from renewable energies in % ^{1,2,3}	100.0	100.0
Climate neutrality rate of total own GHG emissions in % ^{1,2,3,4,5}	94.2	91.9

1 Definitions according to GHG Protocol Corporate Standard and GHG Protocol Scope 2 Guidance.
 2 Coverage of the relevant production sites and research and development sites.
 3 Calculated according to the market-based method of the GHG Protocol Initiative. Where no contract-specific emission factors were available, the standard emission factors from Defra (09/2021), Defra (09/2022), IEA (12/2022), and the GHG Protocol Initiative were used.
 4 Includes the purchase of biomethane.
 5 Calculation formula: Own GHG emissions (Scope 1 and 2 market-based) [current year] / Own GHG emissions (Scope 1 and 2 market-based) [base year 2019 (fixed value)]

Fiscal 2023 marked the second time that Vitesco Technologies answered the CDP (formerly the Carbon Disclosure Project) questionnaires on climate change and water security as an independent company. CDP is an international non-profit that uses special questionnaires to encourage companies and governments to publish their environmental data, and then rates them on a scale from A (top grade) to D-. Vitesco Technologies received a B rating in the climate change category and thus achieved the “Management” status in this area

(previous year: climate change: B-). In the water safety category, the company received a B rating for its commitment and consequently also achieved “Management” status (previous year: water safety: C).

The climate scenario analysis carried out in fiscal 2022 to identify significant climate-related opportunities and risks in the company’s own business activities based on the requirements of the Task Force on Climate-related Financial Disclosures was expanded in fiscal 2023 to

include an analysis of climate-related opportunities and risks in the supply chain. Furthermore, the financial impact of the material climate-related risks and opportunities was qualitatively assessed. **←A**

Results

GRI 305-1, -2

A→ The essential KPI for the implementation of Vitesco Technologies’ Climate Protection concept are the company’s own GHG emissions according to Scope 1 and 2 of the Greenhouse Gas Protocol Initiative (GHG Protocol Initiative). These include direct GHG emissions from fossil fuels (Scope 1) and indirect GHG emissions from the purchase of electricity, steam, and heat (Scope 2, according to the market-based calculation method).

Vitesco Technologies’ total own GHG emissions (Scope 1 and 2) amounted to 0.019 million tons of CO₂e (market-based) in fiscal 2023. This is 0.008 million t CO₂e less than in the previous year (previous year: 0.027 million t CO₂e). The reasons for this are successfully implemented energy efficiency projects and measures to electrify fossil fuels. The decommissioning of combined heat and power plants also contributed to the reduction. In addition to these effects, the reduction in total own GHG emissions is also due to the sale of the Lohmar and Eisenach sites (both Germany) and parts of the Pune site (India) in mid-2023.

Vitesco Technologies is a member of the RE100 initiative, a global alliance of companies that have pledged to source 100 % of their electricity from renewable energy sources by 2050. This target has already been achieved

at the relevant production sites and research and development sites. Consumption arising from the business activities in South Korea was covered by iRECs from China. This deviation from the market limits of the GHG Protocol Corporate Standard and RE100 was necessary as the availability of certificates of origin on the market is limited and contractual conditions need to be created. In fiscal 2023, no market-based GHG emissions were generated at these sites due to their external procurement of electricity.

Direct GHG emissions were lowered by reducing in-house generation of electricity from fossil fuels, through electrification, and through the voluntary purchase of biomethane. The biomethane was procured from the UK. No mass balancing was performed. Meanwhile, other measures served to increase energy efficiency (see chapter Resource Efficiency and Circularity). All of this contributed to Vitesco Technologies’ own operating activities already being 94.2 % climate-neutral in fiscal year 2023 according to the company’s own calculation method. This represents a year-on-year improvement of 2.3 percentage points (previous year: 91.9 %).

In the area of life cycle-optimized product development, the focus in fiscal 2023 was on upskilling and training, automation, and the finalization and rollout of all processes and standards for the systematic implementation of life cycle engineering (LCE): for example, an LCE and LCA competence center was established with 21 employees. In addition, the automation of data procurement and evaluation was driven forward

through active participation in a working group of the Catena-X initiative. An internal LCE and LCA standard and in-house guidelines for modelling LCAs in a common software were also established to promote standardization and comparability. ←A

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

Greenhouse gas emissions in the upstream and downstream value chain (Scope 3)

GRI 305-3

A→ Vitesco Technologies calculates its GHG emissions along the entire value chain. In addition to the GHG emissions caused directly by its own business activities (Scope 1) and the indirect GHG emissions from purchased energy (Scope 2), the company also accounts for its indirect GHG emissions that occur in the upstream and downstream value chain (Scope 3).

Scope 3 emissions are calculated in accordance with the Scope 3 Standard and Scope 3 Calculation Guidance of the GHG Protocol Initiative. For this purpose, Vitesco Technologies uses emissions data from business partners and mathematical calculation models in which activity data is multiplied by emission factors and global warming potentials. Business figures such as environmental, purchasing or production data and assumptions made by Vitesco Technologies are used as activity data. The emission factors used for modeling generally come from public sources, such as the

databases of the UK Department for Environment, Food and Rural Affairs (Defra) and the International Energy Agency (IEA), or are calculated using the LCA for Experts (GaBi) life cycle assessment software.

In fiscal 2023, Scope 3 emissions in the upstream and downstream value chain came to 9.9 million t of CO₂e. Due to the updated activity data, emission factors, and calculation methods, Vitesco Technologies has recalculated the GHG emissions for fiscal 2022 at 10.4 million t of CO₂e. Previously, these had totaled 13.4 million t CO₂e. Scope 3 emissions were mainly incurred in the production of purchased goods and the provision of purchased services, as well as in the use of products sold by Vitesco Technologies.

A detailed description of the calculation methodology for all 15 categories of Scope 3 emissions can be found in the Annex Methodology used for Calculating Greenhouse Gas Emissions. ←A

Greenhouse gas balance (Scope 1 to 3)

GRI 305-4

A→ Vitesco Technologies' total GHG emissions (Scope 1 to 3) in fiscal 2023 were 10.2 million t of CO₂e (location-based) and 10.0 million t of CO₂e (market-based). In the previous year, the company's total GHG emissions were 10.8 million t of CO₂e (location-based) and 10.5 million tons of CO₂e (market-based). ←A

Note: The two previous sections and indicators as well as the tables on pages 31 and 32 have been subject to a separate limited assurance engagement (see Report profile).

A Total GHG emissions along the value chain (Scope 3) in thousand t of CO₂e, by category as set out in the Scope 3 Calculation Guidance of the GHG Protocol Initiative^{1,2}

Initiative ^{1,2}	2023	2022
1 Purchased goods and services ³	3,341.4	3,543.2
2 Capital goods	168.4	152.9
3 Fuel- and energy-related emissions (not included in Scope 1 or 2)	84.7	88.4
4 Upstream transportation and distribution ³	228.7	193.4
5 Waste generated in operations	1.5	1.6
6 Business travel	13.6	8.2
7 Employee commuting	65.7	65.7
8 Upstream leased assets	0.0	0.0
9 Downstream transportation and distribution ³	39.6	50.2
10 Processing of sold products ³	34.3	47.5
11 Use of the sold products ³	5,936.3	6,253.5
12 End-of-life treatment of sold products ³	30.4	31.0
13 Downstream leased assets	0.0	0.0
14 Franchises	0.0	0.0
15 Investments	2.3	2.1
Total^{2,4}	9,946.9	10,437.7

1 Calculated in accordance with the Scope 3 Standard and the Scope 3 Calculation Guidance of the GHG Protocol Initiative. A detailed description of the calculation methodology for the 15 Scope 3 emission categories can be found in the Annex Methodology used for calculating greenhouse gas emissions.

2 Vitesco Technologies recalculated its GHG emissions for fiscal 2022. A total of 13,439 thousand t of CO₂e were reported for Scope 3 in the Sustainability Report 2022.

3 Vitesco Technologies has improved the calculation methodology for this category and recalculated the GHG emissions.

4 Total based on rounded values.

A GHG balance (Scope 1 to 3)¹	2023	2022
Total own GHG emissions (Scope 1 and 2 location-based) in million t of CO ₂ e	0.301	0.316
Total own GHG emissions (Scope 1 and 2 market-based) in million t of CO ₂ e	0.019	0.027
GHG emissions (Scope 3) in million t CO ₂ e	9.947	10.438
Total GHG emissions (Scope 1 to 3 location-based) in million t of CO ₂ e	10.248	10.754
Total GHG emissions (Scope 1 to 3 market-based) in million t of CO ₂ e	9.966	10.465
GHG intensity (Scope 1 to 3 location-based) in kg CO ₂ e per €	1.11	1.19
GHG intensity (Scope 1 to 3 market-based) in kg CO ₂ e per €	1.08	1.15

¹ Vitesco Technologies has recalculated its GHG emissions for fiscal 2022. In the Sustainability Report 2022, 13.8 million t of CO₂e (location-based) and 13.5 million t of CO₂e (market-based) were reported for total GHG emissions, and 1.5 kg of CO₂e per € for each of the GHG intensities.

Science Based Targets validated

Vitesco Technologies is committed to the Paris Agreement on Climate Change of 2015 and supports the goal of limiting global warming to 1.5 °C if possible. The company is therefore aiming for net climate neutrality of its own operational activities by 2030, and net-zero GHG emissions along the entire value chain by 2040.

To reinforce this commitment, Vitesco Technologies joined the Science Based Targets initiative (SBTi) in December 2021. The SBTi is an initiative of CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It supports companies in setting short-, medium-, and

long-term science-based targets to reduce their GHG emissions in line with the Paris Agreement on Climate Change. By joining, Vitesco Technologies has committed to setting such climate targets for itself.

As a first step, the company has set itself the goal of reducing its absolute GHG emissions from own operational activities (Scope 1 and 2) by 100 % by 2030 compared to the base year 2019. Furthermore, Vitesco Technologies has committed to reducing its absolute Scope 3 emissions by 25 % by 2030 compared to the base year 2021.

The SBTi validated these ambitious short-term climate targets (Scope 1 to 3) in August 2023 in accordance with the V5 standard. This provides confirmation that

the company’s intended path to limiting global warming is compatible with the 1.5 °C target of the Paris Agreement on Climate Change in the opinion of the initiative.

Focus →

Life cycle-oriented product development

Vitesco Technologies has set itself the goal of improving the carbon footprint of its products along the value chain – which also means significantly reducing GHG emissions from vehicles. To achieve this, the company wants to gradually move towards designing and developing new products and product variants in the most environmentally friendly way possible. Both upstream and downstream activities in the value chain are taken into account: the selection of materials and suppliers, the origin of raw materials and components, the production of supplied parts, transportation and logistics, as well as utilization and recycling.

This holistic approach is known as life cycle engineering (LCE). Vitesco Technologies has set up and structured the necessary responsibilities for this in the respective functional units. While the central functions develops the foundations for the subsequent standards and framework conditions, the divisions aim to implement measures for ecologically sustainable product development (EcoDesign) in their processes.

In addition to the carbon footprint of the products, this also includes their environmentally friendly recycling. With the internal “Design for Environment” standard, the

company has set itself design targets, such as increasing the share of recycled materials in its products. A higher share of recycled materials is also a central requirement set by Vitesco Technologies’ customers. If it is suitable for the respective application, the use of recycled materials must therefore be preferred by engineers and is also requested from suppliers via the component introduction process. Finally, the recyclability of Vitesco Technologies’ products is compiled in a so-called recycling passport. This is used to pass on relevant recycling information about the products to customers. Further information on product-related circularity issues can be found in the chapter Resource Efficiency and Circularity in the section Circular Electronics project.

Life cycle assessments as a basis for optimizing environmental footprints

The LCE is based on life cycle assessments (LCAs), which render a product’s environmental footprint assessable and transparent throughout its entire life cycle. The product carbon footprint (PCF) is an important component of the environmental footprint. Not only can it be used to calculate product-related GHG emissions, it also provides companies with information on their intensity at the various stages of the life cycle. Vitesco Technologies is aiming to implement life cycle engineering for all new products by 2030.

If precise information on a product’s carbon footprint is available, additional measures can be taken to reduce negative environmental impacts. Vitesco Technologies can draw on years of experience in the field of life cycle assessments and with software tools established on the

market. For a product made up of many components, there are countless possibilities for composition and design – with different materials from different suppliers, each using different supply routes, design concepts, and manufacturing methods. In future, LCE will enable Vitesco Technologies to automatically determine which combinations can be used to optimize a product’s environmental footprint.

In the area of life cycle-optimized product development, Vitesco Technologies continued driving forward dynamic LCAs in fiscal 2023 in order to carry them out automatically and systematically in the long term.

Catena-X Automotive Network membership

The PCF calculation requires emissions data from all life cycle phases – i. e. from the extraction of raw materials from the environment, through the production and use phase, to the end of a product’s life. At this time it is difficult to collect and exchange data in the automotive value chain, as there is no harmonized method for calculating the PCF. There is neither a standardized data format for the exchange nor a standardized method for calculating the PCF data that guarantees companies sovereignty over their data. There is also still no standardized interface for the exchange of PCF data.

This is why Vitesco Technologies has since 2022 been an active member of the Catena-X Automotive Network, which is working to create the first open and collaborative data ecosystem along the entire automotive value chain. The company sees this network, which was estab-

lished by the automotive industry, as an opportunity to contribute to the comparability of PCFs within the industry. It can also create added value for various areas, such as material compliance, social sustainability, and LCE.

As a member of the Catena-X Automotive Network, Vitesco Technologies has access to extensive data material and is also helping to expand the database itself. This will enable the company to evaluate the carbon footprints of its own products even more accurately in future. Based on the knowledge gained or hotspots identified, Vitesco Technologies can then take appropriate measures to reduce impacts.

In 2023, Vitesco Technologies co-chaired the Catena-X working group “Secondary data”. The aim of this working group is to define quality criteria for secondary datasets and to find solutions for making corresponding datasets available to Catena-X members.

The overarching goal of Catena-X is to create primary data-based carbon footprints for products along the entire supply chain and to share the corresponding data. However, until sufficient data is collected, the use of secondary data is still necessary to close data gaps. This makes it all the more important that Catena-X’s secondary data sets are of high quality and methodologically consistent so that robust PCFs can be calculated.

LCE in product development

Vitesco Technologies has created the role of Project EcoDesign Manager (PECM) to anchor EcoDesign expertise at project level. PECMs ensure that products

meet the stakeholders’ sustainability requirements and that EcoDesign activities are advanced in the project teams. To this end, the company has set up an LCE framework and integrated it into its processes. The aim is to continuously improve the environmental impact of products and focus on more sustainable product development for current and future projects. In this way, together with the Legal Technical Regulation Analysts (LTRAs), Vitesco Technologies seeks to ensure product conformity and legal compliance with the sustainability requirements directed at the company.

Capacity building for LCE and LCA

As part of establishing the global competence center for LCE and LCA already mentioned in the section Management Approach, the role of LCA Analyst was created to provide the company with LCAs for all types of projects and products in a central team that is already up and running. The position of LCE Specialist was also introduced and filled. Their main activity in fiscal 2023 was to analyze LCAs with regard to GHG hotspots and to identify opportunities for optimizing materials, processes, and methods. Specialists for data collection are now in place as well. They deal with the creation of concepts for optimization and AI-based automation and support cross-functional projects to establish data collection processes.

As part of building this expertise, a long-term concept was defined for the Technical Sustainability Academy planned by Vitesco Technologies, and a program was created that is geared towards the growing demand for know-how. In addition, a training platform with initial offerings has already been set up.

← Focus

Measures to reduce greenhouse gas emissions

GRI 305-5

Since July 2022, Vitesco Technologies has only procured new systems that do not cause Scope 1 emissions, i. e. that do not use fossil fuels in generating and/or using energy (heat, electricity or kinetic energy).

At the site in Frenstat (Czech Republic), electric boilers that no longer cause Scope 1 emissions during operation were installed. Emissions from the gas heating systems still in operation were reduced through a pilot project for the use of biogas. Also, the gas-powered ovens in the canteens at many sites were replaced with electric ovens. Measures were also implemented in the area of intralogistics. At the sites in Dortmund (Germany), Frenstat (Czech Republic), and Seguin (US), for example, forklift trucks that cause Scope 1 emissions were replaced with electric forklift trucks. EVs are now in use as part of the vehicle fleet at the sites in Trutnov and Frenstat (both Czech Republic), and electric delivery vehicles are used at the site in Tianjin (China), for example.

In order to avoid Scope 1 emissions in all areas, Vitesco Technologies focuses on improving overall energy efficiency as well, e. g. by using waste heat. The company is also planning to make greater use of biogenic energy sources (biofuel and biogas), green hydrogen, and geothermal energy.

In fiscal 2023, Vitesco Technologies in Germany signed a physical Power Purchase Agreement (pPPA) for the

supply of electricity from renewable sources. The electricity supply agreement breaks down exactly from which of the operator's plants the company purchases the electricity. It also ensures that around 30 % of Vitesco Technologies' energy requirements in Germany will be covered by this agreement starting with fiscal 2024. The supply of renewable energies is to be ensured via pPPA among other things in future as well. In addition to decarbonizing the business, these measures will reduce availability and cost risks.

Furthermore, additional photovoltaic (PV) systems were installed and commissioned at some sites in 2023: At the site in Pune (India), the third expansion phase of the PV system was completed in April. With an installed capacity of 3.387 MWp, the site covers around 20 % of its annual energy requirements with this system. Another large-scale system is being installed in Seguin (US). With an installed capacity of 2.59 MWp, it is expected to cover around 10 % of the site's annual energy requirements as of the end of January 2024. At the end of fiscal 2023, Vitesco Technologies had PV systems with an output of 8.5 MWp in operation. Together, these systems generated 9.7 GWh of renewable electricity in 2023.

Vitesco Technologies carried out a total of 161 projects to reduce its Scope 1 and Scope 2 emissions in fiscal 2023. This resulted in savings of 6,077 t CO₂e.

The contribution to reductions required to achieve the target of no more Scope 1 and Scope 2 emissions at the production sites from 2030 was broken down

by site in absolute figures. Progress on the resulting local reduction pathways is reviewed regularly. Vitesco Technologies is currently conducting technical analyses and developing concepts to systematically support the sites in implementing the local pathways. In addition, the sites have an overview of possible measures to reduce GHG emissions. Together, they form the basis for planning the measures to be implemented.

WORKING TOGETHER FOR MORE ENVIRONMENTAL PROTECTION

AN INTERVIEW WITH ANGELA COOK ABOUT SUSTAINABILITY AWARENESS

In an interview, the head of our US and Canada Environmental Protection, Security, Safety & Health talks about how Vitesco Technologies is building awareness for sustainability-related matters among its employees on a regional level – and the associated challenges and opportunities.

Considering the interplay of cultural norms, values, and societal dynamics in the US and Canada, what sustainability-related challenges would you say arise for the region?

Around the world, different environmental, social, and corporate governance (ESG) regulatory frameworks exist, such as those of the European Union, United States, and the United Kingdom, which ultimately result in a lack of regulatory consistency. It can therefore be a challenge to harmonize standards and cultivate discussion with employees, customers, and suppliers to create a robust framework of behaviors for sustainability and environmental protection. In the US and Canada, there

are still opportunities to further promote sustainable consumption habits and initiatives in order to influence the region's role in improving global sustainability. Vitesco Technologies supports the idea of greater regulatory consistency and focuses on in-house sustainability initiatives. Our goal is to find innovative solutions that bridge the gap between habitual behavior and eco-friendly alternatives despite the challenges of variable regulatory landscapes. We believe our company can make an impactful contribution to innovative, sustainable solutions in the region.



How are you addressing these challenges?

It is important to build an awareness for sustainability among our employees and to educate people, in order to foster an understanding of the environmental and social impacts of our individual and collective actions. Learning about ESG topics helps our team to focus on the right projects, or on the question of how best to navigate a new project to support our corporate sustainability goals. In building this knowledge, we are starting at ground level: For example, we educate our employees about ways to avoid single-use plastic in our cafeterias as well as plastic water bottles and disposable coffee cups in general. To make it easier for them to make sustainable decisions, we do things like giving out reusable mugs to every employee.

Can you give us another specific example of how you are increasing employees' sustainability awareness?

Sure – Our Auburn Hills Cafeteria. Our global target is to reduce waste at all our sites by 2 % per year. To achieve this, we want to eliminate single-use plastics in our cafeterias, so as to significantly reduce the waste sent to landfill. The cafeteria in Auburn Hills serves as our pilot project at this location. To raise awareness among our colleagues there, instructions were emailed to everyone outlining the new Auburn Hills on-site sustainability and waste reduction processes. Additionally, a location-specific Standard was drawn up, describing the new process for ordering from the cafeteria.

Apart from Vitesco Technologies' own ambitious sustainability goals: How else are the US and Canada colleagues contributing to environmental protection at their respective sites?

On Earth Day in April 2023, the Auburn Hills Environmental, Safety and Health department as well as our Asian-Pacific Society for Innovation and Achievement teamed up and provided 20 volunteers to help out with multiple projects at the various parks across the city, including planting trees. Also, our Chatham, Deer Park, Newport News, Santa Teresa, and Seguin sites participated with several clean-up and planting activities as well as composting projects. We are pulling together as a team to take the next step towards a more sustainable future.

“Our goal is to find innovative solutions that bridge the gap between habitual behavior and eco-friendly alternatives despite the challenges of variable regulatory landscapes.”

Angela Cook

Head of Environmental Protection, Security, Safety and Health US and Canada





**RESOURCE EFFICIENCY
AND CIRCULARITY**

RESOURCE EFFICIENCY AND CIRCULARITY

MANAGEMENT APPROACH GRI 3-3

Objective

A→ Vitesco Technologies relies on globally established management systems to ensure an efficient use of natural resources, and to reduce or avoid waste and environmental pollution such as emissions to soil, air, and water. In addition to savings in the consumption of water, raw materials, and operating resources, the company particularly strives to reduce its energy demand. This is closely linked to Vitesco Technologies' climate protection targets (see chapter Climate Protection). Another important focus is on increasing the waste recovery quota.

The company has set itself the following medium-term goals in the area of Resource Efficiency and Circularity:

- > Increase and maintain the proportion of employees covered by certifications for environmental management systems (ISO 14001 or comparable) and energy management systems (ISO 50001 or comparable) to over 95 % by 2030.
- > Increase the waste recovery quota, defined as the proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use, to 95 % by 2030.

The goal to increase the waste recovery quota is part of Vitesco Technologies' long-term incentive plans for executives and is therefore strategically integrated. **←A**

Concept

A→ The corporate policies for Environment, Safety and Health (ESH) and Energy Management provide the framework for resource efficiency measures, waste management, and operational environmental protection. Local management systems drive the implementation of the principles formulated in these policies. Corresponding organizational and technical specifications are included in the respective ESH management manuals.

The Environmental Protection department within the Human Relations & Sustainability corporate function is responsible for strategic, Group-wide environmental management, including monitoring and reporting on environmental KPIs and other indicators. It is complemented by ESH functions in the individual countries. Operational environmental protection on site is the responsibility of the site managers and is coordinated by local ESH managers and supported by energy managers.

In the transformation to circularity, Purchasing and the Technology & Innovation corporate function play an important role, in cooperation with the divisions' product development departments. Based on the findings from life cycle analysis and optimization (see chapter Climate Protection), they are successively integrating approaches for circular product design. Further initiatives and projects in this area are taking place at various levels within the company. **←A**

Results

GRI 306-2

A→ In fiscal 2023, the majority of Vitesco Technologies' employees were covered by certified management systems for environmental and energy management. The degree of coverage by certifications for environmental management systems according to ISO 14001 was 93.1 % as at December 31, 2023. This figure was down by 0.4 percentage points year-on-year (previous year: 93.5 %), because although one new production site was certified in fiscal 2023, Vitesco Technologies Emitec GmbH was spun off at the same time, resulting in the loss of two large certified production sites.

As of December 31, 2023, 91.8 % of employees were certified for energy management systems according to ISO 50001. This represents a year-on-year increase of 6.1 percentage points (previous year: 85.7 %), which is attributable to the certification of two additional large production sites.

The waste recovery quota, the third KPI for Resource Efficiency and Circularity, was 95.2 % in fiscal 2023. This is an improvement of 0.6 percentage points on the previous year's figure (previous year: 94.6 %). Vitesco Technologies achieved this progress through centrally managed campaigns, including the global Waste Avoidance Initiative, as well as through local campaigns, such as the recycling program in Deer Park in the US, which raised employee awareness of the issues of resource conservation and waste avoidance and motivated them to get involved. In addition to internal activities, a dialog

A Key Performance Indicators for Resource Efficiency and Circularity	2023	2022
Certifications for environmental management systems (ISO 14001), employee coverage (as of December 31) in %	93.1	93.5
Certifications for energy management systems (ISO 50001), employee coverage (as of December 31) in %	91.8	85.7
Waste recovery quota in % ^{1,2}	95.2	94.6

1 Definition: Proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use.
 2 Coverage of the relevant production sites and relevant research and development sites.

with waste disposal companies took place at several locations to enable higher waste recovery quotas, e. g., in Timisoara (Romania) and Changchun (China). ←A

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

Strategy for operational environmental protection

GRI 2-27

Beyond the general management approach for Resource Efficiency and Circularity described above, Vitesco Technologies pursues an integrated strategy for environmental protection in its operations. It is based on the company’s Environment, Safety and Health (ESH) Policy and serves to anchor the topics of Resource Efficiency and Circularity in the corporate organization.

In accordance with applicable laws and regulations, environmental responsibility in the company is organized according to the top-down principle. In this way, Vitesco Technologies makes sure that the organizational structure and responsibilities relating to environmental protection are clearly defined and comply with statutory requirements. A detailed delegation process is designed to ensure that legal responsibilities are assigned at all levels of the organization. Compliance with environmental regulatory requirements is managed through Vitesco Technologies’ integrated ESH management system. With the exception of one violation in the area of internal waste storage in Mexico, which was punished with a fine of around €900, no violations of environmental protection laws or regulations were reported in fiscal 2023.

Compliance with product-related environmental legal requirements, meanwhile, is managed and controlled via the technical compliance management system (TCMS) (see chapter Product Compliance and Quality).

In addition to the key performance indicators for Resource Efficiency and Circularity already described, the ESH Policy also considers further focus topics and performance indicators, which are listed below.

Focus →

Energy

GRI 302-1, -3, -4

Vitesco Technologies obtains 100 % of its electricity from renewable energy sources. The company ensures this, for example, by purchasing energy attribute certificates (EACs) that prove from which sources and from which location the electricity originates. Vitesco Technologies uses an internal process audited by independent third parties to ensure both the quality and the quantity of the EACs. This is an important contribution to achieving the company’s ambitious decarbonization goals, which is why only electricity from renewable energy sources is to be purchased in the future as well.

Electricity is purchased centrally and according to uniformly defined criteria based on the quality criteria of the RE100 initiative, of which Vitesco Technologies has been a member since June 2021. Led by the Climate Group and in partnership with CDP, the initiative has set itself the goal of accelerating the expansion of grids for renewable energies. More than 380 influential companies have now joined RE100; they have committed to sourcing 100 % of their electricity from renewable energy sources by 2050 at the latest.

In addition to purchasing electricity from renewable sources, Vitesco Technologies uses other levers to

achieve its decarbonization goals: These range from expanding the company’s own renewable energy generation to increasing energy efficiency, electrifying heat generation and using biogenic energy sources.



Various electrification projects were realized and/or continued in fiscal 2023. At the Tianjin site (China), for example, all of the old commuter shuttle buses were replaced with 21 new EV shuttles. Eight additional charging stations were put into operation for this purpose. Energy was also saved by reducing the compression of the compressed air used in the production processes. In 2024, the company plans to further expand the existing photovoltaic system at the Tianjin site (China) and replace the steam heating system with a heat pump. A corresponding feasibility study has already been successfully completed. A dry cooling unit was put into operation at the Foix site (France) in 2023. At average temperatures below 15 °C (around 180 days a year), it generates 100 % of the cold water required to cool the production ovens in a natural and energy-saving way, meaning that the conventional cooling unit doesn’t need to be activated on those days. At the Pisa site (Italy), 48 air-conditioning units with old motors were replaced with new units in 2023, for savings of

up to 402 MWh per year. In addition, the chiller was replaced with an equivalent new system with full heat recovery. This will save another 433 MWh per year.

2023 **10.5** 2022 **20.5**

A Energy reduction achieved from efficiency projects in GWh (Coverage of the relevant production and relevant research and development sites. The performance indicator was subjected to a separate audit to obtain limited assurance, see Report profile.)

Furthermore, the company continued its global Energy Awareness Campaign campaign launched in 2022 in fiscal 2023 (see the beginning of the chapter for more details). A total of 119 energy efficiency projects were implemented in fiscal 2023, resulting in energy savings of 10.5 GWh.

