



Environmental, Social & Governance

Report 2023

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Introduction



Message from Our CEO

Dear reader,

I am pleased to present the 2023 Yanfeng Environmental, Social and Governance (ESG) Report. This report summarizes our performance globally in key areas including the environment, labor and people, supply chain, and governance. Yanfeng's commitment to sustainability in all areas of our business remains steadfast. In 2023, we continued to make strides in our sustainability strategy and our journey to net-zero emissions. This is evidenced in multiple ways – in our products, our design and manufacturing processes, our locations and support of local communities, but most importantly our people. Our people are the foundation for sustainability. It is enabled through their focus.

Employees at our technical centers around the world are ideating and developing new processes and products that are lightweight and use fewer resources. In all Yanfeng locations globally, our teams embrace a culture of safety and integrity, sustained through continuous learning, and a commitment to human rights and favorable working conditions. In our plants, we look to leverage renewable energy. We also are engaged with various organizations that help Yanfeng reach our objectives, advance our strategy, and provide more transparency in reporting related to the environment, supply chain and, human rights.

“Our people are the foundation for sustainability.”

Zang Chungao

In April 2024, Zang Chungao was named CEO of Yanfeng International. He most recently served as the Yanfeng International Deputy CEO.



Examples include the Carbon Disclosure Project (CDP), EcoVadis, Science Based Targets initiative (SBTi), Responsible Supply Chain Initiative (RSCI), and the United Nations Global Compact (UNGC). Yanfeng reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment, and anti-corruption. Throughout our ESG report, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations and contribute to United Nations goals, particularly the Sustainable Development Goals. Over the course of 2023, the global Yanfeng team achieved multiple milestones. One area was net-zero emissions. Our key focus areas for net-zero emissions include carbon management, climate and nature, green manufacturing, and the use of renewable energy. A total of 38% of our global energy consumption used green energy in our wholly owned

businesses. We also were honored to receive an A minus score from CDP (Climate Change) for the third consecutive year. To earn an A score, companies must show environmental leadership, disclose climate action, and demonstrate best practice. In the design, development, and manufacture of our seating, interiors, and safety systems products, we increased the global procurement of recycled resin by 14% vs. 2022. Our internal teams developed 23 new sustainable materials, including recyclable and bio-based materials in-house for production. We also continue to bring eco-friendly products to market. In 2023, we introduced a low-carbon seat concept, Reco Seat, which provides a 40% improvement in product carbon emissions vs. conventional seating. One of Yanfeng's most successful sustainable solutions is our Compression Hybrid Molded (CHyM) process, which is based on renewable natural fibers. Through the end of 2023, it was used in more than 14 million interior

products globally and helped save 3.3 million kilograms of plastics. We launched production of four CHyM applications in an instrument panel at the end of 2023. These large panels not only leverage sustainable materials and reduce weight, but also contain technology to manage seamless airbag doors in high-heat environments. Our global supply chain is critical. We make our supply base accountable to the same standards we ourselves adhere to in the areas of environmental performance, human rights, and working conditions. We continually monitor for risk. To oversee our ESG strategy, commitments, and actions, we have a global VP of Sustainability and a governance structure in place to ensure we have our ESG impact in view and that we create value for our key stakeholders. I am proud of the accomplishments and progress of the global Yanfeng team and look forward to even more in 2024.

Thank you for taking the time to learn more about Yanfeng's journey to net-zero emissions, our sustainability strategy, our commitment to human rights, and all that we are doing in the area of ESG.

Sincerely,
Zang Chungao
CEO, Yanfeng International



“I am proud
of the
accomplishments
of the global
Yanfeng team.”

About Yanfeng

Yanfeng International Automotive Technology Co. Ltd. (Yanfeng), with headquarters in Shanghai, China, is a leading automotive supplier. Within our wholly owned global businesses we develop, manufacture, and market automotive interior, seating, and passive safety solutions for all major automotive manufacturers in the world.

119

Sites

\$15.51B

Revenue in 2023

38%

Renewable electricity in use

18

Countries

45,000+

Employees

329,034 t CO₂e

Corporate carbon footprint Scopes 1 & 2

Core Product Lines of Wholly Owned Businesses

Interiors

- Cockpits & instrument panels
- Door panels
- Floor consoles
- Overhead consoles/trim
- Deco
- Air vents



Seating

- Complete seat
- Mechanisms
- Structures
- Components



Passive Safety

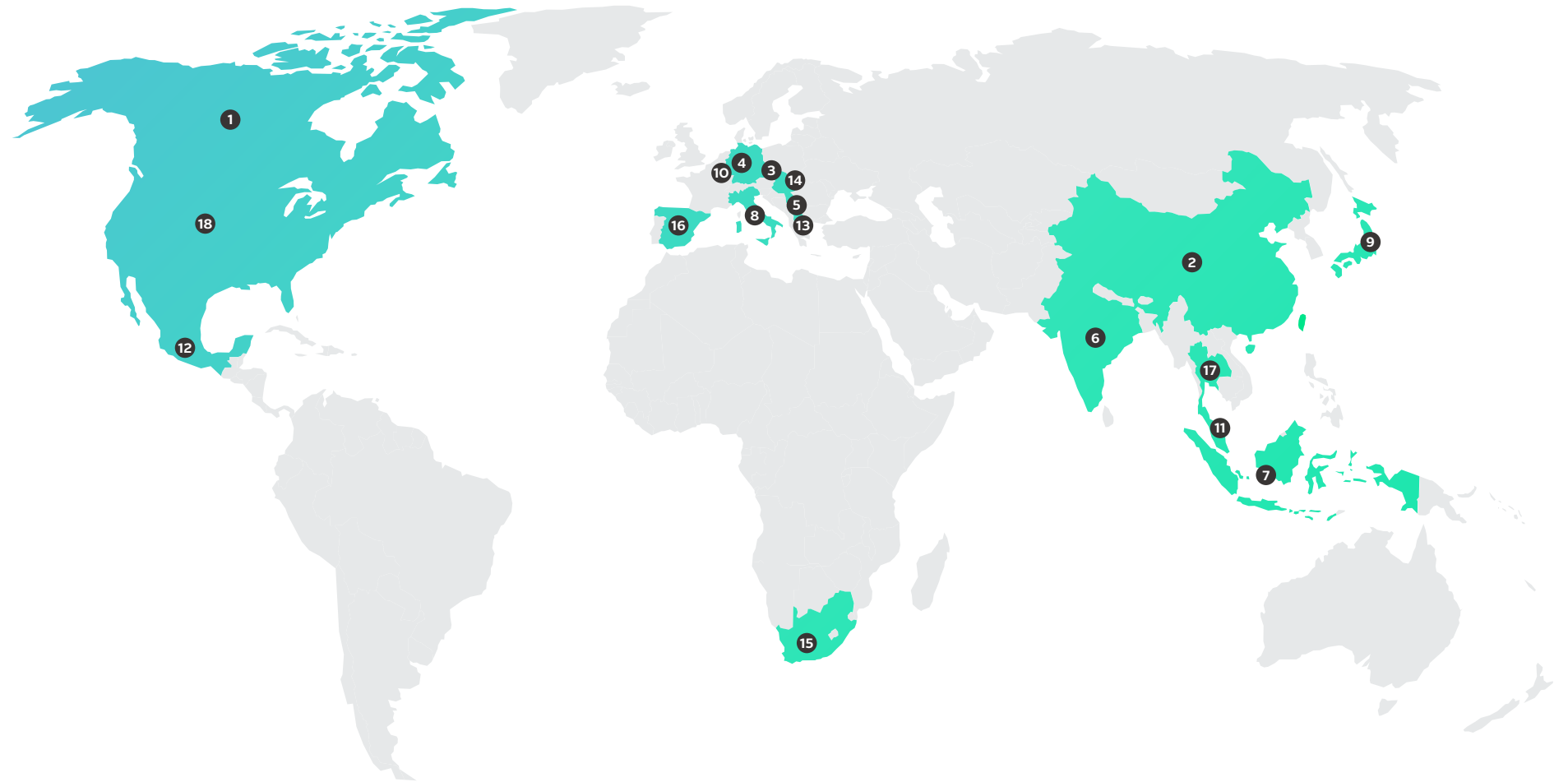
- Steering wheels
- Air bags
- Seat belts
- Restraint systems



Integrated and Innovative Solutions

Yanfeng is one of the only automotive interiors and seating suppliers that can combine and integrate a broad passive safety product portfolio into the vehicle interior. This means, wherever the passenger is seated, Yanfeng is developing advanced, integrated system solutions. Our cost-competitive solutions drive performance and create a consumer experience that will lead the industry. Further examples of our integrated, cross-product line innovative solutions are:

- **Seat and Safety**
- **Interiors and Safety**
- **Smart Steering Wheel**



- | | | | |
|------------------|---------------|-----------------|-------------|
| 1 Canada | 6 India | 11 Malaysia | 16 Spain |
| 2 China | 7 Indonesia | 12 Mexico | 17 Thailand |
| 3 Czech Republic | 8 Italy | 13 Serbia | 18 USA |
| 4 Germany | 9 Japan | 14 Slovakia | |
| 5 Hungary | 10 Luxembourg | 15 South Africa | |

About This Report

This is our annual Sustainability Report. The data within this report is related to the wholly owned businesses of Yanfeng (Interiors, Seating, Safety Systems). The report captures Yanfeng's progress on our sustainability activities within the reporting period of January 1 through December 31, 2023. If you have questions regarding this report, please contact sustainability@yanfeng.com.

Transparency Disclosure

We believe that transparency is not only a vital part of corporate governance, but also the foundation to build trust with key external stakeholders and our employees. This is especially important when it comes to Yanfeng's sustainable future business ambitions. Therefore, we are transparent not only in our ambitious targets, but also our business practices and processes by participating in various ESG disclosure initiatives such as:

- **Carbon Disclosure Project (CDP)**
- **EcoVadis**
- **SAQ 5.0**
- **Science Based Targets initiative (SBTi)**
- **Responsible Supply Chain Initiative (RSCI)**
- **United Nations Global Compact (UNGC)**





Gunnar Büchter

Vice President Global Sustainability

2023 was a challenging year for the automotive industry. However, facing global challenges did not stop our focus on sustainability milestones and activities, led by Gunnar Büchter, our Vice President of Global Sustainability. We spoke to Gunnar about his view on our key achievements in 2023, activities that made a difference, and why our employees have been sent on a learning journey that continues in 2024.

“From ambition to execution!”

Gunnar, in one statement, how would you summarize our 2023 sustainability activities?

From ambition to execution! To give you a little background on this statement: We have reached a status where we are able to realize our ambitious sustainability goals on the basis of predefined processes. Let me provide an example. Sustainability has been anchored within our innovation and customer quoting process, so that programs coming to the market in 2025 and 2026 already incorporate carbon-optimized materials. Over the course of 2023, this became a measurable process in that global procurement of recycled resins was 14% higher and individual products even saw a decrease in their carbon dioxide equivalents* (CO₂e).

Carbon-optimized materials are one influencing factor within the environmental strategy of Yanfeng. Gunnar, what are other activities that made a difference in 2023?

Our Interiors business used to be the carbon reduction pioneer within Yanfeng, as our short-term science-based emission reduction targets for Interiors were verified in 2023 by

the Science Based Target initiative (SBTi). This is not enough. To have a strongly positive overall environmental impact as a corporation, our Seating and Safety Systems businesses also adapted our established processes and initiatives and learned from work that was done in Interiors. This enables us as a corporation to collaboratively and consistently work on the improvement of our corporate carbon footprint (CCF) and reach our net-zero emissions target by 2050. The topic of sustainability is not just about the environment. It is also about social and governance aspects. We can only be successful long term if the impact of our business activities as well as those of our suppliers are in compliance with human rights regulations. One example from 2023 for making a difference within our global supply chains is our activities within the Responsible Supply Chain Initiative (RSCI). We have trained 11 Yanfeng auditors in North America, Europe, and Asia-Pacific, who are certified to audit our suppliers globally with a strong focus on human rights. This activity also enables us to be compliant with upcoming regulations like the German Act on Corporate Due Diligence Obligations in Supply Chains.

What role do Yanfeng’s employees play in reaching the company’s sustainability goals?

To be successful long term in our sustainability ambitions, we must make sure that our employees are educated on this crucial topic. We have to increase their awareness about the seriousness of the environmental situation, their understanding of Yanfeng’s sustainability direction, and get their support in realizing our roadmaps. Therefore, in 2023 we created an online sustainability learning journey based on different trainings to create for every employee a common understanding. The first of those sustainability trainings was rolled out in 2023, and the next courses will become available in 2024. I am very much looking forward to those trainings as a foundation for the coming years on our pathway from ambition to execution.

*A carbon dioxide equivalent or CO₂e is a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP). This is done by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

2023 Awards

These are the awards Yanfeng received within the area of people, diversity and the environment:



Jim Bos receiving Executive of the Year award from MMSDC

2024 Top Employer in China Award

- 2024 Top Employer in China Award



Top Employer in China Award

Supplier Diversity Awards

- Michigan Minority Supplier Development Council (MMSDC) Executive of the Year (Jim Bos – retired)
- Michigan Minority Supplier Development Council Corporation of the Year
- Great Lakes Women's Business Council (WBNC) Excellence in Supplier Diversity Award



WBNC Excellence in Supplier Diversity Award



MMSDC Corporation of the Year Award

Environmental Sustainability Awards

- Gasgoo Award: Best Low-Carbon Practice Enterprise for Yanfeng Seating
- 2023 National Green Factory in China Award for Yanfeng Interiors Jinqiao Plant
- 2023 Climate Leadership Award from CDP China



Gasgoo Award



CDP Climate Leadership Award

2023 Highlights

Yanfeng had many environmental, social, and governance-related accomplishments and milestones in 2023. Here are the key highlights:



Health & Safety

- 92 sites ISO 45001-certified, compliant for Operational Health & Safety.
- Total EHS Prevention Action Rate* increased 5% compared to 2022.

*The rate reflects how many preventive actions one employee has done in one year.



Preventing workplace safety incidents is our top focus.

Community Involvement & Charitable Giving

- Supported 79 local non-profit organizations around the world.
- Employees helped to raise more than \$318,000 to support charitable organizations and activities.

Talent Development & Recognition

- 441 employees participated in Yanfeng's global leadership development programs (PLDP/OLDP/SLDP).
- Management awarded 41 individual employees and 25 internal teams with the highest honor of distinction for the 2023 annual awards.

Governance & Supply Chain Transparency

- Seating and Safety Systems business units defined two new Global Sustainability Council members.
- 11 auditors are trained and certified to conduct assessment for the Responsible Supply Chain Initiative (RSCI) in Asia-Pacific, Europe and North America.

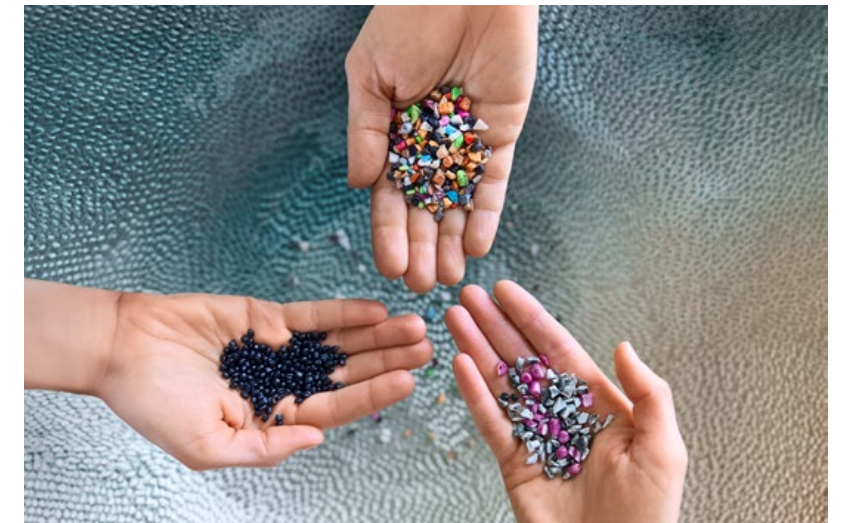
Sustainable Materials

- Increased global procurement of recycled resin by 14% vs. 2022.
- Developed 23 new sustainable materials in-house in 2023 (including recycled and bio-based materials).

Net-Zero Emissions Activities

- SBTi verification of Interiors business's short-term goals.
- Third consecutive A minus score from CDP (climate change).
- 38% of global energy consumption uses green energy.

We are constantly increasing our use of recycled materials.



Material Topics

In 2023, Yanfeng for the first time conducted a double materiality analysis to define the material topics for the company. This was done to help us prepare for the upcoming European Corporate Sustainability Reporting Directive (CSRD). Within our assessment we focused on the following two dimensions:

The potential negative or positive impact Yanfeng has in the areas of environment and social aspects (inside-out perspective/impact materiality)

The potential negative or positive impact of environment and social aspects on Yanfeng (outside-in perspective/financial materiality)

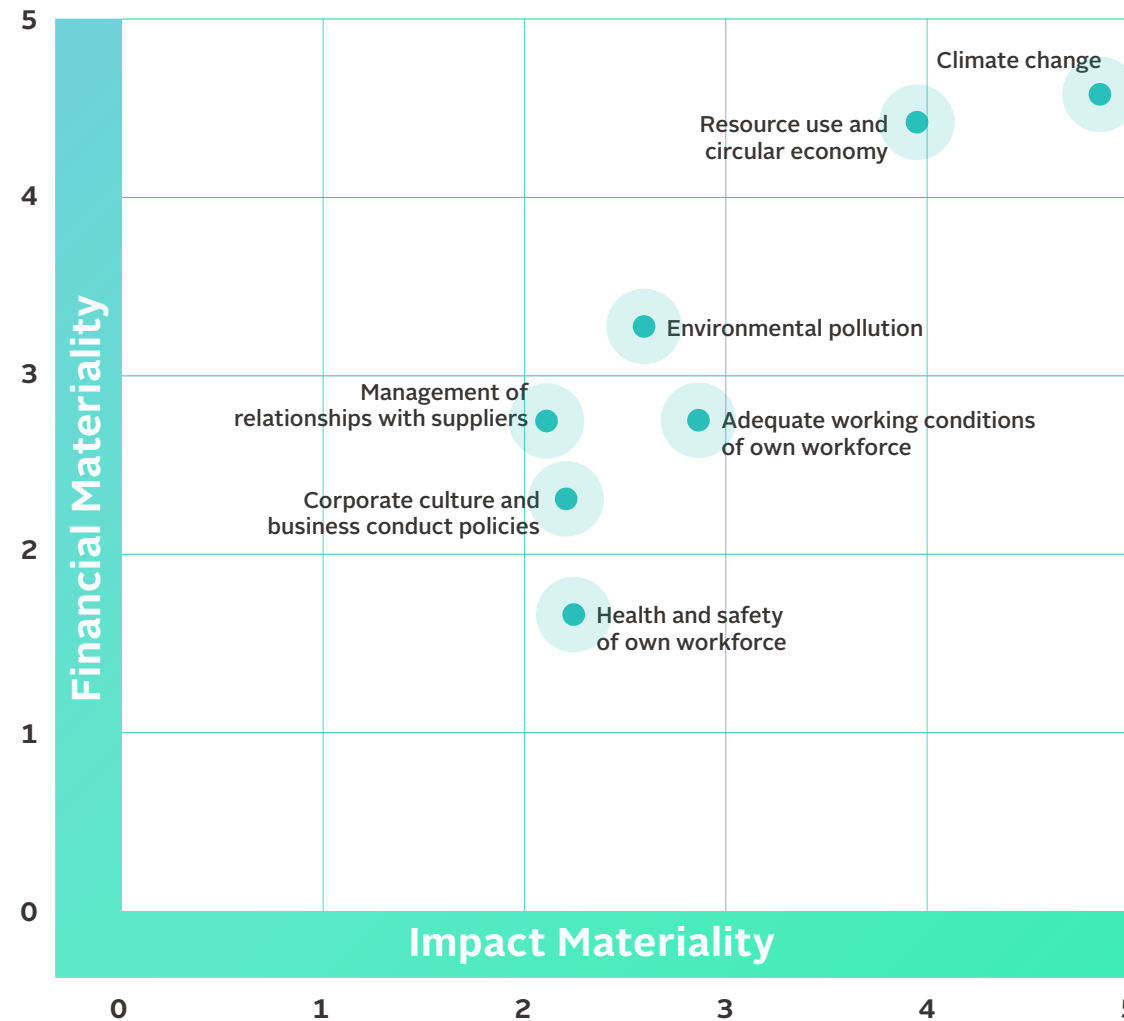
The methodology that we used to prioritize our impact and financial materiality included context reviews (e.g. media and document analysis) in addition to various benchmark reviews (competitor and customer benchmarks). We also involved internal and external key stakeholders by conducting expert interviews and an online survey. Stakeholders we engaged with were customers, suppliers, business partners, science and trade association representatives, consultants, employees, and employee representatives.

7

material topics were identified in 2023.

For the 2023 report, the final prioritized seven material topics are used as the basis for our Global Reporting Initiative (GRI) section and are related only to our EU-member locations, starting on page 61.

2023 Double Materiality Matrix





E

Environmental

Climate Change



With an unyielding dedication to sustainability, we rigorously uphold our pledge to operate our business in a manner that deeply respects and actively contributes to environmental stewardship. This comprehensive commitment permeates every aspect of our activities, from the design of products, the materials we use, manufacturing processes, the conservation of energy and natural resources, to the control measures over waste and pollution.

We have set up our goals towards net-zero emissions through different approaches, including carbon management, green manufacturing, renewable energy, and climate risk management.

Our goal is to reduce corporate carbon emissions to mitigate the effects of climate change on the environment and future generations.

2023 Key Achievements

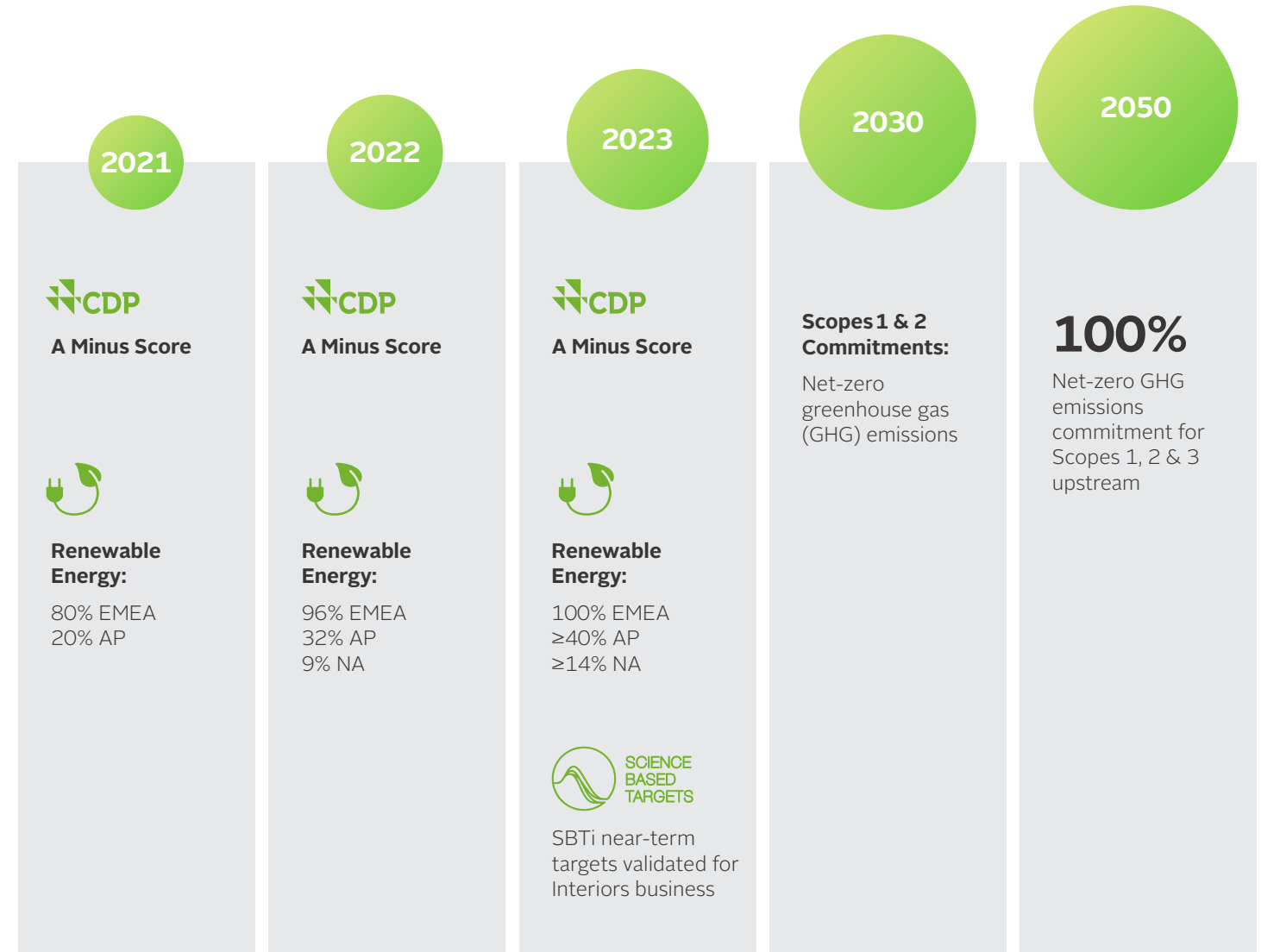
- We received an A minus CDP score for 2023, which is in the Leadership band. This is higher than the Asia regional average of C, and higher than the plastic product manufacturing sector average of C.
- In 2022, our Interiors business submitted its long- and short-term commitments to net-zero emissions to the Science Based Targets initiative (SBTi). The short-term strategy was approved by SBTi in 2023.

Our Roadmap to Net-Zero Emissions

The latest climate science sends a clear warning that we must dramatically curb temperature rise to avoid the immense impacts of climate change. Science also shows that companies must act quickly and reduce their greenhouse gas (GHG) emissions as the main influencing factor to prevent climate change's worst effects. To support this goal, in 2019 Yanfeng launched its carbon reduction strategy with a target of achieving net-zero emissions by 2030 for Scopes 1 and 2 and for Scope 3 upstream by 2050. In 2023, we committed to the SBTi decarbonization targets of a 50% reduction from 2019 levels in Scopes 1 and 2 by 2030 and a 27.5% reduction in Scope 3 upstream for our Interiors business.



3rd
consecutive A Minus
score by CDP
(Climate Change)



Net-Zero Emissions Strategy

We have laid out a multi-dimensional strategy to reach net-zero emissions; it incorporates various methods such as carbon management, green manufacturing, renewable energy utilization, and climate risk mitigation. Our commitment to sustainability drives us to implement rigorous carbon management protocols, focusing on quantifying, minimizing, and neutralizing our carbon footprint via process enhancements and innovative solutions.

Central to this effort is the integration of green manufacturing practices, which entail optimizing resource efficiency, minimizing waste, and prioritizing eco-friendly materials in our production processes. This transformation reduces environmental harm and enhances energy efficiency by embracing cleaner manufacturing techniques and equipment compliant with the highest sustainability standards. Transitioning to renewable energy sources plays a pivotal role in our net-zero pursuit. We are actively shifting our energy portfolio toward solar, wind, hydroelectric, and other renewable energies, thereby

lessening dependence on fossil fuels and curbing greenhouse gas emissions from energy generation.

Climate risk management is integral to our strategy, as we identify and address potential threats to our operations, supply chains, and infrastructure due to climate change. This involves proactively adapting and fortifying our systems against climate extremes, diversifying sourcing strategies, and engaging in partnerships supportive of low-carbon economies.

Our comprehensive approach to reaching net-zero emissions demonstrates our enduring commitment to global climate goals and a sustainable future, while ensuring economic resilience and corporate social responsibility.

38%

renewable electricity used globally.



Carbon Management

- Promote Carbon Emissions Tracking System (CETS)
- Enhancement of Data Quality and Governance



Climate & Nature

- Climate Risk and Management



Green Manufacturing

- Pollution and Waste
- Opportunities in Clean Technologies



Renewable Energy

- Self-Built Roof Solar
- Energy Storage

Key Focus Areas to Support Our Net-Zero Emissions Strategy

Carbon Management

In 2022, we launched Yanfeng's Carbon Emissions Tracking System (CETS), which aims to monitor the impact of the actions defined and track the progress of our activities related to sustainability. This approach ensures a consistent and uniform data collecting process that can be used for both internal monitoring and as a basis for external reporting to organizations such as the Carbon Disclosure Project (CDP).

