

SUSTAIN- ABILITY REPORT 2021



BHTC

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At BHTC, we aim for superior and sustainable solutions – with passion, pioneering spirit and entrepreneurial responsibility for people of present and future generations.



Dear readers,

In view of the current events in the world and the implications of climate change, it is mandatory that companies become aware of their responsibility in terms of sustainability.

At BHTC, we aim for superior and sustainable solutions - with passion, pioneering spirit and entrepreneurial responsibility for the people of the present and future generations. To achieve this, we must pool and merge our expertise, creativity and resources. Especially as a player in the automotive industry, we are a reliable as well as responsible partner for all our stakeholders and want to advance sustainability in all its dimensions - economy, environment and social affairs - with creative solutions and products. This will not be an easy task, but we have shown several times that we can handle such challenges.

Our objective is to be CO₂-neutral by 2030 in all our production sites in terms of direct CO₂ emissions and those related to purchased energy (Scope 1 and 2 according to Greenhouse Gas Protocol). Therefore, we will constantly work on minimizing our corporate carbon footprint. Unavoidable, remaining emissions are to be offset by certified climate protection projects. In the long-run we also strive for having climate-neutral products and a climate-neutral supply chain for combining the topics of sustainability and mobility and make them tangible for our customers. Together with our highly motivated and creative employees, we found and will find solutions to achieve these goals and continuously strengthen sustainability at BHTC.

With this first sustainability report, we would like to inform you about our objectives, strategies and measures as well as the progress we have made in this area.

We will publish this report annually, to strengthen the transparency of our actions in terms of sustainability and create a basis for the continuous communication of the topic.



Michael Jaeger



Kolja Kress

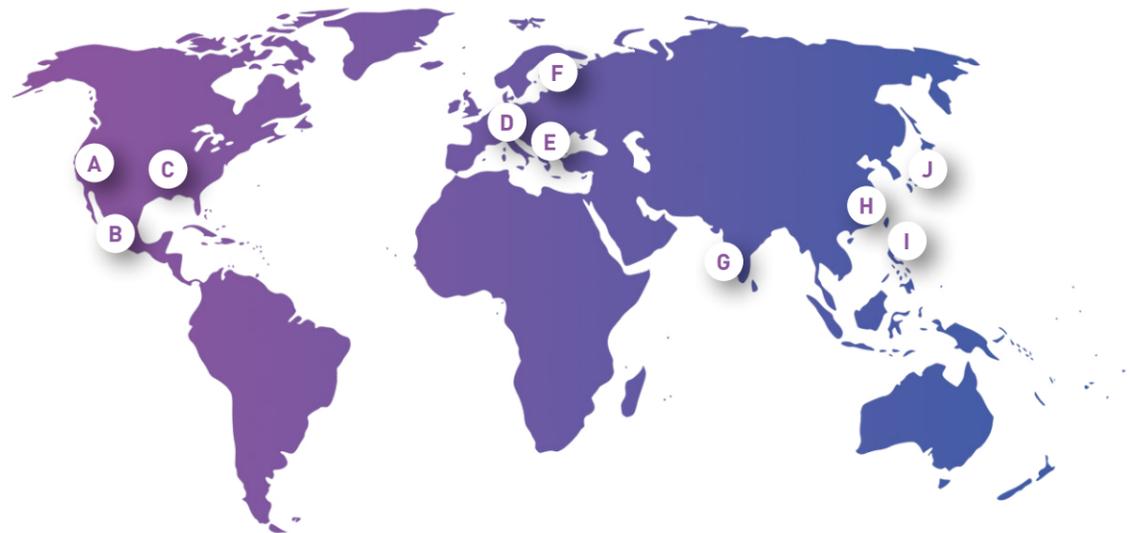


Christian Bludau



Behr-Hella Thermocontrol (BHTC) was founded in 1999 in Lippstadt, Germany as a joint venture between MAHLE Behr and Hella. BHTC is the world market leader for climate control devices and the specialist for outstanding HMI (Human Machine Interface) system solutions.

In 2021, the BHTC Group generated sales of 521 mEUR with more than 2860 employees at nine locations worldwide (Germany, United States of America, China, India, Japan, Taiwan – China, Bulgaria, Mexico and Finland). BHTC has five production sites to secure its leading position among manufacturers of air conditioning panels, equipment for vehicle air conditioning and state-of-the-art HMI solutions. These are located in Bulgaria, China, Germany, India and Mexico.



- A BHTC USA**
Silicon Valley, USA
2018 ■
- B BHTC MEXICO S.A. DE C.V.**
San Miguel de Alende, Mexico
2014 ●◆
- C BHTC INC.**
Farmington Hills, USA
2002 ■◆
- D BHTC GMBH**
Lippstadt, Germany
1999 ■●◆
- E BHTC EOOD**
Sofia, Bulgaria
2013 ■●◆
- F BHTC FINLAND OY**
Tampere, Finland
2017 ■
- G BHTC LTD.**
Pune, India
2006 ■●◆
- H BHTC LTD.**
Shanghai, China
2004 ■●◆
- I BHTC RO**
Jhubei, Taiwan, China
2018 ■
- J BHTC K.K.**
Tokyo, Japan
2007 ■◆

Development ■ Production ● Distribution ◆

BHTC offers solutions to create comfort for all vehicle passengers in every driving situation. This includes first-class and comfortable climate conditions as well as intuitive and ergonomic operation of HMI systems. As an innovative and agile company, BHTC is a valued partner to the automotive industry.

Together with our customers, we bring forward-looking technologies to new generations of vehicles around the world. At BHTC, challenges meet outstanding employee creativity, resulting in innovations and the company's long-lasting success story.

The framework of our employee actions is BHTC's management policy, which applies to all sites. The policy takes into account the needs and expectations of our stakeholders as well as the assessment of risks with regard to quality, environment, occupational health and safety, energy and information security.