Other projects, such as the expansion of photovoltaic systems at several sites, are described in the chapter Climate Protection in the section Measures to reduce greenhouse gas emissions. ← Focus

Focus →

Water

GRI 303-1, -3, -4

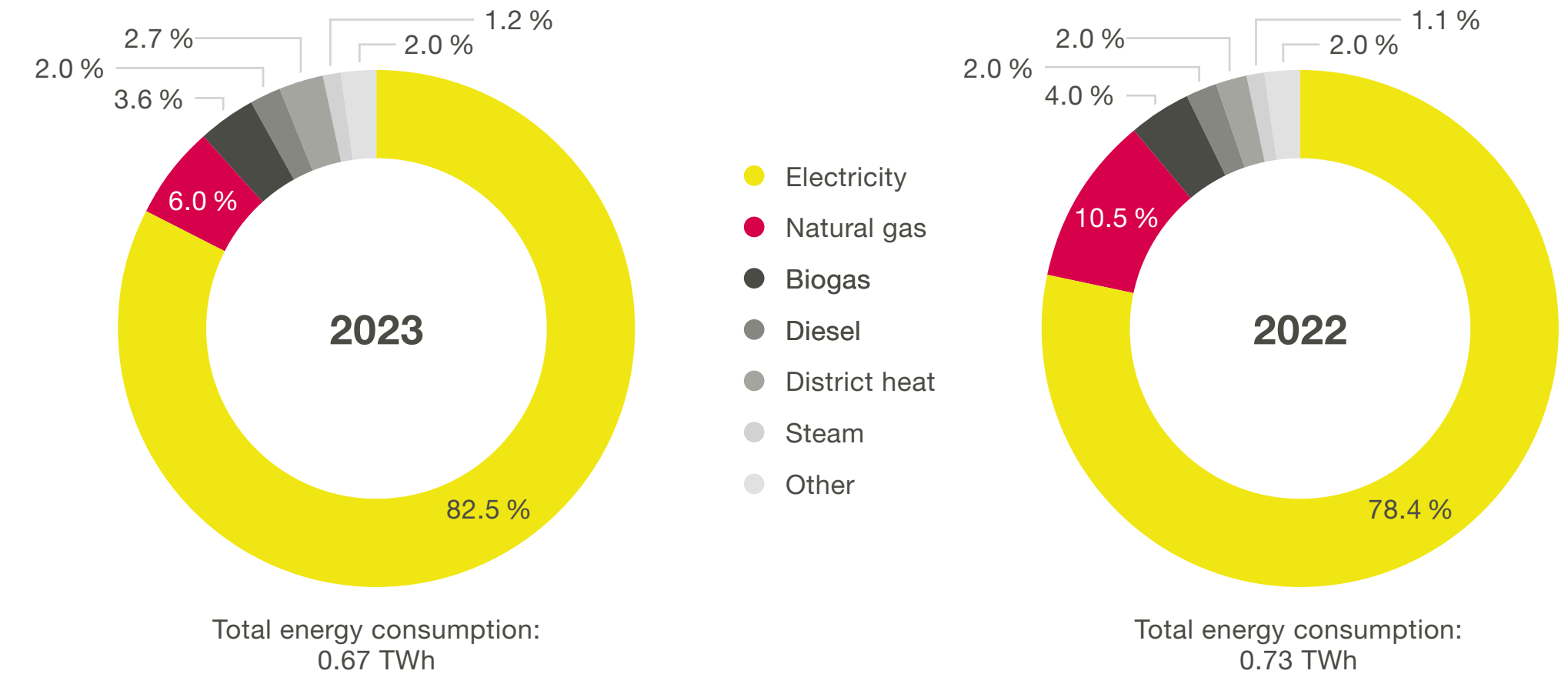
In contending with water scarcity, Vitesco Technologies takes a risk-based approach and focuses its measures specifically on those regions of the world where the issue is of particular importance. As an operator of sites in high water risk areas (mainly in Mexico, China, Italy,

India, and the US), the company is aware of its responsibility and therefore works to continuously improve its water management.

Vitesco Technologies has set a target to reduce its water demand in high water risk areas by 4 % per year (based on revenues) by 2030. In medium water risk areas, water demand is to be reduced by 2 % annually (based on revenues).

This is to be achieved primarily through efficiency projects focused on avoiding water withdrawal or using the resource more than once. Three initiatives, which are managed centrally by the Operations department in collaboration with the Environmental Protection department, deserve special mention:

- > As part of the Global Water/Energy Visualization System Campaign, smart water and energy meters are to be installed at all sites and the data obtained from them evaluated accordingly. To this end, a pilot project was carried out at the Debrecen (Hungary), Frenstat, Trutnov (both Czech Republic), Seguin (US), and Changchun (China) sites in the reporting year.
- > In addition, the Water Saving and Reuse Initiative was launched, which aims to reduce the total annual withdrawal of drinking water by 140,000 m³ by 2030. As part of this initiative, the sites are empowered to increase their water efficiency through active exchange and the provision of information and best practices.
- > Furthermore, water saving activities are to be intensified at the sites showing the highest water withdrawal.



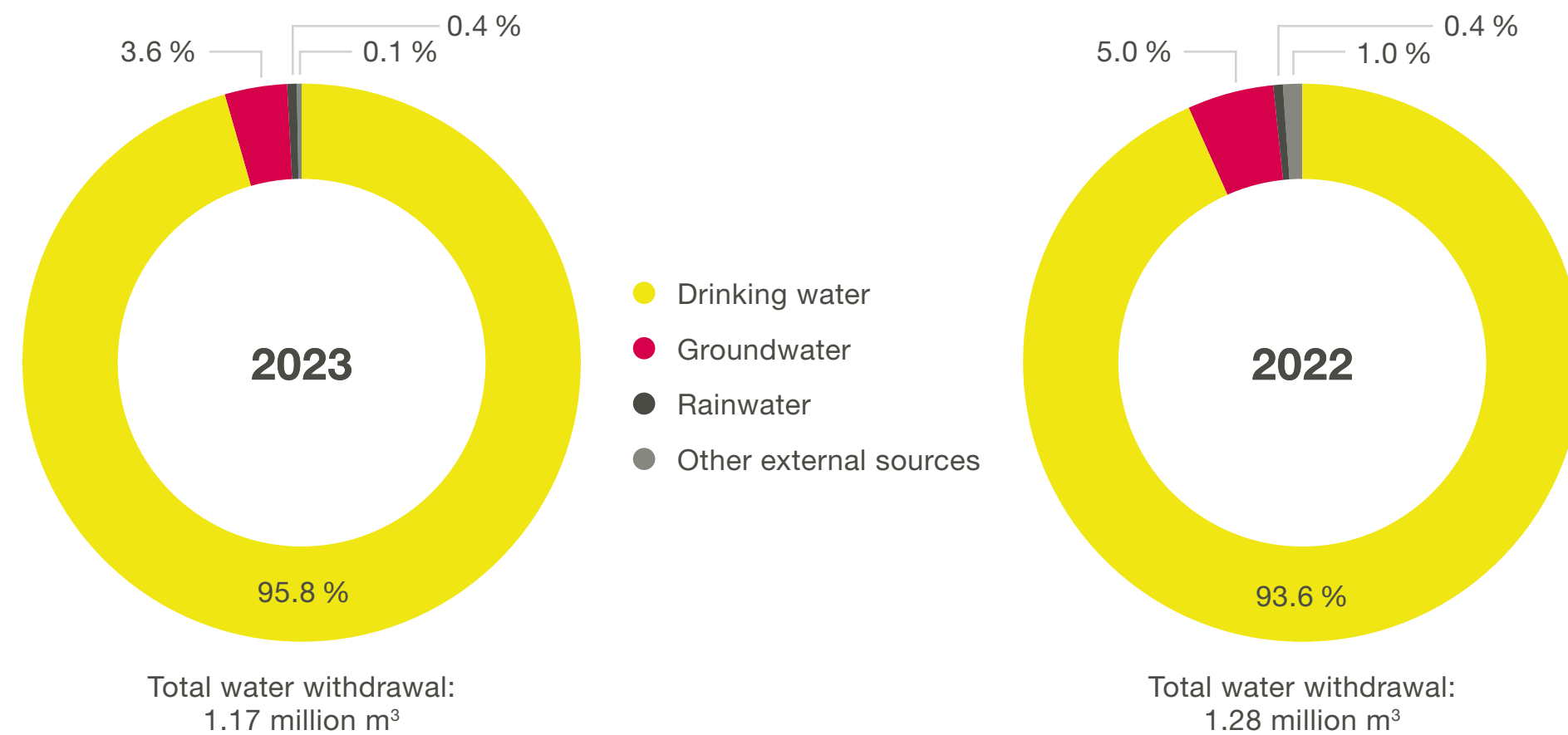
Performance Indicators for Energy – Total energy consumption by energy source

(Coverage of the relevant production and relevant research and development sites)

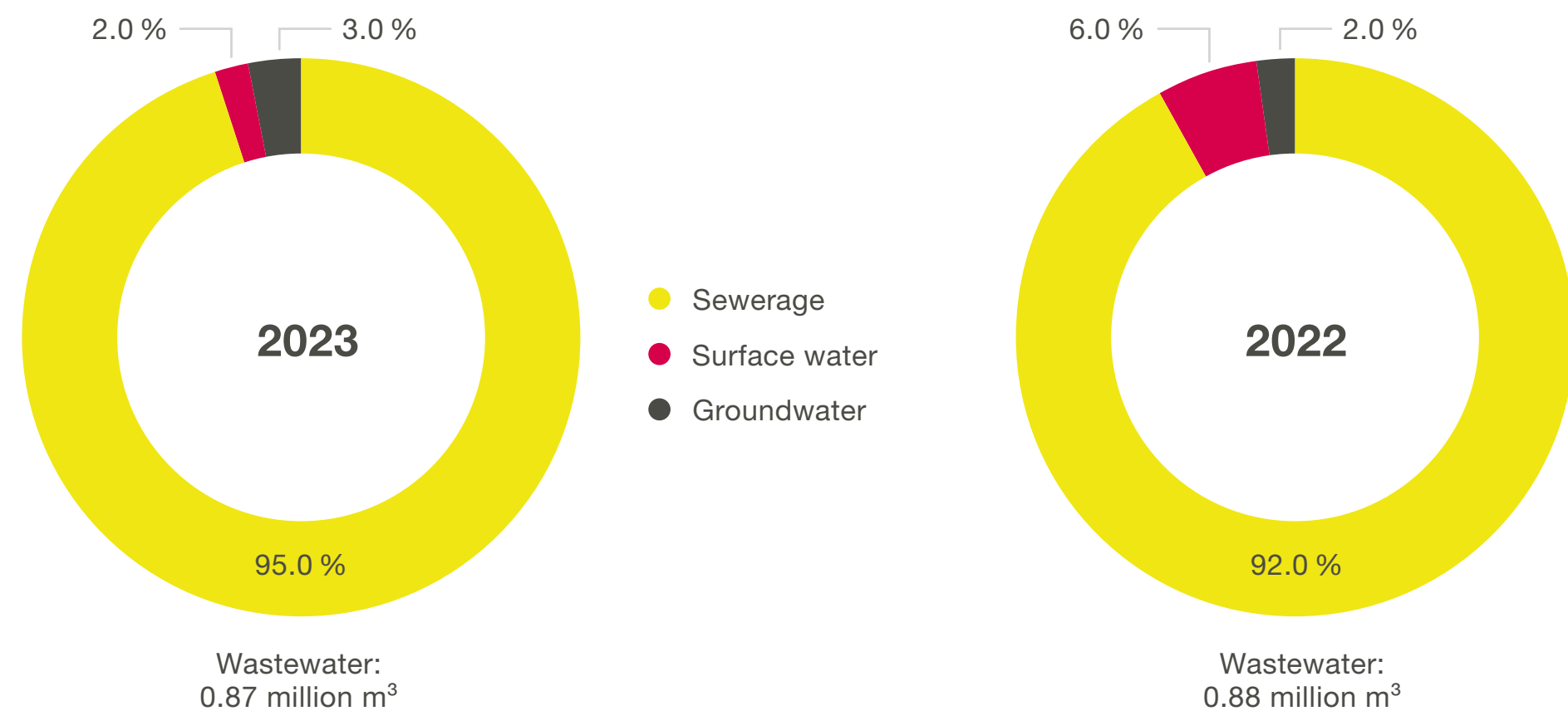
At the Ciudad Juárez site (Mexico), for example, the company is implementing a large number of water efficiency projects until 2024. In recent years, the sanitary areas have already been equipped with water-saving technologies. A system for collecting rainwater, residual reverse osmosis water, cleaning water from humidifiers, and condensation water from air conditioning systems has also been installed, and the landscaping in the outdoor areas replaced. Only native plants that do not require irrigation now grow here. In fiscal 2023, the in-house washroom for work coats was also equipped with a gray water treatment system to prevent waste-

water from entering the sewer system. At the Foix and Bousens sites (both France), the sprinkler water network was converted so that no more water is lost during the weekly sprinkler system tests. To this end, the company installed a cooling tank and a return pump that feeds the water sprayed during the tests back into the sprinkler system's main tank. This saves around 350 m³ of water per year.

In fiscal 2023, the internal requirements for water management were aligned even more closely with the ISO 46001 standard as well. From 2024 on, the largest water



Performance Indicators for Water – Total water withdrawal by source
(Coverage of the relevant production and relevant research and development sites)



Performance Indicators for Water – Wastewater by destination
(Coverage of the relevant production and relevant research and development sites)

consumers will be recorded and evaluated more systematically and in greater detail.

In order to determine the risk of water scarcity, all Vitesco Technologies sites are critically evaluated every two years using the updated risk assessment tools of the World Resources Institute – the Aqueduct Tools. In this way, the company aims to ensure that the available water resources are used in a targeted and efficient manner. The analysis carried out in fiscal 2023 showed that the number of sites with a high risk of water stress has risen from six to ten.

Three main indicators were considered in the evaluation:

- > Overall water risk, which combines all selected indicators in the areas of physical quantity, quality, regulatory risks, and reputational risks.
- > Basic water stress, which describes the relationship between total water withdrawal and available water resources.
- > Future water stress, derived from a scenario for the year 2030.

The original six sites that continue to have a high risk of water stress include the sites in: Ciudad Juárez and Cuautla (both Mexico), Seguin (US), Changchun and Tianjin (both China), and Pune (India). The sites in Deer Park (US), Bangalore (India), and two sites in Shanghai (China) were added in fiscal 2023.

Vitesco Technologies became one of the first representatives of the automotive supply industry to join the UN

CEO Water Mandate initiative, of which it has been a member since 2022. Under the umbrella of the UN Global Compact, the initiative aims to develop sustainable solutions to the looming global water crisis. By joining, the company committed to a responsible use of the scarce resource water. Membership allows Vitesco Technologies to cultivate a regular exchange with stakeholders and other companies on best-practice solutions as well as opportunities and risks in the field of water management. For example, the company uses the initiative’s Water Action Hub to identify new water-saving projects.



In fiscal 2023, Vitesco Technologies withdrew a total of 1.17 million m³ of water. This is 0.11 million m³ less than in the previous year (previous year: 1.28 million m³). At the same time, water intensity was reduced to 126.4 m³ of water withdrawal per million € of Group sales (previous year 140.9 m³/million € of Group sales). Water withdrawal was mainly made up of drinking water from public suppliers and surface water withdrawals. The withdrawals were approved by the authorities, taking into account the maximum withdrawal volumes. Some of the sources are located on the edge of groundwater protection zones. No negative impacts on biodiversity or local communities were identified during regular inspections by Vitesco Technologies and the authorities.

← Focus

Focus →

Waste

GRI 306-1, -2, -3

Recycling and avoiding waste are important topics for Vitesco Technologies. That is why consistent and systematic waste management is an integral part of the company's waste logistics. It has set itself the goal of reducing its waste volume by 2 % per year (based on sales) by 2030. In addition, the waste recovery quota of all sites is to be increased to at least 95 % by 2030. This target was achieved for the first time in fiscal 2023 with a recovery rate of 95.2 %. This quota indicates the proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use.

To achieve its recycling and waste reduction goals, Vitesco Technologies carries various sets of measures that are centrally managed by the Operations department in collaboration with the Environmental Protection department:

- > The Waste Avoidance Initiative aims to help reduce the amount of waste disposed of in landfills by 170 t per year by 2030, taking into account the waste hierarchy (prevention, preparing for re-use, recycling, recovery, disposal).
- > The KPI Recovery Plan concentrates on those sites with the steepest increases in waste volumes.
- > In addition, the returnable packaging ratio is to be increased.

Vitesco Technologies is carrying out various projects to this end. In packaging design, the focus is on maximum efficiency and waste minimization. For example,

In fiscal 2023, various measures were implemented at the Changchun site (China) to continuously improve packaging, which saved 63 t of packaging material over the course of the year. Among other things, this was achieved by eliminating outer packaging and dividers within larger packaging units. Another important lever is the use of returnable packaging. In China, for example, the proportion of such packaging increased by a further 10 % last year to around 80 %. The returnable packaging ratio for the EU is already at a very high level, reaching around 90 % for EU-based suppliers. Where products from Vitesco Technologies are delivered to customers in single-use packaging, the packaging is made of 100 % recyclable materials and has recycling marks on it. Vitesco Technologies' suppliers are also requested to use only packaging made of mono-materials and other recyclable materials and to mark them accordingly.

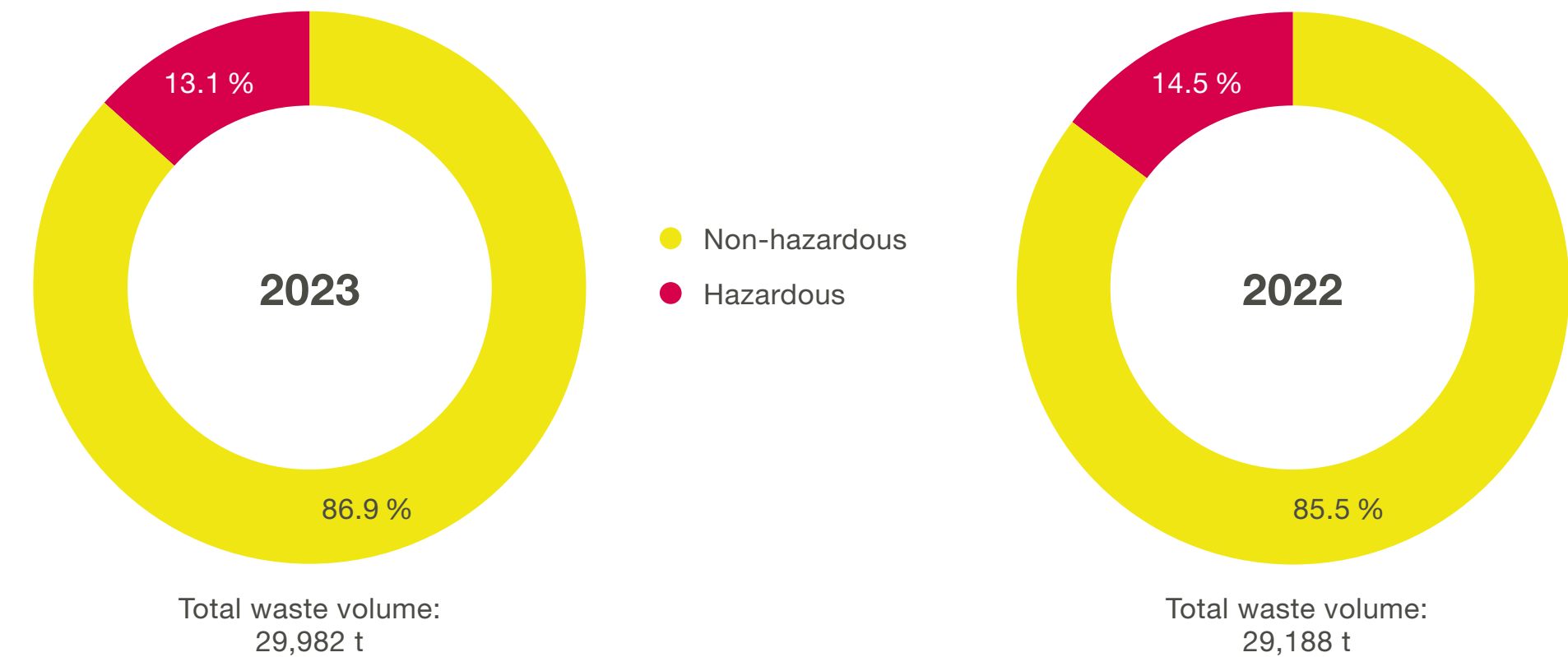
Beyond this, Vitesco Technologies is involved in the German Association of the Automotive Industry's (VDA) working group on disposal controls, which develops standards for the inspection and auditing of waste disposal companies.

2023
3.1

2022
3.2

Waste intensity in t by Group sales in € million
(Coverage of the relevant production and relevant research and development sites)

The waste generated by Vitesco Technologies in fiscal 2023 amounted to 29,982 t (previous year: 29,188 t). The



Performance Indicators for Waste – Waste generated by category

(Coverage of the relevant production and relevant research and development sites)

share of hazardous waste was 13.1 % (previous year: 14.5 %). The company commissions officially approved and certified waste disposal companies to dispose of its waste properly.

Besides practicing effective waste management, waste can also be avoided through more environmentally friendly product design. Therefore, the internal requirement at Vitesco Technologies is that the share of recycled materials needs to be steadily increased in the development of new products.

← Focus

Biodiversity

GRI 304-2

Vitesco Technologies' transformation into a system supplier for electromobility components presents challenges in terms of the direct and indirect impact of its business activities on biodiversity and ecosystems as well. In view of the persistent overloading of ecosystems worldwide and the associated loss of biodiversity, Vitesco Technologies seeks to make an appropriate contribution to the preservation of habitats, to counteract the ongoing degradation of ecosystems.

The comprehensive materiality assessment carried out by Vitesco Technologies in 2023 revealed that the company's processes and products primarily affect biodiversity in the area of raw material extraction and in the utilization phase. In the area of the company's own production processes, however, the potential impacts on biodiversity and the climate result, among other things, from soil sealing at the company's properties. To date, these have been the main focus of Vitesco Technologies' environmental management. The company also identifies its environmental impacts or risks through environmental impact assessments using tools such as ENCORE, Integrated Biodiversity Assessment Tool (IBAT), and Natura2000 and carries out awareness campaigns and biodiversity projects at its sites worldwide.

Vitesco Technologies aims to focus more strongly on other biodiversity-related aspects of environmental management in the coming years. To this end, the company carried out a comprehensive biodiversity risk analysis in fiscal 2023.

As soon as the results are available, the sites' potentials for preserving local biodiversity and ecosystems will be further developed. The goal is to initiate meaningful renaturation of habitats on the company's own properties and in their immediate vicinity, and to reduce harmful emissions.

Selected measures to promote Resource Efficiency and Circularity

Green Plant Label

For several years now, Vitesco Technologies has awarded its in-house Green Plant Label (GPL) for outstanding environmental performance to its production and development sites. This initiative is meant to motivate the sites to keep improving their environmental performance and resource efficiency. It involves them undergoing a systematic analysis and evaluation focusing on the areas of strategy and long-term planning, management systems, reduction of Scope 1 to 3 greenhouse gas emissions, as well as energy efficiency, water, and waste.

First, the sites complete a self-assessment analyzing the various GPL requirements. This provides them not only with information on their status quo, but also with action guidelines for how to improve in the various areas. The results are then verified by internal audits. If verification is successful, the sites receive the GPL in the bronze, silver or gold category. The label is valid for three years and must then be renewed. The catalog of requirements for the GPL is continuously developed and adapted annually. In this way, Vitesco Technologies seeks to ensure that the sites develop sustainably.

The catalog of requirements is based on an internal points system. For example, more than 50 percent of the total possible number of points must be achieved to qualify for bronze, more than 75 percent for silver, and at least 85 percent for gold. Examples of initiatives that

must have been implemented as a minimum for a bronze award include the introduction of a certified environmental management system, a roadmap for achieving net-zero GHG emissions in Scope 1 and 2 by 2030, and an automatic energy data monitoring system for the main meter. Examples for the silver category include a plastic-free canteen, savings targets for energy projects, and a roadmap to achieve net-zero GHG emissions in Scope 1 and 2 by 2027. A GPL in gold requires the implementation of projects such as the elimination of all equipment with refrigerants with a global warming potential of more than 2,500 by 2030 and the introduction of an automatic energy data monitoring system for large energy consumers and production lines.

The GPL is a helpful tool for a structured, systematic identification of improvement potential and makes a valuable contribution to the achievement of environmental and corporate goals. It promotes the exchange of best practice examples and thus the transfer of knowledge between Vitesco Technologies' sites worldwide. Internally, Vitesco Technologies has set itself the goal of all relevant production sites achieving the GPL in gold by 2030. By 2025, all research and development sites should achieve at least the bronze label.

In fiscal 2023, seven sites were awarded the GPL. Tianjin (China) was the first Chinese site to achieve the label in the gold category. The Wuhu (China), Icheon (South Korea), Bebra/Mühlhausen (Germany), and Foix/Bousens (France) sites achieved a silver rating. Seguin (US) and Ciudad Juárez Aerotech (Mexico) were able to maintain their previous bronze rating.

Circular Electronics project

In line with its DIRECTION 2030 strategy and the goal of achieving net-zero greenhouse gas emissions by 2040, as well as expectations regarding future legislation on circularity, Vitesco Technologies launched the strategic project Circular Electronics in 2022. The main objective is to define and develop a next generation of electronics that will enable the transformation to a circular economy and pave the way to net-zero. The project will build on ongoing sustainability activities and the Circular Electronics team will work with the other project teams.

The focus of the project is on design that eliminates emissions throughout the value chain and product lifecycle. Material reduction, reuse, and recycling aspects will be integrated into the design wherever possible. This affects, for example, material selection, manufacturing, and the overall architecture of a product.

In 2023, the project focused on the reparability of Vitesco Technologies' products and a few key components, including printed circuit boards and aluminum die castings. For these key components, the teams conducted surveys and interviews with suppliers to determine the overall status of the supply base in terms of sustainability, with a focus on decarbonization and circularity. These interviews also enabled the team to identify development partners to collaborate on activities to find solutions for sustainable components. With these partners, the teams began to address one of the biggest challenges: defining specific sustainability requirements for components and materials, including how to measure and confirm them. The leading component team

developed the first set of requirements for minimum use of recycled content and maximum product carbon footprints that will be required for future sourcing of aluminum die castings.

With respect to repairability, a specific workstream was established to address this issue. The team began by analyzing current Vitesco Technologies products to assess their repairability. This analysis revealed that some of the current products of Vitesco Technologies are very difficult to disassemble because features such as minimal footprint were prioritized while repair was never considered during the design phase. This confirmed to the team the importance of ensuring that the repairability of the product is considered very early in the design process to ensure that it is inherent in the overall product concept and architecture. As a result, the team developed a Design for Disassembly guideline that will be incorporated into the development process. The draft document was completed in Q4, with final reviews and release planned for 2024.

CREATING AWARENESS AND JOINTLY INCREASING ENERGY EFFICIENCY

A WALKTHROUGH WITH THE GLOBAL HEAD OF ENVIRONMENTAL PROTECTION, CHRISTOPH SEIFERT, AND TEAM

Both operational and product-related environmental protection have undergone an enormous reevaluation at Vitesco Technologies in recent years. Our Environmental Protection department's close involvement in the upstream and downstream supply chains – as well as in the drafting of contracts with suppliers – now enables us to take an even more strategic and long-term view of our company's environmental and climate risks. By getting involved in industry initiatives, e.g., we are making an important contribution to the development of industry standards and the harmonization of data formats and processes. The idea is to help us to make our cooperation with our suppliers and customers even more efficient in the long term.

However, actual environmental protection in the operations takes place at site level: Various Group-wide campaigns and tools support our approximately 50 Vitesco Technologies locations worldwide in improving their environmental sustainability performance – with success.

The expertise that our employees have built up in recent years regarding environmental protection and other sustainability-related topics may be difficult to quantify, but

is impressive nonetheless. After all, only with solid basic knowledge can all employees initiate change in their departments and provide positive impetus. This can be seen, for example, in the Energy Awareness Campaign.

“Tomorrow Takes Teamwork” – the Energy Awareness Campaign

The ever-increasing energy costs validate our commitment to a more sustainable future more than ever. We firmly believe that each and every individual at Vitesco Technologies plays a pivotal role in saving energy, and can help us to achieve net climate neutrality for our business activities worldwide. That is why we have launched a campaign to increase energy efficiency at Vitesco Technologies. The aim of this initiative is to build awareness for energy issues within our company while providing insights into individual energy-saving practices.