The CETS covers all scopes defined by the GHG project and track science-based targets, further emphasizing our commitment to reducing carbon emissions. Additionally, the system is in compliance with third-party audit requirements, providing transparency and accountability for our sustainability efforts.

In 2023, the CETS was connected to 119 Yanfeng wholly owned sites around the world. The system links to the carbon emissions factor database that Yanfeng has integrated with the 3,100+ applicable factors out of the 40,000+ global authoritative factors. Through data accumulation, it derives the unique Yanfeng carbon emissions factors as well as collecting data on major raw materials, accessories, and energy sources, which can improve accuracy in the tracking of corporate carbon footprints (CCF).

The CETS provides efficient data support for us to establish a sustainable value chain, promote the whole life cycle emissions reduction of upstream and downstream enterprises in the supply chain, and realize cost reductions, efficiency enhancement, and scientific emissions reductions.

We have been calculating our CCF, including Scopes 1, 2, and 3 upstream emissions, yearly on a global scale since 2020. The applied accounting standard for the carbon footprint was the GHG Protocol Corporate Accounting and Reporting Standard. To contribute to the transition to a net-zero emissions economy, we aim to reduce our emissions in line with climate science.



Example of our CETS software

119

of our plants around the world
are connected to CETS.

Yanfeng Corporate Carbon Footprint (CCF) for Scopes 1 & 2

The chart below shows the global Scope 1 and Scope 2 CO₂ emissions for Yanfeng (Interiors, Seating, Safety Systems) for the calendar year 2023. Analyzing our data in-house provides us the

opportunity to precisely define those factors and pain-points that need to be improved in the short and medium term to realize our path towards net-zero emissions.

Scope According to GHG-Protocol	Unit	Interiors	Seating	Safety Systems	Grand Total
Scope 1	t CO₂e	36,297	10,012	846	47,156
1.1 Stationary Combustion	t CO ₂ e	28,737	5,474	76	34,286
1.2 Mobile Combustion	t CO ₂ e	5,568	355	49	5,971
1.3 Process Emissions	t CO ₂ e	213	3,887	9	4,110
1.4 HFC and PFC Emissions from Refrigeration	t CO ₂ e	1,779	297	713	2,789
Scope 2	t CO₂e	210,156	68,248	3,474	281,878
2.1 Purchased Electricity*	t CO ₂ e	204,450	63,993	3,474	271,917
2.2 Purchased Steam and Heat	t CO ₂ e	5,707	4,255	0	9,961
Grand Total Scopes 1 and 2	t CO₂e	246,453	78,260	4,320	329,034
	%	75	24	1	100

* Market-based | HFC = Hydrofluorocarbon | PFC = Perfluorocarbon

329,034 t CO₂e

corporate carbon footprint Scopes 1 & 2

Besides calculating the CCF in-house with our CETS tool, we also focus on calculating and optimizing the product carbon footprint (PCF). The product PCF is determined mainly through product design and covers the complete product life cycle. To measure the improvements, we used tools that meet industry standards and are accepted by our customers.

The main tool used for PCF calculation is iPoint (using secondary and also primary data from the supply chain). This system is capable of creating highly professional reports, comparing different product concepts, and assessing not only carbon footprint (based on ISO 14067, IPCC-GWP 100Y, and others) but also other environmental impacts of Yanfeng's products (e.g. evaluate changes in soil/nature due to acidification, eutrophication factors, and others).

Energy

Renewable energy sources such as solar, wind, and hydro power can reduce the carbon footprint, save money on energy costs, and promote a sustainable future. Committed to contributing to a more sustainable future, Yanfeng has established a comprehensive energy strategy of decarbonizing via three key methods:

- Green energy purchasing
- Rooftop solar projects
- Carbon offset opportunities

These methods allow Yanfeng to generate its own clean, renewable energy, reduce reliance on fossil fuels, and lower carbon emissions. By investing in renewable energy, Yanfeng is leading the way to achieve net-zero emissions and balance out its carbon footprint and inspire the industry value chain to follow suit.

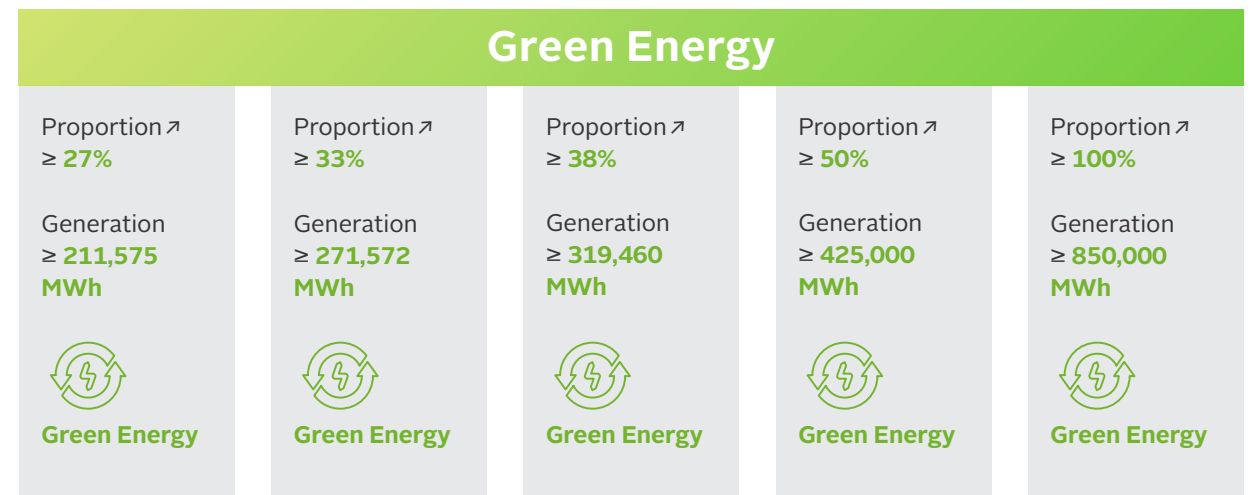
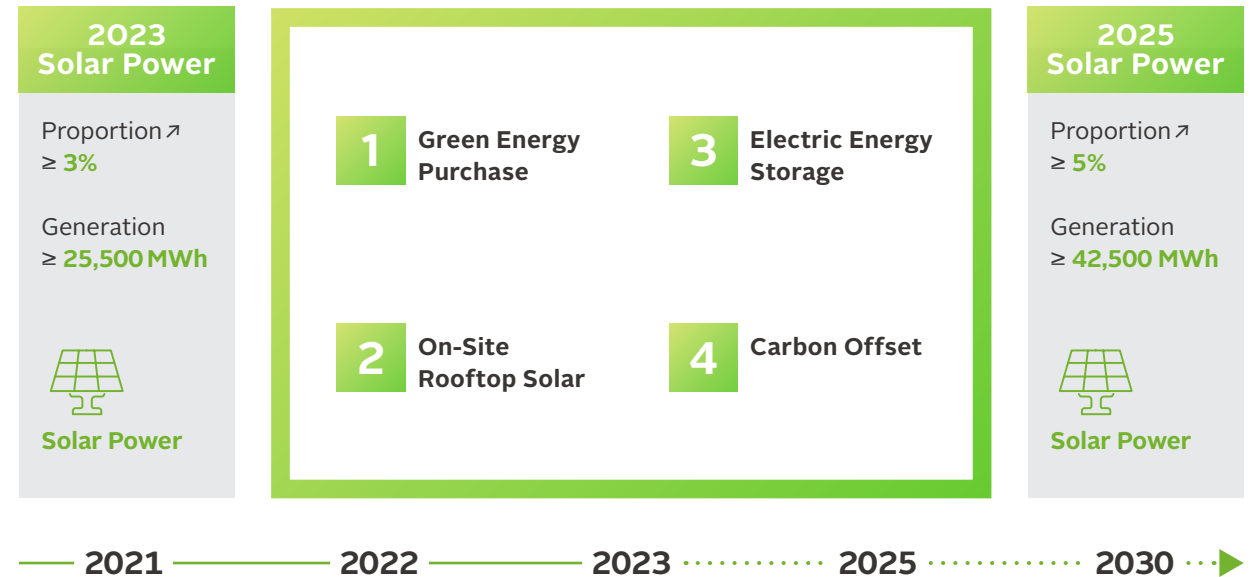
As of 2023, 38% of our production plants globally use renewable energy. The use of green energy increased from 33% in 2022 to 38% in 2023, with 3% generated from solar power. As a significant initiative, 212,600 sqm of solar panels were installed through the end of 2023 in 26 Yanfeng facilities (Interiors, Seating, Safety Systems). Our goal is to raise the proportion of solar power to 5% by 2025.

29

soccer fields,* worth of solar panels were installed in 2023.

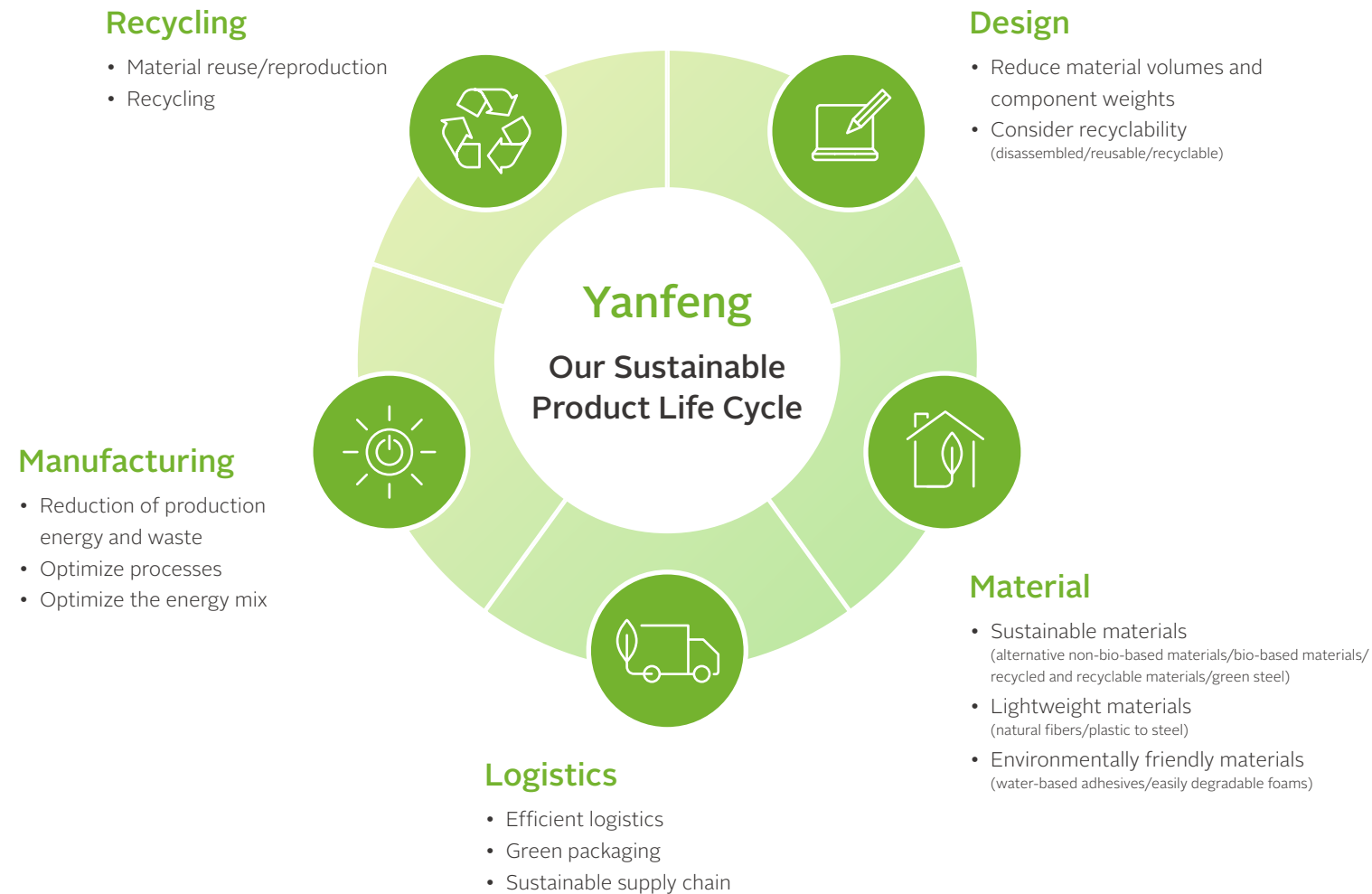
*Assuming one field is about 7,140 sqm.

Roadmap to Renewable Energy at Yanfeng Globally*



*1 MWh = 1,000 kWh | The annual power consumption of a family consisting of 3 to 4 people in a 100 sqm house is typically around 1,000 kWh.

Resource Use & Circular Economy



Our planet's resources are limited. To respect planetary boundaries and at the same time minimize the carbon footprint of our products, we are committed to a sustainable product life cycle. This encompasses a sustainable product design, development of lightweight or eco-friendly materials and the use of recycled materials, optimization of logistics and manufacturing processes, and responsible end-of-life disposal.

Design for Sustainability

At Yanfeng, we have various approaches to support the goal of mitigating the impact of climate change and optimizing resource use. Design for Sustainability starts at the beginning of the product life cycle. In 2022 we published the Design for Sustainability (DFS) Work Instruction with the goal of ensuring that sustainability is considered throughout

the entire product design and development process.

To achieve this goal, the DFS process is structured into three phases:

- Advanced study phase
- Program development phase
- Serial production phase

Yanfeng has included sustainability considerations in its development process to systematically evaluate and improve the sustainability of our products and processes from the initial planning stages to final production.

By following this process, we can ensure that sustainability considerations are incorporated into every aspect of our product development, helping us meet the expectations of stakeholders and contribute to a more sustainable future.

In-House Materials Development

We have built strong in-house capability in materials development. The Non-Metal Materials Institute (NMI) focuses on sustainable materials formulation technology, which include the features of the materials and their corresponding applications in our projects. In 2023, the NMI developed

a series of 12 new mechanically recycled plastic particle grades with different recycling ratios, of which three recycled grades have already been applied in projects. Two new grades of plant-fiber-reinforced polypropylene bio-based materials are also being developed. In addition,

recycled carbon-fiber-modified materials that can be injection molded and recycled carbon-fiber sheet materials suitable for compression molding processes, as well as chemically recycled polyurethane skin materials were developed.

SU Skin™

Recyclable Back Panel

Hyphal Epidermis

Thermoplastic Foam

ecoSkin®

Recyclable Carbon Fiber

Additionally, our innovation team is also working on renewable materials and how to integrate sustainable materials in new product innovation. In 2023, six sustainable materials were developed for new product innovations, including five recyclable

materials and one bio-based material, two of which have already been applied in programs.

These self- or co-developed materials not only lead to product carbon reduction, but also offer features, such

as a comfortable touch experience, translucency, premium quality, and natural visibility, that meet design needs and can be fully integrated with our innovative solutions.

23

new sustainable materials developed in-house in 2023.

Our in-house materials development capabilities



14%

increase in the procurement of recycled resin vs. 2022

We are globally increasing the use of recycled plastic resins.



Materials Circularity & Recycling

Resources are finite and there is a growing demand for recycling solutions in an attempt to reduce waste and increase the reuse of resources. Recyclability is a big step in the right direction, and forming collaborations in the automotive supply chain is the key to success. To this end we have established a wide range of recycling projects with our customers, suppliers and other organizations in all three regions. The use of recycled materials plays an important role in Yanfeng's circularity approach. Global purchases of recycled plastic resins increased by 14% over the previous year to 6.39 million kilograms.

To better promote the use of secondary materials, we cooperate and exchange with upstream suppliers, and understand the various aspects of waste materials from source, modification to performance control, and strive to ensure that the secondary materials are reliable in source, stable in supply, and meet the standards of performance with less fluctuation. We work closely with downstream OEMs to explore and expand the use of secondary materials in cockpit parts.

In Europe, which is at the forefront of environmental protection and circular economy in the world, the regulations are of directional significance. For this reason, we pay close attention to the dynamics of relevant regulations in Europe and take this as an input to determine the direction of forward-looking research. In 2023, the European Union launched a new End of Life Vehicle (ELV)

proposal. This proposal plans to put forward higher and more specific requirements on the management of end-of-life vehicles and recyclability in automobile design, especially the content of waste plastics from ELV vehicles in the recycled materials. In this regard, we are actively working upstream and downstream to study how to better recycle secondary materials such as PC and ABS, PC, ABS, PC/PET/PBT, PMMA, and others from ELV vehicles, and are seeking opportunities for physical and chemical recycling through cooperation with external partners.

Physical recycling involves breaking down a product or material into its component parts and utilizing them to make a new product or material. This process is typically used for materials such as glass, metal and paper, but can also be used for plastics. Chemical recycling, on the other hand, utilizes a chemical process to break down a material into its basic building blocks, which can then be used to make new materials. This method is typically used for plastics, where physical recycling is challenging due to the complex chemical makeup of plastics.

For Yanfeng, considering both physical and chemical recycling throughout the life cycle of a vehicle helps to more effectively achieve our sustainability goals and promote a circular economy.

Region/Procurement of Recycled Resin in kg	2022	2023
Europe, Middle East, Africa	2,755,732	3,171,545
North America	2,838,485	2,673,742
Asia-Pacific	0	544,700
Total	5,594,217	6,389,987

3.3 million kg
of plastics saved through the end of
2023 with the use of our CHyM material.

Our Product Solutions for the Future

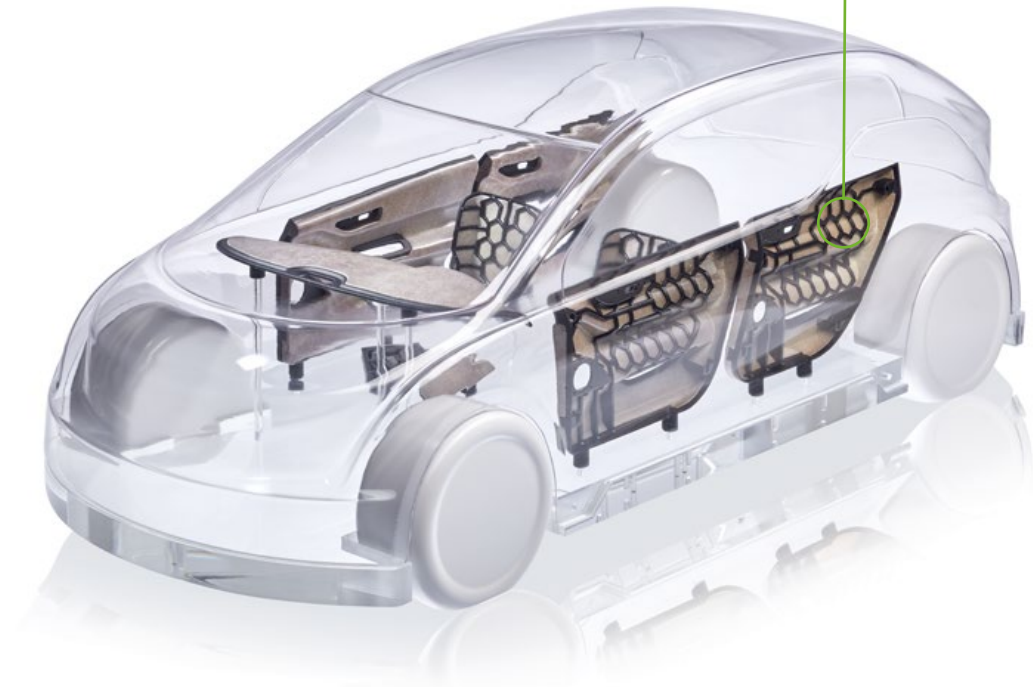
We have always been committed to sustainable product innovation for decades, from materials development to applications at the product end. Renewable materials have a positive impact on a product's carbon footprint and can fulfill the need for rigidity while providing a weight advantage (lighter) over standard plastic products.

A great example is the Compression Hybrid Molded (CHyM) material which was developed for interior components based on renewable

natural fibers. This low-carbon material composed by 50% bast fibers and 50% polypropylene fibers, is used in more than 14 million of our interior products globally and helped save 3.3 million kg of plastics through the end of 2023.

We also actively seek opportunities for the application of sustainable concepts in product innovation. As of the end of 2023, a total of six new innovative products were created for our sustainable product portfolio.

CHyM applications within
automotive interiors



Low-Carbon Reco Seat

One of our latest examples of sustainable product solutions is the low-carbon seat concept Reco Seat. Reco, which is a combination of recycle and eco, represents significant progress towards the company's climate goals. These goals include the use of recycled raw materials and lightweight components to considerably reduce corporate carbon emissions and the PCF. The low-carbon seat utilizes innovative and recycled materials – from foam to the steel frame – and reduces product carbon emissions by up to 40% compared to conventional seating. The innovative materials include polyethylene terephthalate (PET), polyurethane (PU) trim, recycled foam, thermoplastic foam, a green steel frame, a PET lightweight back panel, and hybrid cushion.

The PET PU seat cover is made from 100% recycled soft drink bottles, reducing product carbon emissions by more than 20%. The foam used for the seat and backrest is also environmentally friendly.

Recycled and thermoplastic foam are combined to provide improved seating comfort and support compared to conventional polyurethane foam.

The use of industrial wastewater steam in the foam production and molding process significantly reduces energy consumption and emissions.

The use of up to 100% scrap steel as the raw material, together with green electricity for the production of the recycled steel frame, reduces the product carbon footprint by over 60%.

The seat pan is made from high-strength recycled plastic instead of a traditional metal seat pan, achieving Yanfeng's goal of replacing steel with plastic.

The seat back panel uses recycled PET to achieve a lightweight and dynamic styling that is also sustainable. In addition, the hybrid cushion uses high-strength recycled composites instead of metal, which reduces the PCF by 20% and allows for a wider choice of surface treatment techniques.



A new seat concept that reduces product carbon emissions

40%
product carbon emissions
improvement possible
with our Reco Seat vs.
conventional seating.

Sustainable Product Offerings

- Application
- Sustainability category

Compression Hybrid Molding (CHyM) with Reprocessed Feedstock
Usage of up to 20% reprocessed post-industrial glass polypropylene to increase the recycled content.

- Instrument panels, door panels, floor consoles
- Use of recycled material

Lightweight Chemical Blowing Agent (CBA) A-Surface Material
Up to 9% weight reduction vs. conventional material.

- Door panels, floor consoles, trim components
- Lightweight

Radiant Heating Technology
More efficient heating technology vs. current heating systems. Reduces the energy drain from the car battery, extending the range of EVs.

- Instrument panels, door panels, floor consoles
- Energy saving

Lightweight Armrest with Carbon-Composite Rods
Achieved dynamic performance with carbon fiber, replacing steel, ensuring 35% weight savings. 35% product carbon footprint improvement.

- Seat armrests
- Carbon footprint reduction, weight reduction, mono-material, feasible for mechanical recycling

Lightweight Headrest with Carbon-Composite Rods
Achieved dynamic performance with carbon fiber, replacing steel to ensure 30% weight savings. Up to 70% product carbon footprint improvement.

- Seat head restraints
- Lightweight, carbon footprint reduction

Headrest Inner Bracket Made from Recycled Plastic Pellets
Raw-material carbon reduction of up to 65% with the usage of in-house recycled plastic material.

- Seat head restraints
- Carbon footprint reduction

Natural-Fiber-Reinforced Polypropylene Seat Back Panel
Using 50% renewable hemp fibers, which are non-toxic and recyclable.

- Seat back panels
- Carbon footprint reduction, renewable materials

Compression Hybrid Molding (CHyM) for Roof Trim
Significant carbon footprint reduction of up to 75%. Increased use of CHyM scrap material. Lightweight material compared to conventional plastic carrier.

- Roof trim
- Lightweight, reduction of scrap materials, carbon footprint reduction

Lightweight Chemical Blowing Agent (CBA) B-Surface Material (Amorphous Resins)
Up to 7% weight reduction vs. conventional material while also integrating mechanically reprocessed resins.

- B-surface components
- Lightweight, mechanically reprocessed material integration

Bio-Based Yarn for Airbag Fabrics
Product carbon emissions reduction of up to 45% by using bio-based compared to fossil-fuel yarn material.

- Airbags
- Carbon footprint reduction, renewable materials

Compression Hybrid Molding (CHyM) with EcoSkin Driver Airbag
Significant carbon footprint reduction of up to 75% by using sustainable materials and having a simplified process vs. a conventional wrapped-plastic driver airbag.

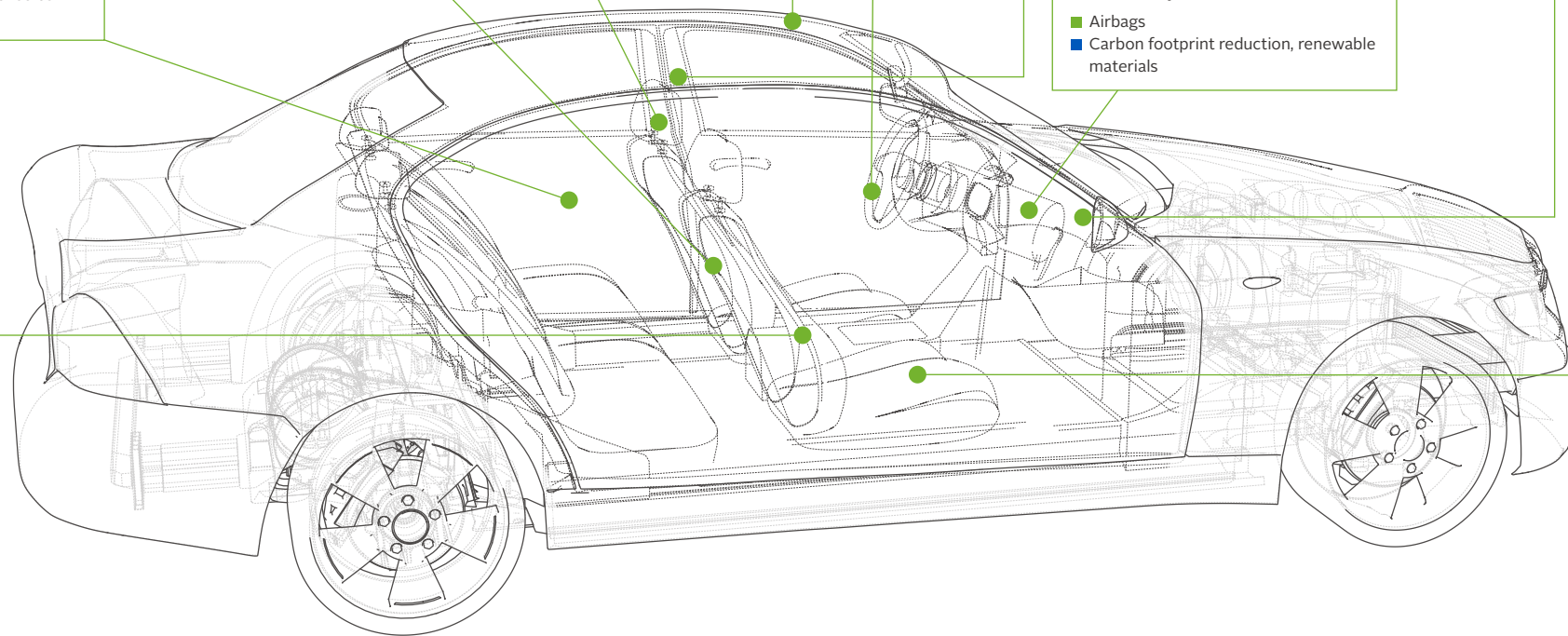
- Driver airbags
- Renewable materials, carbon footprint reduction, lightweight

Torplite Cross Car Beam
Simplified manufacturing process using one-step injection molding means fewer parts and less post-molding processing. Reduces weight by 30-50% and carbon emissions by up to 50% vs. products made of alloy materials.

- Cross car beam
- Carbon footprint reduction, fewer parts, process steps elimination

Reco Seat
Achieved significant carbon reduction of up to 40% with the usage of industrial scrap steel and recycled PET bottles. A 30% weight reduction was also achieved with the use of recycled PET material in the back panel of the seat.

- Complete seat
- Carbon footprint reduction, use of recycled material, lightweight



Logistics & Transportation

Our logistics and transportation includes a variety of modes such as sea, air, land, and rail transport. While these modes of transportation promote global trade and economic development, they also bring about a large amount of GHG emissions. For this reason, our team has investigated

various transportation modes and tools to achieve emissions reduction by optimizing transportation modes and routes, improving transport efficiency, using clean energy, optimizing packaging, and adopting intelligent logistics systems.