POLICY FOR QUALITY, ENVIRONMENT, OCCUPATIONAL SAFETY, ENERGY AND INFORMATION SECURITY

We inspire with convincing quality!

Our integrated management system for quality, environment, occupational safety, energy and information security is implemented and continuously improved at all BHTC locations. We consider the needs and expectations of our interested parties as well as assessing risks involved. As managers we consider our employees to be our most important resources. As such we want to encourage and support our employees in the implementation and consistent application of this policy.

- ✓ We listen carefully to our customers, they challenge us to continuously improve our level of quality.
- ✓ We work steadily to reduce our environmental impact and energy consumption in order to improve our ecological footprint.
- ✓ We inspire our customers with innovative and high-quality products and services.
- ✓ We continuously strive for improvement of our processes.
- ✓ We develop our innovative and competitive products and services based on standardized and established quality processes and methods.
- ✓ We periodically review and fulfill the requirements of our stakeholders such as customers, employees, shareholders, suppliers and authorities.
- ✓ We rely on efficient, smart production and logistics processes to deliver always high quality on time.
- ✓ We are committed to comply with legal and regulatory requirements that are relevant to BHTC.
- ✓ We promote a long-term partnership with our suppliers and service providers.
- ✓ We use technically and economically available resources and information to comply with this policy.
- ✓ We challenge and encourage ourselves implementing this policy through consistent training and further education.
- ✓ We will carry out necessary corrective measures for observance with this policy immediately.

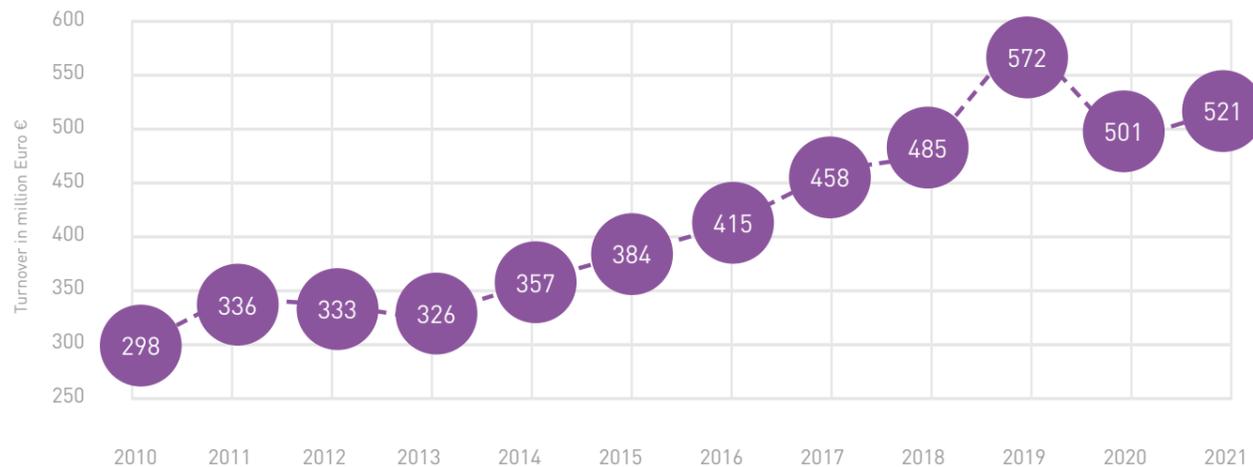
We will support each other by following this policy!
General Management and Management Board BHTC Group



Our goal is zero-defect quality of our products and services, combined with competence, innovation and a global organization, in order to ensure satisfaction of all customers. We pursue this goal with highly qualified, motivated employees, state-of-the-art quality assurance methods and production facilities as well as consistent quality management. In order to improve our high-quality management standards, all production and development locations within BHTC are certified according to IATF 16949.

BHTC's turnover has steadily increased until 2019. Due to the impact of Covid-19, there was a drop in sales for the first time in 2020. This was already eliminated in 2021 with again growing business.

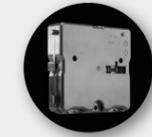
SALES DEVELOPMENT



CLIMATE



Climate control units



Climate control (black-boxes)



Climate components



Climate software

HMI



Center Information Display (CID)



Integrated Center Stack (ICS)



Touch devices



Cluster

As experts for vehicle climatization as well as display and control systems, we contribute to a relaxed and safe driving experience. The efficient climate regulation in our control units ensures optimal comfort no matter the external conditions and the various driving situations. Our climate control applications range from one-zone variant for smaller vehicle classes through two-zone variants for medium-sized to four-zone variant for high-end and luxury vehicles. The control algorithms customized and developed by our engineers ensure energy-efficient and noise-optimized operation of the climate system. Thereby, vehicle passengers can adjust the climate quickly and easily to their individual needs. In addition, our innovative climate sensors ensure the complete measurement of all ambient conditions. This way, we guarantee your personal feel-good climate in the vehicle and pave the way for safe and relaxed travel.



Climate Operating Panels

Functional, intuitive, and outstanding workmanship quality. Climate operating panels from BHTC!



ITOS & Power Electronics

Top-quality intelligent sensors, auxiliary heaters, blower controllers and fans.



Black-box Climate Control Units

Climate control units from BHTC mean powerful electronics that contain highly complex climate algorithms.



Climate Software

The new kind of climate control, detached from hardware components.

Our engineers develop pioneering control and display systems for vehicle interiors. These are central operating elements, climate and audio panels as well as fully integrated center stacks. Alongside precise classical mechanical solutions with keys, buttons and rotating actuators, BHTC focusses on the area of multi-touch displays. Displays are the central interface to the user. Our technology experts are constantly looking for new ideas and solutions to improve user experience even further. The focus is on comfort and safety as well as on revolutionary technologies. New display technologies, the integration of tactile effects, acoustic feedback, innovative materials and other exciting topics are setting the trends for the interiors of the future.