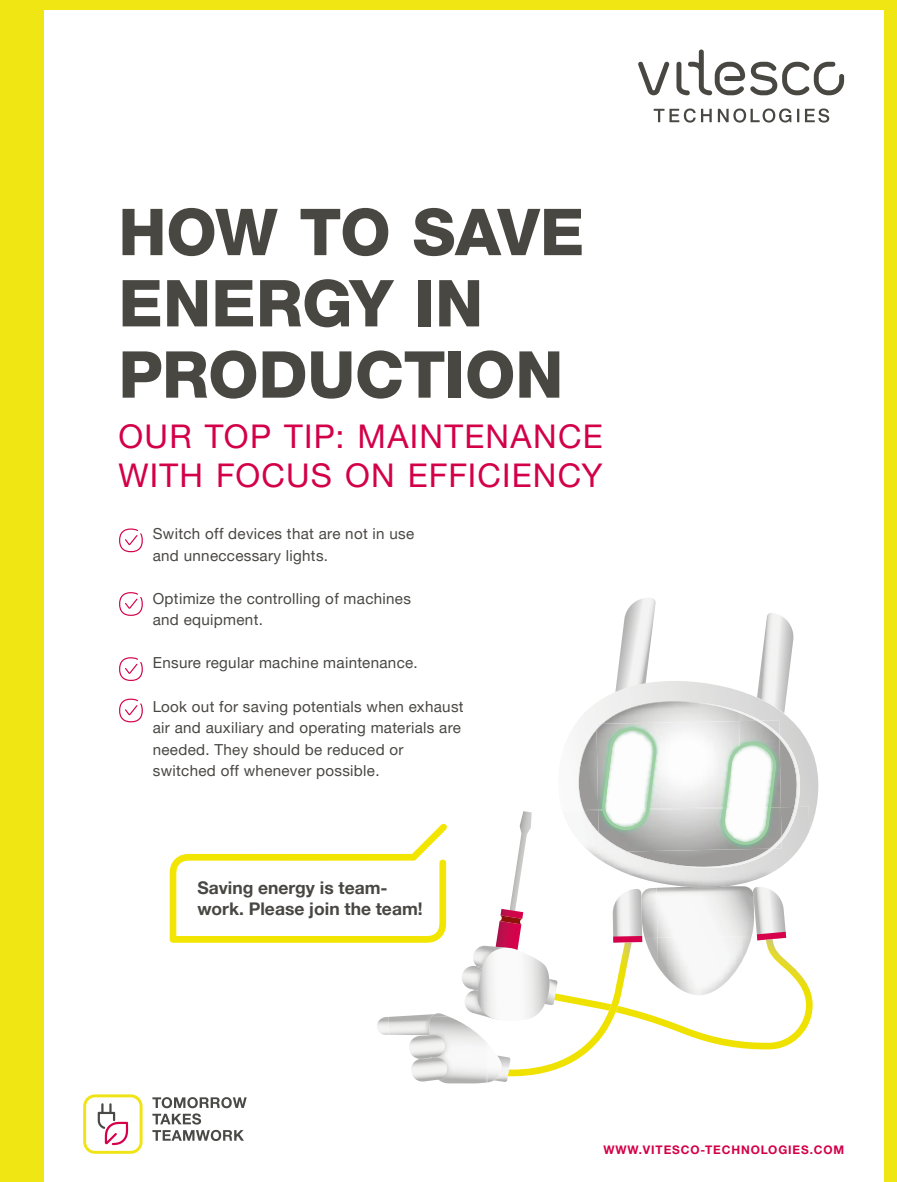
Our approach includes targeted training in three different key areas, which are closely interlinked:

› **Strategy and goals:** We provide our employees with a basic understanding of how we are organized

at Vitesco Technologies so that they can understand how we plan to achieve our sustainability goals. One important cornerstone of our sustainability strategy is the Green Plant Label, an internal certificate for evaluating the energy and environmental performance of our sites. We want to use this systematic analysis to ensure the sustainable further development of our sites. We also rely on best practices and innovative new technologies to continually improve our energy and resource efficiency.

› **Net climate neutrality:** In our efforts to achieve net climate neutrality, we openly share information about our energy-related greenhouse gas emissions, their sources, and the proactive measures we are taking to reduce them. Exemplary projects that demonstrate our commitment in practice serve as tangible illustrations.

› **Energy saving and efficiency:** We inform our employees about our energy consumption, the energy sources we use, and the development of energy costs. We also explain our energy efficiency standards to them and illustrate them with project examples.



An exemplary flyer used for spreading awareness on the Energy Campaign

What has the Energy Awareness Campaign achieved so far?

Marcus Dörr, Energy Manager at Vitesco Technologies, on the structure and effectiveness of the campaign:

“Shaping the future together” is the guiding principle, especially when it comes to energy efficiency and net climate neutrality. Energy management affects all of us at Vitesco Technologies, as it has an impact in various areas and must be efficiently implemented and safeguarded. From Product Development to Logistics: we all contribute to our energy consumption and the resulting greenhouse gas emissions. That is why there are opportunities for every single employee to have a positive influence, not just those at management level.

And so, one important goal of our Group-wide campaign was to reach and inform all employees. The mandatory training sessions were an essential part of raising awareness among Vitesco Technologies employees. They provided the necessary information and explanation of the organizational structures and goals, and showed the current status and the ways in which employees can increase our energy efficiency.

In addition to the training courses, which are updated annually and will be mandatory for all new employees, we also use posters to provide information and specific recommendations on how to save energy. The visual reminders at the sites are intended to motivate employees to adopt the measures in their day-to-day work. We also made them aware of the need to save energy in

their personal lives: Flyers with practical energy-saving tips for the home extended the impact of the campaign beyond the workplace. The Vitesco Technologies sites also incorporate the content of the Energy Awareness Campaign into their Energy and Environment Days. As part of these events, they present site-specific information, projects, and energy-saving measures, among other things.

The initiative has enabled us to significantly increase our employees' energy saving consciousness, as well as the reduction of greenhouse gas emissions at Vitesco Technologies. We are well on the way to establishing energy efficiency as part of our corporate culture. The campaign slogan says it all: “Tomorrow Takes Teamwork.” Passionate, partnering, and with a pioneering spirit – that is how we seek to achieve our energy and climate targets in line with our DIRECTION 2030 strategy.

“We are well on the way to establishing energy efficiency as part of our corporate culture.”

Marcus Dörr
Global Energy Manager



Christoph Seifert
Global Head of
Environmental Protection





FAIR WORK AND DIVERSITY

FAIR WORK AND DIVERSITY

MANAGEMENT APPROACH GRI 3-3

Objective GRI 2-23

A→ “Passionate, Partnering, Pioneering.” Based on its corporate values, Vitesco Technologies pursues the goal of offering its employees fair and attractive working conditions. This includes personal freedom, opportunities for further training and career development, flexibility, and a special focus on diversity, equity, and inclusion. This aspiration also forms a supporting pillar of the Group’s DIRECTION 2030 strategy in the focus area “Great People, Great Company.” It is based on the conviction that happy employees working in a fair and diverse environment are a key factor for Vitesco Technologies’ lasting business success.

In light of the technology shift towards electrification, HR work now has a further task: to manage the allocation of resources and the development of expertise, and to support employees through the transformation with appropriate measures. Upskilling and personal development, as well as cultivating a partnership-based dialog with employees and their representatives, play a decisive role here. The company also seeks to attract and retain talent by convincingly positioning itself as an attractive employer.

When it comes to diversity, Vitesco Technologies places a particular focus on internationality and strengthening the role of women in the workplace. Information on the objectives of the diversity concept at the level of the Supervisory Board and Executive Board, as well as at the management level below the Executive Board, can be found in the chapter Corporate Governance.

As part of its Sustainability Agenda, the company is pursuing two key objectives related to Fair Work and Diversity:

- › Raise the share of women in management positions (executives and senior executives) across the Group to 21 % by 2026.
- › Increase the Employee Net Promoter Score (eNPS) as an indicator of employee satisfaction to a value of 25 by 2026.

Reliable labor standards and the protection of human rights in all company activities form an essential basis of Vitesco Technologies’ HR work. This includes the principle of freedom of association and the right to collective bargaining, clear regulations on working hours, wages, and social benefits, as well as a zero-tolerance approach to child labor, forced labor, modern slavery, and all forms of violence, harassment, and discrimination. At the beginning of 2023, existing processes for monitoring and implementing labor standards and human rights due diligence were systematically expanded in the management systems for human relations. Further information on human rights due diligence can be found in the section on Responsible Sourcing and Partnerships. **←A**

Concept

A→ The Code of Conduct adopted by the Executive Board and the company’s Human Rights Policy set out the cornerstones for creating fair working conditions and promoting diversity. Both the Code of Conduct and

the Human Rights Policy comply with the standards of the Responsible Business Alliance. Employees receive training on the Code of Conduct. A human rights management system was implemented at the beginning of 2023 with the aim of ensuring and monitoring compliance with human rights due diligence. In addition, regular standardized employee training on the topic of human rights is planned.

Vitesco Technologies’ strategic HR work is coordinated and managed by the Human Relations & Sustainability corporate function under the leadership of the Chief Human Resources Officer (defined in the Human Relations & Sustainability Manual). All strategic HR activities are embedded in the Group strategy DIRECTION 2030 and are based on the company’s values. The strategic contribution of the Human Relations & Sustainability corporate function focuses on efficient processes, a sustainable organization, and a successful transformation. The implementation of the HR strategy is supported methodically and procedurally by two key instruments:

- › A target business model that describes and defines the various roles and responsibilities as well as working methods within the Human Relations & Sustainability corporate function.
- › An HR management system was established to document and manage HR-related guidelines, standards, processes, forms and instructions, steer business processes, and identify and minimize process-related risks. The system was rolled-out in January 2023.

The Human Relations & Sustainability corporate function comprises six cross-company Centers of Expertise (CoE) that report directly to the Chief Human Resources Officer: 1. Talent Management, Organizational Development, Employer Branding & Recruiting; 2. Group Reward, Global Mobility & Business Travel; 3. Labor Relations; 4. Global People Services, People Analytics & Technology; 5. Sustainability & Security, and 6. Diversity, Equity & Inclusion.

Regional HR managers in the countries and HR managers with responsibility for Vitesco Technologies' business units are functionally subordinate to the Chief Human Resources Officer. When staffing and implementing projects, care is taken to ensure a balanced involvement of all HR managers so as to give equal consideration to the individual perspectives of the business units, specialist departments, and countries.

The central steering and decision-making body within the Human Relations & Sustainability corporate function is the monthly Human Relations & Sustainability Management team meeting: Once a month, all heads of the specialist departments and the functional HR managers of the countries and business divisions meet to report on the progress of ongoing projects, activities, and initiatives.

Progress in increasing the share of women in management positions is regularly reviewed by means of quarterly reports to the Executive Board. Besides the latest figures, the reporting also includes a forecast of future developments and measures that were defined to achieve the targets set. The share of women in manage-

ment positions is also integrated as a KPI in the long-term incentive plans (LTI plans) for executives.

To monitor employee satisfaction and incorporate their concerns, Vitesco Technologies conducts an annual global employee survey. The results are then shared in the respective areas of responsibility and communicated by the management across all levels of the organization. Both the communication of the results and the subsequent binding development, and remediation of the areas identified as needing improvement are tracked via an automated Action Tracking Dashboard. Improvements and progress are communicated transparently within the company and regularly reported back to the management.

In addition, there is regular exchange with trade unions and employee representatives at various levels of the company. In Germany, local works councils exist at all Vitesco Technologies GmbH, Vitesco Technologies Germany GmbH, and Vitesco Technologies Emitec GmbH sites. The latter was spun off from the Group and sold with effect from Aug. 1, 2023. These companies also have general works councils and co-determined supervisory boards. Vitesco Technologies Roding GmbH also has local works councils, and Vitesco Technologies Group AG also has a co-determined Supervisory Board.

← A

Results

GRI 404-2

→ A The share of women in management positions (executives and senior executives) across the Group

was 17.0 % in fiscal 2023, a year-on-year increase of 1.6 percentage points (previous year: 15.4 %). Among other things, two measures contributed to this: first, the Female Talents focus group is given special consideration and support in internal talent management. Second, there is a mandatory requirement in the recruitment process that at least one woman and one person from another diversity dimension must be interviewed in each selection process (given a minimum of three applicants). In addition, Vitesco Technologies has continued the gender-sensitive job advertisements introduced in 2022 and places a special focus on directly addressing women in certain professional fields. The company signed the United Nations Women's Empowerment Principles and the Diversity Charter in 2021 to reaffirm its commitment to gender diversity and equal opportunities.

The second KPI, the Employee Net Promoter Score, stood at 30 points in fiscal 2023, an increase of 6 points compared to the previous year (previous year: 24 points). The reasons for this were that communication measures were further intensified and the employee survey became established as the most important internal feedback tool. The global Brand Ambassador team, which actively approached employees during the survey period, also helped. The eNPS for fiscal 2023 was calculated based on the annual global employee survey, the second one to which all employees, including those working in the production areas, were invited. This meant that 100 % of employees worldwide (excluding temporary workers) were eligible to take part. The average response rate was 83 % (previous year: 71 %). It is a positive signal for the satisfaction of the workforce and the attractiveness of Vitesco Technologies as an employer that employees with an explicitly positive

Key Performance Indicators for Fair Work and Diversity	2023	2022
Share of women in management positions (executives and senior executives; as of December 31) in %	17.0	15.4
Employee Net Promoter Score, eNPS ¹	30	24

¹ To survey the eNPS, employees are asked to rate the statement: "I would recommend Vitesco Technologies as an employer to friends or family members" using an eleven-point scale. The eNPS is calculated by subtracting the proportion of detractors from the proportion of promoters. Detractors respond to this question with a value between 0 and 6 (very unlikely to unlikely), promoters with 9 or 10 (very likely). People who give a value of 7 or 8, defined as passives, are not included in the calculation. As a result, values between -100 and +100 are possible.

opinion (promoters) were clearly in the majority compared to those with a negative opinion (detractors).

In the HR-related areas of flexibility and staff development, Vitesco Technologies offers its employees a wide range of options. They can take time off to care for a sick child, take parental leave, grandparental leave or educational leave, or take a sabbatical. Depending on the local laws at the various locations, part-time work, bridging part-time work, and flextime agreements are also possible. In addition, the option to work remotely has been available since 2020. Central guidelines have been further expanded in several countries (e.g., United States, Romania) and have been positively received as timely employee retention measures. This enabled Vitesco Technologies to again meet the challenges of flexible working conditions in fiscal 2023.

To support employees in the transformation process towards electrification and e-mobility and offer them the opportunity for further development, Vitesco Technologies continued the training offensive launched in 2019. The range of individual learning opportunities was also expanded worldwide in 2023. It now includes training courses developed in collaboration with international universities as well as learning units with in-house trainers and on-the-job upskilling. In fiscal 2023, for example, the Electrification Program I in-service training was made available to all employees as a fully digitized modular learning program. Since 2023, employees have been able to complete all modules of the Electrification Program I online and therefore anywhere in the world, at any time. Electrification Program II was also success-

fully continued in fiscal 2023 as an advanced module for Vitesco Technologies-specific knowledge transfer. In addition, in-house Q&A sessions are hosted where experts ensure that the knowledge imparted from both programs is properly understood, and discuss it with their colleagues.

Information on personnel expenses in fiscal 2023, i.e. wages and salaries, social security contributions and pension expenses, can be found in the Notes to Consolidated Financial Statements, in the Personnel Expenses section. Employee benefits, such as pensions, retirement benefits, and long-term bonus payments, are broken down in the Notes to Consolidated Financial Statements, in the section on Employee Benefits. [← A](#)

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

Focus →

Diversity, equity and inclusion

As outlined in the management approach for Fair Work and Diversity, the topic of diversity, equity and inclusion (DE&I) is of particular importance in HR work. Vitesco Technologies believes that diverse teams offer a strategic advantage. Accordingly, the company relies on strong and diverse teams in all areas and at all levels.

In fiscal 2023, Vitesco Technologies expanded its cross-company DE&I center of expertise within HR.

In addition to a global DE&I leadership position that reports directly to the Chief Human Resources Officer, the DE&I center of expertise now includes a global Employee Resource Group (ERG) manager, responsible for helping amplify the voice of underrepresented communities. By focusing on the realities and challenges of those that identify with a minority trait (it can be, for example: gender, age, sexual orientation, national origin or disability status), these employee-led, voluntary groups help foster a culture where everyone feels included and psychologically safe.

Furthermore, a DE&I leadership position responsible for Europe is working with the Vitesco Technologies locations in that region on country-specific DE&I strategies and catalogs of measures. The company plans to set up further DE&I leadership positions in Asia and North America.

In addition to Vitesco Technologies' intentional effort to invest in DE&I by allocating specialized full-time resources, it has also expanded its DE&I councils to Germany and North America, complementing the existing organisms already operating in France, Romania, and the Czech Republic since 2022. The DE&I councils serve as advisory bodies for the company and are made up of employees who are tasked with driving forward the local customization of the global DE&I strategy. It is planned to establish further DE&I councils in China, Europe, and India.

Promotion of women

Vitesco Technologies has set itself the goal of increasing the share of women in management positions (exec-

utives and senior executives) – beyond the statutory requirements. The aim is a Group-wide increase from currently 17.0 % to 21 % by 2026. To achieve this, the company is carrying out numerous measures. In fiscal 2023, for example, female talents were promoted with additional and exclusive participant slots in mentoring and sponsorship programs. Vitesco Technologies also increasingly ran special employer branding campaigns for this target group. In fiscal 2023, women accounted for 25.1 % (previous year: 19.9 %) of applications for specialist positions. The share of women among the specialists hired was 25.0 % (previous year: 26.5 %). The share of women applying for management positions (executive level) in fiscal 2023 was 21.3 % (previous year: 20.2 %). In comparison, the share of women among new hires was significantly higher: 40.7 % (previous year: 23.0 %) of managers (executive level) hired were women.

To raise awareness for the topic of promoting women in the company, especially among managers, measures for further developing female talents are explicitly addressed at worldwide in-house development conferences. In addition, the share of women, along with other diversity dimensions such as age and nationality, is a fixed component of succession planning in all functions and across all levels. The consideration of diversity dimensions is continuously reviewed and managed in the development programs.

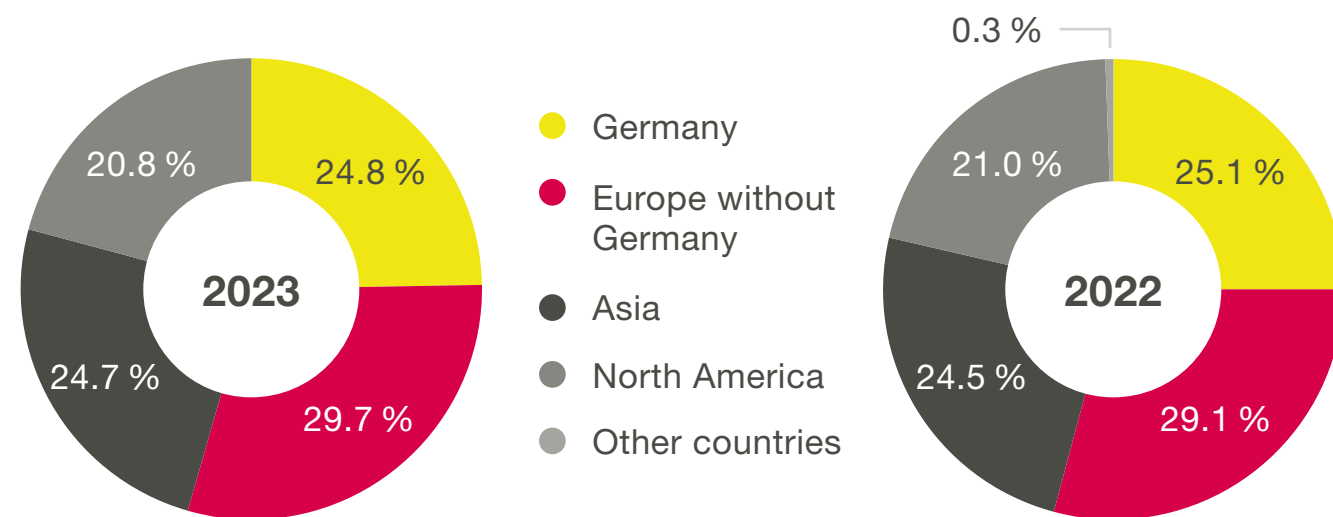
The Female Talent Community women's network was active in fiscal 2023 as well and supported its members with various offers. For example, they were invited to

Employee indicators

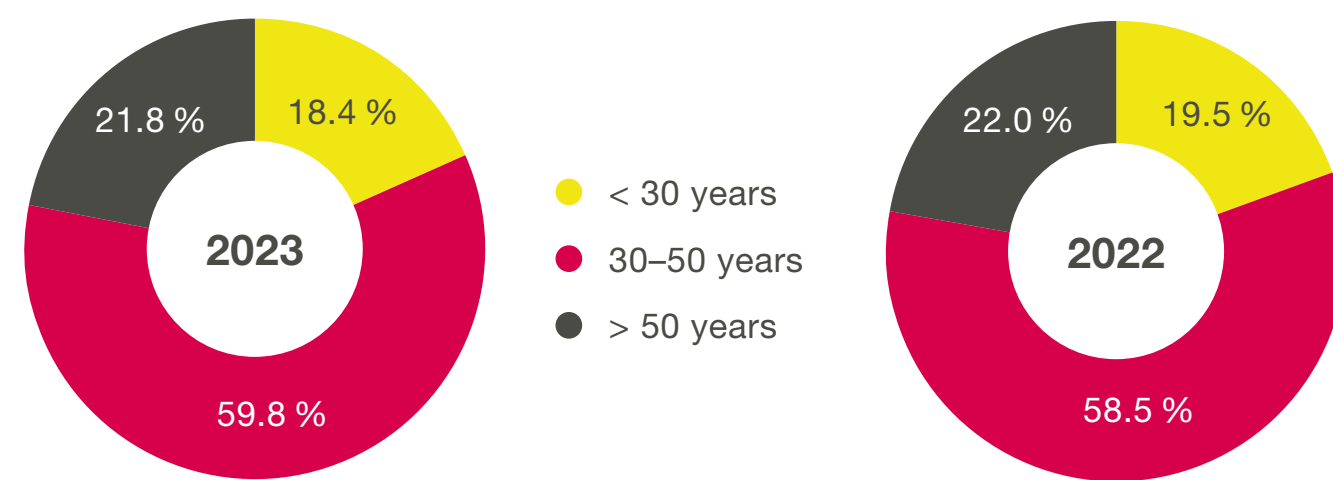
GRI 2-7, -8, 401-1, 405-1

2023 **35,528** 2022 **38,043**

Number of employees (as of December 31)¹



Share of employees by region (as of December 31)¹



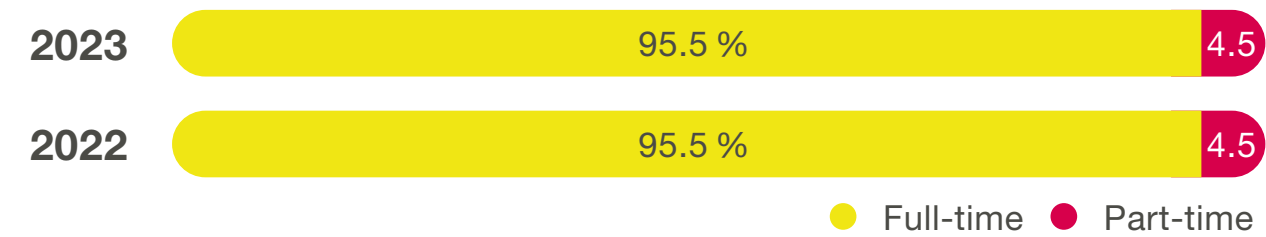
Share of employees by age group (as of December 31)¹



Share of employees by gender (as of December 31)¹

2023 **6.3 %** 2022 **8.3 %**

Rate of unforced fluctuation (as of December 31)^{1,3}



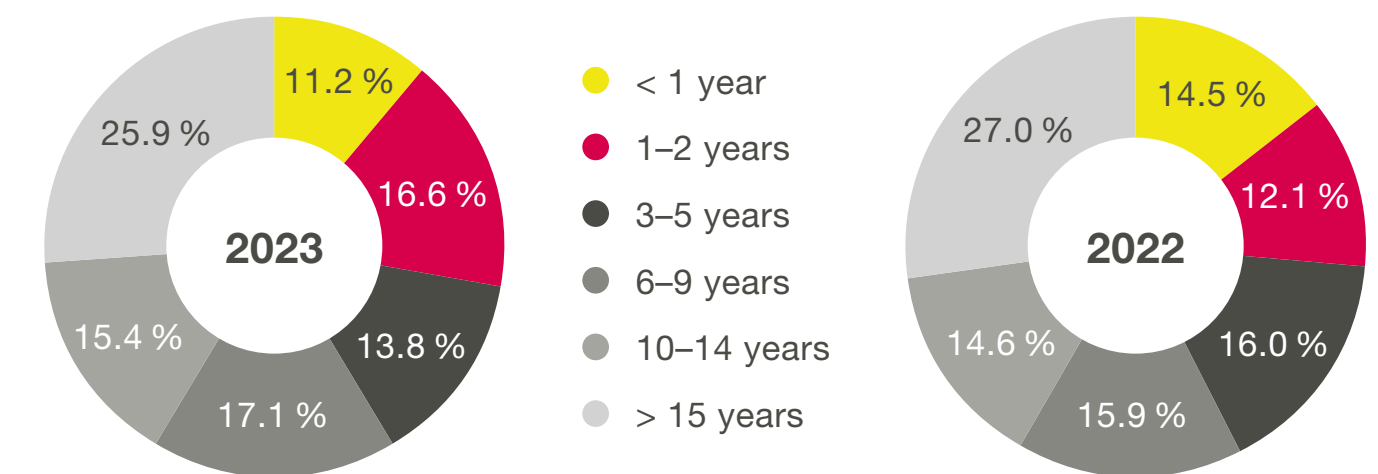
Proportion of employees by employment type (as of December 31)¹

2023 **5.1 %** 2022 **5.4 %**

Share of employees with disabilities (as of December 31)^{1,2}



Share of employees by employment contract (as of December 31)¹



Share of employees by tenure (as of December 31)¹

2023 **4.3 %** 2022 **5.4 %**

Share of leasing employees (as of December 31)¹

1 Headcount. All employees were taken into account with the exception of apprentices and interns.
 2 In relation to jobs in Germany within the meaning of §§ 156 ff. of SGB IX.
 3 Definition: voluntary departure of employees from the company in relation to the average number of employees.

take part in Talent Talks with the HR management team to increase their visibility within the company and communicate their own career aspirations openly and across departments. The initiative also offers female employees access to specific and exclusive learning opportunities as well as the chance to connect at keynotes and networking events.

Building awareness for diversity, equity and inclusion

Vitesco Technologies raises employee awareness of diversity, equity and inclusion through education and training, to more strongly embed these topics in the corporate culture. In fiscal 2023, the mandatory DE&I training introduced the previous year for employees in North America, Canada, and Mexico were continued. Basic DE&I training that the company had already offered to employees in North America in 2021 was revised in 2023 and will be made available to all employees worldwide as an e-learning course via the internal learning management system (LMS) from 2024 (one year later than originally planned).

In addition, 600 managers at various management levels worldwide received DE&I training in fiscal 2023. Vitesco Technologies plans to continue and expand these training courses in 2024. For example, raising awareness of unwitting prejudices and thought patterns – known as unconscious bias – will be included as a focus in other leadership programs in the future in order to teach managers more integrative skills. The company is also making the learning content available to employees in HR departments in particular: The aim

is to enable them to better handle with such employee concerns through DE&I training.

Employee Resource Groups

There are several Employee Resource Groups (ERGs) in the company, and Vitesco Technologies actively promotes their establishment and efforts. The ERGs, which are organized and run by employees, work to ensure an inclusive working atmosphere, and each focus on different dimensions of diversity. As part of its DE&I strategy, Vitesco Technologies has supported the establishment of nine ERGs to date.

Four of these groups operate globally: The “PRIDE” ERG for the company’s internal LGBTQI+ community and the “WOFVT” (Women of Vitesco Technologies) ERG, which advocates for matters important to women, have existed for several years. The “A.G.E.S.” (Alliance of Generations for Employee Success) ERG works to promote successful intergenerational cooperation. And in 2022, the “A.B.L.E.” (Abilities Beyond Limits and Expectations) ERG was established to focus on the needs of people with various types of disabilities.

Four other ERGs are active in North America: The “R.E.A.C.H.” (Resources for Employees of African Culture and Heritage) ERG aims to open up more opportunities in working life for employees of African culture and heritage. The “L.E.A.D.” (LatinX Employees Advocating for Diversity) ERG advocates for the community of people of Latin American origin outside Vitesco Technologies as well. The “A.S.I.A.” (Asian-Pacific Society for Innovation and Achievement) ERG represents the

interests of employees of Asian descent. The “L.I.V.E.” (League of International Vitesco Technologies Employees) ERG aims to strengthen cultural sensitivity toward different nationalities. The “W.P.” (Working Parents) ERG, which was founded in fiscal 2023 and is active in Mexico, is a new addition.



Number of nationalities (as of December 31)
(All employees were taken into account with the exception of apprentices and interns)

As an international Group, Vitesco Technologies employs people of different nationalities. Therefore, alongside the share of women, the company strives to place more of a focus on the nationality dimension of diversity, and to regularly monitor its development.

Equal pay

Vitesco Technologies is committed to providing its employees with a working environment that is free from discrimination. This includes a fair and transparent compensation system and appropriate remuneration for all employees. The compensation structures are in line with the company’s Human Rights Policy and the relevant national laws, and agreements with trade unions and employee representatives. They are also oriented towards the respective local market. The wage rates are generally above the applicable minimum wages.

Each position at Vitesco Technologies is evaluated according to factual criteria such as tasks, expertise, scope of action, and management, sales, and earnings responsibility. Personal characteristics of employees such as skin color, age, gender, sexual orientation, gender identity, and gender expression play no role in the evaluation, classification, and compensation of positions.

Vitesco Technologies offers its employees performance-related and market-oriented remuneration. In positions that fall under collective agreements, this is based on the position evaluation; in non-collectively agreed cases, it is additionally based on the employee’s performance. Accordingly, a distinction is made in the non-tariff area between a basic salary and a performance-related remuneration component. ← Focus

Education and development

GRI 404-2,-3

Vitesco Technologies is committed to lifelong learning. The basis for this is the in-house competence model (Vitesco Technologies Capability Model), which firmly integrates behavioral anchors such as “I keep learning every day” into the workday routine. Beyond this, opportunities for further training are offered in various formats, e.g. as part-time study at universities, as in-house expert trainings, or as short, digital learning units at the workplace. The portfolio was further expanded in fiscal 2023, with a focus on extending the e-learning range so as to enable individual learning independent of time and location.

Vitesco Technologies’ training strategy reflects its ambition to play an active role in shaping technological change in the automotive industry. To prepare its employees worldwide for the transformation to e-mobility, the company had launched a qualification campaign in 2019 with a focus on electrification and software, which is being successively expanded.