By studying the carbon emissions of various modes of transport and combining cost and efficiency, the transport routes and modes are optimized to effectively reduce carbon emissions. To name one example: Through analysis, the transport route in Yantai-Shenyang, China, was re-planned, using multimodal transportation, increasing the sea distance to reduce road transportation. The route can lower carbon emissions by 38.6%.

Combining the upstream supply chain with our business transportation needs improves the efficiency of each transportation method: through transportation allocation single allocation is enhanced. For example, we reviewed transportation demand for key areas in China where a majority of our suppliers are located. We then integrated the orders of each business unit and established three door-to-door pickup routes to replace suppliers handling delivery on their own. As a result, the integrated transportation resulted in a 4% decrease in carbon emissions in 2023.

Promote the use of electric vehicles, hydrogen fuel cell vehicles, and other clean energy transportation vehicles to replace traditional fuel vehicles. At the same time, explore the use of renewable energy sources, such as biofuels, to reduce dependence on fossil fuels. In 2023, we piloted the use of hydrogen vehicles to replace diesel transportation vehicles in Chongqing, China, in cooperation with logistics carriers, achieving zero carbon emissions for 30.7% of the local transportation without an increase in transportation costs.

Utilize technologies such as the Internet of Things (IoT), big data, and artificial intelligence to achieve intelligent management of logistics and transportation. Reduce ineffective transportation and cut carbon emissions by accurately forecasting demand, optimizing inventory management, and improving distribution efficiency. By the end of 2023, we optimized the layout of the enterprise's large logistics network, realized the interoperability and intelligent linkage of data from the transportation management system (TMS), enterprise resource planning (ERP), and the big data platform (BDP), applied numerical and intellectualized logistics route design, cross-business unit collaboration, and integration of the national logistics line, and promoted intelligent warehousing. We now have an internal and external shared warehouse model.



Optimization of Transport Modes




Improve Transportation Efficiency



Use of Clean Energy



Intelligent Logistics Systems



“Yanfeng Technology developed six new sustainable materials.”

Patrick Nebout

Chief Technology Officer
Yanfeng Technology

Our Chief Technology Officer of Yanfeng Technology, Patrick Nebout, who among other things, is responsible for our innovation portfolio, talked with us about Yanfeng’s innovation approach, sustainable product solutions and gave insights on consumer acceptance of visible green interior products.

Patrick, you frequently discuss future product solutions with our customers. What solutions are we offering to fulfill our customers’ sustainability needs?

Our customers, especially those based in Europe, have ambitious goals when it comes to the reduction of their product carbon footprint. To help them realize their roadmaps, Yanfeng is offering a variety of materials such as using recycled or natural fiber content and replacing glass fibers. In 2023, we developed six new sustainable materials, including five recyclable and one bio-based material in-house. Sustainable materials are just one aspect: our holistic sustainability approach starts very early on in the innovation process. When we are designing a new product, we focus whenever possible on the mono-material approach to enable an easier end-of-life recycling process. In addition, for new innovation projects we calculate the product carbon footprint in comparison to a standard solution as a basis for our customer innovation reviews.

Besides classical material alternatives, what other solutions are we pursuing to address the topic of product sustainability?

Weight-saving solutions in general play a critical part in the reduction of a vehicle’s energy or fuel consumption. One project we are working on in collaboration with a major automotive vehicle manufacturer and the U.S. Department of Energy is the composite cross car beam. With this project, we are replacing the traditional, heavy steel cross car beam with a plastic, injection-molded version that saves up to 40% of the total product weight. Additionally, the product also includes 20% recycled material to reduce the use of virgin raw material. Overall, this product is a great example of how we can significantly save weight and optimize the product carbon footprint by up to 50% compared to the Magnesium solution, which is the competitor solution for weight reduction.

Yanfeng also offers visible natural fiber applications within the interior that save weight and fossil fuel resources, while improving the product carbon footprint. What is your assessment of the acceptance of sustainable materials in automotive interiors?

One of the most decisive consumer factors when buying a car is the vehicle interior. Especially for premium cars, the luxurious look and feel of interior components is very relevant. Making natural fiber products visible within the interior for decorative elements is one area we are working on. The challenge starts with the traditional look of the interior design, where surfaces must be repeatable. In fact, visible natural fibers are the opposite, each with a unique look and feel that varies from vehicle to vehicle. In the end it comes down to the question of whether the consumer will accept a “green” product that is unique for one car and at the same time more expensive. We are conducting our own consumer studies along with other activities and will be watching very carefully to see how this trend develops over the next few years.

Waste Management

To minimize carbon emissions and alleviate environmental impact, we are proactively implementing waste reduction, reuse, and recycling strategies. Those principles are embedded in all operations and aim to minimize waste generation via efficient processes. Through our management system, we closely monitor, track, and ideally reduce the volume of waste destined for landfills, scrutinizing waste performance indicators to gauge the efficacy of our waste reduction initiatives, minimize landfill waste, and boost recycling rates. We also actively share and promote waste conservation program success stories internally.

Adhering to the ISO 14001 waste management framework, we also oversee and support our suppliers in their waste reduction efforts. Utilizing our Carbon Emissions Tracking System, we can assess the carbon footprint of waste and mitigate its environmental impact through governance measures. We target waste at the source by refining processes and enhancing resource efficiency, transforming waste into a renewable resource that substitutes for the extraction and production of virgin materials, turning waste into a valuable asset.

In 2023, we produced in total 125,871 tons of industrial waste, out of which 5,524 tons were classified as hazardous waste. To progressively reduce the rate of landfill waste we promote innovative methods and projects in operations and share best practices.



Transforming plastic waste into recycling material

55%
reduction in costs
through green
packaging

Focusing on green packaging helps us to reduce carbon emissions.



There are several projects within our production plants that address waste management. Here is one example:

From Injection Molding Waste to Molding Simulation Blocks

Injection molding is a core Yanfeng process. As a result of production plans, the granular raw materials used here must often be switched out, a process which generates considerable waste due to barrel purging and other factors. In new projects or mass production stages, substitution of raw material types occurs due to customer changes or other reasons, leading to surplus stocks of old granules. To address this issue, our engineers analyze material properties and broaden the application spectrum, effectively repurposing waste material:

- Recycling waste from the injection molding process
- Shaping injection molding scraps using custom-made tooling
- Eliminating inventory buildup of outdated or end-of-life granules
- Producing molding simulation blocks for assembly through secondary processing, saving raw material costs for tire assembly areas
- Lower density translates to approximately 25% lighter weight

By reusing waste materials, we reduce costs and the air pollution that arises when waste material cools after discharge from the barrel. It also circumvents additional environmental pollution (such as soil and atmospheric contamination) resulting from waste disposal processes. This approach curtails the accumulation and waste of granules and prevents post-processing environmental pollution.

Besides minimizing or reusing waste that occurs from our production processes, we also place emphasis on packaging waste. We intend to increase the use of packaging, as this offers various sustainable benefits.

Green Packaging

We use recyclable packaging materials to reduce packaging waste. At the same time, in 2023 we optimized packaging design to reduce unnecessary space and weight, decrease carbon emissions during transportation, eliminate disposable wooden pallets, and use recycled plastic pallets, achieving a 55% reduction in costs and an 18.2% reduction in carbon emissions. We also lowered the utilization rate of disposable packaging cartons from 15% to 8%, increasing the reuse of disposable cartons and fine classification and recycling of discarded cartons.

Environmental Protection

We are committed to protecting and minimizing our impact on the environment. In addition to the existing legal standards and environmental ISO certifications, internal company rules enforce compliance with other rules that Yanfeng has established. Among other things, such internal company rules and policies are intended to ensure that we deal responsibly with the environment. Here you will find three examples of our most important sustainability policies:

Environmental Policy

We will reduce the negative impact on the environment by developing green products and processes and build a green production system through continual improvement to protect the ecological environment. Our commitments are:

- Implement sustainable development strategy to create value sustainably
- Fulfill all applicable environmental, legal, or other requirements
- Encourage the innovation of environmental protection technology and management, continually improve environmental management system and performance from a life-cycle perspective to fulfill the commitment to protecting the environment and striving to exceed stakeholders' expectations
- Facilitate energy savings and emissions reduction, improving ecological benefits

Water Sustainability Policy

At Yanfeng, we are committed to conserving water resources and promoting sustainable water management practices. We strive to minimize water consumption in our operations and facilities by implementing water-saving technologies, conducting regular water audits, and promoting water conservation awareness among our employees. By responsibly managing water usage, we aim to reduce our environmental impact and contribute to the conservation of this precious resource.

Air Pollution Sustainability Policy

Yanfeng is dedicated to reducing air pollution and improving air quality in our communities. We are committed to minimizing emissions from our operations, vehicles, and machinery by investing in clean technologies, adopting eco-friendly practices, and complying with relevant environmental regulations. Additionally, we promote sustainable transportation options and encourage alternative energy sources to lessen our carbon footprint and contribute to a cleaner and healthier environment.



Yanfeng is committed to protecting and minimizing our environmental impact.

To enhance our overall environmental performance, we are constantly increasing the number of global production plants certified according to ISO 14001:2015 (Environmental Management System).

This standard certifies that environmental obligations are managed with consistency and meet legal requirements and waste is reduced as well as providing assurance that environmental impact is being measured. Here are some examples:

Wastewater, Waste, Local Air Emissions, Noise, and Light Pollution

We take reasonable efforts to ensure at our locations that wastewater effluents are safe for receiving surface and ground waters. We will prevent the contamination of water and soil, in addition to preventing noise and light pollution. We put preventive precautions in place to ensure the safe and compliant handling, transportation, storage, reuse, recycling, and disposal of all types of solid and liquid wastes. The management of waste is in line with governmental regulations. We are specifically focused on avoiding or minimizing the release of hazardous substances or active ingredients via spills or fugitive emissions to the environment.

Biodiversity, Land Use, and Deforestation

We protect our surrounding ecosystem from deforestation, forest or land conversion, and ensure that flora and fauna are not lost and natural habitats do not suffer irreparable damage. Yanfeng is mindful when using high-risk forest commodities (or deforestation-linked products), like palm (kernel) oil, soy, or other agricultural or forestry feedstocks.

Supplier Environmental Assessment

Sustainability is a key strategy in our drive for the green transformation of our supply chain and is integrated into the entire procurement process to ensure that products and services are environmentally friendly and socially responsible at the source. Our Partner Code of Conduct stipulates that all our new suppliers must pass ISO 14001 certification and respect the environment as a key basis for doing business as well as comply with the United Nations Global Compact's Ten Principles for environmental and social responsibility. To monitor our supply chain to identify suppliers that are having a significant actual or potential negative environmental impact, we use Prewave, a software integrated with AI technology, that quickly detects, categorizes, and understands risks along our supply chain (to learn more please see at page 58).

To proactively foster environmental behavior and to create actions to reduce emissions along our supply chain, we have launched the following initiatives:

Use of Renewable Energy

We are committed to improving energy efficiency and reducing greenhouse gas emissions in our value chain through the use of renewable energy sources, and to continuously improving energy performance in the production and delivery of products and services to customers. Meanwhile, our partners are also expected to take steps to reduce their direct and indirect carbon dioxide emissions, by using green power or secondary or biomaterials. This requirement is also part of the partner selection process.

Training

Emphasis and investment in the supply chain reflects our commitment to sustainable development and environmental protection. By setting up training on sustainability for our suppliers, we not only improve the overall capability of our own supply chain, but also promote the common growth and progress of our partners. This helps build a more stable, efficient, and environmentally friendly supply chain ecosystem.

Since 2022, we have been conducting in China training on carbon-neutral operations for the supply chain and are committed to helping suppliers understand and achieve their emissions reduction targets. By sharing visions and experiences, suppliers are encouraged to take positive actions and jointly contribute to achieving the carbon neutrality goal. This training raises suppliers' environmental awareness and

encourages them to adopt more low-carbon and environmentally friendly production processes.

In 2023, we further conducted training on product carbon footprint accounting in China, which demonstrates our continuous efforts at deepening environmental protection. By educating the supply chain on the principles and methods of carbon accounting based on our carbon management system, suppliers are helped to better understand and quantify their carbon footprints. This is essential for developing effective emission reduction strategies and monitoring progress. Armed with the knowledge and skills of carbon accounting, suppliers can more accurately identify reduction potentials and optimize production processes to achieve more efficient resource utilization and lower carbon emissions.

Supplier Recognition

A new dual-carbon-related award has been established in China for the 2024 supplier conference. The intention is to encourage suppliers who in 2023 actively identified national and customer carbon reduction policies, and to recognize the achievements of outstanding suppliers who have actively reduced carbon emissions and developed low-carbon products in their respective industries.

Outlook

We do not want to simply maintain the status quo with regard to environmental initiatives in our supply chain. In 2024, Yanfeng is going to roll out additional new initiatives. Here is an outlook on two of those activities:

NQC Supplier Assessment

Starting in 2024, we are going to roll out globally the Self-Assessment Questionnaire (SAQ) from NQC. This initiative is part of an industry-wide long-term strategy and aims to successively improve the sustainability performance of automotive suppliers. Our intention is to improve the sustainability qualification of our supply base, as deficits can be identified and addressed individually.

Sustainable Supply Chain Development

In 2024 we will release the Initiative for Sustainable Supply Chain Development in Europe, calling on supplier partners to explore sustainable development paths, formulate their company's carbon reduction goals and specific implementation paths, seek cost-optimized carbon reduction methods, increase the overall competitiveness of the supply chain, and work together to build the world's best automotive parts supply chain. The initiatives are as follows:

Formulate and submit a renewable energy plan taking into account the enterprise's own situation and the geographical area it is located in, and continue to promote the implementation of the plan

Carry out corporate and product carbon calculations and actively participate in the collection of Scope 3 data by Yanfeng's carbon management software to provide more accurate site data

Set carbon neutrality targets and actively support Yanfeng in achieving a 27.5% reduction in Scope 3 carbon emissions by 2030

We have incorporated sustainable procurement into our long-term strategic planning, continuously tracking and evaluating the effectiveness of its implementation, and adjusting and optimizing its procurement policies at the right time to ensure that they are always in line with global sustainable development trends, to achieve a comprehensive green transformation of the supply chain.



Through collaboration with our suppliers we are able to create a sustainable supply chain.

S Social





Yanfeng is committed to its employees around the globe.

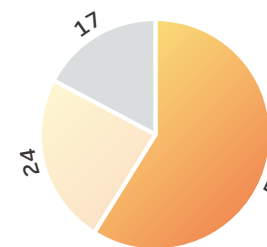
45,884

Yanfeng's global workforce in 2023

Our Workforce

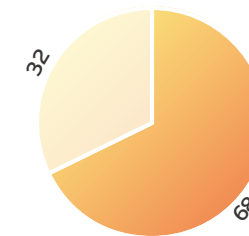
In 2023, Yanfeng's commitment to our workforce remained steadfast. With over 45,000 dedicated employees worldwide, we continue to prioritize their health and safety, outlined in detail in our health and safety section (see page 40). Upholding human rights and ensuring fair working conditions globally remains a cornerstone of our operations, as detailed in our Human Rights and Working Conditions Policy. As of December 31, 2023, Yanfeng's workforce had over 45,884 employees, with a significant presence in the Asia-Pacific region.

By Region
in percent



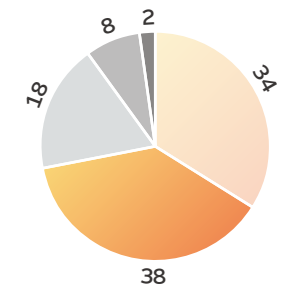
- Asia-Pacific
- North America
- Europe, Middle East & Africa

By Gender
in percent



- Male
- Female

By Age
in percent



- <30
- 31-40
- 41-50
- 51-60
- >60

Adequate Working Conditions

At Yanfeng, we believe that fostering adequate working conditions and cultivating a culture of integrity are integral to our success as a global leader. We prioritize the well-being and dignity of every individual within our workforce and uphold the highest ethical standards across all our operations.

Central to our commitment is our Human Rights and Working Conditions Policy, which serves as our guiding framework. This policy outlines our dedication to ensuring fair treatment, safety, and respect for all employees, regardless of their role or location within the organization. It underscores our pledge to uphold fundamental human rights principles in every aspect of our business practices.

Human Rights Are Fundamental to Society and Imperative to Business Success

We firmly believe that human rights are not only essential for a just society but also critical to the long term success and sustainability of our business. By championing human rights, we create an environment where our employees feel valued, empowered, and motivated to contribute their best. This commitment extends beyond our internal operations to encompass our entire value chain, fostering relationships built on trust and mutual respect.

Our Commitment to in the UN Global Compact

We are committed to upholding the Ten Principles of the United Nations Global Compact, which cover human rights, labor standards, environmental sustainability, and anti-corruption efforts. By aligning with these principles, we demonstrate our dedication to responsible corporate citizenship and strive to make a positive impact on the world around us.

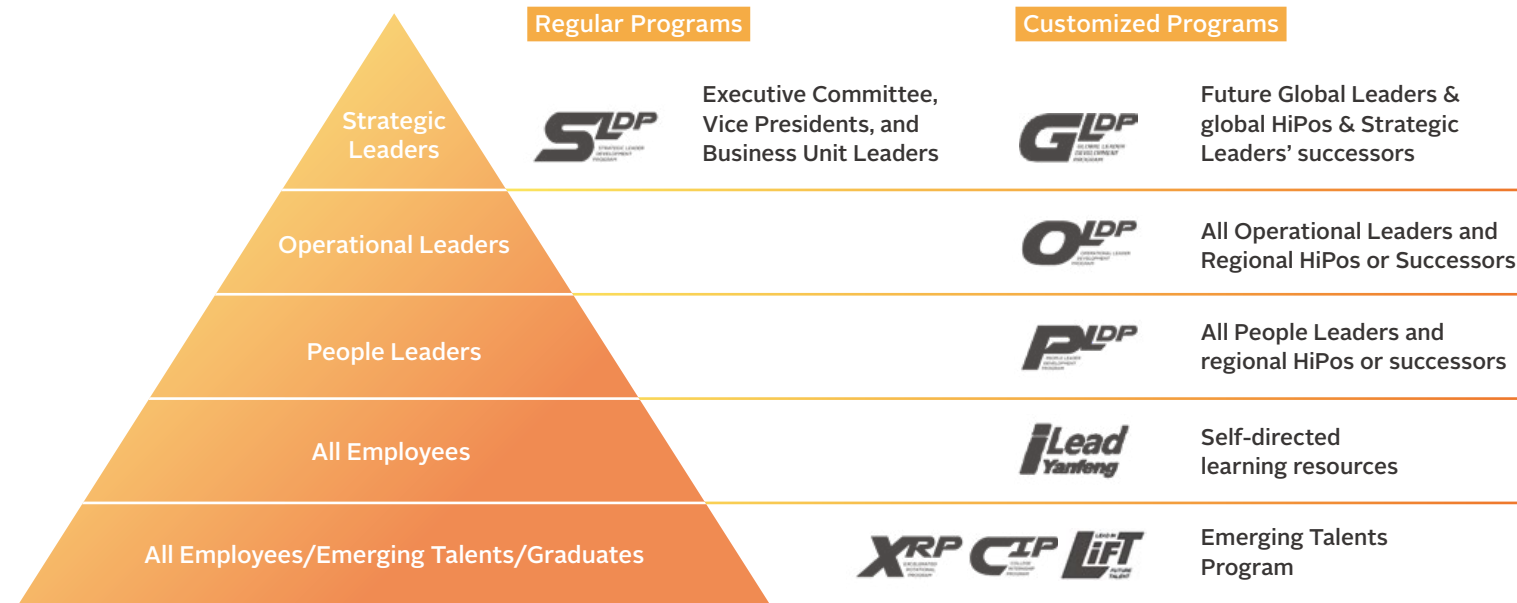




Training & Education of Our Workforce

At Yanfeng, we believe in nurturing talent at every level of our organization. Our Global Development Pyramid encompasses programs tailored to individuals at various stages of their careers, from emerging talent to seasoned leaders.

Global Development Programs



Yanfeng offers training at all levels of the organization globally.

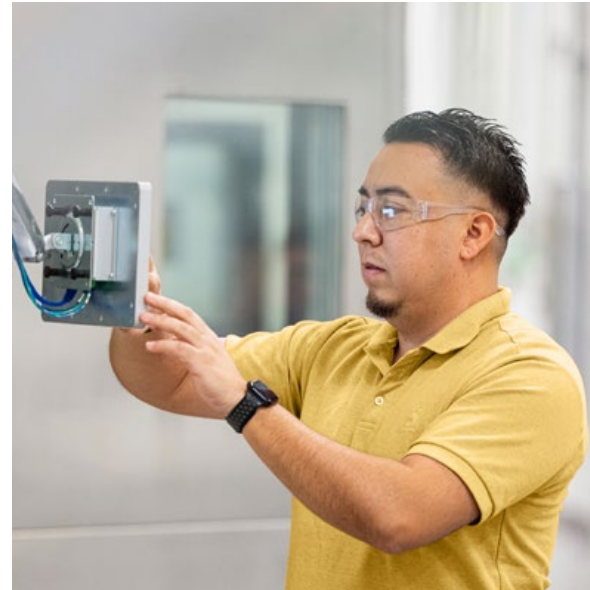
Yanfeng Academy

The Yanfeng Academy is a cornerstone of our commitment to employee development. Available exclusively to our salaried employees, the Yanfeng Academy offers a comprehensive range of learning opportunities, including classroom sessions, online courses, and action learning experiences. It serves as a catalyst for personal and professional growth, with tailored development plans for individuals and groups. A total of 91% of salaried employees globally accessed learning in the Yanfeng Academy in 2023.



21

average training hours
per salaried employee



The Yanfeng Academy underscores our commitment to learning and development.

Highlights of Other Programs

Building upon the successes of previous years, we continue to enhance our training and education offerings. Our talent development initiatives include:

- Yanfeng Young Professional Programs:**
 Our eXcelerated Rotational Program (XRP), Graduate Development Program (GDP), and Early Career Development Program (EDP) empower young talent to kick-start their careers by fostering functional expertise and leadership skills.
- Established Professional Programs:**
 Initiatives like Lead in Future Talent (LIFT) and the People Leader Development Program (PLDP) cater to mid-career professionals and newly appointed managers, equipping them with the tools to thrive in their roles.
- High Potentials Program:**
 Our Operational Leadership Development Program (OLDP) targets directors and senior executives, providing them with the insights and competencies necessary to drive organizational success.
- Strategic Leader Programs:**
 Our Strategic Leader Development Program (SLDP) offers quarterly briefings on key topics to senior leadership, providing valuable insights for steering the company's direction. This program is complemented by the Global Leader Development Program (GLDP), designed for high-potential employees. Together, these initiatives emphasize strategic thinking, action learning, and cross-cultural competence, enhancing the leadership capabilities of our directors both regionally and globally.



Average Training Hours per Employee

In 2023, Yanfeng salaried employees dedicated themselves to continuous learning, with an average of 21 hours invested in training initiatives. This figure underscores our workforce's dedication to honing their skills and staying abreast of industry trends and best practices.



91%

of salaried employees
accessed learnings in
the Yanfeng Academy

To be sustainably successful long-term as a corporation, we have to invest today in tomorrow's talents. We talked to Fang Zeng, our Vice President Human Resources, who joined Yanfeng in 2008 and has rich experiences within the field of human resources management, employee training and development.

Fang, as an industry leader with a global presence, what do you think is unique about Yanfeng's talent sustainability strategy?

Talent sustainability is the cornerstone of a company's sustainable development. Yanfeng believes our employees are our most valuable asset. We divide the topic of talent sustainability into three dimensions:

- Individual Level – Employee Personal Ability Enhancement and Development: We focus on the personal growth and development of our employees. Through training, a mentor program, and individual career path planning, we continually build the professional skills and comprehensive ability of our employees.

- Company Level – Enterprise Development Demand and Talent Structure: Our talent must change with market demands and business needs. As an example, in recent years, with the rise of new energy vehicles and “smart” cars, we have increased the introduction and preparation of talent in emerging fields such as digitalization, hardware and software development as well as smart cabin.
- Social Level – Cycle of Social Responsibility and Talent Cultivation: Yanfeng is well aware of our responsibility as a company to society. We partner with various schools, not only setting up internship programs, but also providing customized courses to help students adapt to the workplace environment in advance, cultivating skills and qualities needed to integrate talent into the workplace.

Can you provide us more insights on Yanfeng's special initiatives in talent cultivation and development?

Yanfeng follows the concept of internal, advanced, and continuous training in talent development. We

encourage the discovery and preparation of talent within the organization. We pay special attention to young talent, and at the same time, reserve high-potential employees for future high-potential programs and establishing a solid talent pipeline. We have created a complete set of managerial and professional development models. This means that regardless of whether an employee prefers to take a managerial route or professional and technical one, there is a broad development space and upward path within the company. Yanfeng has also implemented a customized training system for the different stages of an employee's personal development. Whether they are new graduates, middle/senior management, or professionals, they can receive systematic guidance and improvement at each stage of development through multiple training and practice opportunities. Yanfeng's talent cultivation mechanism aims to stimulate the potential of each employee and help them realize long-term career planning and maximize their values, which ensures the continuous and orderly development of our human resources.

Fang Zeng
Vice President
Human Resources

“Talent sustainability is the cornerstone of our sustainable development.”



Health & Safety of Our Workforce

Yanfeng places the highest priority on the health and safety of our employees. We have obtained ISO 45001:2018 certification, reflecting our commitment to occupational health and safety, with 111 locations having achieved their ISO 45001:2018 (Occupational Health & Safety Management System) certification as of December 2023. Through the adoption of ISO 45001:2018, we have established a comprehensive framework to identify and manage occupational health and safety risks within our organization.

Health & Safety Performance

The health and safety of our employees is the most critical element we focus on and is an important factor in achieving the desired success of our company. We focus on continuous improvement of the health and safety management system and the

cultivation to improve the company's performance indicators.

Our commitment to employee safety is reflected in proactive measures such as regular risk assessments, training programs, and the implementation of robust safety protocols. We are implementing lagging and leading indicators to improve employee engagement and a strong safety culture. We also focus on behavior-based safety (BBS) programs.

BBS programs concentrate on identifying and addressing at-risk behaviors in the workplace that may lead to accidents, injuries, or incidents. These programs involve observation and data collection on employee behaviors related to safety, followed by feedback and intervention to encourage safe practices. BBS programs aim to create a safety culture within an organization by promoting and reinforcing positive safety behaviors

among employees. By addressing behavioral aspects of safety, BBS programs can help prevent accidents and improve overall safety performance in the workplace.

By integrating ISO 45001 into our operations, we foster a safe and healthy work environment, ensuring compliance with legal requirements and promoting a sustainable approach to occupational health and safety.

0.10
total incident case rate in 2023

Thanks to the efforts and contributions of all our employees and sites around the world, we met our annual injury reduction targets this year.

	2021 Actual	2022 Actual	2023 Actual	Threshold/Target
Total Incident Case Rate (TIR)	0.09	0.07	0.10	0.20
Lost Time Case Rate (LTR)	0.02	0.02	0.02	0.06

Total incident case rate includes lost time cases, medical treatment cases, fire alarm accidents, occupational illnesses and environmental incidents.
 TIR = annual total incident case count x 200,000/annual total employee hours
 LTR = annual lost time case count x 200,000/annual total employee hours

In addition to tracking the lagging indicators Total Incident Case Rate and Lost Time Case Rate, starting in 2022, we also began tracking their leading indicator. The leading indicator is the Total EHS Preventive Action Rate. The Total EHS Preventive Action Rate is the rate or ratio of preventive actions to accidents or safety-related incidents in a company or organization. A higher rate indicates that the company has taken effective action to prevent environmental, health, and safety risks. It serves as an indicator of the effectiveness of a company's safety management and prevention program.

	2022 Actual	2023 Actual
Total EHS Preventive Action Rate	10.01	10.50

In 2023, our overall EHS Preventive Action Rate improved, reflecting our proactive approach to identifying and mitigating potential workplace risks.

Policies & Training

Our Health and Safety Policy continues to evolve, underscoring our commitment to safe operations. This policy guides our actions and decision-making processes to ensure compliance with regulatory requirements and best practices.

We continuously work on enhancing and improving governance at Yanfeng. Recently we created a new health and safety policy that includes subcontractors.

Health and Safety for Subcontractors Policy

At Yanfeng, the health and safety of all workers, including subcontractors, is our top priority. We are committed to providing a safe and healthy working environment for everyone on our premises by adhering to strict safety protocols, conducting regular inspections, and providing appropriate training and protective equipment. We expect all subcontractors to comply with our health and safety guidelines, prioritize the well-being of their employees, and report any safety concerns or incidents promptly. Together, we can ensure a safe and effective workplace for all individuals involved in our business activities.