 **Center Information Displays (CID)**
The latest display technologies with multi-touch and other ground-breaking innovations.

 **Tactile Feedback**
Operating interfaces that convey the haptics of a conventional button. BHTC as a pioneer of future technologies!

We are always striving to improve what is already good. We design the interior of the future even better thanks to new ideas. We inspire customers by developing new concepts with creative freedom in an optimal working atmosphere. All of that is what drives our engineers to achieve top performance.

We benefit from long-term and close partnerships with all our customers in the automotive industry. Whether control panels, center stacks, or complex display systems with touch technology are required - we create the most advanced solutions for our customers. Thanks to intensive partnerships with our suppliers, we always both get and require cutting-edge technology. Our experts are extremely well connected. Co-operations with universities as well as start-ups, our innovation center in Tampere (Finland) as well as our technology scouting office in San José (USA) - all contribute to our success. Recognizing trends, setting trends and designing the vehicle interior of the future - that is what BHTC is about.

FROM IDEAS TO THE FUTURE



SUSTAINABILITY MANAGEMENT

Sustainability is considered as a BHTC group-wide obligation. The BHTC Management is responsible for specifying fields of action as well as objectives and determines the scope of sustainability-related activities. All activities are guided by our Managing Director and COO on a worldwide basis. Therefore, sustainability is a core focus at the highest level of corporate management.

Ensuring the group-wide exchange on sustainability subjects and evaluating relevant aspects and requirements, BHTC has founded an interdisciplinary and global sustainability team. This team exists of specialists from central functions such as Production, Logistics, Development, Quality, Sales, Purchasing and Human Resources as well as site representatives from our production sites that exchange ideas regularly, devise strategic contents and implement specific initiatives according to the overall roadmap. Central functions such as Sales, Quality and Purchasing communicate and conduct dialogs with key stakeholders. The sustainability project management develops and monitors the measures for achieving the objectives.

Furthermore, we established a global steering committee consisting of our COO as well as the worldwide responsible Quality and Purchasing manager. Together with the sustainability team the steering committee members set sustainability priorities and the company's strategic direction.

Our whole management team is responsible for ensuring the implementation of the relevant principles within the entire product development and value creation process. The continuous development of initiated activities is being reviewed in regular management meetings.

Due to the relevance of sustainability, it is being anchored in BHTC's culture and policies. It is one of BHTC's core values and an obligation for every person employed at BHTC.



ENVIRONMENTAL MANAGEMENT

Protecting the environment for current and future generations, is a central part of our corporate responsibility. In this context we aim to continuously reduce our ecological footprint, making use of a holistic environmental management system that is certified at all production sites in accordance with ISO 14001 standard. Thereby legal framework conditions and customer requirements are transferred into environmental standards. The effectiveness and implementation of specifications are constantly confirmed by internal and external audits.

| BHTC Group | 2021 |
|--|------|
| Number of production plants | 5 |
| Thereof with certification according to ISO 14001:2015 | 5 |
| Quota of certified production plants | 100% |

The energy consumed at our international production sites is a key aspect of our environmental management system – not only to reduce our emissions and save resources, but also as a key lever to cut operational costs. Therefore, we set the goal to constantly reduce our energy intensity year by year (at least by 10% until 2030).

| BHTC Group | 2021 | Target 2030 |
|---|------|-------------|
| Specific energy consumption (kWh / 1000 EUR of sales) | 56,8 | Min. -10% |

Besides the annual reduction of our energy intensity, switching to renewable energy sources is a main pillar of our sustainability strategy. By no later than 2025, we aim to source electricity exclusively from renewable origins. Therefore, we are working on generating our own electricity as well as on the purchasing of renewable energy. Only in case these two options are not reasonable, we will compensate our consumption with green energy certificates.

| BHTC Group | 2021 | Target 2025 |
|--|------|-------------|
| Renewable electricity share (%) ¹ | 41 | 100 |

¹ Renewable energy share considers original energy mix from energy providers and purchased renewable energy certificates.

In order to meet the increasing stakeholder expectations, we extended our environmental monitoring standards in all production sites by implementing a global emission monitoring according to Greenhouse Gas Protocol. Thereby, we created transparency for our site-specific emissions worldwide.

By 2030, our goal is to produce CO₂-neutral in all production sites (according to Scope 1 and 2). Therefore, we will constantly work on minimizing our corporate carbon footprint. Unavoidable, remaining emissions are to be offset by certified climate protection projects.

BHTC Group

2021 Target 2030

Scope 1 (in tCO₂)²

1.688

CO₂-neutral

Scope 2 (in tCO₂)³

12.204

CO₂-neutral

To achieve these targets several decisions have already been made and measures have been implemented:

- Focusing on the reduction of our energy consumption, we performed an intensive improvement program at our location in Germany. Thereby, we already implemented an optimization of the daylight control and air-conditioning in the production. By end of 2022, we will additionally replace the lightning of the production building with LED lightning. These improvements enable us to sustainably reduce the site-specific electricity consumption by up to 1.330.000 kWh per year (~21 % of total electricity consumption in 2021).
- By realizing a charging infrastructure concept for hybrid and full electric vehicles in 2023 at our location in Germany, we are not only supporting the global transformation towards electrified mobility but also set the foundation to further electrify our own company vehicle fleet.
- Additionally, we are evaluating the implementation of photovoltaic systems for all production locations to generate major parts of our electricity by solar power. The first photovoltaic system is going to be installed at BHTC Mexico until end of 2022, leading to a share of own generated electricity of up to 20% (compared to the current electricity consumption).