Electrification Programs I & II again met with interest in fiscal 2023. The courses were aimed at employees with a degree in mechanical engineering and employees working on e-mobility projects. Electrification Program I was fully digitized in 2023 and has since been available to employees worldwide, anytime, and anywhere (learning on demand). In the year under review, 53 employees (previous year: 202 employees) completed this first part with more than 90 teaching units. The in-depth Electrification Program II was continued as virtual live training – adapted to the various time zones. 20 employees successfully completed the 30 teaching units. Vitesco Technologies is planning two further runs of Electrification Program II in 2024. In all, 745 employees have successfully participated in Electrification Programs I & II since 2020.

The range of further training courses is supplemented by specialist training courses in the field of e-mobility, which the individual divisions are responsible for and carry out as required. In addition, central Group functions and specialist departments, such as Engineering, Compliance, Sales, Purchasing & Supplier Quality Management, Quality & LEAN, Supply Chain Management, and Product Management, offer function-specific learning content.



Total development and training costs in € million (Definition: Annual costs incurred for development and training activities)

As part of its management development, Vitesco Technologies uses a global Leadership Development Map that includes programs for different target groups. Among other things, fiscal 2023 again saw further training measures for managers taking on a leadership role for the first time – e.g. Explore Leadership Program 1, which was taken by more than 544 participants worldwide in 2023. Explore Leadership Program 2 is aimed at experienced employees who have taken on more responsibility and a larger team and was attended by 30 people worldwide in 2023. Those wanting to refresh their leadership skills could book the Advanced Leadership Program, for example – a program completed by 60 participants worldwide in 2023. Young talents with potential for management positions were given training for company-wide networking, joint project work, and high visibility in the Vitesco Technologies management team as part of the annual Global Management Talent Program. In 2023, 15 participants were selected to participate in this talent program. The Development Center launched in fiscal 2023 – a Europe-wide pilot project with eight participants – tested new methods for assisting career starters in planning their individual career paths. And the Vitesco Technologies Leadership Journey, an executive development program for top

management at Vitesco Technologies, was redesigned and successfully piloted with 30 international participants from a wide range of divisions.

In fiscal 2023, Vitesco Technologies also launched the roll-out of its new learning campus (Vitesco Technologies Learning Campus), a global virtual platform that provides employees with general information on the topic of learning as well as access to the in-house learning management system. The offer also included learning opportunities from various function-specific academies (e.g. for Engineering, Purchasing & Supplier Quality Management, Quality & LEAN, and other functions/departments). The learning campus is intended to form the basis for a company-wide learning culture and promote improved collaboration within the internal learning network and in the function-specific academies. In this way, Vitesco Technologies strives to ensure consistent quality and learning standards in training, and across all functional areas.



Share of employees receiving regular performance and career development reviews in % (Assessment supported either by a digital performance and career development tool or via a paper interview form)

In fiscal 2023, the Vitesco Technologies Career Map was successfully introduced at another four sites, and is now available at 17 sites worldwide. It provides an overview of possible career paths in production and logistics.

Employees can find out what qualifications they need and what other requirements they must meet to move up to the next higher positions. Additional information on training and upskilling shows them how to meet the respective requirements. At the site in Brasov (Romania), a digital version of the Career Map was launched in 2022: employees can find out about the various career paths and also view stored curricula in the in-house learning management system. The experience gained in Brasov (Romania) serves as the basis for further digital career maps planned at other sites. In fiscal 2023, for example, it helped to optimize the roll-out of the Career Map at the Bebra and Dortmund (both Germany) sites, scheduled for completion in 2024.

Attractiveness as an employer

Awards

Vitesco Technologies reviews its attractiveness as an employer both internally and externally. Employer ranking portals such as Glassdoor are used for external evaluation. Glassdoor is a global platform where job candidates as well as current and former employees can rate companies. On a scale of 1 to 5, with 5 being the highest rating, Vitesco Technologies achieved a score of 4.0 (as at December 2023), which is an excellent score for the industry.

The job-related social network LinkedIn recognized Vitesco Technologies as one of the most desirable employers in three countries in fiscal 2023. In this comparison, Vitesco Technologies was ranked 11th in India, 21st in France, and 47th in the United States.

Employee retention

Whether employees remain loyal to a company depends on many different factors, which can vary from country to country. For Vitesco Technologies, retaining its employees and thus ensuring the company's long-term success is a high priority. The company meets this challenge with a series of country-specific projects that involve the entire organization – management, executives, HR, and the employees themselves.

In order to increase employee retention, the company wants to offer more part-time jobs and thus promote the compatibility of family and career. In fiscal 2023, 35.4 % of all positions in Germany were advertised as part-time (previous year: 13.0 %). This figure was 37.2 % for specialist positions (previous year: 12.9 %) and 12.2 % for management positions (executive level) (previous year: 15.4 %).

Another example is the Retention Management Guideline, aimed at managers and management teams. A plan-do-check-act cycle is designed to help ensure employee satisfaction. First, the key performance indicators eNPS and fluctuation as well as the results of exit interviews are analyzed in order to derive suitable measures. This is followed by an assessment of whether the measures are suitable for employee retention in general. The guideline also contains a toolkit with tips and hints for day-to-day leadership, in order to promote trusting cooperation across hierarchical levels. To this end, it also contains a collection of best practices from within the company.

Finding out the possible reasons employees leave is of crucial importance to Vitesco Technologies. To this end, the company carries out fluctuation analyses. They help the company to become more attractive as an employer overall and to stay in contact with former employees and consider them again for suitable positions. In addition to the previous focus on site and country in fluctuation analyses, an established and continuously improved HR KPI dashboard enables the data-driven analysis of exit trends in organizational units, job families, age groups, and differentiated by gender. This allows employee retention measures to be implemented in an even more targeted manner.

In fiscal 2023, Vitesco Technologies introduced a fully automated, digital exit questionnaire in order to analyze reasons for resignation in greater depth. It is automatically sent to departing employees as soon as the HR Business Partners have entered their reason for leaving in the HR system. The questionnaire is set up adaptively so that employees only have to answer follow-up questions on points on which they have previously expressed criticism. Vitesco Technologies was not only able to improve the exit process with the automated query – the evaluated data from the questionnaires also enables the company to anticipate potential resignations at an early stage and initiate countermeasures.

The strategic Engagement Matters project should also be mentioned in this connection. It was initiated within the HR department, but is characterized especially by a cross-functional core team (approx. 80 global employees on a voluntary basis) and a wide-ranging network,

including with existing communities in the company. The core team reports quarterly to a Steering Committee with members from the Vitesco Technologies Management Team. In this way, initiatives on the overarching topic of “flexibility as an employee retention opportunity,” such as Focus Friday, have been introduced and are practiced in numerous departments worldwide. The core team also works on initiatives relating to inclusive leadership, fair processes, systems, and applications.

A wide variety of global projects were bundled under the Engagement Matters umbrella, which led, among other things, to a reduction in unforced fluctuation rate to 6.3 % in fiscal 2023 (previous year: 8.3 %) and an increase in the already positive mean score in the “Engagement & Culture” category of the annual employee survey, from 3.99 in 2022 to 4.08 in 2023.

Furthermore, Vitesco Technologies introduced a new job architecture in August 2022, which is designed to boost employee retention, among other things. It includes a transparent presentation of job structures and thus facilitates talent management and succession planning, e.g. In fiscal 2023, based on this new job architecture, Vitesco Technologies prepared a skills management pilot project for the Engineering department and for a Group function, which is scheduled to start at the beginning of 2024. As part of this project, the Excel solutions previously used to identify development areas are to be replaced for the first time by an automated solution used as an integral part of employee performance reviews. The aim is to derive and initiate structured and targeted training measures for employee skills

development and to measure the effectiveness of these measures. Based on the findings, the piloted skills management system will be introduced for all Vitesco Technologies employees in 2025.

Labor-management relations

GRI 2-30

Vitesco Technologies has a trustful and cooperative working relationship with all employee representatives such as trade unions and works councils. Statutory, collective bargaining, and company regulations are implemented in cooperation with employee representatives. In Germany, 79.1 % of employees were covered by collective agreements in fiscal 2023 (previous year: 75.6 %). The collective agreements themselves exclude certain contractual groups.

Employee co-determination has a high priority in the company. In fiscal 2032, 99.9 % of employees at sites in Germany were represented by works councils or the spokesperson committees of the executive employees (previous year: 99.8 %). Currently, there are local works councils at all nine Vitesco Technologies sites in Germany as well as two general works councils, one Group works council, and one European works council. The works council is involved in almost all decisions made by Vitesco Technologies.

In accordance with the defined co-determination and other participation rights, Vitesco Technologies informs the employee representatives in good time about all relevant issues, obtains their opinions and reaches agreements with them. Their representatives have seats on

numerous bodies such as the IT Committee and the Logistics Committee. Operational changes are discussed jointly at an early stage.

Human rights due diligence

GRI 2-23, -24, -25

In a globalized world economy, compliance with human rights due diligence obligations by multinational companies is of particular relevance. There are more and more laws and regulatory requirements that demand effective processes to prevent and eliminate human rights violations in supply chains. As a global company, Vitesco Technologies has a special social responsibility in this regard, as outlined in the Management Approach section of this chapter and the chapter Responsible Sourcing and Partnerships.

In order to meet its human rights due diligence obligations, in 2023 Vitesco Technologies established an overarching management system that scrutinizes its own operational activities as well as its direct and indirect business relationships, especially with suppliers and sub-suppliers. The overarching management system links existing management systems, including:

- > HR management system
- > Occupational health and safety management system
- > Environmental management system as well as energy management system
- > Legal compliance management system
- > Management system for responsible sourcing including conflict minerals

Based on these management systems, Vitesco Technologies identifies and minimizes potential human rights risks in its operations and works to continuously improve the global human rights situation along its supply chains. Through the management systems, the company seeks to ensure that legal provisions and guidelines as well as internal rules, regulations, and stakeholder requirements on human rights and responsible business are complied with worldwide. The Sustainability & Security department coordinates the continuous development of the overarching management system, of which the Human Rights Policy is a central component.

Through its overarching management system, Vitesco Technologies also ensures compliance with the Responsible Business Alliance's (RBA) Code of Conduct, which sets standards for responsible corporate governance and is based on internationally recognized frameworks such as the United Nations Universal Declaration of Human Rights and the International Labour Organization's (ILO) Core Conventions. As a member of the RBA, Vitesco Technologies has committed itself to compliance with the Code of Conduct. It also applies to all of the company's suppliers. For more information on human rights due diligence, please see the chapter Responsible Sourcing and Partnerships.

DRIVING SUSTAINABILITY: MUCH MORE THAN AN ENVIRONMENTAL ISSUE

INTERVIEW: WEILI ZANG ON VITESCO TECHNOLOGIES INTEGRATED MANAGEMENT SYSTEMS

Vitesco Technologies' Integrated Environmental, Safety and Health (ESH) and Human Rights Management System is a new concept combining existing management systems with human rights and other sustainability topics. In our interview, Weili Zang shares insights from her daily life as Global Head of Sustainability Audit & Systems.

In the automotive industry, ESH and Energy management systems are mature and well established – so what makes the Vitesco Technologies approach so special?

What sets our approach apart is that we have an integrated solution combining existing management systems with human rights and other sustainability topics. We clearly see that, going forward, ESH and Energy management and human rights will all fall under the bigger scope of sustainability, and we also clearly see the needs of our companies and departments demand-

ing this holistic approach. By proactively incorporating human rights and other sustainability topics into existing management systems, we not only drive the latter forward, but also improve our business agility by preparing our company to fulfill possible future legal as well as customer-side requirements in this respect.

And what is your role in this?

As I am responsible for Sustainability Audit & Systems at Vitesco Technologies, it is my team's job to establish this holistic Sustainability Management System



approach and pull together all sustainability-related functions within the department: Environmental Protection, Safety & Health, and Human Rights. I support my colleagues in implementing their requirements at the locations through the integrated management systems, and in generating synergies from different but related areas. I also set up the Sustainability Audit Systems including scheduling internal and external audits to verify the effectiveness of our management systems.

Weili, you're an expert in managing and integrating a variety of different functions and needs. This might also be helpful when it comes to balancing one's business and private life. Would you agree with that?

Definitely! Focus and diligence are two terms I always keep in mind. To work and study efficiently, it is essential to focus on the work that you are currently doing, on the content you are studying, and on the people around you while you are with your family or friends – while also being diligent. This also enables me to have quality time with my family, especially my daughter. Nevertheless, successfully combining all my different roles depends not only on me, but also on the support I receive from my supervisors, my colleagues, and my beloved family.

You have had a great impact at Vitesco Technologies, especially in matters of sustainability. Can you share any insights you have gained?

Never losing sight of your original motive and goal is the key to success: Our original motive reminds us of

what brings us along the career path and who we are at our core. We might be a child or a parent, a friend or a stranger, but the most important thing is that we are always firstly ourselves. We define our roles, and not the other way around. Self-actualization is a lifelong journey, and your goal sets the direction, even when things get complicated and time is limited.

The last insight that I really want to share is that you should ask for support when you need it. Sometimes it is hard to voice our needs, but it is important that we let the people around us know what we are struggling with. Speaking out is not only a commitment to ourselves but also gives a chance to the people who care about us to support us. A piece of advice to share here: focus and be diligent, and keep your original motive and goal in mind; this is a proven recipe for success that has worked for me, and I hope will work for you as well.

“Never losing sight of your original motive and goal is the key to success: Our original motive reminds us of what brings us along the career path and who we are at our core.”

Weili Zang

Global Head of Sustainability
Audit and Systems





**RESPONSIBLE SOURCING
AND PARTNERSHIPS**

RESPONSIBLE SOURCING AND PARTNERSHIPS

MANAGEMENT APPROACH GRI 3-3

Objective GRI 2-23

A→ Vitesco Technologies strives to act in a socially and environmentally responsible manner across its entire value chain. Ethical business practices, sustainability, and human rights due diligence are therefore guiding principles in the company's business relationships.

Particular attention is paid to responsible procurement processes. Transparency, risk analyses, and appropriate control mechanisms applied in cooperation with direct and selected indirect suppliers are of vital importance here. Vitesco Technologies pursues the following goals for its further development with regard to responsible procurement and partnerships:

- > Increase and maintain the percentage of strategic suppliers covered by the Business Partner Code of Conduct to 100 % by 2023.
- > Expand the human rights management system in the supply chain in accordance with internal and external standards and legal requirements by 2023.
- > Implement an audit system for high-risk suppliers by 2023.
- > Increase and maintain the percentage of high-risk production material suppliers which conducted a self-assessment to 50 % by end of 2023.

The targets "Expand the human rights management system in the supply chain in accordance with internal and external standards and legal requirements by 2023," "Implement an audit system for high-risk suppliers by 2023" and "Increase and maintain the percent-

age of high-risk production material suppliers which conducted a self-assessment to 50 % by end of 2023" were achieved in the fiscal year 2023. As for the target "Increase and maintain the percentage of strategic suppliers covered by the Business Partner Code of Conduct to 100 % by 2023," by December 31, 2023 a value of only 98.3 % was achieved, as some negotiations with business partners were delayed, and the value achieved represents a year-end snapshot. ⁴ **←A**

⁴ New targets will be adopted in the course of the 2024 fiscal year.

Concept GRI 2-23, -24, -25, -26

A→ Responsible conduct in the value chain begins with specific requirements that Vitesco Technologies places on its direct suppliers and sets out in contracts. The Business Partner Code of Conduct sets out the basic requirements that apply to suppliers and their upstream supply chains with regard to working conditions, human rights, environmental protection, anti-corruption, and other aspects.

Since June 2021, Vitesco Technologies has been a member of the Responsible Business Alliance (RBA), a non-profit industry association dedicated to improving of social, environmental, and ethical conditions in global supply chains. Membership makes the RBA Code of Conduct binding for Vitesco Technologies and its business partners. Accordingly, the Code of Conduct for employees, the Business Partner Code of Conduct and the Human Rights Policy, which was updated in fiscal 2023, reflect the standards of the RBA. In 2023, Vitesco

Technologies revised and expanded its existing risk and control management system for suppliers as part of its RBA membership and has since offered comprehensive training measures for suppliers. A particular focus here is on the topic of human rights due diligence. To implement the requirements of the German Supply Chain Due Diligence Act (LkSG), Vitesco Technologies introduced corresponding due diligence processes in fiscal 2023.

To determine its high-risk suppliers, Vitesco Technologies uses the RBA risk assessment: To do this, the company first enters its strategic supplier and product data into the tool, which then calculates a corresponding risk for each supplier based on external information. Vitesco Technologies then contacts high-risk suppliers identified in this way and asks them to complete the Self-Assessment Questionnaire (SAQ). Vitesco Technologies only enters into business relationships with potential strategic suppliers if, according to this self-assessment, there is no high risk of violations of the Code of Conduct.

Violations of the company's standards in existing business relationships can be reported at any time via the globally accessible Integrity Line. Reports are followed up and investigated. In the event of specific suspected cases, suppliers are confronted about the situation and asked for clarification. Usually, an audit (possibly with an action plan and re-audit) is then carried out at the suppliers in order to eliminate the suspicion (or, if the suspicion is confirmed, to remedy the deviations). Vitesco Technologies also reserves the right to terminate the business relationship.

The topic Responsible Sourcing and Partnerships lies within the responsibility of the Purchasing & Supplier Quality corporate function, which is organized by business units and product groups with teams in the various countries. When it comes to ethical issues and standards, Purchasing works closely with the Compliance and Sustainability & Security departments as well as with the corporate function Quality & LEAN. The head of the corporate function Purchasing & Supplier Quality Management reports directly to the CEO.

Vitesco Technologies procures a wide range of production materials from a global supplier base. The main primary products and raw materials used are steel, aluminum, precious metals, copper, and plastics. In order to create transparency in the supply chain for cobalt and “conflict minerals,” as defined by the US Dodd-Frank Act, and to monitor compliance with human rights standards, Vitesco Technologies uses two reporting templates from the Responsible Minerals Initiative (RMI): the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). Each year, the company uses these templates to request information from its suppliers on the countries of origin of minerals, processing smelters and refineries as well as their certification status with regard to recognized social and environmental criteria. ←A

Results

A→ One KPI for Responsible Sourcing and Partnerships is the share of strategic suppliers covered by the Business Partner Code of Conduct. This KPI shows the

proportion of strategic suppliers that are contractually obliged to comply with the Business Partner Code of Conduct – either by signing the Code of Conduct as part of the supplier contract, or by providing evidence of an equivalent that applies to them.

In fiscal 2023, this coverage rate was 98.3 %. The figure showed a slight year-on-year increase of 5.5 percentage points (previous year: 92.8 %), as targeted measures were implemented to increase the level of coverage when the new Business Partner Code of Conduct was published. Strategic suppliers account for 67.1 % of the total purchasing volume of production materials.

The second KPI for Responsible Sourcing and Partnerships is the share of high-risk production material suppliers which conducted a self-assessment. This share was 55.8 % in fiscal 2023, an increase of 28.0 percentage points compared to the previous year (previous year: 27.8 %). One of the main reasons for this was that the topic was systematically pursued and fast-tracked together with the suppliers. ←A

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Note: Page references have been adjusted.

Focus →

Conflict minerals

GRI 2-23, -24

Tin, tantalum, tungsten, and gold (abbreviated to 3TG) are known as conflict minerals as their mining and trade

A Key Performance Indicators for Responsible Sourcing and Partnerships	2023	2022
Share of strategic suppliers covered by Business Partner Code of Conduct (as of December 31) in % ¹	98.3	92.8
Share of high-risk production material suppliers which conducted a self-assessment in %	55.8	27.8

¹ Basis: Strategic Supplier List (SSL). Suppliers must meet various requirements to be listed as strategic.

in some regions of the world serves to finance armed conflicts that are accompanied by the most serious violations of human rights and international law.

Vitesco Technologies is aware of its special responsibility for human rights due diligence in its procurement processes. Therefore, once a year a supplier survey is carried out to determine whether the primary products that the company procures contain 3TG and where these minerals come from. In addition, it is recorded in which smelters and refineries the raw materials were further processed, and whether the operations are certified for recognized social and environmental criteria. Vitesco Technologies uses RMI’s CMRT as a template for the survey.

The number of smelters and refineries in the supply chain that are non-compliant with the RMI’s Responsible Minerals Assurance Process (RMAP) (these have been independently audited, but do not meet the requirements of the RMAP standard), as determined by the survey, is an important performance indicator for

Responsible Sourcing and Partnerships. In fiscal 2023, a total of 29 smelters and refineries in the conflict minerals supply chain were reported as non-compliant with RMAP.

As part of its RMI membership, Vitesco Technologies strives to work with its suppliers to minimize the number of non-RMAP compliant smelters and refiners in the supply chain – and thus prevent human rights violations in the deeper supply chain. To this end, the company conducts awareness-raising measures and training for suppliers who have reported non-RMAP compliant smelters and refineries, and offers them support and RMI training videos. In fiscal 2023, two suppliers took advantage of this training. ← Focus

Evaluation and monitoring of suppliers

GRI 414-1, -2

Before Vitesco Technologies enters into business relationships with new suppliers, they are thoroughly evaluated according to various business-relevant criteria.

Existing strategic suppliers are subjected to an annual evaluation (Basic Annual Supplier Evaluation, BASE). Vitesco Technologies evaluates them based on various key performance indicators; besides prices, quality indicators, and delivery performance, these also include sustainability criteria. The results of the supplier survey using the CMRT are also taken into account in the evaluation.

If a supplier is suspected of violating sustainability standards, or if specific incidents become known, Vitesco Technologies has sustainability audits carried out on site and initiates improvement measures as needed.

Since 2022, all suppliers from whom Vitesco Technologies procures production materials have been evaluated in a basic risk assessment. Based on this, suppliers with a high risk are classified as high-risk production material suppliers. These suppliers are asked to complete a RBA self-assessment form. If the high-risk classification still applies based on the answers from the self-assessment, third-party audits are carried out at these suppliers. This was not the case for any of the 29 suppliers who completed the self-assessment form in fiscal 2023.

Not all suppliers that were classified as high-risk suppliers in the basic risk assessment responded to the RBA self-assessment in fiscal 2023 (see key performance indicator “Share of high-risk production material suppliers which conducted a self-assessment in %”). For this reason, in fiscal 2023 Vitesco Technologies requested a random sample of ten of the suppliers concerned to

have an independent audit carried out by a third party and to submit the results to the company by the second quarter of 2024. If any critical points are identified during this audit, the suppliers will be asked to rectify them and provide evidence of this in a re-audit. The audits are carried out as part of the RBA Validated Assessment Program and the action plans are followed up by the external auditor. In the worst case (refusal of the supplier to implement the measures), the business relationship may be terminated.

Supplier diversity at Vitesco Technologies North America

Vitesco Technologies is committed to fostering diversity throughout the business lifecycle. Just as Vitesco Technologies celebrates diversity with its employees and strives to provide the right tools for success, the company has the same goals when working with its supplier partners. Recognizing the value and benefits that diverse suppliers bring to the company, Vitesco Technologies is committed to creating an industry-leading supplier diversity program and developing supplier partnerships that drive value, innovation, productivity, and performance success.

The Supplier Diversity Program is led by Purchasing & Supplier Quality Management and supported by key stakeholders throughout the organization. To ensure that customer supplier diversity spend goals will be achieved and to support the continued growth of the program, Vitesco Technologies is a corporate member of three national diversity organizations: the National

Minority Supplier Development Council (NMSDC), the Women’s Business Enterprise National Council (WBENC), and the National Veteran Business Development Council (NVBDC). In addition, Vitesco Technologies ensures accuracy of certification status by recognizing diverse suppliers with certifications from regional and national third-party organizations. Vitesco Technologies also launched an internal Supplier Diversity Committee to raise awareness and drive program growth, as well as implemented a mandatory supplier diversity training. In total, Vitesco Technologies spent \$67 million with 78 companies that are either owned by women, minorities, veterans, or classified as a small business.

MORE EVOLUTION THAN REVOLUTION

THE PATH TO A MORE SUSTAINABLE FUTURE

Jennifer Allison, Vitesco Technologies Manager Circular Electronics, gives insights on the automotive transformation and how this is linked to responsible sourcing and partnerships within Vitesco Technologies.

Where do we as a company stand regarding responsible sourcing and partnerships?

At Vitesco Technologies, we realize that a single company cannot succeed on its own. We have always relied on our suppliers as collaborative partners who support us with our goals. Given the significance of environmental protection, we are engaging our entire supply base to reduce their environmental impact. For key components that are integral to our products, we look for strategic suppliers to ensure long-term partnerships, as they need to adhere to our company's Business Partner Code of Conduct. In this way, we ensure that we partner with sourcing companies who share our values.

Is it easy to find partners who comply with Vitesco Technologies requirements?

It's actually quite a big effort, as our products can consist of as many as 2,000 components. This wide variety is reflected in our supplier base: thousands of companies spanning multiple industries whose priorities vary when it comes to sustainability.

For instance, the metal industry has a different focus than the plastic industry. Most of our suppliers of metal components already use a high percentage of



recycled metal in their products, even without necessarily being required to do so. Here our goal is to further increase the share of recyclates. The situation is different when it comes to plastics. Here, only a small percentage of plastic can even be recycled, so we mainly focus on identifying suppliers who are developing suitable plastics containing recycled and biobased material, and whose sustainability efforts mirror our own.

How are you dealing with the increasing sustainability requirements in the automotive industry?

When we consider the climate-related regulations that apply for the automotive industry, we see that different countries and regions have their own specific approaches and focus areas. And because the same regulations apply for a wide variety of technologies, they sometimes tend to be very general and open to interpretation. At Vitesco Technologies, we study these regulations very closely so as to derive the clearest possible requirements for us and our products.

Would you say that the transformation in the automotive industry calls existing processes into question?

Like all other industries, the automotive industry has been working on sustainability for some time now. The elimination of banned materials from products and processes, continuous reduction of exhaust emissions, etc. have been a priority in the past as well. What is different now is the irrefutable realization of how rapidly the effects of global warming on our planet are increasing. This forces governments around the globe to urgently address greenhouse gas emissions. Some breakthrough technologies will be needed to address the new regulatory and other requirements. In most cases, however, this is about further improving or expanding on existing solutions: more an evolution than a revolution of technology. We at Vitesco Technologies are putting a lot of hard work and creativity into our efforts to continue on the right path, and doing our part for a more sustainable future by achieving noticeable improvements.

“We mainly focus on identifying suppliers who are developing suitable plastics containing recycled and biobased material, and whose sustainability efforts mirror our own.”

Jennifer Allison

Manager Circular Electronics





OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

MANAGEMENT APPROACH GRI 3-3

Objective

A→ Occupational Health and Safety is an essential component of Vitesco Technologies' corporate culture. This involves the aspiration to prevent damage to people, goods, and the environment and to actively promote the health of everyone in the company. Two specific targets have been defined for this purpose:

- Increase and maintain the percentage of employees covered by certifications for occupational health and safety management systems (ISO 45001) to over 95 % by 2030.
- Reduce the accident rate, defined as the number of accidents per million hours worked, to 1.4 by 2027.⁵

The accident rate is integrated as a KPI in the long-term incentive plans for managers and in the targets for sites. In this way, Vitesco Technologies sets strategic incentives for achieving the associated target. **←A**

⁵ In November 2022, Vitesco Technologies concluded a new revolving credit facility (RCF) with ESG-Link. For one of the two sustainability criteria taken into account, the accident rate in the company, it was contractually agreed to set a target value for 2027 during fiscal 2023. Based on this, a target accident rate of 1.4 for 2027 was defined in 2023 in consultation with Vitesco Technologies' core banks, and the internal target was adjusted accordingly.

Concept

GRI 403-1, -2, -3, -4, -5, -7

A→ The implementation of occupational health and safety is ensured worldwide by a global management system (ISO 45001 or comparable). It is overseen by

the certified Sustainability & Security department in the Chief Human Resources Officer's remit, and its effectiveness is confirmed by matrix certification and individual local certifications. Vitesco Technologies thus aims to improve protection against accidents and work-related illnesses. Preventive measures are designed to reduce hazards and minimize risks. In particular, these measures include risk assessments, audits, and remedial and training measures. The management system also includes procedures and preventive measures for handling hazardous substances.

The Group-wide guideline for occupational health and safety is the Environment, Safety and Health (ESH) Policy. Its technical and organizational requirements for occupational health and safety are described in the Safety and Health Manual. All employees have a way to report accidents using a reporting software. In the event of serious incidents, the local ESH expert teams can use the ESH hotline to phone in the incident to the central department. For supra-regional crises, there is a global crisis management team in the remit of the Sustainability & Security department, which coordinates the response of the site crisis teams and supports them with specialist knowledge and work materials. Local emergencies are managed independently by the local crisis teams.

Strategic responsibility for occupational health and safety as well as responsibility for the global management system lies with the Sustainability & Security department. ESH functions in the countries complement the central structure. Local health managers, who report

to the site managers, and occupational health and safety committees, coordinate and manage the associated operational measures on site.

Beyond this, the company has an in-house health management system to promote a physically, mentally, and socially healthy working environment. Strategic decisions and the planning of instruments and measures at Group, country, and business unit level are prepared and coordinated by the Sustainability & Security department. Implementation and monitoring tasks are the responsibility of local health managers and committees. In addition, in accordance with local legal requirements for occupational health and safety, company medical services are available at many locations, and may also be represented on the local occupational health and safety committees. Regular assessments of the mental health risk situation are also integrated into the occupational health and safety management system. **←A**

Results

GRI 403-1, -2, -3, -5, -8, -9

A→ One KPI for Occupational Health and Safety is the percentage of employees covered by certifications for occupational health and safety management systems (ISO 45001). As of December 31, 2023, it stood at 92.0 %, a year-on-year increase of 0.5 percentage points (previous year: 91.5 %) that reflects the certification of a further production site.