In 2023, we made significant advancements in our EHS training initiatives, reflecting our commitment to continuous improvement and employee empowerment. We actively involve our employees in safety initiatives through regular communication, feedback channels, and active participation in safety improvement projects. We aim to provide a workplace that not only promotes physical well-being but also supports the mental and emotional health of our employees. We expanded our training offerings to include:



E-Learning Courses

We introduced 11 EHS e-learning courses, providing flexible and accessible training options for our employees.



Visual Training for Awareness Promotion

We developed six visual training modules to enhance EHS awareness and engagement across the organization.



Workshops

Four Yanfeng EHS Workshops were conducted, offering hands-on learning experiences and opportunities for collaboration and knowledge sharing.



Leadership Training

EHS training & examination were provided for 85 plant managers and 192 shift leaders, ensuring that our leadership team is well equipped to promote and maintain a culture of safety.



In 2023 we made significant enhancements to our EHS training initiatives.

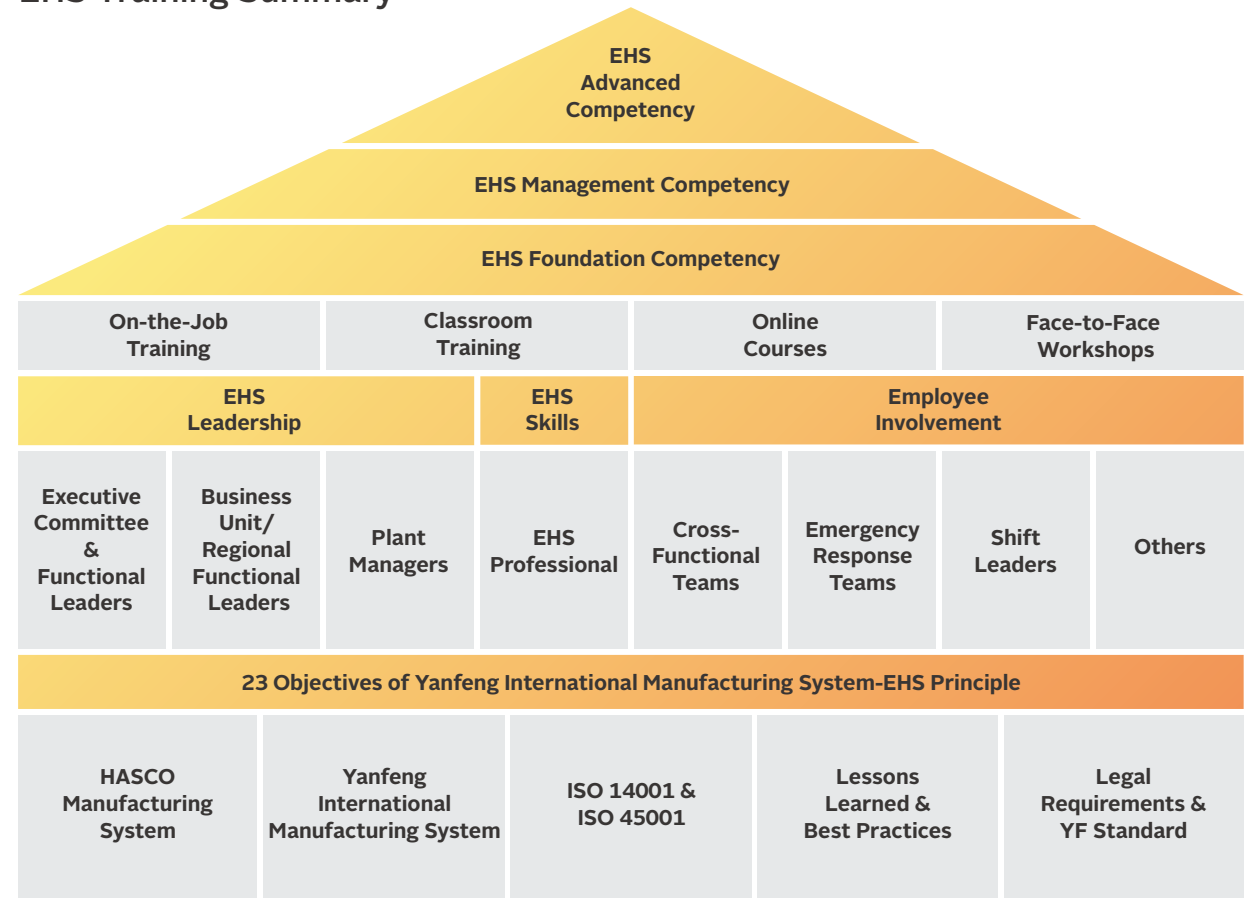
EHS Training Programs

Our regional and global EHS training programs remain robust and tailored to the specific needs of our diverse workforce. These programs cover a range of topics, including personal protective equipment, confined spaces, workplace inspections, and global safety principles. Each year, our regional EHS teams lead the design and implementation of these training programs, incorporating new courses and updating existing content to address emerging risks and challenges.

Overall, our enhanced EHS training initiatives in 2023 have further raised

awareness of workplace hazards and developed understanding on how to report, control, and avoid these issues. Our EHS training continues to be aligned with the requirements of an employee's job function globally at all levels of the company, from our plants to the technical centers.

EHS Training Summary



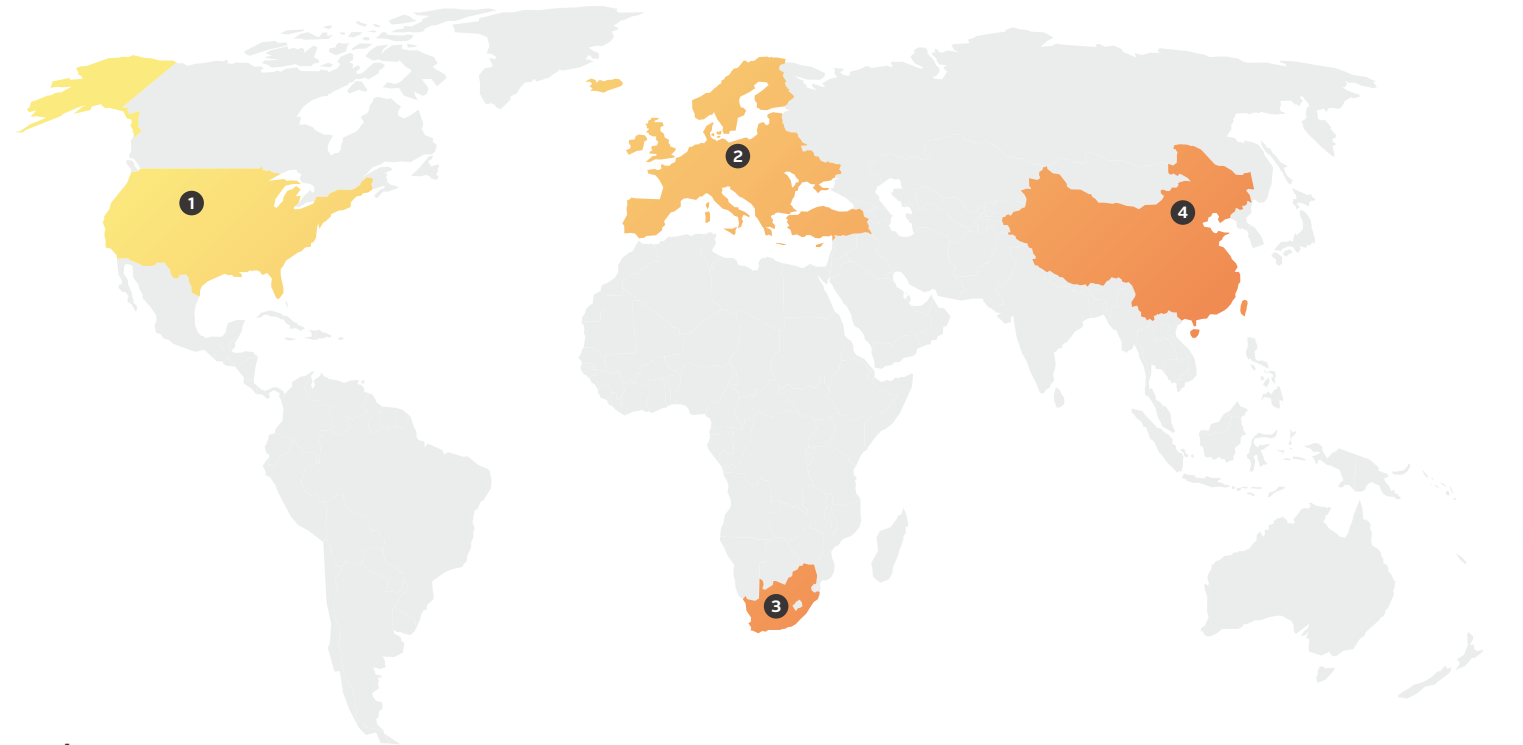
Community Engagement

At Yanfeng, we honor our social, environmental, and economic responsibilities. We believe that it is our responsibility to take care of, add value to, and give back to the communities in which we live and work.

Good corporate citizenship matters to Yanfeng. It represents everything our company stands for – respect, integrity, teamwork, and putting people first. By giving back to local communities across the globe, our employees are living the company's values.

Every community project contributes not only to building strong relationships between our staff and non-profit organizations but also to building our reputation and inspiring trust in our brand wherever we live, work, and travel.

Insights into individual projects can be found on Yanfeng's social media channels.



Our three largest programs:

1 Care & Share in North America

Since 1984, the Care & Share program has contributed funds to charitable causes and organizations that have been nominated by Yanfeng employees. Money raised through donations and employees' payroll deductions has amounted to over \$26.7 million and supported over 100 organizations over the life of the program. What started in Michigan expanded in 2021 to include all U.S. locations. In 2023 \$259,591 was raised to support 24 charities.

1 + 2 + 3 iCARE in North America, Europe, and South Africa

iCARE is our employee-driven grant program that encourages employees to form volunteer teams and work with local non-profit organizations and educational institutions to support the arts, education, environment, health, sustainability, and social services in our local communities. In 2023, YF teams in North America, Europe, and South Africa volunteered for 55 projects.

4 A!head Program in China

Yanfeng Seating employees volunteer each year with local organizations and projects as a part of the A!head Corporate Social Responsibility (CSR) Program. In alignment with Yanfeng's corporate values, there are three categories of A!head projects benefitting the community, the environment, and children.

In 2023, Yanfeng Seating organized over 300 volunteers to participate in 15 "Live with Harmony," "Live with Green", and "Live with Hope" CSR activities.

Priya Gurumurthy

Director IT Systems Business
Partner Purchasing & Quality

Priya Gurumurthy, Director of IT, is not only engaged with hardware and software solutions. She also champions a culture of diversity, equity, and inclusion (DEI) within the company. We spoke with her about her personal experiences regarding inclusion and got insights about what it is like to work within a diverse and global environment.

Priya, what does diversity, equity, and inclusion mean to you? What has your journey been with DEI?

To me, diversity means accepting and valuing differences by listening to people. Everyone you meet has something to offer, regardless of their gender, race, or nationality. Inclusion is about creating a respectful, collaborative, and helpful environment where people feel welcome, motivated, and valued for their contributions. I believe DEI is about being respectful, accepting people, and engaging with them in a way that fosters a positive work environment. It is not just about the work. It's about the people around

you. Prioritizing these values can profoundly impact your relationships with your team members and colleagues. I was born and raised in India, and my passion for diversity and inclusion was sparked when I decided to pursue my master's degree in a completely different country. Despite my parents' initial shock, I flew over 8,600 miles to study at the University of Texas Dallas, where I was exposed to unfamiliar cultures and education models. While I was thrilled to be part of such a diverse community, I also felt homesick, and this sparked my realization that inclusion is crucial to a person's

“It is not just about the work. It's about the people around you.”



success. I saw firsthand how the Indian Students Association brought inclusion to new students by helping them navigate where to live and shop, cooking Indian food, and making them feel comfortable in their new surroundings.

From your perspective, what are the most rewarding and challenging aspects of working in a diverse environment?

Working with a global team is rewarding because it provides exposure to diverse cultures and ways of working. Challenges can arise when working with a global team, which can make communication more difficult. To effectively communicate, you need to understand your audience and learn their preferred communication method. You must observe, listen, and strategize to bring your team together. Every stakeholder has different needs, making complexity a challenge. You need to build trust, understand requests, and explain why something may or may not work. We can all learn from each other and build more meaningful relationships when we take the time to connect. As a leader, I believe it's your responsibility to set the tone for your team. You must prioritize DEI initiatives and encourage your team to do the same. I invite you to embrace DEI and inspire a culture of diversity.

Supply Chain Workforce

As a leading global automotive supplier, we are aware of our responsibilities within the global supply chain. We can only be successful in the long term if the impact of our business activities as well as those of our contractual partners, direct and indirect suppliers are in compliance with human rights and environmental regulations. Therefore we recognize the importance of monitoring risks such as human rights violations in our supply chain. Ensuring ethical practices and upholding human rights are not only moral imperatives but also critical to the sustainability and reputation of our business. As a member of the Responsible Supply Chain Initiative (RSCI), we employ rigorous measures to ensure compliance with our ethical standards across our supply chain. So far, we have trained a total of 11 RSCI auditors.

Partner Code of Conduct

We hold our suppliers to the highest ethical standards and expect them to treat workers with dignity and respect. Our Partner Code of Conduct serves as a comprehensive guide outlining our expectations for ethical behavior, including respect for human rights throughout the supply chain. For a detailed summary of our Partner Code of Conduct, please visit our website.

Ensuring Compliance with the Partner Code of Conduct

To ensure our suppliers adhere to our Partner Code of Conduct, we employ a multifaceted approach that includes:

[Link to website](#)

Supplier Assessment: We regularly assess our suppliers' compliance with our ethical standards through supplier audits. These assessments focus on key areas such as labor practices, environmental responsibility, and business ethics. In the past year, we assessed our first supplier according to RSCI standards, addressing critical topics and areas of improvement. Looking ahead to 2024, we remain committed to enhancing our supplier assessments and further strengthening our supply chain integrity.

Yanfeng Complaints Procedure: We have an existing complaints procedure for whistleblowers that can be used to report violations of the law, in particular of human rights and environmental standards.

Supplier Diversity

In 2023, Yanfeng maintained its commitment to supplier diversity, particularly in North America. We spent \$178 million with third-party-certified minority-owned suppliers in North America, which translates to 13% of our total global procurement spend.

Our ongoing commitment is highlighted by our CEO-signed corporate policy and our diverse supplier development plan. We continue to integrate diverse suppliers into our strategic sourcing and have robust tracking, reporting, and goal-setting mechanisms in place. Our second-tier program remains a key initiative, encouraging primary suppliers to engage with certified minority-owned businesses.

[Link to website](#)

Yanfeng's engagement in 2023 with minority supplier development councils and organizations continues to be active, including roles with the National Minority Supplier Development Council (NMSDC), Michigan Minority Supplier Development Council (MMSDC),* Women's Business Enterprise National Council (WBENC),* WEConnect International, and the National Veteran Business Development Council (NVBDC).

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Yanfeng auditors are trained and certified to conduct assessment for the RSCI.

*Note: A Yanfeng representative holds a board seat in marked organizations.

Supplier Diversity Awards

We are honored to have received several prestigious awards from our suppliers and industry organizations in 2023, recognizing our commitment to excellence, diversity, and leadership.

Michigan Minority Supplier Development Council (MMSDC): We were named Corporation of the Year 2023 by MMSDC, recognizing our efforts in promoting supplier diversity and inclusion.

Executive Recognition: James Bos, our Vice President of Procurement, who retired in 2023, was honored as Executive of the Year for his exceptional leadership and contributions to our procurement strategies.

Great Lakes Women's Business Council Award: We received the Excellence in Supplier Diversity Award from the Great Lakes Women's Business Council, acknowledging our commitment to fostering diversity and inclusion within our supply chain.

Broad-Based Black Economic Empowerment (BBBEE) in 2023

Yanfeng remains committed to promoting broad-based black economic empowerment (BBBEE) in South Africa, where we have established operations. BBBEE is a critical component of our business strategy, reflecting our dedication to creating inclusive growth and opportunities in the communities where we operate.

In 2022, we achieved a BBBEE score of 60%, reflecting our ongoing efforts to drive transformation and empowerment. This score serves as an indicator of our progress in areas such as ownership, management control, skills development, enterprise and supplier development, and socioeconomic development. The evaluation for 2023 had not yet been completed at the time this report was finalized.

We actively participate in annual evaluations to assess our BBBEE performance and identify areas for improvement. Our initiatives focus on:

Ownership: Increasing black ownership and participation in our company through various empowerment schemes.

Skills Development: Investing in training and development programs to enhance the skills and capabilities of our black employees.

Enterprise and Supplier Development: Supporting black-owned businesses through procurement and supply chain initiatives.

Socioeconomic Development: Contributing to community uplift projects and initiatives that benefit black communities.

As we look ahead to 2024, we remain committed to further enhancing our BBBEE performance. We will continue to implement targeted initiatives and programs to drive transformation, empower our workforce, and create sustainable value for our stakeholders in South Africa.

13%
of our total procurement spend is with certified minority-owned suppliers.

G Governance



Corporate Culture & Business Conduct

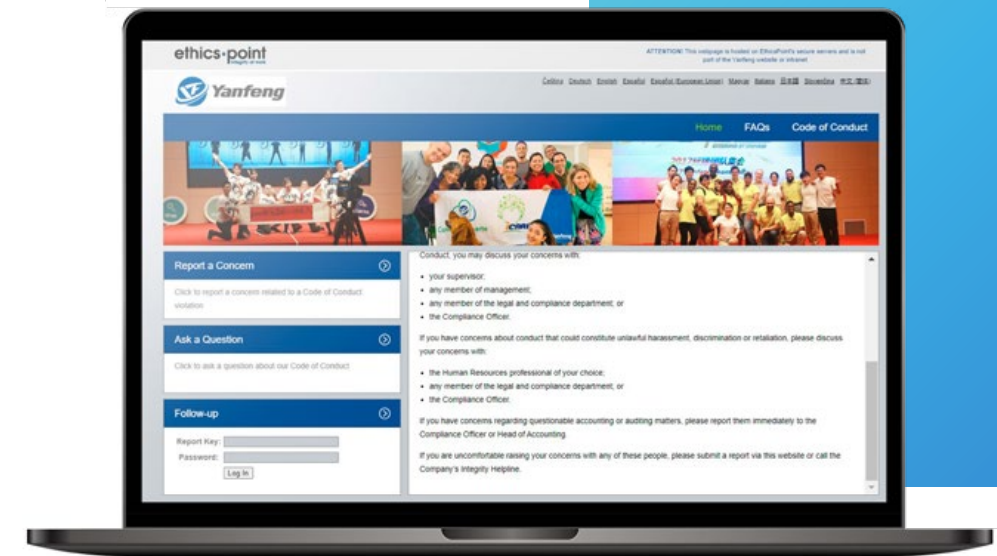
Our suppliers are key partners and a strategically important resource for Yanfeng. We rely on the competitive high-quality products and services provided by them. They share our belief that mutual trust and high standards are essential to effective partnerships. All our suppliers must act according to the ethical and legal principles defined in our Partner Code of Conduct, which can be found on our official website. This document outlines the minimum requirements that must be met, as well as the clear expectations that we have for our business partners.

This applies to all suppliers – regardless of the materials or services they provide. We expect our partners to conduct their operations in an environmentally and socially responsible manner and require them to commit to our global supplier standards.

We also encourage them to adopt business values and practices aligned with the UN Global Compact's Ten Principles for environmental and social responsibility as well as sustainable development. These requirements also apply to their own supply chain.

We at Yanfeng respect, protect, and care about the environment and the communities where we operate. Our products, services, and manufacturing operations reflect this commitment, which is beneficial to the environment, society, and our company. As our partner, suppliers must comply with all applicable government regulations of manufacturing and selling countries relating to the health and safety of employees, environmental protection, toxic and hazardous substances, and free trade. Suppliers

should also achieve ISO 14001, ISO 45001 management system certification or conform to local country regulations. Partners who do not accept and comply with our requirements could be restricted from receiving any new business. We have also implemented a process to report potential conflicts of interest or violations of the law. Our partners have a duty to report all suspected or actual violations of the code, or of any applicable laws and regulations: They must make all such disclosures to us. Reports can be made anonymously, online via our integrity helpline (for all countries except China) or the integrity helpline equivalent in China.



Our Ethics Point website for raising integrity concerns



We do not tolerate corruption or retaliation.

Anti-Corruption

Anti-corruption measures, fair practices, and transparency are crucial in all our business dealings. It is our responsibility to uphold these values to build trust and maintain ethical standards. Only by acting honestly and responsibly can we ensure a sustainable future for our organization and the communities we serve. We strive to live by these principles every day and create a culture of integrity and excellence.

We prioritize education and are fully committed to providing our employees with the necessary resources to thrive. We are proud to offer 22 different learning academies, which include our Legal and Compliance Academy. This academy is designed to help our employees better comprehend various compliance guidelines, including topics such as charitable contributions, gifts, and entertainment,

as well as the significant provisions of the U.S. Foreign Corrupt Practices Act (FCPA). By investing in our employees' knowledge and skills, we believe that we can continue to provide the highest levels of quality and value to our customers and stakeholders.

As part of our commitment to maintaining a safe and respectful workplace, we offer various training opportunities to our employees. These include courses on our Code of Conduct, cybersecurity, safety protocols, and anti-harassment and non-discrimination policies. In 2023 alone, we added 685 instructor-led and web-based courses to our learning system. This is in line with Yanfeng's dedication to continuous learning and ensuring that everyone has the tools and resources they need to succeed. These courses aim to provide our employees with a common understanding of our expectations and how we can all contribute to a positive and productive work environment.

We are dedicated to fostering a culture of integrity and responsibility. Our Compliance Program aims to establish risk identification, risk mitigation, and risk prevention mechanisms while promoting sustainable growth. As part of our commitment to excellence, we have instituted an integrity helpline called Ethics Point, which supplements our Code of Conduct. The helpline is publicly available for employees to ask questions or report any possible violations.

Anti-Retaliation Policy

We are committed to the principle that there will be no retaliation against those who report possible misconduct in good faith.

Code of Conduct

Our Code of Conduct serves as the basis for how we conduct our business globally with a focus on ethics and compliance. This is accessible to the public in ten languages via our website and outlines our 15 guiding principles for ethical behavior in business. It applies to all employees, contract workers, and business partners across the globe. It serves as the cornerstone of our Compliance Management System, which is a risk management system based on the best compliance practices for leading global corporations. The Compliance Management System's elements are integrated into our Yanfeng International Operating System (YFIOS).

Anti-Competitive Behavior

We stand by the principles of fair and open competition, and we do not engage in unethical practices to gain business advantage.

Yanfeng abides by the antitrust and competition laws of the countries and regions where we operate. We treat our competitors fairly and work in cooperation with our business partners and customers based on mutual trust. Open and fair competition is essential to our success, and Yanfeng is committed to providing superior value to our customers without resorting to anti-competitive agreements. We prohibit all illegal agreements and behavior aimed at

limiting competition. We do not align with our competitors on any pricing element or product development, nor do we coordinate on who or where to sell our products. We never engage in bid rigging or artificially limit our production or sales volume. Yanfeng provides its employees with guidelines and training to help them identify and avoid competition law risks. Since competition laws are complex, we encourage our employees to consult our legal or compliance department for guidance whenever needed.

The 15 Principles of the Code of Conduct are:

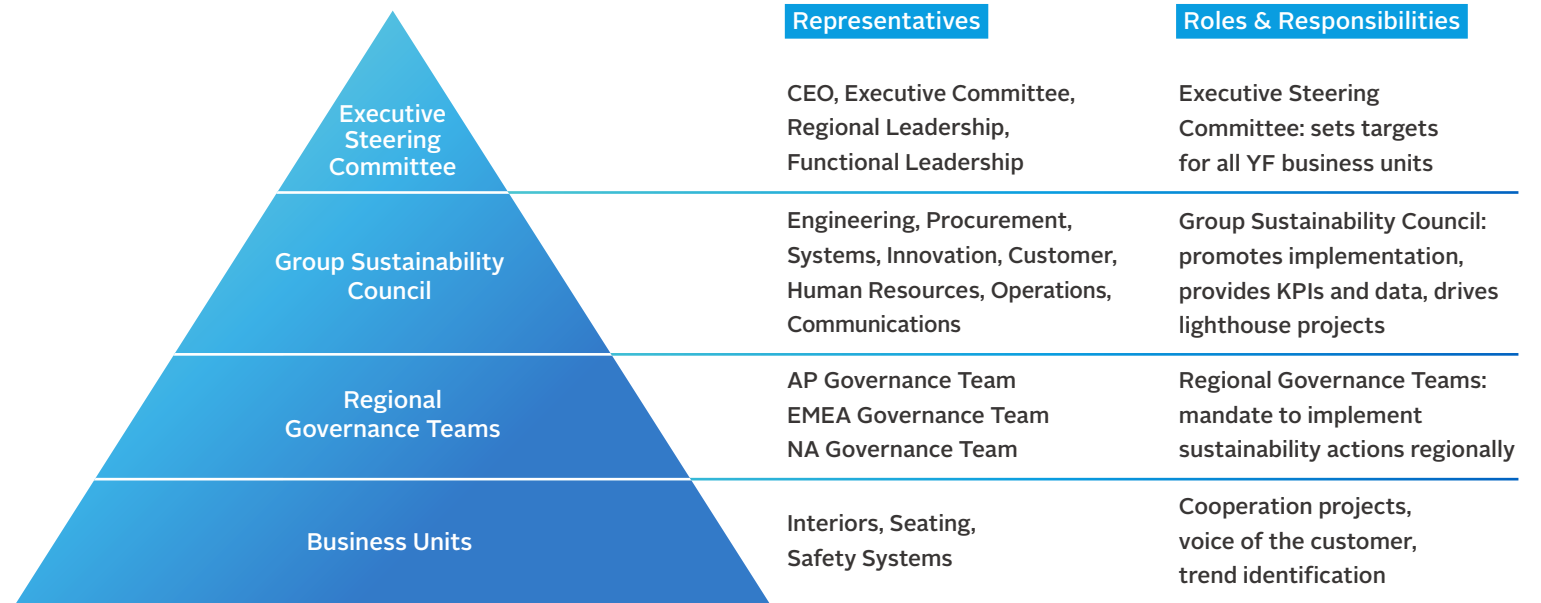
- 1.** We obey the laws and regulations wherever we conduct business.
- 2.** We safeguard the health and safety of our employees.
- 3.** We are committed to provide safe, high-quality goods and services.
- 4.** We always act in Yanfeng's best interest.
- 5.** We use Yanfeng's assets and resources honorably and only for Yanfeng's business.
- 6.** We do not tolerate corruption anywhere in our business.
- 7.** We believe in fair and open competition and will not engage in unethical behavior to obtain business.
- 8.** We ensure our records are accurate, complete, and appropriately maintained and our internal controls sound.
- 9.** We communicate accurately with our shareholders and the public.
- 10.** We do not engage in insider trading or self-dealing.
- 11.** We comply with international trade laws.
- 12.** We protect Yanfeng's confidential information and respect that of our customers and business partners.
- 13.** We protect the privacy of our employees.
- 14.** We take responsibility for the environment by making sure that we follow environmental laws and regulations everywhere we conduct business.
- 15.** We value diversity and equal treatment in our workplace.

Sustainability Governance Structure

Yanfeng has developed a governance structure that aims to ensure the company meets its sustainability commitments, satisfies customer expectations, and works towards achieving net-zero emissions in the future. Yanfeng’s vision focuses on becoming the leading supplier of sustainable solutions and smart cabins in the automotive industry.

To achieve this, Yanfeng has established a governance structure that includes the Group Sustainability Executive Steering Committee and the Group Sustainability Council. The Executive Steering Committee is responsible for supervising the company’s strategy and setting targets and commitments. It is comprised of Yanfeng’s CEO, Executive Committee, and regional and functional leaders. The Group Sustainability Council oversees the company’s sustainability commitments and targets, provides KPIs, and drives projects globally.

Sustainability Governance Model





Our global VP Sustainability has welcomed two new members to the Group Sustainability Council.

2

new members joined the Group Sustainability Council in 2023, representing Seating and Safety Systems.