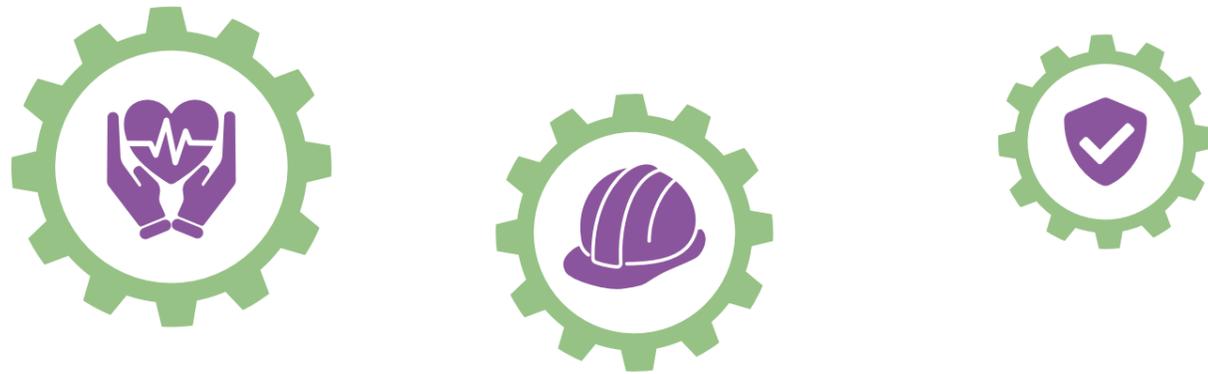
² According to Greenhouse Gas Protocol Scope 1 consists of all direct emissions from sources that are owned or controlled by the company. This includes all direct emissions caused by our facilities (f.e. heating or refrigerant) and our vehicle fleet. Scope 2 accounts for all indirect emissions from the generation of purchased electricity as well as purchased heating or cooling.

³ All greenhouse gas emissions are calculated as CO₂ equivalents in accordance with the Greenhouse Gas Protocol. Scope 2 emissions are calculated using the location-based method.

- Even though the number of produced units was almost the same, BHTC Bulgaria was able to reduce its consumption of natural gas and nitrogen by about 5 % and 2 % compared to 2020. This has been realized by the optimization of the whole logistics and production process. As a result - and amongst other measures - our Bulgarian team won the first place in "The Greenest Companies in Bulgaria" competition.



Our EHS expert at BHTC Bulgaria getting the award for the first place in "The Greenest Companies in Bulgaria" competition.



In context of our business activities, a harmonization of environment, society and economy aspects is essential. In this way, the requirements of current business activities have to be met, while at the same time the concerns of future business activities have to be taken into account in a responsible manner. We are committed to fulfill society's expectations which have increased in recent years. One of these increasing society's expectation is Occupational Health and Safety.

Occupational Health and Safety aspects have the highest priority for us. Each individual employee is being asked and obligated to contribute to our strict goal: "zero accidents".

Therefore, BHTC has already established a management system according to the worldwide relevant standard ISO 45001 or, where not fully implemented yet, is considering its implementation and certification. This standard ensures that Occupational Health and Safety aspects are firmly anchored in the company's business activities as an integral part of corporate policy and that the relevant internal processes are designed with these aspects in mind. Effective preventive measures and procedures are in place to reduce the risk of accidents and injuries to a minimum. We ensure compliance with all legal obligations and agreed customer specifications.

Local representatives with specific knowledge regarding Occupational Health and Safety topics are available at all our production sites and are networked with each other via the headquarters in Lippstadt. An area of special focus is the aspect of continuous improvement - in order to do things better where appropriate or necessary.

Relevant performance indicators are evaluated regularly, checked for effectiveness and adapted to the prevailing conditions. Furthermore, the effectiveness of the activities regarding Occupational Health and Safety is evaluated through both internal and external audits.

All these measures create a high level of transparency within the company and ensures that activities can be managed in a targeted manner.

At already two of our production sites, the Occupational Health and Safety Management System is established according to ISO 45001:2018 and certified by an external accredited body.

BHTC Group

STATUS 2021

| | |
|---|-----|
| Number of BHTC production plants | 5 |
| Thereof with certification according to ISO 45001:2018 ⁴ | 2 |
| Quota of certified production plants | 40% |
| Employee quota of certified production plants | 59% |

BHTC Group

STATUS 2021

| | |
|--|-----|
| Accident rate ⁵ [LTIR; accidents per 1 million working hours ⁶] | 1,4 |
| Downtime ⁷ [work hours missed per 1 million working hours] | 419 |



⁴ Successful certification audit in December 2021

⁵ Number of accidents with min. 1 working day lost time

⁶ Total working hours are calculated on basis of BHTC headcount and planned working hours (365 days per year minus national holidays, paid holidays and weekends)

⁷ Downtime due to work related accidents including commuting accidents

UP TO NOW

Sustainable solutions are not only to be realized in our production processes. They already have to be established during our product development activities, e.g. by selecting the right materials. We have already worked on this in the past. Therefore 56% of the total PC-ABS plastic used, already consists of recycled plastic.

We also pay close attention to our waste and consumables, such as adhesives. Our waste management is certified according to DIN EN ISO 14001-2015, and when hazardous substances are used, they are selected in strict compliance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council - REACH. We also act in accordance with the Ordinance on Installations for Handling Substances Hazardous to Water - AwSV. We are on a path of continuous improvement towards CO₂-neutral products and CO₂-neutral production.



TARGETS

At BHTC, we pursue a number of important goals for our products and materials that represent maxims for our sustainable actions:

We are committed to using predominantly separable and recyclable assemblies. This means that we focus on using detachable connections so that parts can be reused and repaired. We are committed to using mono-materials wherever possible to simplify the recycling process.

We want the materials we use to have the best possible carbon footprint. For this, we always choose materials from renewable resources whenever possible. Selected materials should always have the smallest possible CO₂ footprint compared to their alternatives. Our parts and products are being developed according to lightweight principles as well as in line with material-specific design. We design parts and products with the circular economy in mind. On the one hand, this means that the material we use can be recycled; on the other hand, the parts and products made of this material are being designed for a long life and can be reused to a large extent. We also strive for robust, reliable production with a minimum of waste.