The second KPI is the accident rate at the company. In fiscal 2023, there were 1.4 accidents per million hours worked. Compared to the previous year, the fig-

ure was down by 0.3 points (previous year: 1.7). This was achieved through occupational health and safety campaigns at the sites as well as close monitoring and individual consultation with the central Sustainability & Security department for sites with high accident figures, with the aim of jointly developing action plans to reduce the number of accidents. The proactive definition of additional indicators and leading indicators aimed at preventing occupational accidents also contributed to the improvement and supported the move from a reactive to a proactive approach to occupational health and safety. These indicators were further developed in fiscal 2023.

The company introduced a Safety and Health Award as an additional incentive for the sites to continuously work on reducing their accident figures and establishing a proactive safety culture. The award recognizes an above-average promotion of safety practices and implementation of innovative measures to improve occupa-

tional health and safety – during the preceding fiscal year in each case. In 2023, the award went to a total of ten Vitesco Technologies’ sites. In addition, the company further digitized its ESH management to enable more a comprehensive centralized recording and evaluation of incidents and to improve the sharing of best practices and the learning curve in the area of occupational safety.

Vitesco Technologies worked on several health management projects in fiscal 2023. The resilientMIND mindfulness and resilience program, for which more than 1,500 employees have registered to date, was further developed. More than 500 employees worldwide took part in activities to mark International Mental Health Day. In addition, the network of health managers at the sites was strengthened in order to implement health programs more effectively. The Healthy Leadership online management development program was also continued. New guidelines and training courses were implemented

as part of improving the company’s management of absences. To better be able to measure employee health, the company also worked on defining additional KPIs during the year under review. ← A

Source of the previous audited sections and key performance indicators: [Annual Report 2023](#) → Management Report → Consolidated Non-Financial Statement

Focus →

Occupational safety

GRI 403-2, -4, -5, -9

Occupational safety is a central component of Vitesco Technologies’ corporate culture – which is why, in addition to the ESH Policy, other Group-wide guidelines apply to protect employees from hazards in the workplace.

These include, for example, the Occupational Health and Safety Risk Assessment guideline. It defines procedures for identifying possible hazards, classifying them into different hazard factors depending on their nature, and evaluating them. Possible hazard factors can include physical stress, mechanical hazards, psychosocial factors, or the handling of hazardous substances. The guideline describes preventive measures for each of these hazard factors and defines a process that employees should follow when a hazard occurs. In case of occupational accidents, the Accident and Incident Investigation guideline defines responsibilities and specifies the necessary measures as well as deadlines for their implementation. All Vitesco Technologies employees are regularly given training as part of manda-

tory required instruction on hazards and protective measures at the workplace. This training must be repeated every twelve months. In addition, there is mandatory training for managers, including on crisis and emergency management, and incident investigation.

At all of its sites worldwide, Vitesco Technologies works with an ESH software solution that enables local ESH managers and employees to provide or carry out the necessary documentation and analysis in occupational health and safety management. Using the software, they can quickly and easily document incidents directly online. In addition, pilot projects are being carried out at several sites in various countries, wherein the software is also being used to keep track of risk assessments and safety inspections, provide information on their results, and keep a register of hazardous substances.

Employees can always participate in the development and implementation of the occupational health and safety management system by joining the local ESH committees. Vitesco Technologies aims to digitalize the ESH management system worldwide by 2025. As in the previous year, the company collected relevant occupational safety data for fiscal 2023 as part of the global employee survey. This was compared with the previous year’s data to determine the direction and focus of work in the area of occupational safety for 2024.

In addition to the internal Health and Safety Award mentioned above, individual sites have also received external awards for their health and safety management in fiscal 2023: These included the plants in Tianjin (China),

A Key Performance Indicators for Occupational Health and Safety

	2023	2022
Certifications for occupational health and safety management systems (ISO 45001), employee coverage (as of December 31) in %	92.0	91.5
Accident rate (number of accidents per million hours worked) ^{1,2}	1.4	1.7

¹ Definition: Number of accidents during working hours per million paid working hours. Counted from more than one day lost, i. e. with at least one day lost beyond the day of the accident.

² Excludes interns, thesis writers, doctoral students, apprentices, dual students, temporary workers, contractors, excludes commuting accidents.

Frenstat (Czech Republic) and Ciudad Juárez (Mexico), whose health and safety practices were recognized by national authorities. In addition, Vitesco Technologies has been awarded the Health Workplace Diamond Certification for the entire China region. ← Focus

Focus →

Health management

GRI 403-3, -6

With its occupational health management, Vitesco Technologies aims to maintain and promote the long-term health of its employees. To achieve this, the company is developing appropriate framework conditions, structures, and processes. In particular, Vitesco Technologies focuses on health-promoting organizational structures and working conditions as well as measures for health-promoting behavior on the part of employees.

Vitesco Technologies pursues the following goals with its health management program:

- › Systematically prevent work-related health risks
- › Promote the physical, mental and social well-being, and performance of all employees
- › Establish safe, health-promoting, and motivating working conditions
- › Promote health-conscious behavior and health literacy among all employees, taking into account individual characteristics
- › Enable long-term employability and healthy aging of all employees
- › Promote work-life balance

- › Support mutual respect and appreciation
- › Promote the development and maintenance of social networks and social support within the company

One highlight among the aforementioned health management activities was the successful launch of the new resilientMIND program in 2023. The program is designed to strengthen and improve the resilience and overall well-being of employees. In six modules, participants learn how to balance stress and recovery, establish healthy eating habits, regulate their emotions, and communicate empathetically. Another focus is on improving psychological safety at team level and practicing behaviors that help team members care for and help each other more. The program also includes a four-week resilience sprint with daily 30-minute sessions, personal resilience screening feedback, and an app that provides best practices and learning resources. In addition, employees can take part in self-directed learning groups and share their knowledge with each other. A total, of around 1,500 people had signed up for the program by the end of 2023.



Illness rate in %
 (Definition: Absence due to illness in relation to the contractually agreed working time)

To complement traditional occupational healthcare, Vitesco Technologies enables all employees from exec-

utive level upwards to undergo regular comprehensive health checks. Many sites worldwide also offer other health-promoting measures, such as bowel cancer screening or heart rate variability measurements, as well as health checks for all employees. The company provides special budgets for these measures, which can be accessed by the local health managers.

There is also an Employee Assistance Program at almost all sites. It offers employees low-threshold access to advice on health, professional and personal issues – without long waiting times. ← Focus

STRENGTH IN TIMES OF CHANGE

THE TRAINING PROGRAM RESILIENTMIND

Quirin Zieglmeier (Global Health Manager) and Shaoqian Zhang (Global Head of Safety & Health) worked with external experts to develop a bespoke resilience training program for Vitesco Technologies, which some 1,500 colleagues have already completed in two run-throughs. In this interview, they explain the rationale behind resilientMIND and what they think makes the program so special.

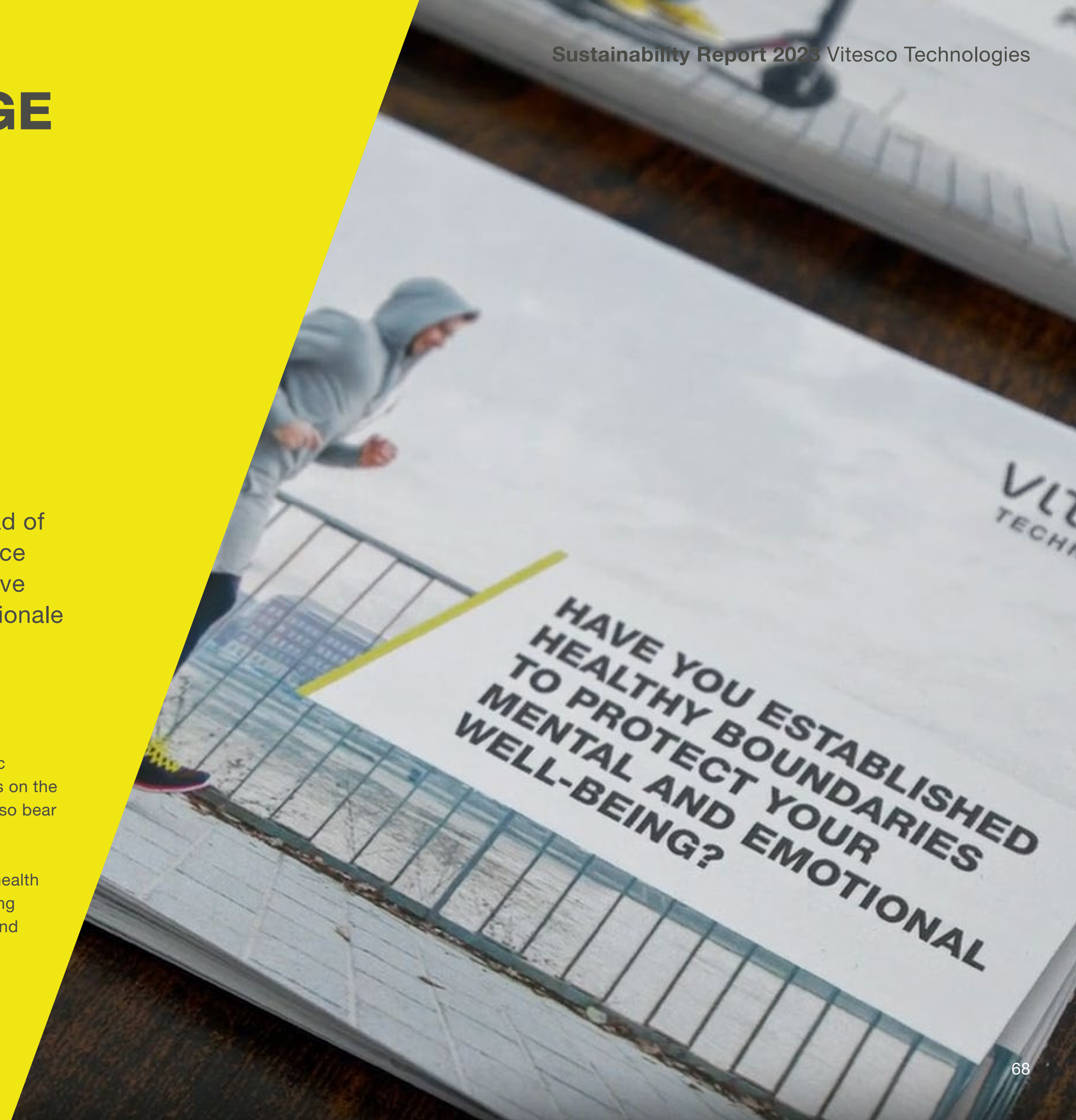
How is it that a company concerns itself with the mental health of its employees? Isn't that a very personal issue?

Shaoqian Zhang: Mental health is definitely a broad topic that goes far beyond the boundaries of working life. However, in a time that is increasingly fraught with economic uncertainties, changing geopolitical challenges, and not least the aftermath of a pandemic, we at Vitesco Technologies realized that mental health – and the topic of resilience in particular – is of central importance to us all.

Especially as Vitesco Technologies, too, is in a phase of transformation...

Quirin Zieglmeier: This is true. In such a dynamic environment, it is all the more important to focus on the wellbeing of employees – after all, companies also bear responsibility for the people who work for them.

Shaoqian Zhang: At the same time, the mental health of its employees is also a decisive key to ensuring a company's future success: to minimize risks and ensure long-term performance.



Resilience as a future-proofing factor?

Shaoqian Zhang: You could call it that. At any rate, we at Vitesco Technologies believe that investing in the mental health of our employees is worthwhile and pays off in the long term. Which is why we developed our own comprehensive training program with the support of external experts: The feedback from our colleagues around the world who have already completed resilientMIND has been consistently positive.

How can one imagine such a training program in concrete terms?

Quirin Zieglmeier: resilientMIND is an innovative program to strengthen resilience and improve overall well-being. Participants learn neuroscience-based strategies for coping with stress, effective recovery, and successfully managing tough times. They also acquire skills for regulating emotions and promoting a positive attitude. In addition, they are shown strategies for establishing team habits that contribute to a good atmosphere and high performance.

Shaoqian Zhang: The program comprises six 90-minute modules, as well as an accompanying app with a knowledge platform and lots of exercises. Buddy groups can meet between the modules to exchange ideas and remove any obstacles to implementation. A four-week implementation phase – you could also call it an experimental phase – is followed by a four-week consolidation phase with daily 30-minute “resilience sprints.” This is where the deep integration of new mental habits into one’s personal daily routine takes place.

So does this also make it [indirectly] part of Vitesco Technologies’ sustainability strategy?

Quirin Zieglmeier: Absolutely. This program contributes to our sustainability efforts, specifically the topics of health and safety: With resilientMIND, we seek to support employees in reaching their full potential, developing mental strength, and maintaining a healthy mental balance – in their professional as well as personal lives.

Shaoqian Zhang: Our resilience program also makes a direct contribution to the United Nations Sustainable Development Goals, particularly SDG3, which focuses on health and well-being. It also contributes to SDG8, which focuses on decent work and economic growth. At the heart of our resilience efforts is a simple but profound conviction: that promoting mental health helps our employees achieve a better work-life balance and therefore contributes to enhanced performance and engagement. This in turn is a key driver of our company’s success.

“The feedback from our colleagues around the world who have already completed resilientMIND has been consistently positive.”

Shaoqian Zhang
Global Head of Safety and Health



Quirin Zieglmeier
Global Health Manager



BUSINESS ETHICS AND COMPLIANCE

Objective

A→ Vitesco Technologies stands for the corporate values “Passionate, Partnering, Pioneering” as well as for acting with integrity and responsibility towards its stakeholders, such as customers, or society as a whole. Compliance by management and employees with the regulations and internal rules applicable to Vitesco Technologies Group AG and its subsidiaries is therefore an essential guideline for the company’s conduct and an integral part of its corporate culture. This is reflected not only in the binding Code of Conduct, but also in the behavior of management and employees. The Executive Board is expressly committed to the principles set out in the Code of Conduct and to the principle of zero tolerance.

The objective of Vitesco Technologies’ efforts in the area of Business Ethics and Compliance is to consistently and continuously strengthen the compliance culture, identify compliance risks, and take appropriate measures to prevent or mitigate them. **←A**

Concept

GRI 2-23, -24, -25, -26

A→ The Legal Compliance department is responsible for the topics of corruption prevention, money laundering prevention, antitrust law, data protection, and the management of conflicts of interest. Other compliance topics such as technical compliance, capital market compliance, environmental protection, health & safety, IT, and cyber security, supply chain due diligence, and trade sanctions are handled by other departments and/or functions in close coordination with each other.

Vitesco Technologies uses a comprehensive Legal Compliance Management System (Legal CMS) to manage its work in these areas. The Legal CMS is based on the German CMS audit standard IDW PS 980 and is described in detail in a separate company-wide guideline. It is divided into the following seven basic elements: culture, objectives, risks, program, organization, communication, and monitoring/improvement.

Regarding the most important element, a culture of compliance, Vitesco Technologies takes care to ensure that this is practiced and consistently supported by all employees. This is achieved not only through a clearly formulated “tone from the top” and “tone from the middle”, and a zero-tolerance policy, but also by creating a trust-based culture designed to enable employees to openly address compliance-related issues. For example, information about possible irregularities in all matters of governance and compliance can be communicated not only to the governance functions, but also reported through an anonymous whistleblower system (Integrity Line) that can be accessed both internally and externally; the responsibilities and processes for investigating such information in compliance with data protection regulations are set out transparently in a guideline.

With a view to continuously strengthening the compliance culture, the Legal Compliance department develops and publishes guidelines and relevant compliance standards for compliant behavior, e.g., an anti-corruption guideline, an antitrust guideline, a donations and sponsorship guideline, a quick-savings guideline, and the Business Partner Code of Conduct.

Vitesco Technologies’ Legal CMS defines a compliance organization adapted to the company that combines central elements (Corporate Compliance Office) with decentralized elements (regional and local compliance officers and compliance champions). Until Sept. 30, 2023, primary responsibility for the Legal CMS lay with the Chief Financial Officer as part of his responsibility for the Compliance, Law, and Intellectual Property corporate function. Since Oct. 1, 2023, the Executive Board member for Integrity & Law has been responsible for the topic. The Chief Compliance Officer reports directly to him, as well as to the Supervisory Board’s Audit Committee. The Chief Compliance Officer also defines the strategy for the Compliance department and is responsible for the operational management of the Legal CMS. He is supported in this by compliance officers, compliance experts, and compliance champions. The latter are employees from other departments who are available on site as the first point of contact for compliance issues and are closely involved in the work of the Compliance department. Other clearly defined reporting and communication channels are designed to ensure the necessary transparency regarding competencies and responsibilities. Comprehensive information on all elements of the Legal CMS can be found on Vitesco Technologies’ global intranet and is accessible to all employees at any time.

The company’s compliance culture is further strengthened through regular training on compliance topics, which are set out in a detailed learning program. Employees are proactively supported in legal and compliance matters by a central compliance helpdesk

reachable by email, and by the compliance officers. In addition, adherence to compliance requirements is monitored regularly and on an ad hoc basis by the Legal Compliance department. The focus here is on the appropriateness and effectiveness of the Legal CMS. In addition, the Legal CMS is continuously developed based on identified weaknesses, and on risks identified during compliance risk analyses. ← A

Results

A → As in previous years, compliance training courses were also held in 2023, in the form of e-tutorials as well as virtual classroom training. Vitesco Technologies also conducted Compliance Basics and Advanced Anti-Corruption trainings to combat corruption and bribery. These were supplemented by new advanced training courses on the topic of quick savings.

In 2023, no infringements in the sense of court- or authority-established violations of the law involving cases of corruption and bribery were known to the company. ← A

Source of the previous audited sections: [Annual Report 2023](#)
→ Management Report → Consolidated Non-Financial Statement

Code of Conduct and training

GRI 205-2

In its Code of Conduct, Vitesco Technologies defines the principles by which the company acts – they are immutable and apply to all employees. Topics covered by the Code of Conduct include respect for human

rights, sustainable conduct, technical compliance, as well as corporate security, prevention of corruption, and antitrust law. The zero-tolerance principle for violations of legal and internal requirements is also codified here.

Possible compliance violations can be reported worldwide via Vitesco Technologies’ whistleblower system, the Integrity Line. With this whistleblower system, Vitesco Technologies fulfills, among other things, the legal requirements that have been introduced in the individual member states of the European Union (EU) on the basis of the Whistleblower Directive (Directive (EU) 2019/1937) by 2023.

The Integrity Line is accessible both internally and externally and also allows anonymous submission of reports where appropriate. Vitesco Technologies provides the legally required information about internal and external reporting offices that receive reports of possible violations on both the intranet and the website. It should be emphasized that the company goes beyond the requirements of European legislation and allows reports on all forms of (suspected) breaches of regulations via the Integrity Line. The responsibilities and processes for the data protection-compliant processing of such reports are transparently regulated in a guideline. The Group functions Legal Compliance, Internal Audit, and Group Security investigate all reports independently, in strict confidence, and in accordance with the need-to-know principle, which limits access to confidential information to what is absolutely necessary. Vitesco Technologies assumes responsibility for ensuring that whistleblowers

Performance Indicators for Business Ethics and Compliance	2023	2022
E-learning Code of Conduct, completion rate in %	82	84
E-learning Compliance Basics, completion rate in %	92	89
Live training Corruption Prevention, completion rate in %	87	82
Live training Antitrust Law, completion rate in %	87	78
Live training Fraud Prevention, completion rate in %	– ¹	82
Contract Manufacturing – Compliance Perspective, completion rate in %	– ²	100
Code of Conduct for Production Employees, completion rate in %	93	77
Live training Quick Savings, completion rate in %	87	–
E-learning Data Protection for Process Owners in the EU, completion rate in %	96	–

¹ The live training Fraud Prevention was replaced in 2023 by the Cyber Fraud Prevention training course, which is the responsibility of the Sustainability & Security Group function.
² The Contract Manufacturing training is part of the Compliance Specialist Trainings. These are offered for specific target groups on request. No Contract Manufacturing training took place in 2023.

are reliably protected from reprisals to the extent that this is within the company’s sphere of responsibility and influence.

Vitesco Technologies regularly trains its employees using a multi-stage training concept, on topics including the Code of Conduct, Compliance Basics, Corruption Prevention, and Antitrust Law. The Legal Compliance department also offers additional trainings for specific target groups as needed.

In fiscal 2023, 90 % of employees completed the compliance training courses. The participation rate is a slight improvement on the previous year’s figure of 85 %, but falls short of expectations. The fact that the rate could not be increased further is partly due to technical shortcomings in the global learning platform. The timeframe for the further development of the learning platform with the aim of increasing the participation rate to at least 93 % (including by introducing an efficient escalation concept) was extended by one year from 2024 to 2025.

Legal Compliance is also regularly involved in local, regional, and global onboarding trainings for new employees and teaches Legal Compliance content in other development programs such as the FIT program (Future is today). In addition, Legal Compliance participates in various company communication formats, such as Knowledge Slams – a local offer for employees who want to learn more about the company’s various departments and projects. The Chief Compliance Officer also accompanied the members of the Executive Board to town hall meetings at eleven sites in Europe, Asia, and America in spring 2023, at which the Executive Board spoke specifically and exclusively about the topics of integrity and law.

Continuous development in the area of Business Ethics and Compliance

GRI 2-26

Conducting of a comprehensive compliance risk assessment

Ongoing compliance risk assessment is an integral part of any effective and modern Legal CMS. For this reason, a standard for compliance risk assessments was drawn in 2022, taking into account applicable legal standards, and implemented by the Legal Compliance department. Based on the initial assessment results, reports were prepared in 2023 and measures to minimize risks were developed. These were presented to the Executive Board as well as the regional and divisional heads to underscore the “Tone from the Top” and the “Tone from the Middle” aspect and, where necessary, to further strengthen them. The Legal Compliance depart-

ment supports the sites in implementing local measures to minimize risks, and carries out corresponding central measures. In order to transform this comprehensive compliance risk assessment, which was first carried out in 2022, into a standardized process for ongoing early risk identification and maturity enhancement, the standard was rigorously developed further in fiscal 2023.

Codification and reinforcement of Vitesco Technologies’ business ethics ideals

In fiscal 2023, taking the latest socio-political developments into account, Vitesco Technologies carried out various initiatives to anchor ethical behavior even more firmly in the everyday lives of its employees. The focus here was on the further development of the Vitesco Technologies’ Code of Conduct. Among other things, new requirements of the German Supply Chain Due Diligence Act (LkSG) were incorporated, and the explanatory remarks on the topic of technical compliance modified. At the same time, the Code of Conduct, which sets out the guiding principle of internal cooperation and the company’s central principles of conduct, was anchored at the top level of the company’s internal document hierarchy.

On so-called Location Functions Days, representatives of the Legal Compliance department are present at various locations to give all employees the opportunity to learn more about legal compliance.

Expansion of the Legal Compliance organization

The management and strategic direction of the Legal Compliance organization is in the responsibility of the

Chief Compliance Officer. In fiscal 2023, the Legal Compliance organization was further expanded and strengthened on a risk-driven basis. It now comprises around 25 employees worldwide, mainly lawyers, but also experts from other disciplines. The Legal Compliance organization consists of regional and central departments, which are currently managed by five (in future: seven) managers who report directly to the Chief Compliance Officer. The organization is also supported by around 40 compliance champions, who are led by the Chief Compliance Officer and his managers. These compliance champions are located in various organizational functions and act as the first point of contact and local ambassadors in all matters relating to Business Ethics and Compliance at sites without a compliance officer. The interaction between compliance officers and compliance champions means that employees at all sites worldwide have a point of contact for questions relating to Business Ethics and Compliance.

Data protection

The Data Protection department is assigned to the Legal Compliance department. The Group Data Privacy Officer advises Vitesco Technologies and monitors compliance with the applicable data protection regulations. Local data protection coordinators build a global network that is the link between the individual sites and business units, and the central Data Protection organization.

Vitesco Technologies is continuously developing its data protection management system to ensure that it always complies with the latest legal requirements.

Processes, guidelines, and instructions are regularly reviewed, and revised if necessary. The company’s employees can report potential data protection breaches using a central reporting procedure. A central communication channel to the Data Protection department is available to them for this purpose. They can also use the Integrity Line, as can external persons. In the event of reports relevant to data protection, those responsible for the reporting office (Legal Compliance, Internal Audit, Group Security) will consult the Data Protection department.

Vitesco Technologies regularly raises employee awareness of data protection issues through training. Two new e-learning courses were introduced for this purpose in fiscal 2023. The first is a basic training course on data protection aimed at all employees, and the second a course specifically designed to train employees who are responsible for business processes (Business Process Owners). Both e-learning courses are automatically assigned to employees via the learning management system every two years. In addition, target group-specific live trainings on the topic of data protection have been and continue to be carried out.

Tax compliance

GRI 207-1, -2

Vitesco Technologies is aware of its social responsibility in fulfilling its tax obligations (tax compliance). In the spirit of sustainable corporate governance, the company explicitly commits itself to complying with national and international tax regulations in its Code of Conduct. There were no tax compliance violations in fiscal 2023.

With the tax strategy implemented throughout the company, Vitesco Technologies ensures a legally compliant and tax-optimized implementation of circumstances arising in Germany and abroad. Tax considerations are based on business necessities. The company pays taxes where it creates value. Open and transparent communications promote a professional relationship with the tax authorities. In this way, Vitesco Technologies ensures that it fully complies with its duty to cooperate.

The Group Tax Policy, reviewed and issued by the Head of Tax and the Chief Financial Officer, ensures that tax-related activities are conducted properly, reliably, effectively, and economically throughout the Group. It also regulates responsibilities and tasks as well as the involvement of the Group Tax department. The policy also defines the framework for organizing Group-wide tax risk management (identification, assessment, reporting, and monitoring), which is an integral part of general risk management. In addition, the Group Tax Policy specifies that the responsible parties must define effective sanctioning and escalation processes. These are designed to ensure that violations of the policy and tax regulations are not tolerated.

Vitesco Technologies has implemented a tax compliance management system (Tax CMS) for the German companies in the Group and is currently rolling it out to the Group companies outside Germany. It follows the standard for auditing compliance management systems IDW PS 980 and IDW Practice Note 1/2016 “Design and audit of a tax compliance management system according to IDW PS 980.” The Tax CMS is intended to ensure

compliance with the tax declaration obligations as well as the legal requirements applicable to the companies.

As required by law, Vitesco Technologies annually reports tax data, e.g. income tax payments, for all Group companies to the German Federal Central Tax Office (so called country-by-country reporting). The tax data reported in country-by-country reporting is always based on consolidated financial statements certified by an independent auditor.

Technical Compliance

In addition to legal compliance and tax compliance, technical compliance plays a crucial role in Vitesco Technologies’ strategy. For more information, please refer to the section on technical compliance included in the chapter Product Compliance and Quality.

ACTING WITH INTEGRITY AS A BASIC REQUIREMENT: ‘THE ONLY WAY WE CAN ACHIEVE OUR SUSTAINABILITY GOALS’

FIVE QUESTIONS FOR STEPHAN RÖLLEKE

Stephan Rölleke took over as Head of Integrity & Law on October 1, 2023, a role that comes with a seat on the Executive Board of Vitesco Technologies Group AG. In our interview, Stephan Rölleke explains what sustainability means to him personally and how he can contribute to it in his position.

Where do you see areas of overlap between Sustainability and Integrity & Law?

The Integrity & Law and Sustainability departments have many areas of overlap and regularly liaise closely with each other on many topics. This is because our Code of Conduct includes a clear commitment by the Executive Board to always act with integrity and fulfil our responsibilities – not just towards our stakeholders, business partners, and employees, but also towards the community and the environment.

How can this integrity be ensured in all directions?

By pursuing a zero-tolerance approach when it comes to compliance with all laws, as well as all of our inter-

nal rules and regulations. As part of our compliance initiative, we provide employees with comprehensive information in writing, in regular training sessions, and at open dialog events at the various locations on how to act in accordance with the rules, and we are always available to answer any questions they may have. Our Integrity Line also gives all internal colleagues, as well as external parties such as business partners, a way to report offences – including anonymously. In the event of possible misconduct, the company will clarify and rectify the circumstances, and take any necessary action.

Could you give us an example?

Take, for example, a possible violation of the legally prescribed working conditions: If such a violation is reported, the Case Management Committee, consisting of the heads of Legal Compliance, Internal Audit and Global Security, will involve the relevant colleagues from the Sustainability department to ensure that the matter is fully clarified.

And where do you see your greatest points of leverage to promote sustainability?

A clear definition of roles and unambiguous processes as well as clearly defined contact persons are the be-all

and end-all. This enables issues to be addressed and dealt with directly by the relevant experts. Our aim is to ensure law-abiding behavior by individual employees and the Group as a whole with regard to matters of legal compliance. That is the only way we can achieve our sustainability goals.

And what about sustainability after working hours? Does the topic also play a role in your private life?

Absolutely! To give just one simple example: I love cooking for my wife and good friends. In doing so, I am very conscious about choosing regional ingredients, which I always buy fresh and in season at the weekly farmers’ market.



Stephan Rölleke
Executive Board Member
Head of Integrity and Law

PRODUCT COMPLIANCE AND QUALITY

MANAGEMENT APPROACH

Ensuring technical compliance and high product quality is part of Vitesco Technologies' corporate responsibility. Technical compliance (TC) is defined as adherence to technical and regulatory requirements, laws, national, and international industry standards, and voluntary internal commitments. To ensure the product compliance, technical compliance at Vitesco Technologies includes product safety and product conformity as aspects of product integrity.

Vitesco Technologies has set itself the goal of offering high-quality products and services worldwide that meet both customer and technical compliance requirements. The aim is to avoid risks such as product recalls, product liability, and lawsuits, and to continuously improve customer satisfaction.