The Sustainability Council is chaired by the Vice President of Global Sustainability and has members from all regions, representing the wholly owned business units – Interiors, Seating, and Safety Systems. The members of the council are representatives of advanced manufacturing engineering, communications, commercial, engineering, global tech sales, human resources, health & safety and environment, innovation, operations, and procurement. This working group focuses on topics such as the net-zero emissions roadmap, customer requirements and audits, processes and policies, ESG reporting, supply chain initiatives, and sustainability training. This governance structure helps to standardize decision-making around the globe.

On a regional level, the Regional Governance Teams are responsible for implementing sustainability actions. The individual business units cooperate on projects, align customer and regulatory requirements, and identify sustainability trends.

Policies & Practices

Our Yanfeng International Operating System (YF IOS) is a centralized management operating system that has been developed over decades to optimize global collaboration and make it more efficient.

YF IOS was introduced in 2020 and applies to all wholly owned subsidiaries, unconsolidated and consolidated joint ventures, and affiliates of Yanfeng International. In 2021, the process was centralized to include all company business units.

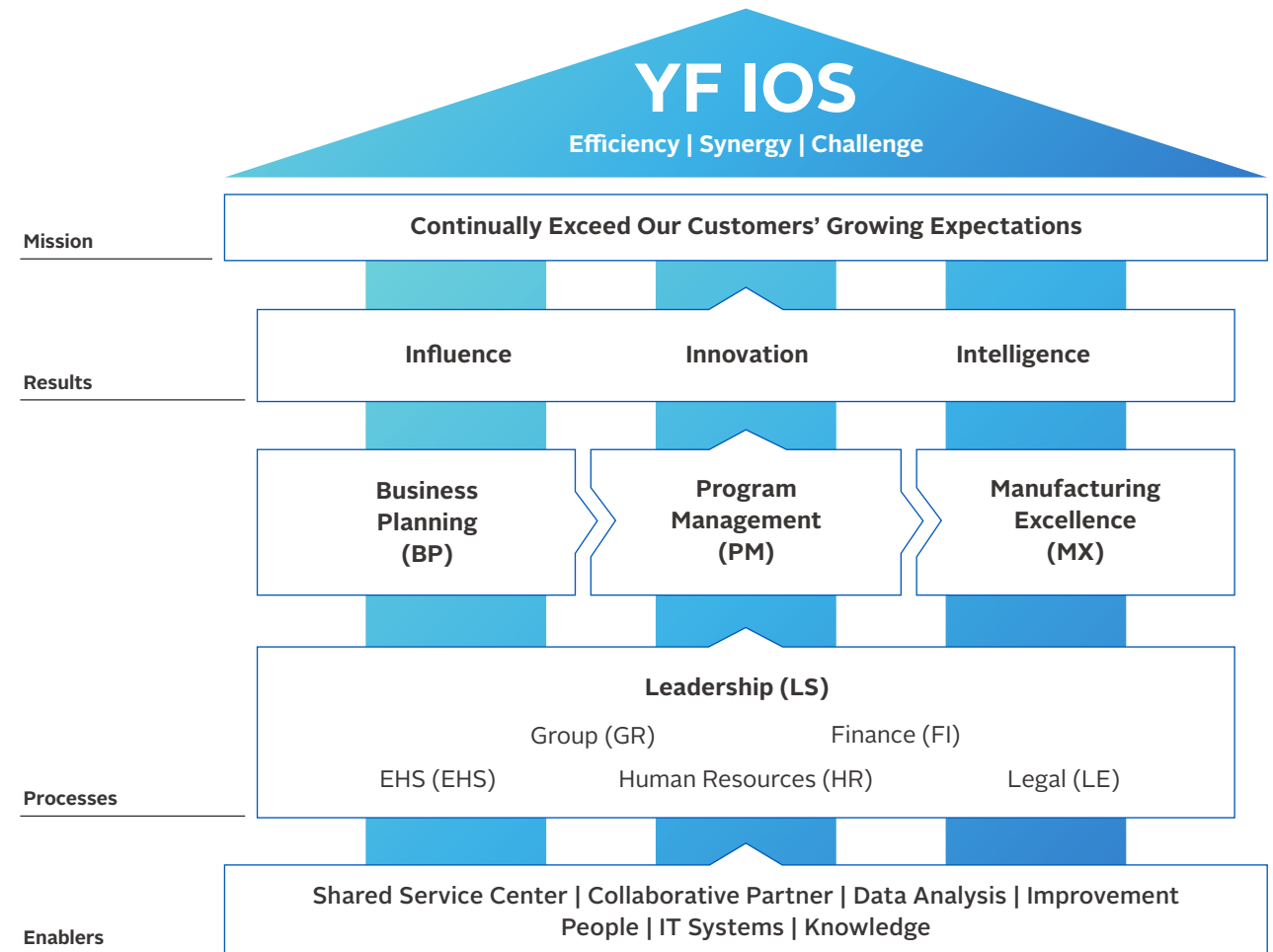
It consolidates centrally documents that support our high-level processes, including business planning, program management, manufacturing excellence, and leadership. It covers key areas of focus such as human resources, finance, legal, environmental, health and safety, as well as compliance policies such as anti-corruption, bribery, fraud, money laundering, and rules for gifts and entertainment.

To ensure compliance with YF IOS processes, an annual audit is conducted both internally and by an external certification body. Our YF IOS system meets the requirements of IATF, the automotive standard for a quality management system.

348

releases included in YF IOS in 2023.

Our International Operating System



Ethics Point

Our organization values trust and responsibility. We aim to identify and prevent risks while promoting sustainable growth through our compliance program. To underpin our Code of Conduct, we have a helpline called Ethics Point available to all employees. This helpline is available to all employees to ask questions or report any possible violations. The helpline is publicly available. Anyone can anonymously report suspected violations of our Code of Conduct via our Ethics Point website, which is available in multiple languages.

Cybersecurity and Data Privacy

We set the protection of employees' personal data as our top priority and always apply the relevant data protection and privacy laws. Our regional compliance representatives monitor local data protection and privacy laws and adjust our policies and processes as required.

We assess all processing activities and assets that involve personal information in our Data Privacy Management Tool (OneTrust) and consider data security an essential aspect of the assessment. We have defined rules for Yanfeng employees and external service providers for handling personal information; they are described in the corresponding YF IOS work instruction documents.

We consistently provide mandatory cybersecurity awareness training that is assigned to employees when they join the organization and is required annually to account for changing cybersecurity threats. Training completion metrics are reviewed regionally in quarterly security and IT meetings. Throughout the year, frequent phishing awareness tests are conducted using a simulation program. In the YF IOS, we have multiple process documents that deal with information security management, awareness, training, and reporting. Additionally, our global security team continually conducts cybersecurity event alerting and monitoring.



We conduct annual training on cybersecurity awareness.

80%
of our employees
completed data
privacy training.

Procurement Practices

Partner Code of Conduct

Yanfeng considers its suppliers key partners and a strategically important resource, as we rely on the competitive high-quality products and services they provide. Because of this, we firmly believe that mutual trust and high standards are crucial for effective partnerships.

We require all our suppliers to act according to the ethical and legal principles defined in our Partner Code of Conduct, which can be found on our website. This document outlines the minimum requirements that must be met, as well as the clear expectations that we have of our business partners. It is important to note that our expectations apply to all suppliers, regardless of the materials or services they provide. We expect our partners to conduct their operations in an environmentally and socially responsible manner and require them to commit to our global supplier standards.

Additionally, we encourage our partners to adopt business values and practices that align with the UN Global Compact's Ten Principles for environmental and social responsibility, as well as sustainable development. These requirements also apply to their own supply chain.

As a company, Yanfeng maintains high regard for the environment and the communities where we operate. Our products, services, and manufacturing operations reflect this commitment, which is beneficial to the environment, society, and our company.

As our partners, suppliers must comply with all applicable statutory regulations of manufacturing and selling countries relating to the health and safety of employees, environmental protection, toxic and hazardous substances, and free

trade. They should also achieve ISO 14001 and ISO 45001 management system certification or comply with comparable local country regulations.

Partners who do not accept and comply with our requirements may be restricted from receiving any new business. In line with this, we have also established a process to report potential conflicts of interest or violations of the law. In this regard, our partners must report all suspected or actual violations of the Code, or of any applicable laws and regulations, and they must make all such disclosures to us. Reports can be made anonymously via our integrity helpline, which is available globally.

Any suspected violations of our Code of Conduct can be reported anonymously via our Ethics Point website, which is available in multiple languages. We take these matters seriously and encourage our suppliers to do the same.

Ethics Point

Yanfeng is committed to promoting a culture of responsibility and integrity. To achieve this, we have put mechanisms in place to identify, prevent, and mitigate risks while ensuring sustainable growth through our compliance program. We are dedicated to excellence and have established an integrity helpline called Ethics Point, which is available publicly, to supplement our Code of Conduct.

Our partners have a duty to report all suspected or actual violations of the Code of Conduct, or of any applicable laws and regulations, and they must make all such disclosures to us. Reports can be made anonymously, online via our integrity helpline (for all countries except China), or the integrity helpline equivalent in China.

We require our suppliers to act with the utmost integrity and ethical behaviour.



Lenka Vargoncikova Korytinova

Manager Quality Supplier
Development

The automotive industry's complex supply chain presents both opportunities and challenges. Achieving greater transparency is a critical goal, as it enables responsible decision-making and promotes sustainability. In this interview with Lenka Vargoncikova Korytinova, Manager for Quality Supplier Development, we'll look at the key challenges faced in ensuring transparency across the supply of materials and parts. From traceability of parts to building trust, we'll explore how open communication and standardized reporting play a key role in driving sustainable improvement.

Lenka, what are the main challenges to achieving greater transparency in the supply of materials and parts in the automotive supply chain?

The automotive supply chain is complex and requires transparency for responsible decision-making. The only way to ensure sustainability is to trace the origin of parts and promote

understanding within the supply chain. We can't achieve sustainability alone. It requires our suppliers and partners to integrate the necessary actions into their daily business. Clear, standardized reporting is necessary, but building trust is also a key challenge. Open communication of our policies within the supply chain is essential for shared understanding and accountability. Transparency is critical to sustainable improvement.

How do we ensure that our suppliers uphold human rights and environmental standards throughout their operations? What mechanisms do we have in place to verify and enforce these standards?

We must ensure that our suppliers and business partners comply with labor and human rights standards to protect our reputation and reduce risk. We have a Code of Conduct that our suppliers must adhere to, covering ethical business standards, human rights, and sustainable practices. We conduct supplier assessment surveys (SAS) and have implemented the responsible supply chain Initiative (RSCI) to monitor and verify compliance with human rights and environmental standards. These include fair wages, working hours,

child labor, anti-discrimination and safety standards. The RSCI allows us to identify areas for improvement and provide assistance to our suppliers. We are proud to be one of the first Tier 1 automotive suppliers to implement RSCI assessments.

What strategies do we employ for risk management within our supply chain, especially concerning environmental, social, and governance (ESG) factors? How do we identify, assess, and mitigate potential risks?

We prioritize ESG strategies in our supply chain for long-term sustainability. For integrating ESG risk strategies, we assess suppliers using Prewave Artificial Intelligence software. Suppliers are categorized based on environmental, social, and governance risks. Actions are taken accordingly, including regular monitoring, corrective measures, and on-site audits. Our suppliers also complete sustainability self-assessments, now replaced by the NQC supply chain risk and compliance management solution, which covers various aspects.

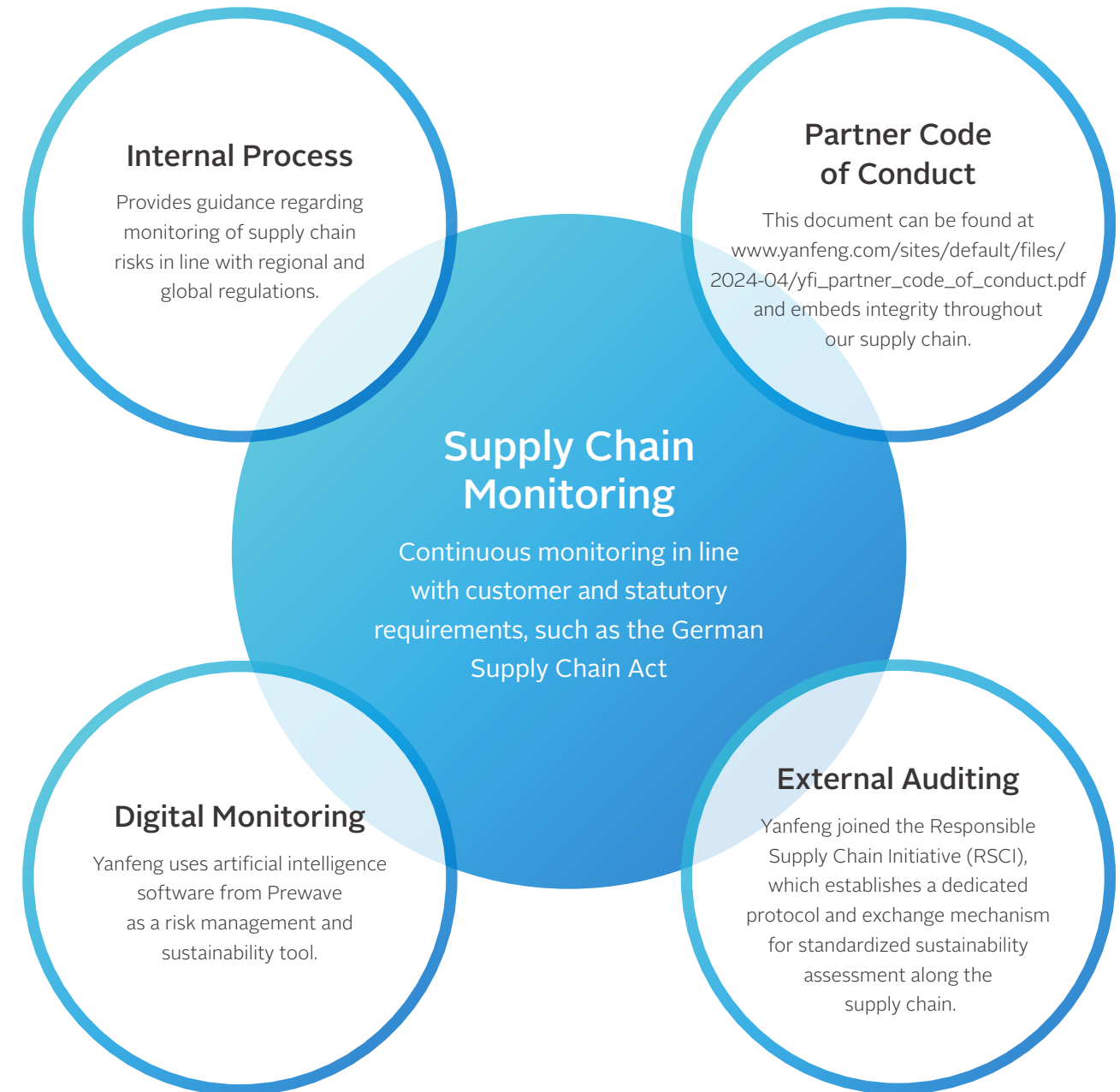
“Transparency is critical to sustainable improvement.”



Supply Chain Monitoring & Auditing

The German Act on Corporate Due Diligence Obligations in Supply Chains, more commonly known as the German Supply Chain Act, in addition to other governmental and supplier regulations, prevents human rights violations in supply chains and imposes extensive new requirements on companies regarding human rights along the supply chain. As part of the regulation, the due diligence obligations apply to an enterprise's business area, a contractual partner's actions, and other indirect suppliers. A company's responsibility no longer ends at its plant entrance but applies to the entire supply chain. Therefore, our supply chain monitoring is based on the four pillars of:

- **Internal Process**
- **Partner Code of Conduct**
- **Digital Monitoring**
- **External Auditing**



Monitoring

To identify potential risks in our supply chain, we continually monitor our supply chain in alignment with government and customer regulations. We leverage Prewave, an advanced end-to-end supply chain risk management software that employs AI technology to detect and categorize risks in real time. This platform allows us to understand and manage risks across our entire supply chain. By utilizing Prewave, we can also take mitigative actions to address risks, thus covering every phase of the supply chain lifecycle and ensuring compliance with legal requirements.

Prewave's AI monitors public information available online and on social media across more than 150 countries, covering over 400 languages and dialects.

It combines these insights with our private data and industry-shared data. Monitoring over 1.3 million direct and indirect suppliers, it provides alerts whenever a risk is detected in our supply chain. This proactive approach enables us to identify sustainability risks, such as corruption, human rights violations, and pollution, in real time.

Our commitment is to create a more transparent, resilient, and sustainable supply chain by identifying, analyzing, mitigating, and reporting issues promptly. Besides digital monitoring, we continually assess potential industry- and country-specific risks. To enhance compliance and strengthen our supply chain, we empower our suppliers to complete self-assessments when required.

1.3 M+

direct and indirect suppliers
are monitored by Prewave,
using artificial intelligence.

We monitor our supply chain globally to help mitigate risks.

Auditing

We are fulfilling our due diligence obligations in the supply chain and further developing our suppliers by pursuing a risk-oriented approach. Besides human rights risk analysis, our company conducts sustainability risk assessments via standardized assessments and other internal processes. Social assessments, which we perform in justified cases based on the Responsible Supply Chain Initiative (RSCI) program, are part of these processes. This initiative ensures shared values related to social responsibility and compliance within the supply chain and enables suppliers to share their labels with other business partners, thus avoiding redundant auditing.

Yanfeng has been an active member of the Responsible Supply Chain Initiative (RSCI) since 2022, which enables us to identify, control, and eliminate risks along our supply chain. The RSCI was founded in October 2021 under the aegis of the German Association of the Automotive Industry (VDA).

The assessment standard was developed and validated by stakeholders from the automotive industry and the VDA. The initiative focuses on identifying gaps and enhancing sustainability in the supply chain through on-site assessments and corresponding corrective action plans (CAP). The intention is to create transparency in working conditions by conducting assessments on-site. The RSCI assessments are integral to implementing corporate due diligence in the automotive supply chain. Thanks to our involvement with the RSCI, we have standardized testing and an exchange mechanism for assessing the sustainability performance of companies within our supply chain and mutually recognizing the results. This program also supports us in implementing the requirements of customers, legislators, and stakeholders, which contributes to the implementation of companies' human rights due diligence.



The RSCI assessments are an integral part of implementing corporate due diligence in our automotive supply chain.

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Yanfeng auditors are trained and certified to conduct assessment for the RSCI.



Appendix

GRI Reporting for Sites in Europe

At Yanfeng, we are not only working on improving our ESG performance, we also are looking to be more transparent in our reporting. In this report, we are introducing a new reporting standard that helps us prepare for upcoming legislations in Europe.

Going forward, we will be required to report our sustainability performance in alignment with the European Corporate Sustainability Reporting Directive (CSRD). To prepare for this, in 2023, we conducted for the first time a double materiality analysis (see page 12), that identified seven material topics for Yanfeng.

As a first step, we are introducing the following section, which reports on our performance based on the prioritized seven material topics for our wholly owned locations in EU-member states. This report is created in accordance with the Global Reporting Initiative (GRI) standards, for the period 01.01.2023 to 31.12.2023. A GRI sector standard is not applicable.

This not only helps us prepare for future ESG reporting requirements, but also further increases transparency.

GRI Content Index | General Disclosures

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 2 | GENERAL DISCLOSURES

2-1 ORGANIZATIONAL DETAILS			
	a. Report its legal name.	Yanfeng International Automotive Technology Germany s.r.o. & Co.	
	b. Report its nature of ownership and legal form.	Yanfeng International Automotive Technology Germany s.r.o. & Co. is a private company and 100% owned by Yanfeng International Automotive Technology Hungary Kft. Yanfeng International Automotive Technology Germany s.r.o. & Co. is by revenue the biggest legal entity under European Community law. Yanfeng International Automotive Technology Hungary Kft. is consolidating also other regional Yanfeng companies, that are not under European Community law. Therefore, all Yanfeng companies under European Community law are virtually consolidated and reported under Yanfeng International Automotive Technology Germany s.r.o. & Co. within this GRI report.	
	c. Report the location of its headquarters.	The headquarters of the reporting group is located in Neuss, Jagenbergstrasse 1, Germany, The headquarters is a legal entity on its own (Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG) and part of the reporting group.	
	d. Report its countries of operation.	Czech Republic, Germany, Hungary, Italy, Luxembourg, Slovak Republic and Spain.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-2 ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING			
	a. List all its entities included in its sustainability reporting.	Yanfeng Hungary Kft. Yanfeng international Automotive Technology Czechia s.r.o. Yanfeng International Automotive Technology Italy S.r.l. Yanfeng International Automotive Technology Spain, S.L. Yanfeng International Automotive Technology Germany s.r.o. & Co. KG Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG Yanfeng International Automotive Technology Slovakia s.r.o. Yanfeng International Automotive Technology Luxembourg S.à r.l.	
	b. If the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting.	The included list of legal entities is virtually consolidated and a financial reporting in same group is not conducted.	
	c. If the organization consists of multiple entities, explain the approach used for consolidating the information, including:	The entities above are virtually consolidated due to a missing parent company that is covering the reporting scope. A financial reporting in same group is not conducted.	
	I. Whether the approach involves adjustments to information for minority interests; how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities.	No minority interest need to be considered, all legal entities are 100% owned. The approach for reporting to this standard and for material topics is identical.	
	II. How the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities.	Not applicable. All entities in this group are 100% owned.	
	III. Whether and how the approach differs across the disclosures in this Standard and across material topics.	The approach for reporting to this standard and for material topics is identical.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-3 REPORTING PERIOD, FREQUENCY AND CONTACT POINT			
	a. Specify the reporting period for, and the frequency of, its sustainability reporting.	The reporting period is Jan 1st 2023 until Dec 31st 2023.	
	b. Specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this.	The individual financial reportings of legal entities and the sustainability reporting period are identical.	
	c. Report the publication date of the report or reported information.	The publication of this report is planned for July 2024.	
	d. Specify the contact point for questions about the report or reported information.	For questions related to this report please contact sustainability@yanfeng.com .	
2-4 RESTATEMENTS OF INFORMATION			
	a. Report restatements of information made from previous reporting periods and explain:	There are no restatements as this is the first GRI report for the consolidated group of legal entities.	
	I. The reasons for the restatements.	Not applicable.	
	II. The effect of the restatements.	Not applicable.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-5 EXTERNAL ASSURANCE			
	a. Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved.	For 2023, Yanfeng does not intend to have its global ESG report and the related GRI appendix, externally assured. Only the Corporate Carbon Footprint report will be assured with limited assurance for all owned entities in scope by an external assurance company for Scopes 1,2 and 3. The scope of entities reporting to GRI, are a subset of that assurance,	
	b. If the organization's sustainability reporting has been externally assured:	The Corporate Carbon Footprint Report has been externally assured.	
	I. Provide a link or reference to the external assurance report(s) or assurance statement(s).	Yanfeng has commissioned an auditing firm to carry out an independent audit of selected emissions. We report for the Interiors business unit the emissions to the Carbon Disclosure Project (CDP).	
	II. Describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process.	Limited assurance for selected areas/units disclosed in corporate carbon footprint report in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and International Standard on Assurance Engagements ISAE 3410", issued by the IAASB. Subject of the assurance is the Carbon reporting related Scopes 1, 2 and 3.	
	III. Describe the relationship between the organization and the assurance provider.	The assurance provider KPMG is an independent international company without equity interest from Yanfeng.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS			
	a. Report the sector(s) in which it is active.	Please take a look at the chapter “About Yanfeng”.	See page number 6
	b. Describe its value chain, including:		
	I. The organization's activities, products, services, and markets served.	Please take a look at the chapter “About Yanfeng”.	See page number 6 and 7
	II. The organization's supply chain.	Yanfeng has suppliers in all regions. Our suppliers are key partners and are a strategically important resource for Yanfeng. We rely on the competitive high-quality products and services provided by them. They share our belief, that mutual trust and high standards are essential to effective partnerships. All our suppliers must act according to the ethical and legal principles defined in our Partner Code of Conduct, which can be found on our official website.	www.yanfeng.com/sites/default/files/2024-04/yfi_partner_code_of_conduct.pdf
	III. The entities downstream from the organization and their activities.	All production plants included in this report are tier 1 suppliers to automotive manufacturers.	
	c. Report other relevant business relationships.	Not applicable.	
	d. Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	There are no changes as this is the first GRI report for the consolidated group of legal entities.	
2-7 EMPLOYEES			
	a. Report the total number of employees, and a breakdown of this total by gender and by region.	Please see the “Employee Details” chart.	See page number 142

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
	b. Report the total number of:		
	I. Permanent employees, and a breakdown by gender and by region.	Please see the “Employee Details” chart.	See page number 142
	II. Temporary employees, and a breakdown by gender and by region.	Please see the “Employee Details” chart.	See page number 142
	III. Non-guaranteed hours employees, and a breakdown by gender and by region.	Omitted due to confidentiality.	
	IV. Full-time employees, and a breakdown by gender and by region.	Please see the “Employee Details” chart.	See page number 142
	V. Part-time employees, and a breakdown by gender and by region.	Please see the “Employee Details” chart.	See page number 142
	c. Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:	Please see the “Employee Details” chart.	See page number 142
	I. In head count, full-time equivalent (FTE), or using another methodology; at the end of the reporting period, as an average across the reporting period, or using another methodology.	Please see the “Employee Details” chart.	See page number 142
	II. At the end of the reporting period, as an average across the reporting period, or using another methodology.	Please see the “Employee Details” chart.	See page number 142
	d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b.	Please see the “Employee Details” chart.	See page number 142
	e. Describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Please see the “Employee Details” chart.	See page number 142