At BHTC the focus is on people. This applies to us not only in terms of customer satisfaction or the satisfaction of people using a perfectly air-conditioned vehicle or intuitive human machine interfaces. For us, this idea applies especially to all our employees, which are the most important asset of our company. This is what we continuously promote and align to our business practices. Only if we are an attractive employer, people will choose BHTC in the long run and with their great ideas they will drive the growth of our company every day. Without the innovative power of our employees, we would not be at the point where we are today and could not achieve our goals for the future.

It is crucial for the future success of our company that our employees feel comfortable with their work and their working environment. They should feel part of a large and international BHTC family. Fairness plays a key role for us in every conversation, in every decision and in every development phase of our company.



OUR HR MISSION:

We want to promote a culture of trust, tolerance, knowledge sharing and teamwork. Our mission is ensuring services, policies, and systems are aligned with BHTC's core strategies and goals.



- Recruit and hire diverse and talented employees
- Strengthen communication
- Enhance culture development
- Administer salary and benefits
- Foster employer and employee relations
- Design learning programs and events
- Use efficient Human Resources information management systems
- Support cooperation & teamwork
- Develop a professional feedback environment
- Comply with employment related legislation
- Foster fairness & integrity

HR - FAIRNESS & INTEGRITY

Our Human Resources Team represents all employees, regardless of color, sex, national origin, age, marital status, religion, disability or other protected class and at all levels of the organization. We create an environment for fair and equitable treatment of all employees. We are ethically responsible for promoting and fostering fairness and justice for all employees. We must fairly administer all company policies and procedures, regardless of an employee's status or level in the organization. In disciplinary actions, compliance issues or grievances, we must conduct thorough investigations and make recommendations and decisions based on facts without favoritism. Human Resources professionals must adhere to the strictest code of ethics and integrity in all employee interactions. We must keep employee and company information in the strictest confidence and protect the integrity of company proprietary information when dealing with employees or individuals outside the company.

We are aware, that we need to act and work compliant in all areas of our daily activities. All applicable laws and regulations as well as internal policies will be respected. We are aware, that employer-employee relationship is highly regulated. The risk of violating the laws and regulations may be substantial. The costs of failing to comply with employment laws is significant.

We believe, fair, timely and equal compensation is the basis for a trustful work relationship. Our employee's payments are in compliance with federal, state and local wage and hour laws.



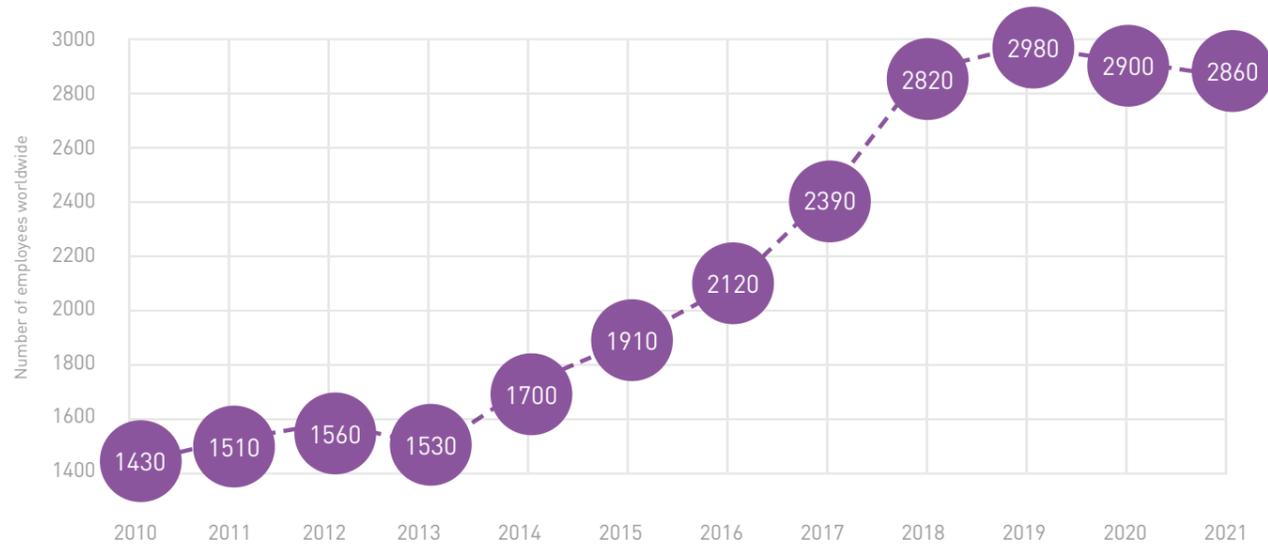
BHTC BEHAVIORS

In a quickly changing environment our BHTC behaviors give guidance to all of our BHTC teams. We honestly believe in feedback and support cooperation and communication. To generate a global understanding of expected behavior, our BHTC Behaviors are part of our employee appraisal. They provide a framework and orientation.

- 1 **Give clear feedback**
 - Immediate and on a regular basis
 - Respectful, clear and specific
 - Objective and based on reflection
- 2 **Express clear expectations**
 - Provide context and explanation about expectations in your sphere of responsibility
 - Ensure a consistent and clear understanding of expectations and objectives
 - Write down your expectations in case of any uncertainty
- 3 **Treat everyone in a respectful manner**
 - Encourage employee comments and opinions
 - Be open for dialogue and offer a trustful relationship
 - Interact respectful, independent from level
- 4 **Lessons learned**
 - Treat mistakes openly and learn from mistakes
 - Demonstrate accountability and integrity on a daily basis
 - Interact respectful, independent from level
- 5 **Live a decision culture**
 - Make well-prepared decision based on facts and figures
 - Take ownership for decisions within your sphere of work
 - Reflect on ideas and make decisions on time
- 6 **Think and act entrepreneurially**
 - Support and drive change
 - Think strategically and future oriented
 - Take over ownership of outcomes and focus on achievements
- 7 **Live cooperation**
 - Foster team commitment and spirit
 - Encourage teamwork and interaction within and between teams
 - Take different perspectives into account and recommend solutions
- 8 **Provide context and a vision to the team**
 - Give orientation and share background information
 - Communicate clearly
 - Explain and encourage
- 9 **Give Leadership priority**
 - Act as a leader and reflect your Leadership style
 - Coach and develop your team
 - Team time for Leadership