This strategy is fully in line with the spirit of sustainability and helps to ensure the company's business success. It also prevents for example the waste of resources that can occur as a result of product defects and associated product recalls.

Technical Compliance

A→ To ensure compliance with regulatory requirements for technology, with legislation, and with national, international, and industry standards, Vitesco Technologies has put a special focus on technical compliance and set up a technical-compliance management system (TCMS) that is closely coordinated with the compliance management system (CMS). The TCMS, like the CMS, is based on seven basic elements in accordance with

IDW PS 980 and ISO 37301. Moreover, the TCMS also adds another dimension – technical infrastructure and IT – to complement the existing ones effectively and efficiently and to integrate them into the development cycle.

The TCMS incorporates products, product-related services, and software and hardware across the entire product life cycle, from a product's development to disposal and recycling. The employees are given certainty in compliance with TC specifications through a clear definition of the responsibilities of business areas and individual employees, corresponding professional development and training, orientation from the "I use my voice" conduct motto, and the firm integration of factors related to technical compliance into the programs, processes, and tools of Vitesco Technologies. Vitesco Technologies has established a clearing house to resolve issues with interpretation. If needed, the internal Integrity Line can also be used anonymously. The TCMS is extensively integrated with the Company thanks to its systematic organizational structure. The department's independence and significance is ensured through a dedicated reporting line between the Head of Technical Compliance and Executive Board member for Integrity and Legal. The effectiveness and efficiency of the TCMS is continuously monitored, audited by an independent entity, and developed. **←A**

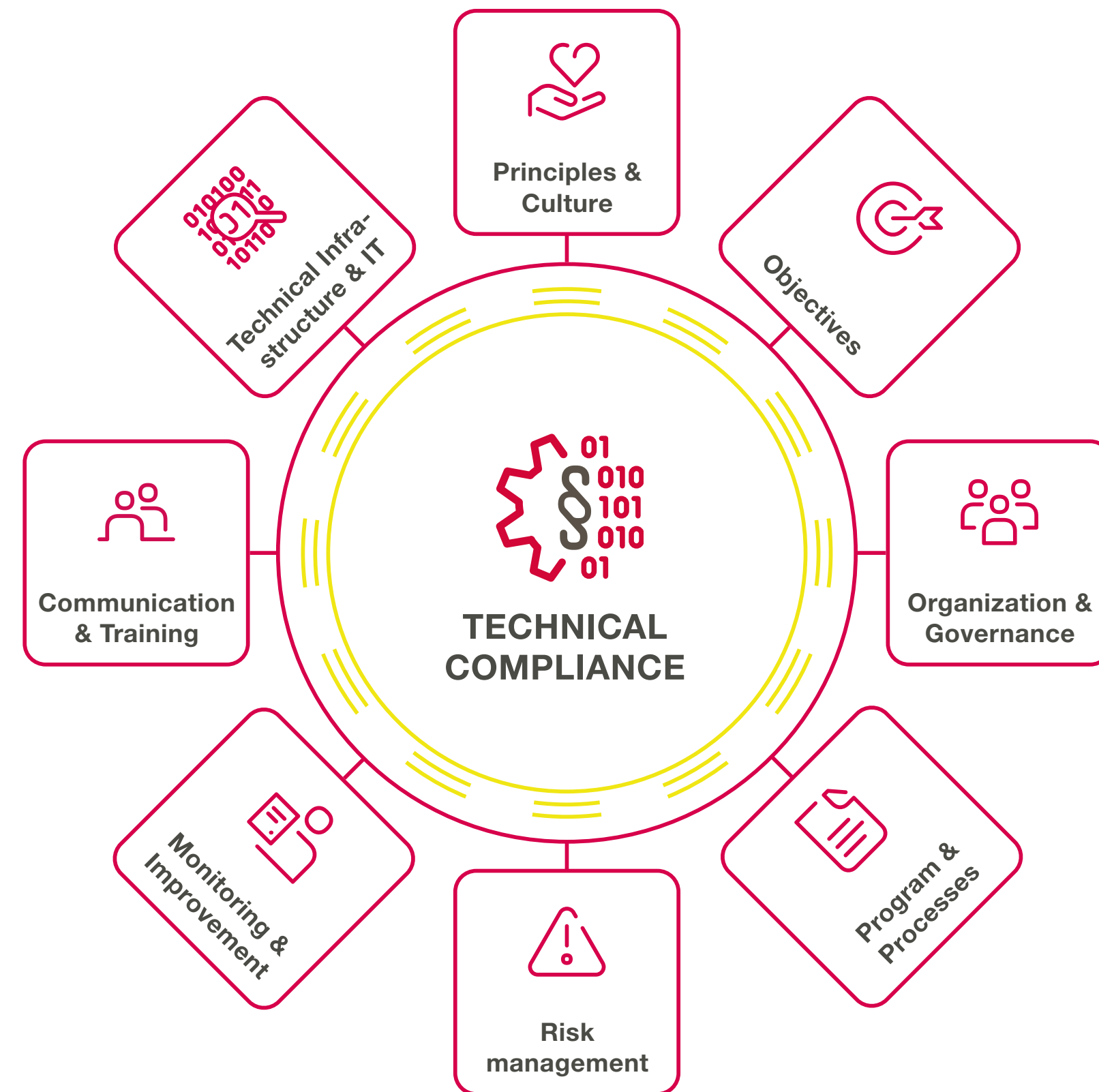
Source of the previous audited section: [Annual Report 2023](#) → Our shareholders → Corporate governance → Compliance

Technical compliance training for employees and suppliers

To build awareness for TC among employees as well as suppliers, the training formats introduced in fiscal 2022 were continued in 2023. In Technical Compliance Basic Training, employees learn the basics of TC and TCMS. They learn why the topic is important, how it is handled in the company, what everyone needs to pay attention to, and what responsibilities and procedures exist at Vitesco Technologies. The e-learning is mandatory for all employees with computer access at all hierarchical levels (approximately 20,000 people). The training was further developed in fiscal 2023 and is assigned to employees annually as specified. The participation rate as of December 31, 2023 was around 91 % (previous year: 96 %).

In addition, the range of trainings has been expanded to include courses that teach employees task and/or process-specific aspects of TC. One example of this is the Technical Compliance Advanced Training, which is mandatory for around 3,000 employees and must be completed every two years. The content and concept of this training was likewise improved in 2023, and is continuously assigned to new employees in pertinent roles. The participation rate as at December 31, 2023 was around 88 % (previous year: 95 %).

Vitesco Technologies has offered Technical Compliance Awareness Training for suppliers since August 2022. The aim of the training is to support suppliers in establishing appropriate technical compliance structures and



Technical compliance management system of Vitesco Technologies

to inform them about who they can contact if they have any questions or uncertainties. All strategic suppliers (approx. 440 companies) were invited to participate. Almost 96 % of suppliers confirmed that they had completed the training in 2023. Any unanswered questions from suppliers were subsequently clarified bilaterally. The updated Business Partner Code of Conduct published in January 2023 requires suppliers to promote general TC and ensure that their employees receive appropriate training. This can be done either by completing the Technical Compliance Awareness Training provided by Vitesco Technologies, or through equivalent in-house training at the business partner.

Monitoring of suppliers in relation to the REACH Regulation

Vitesco Technologies continuously monitors compliance with chemicals legislation, in particular with the EU REACH Regulation (Regulation (EC) No. 1907/2006). The company is mainly affected by the regulation as a user, producer, and importer of articles and complex products.

Proactive processes have been established to ensure compliance with Annex XIV (List of Substances Subject to Authorization) and Annex XVII (List of Restricted Substances) of the REACH Regulation as well as with the communication requirements under Article 33 (1). For example, there are internal committees and working groups whose activities are based on internal standards (Design for Environment/Technical compliance management system) and contractual agree-

ments with suppliers (Quality Process Requirements for Design for Environment of Contract Products).

Quality strategy and quality management

Vitesco Technologies applies a high quality standard to its products and services. The Quality Policy under the guiding principle “Passionate for Quality” sets the direction for quality management in the company. It is applied to all operational and strategic activities and thus forms the basis for Vitesco Technologies’ quality strategy.

The quality strategy essentially focuses on the continuous improvement of customer satisfaction by:

- > Optimizing processes
- > Designing robust products
- > Continuously developing an efficient quality organization
- > Improving employee satisfaction

Employees play an important role in this: They are responsible for complying with the Quality Policy and implementing the quality strategy. Vitesco Technologies is steadily evolving its quality strategy while keeping an eye on internal and external framework conditions. This includes, for example, legal requirements as well as market and customer requirements.

The framework implementing the Quality Policy and quality strategy is provided by the externally certified quality management system ISO 9001 (or comparable).

It is supplemented by local management systems at the sites, whose concrete organizational and technical specifications are defined in the respective Quality Management Manuals.

Responsibility for strategic, Group-wide quality management lies with the Quality & LEAN management team, which is led by the head of the Quality & LEAN Group function, and quality functions at various levels of the Group, all of which work together in a global network.



The performance indicator for Product Compliance and Quality is the Group-wide degree of coverage of employees by certified local quality management systems. As part of its quality strategy, Vitesco Technologies has set itself the goal of maintaining a coverage rate of at least 94 %. In fiscal 2023, the figure was 98.9 % (previous year: 99.5 %). This meant that certified quality management systems were in place for almost all employees throughout the Group.

Vitesco Technologies suppliers and service providers are subject to high requirements. The company ensures that externally provided processes, products, and services meet these requirements. For example, suppliers and service providers must introduce and keep developing

a quality management system and demonstrate its conformity with ISO 9001 through regularly renewed third-party certifications.

Quality training for employees

Vitesco Technologies demands that all individuals whose activities affect the performance and effectiveness of the quality management system and the quality of products and services to acquire and demonstrate the required competencies. The competencies that employees need to fulfill their tasks have been defined for all roles and functions, and are reviewed annually using tools. If deficits are identified, Vitesco Technologies defines corrective measures and follows up on their implementation. In fiscal 2023, an average of about 1,500 employees per month took part in the quality training courses.

Furthermore, Vitesco Technologies seeks to strengthen its employees' quality awareness through regular general training, e. g. using training videos. The idea is for all employees to realize the impact their work has on achieving, maintaining, and improving product quality. This also includes knowing customer requirements for product quality and considering the risks associated with non-compliant products. The last video of this type was viewed by around 10,000 employees in fiscal 2023.

Business continuity and obsolescence management

The goal of business continuity and obsolescence management at Vitesco Technologies is to ensure

sustainable supply chains for its customers. Obsolescence management as defined in IEC 62402 addresses the limited availability of specific goods and resources that are necessary to be able to offer or use a product in the long term. This is handled by the company as an integral part of design, development, production, and support during operation. The aim is to minimize costs and other negative effects throughout the entire product life cycle and to take the following aspects into account, e.g.:

- > Procurement strategy for suppliers and service providers (dual source instead of single source, use of local sources, etc.)
- > Procurement strategy for production facilities (modularity concepts, interchangeability of modules/lines, use of multiple production sites, etc.)
- > Harmonized design guidelines for components and subcomponents (off-the-shelf, design for manufacturing, etc.)
- > Security strategy for IT structure and equipment
- > Contingency plans (sites, staff, management of bottlenecks, fair share, etc.)
- > Selection criteria for manufacturing and production sites
- > Continuous monitoring and risk mitigation
- > Open and early customer communications and involvement

Vitesco Technologies actively contributes to mitigating climate change with climate-protecting technologies and measures. At the same time, the company acknowledges that climate change can have both positive and negative effects on its current business. To make these opportunities and risks transparent, Vitesco Technologies has reported in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021.

This chapter follows the structure of the TCFD recommendations and describes progress, processes, and results based on the four TCFD pillars of governance, strategy, risk management, and metrics and targets. Vitesco Technologies strives to continuously improve its reporting and to keep increasing its implementation of the TCFD recommendations.

Governance

Disclosure of the company's governance structures for climate-related risks and opportunities

Vitesco Technologies has clear governance structures with regard to sustainability and climate protection activities that enable the company to continuously improve. The Sustainability Core Team, which is moderated by the Sustainability & Security department, bundles all corporate activities relating to sustainability and coordinates the necessary cross-functional strategy processes. This also includes all activities relating to climate change, emissions reduction, and climate-related opportunities and risks.

At the highest management level, responsibility for climate-related topics lies with the Sustainability Steering Committee, which is chaired by the Chief Human Resources Officer. It is made up of permanent members of the Executive Board and management. Experts are regularly consulted to support decision-making at the highest management level. The Sustainability Steering Committee manages and monitors the implementation of the climate strategy, adopts emission reduction targets and monitors progress in pursuing these targets. To this end, it meets at least four times a year. In addition, the Sustainability Steering Committee advises the Sustainability Core Team and the Executive Board, which decide on the necessary steps to improve Vitesco Technologies' climate strategy based on the results and action plans presented.

Further information:

Sustainability Report → Company portrait → Organization, strategy and business model → [Corporate governance, Risk and opportunity management](#)

Sustainability Report → Sustainability management → Sustainability strategy and materiality assessment → [Strategic anchoring](#)

[CDP questionnaire 2023](#) → C1.1a, C1.1b, C1.2

Strategy

Disclosure of actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning

In its climate risk process, Vitesco Technologies has used since 2021 a multi-stage process to identify various physical and transitional climate risks as well as

opportunities associated with climate protection and adaptation that could have a significant impact on the company's business activities, strategy, and financial planning. In fiscal 2023, this analysis was extended to the upstream and downstream value chain. The table on page 80 shows a selection of significant climate risks and opportunities identified in this connection.

In order to identify and assess opportunities and risks that may arise from climate change, various climate scenarios were applied. This approach enables Vitesco Technologies to adapt to various developments at an early stage.

For the analysis of physical risks, selected climate scenarios of the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) were used. In this report, Representative Concentration Pathways (RCPs) describe different levels of global greenhouse gas concentrations and radiative forcing. The concentration pathways can be assigned global temperature increases that can be expected up to the year 2100. This results in a below-2-degree scenario (RCP 2.6), a 2.5-degree scenario (RCP 4.5), and a 4-degree scenario (RCP 8.5).

In 2023, Vitesco Technologies also analyzed the upstream and downstream value chain, incorporating data from the Sixth Assessment Report (AR6). In AR6, the RCPs were further developed and supplemented with five Shared Socioeconomic Pathways (SSPs). SSPs 1-5 provide the socio-economic justification for the RCPs and are assigned to the respective scenarios.

Category	Influence	Risk/opportunity
Physical risks	More frequent and severe extreme weather events (floods, forest and bush fires, droughts, heat, heavy rainfall, etc.) and sea level rise	Damage to the energy infrastructure and interruption of the energy supply
		Damage to assets (buildings, machinery, etc.)
		Risks to the well-being and health of employees
		Higher energy demand for air conditioning
		Rising energy and maintenance costs
		Interruption of the supply chain due to destruction of transportation infrastructure or assets at suppliers
		Interruptions of production and administration processes
Transition risks	Risks associated with the transition to a climate-neutral economy	Introduction of (cross-border) CO ₂ taxes and levies
		Higher costs and investments in more climate-friendly technologies and mitigation measures
		Declining reputation due to negative stakeholder feedback
		Increasing sustainability requirements for products and reporting
		Changing preferences of customers and end consumers
		Increased market intervention and regulation
		Volatility of the market
Opportunities	Opportunities related to the transition to a carbon-neutral economy and mitigation and adaptation measures	Expansion of the product portfolio
		Use of renewable energies and low-emission energy sources
		Faster increase in demand for products for electrification
		Changing preferences of customers and end consumers
		Increased resilience of the supply chain through diversification of suppliers and materials

They each represent a part of the broad spectrum of possible future social developments. The 4-degree scenario SSP5-8.5 was applied analogously to the process for Vitesco Technologies' own business operations. This socioeconomic pathway focuses on the continued increased use of fossil fuels.

To analyze transition opportunities and risks, Vitesco Technologies focused on a below-2-degree scenario of the International Energy Agency (IEA), the so-called Sustainable Development Scenario (SDS). It assumes that innovation and the development of new energy technologies will be accelerated by concentrated policy efforts. Based on the SDS, Vitesco Technologies was able to make assumptions about developments in its markets.

Further information:

Sustainability Report → Climate Protection → [Management approach CDP questionnaire 2023](#) → C2.1a, C2.3a, C2.4a, C3.2, C3.2a, C2.3b

Risk management

Disclosure of the organization's processes for identifying, assessing, and managing climate-related risks

Vitesco Technologies has a comprehensive Governance, Risk & Compliance process that governs the identification, assessment and documentation of risks as well as reporting. In addition, the company carried out an independent process for identifying climate-related opportunities and risks in the fiscal 2022, which was guided by the recommendations of the TCFD and the risk terminologies defined therein. The aim is to incorporate climate risk analysis into corporate risk management in the medium term.

In fiscal 2022 and 2023, Vitesco Technologies defined the main climate-related opportunities and risks for the company in several workshops with in-house experts from Risk Management, Purchasing, Sales, Energy Management, Strategy, and Sustainability. The focus here was on the company's own business processes and sites, as well as the entire up- and downstream value chain based on the climate-related opportunities and risks identified in the scenario analysis, which were analyzed and qualitatively weighted during the workshop. The workshop participants considered the physical impact of advancing climate change on the company's business activities based on a 4-degree scenario, in which physical climate risks have the greatest impact. To assess transition risks, participants analyzed political, technological, societal, and market developments under the 2-degree scenario. The results of the work-

shop were discussed with the Sustainability Core Team and subsequently approved by the Sustainability Steering Committee.

In 2023, Vitesco Technologies also qualitatively assessed all material transition and physical risks and opportunities according to their financial impact. All risks with a potential negative effect of more than €10 million in the scenario's observation period were classified as material. Risks with a potential negative effect of more than €20 million were additionally classified as high-impact risks.

To analyze physical risks, Vitesco Technologies conducted Munich Re's Climate Portfolio Assessment for the company's 100 most important owned and leased buildings in 2022. The tool accurately assesses the physical hazard situation for various climate scenarios and time horizons, enabling precise statements to be made about the expected climate hazards at individual sites. It is based on the scientific findings of the IPCC and the RCPs from the Fifth IPCC Assessment Report.

Based on the analysis, the climate hazards of river floods, drought, fire weather, heat, and heavy precipitation were identified as risks (see overview on page 82).

For the upstream and downstream value chain, Vitesco Technologies carried out an analysis of its main purchasing and sales regions in 2023 using the IPCC World Atlas. The regions with the highest purchasing and sales volumes were included, covering over 85 % of all sites.

As part of the analysis, the company identified rising temperatures, heavy precipitation, and drought as high-risk climate hazards for its business activities (see overview on page 82).

Further information:

Sustainability Report → Company portrait → Organization, strategy and business model → [Risk and opportunity management CDP questionnaire 2023](#) → C2.1b, C2.2, C2.3a, C2.4a, C3.2

Indicators and targets

Disclosure of indicators and targets for assessing and managing relevant climate-related risks and opportunities

In accordance with the Paris Agreement on Climate Change, Vitesco Technologies has committed to working towards limiting global warming to 1.5 °C and actively taking measures to avoid, reduce and, where necessary, offset greenhouse gas emissions. The targets are to achieve net climate neutrality for its own operational activities by 2030 and net-zero greenhouse gas emissions along the entire value chain by 2040.

In fiscal 2023, the Science Based Targets initiative (SBTi) validated Vitesco Technologies' short-term reduction targets: The company has set itself the target of reducing its absolute greenhouse gas emissions from own operational activities (Scope 1 and 2) by 100 % by 2030 compared to the base year 2019. Furthermore, Vitesco Technologies has committed to reducing its absolute Scope 3 emissions by 25 % by 2030 compared to the base year 2021.

In order to monitor the extent to which the targets are being achieved, Vitesco Technologies reports significant key performance indicators, such as its own greenhouse gas emissions (Scope 1 and 2) and Scope 3 emissions in the upstream and downstream value chain in accordance with the recommendations of the GHG Protocol Initiative.

The targets for reducing Scope 1 and Scope 2 emissions are also part of the long-term incentive plans for the Executive Board and executives.

Further information:

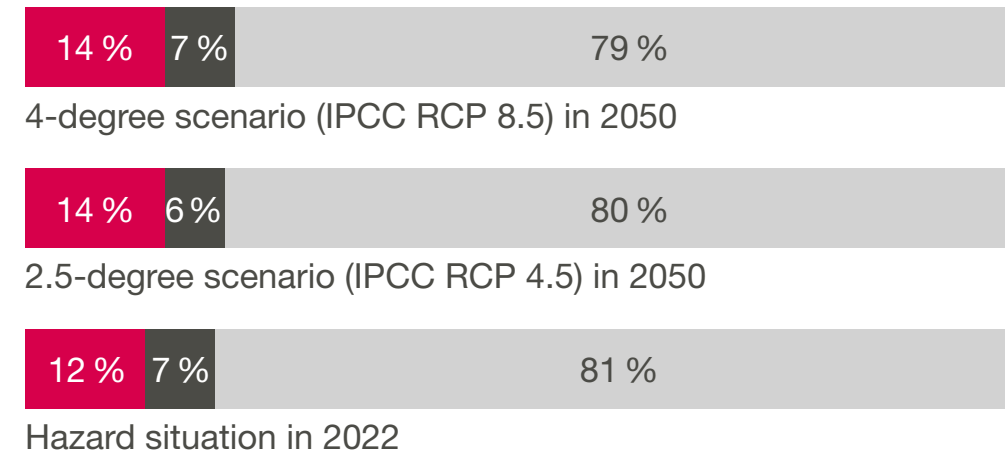
Sustainability Report → Climate Protection → Management approach → [Results](#)

Sustainability Report → Climate Protection → [Greenhouse gas emissions in the upstream and downstream value chain \(Scope 3\)](#), [Greenhouse gas balance \(Scope 1 to 3\)](#), [Science Based Targets validated](#)

Sustainability Report → Resource Efficiency and Circularity → Management approach → [Focus: Energy](#), [Focus: Water](#), [Focus: Waste CDP questionnaire 2023](#) → C4.1a, C4.2, C4.2a, C4.2b, C5.2, C5.3, C6.1–3, C6.5, C6.10, C7.2, C7-3a+c, C7.5, C8.2a–d, C9.1

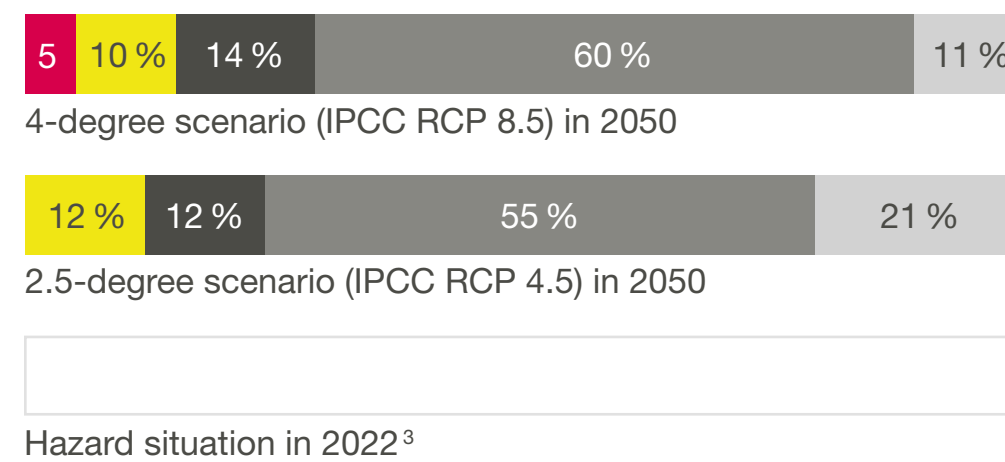
River flood ^{1,2}

Global warming poses the risk of river flooding in areas where flood control systems or facilities (e.g., dams) are not in place. Under a 4-degree scenario, in 2050, 14 % of sites can expect a 100-year return period of flooding, which is the highest risk category.



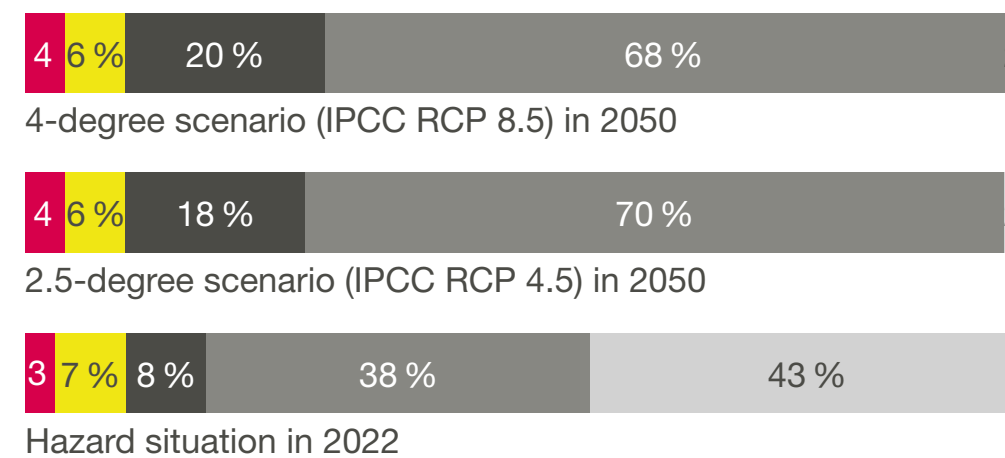
Drought ^{1,2}

Rising temperatures combined with changes in precipitation patterns could lead to drier weather and both more frequent and more severe droughts, which would have serious economic, environmental, and societal impacts. Under a 4-degree scenario, 85 % of sites will be at low to moderate risk of drought in 2050. 15 % of sites will have a medium-high or high risk.



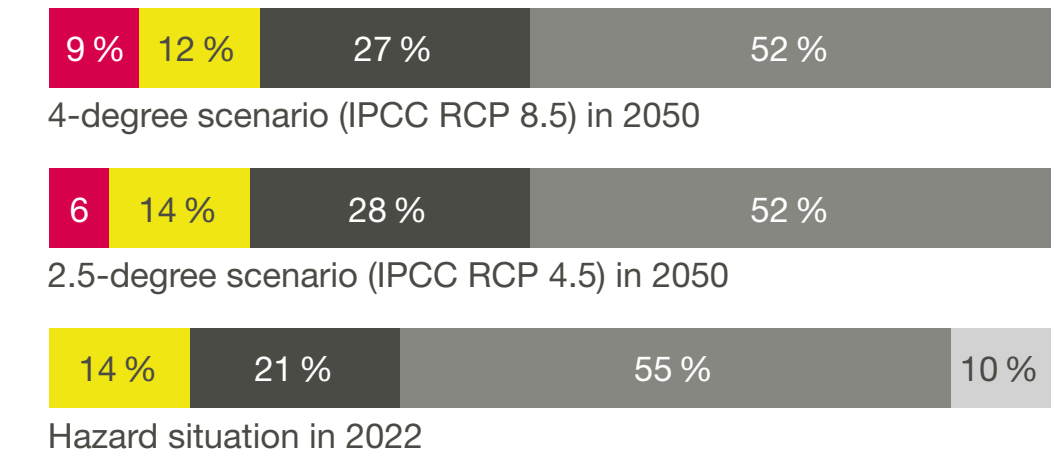
Fire weather ¹

Forest or bush fires can be caused by natural events as well as by humans. They not only destroy vegetation, but equally destroy infrastructure and economic resources. The proportion of low-risk sites will decrease in all scenarios. Under a 4-degree scenario, 30 % of sites will face a medium-high to very high risk of wild-fires in 2050.



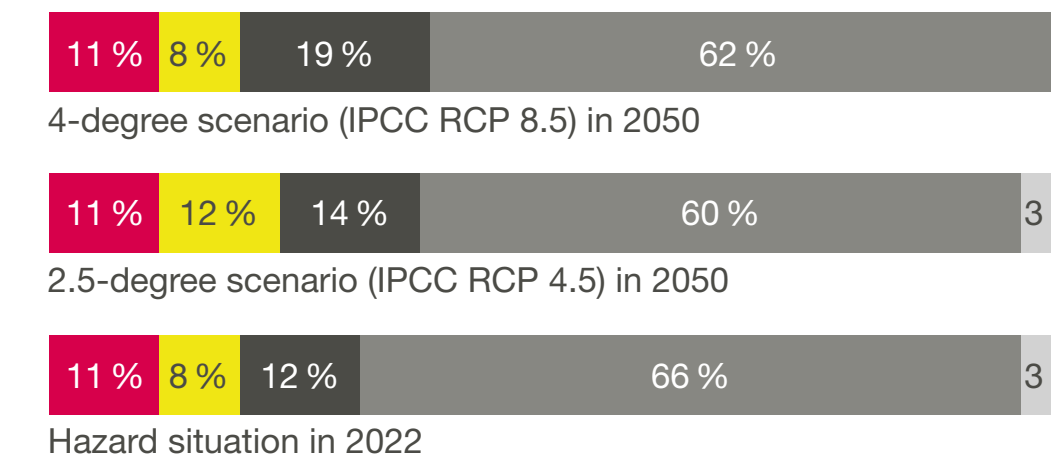
Heat ^{1,2}

Global warming is causing rising temperatures and more severe and frequent heat waves. Heat stress puts a strain on people, infrastructures, and ecosystems. By 2050, the number of medium- to high-risk sites will increase. Under a 4-degree scenario, 9 % of sites will be at high risk in 2050.



Heavy precipitation ^{1,2}

Due to global warming and the rise in ocean temperature, the air contains more moisture, resulting in increased heavy precipitation. Heavy rainfall increases the risk of flooding, which often destroys infrastructure. Under a 4-degree scenario, the number of low-risk sites will decrease from 69 % to 62 % by 2050. At the same time, there will be more medium-risk sites, while the number of sites at high risk of heavy precipitation will remain the same.