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-8 WORKERS WHO ARE NOT EMPLOYEES			
	a. Report the total number of workers who are not employees and whose work is controlled by the organization and describe:	Headcount: 703 (as year average).	
	I. The most common types of worker and their contractual relationship with the organization.	90% of these non-employees belong to our direct employee population. They can be described as "Operators" who are working on our production lines. Direct employees generally have a framework contract with labor lease agencies, who place those workers with us.	
	II. The type of work they perform.	The operators are direct employees, working on the production lines. Their work ranges from product assembly, sewing and cutting leatherworks, logistics on other supprt work in all our plants.	
	b. Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:		
	I. In head count, full-time equivalent (FTE), or using another methodology.	The number of workers is presented in headcount.	
	II. At the end of the reporting period, as an average across the reporting period, or using another methodology.	The number of workers is presented as an average across the reporting period.	
	c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	Due to the nature of our production business, significant fluctuation is always visible toward the summer and Christmas period as our partners, customers and suppliers all go into shutdown during these times. We follow this approach and reduce our headcount during these periods accordingly by ending the agency/temporary labor relationships before these times.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-9 GOVERNANCE STRUCTURE AND COMPOSITION			
	a. Describe its governance structure, including committees of the highest governance body.	The highest governance body for the reporting group of entities, but not exclusively, is the CEO of Yanfeng International. Main function reporting to him are: Finance, Operations, Customer Business Units, Human Resources, Quality, Product Business Units, Environment, Health & Safety and the Executive Sustainability Steering Committee.	
	b. List the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people.	Please see the chapter "Sustainability Governance Structure".	See page number 51
	c. Describe the composition of the highest governance body and its committees by:		
	I. Executive and non-executive members.	The CEO is the chair of the Yanfeng Executive Committee. Members of the Sustainability Executive Steering Committee are the CEO, Executive Committee, the regional and the functional leadership.	See page number 51
	II. Independence.	Omitted due to confidentiality.	
	III. Tenure of members on the governance body.	Omitted due to confidentiality.	
	IV. Number of other significant positions and commitments held by each member, and the nature of the commitments.	Omitted due to confidentiality.	
	V. Gender.	Omitted due to confidentiality.	
	VI. Under-represented social groups.	Omitted due to confidentiality.	
	VII. Competencies relevant to the impacts of the organization.	Omitted due to confidentiality.	
	VIII. Stakeholder representation.	Omitted due to confidentiality.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-10 NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY			
	a. Describe the nomination and selection processes for the highest governance body and its committees.	The CEO is nominated by Huayu Automotive Systems Shanghai Co., Ltd (HASCO), the 100% shareholder of Yanfeng International.	
	b. Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:		
	I. Views of stakeholders (including shareholders).	Omitted due to confidentiality.	
	II. Diversity.	Omitted due to confidentiality.	
	III. Independence.	Omitted due to confidentiality.	
	IV. Competencies relevant to the impacts of the organization.	Omitted due to confidentiality.	
2-11 CHAIR OF THE HIGHEST GOVERNANCE BODY			
	a. Report whether the chair of the highest governance body is also a senior executive in the organization.	The CEO at the same time is the head of the Executive Committee and Sustainability Executive Steering Committee.	
	b. If the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	The CEO of Yanfeng International, as chair of the Sustainability Executive Steering Committee, has responsibility for the companies sustainability issues. The goal of the Sustainability Executive Steering Committee is to set up objectives and monitor progress related to sustainability. The CEO of Yanfeng International, along with the Sustainability Executive Steering Committee, is responsible for making strategic decisions.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-12 ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS			
	a. Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development.	The Executive Committee, under the lead of the CEO, approves the strategy, goals and top initiatives for every three years and reviews the status annually. This also includes the topic of sustainability.	
	b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:		
	I. Whether and how the highest governance body engages with stakeholders to support these processes.	Omitted due to confidentiality.	
	II. how the highest governance body considers the outcomes of these processes.	Omitted due to confidentiality.	
	c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	Omitted due to confidentiality.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-13 DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS			
	a. Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:		
	I. Whether it has appointed any senior executives with responsibility for the management of impacts.	A global Vice President (VP) Sustainability was appointed in 2022. The global VP Sustainability defines the strategy for ESG topics, sets overall goals for the entire organization and performs regular meetings with internal stakeholders and involved departments to follow up progress on targets.	
	II. Whether it has delegated responsibility for the management of impacts to other employees.	Please see the chapter "Sustainability Governance Structure".	See page number 51
	b. Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	The global VP Sustainability reports out to the Sustainability Executive Steering Committee twice a year.	
2-14 ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING			
	a. Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information.	To define the material topics for Yanfeng, a Double Materiality Analysis was for the first time conducted in 2023. The results have been reviewed and approved by the highest Governance Body, the CEO of Yanfeng International. The ESG report as such is subject of review and approval by the CEO.	
	b. If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	Not applicable.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-15 CONFLICTS OF INTEREST			
	a. Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated.	Embedded in our Yanfeng International Operating System (YF IOS), several processes are available that describe the identification, (incl. escalation to highest management level), and solution of serious concerns. To avoid concerns, collection and consideration of customer requirements are defined as part of development system. The completeness of legal items to be considered, is guaranteed by systematic register of relevant laws and directives, which is also part of our management system.	
	b. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:		
	I. Cross-board membership.	Omitted as not applicable.	
	II. Cross-shareholding with suppliers and other stakeholders.	Omitted as not applicable.	
	III. existence of controlling shareholders.	Omitted as not applicable.	
	IV. Related parties, their relationships, transactions, and outstanding balances.	Omitted as not applicable.	
2-16 COMMUNICATION OF CRITICAL CONCERNS			
	a. Describe whether and how critical concerns are communicated to the highest governance body.	The communication/escalation of critical concerns is defined by the YF IOS Problem Solving Procedure (YF-LSGR-PR-05). This procedure defines the methodology and requirements for problem identification, risk analysis, escalation, problem solution execution, prevention, and documentation to eliminate the occurrence and recurrence of critical concerns. Escalation rules and timing are defined by the process. The escalation is defined up to the CEO of Yanfeng International.	
	b. Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Omitted due to confidentiality.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-17 COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY			
	a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	The CEO and Executive Committee are member of the Sustainability Executive Steering Committee. The global VP Sustainability, also part of the Sustainability Executive Steering Committee, reports out minimum twice a year.	
2-18 EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY			
	a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people.	Omitted due to confidentiality.	
	b. Report whether the evaluations are independent or not, and the frequency of the evaluations.	Omitted due to confidentiality.	
	c. Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Omitted due to confidentiality.	
2-19 REMUNERATION POLICIES			
	a. Describe the remuneration policies for members of the highest governance body and senior executives, including:		
	I. Fixed pay and variable pay.	Omitted due to confidentiality.	
	II. Sign-on bonuses or recruitment incentive payments.	Omitted due to confidentiality.	
	III. Termination payments.	Omitted due to confidentiality.	
	IV. Clawbacks.	Omitted due to confidentiality.	
	V. Retirement benefits.	Omitted due to confidentiality.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	b. Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Omitted due to confidentiality.	
2-20 PROCESS TO DETERMINE REMUNERATION			
	a. Describe the process for designing its remuneration policies and for determining remuneration, including:		
	I. Whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration.	Employees covered by Collective Bargaining Agreement (CBA): Process of remuneration design in collective agreement based on negotiation with social partners. Employees not covered by CBA: Process of remuneration design by HR Business Partner/Local HR and Compensation & Benefits (C&B). Market benchmark is taken into consideration and approved at regional level. C&B vision, mission and guiding principles are defined by Yanfeng.	
	II. How the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration.	Our shareholder HASCO audits the process of the remuneration policy, evaluation and the result as such.	
	III. Whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives.	To determine remuneration policies, Yanfeng involves external remuneration consultants, or incorporates externally sourced data in our remuneration design process. This data is sourced 100% independent of Yanfeng and any of its committees/entities.	
	b. Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Not applicable.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-21 ANNUAL TOTAL COMPENSATION RATIO			
	a. Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).	Omitted due to confidentiality.	
	b. Report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).	Omitted due to confidentiality.	
	c. Report contextual information necessary to understand the data and how the data has been compiled.	Omitted due to confidentiality.	
2-22 STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY			
	a. Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	Please see the chapter "Message from our CEO".	See page number 4 and 5
2-23 POLICY COMMITMENTS			
	a. Describe its policy commitments for responsible business conduct, including:		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	I. The authoritative intergovernmental instruments that the commitments reference.	The reference is Yanfeng's Code of Conduct and its Partner Code of Conduct. Yanfeng is also relying on it's membership in the UN Global Compact ten principles and the 17 sustainable development goals.	
	II. Whether the commitments stipulate conducting due diligence.	<p>Yanfeng's Code of Conduct (p. 7, p. 8., p. 9): To ensure responsible business conduct, and meet due diligence requirement, Yanfeng provides various ways to report a concern for irresponsible business conduct through the Integrity Helpline (Whistleblowing Hotline) or via confidential discussion with the Legal or Compliance department or the Committee of Disciplinary Inspections (in China). Thus, If employees wish to report any such matter, they can report anonymously through the websites for Yanfeng Ethics Point (In China: https://chinahelpline.yanfeng.com/#; Other nations: https://yanfeng.ethicspoint.com) as well as a list of phone numbers by country for the Integrity Helpline). To effectively ensure responsible business conduct, Yanfeng adopts explicitly the policy of non-Retaliation (p. 6) and maintained required record (p. 16) accurately and appropriately.</p> <p>Yanfeng's Partner Code of Conduct (p. 4): Yanfeng explicitly stipulate due diligence commitments for its partners to establish competent body for Compliance/Business Ethics, and expects the partners to establish a due diligence process to ensure that their suppliers and subcontractors in turn also comply with the standards set out in this code.</p>	https://yanfeng.ethicspoint.com
	III. Whether the commitments stipulate applying the precautionary principle.	<p>Yanfeng applies the precautionary principle.</p> <p>Yanfeng has defined the mechanism on how to identify risk and take precautionary actions in order to reduce negative effects to the various areas of the company as much as possible, including internal or external risk definition, risk level assessment, action plan that need to be taken and responsibility. We focus on environment, health and safety, Product Safety, Procurement, Information Security, Human Resources, Data Privacy, Laws and Regulations and Supply Chain Act. Each related function will do risk analysis regularly and output the risk analysis report with risk level and precautionary actions to address risk. The defined owner will track and follow-up the status.</p> <p>Yanfeng also started to implement ESG risk management, including environment, climate, and society. Based on interaction potential impact analysis, We define and take relevant activities under risk management process. Supplier chain will be involved as well.</p>	
	IV. Whether the commitments stipulate respecting human rights.	Both documents Yanfeng's Partner Code of Conduct and Code of Conduct stipulates essential human rights principles.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	b. Describe its specific policy commitment to respect human rights, including:		
	I. The internationally recognized human rights that the commitment covers.	<p>In Yanfeng's Code of Conduct; equal treatment, policy of non-retaliation, safe and healthy work environment, privacy, right to inform, environmental law are the essential human rights specifically covered.</p> <p>As regards to Partner Code of Conduct, by referencing to the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, this policy document aims to essentially covers all internationally recognized human rights as far as possible.</p> <p>Partner Code of Conduct particularly references certain rights and gives utmost attention for Right to Health and Safety in the Workplace, Right to Privacy and Personal Data Protection, Right to Freedom of Association, Right to collective bargaining, Rights of Local Communities (Rights of minorities and rights of indigenous people), Women's right, Non-retaliation Policy prohibition of unfair and unequal Treatment in Employment, prohibition of child labor and prohibition of Forced Labor and Slavery, Right to Adequate Remuneration, Environment Protection and Protection of Natural Resources.</p>	
	II. The categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment.	<p>As a stakeholder, as stated in the Code of Conduct, Yanfeng gives particular attention for its employees, customers, shareholders and public. For its business relations, given the Partner Code of Conduct), service providers, suppliers of goods, consultants, independent contractors, and any other types of partners are the particular stakeholders given utmost attention. Besides, with regards to the at-risk or vulnerable groups, child labor, young employees, forced labor, indigenous people (local communities) and women are the stakeholder specifically mentioned.</p>	
	c. Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this.	<p>For Yanfeng's Code of Conduct see link on the right.</p> <p>For Yanfeng's Partner Code of Conduct see link on the right.</p>	<p>www.yanfeng.com/sites/default/files/Code%20of%20Conduct%20brochure%20English.pdf</p> <p>www.yanfeng.com/sites/default/files/2024-02/yfi_partner_code_of_conduct_yf-Isle-fr-02-00-01_-_external_version_final.pdf</p>

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	d. Report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level.	The Code of Conduct is assigned by our CEO. The Partner Code of Conduct – is an YF IOS document and it is approved by VP Legal and the Business Systems Department (is the unit that approves policy commitments). These commitments are renewed annually. They were last renewed on September 1, 2023.	
	e. Report the extent to which the policy commitments apply to the organization's activities and to its business relationships.	The policy commitment Partner Code of Conduct apply to all of the organization's activities and business relationships equally. Code of Conduct applies to everyone at Yanfeng – including the Board of Directors, company officers, employees, agents, business partners and contract workers with no exceptions.	
	f. Describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	These policy commitments Code of Conduct and Partner Code of Conduct are essentially communicated through the Yanfeng official/dedicated websites and Yanfeng Internal SharePoint pages. Newsletters, internal trainings, formal or informal meetings contractual agreements are the additional communication and dissemination channels.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
2-24 EMBEDDING POLICY COMMITMENTS			
	a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:		
	I. How it allocates responsibility to implement the commitments across different levels within the organization.	We adhere to compliance policies, have a Code of Conduct for employees, and require all employees to comply. In the training, we always emphasize Diversity of thought, culture, background, and skills improving the quality of our work and the vitality of our workplace.	
	II. How it integrates the commitments into organizational strategies, operational policies, and operational procedures.	Yanfeng has defined the management principles for business relationships. The sustainability department is responsible for driving the achievement of Yanfeng's sustainability target and commitments, as well as sustainability framework and coordinate the work of various functional departments and promote the implementation based on the work frame. Strategy department should do investment decision not only based on finance or market conditions but also environment, social and sustainability requirements which already defined in investment management procedures. On the other hand, procurement department will select supplier after the supplier meet the acceptance requirement, including environment, social and sustainability requirements which defined in Yanfeng supplier acceptance criteria. Supplier manual and Code of Conduct are also mandatory throughout the supplier chain. Regular monitoring will be implemented to check the results.	
	III. How it implements its commitments with and through its business relationships.	Our Partner Code of Conduct has to be assigned by our suppliers to their supply chain.	
	IV. Training that the organization provides on implementing the commitments.	We regularly upload compliance training courses on e-learning online, including but not limited to employee Code of Conduct training, antitrust training, and anti-corruption related training. The training content is aimed at global employees, and global employees can learn through the e-learning system through courseware. The course is mandatory. We conduct compliance training for all employees around the world at least once a year, and we will increase training according to the actual situation by using: 1. Internal e-trainings by multiple languages 2. Procedure release auto-reading task 3. External training	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-25 PROCESSES TO REMEDIATE NEGATIVE IMPACTS			
	a. Describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to.	Omitted due to confidentiality.	
	b. Describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in.	Omitted due to confidentiality.	
	c. Describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to.	Omitted due to confidentiality.	
	d. Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms.	Omitted due to confidentiality.	
	e. Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	Omitted due to confidentiality.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
2-26 MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS			
	a. Describe the mechanisms for individuals to:	Please take a look at the chapter “Corporate Culture & Business Conduct”.	See page number 48
	I. Seek advice on implementing the organization's policies and practices for responsible business conduct.	YFI IOS documents instruct on the formation of Yanfeng International compliance working group, which includes the compliance officers appointed by the business units and functional departments. The working group shall organize and assist business departments to conduct compliance training and provide compliance advice to employees, as well as other compliance responsibilities.	
	II. Raise concerns about the organization's business conduct.	Yanfeng has established an anonymous reporting and investigation system within Yanfeng group as a global method. Yanfeng has also established the specific compliance investigation and remediation process. For more detailed information e.g. how to report a complaint, please visit our corporate website.	www.yanfeng.com/en/complaints-procedure
2-27 COMPLIANCE WITH LAWS AND REGULATIONS			
	a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by, nces for which non-monetary sanctions were incurred:		
	I. Instances for which fines were incurred.	Our compliance investigation system did not receive any case which is in relation to non-compliance with laws and regulations in the year of 2023.	
	II. Instances for which non-monetary sanctions were incurred.	Zero	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	b. Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:		
	I. Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period.	Zero	
	II. Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods.	Zero	
	c. Describe the significant instances of non-compliance.	Zero	
	d. Describe how it has determined significant instances of non-compliance.	Zero	
2-28 MEMBERSHIP ASSOCIATIONS			
	a. Report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	<p>The list of associations where Yanfeng is part of in Europe:</p> <ul style="list-style-type: none"> • UN Global Compact (UNGC) • VDA's Working Group Responsible Supply Chain Initiative (RSCI) • Chinese Chamber of Commerce in Germany (CHKD) • Sustainable Procurement Pledge (SPP) • Automotive Industry Association of the Slovak Republic (ZAP) 	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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2-29 APPROACH TO STAKEHOLDER ENGAGEMENT																								
	a. Describe its approach to engaging with stakeholders, including:																							
	I. The categories of stakeholders it engages with, and how they are identified.	Yanfeng has stakeholders from different groups such as shareholders, employees, customers, consumers, suppliers and governments. Yanfeng is engaging with those groups using multiple approaches.																						
	II. The purpose of the stakeholder engagement.	Examples for stakeholder engagement:																						
	III. How the organization seeks to ensure meaningful engagement with stakeholders.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Stakeholder</th> <th style="text-align: left; padding: 2px;">Purpose of engagement</th> <th style="text-align: left; padding: 2px;">Meaningful engagement</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Shareholder</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Alignment of business • Compliance of processes </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Part of approval processes • Audit by shareholder • Joint management reviews </td> </tr> <tr> <td style="padding: 2px;">Customer</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Information exchange • Technical and commercial reviews • Compliance of processes </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Roadshows • Joint workshops • Project meetings • RSCI/RBA Audit </td> </tr> <tr> <td style="padding: 2px;">Consumer</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Consumer trends </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Consumer research • Car clinic </td> </tr> <tr> <td style="padding: 2px;">Supplier</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Strategy exchange • Compliance of processes • Innovation </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Supplier day • Supplier audit • Joint development projects </td> </tr> <tr> <td style="padding: 2px;">Government</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Compliance to regulations </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Follow mandatory regulations • Voluntary preparation for future processes (e.g. GRI) </td> </tr> <tr> <td style="padding: 2px;">Employees</td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Creation of knowledge • Sustainability training & information meetings </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> • Community engagement activities • Programs like iCARE </td> </tr> </tbody> </table>	Stakeholder	Purpose of engagement	Meaningful engagement	Shareholder	<ul style="list-style-type: none"> • Alignment of business • Compliance of processes 	<ul style="list-style-type: none"> • Part of approval processes • Audit by shareholder • Joint management reviews 	Customer	<ul style="list-style-type: none"> • Information exchange • Technical and commercial reviews • Compliance of processes 	<ul style="list-style-type: none"> • Roadshows • Joint workshops • Project meetings • RSCI/RBA Audit 	Consumer	<ul style="list-style-type: none"> • Consumer trends 	<ul style="list-style-type: none"> • Consumer research • Car clinic 	Supplier	<ul style="list-style-type: none"> • Strategy exchange • Compliance of processes • Innovation 	<ul style="list-style-type: none"> • Supplier day • Supplier audit • Joint development projects 	Government	<ul style="list-style-type: none"> • Compliance to regulations 	<ul style="list-style-type: none"> • Follow mandatory regulations • Voluntary preparation for future processes (e.g. GRI) 	Employees	<ul style="list-style-type: none"> • Creation of knowledge • Sustainability training & information meetings 	<ul style="list-style-type: none"> • Community engagement activities • Programs like iCARE 	
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2-30 COLLECTIVE BARGAINING AGREEMENTS			
	a. Report the percentage of total employees covered by collective bargaining agreements.	71.9% of all employees employed within the Yanfeng Europe entities are covered by collective bargaining agreements.	
	b. For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	For employees who are not covered by a collective bargaining agreements the company determines the working conditions based on external benchmarks, which might refer to external collective bargaining agreements, to create comparable working conditions.	

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GRI 3 | MATERIAL TOPICS 2021

3-1 PROCESS TO DETERMINE MATERIAL TOPICS			
	a. Describe the process it has followed to determine its material topics, including:	<p>1. Analyze: The starting point of the materiality assessment was a long list that included potential material sustainability topics, already aligned to ESRS topics.</p>	See page number 12
	I. How it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships.	<p>2. Collect: Benchmark analysis, which included various customers and competitors. Context Analysis included sector materiality ratings (MSCI and SASB), media analysis, document scrutiny, and a comprehensive expert assessment by an external consultant. In terms of financial materiality, the expert evaluation gauged Yanfeng's sustainability-related risks and opportunities based on their projected likelihood and magnitude, as elaborated earlier. With regard to impact materiality, both positive and negative impacts identified were categorized as actual or potential, then evaluated according to the severity of their effects (scale, scope, and remediability) and the probability of occurrence.</p>	
	II. How it has prioritized the impacts for reporting based on their significance.	<p>Upon completion of the benchmark and context analysis, the findings were discussed in an interactive workshop. During this workshop, the shortlist of potential material topics for the company was also unveiled. Building upon the short list of potential material sustainability topics, the second phase involved the implementation of stakeholder interviews and an online survey. A total of eight interviews were conducted with stakeholders spanning various stages of the company's value chain, covering suppliers, customers and employees.</p> <p>Regarding the online survey, both stakeholders and experts from diverse fields including science, politics, business, and society were enlisted. Within this survey, stakeholders were queried about both financial and impact materiality aspects, whereas experts were exclusively queried about impact materiality.</p> <p>3. Compose: All results from the Collect Phase were combined. This involved integrating outcomes from the benchmark and context analysis, along with the insights from interviews and the online survey. These efforts led to the list of material topics.</p>	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
		<p>4. Review: Formal review process to address any potential gaps and enhance the quality of results.</p> <p>5. Document: Concluding the materiality assessment project, a final result workshop was conducted. This workshop served to present the outcomes of the double materiality assessment, prominently showcasing the materiality matrix that includes the calculated company-specific impact and financial materiality of each topic included in the short list. This also involved the discussion on appropriate materiality thresholds for defining which of the topics are considered material for reporting.</p>	
	b. Specify the stakeholders and experts whose views have informed the process of determining its material topics.	Stakeholder included customers, suppliers, employees and external experts.	

3-2 LIST OF MATERIAL TOPICS			
	a. List its material topics.	<ul style="list-style-type: none"> • Climate change • Resource use and circular economy • Environmental pollution • Adequate working conditions and training of own employees • Management of supplier relations • Health and safety of own workforce • Corporate culture and business conduct principles 	See page number 12
	b. Report changes to the list of material topics compared to the previous reporting period.	No changes, as materiality assessment was done for the first time in 2023.	

GRI Content Index | Material Topics

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
GRI 302 ENERGY 2016			
3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Climate Change			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	Energy consumption resulting into Scope 1 & 2 emissions has an important impact to the marked based Corporate Carbon Footprint (CCF) of Yanfeng. Both cause less than 4% of the CCF, nearly all are related to Scope 1 (combustion).	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	Electricity is mainly used for the plant manufacturing processes, whereas the majority of Scope 1 is allocated to 1.1, stationary combustion, for heating the plant locations. Scope 1.2, mobile combust, stands only for 20% of carbon emissions (Scopes 1 & 2). We need energy to produce our products and convert raw material into finished goods. Therefore energy is essential for Yanfeng as we are a producing company and not a distributor. The consumption has two important negative areas of impacts: Carbon emission and production cost, therefore energy reduction has an environmental and economic benefit.	
	c. Describe its policies or commitments regarding the material topic.	Striving for energy savings is accompanied by annual reduction goals. The goal for 2023 was a 2.5% reduction of energy intensity. Targets and actuals of energy consumption are measured in absolute values (converted into heating value of standard coal) and intensity values related to the productivity. Actuals of consumptions are reviewed on a monthly basis and reported to management to compare to targets. Both, the definition of performance indicator and the review process are also defined in Yanfeng's management system.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link	
	d. Describe actions taken to manage the topic and related impacts, including:			
	I. Actions to prevent or mitigate potential negative impacts.	<p>The focus of Yanfeng's energy reduction is based on four principle categories:</p> <ol style="list-style-type: none"> 1. Reduction of energy consumption for current processes. 2. Self producing of electricity (photovoltaic). To reduce dependency from energy supplier, Yanfeng started in 2022 to install photovoltaic system at different plant sites. In 2022 we started a pilot installation at Neustadt, Germany facility which was extended in 2023. Additional installations were realized in Namestovo (Slovakia). For 2024 further expansion are planned. For 2024 further expansion to the following plants are planned: Valencia in Spain, Papa in Hungary, Melfi, Cicerla and Rocca d'Evandro in Italy. 3. Reducing energy consumption for new products & processes. Further refinement of lightweight, natural fiber reinforced CHyM process to reduce the weight of thermoplastic products to reduce process energy. 4. Changing energy demand from Scope 1 to Scope 2 to be able to reduce emissions. Creating a surface technology portfolio to develop alternatives for slush skin technology, which uses natural gas for process heating." 		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.			
	III. Actions to manage actual and potential positive impacts.			
	e. Report the following information about tracking the effectiveness of the actions taken:			
	I. Processes used to track the effectiveness of the actions.	<p>Energy reduction is a part of Yanfeng's continuous improvement actions and embedded in our management system: The Energy Management Standard defines the core elements of The Energy Management System (EnMS) required to achieve an environmentally friendly, sustainable and efficient organization, and the Energy Hunt Program Standard that defines improvement practices and tools to reduce energy use and waste, improve resource efficiency, and meet business unit and corporate sustainability goals.</p>		
	II. Goals, targets, and indicators used to evaluate progress.			
	III. The effectiveness of the actions, including progress toward the goals and targets.			

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	<p>IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.</p>	<p>The Energy Management Capitalize System (EnMS): In 2023 we started negotiations with the implementation of an IT solution which can help us improve our overview for consumption related to our equipment and responsible consumption of electrical energy in machine per produced volume. Some of the plants are using their own IT solution (Lüneburg and Neustadt in Germany), but not the others. Yanfeng decided to expand an IT solution for monitoring of energy consumption to further plants. Beside electrical energy and natural gas, also other energy carrier as e.g. compressed air will be covered by this monitoring. In the focus for the first step is electrical energy, because it has the highest consumption values. In 2023, this new, in house developed IT solution was implemented in three plants – Valencia in Spain, Zatec in Czech Republic and Papa in Hungary. Based on the analysis of SEUs (Significant energy uses machines) a plan was created to install meters to measure electrical energy consumption. This adjustment was done and then the go live with this IT solution. Now it is very transparent and simple to monitor energy consumption during production, identify deviations from targets and to define counter measures. Next the plants which started the pre-implementation phase during 2023 were Plana n.L. in Czech Republic, Rocca in Italy and Namestovo in Slovakia and full working IT solution will be finished in 2024. In addition, the German plants Neustadt and Lüneburg are certified according to ISO 50001. Besides technical optimization and monitoring systems, a key element for improving energy reduction is the engagement of all employees. To enable this, we are offering dedicated trainings for all employees. In 2023 about 80 energy reduction projects were completed, which resulted in reduction of more than 17 T MWh of electrical energy. The related energy savings exceeded the target significantly.</p>	
	<p>f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).</p>	<p>Besides technical optimization and monitoring systems, a key element for improving energy reduction is the engagement of all employees. To enable this, we are offering dedicated trainings for all employees.</p>	

302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION Topic from Materiality Matrix: Climate Change			
	<p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</p>	<p>Please see fuel consumption that is listed under 1.1 in total and by LE in the “Energy” chart.</p>	<p>See page number 143 and 144</p>
	<p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</p>	<p>All fuels consumed are non-renewable.</p>	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	c. In joules, watt-hours or multiples, the total:		
	I. Electricity consumption.	Please see the “Energy” chart.	See page number 143 and 144
	II. Heating consumption.		
	III. Cooling consumption.		
	IV. Steam consumption.		
	e. Total energy consumption within the organization, in joules or multiples.	Please see the “Energy” chart.	See page number 143 and 144
	f. Standards, methodologies, assumptions, and/or calculation tools used.	Monthly data collection and review in operations review. Centrally collected in CETS. Standards for conversion factors. PI tracking in global BSC.	
	g. Source of the conversion factors used.	UK Government GHG Conversion Factors for Company Reporting V1.1.	