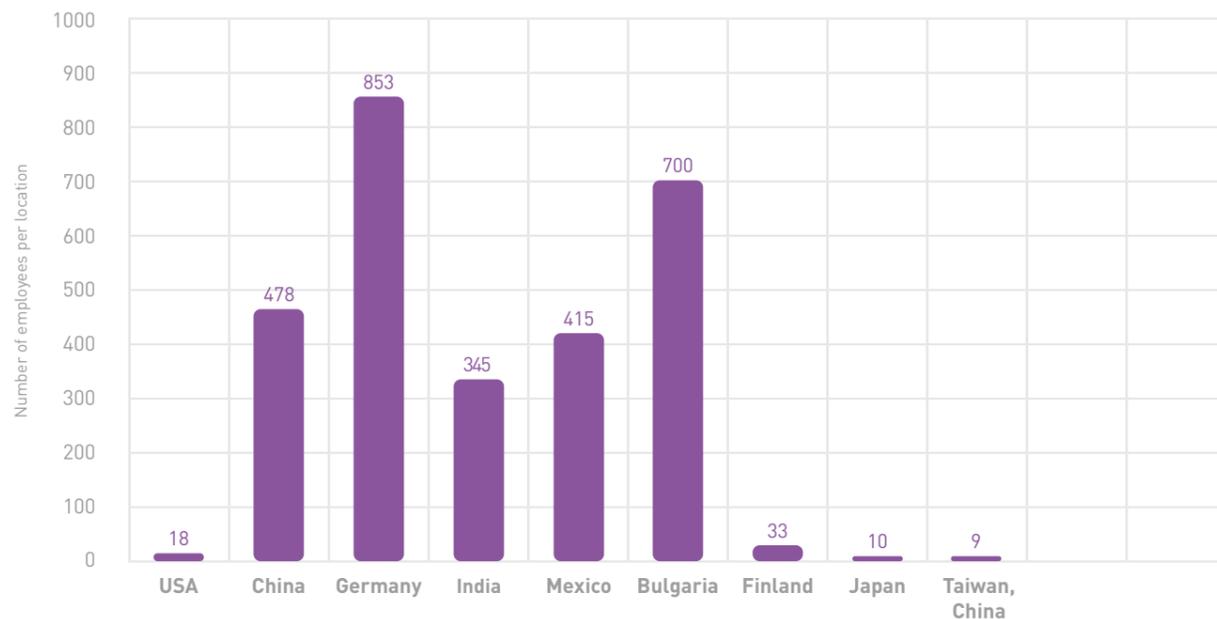
LEADERSHIP BEHAVIORS

EMPLOYEE NUMBERS (ROUNDED TO THE NEAREST 10)



Since 2010, the BHTC team has doubled in size, and we are excited to see it continue to grow in the long term. Our employees are our strongest resource and we are happy to have a team of many great personalities. In recent years, growth has been stunted due to several factors such as corona pandemic. Nevertheless, we look into a positive future. With new projects and international growth, we look forward to adding many new faces to our BHTC team.

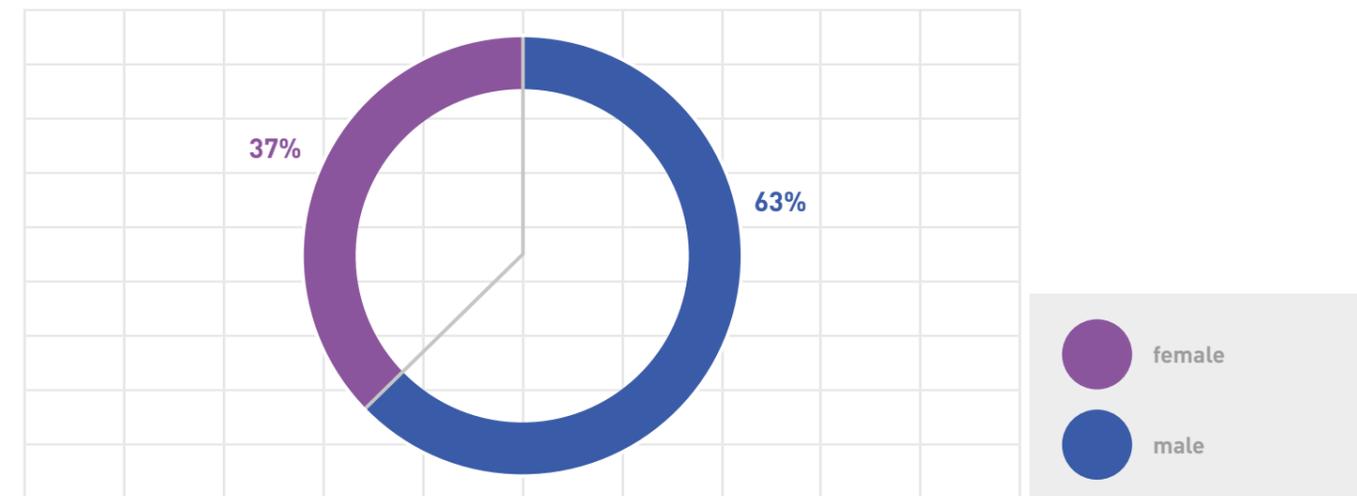
NUMBER OF EMPLOYEES PER LOCATION (STATUS: DECEMBER 2021)



The age structure is very diverse. From trainees starting their training at the age of 18 to colleagues getting to celebrate their retirement with us, all age groups are represented at BHTC. BHTC can only benefit from this broad range. Knowledge is passed on to future generations, and new ideas are always finding their way into our daily routine. The average age of our employees is 38.5 years internationally.