High risk ● ● ● ● ● Low risk

1 Results as at January 2023. The Eisenach, Lohmar, Pisa, and Salto sites are still included, but no longer belong to Vitesco Technologies.
 2 Due to rounding, the sum of the percentages may differ from 100 %.
 3 No data on the current risk situation is available for this index.

DISCLOSURES IN ACCORDANCE WITH THE EU TAXONOMY REGULATION⁶

A→ According to Article 8 of the EU Taxonomy Regulation, Vitesco Technologies is required to disclose how and to what extent its own business activities are linked to economic activities that can be classified as environmentally sustainable economic activities as defined in Article 3 and Article 9 of the EU Taxonomy Regulation.

In line with the requirements of the EU Taxonomy Regulation, companies must analyze their business activities with regard to the six environmental objectives of ‘Climate change mitigation,’ ‘Climate change adaptation,’ ‘Sustainable use and protection of water and marine resources,’ ‘Transition to a circular economy,’ ‘Pollution prevention and control,’ and ‘Protection and restoration of biodiversity and ecosystems.’

In accordance with Article 8 of the EU Taxonomy Regulation, reporting companies must disclose the respective shares of Taxonomy-eligible, Taxonomy-aligned and Taxonomy-non-eligible economic activities in their total turnover as well as their capital expenditure, and operating expenditure with regard to environmental objectives 1 and 2 ‘Climate change mitigation’ and ‘Climate change adaptation’ for fiscal year 2023. Compared to the fiscal year 2022, the EU has expanded the catalog of economic activities for the two environmental objectives ‘Climate change mitigation’ and ‘Climate change adaptation.’ In addition, for the first time, reporting companies must disclose the share of their Taxonomy-eligible economic activities in their total turnover and in their capital expenditure, and operating expenditure for environmental objectives 3 to 6 – ‘Sustainable use and protection of water and marine resources,’ ‘Transition to a circular

economy,’ ‘Pollution prevention and control,’ and ‘Protection and restoration of biodiversity and ecosystems.’ **←A**

Opportunities and challenges

A→ We would like to point out that the EU Taxonomy Regulation continues to be dynamic in nature and that the following information is provided in accordance with the current state of interpretation.

The EU Taxonomy Regulation entails various uncertainties of interpretation and goes beyond the regulations to be applied by companies. For locations outside the European Union, this leads to further challenges, as their applicable legal situation may deviate from the regulations referenced in the EU Taxonomy Regulation.

The products and technologies developed and manufactured by Vitesco Technologies for the electric powertrain and electrification solutions for hybrid vehicles make a significant contribution to “increasing clean or climate-neutral mobility” in accordance with Article 10, para. 1, c) of the EU Taxonomy Regulation. With the changes to the two environmental objectives ‘Climate change mitigation’ and ‘Climate change adaptation,’ including the addition of further activities, Vitesco Technologies’ share of Taxonomy-eligible economic activities has increased significantly. This is due to the fact that components for zero-emission vehicles are now included in the EU Taxonomy Regulation, at least under certain conditions.

It should be noted at this point that the financial indicators disclosed in this section were calculated in

accordance with the restrictive requirements of the EU Taxonomy Regulation. The calculation criteria for these indicators differ significantly from the turnover and investments cited in the Clean Mobility section. **←A**

Project approach for determining the reporting information

A→ The Taxonomy-eligible activities already identified were subjected to a critical review in the current fiscal year, taking into account the new publications on environmental objectives 3 to 6 and the changes to environmental objectives 1 and 2, in order to ensure that the classification is accurate. In addition, new activities relevant to Vitesco Technologies were included.

The Taxonomy-eligible and Taxonomy-aligned activities relevant for Vitesco Technologies were determined in accordance with the method applied in the fiscal year 2022, using the accounting policies described below:

> In accordance with Delegated Regulation (EU) 2021/2178 Article 1, No. 5 and 6, a Taxonomy-eligible economic activity is defined as a business activity that is described in the delegated acts adopted according to the EU Taxonomy Regulation, regardless of whether this economic activity meets all the technical test criteria set out in these delegated acts. A Taxonomy-non-eligible economic activity is an economic activity that is not described in the delegated acts adopted.

⁶ In contrast to the other sections of the Non-Financial Statement, the following section Disclosures in accordance with the EU Taxonomy Regulation was audited with limited assurance by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft.

- › Double counting in the calculation of indicators across economic activities is ruled out by the uniform population used for each key indicator.
- › The draft FAQs published by the EU Commission on December 19, 2022 and the “Final Commission Notices” published on Oct. 20, 2023 on questions of interpreting the EU Taxonomy Regulation (“FAQ Climate Delegated Acts on the interpretation and implementation of legal provisions of the EU,” “FAQ Climate Delegated Acts on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8”) were also taken into account by Vitesco Technologies in preparing its disclosures in accordance with the EU Taxonomy Regulation for fiscal 2023.
- › At Vitesco Technologies, the economic activities described in Delegated Regulation 2022/1214 of the EU Commission and in Annex XII only apply to the operation of own combined heat and power plants. Due to a lack of materiality, no further reporting is provided in this regard. The reporting in accordance with Annex XII of Delegated Regulation 2021/2178 of the EU Commission can be found in the Annex.
- › No presentation in accordance with Delegated Regulation (EU) 2023/2486 Annex V footnote c) is provided, as Vitesco Technologies only reports economic activities under the environmental objective ‘Climate change mitigation.’ ←A

Taxonomy eligibility

→A In accordance with Annex I of Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU)

2023/2485 amending it, the following economic activities of Vitesco Technologies have been identified as Taxonomy-eligible under the environmental objective of ‘Climate change mitigation’:

› Activity 3.4. Manufacture of batteries

Annex I of the Delegated Regulation defines this economic activity as the “manufacture of rechargeable batteries, battery packs, and accumulators for transport, stationary and off-grid energy storage, and other industrial applications” and the “manufacture of respective components (battery active materials, battery cells, casings, and electronic components).” The manufacture of components for batteries and battery management systems can be clearly assigned to this activity.

In accordance with the amendments to the requirements of Annex I of Delegated Regulation (EU) 2021/2139, the following economic activities of Vitesco Technologies were also identified as Taxonomy-eligible in fiscal 2023:

› Activity 3.18. Manufacture of automotive and mobility components

The amendments to Annex I of the Delegated Regulation define this economic activity as the “manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility systems, components, separate technical units, parts and spare parts, [...] type-approved, designed, and

constructed for use only in vehicles and buses of category M1, M2, M3, N1, N2 and N3, [and] type-approved, designed, and constructed for use only in vehicles of category L meeting the criteria set out [...] and which are essential for delivering and improving the environmental performance of the vehicle.” Taking into account the restrictions set out in the activity description, the manufacture of components for zero-emission vehicles can be clearly assigned to this activity.

No further activities relevant to Vitesco Technologies were identified in relation to Annexes I, II, III, and IV of Regulation (EU) 2020/852. The economic activities carried out by Vitesco Technologies are therefore not covered under the environmental objectives ‘Sustainable use and protection of water and marine resources,’ ‘Transition to a circular economy,’ ‘Pollution prevention and control,’ and ‘Protection and restoration of biodiversity and ecosystems.’

In addition to the aforementioned product-related economic activities, Vitesco Technologies carries out other Taxonomy-eligible activities that are not directly related to the product portfolio. These include:

- › Activity 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- › Activity 7.3. Installation, maintenance and repair of energy-efficient equipment
- › Activity 7.6. Installation, maintenance and repair of renewable energy technologies
- › Activity 7.7. Acquisition and ownership of buildings ←A

Taxonomy alignment

→A The following criteria were examined to determine Taxonomy alignment:

- › Evidence of a substantial contribution to the environmental objective of ‘Climate change mitigation’ as a result of the activity 3.4. Manufacture of batteries
It was necessary to demonstrate that the manufacture of rechargeable batteries can lead to a reduction in GHG emissions in the transport sector, for example. The battery components manufactured by Vitesco Technologies are intended for the transport sector and form part of the electrification solutions in the product portfolio described above. Where technically possible, the use of secondary raw materials is given preference in their production. The criteria for a substantial contribution are therefore fulfilled.
- › Compliance with the Do No Significant Harm (DNSH) criteria to avoid negative impacts on the other five environmental objectives.
The locations relevant to battery production were inspected in order to verify compliance with the DNSH criteria.
- › For the environmental objective ‘Climate change adaptation,’ a climate risk analysis was carried out to identify possible negative effects of climate change on the battery production sites. No significant climate risks were identified in the climate risk analysis.

- For the environmental objective ‘Sustainable use and protection of water and marine resources,’ it was necessary to ensure that the activity does not pose a risk to water quality and does not promote water scarcity. In addition, it had to be ensured that the achievement of a good environmental status of marine waters would not be hindered or that the environmental status of marine waters would not deteriorate. The analysis mainly drew on the existing ISO 14001 certificates and external analyses of regions with increased water stress, as well as official documents.
- For the environmental objective ‘Transition to a circular economy,’ the possibility and actual use of secondary raw materials, the recyclability and durability of the product, and the traceability of substances of concern were assessed based on the company’s internal “Design for Environment” guideline, and actions were taken accordingly. Thus, Vitesco Technologies fulfills the requirements.
- For the environmental objective ‘Pollution prevention and control’ mandates compliance with the REACH regulation and all applicable sustainability regulations for placing batteries on the market. In addition, the total allowable level of substances on the candidate list for the REACH regulation, Substances of Very High Concern (SVHC), is 0.1 % by mass compared to the article (0.1 % w/w criterion). Vitesco Technologies interprets the amendment to letter f of Appendix C to mean that the 0.1 % w/w threshold applies to the articles included in the respective component, e. g.,

the battery junction box, which is sold by Vitesco Technologies as part of the final product. Vitesco Technologies tracks the use of such substances based on IMDS information on SVHCs and labels the substances according to existing legal requirements, e. g., substance quantities used above the threshold. For substances that go above the threshold of > 0.1 % by weight, Vitesco Technologies checks and documents whether other suitable alternative substances or technologies are available on the market, and whether the substances used are used under controlled conditions. The existing requirements of the automotive sector and the management processes implemented by Vitesco Technologies to comply with these environmental requirements ensure conformity with the REACH regulation. The company strictly refrains from using substances from the candidate list that are transferred to the Annex XIV REACH authorization list.

- For the environmental objective ‘Protection and restoration of biodiversity and ecosystems,’ the battery production sites were analyzed for any potential impact on biodiversity areas. In addition to the Natura2000, WWF-BRF, ENCORE, and IBAT databases, the ISO 14001 certifications and existing impact assessments were used for this purpose. Vitesco Technologies fulfills the requirements at all relevant locations.
- Compliance with the requirements of the frameworks listed in the minimum social safeguards. Monitoring and compliance is carried out via the

company’s internal management concept for analyzing and addressing risks, in particular the identified human rights risks.

Activity 3.4. Manufacture of batteries meets the Taxonomy alignment requirements for the company’s own production facilities. The turnover, capital expenditure, and operating expenditure associated with these production facilities are reported below as Taxonomy-aligned.

The share of Taxonomy-eligible but not Taxonomy-aligned turnover from Activity 3.4. Manufacture of batteries relates to contract manufacturing. In accordance with the FAQs published by the EU Commission on December 19, 2022, contract manufacturing is to be taken into account in the reporting. An audit of the technical assessment criteria could not be carried out as the contract manufacturer did not confirm that all relevant criteria were met.

With regard to activity 3.18. Manufacture of automotive and mobility components, reporting on Taxonomy alignment is not mandatory for this year’s reporting. Vitesco Technologies therefore only reports on the Taxonomy eligibility of these activities. Vitesco Technologies expects to be able to report a large part of this turnover, capital expenditure, and operating expenditure as Taxonomy-aligned in the future, as a large part of the Taxonomy alignment criteria are congruent with activities already reported as Taxonomy-aligned.

The above-described Taxonomy-non-eligible, non-turnover-related activities fall under the definition of points

1.1.2.2 (c) and 1.1.3.2 (c) in Annex I of Delegated Regulation (EU) 2021/2178 and are therefore considered as an acquisition of products from Taxonomy-eligible or Taxonomy-aligned economic activities carried out by other companies. According to the current interpretation of the EU Taxonomy Regulation, evidence of Taxonomy alignment in these cases cannot be provided by Vitesco Technologies itself, but only by the supplier of the service. Only by means of evidence provided by the supplier can this capital expenditure or operating expenditure be reported as Taxonomy-aligned at Vitesco Technologies. Due to the fact that this information has not yet been provided along the supply chain, these activities cannot be reported as Taxonomy-aligned in the current fiscal year and are therefore reported only as Taxonomy-eligible. In this connection, a more intensive exchange with the relevant suppliers is being sought for the coming fiscal year. ←A

Report details

A→ The turnover associated with the identified Taxonomy-eligible, product-related economic activities (eligible turnover) was determined using a turnover classification by product group from the existing financial accounting systems. The share of all Taxonomy-eligible economic activities in total turnover thus amounted to 4.87 % in fiscal 2023. The share of all Taxonomy-aligned economic activities in total turnover amounted to 0.30 % in fiscal 2023. The total turnover used for the calculation corresponds to the net turnover reported in the annual report in accordance with IFRS.

Since, as in the previous year, only the economic activity 3.4. Manufacture of batteries was reported, the Taxonomy-aligned share of turnover has not changed significantly year-on-year (previous year: €6,100 thousand).

Capital expenditure related to assets or processes associated with Taxonomy-eligible economic activities (eligible CapEx) was identified through a breakdown of Vitesco Technologies' total capital expenditure by cost type. Among the production-related investments, only those relating to the products of the economic activities described above and identified as Taxonomy-eligible were considered. Capital expenditure in integrated production facilities that could not be clearly allocated to the recorded business activities was distributed according to a key. The turnover of the relevant production facility was used to determine the distribution key. In the case of integrated production facilities, the percentage share of Taxonomy-eligible capital expenditure thus corresponds to the percentage share of Taxonomy-eligible turnover. The same procedure was used to determine the Taxonomy-aligned capital expenditure.

The supplementary capital expenditure was differentiated according to asset class. For example, capital expenditure for the company's own vehicle fleet and the acquisition of buildings was included.

According to this, the share of Taxonomy-eligible capital expenditure in total capital expenditure amounted to 19.36 % in fiscal 2023. The share of Taxonomy-aligned capital expenditure in total capital expenditure amounted to 4.57 % in fiscal 2023. The total capital

expenditure taken as a basis corresponds to the gross additions to intangible and tangible fixed assets, as well as the right-of-use assets recognized in accordance with IFRS 16.

Since, as in the previous year, only the economic activity 3.4. Manufacture of batteries was reported, the Taxonomy-aligned share of capital expenditure has not changed significantly year-on-year (previous year: €11,682 thousand).

Operating expenditure relating to assets or processes in connection with Taxonomy-eligible economic activities (eligible OpEx) was determined for the activities identified as Taxonomy-eligible according to the distribution key also described for capital expenditure. The operating expenditure for the identified, non-product-related activities could be allocated directly. In accordance with the definition in the EU Taxonomy Regulation, the following types of cost were used as a basis:

- > Research and development costs
- > Maintenance and repair costs
- > Current leases

The same procedure was used to determine Taxonomy-aligned operating expenditure.

The share of Taxonomy-eligible operating expenditure in total operating expenditure as defined in the EU Taxonomy Regulation amounted to 52.81 % in fiscal 2023. The share of Taxonomy-aligned operating expenditure in total operating expenditure amounted

A Share of Taxonomy-aligned and not Taxonomy-aligned economic activities in total turnover	Turnover in € thousand (2023)	Share in % (2023)
Turnover from Taxonomy-aligned economic activities	27,548	0.30
Turnover from Taxonomy-eligible, not Taxonomy-aligned economic activities	421,930	4.57
Turnover from Taxonomy-non-eligible economic activities	8,783,749	95.13
Total	9,233,227	100

A Share of capital expenditure related to Taxonomy-aligned and not Taxonomy-aligned economic activities in total capital expenditure	Capital expenditure in € thousand (2023)	Share in % (2023)
Capital expenditure related to Taxonomy-aligned economic activities	31,906	4.57
Capital expenditure related to Taxonomy-eligible, not Taxonomy-aligned economic activities	103,379	14.80
Capital expenditure related to Taxonomy-non-eligible economic activities	563,456	80.64
Total	698,741	100

A Share of operating expenditure related to Taxonomy-aligned and not Taxonomy-aligned economic activities in total operating expenditure	Operating expenditure in € thousand (2023)	Share in % (2023)
Operating expenditure related to Taxonomy-aligned economic activities	61,814	8.16
of which operating expenditure for research and development	61,617	8.14
of which operating expenditure for maintenance and repair	197	0.03
Operating expenditure related to Taxonomy-eligible, not Taxonomy-aligned economic activities	338,157	44.65
Operating expenditure related to Taxonomy-non-eligible economic activities	357,352	47.19
Total	757,323	100

to 8.16 % in fiscal 2023. The Taxonomy-eligible and Taxonomy-aligned shares of operating expenditure can be seen in the “of which” notes in the table.

Since, as in the previous year, only the economic activity 3.4. Manufacture of batteries was reported, the Taxonomy-aligned share of operating expenditure has not changed significantly year-on-year (previous year: €37,441 thousand).

The mandatory templates on the key indicators for Taxonomy-eligible and Taxonomy-aligned economic activities can be found in the annex below. **A**

Source of the previous audited sections and key performance indicators, as well as the four subsequent templates: [Annual Report 2023](#) → [Management Report](#) → [Consolidated Non-Financial Statement](#) → Disclosures in accordance with the EU Taxonomy Regulation

Note: Page references have been adjusted.

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria (‘Does Not Significantly Harm’)										
	Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		kEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of batteries	CCM 3.4.	27,548	0.30 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.07 %	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		27,548	0.30 %	0.30 %						Y	Y	Y	Y	Y	Y	Y	Y	0.07 %		
Of which enabling		27,548	0.30 %	0.30 %						Y	Y	Y	Y	Y	Y	Y	Y	0.07 %	E	
Of which transitional																				T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of batteries	CCM 3.4.	10,588	0.11 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.15 %		
Manufacture of automotive and mobility components	CCM 3.18.	411,342	4.46 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		421,930	4.57 %	4.57 %														0.15 %		
A. Turnover of Taxonomy eligible activities (A.1.+A.2.)		449,478	4.87 %	4.87 %														0.22 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B.)		8,783,749	95.13 %																	
TOTAL		9,233,227	100 %																	

A Annex 1 – Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria (‘Does Not Significantly Harm’)									
	Economic Activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)
Text		kEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of batteries	CCM 3.4.	31,906	4.57 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.06 %	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		31,906	4.57 %	4.57 %						Y	Y	Y	Y	Y	Y	Y	2.06 %		
Of which enabling		31,906	4.57 %	4.57 %						Y	Y	Y	Y	Y	Y	Y	2.06 %	E	
Of which transitional										Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of automotive and mobility components	CCM 3.18.	69,046	9.88 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	7,328	1.05 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.97 %		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	837	0.12 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27 %		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	50	0.01 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27 %		
Acquisition and ownership of buildings	CCM 7.7	26,118	3.74 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.97 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		103,379	14.80 %	14.80 %													8.48 %		
A. CapEx of Taxonomy-eligible activities (A.1.+A.2.)		135,285	19.36 %	19.36 %													10.54 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B.)		563,456	80.64 %																
TOTAL		698,741	100 %																

Annex 2 – Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year N	2023		Substantial Contribution Criteria							DNSH criteria (‘Does Not Significantly Harm’)									
Economic Activities (1)	Code (2)	OpEx (3)	Economic Activities (1)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution(14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		kEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of batteries	CCM 3.4.	61,814	8.16 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.10 %	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		61,814	8.16 %	8.16 %						Y	Y	Y	Y	Y	Y	Y	5.10 %		
Of which enabling		61,814	8.16 %	8.16 %						Y	Y	Y	Y	Y	Y	Y	5.10 %	E	
Of which transitional										Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of automotive and mobility components	CCM 3.18.	314,950	41.59 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7.	23,207	3.06 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.00 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		338,157	44.65 %	44.65 %													3.00 %		
A. OpEx of Taxonomy-eligible activities (A.1.+A.2.)		399,971	52.81 %	52.81 %													8.10 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B.)		357,352	47.19 %																
TOTAL		757,323	100 %																

A Annex 3 – Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

A Key Performance Indicators for Clean Mobility	2023	2022
Revenue from electric and electrified solutions in € million	1,313.4	1,082.0
Share of business with electric and electrified solutions in Group revenues in %	14.2	11.9
Electrification investments in € million	188.8	102.7
Electrification investments per total investments in %	27.0	18.1

A Key Performance Indicators for Climate Protection	2023	2022
Direct GHG emissions (Scope 1) in million t CO ₂ e ^{1,2,4}	0.016	0.023
Indirect GHG emissions (Scope 2 location-based) in million t CO ₂ e ^{1,2,3}	0.286	0.292
Indirect GHG emissions (Scope 2 market-based) in million t CO ₂ e ^{1,2,3}	0.004	0.004
Total own GHG emissions (Scope 1 and 2 location-based) in million t CO ₂ e ^{1,2,3,4}	0.301	0.316
Total own GHG emissions (Scope 1 and 2 market-based) in million t CO ₂ e ^{1,2,3,4}	0.019	0.027
Share of external electricity procurement from renewable energies in % ^{1,2,3}	100.0	100.0
Climate neutrality rate of total own GHG emissions in % ^{1,2,3,4,5}	94.2	91.9

1 Definitions according to GHG Protocol Corporate Standard and GHG Protocol Scope 2 Guidance.

2 Coverage of the relevant production sites and research and development sites.

3 Calculated according to the market-based method of the GHG Protocol Initiative. Where no contract-specific emission factors were available, the standard emission factors from Defra (09/2021), Defra (09/2022), IEA (12/2022), and the GHG Protocol Initiative were used.

4 Includes the purchase of biomethane.

5 Calculation formula: Own GHG emissions (Scope 1 and 2 market-based) [current year] / Own GHG emissions (Scope 1 and 2 market-based) [base year 2019 (fixed value)]

A Total GHG emissions along the value chain (Scope 3) in thousand t of CO ₂ e, by category as set out in the Scope 3 Calculation Guidance of the GHG Protocol Initiative ^{1,2}	2023	2022
1 Purchased goods and services ³	3,341.4	3,543.2
2 Capital goods	168.4	152.9
3 Fuel- and energy-related emissions (not included in Scope 1 or 2)	84.7	88.4
4 Upstream transportation and distribution ³	228.7	193.4
5 Waste generated in operations	1.5	1.6
6 Business travel	13.6	8.2
7 Employee commuting	65.7	65.7
8 Upstream leased assets	0.0	0.0
9 Downstream transportation and distribution ³	39.6	50.2
10 Processing of sold products ³	34.3	47.5
11 Use of the sold products ³	5,936.3	6,253.5
12 End-of-life treatment of sold products ³	30.4	31.0
13 Downstream leased assets	0.0	0.0
14 Franchises	0.0	0.0
15 Investments	2.3	2.1
Total^{2,4}	9,946.9	10,437.7

1 Calculated in accordance with the Scope 3 Standard and the Scope 3 Calculation Guidance of the GHG Protocol Initiative. A detailed description of the calculation methodology for the 15 Scope 3 emission categories can be found in the Annex Methodology used for calculating greenhouse gas emissions.

2 Vitesco Technologies recalculated its GHG emissions for fiscal 2022. A total of 13,439 thousand t of CO₂e were reported for Scope 3 in the Sustainability Report 2022.

3 Vitesco Technologies has improved the calculation methodology for this category and recalculated the GHG emissions.

4 Total based on rounded values.

A GHG balance (Scope 1 to 3)¹	2023	2022
Total own GHG emissions (Scope 1 and 2 location-based) in million t of CO ₂ e	0.301	0.316
Total own GHG emissions (Scope 1 and 2 market-based) in million t of CO ₂ e	0.019	0.027
GHG emissions (Scope 3) in million t CO ₂ e	9.947	10.438
Total GHG emissions (Scope 1 to 3 location-based) in million t of CO ₂ e	10.248	10.754
Total GHG emissions (Scope 1 to 3 market-based) in million t of CO ₂ e	9.966	10.465
GHG intensity (Scope 1 to 3 location-based) in kg CO ₂ e per €	1.11	1.19
GHG intensity (Scope 1 to 3 market-based) in kg CO ₂ e per €	1.08	1.15

¹ Vitesco Technologies has recalculated its GHG emissions for fiscal 2022. In the Sustainability Report 2022, 13.8 million t of CO₂e (location-based) and 13.5 million t of CO₂e (market-based) were reported for total GHG emissions, and 1.5 kg of CO₂e per € for each of the GHG intensities.

A Key Performance Indicators for Resource Efficiency and Circularity	2023	2022
Certifications for environmental management systems (ISO 14001), employee coverage (as of December 31) in %	93.1	93.5
Certifications for energy management systems (ISO 50001), employee coverage (as of December 31) in %	91.8	85.7
Waste recovery quota in % ^{1,2}	95.2	94.6

¹ Definition: Proportion of waste that has been recycled or sent for material recycling, waste-to-energy technologies or other use.

² Coverage of the relevant production sites and relevant research and development sites.

Performance Indicators for Energy¹	2023	2022
Total energy consumption in TWh	0.67	0.73
Total energy consumption by energy source in %		
Electricity	82.5	78.4
Natural gas	6.0	10.5
Biogas	3.6	4.0
Diesel	2.0	2.0
District heat	2.7	2.0
Steam	1.2	1.1
Other	2.0	2.0
Energy intensity in MWh by Group sales in € million	72.9	80.5
A Energy reduction achieved from efficiency projects in GWh²	10.5	20.5

¹ Coverage of the relevant production and relevant research and development sites.

² The performance indicator was subjected to a separate audit to obtain limited assurance (see Report profile).

Performance Indicators for Water ¹	2023	2022
Total water withdrawal in million m ³	1.17	1.28
Total water withdrawal by source in %		
Drinking water	95.8	93.6
Groundwater	3.6	5.0
Rainwater	0.4	0.4
Other external sources	0.1	1.0
Water intensity in m ³ by Group sales in € million	126.4	140.9
Wastewater in million m ³	0.87	0.88
Wastewater by destination in %		
Sewerage	95.0	92.0
Surface water	2.0	6.0
Groundwater	3.0	2.0

¹ Coverage of the relevant production and relevant research and development sites.

Performance Indicators for Waste ¹	2023	2022
Total waste volume in t	29,982	29,188
Waste generated by category in %		
Hazardous	13.1	14.5
Non-hazardous	86.9	85.5
Waste intensity in t by Group sales in € million	3.1	3.2

¹ Coverage of the relevant production and relevant research and development sites.

A Key Performance Indicators for Fair Work and Diversity	2023	2022
Share of women in management positions (executives and senior executives; as of December 31) in %	17.0	15.4
Employee Net Promoter Score, eNPS ¹	30	24

¹ To survey the eNPS, employees are asked to rate the statement: "I would recommend Vitesco Technologies as an employer to friends or family members" using an eleven-point scale. The eNPS is calculated by subtracting the proportion of detractors from the proportion of promoters. Detractors respond to this question with a value between 0 and 6 (very unlikely to unlikely), promoters with 9 or 10 (very likely). People who give a value of 7 or 8, defined as passives, are not included in the calculation. As a result, values between -100 and +100 are possible.

Employee indicators	2023	2022
Number of employees (as of December 31) ¹	35,528	38,043
Share of employees by region (as of December 31) in % ¹		
Germany	24.8	25.1
Europe without Germany	29.7	29.1
Asia	24.7	24.5
North America	20.8	21.0
Other countries	0.0	0.3
Share of employees by tenure (as of December 31) in % ¹		
> 15 years	25.9	27.0
10–14 years	15.4	14.6
6–9 years	17.1	15.9
3–5 years	13.8	16.0
1–2 years	16.6	12.1
< 1 year	11.2	14.5
Share of employees by employment contract (as of December 31) in % ¹		
Temporary	46.0	49.3
Permanent	54.0	50.7

Employee indicators	2023	2022
Proportion of employees by employment type (as of December 31) in % ¹		
Full-time	95.5	95.5
Part-time	4.5	4.5
Share of leasing employees (as of December 31) in % ¹	4.3	5.4
Share of employees by gender (as of December 31) in % ¹		
Female	35.8	35.2
Male	64.2	64.8
Share of employees by age group (as of December 31) in % ¹		
< 30 years	18.4	19.5
30–50 years	59.8	58.5
> 50 years	21.8	22.0
Share of employees with disabilities (as of December 31) in % ^{1,2}	5.1	5.4
Rate of unforced fluctuation (as of December 31) in % ^{1,3}	6.3	8.3

¹ Headcount. All employees were taken into account with the exception of apprentices and interns.

² In relation to jobs in Germany within the meaning of §§ 156 ff. of SGB IX.

³ Definition: voluntary departure of employees from the company in relation to the average number of employees.

Performance Indicator for Diversity, Equity and Inclusion	2023	2022
Number of nationalities (as of December 31) ¹	97	101

¹ All employees were taken into account with the exception of apprentices and interns.

Performance Indicators for Training and Development	2023	2022
Share of employees receiving regular performance and career development reviews in % ¹	96.0	94.3
Total development and training costs in € million ²	10.2	9.8

¹ Assessment supported either by a digital performance and career development tool or via a paper interview form.

² Definition: Annual costs incurred for development and training activities.