302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION Topic from Materiality Matrix: Climate Change			
	a. Energy consumption outside of the organization, in joules or multiples.	Not applicable: Our products are intermediate products for the automotive industry and have no material energy consumption on its own during the use phase. The energy consumption of vehicles is dependent on engine type selected by our customers the vehicle manufactures and driving pattern of end user. Both are unknown for Yanfeng.	
	b. Standards, methodologies, assumptions, and/or calculation tools used.		
	c. Source of the conversion factors used.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
302-3 ENERGY INTENSITY Topic from Materiality Matrix: Climate Change			
	a. Energy intensity ratio for the organization.	Energy Consumption/Netsales (concrete value omitted due to confidentiality).	
	b. Organization-specific metric (the denominator) chosen to calculate the ratio. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.	Netsales.	
	c. Whether the ratio uses energy consumption within the organization, outside of it, or both.	Energy consumption within the organization only. Energy consumption outside the organization in not applicable.	
302-4 REDUCTION OF ENERGY CONSUMPTION Topic from Materiality Matrix: Climate Change			
	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	8,277 MWh	
	b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	In general we are considering all types of energy used in our plants. Gas and liquid fuels and also electricity. So far no heating-, cooling- or steam-energy is purchased from outside and therefore is not considered. For example we conducted energy saving projects like replacing LED lightning, focus on air ventilation with recuperation, optimization of production processes.	
	c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	To measure the impact of energy saving activities we use intensity data. As the denominator, revenue is used. Based on this, we are eliminating the impact of changed sales to the result of an energy saving project.	
	d. Standards, methodologies, assumptions, and/or calculation tools used.	There is ongoing monthly measuring, compared with the net sales. During this process we have a continuous overview of our energy consumption compared with targets. The monthly data are part of Yanfeng's Balanced Score Card and are reviewed for every entity and also on regional level as part of the management reviews.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
302-5 REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES Topic from Materiality Matrix: Climate Change			
	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Not applicable: Our products are intermediate products for the automotive industry and have no material energy consumption on its own during the use phase. The energy consumption of vehicles is dependent of engine type selected by our customers the vehicle manufacturers and driving pattern of end user. Both are unknown for Yanfeng.	
	b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.		
	c. Standards, methodologies, assumptions, and/or calculation tools used.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 305 | EMISSIONS

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Climate Change			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	Greenhouse gases emitted through human activities as root cause for climate change and it's negative impact to our environment is a scientific proved fact. Yanfeng has identified the need for emission reduction in our complete value chain to decelerate climate change. Therefore, we have developed a sustainability strategy which supports the advancement of the United Nations Sustainable Development Goals (SDGs). Yanfeng is a member of the UNGC.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;has informed the actions taken (3-3-d), and how it has informed whether the actions have been effective (3-3-e).	Our product portfolio is 100% based in the automotive industry. Road traffic's contribution to European CO ₂ emissions in 2021 was about 21%. Therefore not only Yanfeng but also our customers as vehicle manufacturers are aiming to reduce carbon emissions.	
	c. Describe its policies or commitments regarding the material topic.	The importance of sustainability is also anchored in Yanfeng's organizational structure with two main institutions, the global Sustainability Council and the Sustainability Executive Steering Committee. The Sustainability Council is centralizing and coordinating the various initiatives at regional levels and can make the link between the strategic decision-making body (Sustainability Executive Steering Committee) and the regional managers and functions leaders who then implement the strategy and provide feedback. The Sustainability Council is chaired by the global Vice President Sustainability, who is also part of and reports to the Sustainability Executive Steering Committee, which is composed of various functions such as purchasing, R&D, operations, finance, HR, legal, IT and communications. Its main role is to act as a central interface, steering of the sustainability strategy, definition of indicators, implementation of reporting among other topics. Each member of the Sustainability Council drives sustainability within their unit, provides KPIs and data and drives lighthouse projects. Yanfeng's carbon reduction strategy has defined a target related to Scopes 1, 2, and 3 which are in line with 1.5° C trajectory of Paris agreement. These targets are confirmed by SBTi (Science based target initiative).	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link	
	d. Describe actions taken to manage the topic and related impacts, including:			
	I. Actions to prevent or mitigate potential negative impacts.	<p>Carbon emission reduction has impact to our complete value chain:</p> <ol style="list-style-type: none"> 1. Cost and availability of new raw materials and components: We are focusing on that by increasing the use of recycled material and developing new and more sustainable material with our own material institute and partners. 2. Availability and cost of clean energy for conversion processes in our plants: We already achieved the use of 100% clean electricity in our European plants. Self-produced energy: YF started in 2022 to install photovoltaic system at different plant sites. In 2022 we started a pilot installation at Neustadt, Germany facility which was extended in 2023 and additional installation in 3 other plants realized (Lüneburg in Germany, Namestovo in Slovakia and Zatec in Czech Republic). For 2024 further expansion is planned for our plants Valencia in Spain, Papa in Hungary, Melfi, Cicerale and Rocca d'Evandro in Italy. We drive projects to substitute combustions processes, by e.g., using waste heat form production processes for plant heating. We also step by step turn or car fleet to full electric vehicles. 3. Optimized logistic processes to procure materials and distribute our products. New products with reduced carbon footprint in production-, use- and EOL-phase. We have e.g., developed lightweight, natural fiber based products. LCA (life-cycle-assessment) is part of our standard development process to define together with our customer the most sustainable product design. 		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.			
	III. Actions to manage actual and potential positive impacts.			
	e. Report the following information about tracking the effectiveness of the actions taken:			
	I. Processes used to track the effectiveness of the actions.	<p>Yanfeng started in 2020 to report carbon emissions and report this to Carbon Disclosure Project (CDP). The emissions are reported based on methodology of Greenhouse Gas Protocol and cover Scope 1, Scope 2, Scope 3 upstream and partial Scope 3 downstream. Yanfeng's strong environmental focus has resulted into an A minus score of CDP in the years 2021, 2022 and 2023. The collection of intensity data and calculation of emissions is done by using a system CETS (Carbon Emission Tracking System) which was developed in partnership with PwC. The tool also allows us to monitor the effectiveness of action taken and the progress towards net-zero emissions.</p>		
	II. Goals, targets, and indicators used to evaluate progress.			
	III. The effectiveness of the actions, including progress toward the goals and targets.			
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.			
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).			

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
305-1 DIRECT (SCOPE 1) GHG EMISSIONS Topic from Materiality Matrix: Climate Change			
	a. Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent.	Please see the “Emissions” chart.	See page number 145
	b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	Main emissions are represented by CO ₂ . HFC are considered for fugitive emissions only.	
	c. Biogenic CO ₂ emissions in metric tons of CO ₂ .	Not applicable.	
	d. Base year for the calculation, if applicable, including:	Not applicable as no base year is defined for reporting group.	
	I. The rationale for choosing it.	Not applicable.	
	II. Emissions in the base year.	Not applicable.	
	III. The context for any significant changes in emissions that triggered recalculations of base year emissions.	Not applicable.	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	We are using UK-DEFRA, EU-AIB as sources of EF for Scope 1. In addition for emissions based on use of refrigerants we are using GWP based on IPCC ARA 4. Emissions for process foaming are calculated based on chemical reaction.	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	Operational control is used as consolidation approach.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	The calculation of emissions for Scopes 1 and 2 is as much as possible based on measuring of consumed energy, especially for 1.1 stationary combustion, 1.2 mobile combustion, 2.1 electricity. The calculation for fugitive emission, emission from fire suppressant gas are based on refill volumes. Special process emissions for foaming process are calculated on basis of chemical reaction. Majority of scope 3 is based on the average-data method, some on spend-based method. Our goal is to minimize spend-based and also add supplier-specific EF as much as possible.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS Topic from Materiality Matrix: Climate Change			
	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent.	19.239 t CO ₂ e	
	b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent.	Please see the “Emissions” chart.	See page number 145
	c. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	CO ₂ e based on emissions factor.	
	d. Base year for the calculation, if applicable, including:	Not applicable as no base year is defined for reporting group.	
	I. The rationale for choosing it.	Not applicable.	
	II. Emissions in the base year.	Not applicable.	
	III. The context for any significant changes in emissions that triggered recalculations of base year emissions.	Not applicable.	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	We are using UK-DEFRA, EU-AIB as sources of EF for the Scope 2 location based. For market-based emissions, supplier specific data is used.	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	Operational control is used as consolidation approach.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	Yanfeng has developed a Carbon Emission Tracking System, which is used to collect activity data and calculate emissions. The tool is used identically for all sites globally.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS Topic from Materiality Matrix: Climate Change			
	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent.	Omitted for 2023.	
	b. If available, the gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	We calculate CO ₂ e based on used emissions factors. We do not know the composition.	
	c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent.	Not applicable.	
	d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	Omitted for 2023.	
	e. Base year for the calculation, if applicable, including:	Not applicable as no base year is defined for reporting group.	
	I. The rationale for choosing it.	Not applicable.	
	II. Emissions in the base year.	Not applicable.	
	III. The context for any significant changes in emissions that triggered recalculations of base year emission.	Not applicable	
	f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	For Scope 3 EU-ADEME, UK-DEFRA, EU-AIB, DIN EN 16528 and EcolInvent are used. The majority of Scope 3 is based on average-data method, some on spend-based method. Our goal is to minimize spend-based and also add supplier-specific EF as much as possible. The reference to GWP source used for the development of emissions factors as listed before are not known to us.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	Yanfeng has developed a Carbon emission Tracking System, which is used to collect activity data and calculate emissions. The tool is used identically for all sites globally.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
305-4 GHG EMISSIONS INTENSITY Topic from Materiality Matrix: Climate Change			
	a. GHG emissions intensity ratio for the organization.	Omitted due to confidentiality.	
	b. Organization-specific metric (the denominator) chosen to calculate the ratio.	Business revenue is used as denominator for intensity ratio.	
	c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Scopes 1, 2 and 3	
	d. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	We are calculating CO ₂ e based on selected emissions factor databases. Only for fugitive emissions other GHG are calculated and transformed into CO ₂ e.	
305-5 REDUCTION OF GHG EMISSIONS Topic from Materiality Matrix: Climate Change			
	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO ₂ equivalent.	Not applicable as no base year defined.	
	b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	Not applicable as no base year defined.	
	c. Base year or baseline, including the rationale for choosing it.	Not applicable as no base year defined.	
	d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Not applicable as no base year defined.	
	e. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable as no base year defined.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
305-6 EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) Topic from Materiality Matrix: Climate Change			
	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	Not applicable for Yanfeng.	
	b. Substances included in the calculation.	Not applicable for Yanfeng.	
	c. Source of the emission factors used.	Not applicable for Yanfeng.	
	d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable for Yanfeng.	

305-7 NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS Topic from Materiality Matrix: Climate Change			
	a. Significant air emissions, in kilograms or multiples, for each of the following:	Yanfeng has permits for processes at each site by local authorities. All are meeting the defined limits and none of those require permanent monitoring.	
	I. NO _x .		
	II. SO _x .		
	III. Persistent organic pollutants (POP).		
	IV. Volatile organic compounds (VOC).		
	V. Hazardous air pollutants (HAP).		
	VI. Particulate matter (PM).		
	VII. Other standard categories of air emissions identified in relevant regulations.		
	b. Source of the emission factors used.		
	c. Standards, methodologies, assumptions, and/or calculation tools used.		

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
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GRI 301 | MATERIALS

3-3 | MANAGEMENT OF MATERIAL TOPICS | Topic from Materiality Matrix: Resource Use and Circular Economy

	<p>a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.</p>	<p>Yanfeng's Management approach discloses a narrative explanation of how the organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Yanfeng has implemented a risk-based analysis process and monitors the complete supply base for negative impacts on a regular basis. Yanfeng has implemented a Partner Code of Conduct to fulfill various areas of Human Rights and Environmental requirements. Yanfeng has signed the UN Global Compact's Sustainable Development Goals and implemented a roadmap to fulfill these requirements. Yanfeng implemented the Responsible Supply Chain Initiative (RSCI) audit approach to avoid potential negative impacts based on our sustainability goals.</p>	
	<p>b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d), and how it has informed whether the actions have been effective (3-3-e).</p>	<p>Yanfeng established an early warning risk management system with a supplier to avoid any negative impact to the company. Daily screening and tracking are available to identify potential risks in our supply base. The actions have been effective as there were no incidents in the past three years.</p>	
	<p>c. Describe its policies or commitments regarding the material topic.</p>	<p>Yanfeng defined an internal strategy to implement more recycled raw materials to reduce the company's CO₂ footprint. There are strategic partnerships in place with raw material suppliers to develop new materials and further continue research activities. The correct raw material selection is done together with our customers and the vehicle manufacturers, based on various criteria. The common goal with our customers is to continuously reduce our CO₂ footprint and to increase the use of recycled materials.</p>	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.	Yanfeng's Management approach discloses a narrative explanation of how the organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Yanfeng has implemented a risk based analysis process and monitors the complete supply base for negative impacts on a regular basis. Yanfeng has implemented a Partner Code of Conduct to fulfill various areas of Human Right and Environmental requirements. Yanfeng has signed the UN Sustainable Development Goals and implemented a roadmap to fulfill these requirements. Yanfeng implemented the Responsible Supply Chain Initiative (RSCI) audit approach to avoid potential negative impact based on our sustainability goals.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).	Yanfeng has developed a No Surprise Communication process to involve all internal and external stakeholders. The process and stakeholders are available in YF IOS. The No Surprise Communication process covers safety, environment, HR and all other processes of the business. The process monitors the root cause, corrective actions, implementation date and the closure of the open topic.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
301-1 MATERIALS USED BY WEIGHT OR VOLUME Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:		
	I. Non-renewable materials used.	29,816 tons	
	II. Renewable materials used.	2,745 tons	
301-2 RECYCLED INPUT MATERIALS USED Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	8.5% (The percentage provided is for plastic resin, which is our main material group).	
301-3 RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. Percentage of reclaimed products and their packaging materials for each product category.	Not applicable.	
	b. How the data for this disclosure have been collected.	Not applicable.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 306 | WASTE 2020

3-3 | MANAGEMENT OF MATERIAL TOPICS | Topic from Materiality Matrix: Resource Use and Circular Economy

	<p>a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.</p>	<p>All locations in Europe are certified according to ISO 14001 and ISO 45001 norms. We are also using the internal audit and developing tool YFMS (Yanfeng Manufacturing System) including the EHS section that has 23 objectives and more than 420 questions. We use a system of self-assessment and second part audits to ensure that all ISO norms, legal requirements and internal Yanfeng requirements are fulfilled. ISO 14001 is an environmental management system standard that sets out the criteria for an effective environmental management system. It helps Yanfeng to identify, prioritize, and address the environmental impact of their activities, products, and services. By implementing ISO 14001, Yanfeng established procedures and protocols to reduce waste, minimize pollution, conserve resources, and continuously improve their environmental performance.</p> <p>Details on Yanfeng’s Environmental Performance: Our organization is committed to sustainable environmental management practices and has implemented ISO 14001, the internationally recognized environmental management system standard. Through the implementation of ISO 14001, we have established robust procedures and protocols to identify and address the environmental impact of our activities, products, and services.</p> <p>We have set specific environmental objectives and targets, which are regularly monitored and reviewed to ensure continuous improvement.</p> <p>ISO 14001 has enabled us to enhance our environmental performance, reduce our ecological footprint, and comply with applicable environmental regulations. By integrating sustainability into our operations, we aim to contribute to the long-term well-being of our organization and the communities we operate in.</p>	
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GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	<p>b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).</p>	<p>Key components which are following our organization according to ISO 14001:2015 standard:</p> <ol style="list-style-type: none"> 1. Identification of environmental aspects and impacts: As part of the ISO 14001 system, organizations are required to identify and assess their environmental aspects, including waste generation, emissions, resource consumption, and other activities that may have environmental impacts. This helps in understanding the organization's environmental footprint and prioritizing areas for improvement. 	
	<p>c. Describe its policies or commitments regarding the material topic.</p>	<ol style="list-style-type: none"> 2. Waste management objectives and targets: Based on the environmental aspects identified, organizations can establish waste management objectives and targets to reduce waste generation, promote waste minimization, increase recycling and reuse practices, and implement more sustainable waste disposal methods. These objectives should be measurable, achievable, and aligned with the organization's environmental policy. 3. Legal and regulatory compliance: ISO 14001 emphasizes compliance with applicable environmental laws and regulations related to waste management. Organizations are required to stay current with waste-related legislation, ensure proper waste handling and disposal practices, and maintain records of their compliance efforts to demonstrate due diligence. 4. Waste control measures and operational controls: ISO 14001 encourages the implementation of effective waste control measures and operational controls to prevent pollution, mitigate environmental risks, and improve waste management practices. This may include implementing waste segregation programs, adopting pollution prevention measures, conducting regular waste audits, and promoting employee awareness and training on waste management best practices. 5. Continual improvement: An essential principle of ISO 14001 is the commitment to continual improvement in environmental performance. Organizations are encouraged to monitor and measure their waste-related impacts, evaluate the effectiveness of their waste management initiatives, and explore opportunities for innovation and optimization in waste reduction and resource efficiency. By integrating waste management considerations into their ISO 14001 environmental management system, We can enhance their environmental performance, reduce their carbon footprint, improve resource efficiency, and contribute to a more sustainable and circular economy. Effective waste management not only benefits the environment but also enhances the organization's reputation, compliance status, and overall business resilience. 	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link	
	d. Describe actions taken to manage the topic and related impacts, including:			
	I. Actions to prevent or mitigate potential negative impacts.	<p>Yanfeng monitors its waste management in the following steps:</p> <ol style="list-style-type: none"> Types of waste: Detailing the different types of waste produced by the organization, such as solid waste, hazardous waste, electronic waste, wastewater, and emissions. Sources of waste: Identifying the processes, activities, and services within the organization that contribute to waste generation, such as manufacturing operations, packaging, transportation, energy consumption, and disposal practices. Quantity and quality of waste: Quantifying the amount of waste produced by the organization, as well as assessing its composition and characteristics to determine the level of environmental impact and potential risks. Impact assessment: Evaluating the environmental, social, and economic consequences of the organization's waste-related impacts, including pollution, resource depletion, health hazards, greenhouse gas emissions, biodiversity loss, and community disruptions. Mitigation measures: Describing the strategies, initiatives, and programs implemented by the organization to manage and reduce its waste footprint, such as waste prevention, reuse, recycling, composting, waste-to-energy technologies, and sustainable supply chain practices. Stakeholder engagement: Involving relevant stakeholders, including employees, customers, suppliers, regulatory agencies, local communities, and non-governmental organizations, in the organization's waste management efforts to promote transparency, accountability, and collaboration. 		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.			
	III. Actions to manage actual and potential positive impacts.			
	e. Report the following information about tracking the effectiveness of the actions taken:			
	I. Processes used to track the effectiveness of the actions.	<p>Yanfeng established the following KPI: To recycle more than 80% of our waste. All data, including waste, is tracked in EHSIS software (Environmental Health Safety Information System).</p>		
	II. Goals, targets, and indicators used to evaluate progress.			
	III. The effectiveness of the actions, including progress toward the goals and targets.			
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.			

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
306-1 WASTE GENERATION AND SIGNIFICANT WASTE-RELATED IMPACTS Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. For the organization's significant actual and potential waste-related impacts, a description of:	Omitted as data is not available.	
	l. The inputs, activities, and outputs that lead or could lead to these impacts; whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.		
306-2 MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.	Omitted as data is not available.	
	b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.		
306-3 WASTE GENERATED Topic from Materiality Matrix: Resource Use and Circular Economy			
	a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.	9,613 tons.	
	b. Contextual information necessary to understand the data and how the data has been compiled.	All data is tracked in EHSIS software (Environmental Health Safety Information System).	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
306-4 WASTE DIVERTED FROM DISPOSAL Topic from Materiality Matrix: Resource Use and Circular Economy	a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.	Total Non-Landfill Waste: 9,165 tons Examples for typical waste categories: Total Mixed Plastics (Metric Tons): 2,509 tons Cardboard/Paper Waste: 1,742 tons Textile/Composite: 1,295 tons Metal Waste: 842 tons Wood Waste: 645 tons Glass Waste: 2.16 tons Electronic Waste: 1.1 tons	
	b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:	Total 408 tons	
	I. Preparation for reuse.	Zero	
	II. Recycling.	Zero	
	III. Other recovery operations.	408 tons routed to thermal recycling.	
	c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:		
	I. Preparation for reuse.	Internal reused plastics in our processes are not part of our waste statistics.	
	II. Recycling.	5,085 tons	
	III. Other recovery operations.	Energy recovery (re-used): 3,672 tons.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal:		
	I. Onsite.	We are not tracking internal recovery (recycling) as part of waste management data . This is re-used material .	
	II. Offsite.	80%	
	e. Contextual information necessary to understand the data and how the data has been compiled.	All waste data are collecting in our EHSIS (Environmental Health and Safety Information System). There are standard matrix for each category of waste and landfill and non-landfill splitting. Yanfeng has a different definition than GRI.	

306-5 | WASTE DIRECTED TO DISPOSAL | Topic from Materiality Matrix: Resource Use and Circular Economy

	a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.	Landfill waste: 448 tons.	
	b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:	53 tons	
	I. Incineration (with energy recovery).		
	II. Incineration (without energy recovery).		
	III. Landfilling.	53 tons	
	IV. Other disposal operations.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:	395 tons	
	I. Incineration (with energy recovery).		
	II. Incineration (without energy recovery).		
	III. Landfilling.	395 tons	
	IV. Other disposal operations.		
	d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal:		
	I. Onsite.	We are not tracking internal recovery (recycling) as part of waste management data . This is re-used material.	
	II. Offsite.		
	e. Contextual information necessary to understand the data and how the data has been compiled.	All waste data is collected in our EHSIS (Environmental Health and Safety Information System). There are standard matrices for each category of waste and landfill and non-landfill splitting. Yanfeng has a different definition than GRI.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 401 | EMPLOYMENT 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	The Human Resources at Yanfeng in our office locations as well in our plants work very similarly. All important tasks in the Employee Life Cycle with Yanfeng, from the recruiting/hiring process, to onboarding, to employee learning & development to an exit process are governed by the internal standards and work instructions from our YF IOS system.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	Naturally all standards, work instructions and activities are fitted to work within the legal regulations of the countries of our activities, as Yanfeng is firmly committed to obey all legal regulations to protect the company and its employees. For all these activities Yanfeng ourselves as well as our customers audit the transparency and fairness of these processes, as described above. Annual internal audits are conducted to ensure the transparency of our processes to maintain sustainable business practices.	
	c. Describe its policies or commitments regarding the material topic.	Especially the hiring process is monitored closely to avoid any discrimination of candidates or non-transparency when hiring new staff members. All hiring needs to follow through a multi-layered approval process.	
	d. Describe actions taken to manage the topic and related impacts, including:	All candidates are reviewed by HR in cooperation with the hiring manager and department leads. The employment contracts for the Yanfeng legal entities were created in cooperation with external legal consultants to ensure compliance with local legal regulations. All offers must follow the internal guidelines on the employee level and the interlinked remuneration package with that level. All new hires are provided with the universal onboarding material and courses according to our onboarding working instruction.	
	I. Actions to prevent or mitigate potential negative impacts.	Furthermore, the departments and hiring managers provide more onboarding training to get the new hire up to speed with the role.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.	When talking about remuneration, Yanfeng provides certain benefits to its employees. This ranges from Health benefits to Insurance benefits to mobility benefits. Generally speaking, all Yanfeng employees can enjoy these benefits, some partially, according to their work contracts.	
	III. Actions to manage actual and potential positive impacts.	Also, the exit process is audited for the exit interviews. When an employee freely decides to leave Yanfeng, we are interested to learn more about the reasons and try to understand what we, as an employer, can approve for our employee experience. All activities in regards to our employees aim to create an enjoyable Employee Experience as well as gaining/maintaining a profitable edge in this challenging industry.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		
401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.	Please see the "Hires and Turnover" chart.	See page number 146 and 147
	b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Please see the "Hires and Turnover" chart.	See page number 146 and 147

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:	All employees (Full time/Part time) have access to all benefits provided by the company.	
	I. Life insurance.		
	II. Health care.		
	III. Disability and invalidity coverage.		
	IV. Parental leave.		
	V. Retirement provision.		
	VI. Stock ownership.		
	VII. Others.		
	b. The definition used for 'significant locations of operation'.	All countries within the scope with a legal entity footprint.	
401-3 PARENTAL LEAVE Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Total number of employees that were entitled to parental leave, by gender.	Please see the "Parental Leave" chart.	See page number 148 and 149
	b. Total number of employees that took parental leave, by gender.	Please see the "Parental Leave" chart.	See page number 148 and 149
	c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	Please see the "Parental Leave" chart.	See page number 148 and 149
	d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	Not applicable.	
	e. Return to work and retention rates of employees that took parental leave, by gender.	Not applicable, yet.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 402 | LABOR/MANAGEMENT RELATIONS 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	<p>Labor management and labor relations are always a significant topic, especially for all locations which have an institution of employee representation of some kind.</p> <p>Yanfeng aims to create a very collaborative and amicable working atmosphere with its social partners, whether this be local workers councils, or national tariff partners.</p> <p>This is governed by the “Labor Relation Management” guideline, which is published in our YF IOS. The collaboration with the local workers representation institutions can only work, when they are based on trust and good communication. Regular meetings are held to ensure that.</p> <p>Especially in difficult economic circumstances it is imperative that HR and the worker representatives as well as unions work together to find the balance between worker welfare, competitiveness and profitability for the Yanfeng locations.</p>	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.	<p>We follow the regulations as stipulated by national legislature. As significant operational changes are very individual in their circumstances the notice periods can vary from case to case. If any specific time period is given here, it can only be used as an example in case of small significant changes.</p> <p>Czech Republic: 2 months if related to restructuring, 14 days if related to change of shift model or order of vacation taking.</p> <p>Germany: No minimum number "...in due time..." as stipulated by law.</p> <p>Hungary: 96 hours before significant changes.</p> <p>Italy: 10–25 days depending on the case.</p> <p>Luxembourg: No minimum number "...sufficiently early..." as stipulated by law.</p> <p>Slovakia: "... must be negotiated beforehand between employer and employee representatives..."; also in case of reductions of 30+ employees 15 days before.</p> <p>Spain: 15 days for all social partners and governmental authorities.</p>	
	b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	<p>Czech Republic: Please see 402-1 a.</p> <p>Germany (plants): Please see 402-1 a.</p> <p>Hungary: Please see 402-1 a.</p> <p>Italy: Up from 10 days after alignment with the social partners.</p> <p>Slovakia (Plant): Please see 402-1 a.</p> <p>Spain: Please see 402-1 a.</p>	

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GRI 404 | TRAINING AND EDUCATION 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	<p>The learning and development process for Yanfeng employees supports defined business needs. It is based on close partnership between HR/Learning & Development (L&D) team and functional leaders. Training/education requirements come from several sources:</p> <ul style="list-style-type: none"> • Strategic and business objectives. • Job requirements documented in role definitions (e.g. job descriptions). • Gaps identified in skills assessments against required knowledge and competencies. This must include competencies and requirements related to organizational knowledge, operating system requirements, customer requirements, Yanfeng Quality Policy Objectives, Quality Management System requirements, product design, product quality, product safety, statistical concepts and tools (as appropriate to role), etc. • Development goals identified during goal setting & performance management process and strategic talent review. • New or modified job responsibilities affecting conformity to organization structure change. • Needs identified through workforce planning or launch of new plants or operations. • Any other scenarios that may trigger training initiatives. 	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:	To analyze gaps the HR representative/partner, L&D team and functional representatives assess gaps in competencies, knowledge, and skills using interviews, focus groups, assessments or other appropriate tools.	
	I. Processes used to track the effectiveness of the actions.	To define targets the HR representative/partner, L&D team and functional representatives define expected outcomes from the learning solutions and the method for evaluating their effectiveness in producing those outcomes. For individual employees, managers meet with their direct reports to discuss training and development needs based on feedback, performance and career aspirations. This also applies when employees transfer to a new role in the organization.	
	II. Goals, targets, and indicators used to evaluate progress.	The functional leader and individual managers consult with the L&D team to create group and individual development plans respectively. The HR representative/partner, L&D team and functional representatives document annual training plans and track plan fulfillment. The L&D team also prepares communication plans related to annual training plans and new learning opportunities. Corporate L&D collects and analyzes annual learning needs and requirements in business units, regions and functions to identify, consolidate, align and support L&D needs across the enterprise. Business units, regions, functions and plants shall consider enterprise learning needs and requirements as essential input into their annual training plans. Corporate L&D provides enterprise-level learning solutions while business units, regions, functions and plants may develop solutions specific to their needs. Annual training plans at all levels shall consider needs related to leadership, management, business skills, functional skills, technical skills and organizational knowledge, as needed.	
	III. The effectiveness of the actions, including progress toward the goals and targets.	For individual employees, manager and employee agree on individual development goals. The employee documents development goals in the appropriate HR system in each business unit or region. The HR representative/partner/L&D team select or develop appropriate training solutions for the identified needs. The following activities ensure the quality and relevance of the solutions that are selected or developed:	
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.	<ul style="list-style-type: none"> • Define objectives: The HR representative/partner/L&D team define clear and measurable objectives for outcomes related to knowledge and skills, performance, and business results. These objectives may be used as evaluation criteria. • Perform audience, trainer, logistics, and resource analysis: The HR representative/partner/L&D team analyze these aspects to ensure that training solutions are accessible, high-quality, and effective in achieving the desired outcomes. 	
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
		<p>HR representative/partner/L&D team determine the methods that will be employed to deliver the learning. These solutions may be formal or informal. Options include instructor-led, self-directed, eLearning, on-the-job training, action learning, etc. The HR representative/partner/L&D team also analyze solution cost and timing to ensure that return on investment meets expectations.</p> <p>Upon approval from functional leader, the HR representative/partner/L&D team schedule and deploy learning solutions according to the training plan, including the following activities:</p> <ul style="list-style-type: none"> • Execute the training communication plan, informing functional leaders, HR partners, and target audience. • Identify qualified trainers. If qualified trainers are not available, the HR representative/partner, L&D team and functional representatives shall identify candidates, and the L&D team shall train candidates to become trainers. • Assign the training to the target audience and ensure attendance. Employees are responsible for attending and completing assigned training programs, for applying learning to perform successfully under various conditions, and for owning and managing their own career path development. • Ensure adequate training tools and facilities. <p>Upon completion the HR representative/partner, L&D team and functional representatives assess the solutions' effectiveness by comparing results to objectives. Evaluating effectiveness may include learner satisfaction feedback, checks for understanding, performance evaluations, monitoring of KPIs or other business results. The HR representative/partner, L&D team and functional representatives initiate continuous improvement of learning solutions as needed, based on evaluation results.</p> <p>Upon analysis of the solutions' effectiveness, the HR representative/partner/L&D team identify any additional actions that may be required to obtain the desired outcomes. They develop and execute a plan to implement these further actions, re-entering the process at the appropriate step.</p>	

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Average hours of training that the organization's employees have undertaken during the reporting period, by:	5.7 hours	
	I. Gender.	Male: 5.5 hours Female: 6.25 hours	
	II. Employee category.	By employee category: Salaried: 5.6 hours Indirect: 6.2 hours Direct: 5.7 hours	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Type and scope of programs implemented and assistance provided to upgrade employee skills.	<p>Programs for upgrading employee skills are primarily managed by Yanfeng Academy. The Yanfeng Academy consists of 15 Functional Academies, (i.e., Quality, Program Management, Engineering, etc.) 1 Leadership Academy and 6 Universal Academies. (i.e. Information Security, Legal/ Compliance, etc.).</p> <p>These academies provide technical, business skills, and leadership training for our team members. The core tools and processes include leadership and functional competency models, skills assessments relative to those competencies, and annual individual and group training plans. Execution of these training plans is a Yanfeng Key Performance Indicator (KPI).</p> <p>The Leadership Academy provides programming for all levels of leadership in the organization, from early career talent, to managers, directors and plant managers. Programs for high-potential talent at all levels are also offered. The Leadership Academy provides every salaried employee with the opportunity for self-directed leadership and business skills developed through a full library of courses that are available to all. The L&D COE advertises these courses in general as well as courses associated with current hot topics on a regular basis through established company communication channels.</p> <p>Our team members have access to our digital learning platform called Yanfeng Learning. This platform has over 4,300 courses and 226 learning journeys with more being added every day.</p>	
	b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Not available.	
404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS Topic from Materiality Matrix: Adequate Working Conditions and Training of Own Employees			
	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	All employees (100%), independent from gender and employee category, receive a regular performance and development review.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 403 | OCCUPATIONAL HEALTH AND SAFETY 2018

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	<p>Yanfeng International Operating System Policy includes our commitments to health & safety. Our commitments are:</p> <ul style="list-style-type: none"> • Create a safe and healthy workplace, continually improve the occupational health and safety management systems and performance, and strive to prevent all work-related injuries and ill health. • Fulfill all applicable legal and other requirements regarding Occupational Health and Safety (OH&S) hazards at each location. • Focus on the prevention of injuries and the risk controls during the early phase of new projects. Systematically and comprehensively identify risks, improve the effectiveness of risk control and reduce occupational health and safety risks by formulating continuous and forward-looking risk control measures. • Enhance the engagement and demonstration of leadership, facilitate and promote the consultation and participation of workers, improve the safety awareness of employees, and build the brand of safety culture. <p>In addition also our Code of Conduct includes the topic of health & safety.</p>	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.	Yanfeng is preventing or mitigating potential negative impacts by implementation and consequent practice of ISO 45001.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.	<p>Examples of actions:</p> <ul style="list-style-type: none"> • Training of all employees • Health and safety risk assessment 	
	III. Actions to manage actual and potential positive impacts.	<ul style="list-style-type: none"> • Health check-ups for all employees • Specific procedures for handling chemicals or hazardous substances • Regular inspection to ensure safety of equipment • Provision of protective equipment to all impacted employees 	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d), and how it has informed whether the actions have been effective (3-3-e).		