Female employees currently account for 37 % of our total workforce. To further inspire women for technical professions, we actively participate in the "Women in MINT⁸ Professions" network. This creates a cooperation platform and inspires female pupils and students for technical careers.

GENDER DISTRIBUTION



MANAGING THE COVID-19 PANDEMIC

To protect employees and the company, Covid-19 crisis management was a top priority in 2020 and 2021. A cross-functional task-force was quickly established. We immediately initiated comprehensive behavioral, hygiene and protective measures and provided protective equipment for employees. In addition, various vaccination campaigns were planned internationally on the part of BHTC to be able to provide the highest level of protection to our employees and their family members during the pandemic.

We also donated protective equipment to volunteers in crisis areas at various sites. Solidarity and mutual support, including from regional campaigns, are a matter of concern to us.

⁸ MINT is an abbreviation for Mathematics, Informatics, Natural Sciences and Technology.

BHTC AS AN ATTRACTIVE EMPLOYER

Our employees are our most important resource and ensure the future viability of our company. Thanks to their specific skills, their competence and their commitment, they make a valuable contribution to our corporate success every day. It is important to us that our employees are motivated, experience a respectful and fair working environment and are able to perform their tasks effectively and efficiently. To give them the best possible support in this, we conducted our first global employee survey in 2021.

All BHTC employees worldwide were invited to participate in the survey. The majority of our employees accepted this invitation and gave us their constructive and valuable feedback. This corresponds to a participation rate of 77%, which is a very high value. BHTC is pleased with the honest feedback and will use it as a basis for developing measures to further optimize cooperation and strengthen employee satisfaction.

We place great emphasis on raising awareness, prevention and encouraging people to take responsibility for their own actions. Due to the Covid-19 pandemic, our typical health days, which are normally designed to familiarize employees with health-promoting nutrition and lifestyle concepts, were partially suspended in 2021. Nevertheless, in some cases we were able, together with our plant physician, to carry out campaigns such as flu vaccination in compliance with Covid-19 measures.

The activities and services offered range from free vaccinations and virtual sports activities to advice on reconciling care and work. For example, BHTC Lippstadt has a nominated person, who offers a varied range of support and services. The aim is to raise awareness of mental health throughout the company. Some of our sites also offer company doctors, Well-Being Teams or cooperation with regional medical facilities. Finally, employees returning to work after a period of illness will be supported through reintegration programs.

Our employees implemented great projects worldwide, whether it was planting new trees, medical awareness campaigns (for example breast cancer campaigns) fundraising for sick children or internally implementing recycling projects and saving paper.

Additionally, BHTC enables its employees to participate in various sports events. In India, internal Cricket tournaments are held and in some locations there are sportive running events. In Germany, BHTC is the main sponsor of the Mönesee Triathlon, thus supporting the sporting spirit in the region. Unfortunately, due to Covid-19 in 2021 not all planned events could take place, but this will be increasingly tackled again in the coming years.

DIVERSITY & EQUALITY

As a global company that is represented all over the world, diversity is a topic close to our hearts and an absolute must for us. Our workforce brings with it a variety of different cultures, religions and origins. We value the differences in culture as well as knowledge and foster a respectful and inclusive work environment. For us, every opinion, every experience and all ideas are valuable and crucial for the daily work and development of our products and innovations. That's why we want to create an atmosphere and culture where everyone feels individually heard, supported and included.

In order to promote mutual acquaintance and understanding of other cultures, we place great emphasis on, among other things, the international communication of various local traditions and celebrations. These find their way into everyday life at BHTC. In addition, the first global employee survey in 2021 revealed that equal rights and equal opportunities are particularly well received by employees throughout the company. The "we" feeling exists to a high degree at BHTC. Nevertheless, we would like to further promote and strengthen this team feeling.



Our Indian colleagues celebrating the traditional Indian festival "Navaratri" on the shopfloor.

HUMAN RIGHTS

In all of BHTC's activities, the observance of human rights and respect for the personal freedom of employees is a natural part of the company's business. All BHTC sites operate in compliance with all applicable laws and regulations. Violations are subject to disciplinary action in accordance with applicable labor laws. Policies are in place to identify risks both during the hiring process as well as for the duration of the employment relationship. The age of the applicant and the availability of important documents, such as residence or work permits, are checked before employment begins. Employees who witness violations or human rights abuses have the opportunity to report these violations without risking personal harm.

BHTC offers various internal and external reporting channels or contact persons, for example internally by contacting supervisors, employee representatives or our Compliance Board. Additionally, there are external ombudspersons established.

BHTC maintains a constructive relationship with employee representative bodies, where they are established.

TRAINING & DEVELOPMENT

We recognize the importance of empowering our people to perform at their best. In all our global locations we use competence evaluation and/or employee appraisals to explore the training needs of our employees in a structured way. A wide range of trainings from basics to high technological trainings but also soft skill trainings are offered in our locations.

Through our succession planning, which is regularly carried out internationally, we ensure a strategic approach to secure our talent pipeline. When we recognize talent, we do support the growth of the employee, no matter what stage he or she may be in his or her career.

The opportunities provided by our intern, students and apprenticeship programs have empowered numerous young employees to begin their careers as important members of our team with a combination of project-based activities, hands-on experience and guidance from our BHTC team. In all our locations we also run dedicated programs to support our managers in their roles and to give guidance to those who are growing into new roles, to ensure a high quality standard of leadership.

We continuously strive for improvement. Our employees are the most important resource we have and therefore we see their development and growth as one of our core responsibilities.

As an international, worldwide operating company, BHTC does practice a responsible corporate governance and expects all its 2860 employees worldwide to act with integrity in an exemplary manner and to comply with laws and regulations. This includes responsible treatment of employees, customers, business partners and the environment. Conducting in accordance with regulations and acting with integrity in everyday business is the basis for BHTC's long-term corporate success.