A Key Performance Indicators for Responsible Sourcing and Partnerships	2023	2022
Share of strategic suppliers covered by Business Partner Code of Conduct (as of December 31) in % ¹	98.3	92.8
Share of high-risk production material suppliers which conducted a self-assessment in %	55.8	27.8

¹ Basis: Strategic Supplier List (SSL). Suppliers must meet various requirements to be listed as strategic.

Performance Indicator for Conflict Minerals	2023	2022
Number of non-RMAP compliant smelters and refineries in the conflict minerals supply chain (as of December 31) ¹	29	20

¹ The data basis is formed by the smelters and refineries reported by suppliers via the CMRT in the upstream value chain of all products supplied to Vitesco Technologies. The indicator represents the smelters and refineries that are not RMAP-compliant (compliance status as of December 31).

A Occupational Health and Safety	2023	2022
Certifications for occupational health and safety management systems (ISO 45001), employee coverage (as of December 31) in %	92.0	91.5
Accident rate (number of accidents per million hours worked) ^{1,2}	1.4	1.7

¹ Definition: Number of accidents during working hours per million paid working hours. Counted from more than one day lost, i.e. with at least one day lost beyond the day of the accident.

² Excludes interns, thesis writers, doctoral students, apprentices, dual students, temporary workers, contractors, excludes commuting accidents.

Performance Indicator for Occupational Safety	2023	2022
Number of deaths ¹	0	0

¹ Number of deaths resulting from occupational accidents.

Performance Indicator for Health Protection	2023	2022
Illness rate in % ¹	3.4	3.7

¹ Definition: Absence due to illness in relation to the contractually agreed working time.

Performance Indicators for Business Ethics and Compliance	2023	2022
E-learning Code of Conduct, completion rate in %	82	84
E-learning Compliance Basics, completion rate in %	92	89
Live training Corruption Prevention, completion rate in %	87	82
Live training Antitrust Law, completion rate in %	87	78
Live training Fraud Prevention, completion rate in %	– ¹	82
Contract Manufacturing – Compliance Perspective, completion rate in %	– ²	100
Code of Conduct for Production Employees, completion rate in %	93	77
Live training Quick Savings, completion rate in %	87	–
E-learning Data Protection for Process Owners in the EU, completion rate in %	96	–

¹ The live training Fraud Prevention was replaced in 2023 by the Cyber Fraud Prevention training course, which is the responsibility of the Sustainability & Security Group function.

² The Contract Manufacturing training is part of the Compliance Specialist Trainings. These are offered for specific target groups on request. No Contract Manufacturing training took place in 2023.

Performance Indicator for Product Compliance and Quality	2023	2022
Certifications for quality management systems (ISO 9001 or comparable), degree of employee coverage (as of December 31) in %	98.9	99.5

A Share of Taxonomy-aligned and not Taxonomy-aligned economic activities in total turnover	Turnover in € thousand (2023)	Share in % (2023)
Turnover from Taxonomy-aligned economic activities	27,548	0.30
Turnover from Taxonomy-eligible, not Taxonomy-aligned economic activities	421,930	4.57
Turnover from Taxonomy-non-eligible economic activities	8,783,749	95.13
Total	9,233,227	100

A Share of capital expenditure related to Taxonomy-aligned and not Taxonomy-aligned economic activities in total capital expenditure	Capital expenditure in € thousand (2023)	Share in % (2023)
Capital expenditure related to Taxonomy-aligned economic activities	31,906	4.57
Capital expenditure related to Taxonomy-eligible, not Taxonomy-aligned economic activities	103,379	14.80
Capital expenditure related to Taxonomy-non-eligible economic activities	563,456	80.64
Total	698,741	100

A Share of operating expenditure related to Taxonomy-aligned and not Taxonomy-aligned economic activities in total operating expenditure	Operating expenditure in € thousand (2023)	Share in % (2023)
Operating expenditure related to Taxonomy-aligned economic activities	61,814	8.16
of which operating expenditure for research and development	61,617	8.14
of which operating expenditure for maintenance and repair	197	0.03
Operating expenditure related to Taxonomy-eligible, not Taxonomy-aligned economic activities	338,157	44.65
Operating expenditure related to Taxonomy-non-eligible economic activities	357,352	47.19
Total	757,323	100

Vitesco Technologie has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards. For this purpose GRI 1: Foundation 2021 was used.

GRI Standard and Disclosure		Reference
GRI 2: General Disclosures 2021		
2-1	Organizational details	Company portrait → Organization, strategy and business model → Organizational structure Company portrait → Organization, strategy and business model → Sites
2-2	Entities included in the organization's sustainability reporting	Report profile
2-3	Reporting period, frequency and contact point	Report profile Publication details
2-4	Restatements of information	Report profile
2-5	External assurance	Report profile
2-6	Activities, value chain and other business relationships	Company portrait → Organization, strategy and business model → Group strategy DIRECTION 2030 Company portrait → Organization, strategy and business model → Divisions
2-7	Employees	Fair Work and Diversity → Employee indicators
2-8	Workers who are not employees	Fair Work and Diversity → Employee indicators
2-9	Governance structure and composition	Company portrait → Organization, strategy and business model → Executive Board
2-10	2-10 Nomination and selection of the highest governance body	Annual Report 2023 → Our shareholders → Corporate governance
2-11	Chair of the highest governance body	Annual Report 2023 → Our shareholders → Corporate governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management → Sustainability strategy and materiality assessment → Strategic anchoring Sustainability management → Sustainability strategy and materiality assessment → Sustainability organization Annual Report 2023 → Our shareholders → Corporate governance

GRI Standard and Disclosure	Reference
2-13	Delegation of responsibility for managing impacts Sustainability management → Sustainability strategy and materiality assessment → Sustainability organization
2-14	Role of the highest governance body in sustainability reporting Report profile Sustainability management → Sustainability strategy and materiality assessment → Sustainability Agenda and material topics
2-15	Conflicts of interest Annual Report 2023 → Our shareholders → Corporate governance
2-16	Communication of critical concerns Annual Report 2023 → Our shareholders → Corporate governance
2-17	Collective knowledge of the highest governance body Annual Report 2023 → Our shareholders → Corporate governance
2-18	Evaluation of the performance of the highest governance body Annual Report 2023 → Our shareholders → Corporate governance → Remuneration report
2-19	Remuneration policies Annual Report 2023 → Our shareholders → Corporate governance → Remuneration report
2-20	Process to determine remuneration Annual Report 2023 → Our shareholders → Corporate governance → Remuneration report
2-22	Statement on sustainable development strategy Forewords → Foreword by Andreas Wolf

GRI Standard and Disclosure	Reference
2-23	Policy commitments Forewords → Foreword by Andreas Wolf Forewords → Foreword by Ingo Holstein Company portrait → Organization, strategy and business model → Corporate governance Sustainability management → Sustainability strategy and materiality assessment → Sustainability Agenda and material topics Fair Work and Diversity → Management approach → Objective Fair Work and Diversity → Human rights due diligence Responsible Sourcing and Partnerships → Management approach → Objective Responsible Sourcing and Partnerships → Management approach → Concept Responsible Sourcing and Partnerships → Focus: Conflict minerals Business Ethics and Compliance → Management approach → Concept
2-24	Embedding policy commitments Company portrait → Organization, strategy and business model → Corporate governance Sustainability management → Sustainability strategy and materiality assessment → Sustainability Agenda and material topics Fair Work and Diversity → Human rights due diligence Responsible Sourcing and Partnerships → Management approach → Concept Responsible Sourcing and Partnerships → Focus: Conflict minerals Business Ethics and Compliance → Management approach → Concept
2-25	Processes to remediate negative impacts Fair Work and Diversity → Human rights due diligence Responsible Sourcing and Partnerships → Management approach → Concept Business Ethics and Compliance → Management approach → Concept
2-26	Mechanisms for seeking advice and raising concerns Sustainability management → Sustainability strategy and materiality assessment → Stakeholder involvement Responsible Sourcing and Partnerships → Management approach → Concept Business Ethics and Compliance → Management approach → Concept Business Ethics and Compliance → Continuous development in the area of Business Ethics and Compliance

GRI Standard and Disclosure		Reference
2-27	Compliance with laws and regulations	Resource Efficiency and Circularity → Strategy for operational environmental protection
2-28	Membership associations	Sustainability management → Sustainability strategy and materiality assessment → Representation of interests and political dialog at Vitesco Technologies
2-29	Approach to stakeholder engagement	Sustainability management → Sustainability strategy and materiality assessment → Stakeholder involvement
2-30	Collective bargaining agreements	Fair Work and Diversity → Labor-management relations
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability management → Sustainability strategy and materiality assessment → Sustainability Agenda and material topics
3-2	List of material topics	Sustainability management → Sustainability strategy and materiality assessment → Sustainability Agenda and material topics
3-3	Management of material topics	Clean Mobility → Management approach Climate Protection → Management approach Resource Efficiency and Circularity → Management approach Fair Work and Diversity → Management approach Responsible Sourcing and Partnerships → Management approach Occupational Health and Safety → Management approach Business Ethics and Compliance → Management approach
GRI 201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Reporting

GRI Standard and Disclosure		Reference
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance → Code of Conduct and training
GRI 207: Tax 2019		
207-1	Approach to tax	Business Ethics and Compliance → Tax compliance
207-2	Tax governance, control, and risk management	Business Ethics and Compliance → Tax compliance
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Resource Efficiency and Circularity → Focus: Energy
302-3	Energy intensity	Resource Efficiency and Circularity → Focus: Energy
302-4	Reduction of energy consumption	Resource Efficiency and Circularity → Focus: Energy
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Resource Efficiency and Circularity → Focus: Water
303-3	Water withdrawal	Resource Efficiency and Circularity → Focus: Water
303-4	Water discharge	Resource Efficiency and Circularity → Focus: Water
GRI 304: Biodiversity 2016		
304-2	Significant impacts of activities, products and services on biodiversity	Resource Efficiency and Circularity → Biodiversity

GRI Standard and Disclosure		Reference
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Protection → Management approach → Results
305-2	Energy indirect (Scope 2) GHG emissions	Climate Protection → Management approach → Results
305-3	Other indirect (Scope 3) GHG emissions	Climate Protection → Greenhouse gas emissions in the upstream and downstream value chain (Scope 3)
305-4	GHG emissions intensity	Climate Protection → Greenhouse gas balance (Scope 1 to 3)
305-5	Reduction of GHG emissions	Climate Protection → Measures to reduce greenhouse gas emissions
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Resource Efficiency and Circularity → Focus: Waste
306-2	Management of significant waste-related impacts	Resource Efficiency and Circularity → Management approach → Results Resource Efficiency and Circularity → Focus: Waste
306-3	Waste generated	Resource Efficiency and Circularity → Focus: Waste
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Fair Work and Diversity → Employee indicators
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety → Management approach → Concept Occupational Health and Safety → Management approach → Results

GRI Standard and Disclosure		Reference
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety → Management approach → Concept Occupational Health and Safety → Management approach → Results Occupational Health and Safety → Focus: Occupational safety
403-3	Occupational health services	Occupational Health and Safety → Management approach → Concept Occupational Health and Safety → Management approach → Results Occupational Health and Safety → Focus: Health management
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety → Management approach → Concept Occupational Health and Safety → Focus: Occupational safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety → Management approach → Concept Occupational Health and Safety → Management approach → Results Occupational Health and Safety → Focus: Occupational safety
403-6	Promotion of worker health	Occupational Health and Safety → Focus: Health management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety → Management approach → Concept
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety → Management approach → Results
403-9	Work-related injuries	Occupational Health and Safety → Management approach → Results Occupational Health and Safety → Focus: Occupational safety
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	Fair Work and Diversity → Management approach → Results Fair Work and Diversity → Education and development

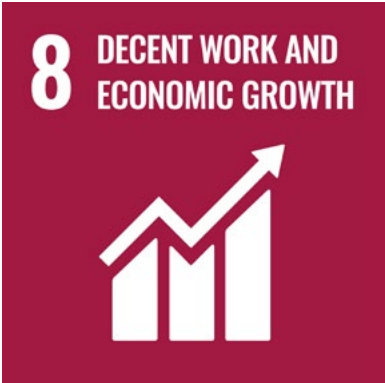


GRI Standard and Disclosure	Reference
404-3 Percentage of employees receiving regular performance and career development reviews	Fair Work and Diversity → Education and development
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Fair Work and Diversity → Employee indicators
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	Responsible Sourcing and Partnerships → Evaluation and monitoring of suppliers
414-2 Negative social impacts in the supply chain and actions taken	Responsible Sourcing and Partnerships → Evaluation and monitoring of suppliers




The following index presents the sustainability activities of Vitesco Technologies described in the Sustainability Report with reference to selected industry-specific reporting disclosures for automotive suppliers (Automotive Parts) of the Sustainability Accounting Standards Board (SASB).

SASB-Topic	Accounting Metric	SASB-Code	Reference
Energy management	Total energy consumed	TR-AP-130a.1	Resource Efficiency and Circularity → Focus: Energy
	Percentage grid electricity		Resource Efficiency and Circularity → Focus: Energy
	Percentage renewable		Climate Protection
Waste management	Amount of total waste from manufacturing	TR-AP-150a.1	Resource Efficiency and Circularity → Focus: Waste
	Percentage hazardous		Resource Efficiency and Circularity → Focus: Waste
	Percentage recycled		Resource Efficiency and Circularity → Focus: Waste
Product safety	Number of recalls and total units recalled	TR-AP-250a.1	–
Development of fuel economy	Sales volumes from products developed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	Clean Mobility Disclosures in accordance with the EU Taxonomy Regulation
Materials sourcing	Discussion of the management of risks associated with the use of critical materials	TR-AP-440a.1	Responsible Sourcing and Partnerships
Materials efficiency	Percentage of sold products that are recyclable	TR-AP-440b.2	–
	Percentages of input materials from recycled or reclaimed materials		–
Anticompetitive practices	Total amount of financial loss resulting from legal actions in connection with anticompetitive practices	TR-AP-520a.1	–
Activity Metric	Number of parts produced	TR-AP-000.A	–
	Weight of parts produced (t)	TR-AP-000.B	–
	Square meterage of manufacturing plants (m ²)	TR-AP-000.C	–

The following index presents the above-described sustainability activities of Vitesco Technologies in the context of the United Nations Sustainable Development Goals (SDGs).

SDG	Reference
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Fair Work and Diversity Responsible Sourcing and Partnerships Occupational Health and Safety
 <p>5 GENDER EQUALITY</p>	Fair Work and Diversity
 <p>6 CLEAN WATER AND SANITATION</p>	Resource Efficiency and Circularity

SDG	Reference
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Fair Work and Diversity
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Clean Mobility Product Compliance and Quality
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Clean Mobility Climate Protection Resource Efficiency and Circularity

SDG	Reference
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Clean Mobility Climate Protection Resource Efficiency and Circularity Responsible Sourcing and Partnerships
 <p>13 CLIMATE ACTION</p>	Clean Mobility Climate Protection Resource Efficiency and Circularity
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Representation of interests and political dialog at Vitesco Technologies Stakeholder involvement Responsible Sourcing and Partnerships

Vitesco Technologies calculates and reports greenhouse gas (GHG) emissions in accordance with the Corporate Accounting and Reporting Standard 2004 and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2011 of the Greenhouse Gas Protocol Initiative (GHG Protocol Initiative). Included in the reporting are all direct GHG emissions caused by its own business activities (Scope 1), indirect GHG emissions from the generation of purchased energy (Scope 2), and GHG emissions from the upstream and downstream value chain (Scope 3). The reporting covers all 15 Scope 3 categories of the GHG Protocol Initiative. Operational control was chosen as the consolidation approach. GHG emissions from companies over which Vitesco Technologies has no operational control are reported in Scope 3 category 15. Vitesco Technologies has generally calculated GHG emissions at the location level using Sphera Cloud – Corporate Sustainability software. A few calculations were also performed at the country or group level. The following documentation includes a description of the data basis, calculation approaches, and assumptions used in the calculation of Scope 3 emissions.

Category 1: Purchased goods and services

Vitesco Technologies uses three calculation approaches in this category: one for purchased production materials, one for purchased finished goods in the context of contract manufacturing, and one for other purchased goods and services.

The calculation approach for purchased production materials is based on internal purchasing data. In addition

to data on the quantity and expenditure of production materials, weight data was used. Vitesco Technologies calculated the purchased weight per material group from the purchase quantities and the material weights. For production materials for which weight information was not available, Vitesco Technologies estimated weight based on expenses. For this purpose, average weights were calculated for each material group. Vitesco Technologies also used a scaling approach to ensure that all weights of sold products were included in the calculation approach. Vitesco Technologies worked with Sphera Solutions GmbH to calculate weight-based emission factors using LCA for Experts (GaBi) software. Besides the materials mix, some of the calculation models also included qualified estimates for manufacturing procedures, scrap rates, energy mixes, and parameters for regionalization. To calculate GHG emissions, Vitesco Technologies assigned a corresponding emission factor to each product group.

Vitesco Technologies calculated GHG emissions from the purchase of finished goods in the context of contract manufacturing based on the expenses incurred. Vitesco Technologies used the previous year's average GHG emissions from the purchase of production materials from selected company-owned sites as the emission factor.

For GHG emissions associated with the purchase of other purchased goods and services, Vitesco Technologies used the expenditures from its internal purchasing system, and assigned the corresponding expenditures to a commodity group. Each commodity group has been

assigned a Defra cradle-to-gate emission factor (Table 13 – Indirect emissions from the supply chain, version 2.0, March 2014). Vitesco Technologies updated the Defra emission factors by the latest inflation and exchange rates. GHG emissions in this category were calculated using the average spend-based methodology and the average-data methodology described in the “Technical Guidance for Calculating Scope 3 Emissions (version 1.0)” (Scope 3 Calculation Guidance) of the GHG Protocol Initiative. Due to the varying timeliness of emission factors, global warming potentials from different Intergovernmental Panel on Climate Change (IPCC) Assessment Reports were used.

Since its last Sustainability Report, Vitesco Technologies has improved its calculation methodology. For this reason, Vitesco Technologies has recalculated the GHG emissions for fiscal 2021 and 2022.

Category 2: Capital goods

GHG emissions in this category include emissions from the purchase of capital goods. For the calculation, Vitesco Technologies determined expenditures for capital goods from its internal purchasing system. Vitesco Technologies grouped the expenditures into eight capital goods groups. Each capital goods group is assigned a Defra cradle-to-gate emission factor (Table 13 – Indirect emissions from the supply chain, version 2.0, March 2014). Vitesco Technologies has updated the Defra emission factors by the latest inflation and exchange rates. GHG emissions in this category were calculated using the spend-based methodology described in the Scope 3 Calculation Guidance. Global

warming potentials from the IPCC Second Assessment Report were used.

Category 3: Fuel- and energy-related emissions (not included in Scope 1 or 2)

In line with Scope 1 and Scope 2 reporting, Vitesco Technologies has used the energy consumption of all sourced energy at relevant production and development sites to calculate GHG emissions for this category. For the calculation, Vitesco Technologies used Well-to-Tank emission factors from Defra (as of September 2021 & 2022), the GHG Protocol Initiative (Cross Sector Tool, August 2012), and the IEA (as of December 2022). Vitesco Technologies also assigned a transportation and distribution emission factor to pipeline-based fuels and grid connected electricity in addition to the Well-to-Tank emission factor. GHG emissions in this category were calculated using the average data method described in the Scope 3 Calculation Guidance. Global warming potentials from the IPCC Fourth and Fifth Assessment Reports were used.

Category 4: Upstream transportation and distribution

GHG emissions in this category include shipments of production materials between suppliers and Vitesco Technologies, shipments to customers paid for by Vitesco Technologies, and expenditure on distribution services.

For their calculation, Vitesco Technologies evaluated shipment reports from freight service providers at each site. The shipment reports include GHG emissions

calculated by the service providers on the one hand and expenditures, weight, and geographic information on the other. In the case of shipments for which calculated emissions were not available, Vitesco Technologies assigned appropriate Defra emission factors (as of September 2021; Well-to-Wheel; excluding cloud formation for air freight). For shipments paid for by Vitesco Technologies that were not included in the shipping reports evaluated, Vitesco Technologies used the expenses incurred. These were multiplied by a weighted emission factor determined from shipping reports.

For shipments paid for by suppliers, Vitesco Technologies used the material weight that was not covered by the transportation paid for by Vitesco Technologies. For this calculation, Vitesco Technologies used a qualified estimate to convert between gross and net weights. In addition, Vitesco Technologies used distribution services expenditures to calculate emissions. Expenditure has been assigned a cradle-to-gate emissions factor from Defra (Table 13 – Indirect emissions from the supply chain, version 2.0, March 2014). Vitesco Technologies has updated the Defra emission factors by the latest inflation and exchange rates. GHG emissions for this category were calculated using the distance-based and spend-based methodologies described in the Scope 3 Calculation Guidance. Due to the different timeliness of emission factors, global warming potentials from various IPCC Assessment Reports were used.

Category 5: Waste generated in operations

To calculate GHG emissions for this category, Vitesco Technologies used waste and wastewater data reported

by relevant production and development sites. Waste volumes were grouped into different waste categories. Vitesco Technologies assigned a Defra emission factor (as of September 2022) to each waste category and each wastewater volume. For non-relevant production and development sites, Vitesco Technologies used the average emissions per employee from relevant development sites. GHG emissions from this category are calculated using the waste-type-specific method described in the Scope 3 Calculation Guidance. Global warming potentials from the IPCC Fifth Assessment Report were used.

Category 6: Business travel

The GHG emissions in this category represent global emissions from business travel. Vitesco Technologies obtained previously calculated GHG emissions for flights and rail travel at the country level from travel agencies. From the data, Vitesco Technologies also determined the number of hotel nights. In addition, GHG emissions calculated by vehicle rental agencies were provided. For hotel nights, Vitesco Technologies calculated its own emission factor based on Defra emission factors (as of September 2022). For flights, rail travel, car hire and hotel stays, the share of total travel activity provided by service providers was estimated. These factors were used to scale emissions. For countries without data availability, Vitesco Technologies calculated an average emission factor and multiplied it by the number of employees in each country. Emissions provided by service providers were based on the fuel-based and distance-based methods, as well as the average-data method described in the Scope 3 Calculation

Guidance. The calculation of GHG emissions from hotel stays and emissions in countries without no or incomplete data availability is based on the average data method. The global warming potentials from the IPCC Fifth Assessment Report were used.

Category 7: Employee commuting

This category comprises GHG emissions from employees commuting between home and work. To determine employee commuting patterns, Vitesco Technologies conducted a representative global survey in July 2023. From the results of the survey, commute profiles were determined at different levels (global, regional, country-specific and for selected sites). Each site was assigned a corresponding commute profile. Each commute profile consists of the average commute per employee and mode of transport (zero-emissions, different vehicles, different means of public transport). Commuting includes both regular commuting between home and work and regular additional commuting (e.g., for traveling home to the family every week). In calculating the commuting distance, the distances between home and workplace and the average days worked at the site were considered. Employees could choose up to two modes of transportation for their daily commute. By multiplying the average commutes per mode and the number of employees, Vitesco Technologies calculated the total commute distance per mode. Vitesco Technologies used appropriate Defra emission factors (as of September 2022) to calculate emissions. GHG emissions from transport use were calculated using the distance-based method described in the Scope 3 Calculation Guidance.

The global warming potentials used were from the IPCC Fifth Assessment Report.

Category 8: Upstream leased assets

Vitesco Technologies reports GHG emissions from upstream leased assets under Scope 1 and Scope 2 emissions. In fiscal 2022 and 2023, Vitesco Technologies had no upstream leased assets that fall under Scope 3 reporting.

Category 9: Downstream transportation and distribution

To calculate GHG emissions for this category, Vitesco Technologies used the freight weight of transportation paid for by customers. Vitesco Technologies determined the freight weight from the difference between the shipping weights of products sold and the shipping weights of shipments to customers paid for by Vitesco. Vitesco Technologies used a qualified estimate for the packaging weight of shipments. To calculate emissions, Vitesco Technologies determined, from published reports from selected customers, the average emissions from upstream transportation and distribution (Category 4) per vehicle. From this data, Vitesco Technologies calculated a weighted emission factor based on vehicle mass. For the calculation, Vitesco Technologies determined the average vehicle weight based on the International Council on Clean Transportation (ICCT) study “A Global Comparison of the Life-Cycle Greenhouse Gas Emissions of Combustion Engine and Electric Passenger Cars” published in 2021. On a smaller scale, Vitesco Technologies estimated the product weight of non-relevant sites using the average product weights per

sales of relevant production sites. In general, the calculated GHG emissions used are based on the distance-based method.

Since its last Sustainability Report, Vitesco Technologies has improved its calculation methodology. For this reason, Vitesco Technologies has recalculated the GHG emissions for fiscal 2021 and 2022.

Category 10: Processing of sold products

To calculate GHG emissions for this category, Vitesco Technologies used weight quantities of products sold. From published reports of selected customers, Vitesco Technologies determined the average market-based Scope 2 emissions per vehicle. From this data, Vitesco Technologies calculated a weighted emission factor based on vehicle mass. For the calculation, Vitesco Technologies determined the average vehicle weight based on the ICCT study “A Global Comparison of the Life-Cycle Greenhouse Gas Emissions of Combustion Engine and Electric Passenger Cars” published in 2021. On a smaller scale, Vitesco Technologies estimated the product weight of non-relevant sites based on the average product weights per sales of relevant production sites.

Since its last Sustainability Report, Vitesco Technologies has improved its calculation methodology. For this reason, Vitesco Technologies has recalculated the GHG emissions for fiscal 2021 and 2022.

Category 11: Use of sold products

To calculate GHG emissions for this category, Vitesco Technologies used weight quantities of products sold.

In addition, Vitesco Technologies used sales data from internal systems. From the sales data, Vitesco Technologies determined the product mix per vehicle type (passenger cars, commercial vehicles, etc.), powertrain (internal combustion, hybrid, and battery-electric vehicles) and sales regions (Europe, Asia, Americas). From the product mix and weight quantities of sold products, Vitesco Technologies calculated the weight per region and vehicle technology. Vitesco Technologies calculated an emission factor for each product category. To calculate the emission factor for passenger cars and light commercial vehicles, Vitesco Technologies used region- and technology-specific parameters (mileage, weight, average fuel consumption, etc.) from the ICCT study “A Global Comparison of Life-Cycle Greenhouse Gas Emissions of Combustion Engine and Electric Passenger Cars” published in 2021. From this data, Vitesco Technologies determined a region-specific mileage between 240,000 and 330,000 km, a region-, technology-, and energy carrier-specific average consumption between 3.1 and 8.9 l/100 km, and a region- and technology-specific electricity demand between 0 and 21.3 kWh/km. For petrol and diesel consumption, Vitesco Technologies used corresponding Defra emission factors (as of September 2022). For electricity consumption, Vitesco Technologies calculated region- and energy source-specific emission factors. For this purpose, Vitesco Technologies used energy data from the IEA’s World Energy Outlook (WEO) 2022 and Defra emission factors (September 2022). Vitesco Technologies used the IEA’s STEPS (Stated Policies Scenario) to forecast emission factors over the useful life of the vehicles. The calculated emission factors over the utilization peri-

ods were between 64 and 171 g CO₂e/kWh. For other vehicle technologies, Vitesco Technologies determined qualified estimates for utilization periods, weights, and average consumption. In addition, Defra emission factors (September 2022) were assigned to these vehicle technologies to convert average consumption to emissions. On a smaller scale, Vitesco Technologies estimated the product weight of non-relevant sites using the average product weights per sales of relevant production sites. Global warming potentials from the IPCC Fifth Assessment Report were used.

Since its last Sustainability Report, Vitesco Technologies has improved its calculation methodology. For this reason, Vitesco Technologies has recalculated the GHG emissions for fiscal 2021 and 2022.

Category 12: End-of-life treatment of sold products

To calculate the GHG emissions of this category, Vitesco Technologies used the weight quantities of sold products. The emission factor used by Vitesco Technologies was modeled in cooperation with experts from Sphera Solutions GmbH using LCA for Experts (GaBi) software. The model generally assumes disposal of all materials used in vehicles. For certain materials (e.g., aluminum, copper, steel, etc.), it is assumed that they can be recycled at the end of life of the vehicles. Emissions were calculated by multiplying the product weights by the emission factor. On a smaller scale, Vitesco Technologies estimated the product weight of non-relevant sites using the average product weights per sales of relevant production sites. Global warming potentials from the IPCC Fourth Assessment Report were used.

Since its last Sustainability Report, Vitesco Technologies has improved its calculation methodology. For this reason, Vitesco Technologies has recalculated the GHG emissions for fiscal 2021 and 2022.

emissions data. Emissions were calculated using the investment-specific method described in the Scope 3 Calculation Guidance.

Category 13: Downstream leased assets

Vitesco Technologies reports GHG emissions from downstream leased assets under Scope 1 and Scope 2 emissions. In fiscal 2022 and 2023, Vitesco Technologies had no downstream leased assets that fall under Scope 3 reporting.

Category 14: Franchises

Vitesco Technologies did not operate franchises in fiscal 2022 and 2023.

Category 15: Investments

The GHG emissions in this category represent proportional GHG emissions from relevant associated companies, joint ventures, and other investees. Vitesco Technologies has defined the threshold as a shareholding of at least one percent of the capital. For calculating these emissions, Vitesco Technologies determined the revenue as well as the Scope 1 and market-based Scope 2 emissions of the investees from the previous year. Vitesco Technologies allocated the emissions determined for the investee companies on a percentage basis using the share of capital. For investees for which Scope 1 and Scope 2 emissions could not be determined, Vitesco Technologies used the investees' prior-year revenue. Vitesco Technologies multiplied the proportional revenue by the average emissions per revenue of investee companies with the available

GRI 2-3

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