403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A statement of whether an occupational health and safety management system has been implemented, including whether:		
	I. The system has been implemented because of legal requirements and, if so, a list of the requirements.	We prioritize the safety and well-being of our employees and have implemented ISO 45001, the internationally recognized occupational health and safety management system standard. Through the adoption of ISO 45001, we have established a comprehensive framework to identify and manage occupational health and safety risks within our organization.	
	II. The system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.		
	b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	All locations in EMEA are certified according norms ISO 14001 and ISO 45001.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:	We use the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool, an internal audit and self-assessment tool, to ensure compliance with ISO norms, legal requirements, and Yanfeng standards. Every year, this self-assessment and a secondary audit are tracked.	
	I. How the organization ensures the quality of these processes, including the competency of persons who carry them out.	Behavior-Based Safety (BBS) programs focus on identifying and addressing at-risk behaviors in the workplace that may lead to accidents, injuries, or incidents. These programs involve observation and data collection on employee behaviors related to safety, followed by feedback and intervention to encourage safe practices. BBS programs aim to create a safety culture within an organization by promoting and reinforcing positive safety behaviors among employees. By addressing behavioral aspects of safety, BBS programs can help prevent accidents and improve overall safety performance in the workplace.	
	II. How the results of these processes are used to evaluate and continually improve the occupational health and safety management system.	Through the BBS Program, feedback programs and EHS talks take place.	
	b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.		
	c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.		
	d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.		

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
403-3 OCCUPATIONAL HEALTH SERVICES Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	We are also using internal audit and developing tool Yanfeng Manufacturing System (YFMS) EHS pillar which has 23 objectives and more than 420 questions. There are system of self assessment and second part audits to be sure that all ISO norms, legal requirements and internal Yanfeng requirements.	
403-4 WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.	We actively involve our employees in safety initiatives through regular communication, feedback channels, and active participation in safety improvement projects. Our aim is to provide a workplace that not only promotes physical well-being but also supports the mental and emotional health of our employees.	
	b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.		
403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	Our commitment to employee safety is reflected in proactive measures such as regular risk assessments, training programs and the implementation of robust safety protocols. We use leading and lagging indicators to improve employee engagement and a strong safety culture.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
403-6 PROMOTION OF WORKER HEALTH Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.	Our aim is to provide a workplace that not only promotes physical well-being but also supports the mental and emotional health of our employees.	
	b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.		
403-7 PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks.	Our organization is committed to sustainable environmental management practices and has implemented ISO 14001, the internationally recognized environmental management system standard. Through the implementation of ISO 14001, we have established robust procedures and protocols to identify and address the environmental impact of our activities, products, and services.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:		
	I. The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system.	703 people. As regards to health and safety we are not drawing a distinction between employees and non/employees.	Please see GRI-2: 2.8 a
	II. The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited.	703 people.	
	III. The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.		
	b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	Not applicable.	
	c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Not applicable.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
403-9 WORK-RELATED INJURIES	Topic from Materiality Matrix: Health and Safety of Own Workforce		
	a. For all employees:		
	I. The number and rate of fatalities as a result of work-related injury.	Total number: Zero injuries.	
	II. The number and rate of high-consequence work-related injuries (excluding fatalities).	Total number: Zero injuries.	
	III. The number and rate of recordable work-related injuries.	Number: 7 Rate: 0.10%	
	IV. The main types of work-related injury.	Please see the "Incident Analysis" chart.	See page number 150 and 151
	V. The number of hours worked.	13,673,821 hours	
	b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:		
	I. The number and rate of fatalities as a result of work-related injury.	Zero	
	II. The number and rate of high-consequence work-related injuries (excluding fatalities).	Zero	
	III. The number and rate of recordable work-related injuries.	Zero	
	IV. The main types of work-related injury.	No injuries.	
	V. The number of hours worked.	179,033 hours.	

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	c. The work-related hazards that pose a risk of high-consequence injury, including:		
	I. How these hazards have been determined.	Not applicable as no such injuries.	
	II. Which of these hazards have caused or contributed to high-consequence injuries during the reporting period.	Not applicable.	
	III. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	Not applicable.	
	d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.	Not applicable.	
	e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.	Based on 200,000 hours worked.	
	f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	Not applicable.	
	g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	ISO 14001 and ISO 45001, EHS software EHSIS (Environmental Health Safety Information System)	

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403-10 WORK-RELATED ILL HEALTH Topic from Materiality Matrix: Health and Safety of Own Workforce			
	a. For all employees:		
	I. The number of fatalities as a result of work-related ill health.	Zero	
	II. The number of cases of recordable work-related ill health.	Zero	
	III. The main types of work-related ill health.	Zero	
	b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:		
	I. The number of fatalities as a result of work-related ill health.	Zero	
	II. The number of cases of recordable work-related ill health.	Zero	
	III. The main types of work-related ill health.	Zero	
	c. The work-related hazards that pose a risk of ill health, including:		
	I. How these hazards have been determined.	Not applicable.	
	II. Which of these hazards have caused or contributed to cases of ill health during the reporting period.	Not applicable.	
	III. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	Not applicable.	
	d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	Not applicable.	
	e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	ISO 14001 and ISO 45001, EHS software EHSIS (Environmental Health Safety Information System).	

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GRI 204 | PROCUREMENT PRACTICES 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Management of Supplier Relations			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	Material topics related to management of supplier relations are summarized for GRI-204, GRI-308 and GRI-414 under GRI-308.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		

204-1 | PROPORTION OF SPENDING ON LOCAL SUPPLIERS | Topic from Materiality Matrix: Management of Supplier Relations

	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	40%	
	b. The organization's geographical definition of 'local'.	Definition Local in EU = European Region	
	c. The definition used for 'significant locations of operation'.	Yanfeng considers all production sites to be significant and aims to source as close as possible to each production site.	

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GRI 308 | SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Management of Supplier Relations			
	<p>a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.</p>	<p>Yanfeng's approach discloses an explanation of how the organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Yanfeng has implemented a risk based analysis process and monitors the complete supply base for negative impact on a regular base. Yanfeng has implemented a Partner Code of Conduct to fulfill various areas of Human Right and Environmental requirements. Yanfeng is part of the UN Global Compact and is therefore committed to the Sustainable Development Goals and implemented a roadmap to fulfill these requirements. Yanfeng implemented the Responsible Supply Chain Initiative (RSCI) audit approach to avoid potential negative impacts based on our sustainable goals.</p>	
	<p>b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).</p>	<p>Yanfeng is a conflict free company, as a member of the Responsible Mineral Sourcing Initiative (RMI), validates smelter information based on RMI official data and considers risk in the supply chain. Last results show 0% 3TG sourced/used suppliers. Latest results are still in progress. We are also obliged to be compliant with the German Act on Corporate Due Diligence Obligations in Supply Chains and are part of the RSCI. With that we can already declare our best practices in this direction.</p>	
	<p>c. Describe its policies or commitments regarding the material topic.</p>	<p>Various policies are available in YF IOS as a controlled document:</p> <ul style="list-style-type: none"> • Yanfeng Supplier Standard Manual: Communicate our requirements to suppliers including requirement to accept and be obliged with Yanfeng's Partner Code of Conduct/Code of Conduct. • Partner Code of Conduct: Yanfeng is committed to customer, shareholder, and employee satisfaction as an industry leader with global competitiveness, and always conducting business with integrity and compliance. • Supply Chain Act and Supplier Sustainability – Work Instruction: To address human rights and environmental regulations. • Terms and Conditions of Purchase (T&C): Requests to follow and certify by ISO14001 and ISO 45001, additionally to IATF16694 as a standard for all suppliers. • Conflict Minerals reporting: Defines the steps required to establish, create and maintain the Conflict Minerals report. 	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.	We have also developed our own system for suppliers/business partner scanning, where we are evaluating our suppliers in addition to quality and logistics performance also related to Yanfeng's Code of Conduct, ISO 140001, ISO 45000 and currently still use our own sustainability screening for all suppliers as a part of our Power QMS system. This screening and fulfilling of the requirements is directly also influencing, in a positive or negative direction our final scoring of suppliers. Further steps include implementing NQC. This is ongoing and onboarding in progress already.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.	The above described systems are also used to track progress of defined actions.	
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).	Yanfeng has developed a No Surprise Communication process to involve all internal & external stakeholders. The process and Stakeholders are available in YF IOS. The No Surprise Communication process covers Safety, Environment, HR and all other processes of the Business. The process monitors root cause, corrective actions, implementation date and the closure of the open topic.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA Topic from Materiality Matrix: Management of Supplier Relations			
	a. Percentage of new suppliers that were screened using environmental criteria.	100%	
308-2 NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN Topic from Materiality Matrix: Management of Supplier Relations			
	a. Number of suppliers assessed for environmental impacts.	100%	
	b. Number of suppliers identified as having significant actual and potential negative environmental impacts.	Zero	
	c. Significant actual and potential negative environmental impacts identified in the supply chain.	Zero	
	d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.	0%	
	e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	0%	

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GRI 414 | SUPPLIER SOCIAL ASSESSMENT 2016

3-3 | MANAGEMENT OF MATERIAL TOPICS | Topic from Materiality Matrix: Management of Supplier Relations

	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	Material topics related to management of supplier relations are summarized for GRI-204, GRI-308 and GRI-414 under GRI-308.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.		
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		

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	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.		
	II. Goals, targets, and indicators used to evaluate progress.		
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		
414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA Topic from Materiality Matrix: Management of Supplier Relations			
	a. Percentage of new suppliers that were screened using social criteria.	100% of new suppliers were screened using social criteria in 2023. Tools that we used are: Yanfeng Code of Conduct, Power QMS, SSOW and also AI-based software for risk monitoring by Prewave.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
414-2 NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN Topic from Materiality Matrix: Management of Supplier Relations			
	a. Number of suppliers assessed for social impacts.	100% of the suppliers were assessed. 2759 suppliers have been screened via Prewave software and 580 in power QMS.	
	b. Number of suppliers identified as having significant actual and potential negative social impacts.	Zero.	
	c. Significant actual and potential negative social impacts identified in the supply chain.	Zero.	
	d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	0%	
	e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	0%	

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GRI 205 | ANTI-CORRUPTION 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	No actual or potential impact since there was no case in 2023.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	No negative impact since there was no case in 2023.	
	c. Describe its policies or commitments regarding the material topic.	The Yanfeng anti-corruption policy has been addressed clearly in paragraph 6 of Yanfeng's Code of Conduct and paragraph 6.1 of Yanfeng Partner Code of Conduct.	
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.	Compulsory training for manager and above level on anti-corruption topic. Compliance Investigation and Remediation Standard (internal document YF-LSLE-ST-01-18) provide guidance on the steps to investigate and remedy any potential negative impact arising from an incompliance action by an employee. Each compliance investigation case goes to the Legal Department. The Legal Department determines if the compliance violation needs to be escalated to the Vice President of Internal Audit and Risk Control and/or General Counsel.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.		
	III. Actions to manage actual and potential positive impacts.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.	Compliance Investigation and Remediation Standard (internal document YF-LSLE-ST-01-18) provide guidance for employees to raise their concerns on any anti-corruption behavior.	
	II. Goals, targets, and indicators used to evaluate progress.	The indicators used to evaluate anti-corruption policy within Yanfeng are the number of corruption-related cases reported through our compliance investigation system/whistleblower hotline. After each corruption-related case is resolved, the relevant internal policy (Code of Conduct/Partner Code of Conduct) will be reviewed and revised if necessary. Anti-corruption training will also be updated if any new case arises.	
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).	After conducting each investigation, the Legal Department will propose the remediation measures (if applicable) to the Executive Committee. The Functional Leader(s) impacted by such measures must ensure the remediation measures are implemented.	

205-1 | OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION | Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles

	a. Total number and percentage of operations assessed for risks related to corruption.	Total number: 17 Percentage of operations assessed: 100% Yanfeng Comment: All the Yanfeng subsidiaries are currently conducting a compliance assessment at this time, which includes assessment for anti-corruption topics. So the answer is each one of them.	
	b. Significant risks related to corruption identified through the risk assessment.	None identified.	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles			
	a. Total number and percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to, broken down by region.	Percentage: 100%	
	b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	Percentage: 100%	
	c. Total number and percentage of business partners that the organization's anticorruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	Percentage: 100% The Yanfeng Partner Code of Conduct and Yanfeng Code of Conduct are communicated to all Yanfeng employees, so the number is the total business partners we have. Also, the above documents are available on the Yanfeng.com website. All of our business partners have access to our respective policies and procedures that outline Yanfeng's anti-corruption policies and procedures.	www.yanfeng.com/en/code-conduct
	d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	Percentage: 100%	
	e. Total number and percentage of employees that have received training on anticorruption, broken down by employee category and region.	Percentage: 100%	

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Page Number/Link
205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles			
	a. Total number and nature of confirmed incidents of corruption.	Zero incidents reported.	
	b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	Zero incidents reported.	
	c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	Zero incidents reported.	
	d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Zero incidents reported.	

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
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GRI 206 | ANTI-COMPETITIVE BEHAVIOR 2016

3-3 MANAGEMENT OF MATERIAL TOPICS Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles			
	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights.	No negative impact since there was no case in 2023. Yanfeng's anti-competitive policy is clearly addressed in paragraph 7 of Yanfeng Code of Conduct and paragraph 6 of Yanfeng Partner Code of Conduct.	
	b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;has informed the actions taken (3-3-d).and how it has informed whether the actions have been effective (3-3-e).		
	c. Describe its policies or commitments regarding the material topic.		
	d. Describe actions taken to manage the topic and related impacts, including:		
	I. Actions to prevent or mitigate potential negative impacts.	Compulsory training provided to all employees on anti-competitive topic. Compliance Investigation and Remediation Standard (internal document YF-LSLE-ST-01-18) provide guidance on the steps to investigate and remedy any potential negative impact arising from an incompliance action by an employee.	
	II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation.	Each compliance investigation case goes to the Legal Department. The Legal Department determines if the compliance violation needs to be escalated to the Vice President of Internal Audit and Risk Control and/or General Counsel	
	III. Actions to manage actual and potential positive impacts.		

GRI Standard	Disclosure Titel and Data Points	Details and Omissions	Page Number/Link
	e. Report the following information about tracking the effectiveness of the actions taken:		
	I. Processes used to track the effectiveness of the actions.	Compliance Investigation and Remediation Standard (internal document YF-LSLE-ST-01-18) provide guidance for employees to raise their concerns on any anti-competitive behavior.	
	II. Goals, targets, and indicators used to evaluate progress.	The indicators used to evaluate competition law related policy within Yanfeng is the number of competition law-related cases reported through our compliance investigation system/whistleblower hotline. After each corruption-related case is resolved, the relevant internal policy (Code of Conduct/ Partner Code of Conduct) will be reviewed and revised if necessary. Anti competitive training will also be updated if any new case arises.	
	III. The effectiveness of the actions, including progress toward the goals and targets.		
	IV. Lessons learned and how these have been incorporated into the organization's operational policies and procedures.		
	f. Describe how engagement with stakeholders has informed the actions taken (3-3-d),and how it has informed whether the actions have been effective (3-3-e).	After conducting each investigation, the Legal Department will propose the remediation measures (if applicable) to the Executive Committee. The Functional Leader(s) impacted by such measures must ensure the remediation measures are implemented.	

206-1 | LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES |

Topic from Materiality Matrix: Corporate Culture and Business Conduct Principles

	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	No legal actions reported.	
	b. Main outcomes of completed legal actions, including any decisions or judgements.	Not applicable.	

Further Details | Employee Details

TOTAL NUMBER OF EMPLOYEES

		PERMANENT VS. TEMPORARY			FULL-TIME VS. PART-TIME		
		Permanent	Temporary	Total	Full-Time	Part-Time	Total
BY GENDER	Female	2,541	256	2,797	2,685	112	2,797
	Male	4,067	209	4,276	4,249	27	4,276
	Total	6,608	465	7,073	6,934	139	7,073
BY COUNTRY	Czech Republic	901	2	903	900	3	903
	Germany	1,715	90	1,805	1,727	78	1,805
	Hungary	1,514	127	1,641	1,613	28	1,641
	Italy	917	2	919	918	1	919
	Luxembourg	11	0	11	11	0	11
	Slovak Republic	1,229	224	1,453	1,437	16	1,453
	Spain	321	20	341	328	13	341
	Total	6,608	465	7,073	6,934	139	7,073

Comments related to the data shown:

The numbers stated above are presented in headcount to ensure comparability across all categories.

The data presented above is compiled as the end-of-the-month data for every number as well as a year average for every row.

Due to the nature of our production business, significant fluctuation is always visible toward the summer and holiday period as our customers (OEMs) and suppliers, all go into shutdown during these times. We follow this approach and reduce our headcount during these periods accordingly by ending the agency/temporary labor relationships before these times.

Further Details | Energy

ENERGY USED BY LEGAL ENTITY

1.1 COMBUSTION		2.1 ELECTRICITY	
	kWh		kWh
Yanfeng Hungary Kft.	4,743,122	Yanfeng Hungary Kft.	13,151,769
Yanfeng international Automotive Technology Czechia s.r.o.	14,474,259	Yanfeng international Automotive Technology Czechia s.r.o.	20,490,838
Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG	96,055	Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG	1,270,629
Yanfeng International Automotive Technology Germany s.r.o. & Co. KG	15,759,281	Yanfeng International Automotive Technology Germany s.r.o. & Co. KG	24,228,955
Yanfeng International Automotive Technology Italy S.r.l.	1,207,991	Yanfeng International Automotive Technology Italy S.r.l.	11,198,064
Yanfeng International Automotive Technology Slovakia s.r.o.	1,862,236	Yanfeng International Automotive Technology Slovakia s.r.o.	20,263,505
Yanfeng International Automotive Technology Spain, S.L.	3,448,891	Yanfeng International Automotive Technology Spain, S.L.	8,361,714
Subtotal	41,591,835	Subtotal	98,965,474
Grand Total			140,557,309

FUEL TYPE BY LEGAL ENTITY

LEGAL ENTITY	FUEL TYPE						
	Unit	Natural Gas	Diesel	Fuel Oil	Naphtha	LPG	Subtotal
Yanfeng Hungary Kft.	kWh	4,743,122					4,743,122
Yanfeng international Automotive Technology Czechia s.r.o.	kWh	14,402,981	20,356		50,922		14,474,259
Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG	kWh	96,055					96,055
Yanfeng International Automotive Technology Germany s.r.o. & Co. KG	kWh	15,607,365		151,916			15,759,281
Yanfeng International Automotive Technology Italy S.r.l.	kWh	535,983	649,003			23,005	1,207,991
Yanfeng International Automotive Technology Slovakia s.r.o.	kWh	1,862,236					1,862,236
Yanfeng International Automotive Technology Spain, S.L.	kWh	3,448,891					3,448,891
Total	kWh	40,696,633	669,359	151,916	50,922	23,005	41,591,835

Further Details | Emissions

EMISSIONS SCOPE 1 AND SCOPE 2 BY LEGAL ENTITY (t CO₂e)

LEGAL ENTITY	SCOPE 1						SCOPE 2	
	Scope 1.1	Scope 1.2	Scope 1.3	Scope 1.4	Scope 1.4	Subtotal Scope 1	Scope 2.1	Subtotal Scope 2
	1.1 Stationary Combustion	1.2 Mobile Combustion	1.3 Process	1.4 Refrigerants	1.4 Fire Extinguisher		2.1 Purchased Electricity	
Yanfeng Hungary Kft.	867.5	129.5	2.6	0.0	0.0	999.6	0.0	0.0
Yanfeng international Automotive Technology Czechia s.r.o.	2,651.8	215.0	34.3	41.7	0.0	2,942.8	0.0	0.0
Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG	17.6	646.7	0.0	0.0	0.0	664.3	0.0	0.0
Yanfeng International Automotive Technology Germany s.r.o. & Co. KG	2,897.9	400.2	14.3	0.0	0.0	3,312.4	0.0	0.0
Yanfeng International Automotive Technology Italy S.r.l.	277.5	168.9	0.0	0.0	0.0	446.4	0.0	0.0
Yanfeng International Automotive Technology Slovakia s.r.o.	340.6	340.6	3.0	0.0	0.0	684.2	0.0	0.0
Yanfeng International Automotive Technology Spain, S.L.	630.8	76.3	11.2	70.5	0.0	788.8	0.0	0.0
Total	7,683.7	1,977.2	65.4	112.2	0.0	9,838.5	0.0	0.0

Comments:

Yanfeng International Automotive Technology Luxembourg S.à r.l. is reported under Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG.
Emissions Scope 2.1: Emissions are marked-based. Reporting operations use in general green, certified electrical energy.

Further Details | Hires and Turnover

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES DURING THE REPORTING PERIOD, BY AGE GROUP AND GENDER

Total number of new employees	504
Total number of employees	7,073
Total rate of new employees in %	7.1

BY GENDER AND AGE:	UNDER 30 YEARS OLD		30 TO 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL	
	%	HC	%	HC	%	HC	%	HC
Male	20	99	31	156	5	25	56	280
Female	19	97	21	108	4	19	44	224
Other	-		-		-		-	-
Total	39	196	52	264	9	44	100	504

TOTAL NUMBER AND RATE OF EMPLOYEE TURNOVER DURING THE REPORTING PERIOD, BY AGE GROUP AND GENDER

Total number of employee turnover	912
Total number of employees	7,073
Total rate of employee turnover in %	12.9

BREAKDOWN BY GENDER AND AGE:	UNDER 30 YEARS OLD		30 TO 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL	
	%	HC	%	HC	%	HC	%	HC
Male	11	103	26	237	12	110	49	450
Female	11	101	24	221	15	140	51	462
Other	-		-		-	-	-	-
Total	22	204	50	458	27	250	100	912

Further Details | Parental Leave

A. TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER

Male	3,999
Female	2,574
Total	6,573

B. TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER

BY GENDER AND COUNTRY		COUNTRY							
		Czech	Germany	Hungary	Italy	Luxembourg	Slovakia	Spain	Total
Gender	Female	9	16	33	2	0	8	1	69
	Male	5	12	0	12	1	3	8	41

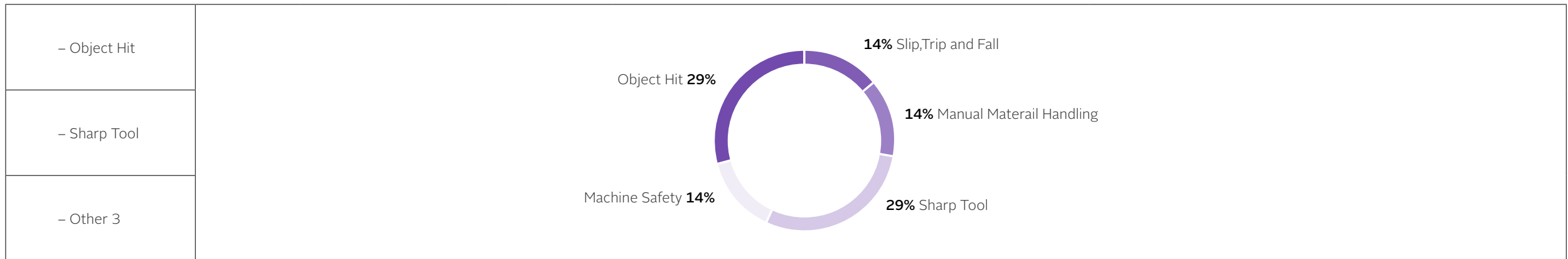
C. TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED, BY GENDER

BY GENDER AND COUNTRY		COUNTRY							
		Czech	Germany	Hungary	Italy	Luxembourg	Slovakia	Spain	Total
Gender	Female	10	13	20	2	0	9	0	54
	Male	5	15	0	14	1	3	0	38

Further Details | Incident Analysis

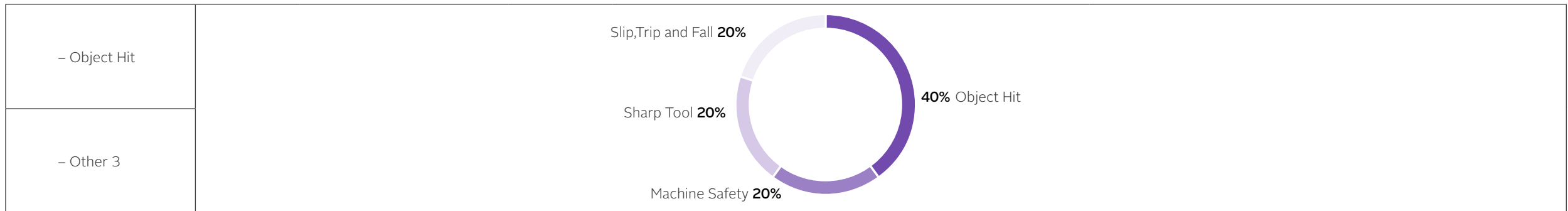
BY INCIDENT TYPE (7 TOTAL INCIDENT CASES)

Top 3:



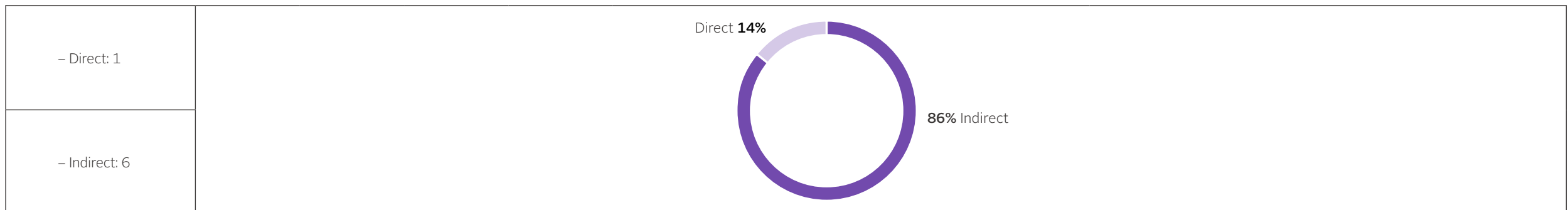
BY INCIDENT TYPE (5 LOST TIME CASES)

Top 3:



BY TYPE OF EMPLOYEE

People:



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