The Compliance Management System of the BHTC Group aims to continuously incorporate global compliance requirements by having a decentralized system of persons responsible for compliance. These persons responsible do analyze compliance risks in their respective area of responsibility by application of the BHTC Compliance Program. They implement and control required compliance measures, and improve compliance at BHTC.

Based on the regulations of the Compliance Policy, the Compliance Board as the superordinate, central advisory and decision-making body is responsible for the further development of the Compliance Management System of the BHTC Group. The Compliance Board particularly decides on cross-departmental and cross-company relevant compliance measures. The Compliance Board supervises the implementation of compliance requirements by the central departments and group companies, whereby the persons responsible for compliance do report on a regular basis on existing compliance risks and suspected cases.

The Compliance Management System of the BHTC Group allocates specific topics to the heads of the central departments, who exercise their responsibility independently and in coordination with the persons locally responsible for compliance. With assistance of central and local contacts, the BHTC compliance organization allows a direct and qualified dealing with compliance-related issues as well as it provides for constructive support with regard to the fulfillment of the local compliance requirements.

The Code of Conduct of the BHTC Group represents a fundamental guideline for corporate and compliance culture at BHTC. It provides clear and binding guidelines, helping to act in compliance with rules and integrity. The Code of Conduct includes principles related to data protection, information security and environmental protection as well as labor and social standards and fundamental guidelines related to a fair business conduct, anti-corruption practices and the avoidance of conflicts of interest.

To further raise awareness of employees, BHTC regularly trains its employees on its Compliance Management System and on the applicable compliance basics. In addition, special trainings on competition and antitrust law as well as on the subject of anti-corruption are provided via the e-learning module. For the relationship between BHTC and its business partners cooperative behavior based on trust and partnership as well as a mutual conduct in compliance with laws and regulation are fundamental pillars.

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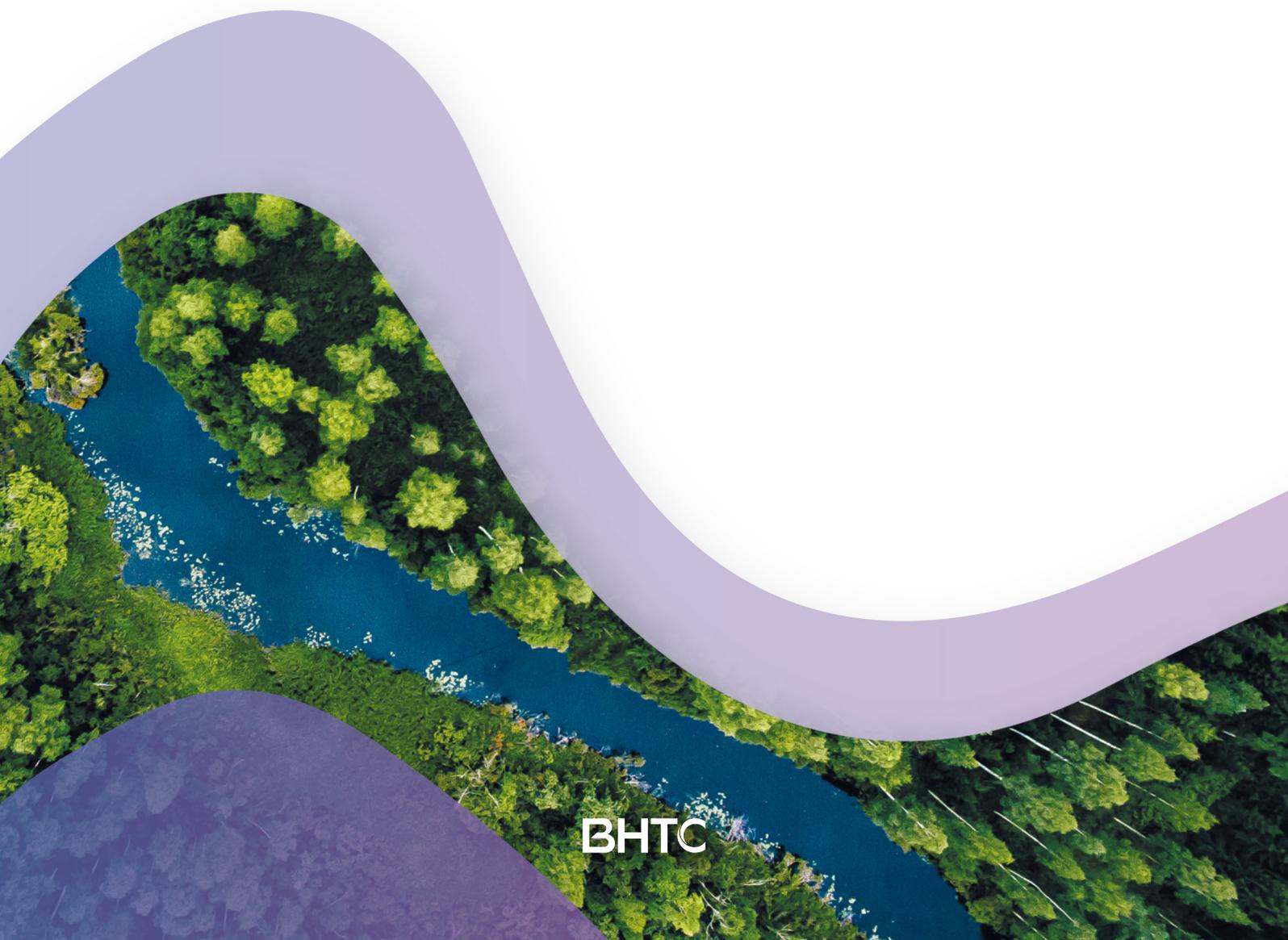
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