

SUSTAINABILITY REPORT 2024



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BHTC GROUP IN NUMBERS (2024)

- Turnover: 717 mEUR
- Employees: 3,150 worldwide
- Production sites: 5
- Part of the AUO Group since April 2024



ENVIRONMENTAL MANAGEMENT

- 5 of 5 production locations are ISO 14001 certified
- Renewable Electricity Share
 - 2021: 41%
 - 2024: 56% (+15%)
 - Target: 100% by 2025
- Energy Intensity
 - 2021: 57.7 kWh/kEUR
 - 2024: 45.1 kWh/kEUR (-22%)
 - Target: -30% by 2030
- CO₂-emissions (Scope 1 and 2):
 - 2021: 13,892 tCO₂e
 - 2024: 7,422 tCO₂e (-47%)
 - Target: CO₂ neutral till 2030
- Scope 3 emissions under preparation (first report in 2025)



OCCUPATIONAL HEALTH AND SAFETY

- 2 of 5 production locations are ISO 45001 certified
- Workplace related accident rate:
 - 2021: 1.4
 - 2024: 1.9 (+35%)
 - Target: Zero Accidents
- Workplace related lost time rate:
 - 2021: 419
 - 2024: 378 (-10%)
 - Target: Zero Accidents



PRODUCTS & MATERIALS

- Use of recycled materials in series projects (up to 100%)
- Sustainability check established in product development process
- Focus: Improving transparency via Life Cycle Assessments (LCA) and Product Carbon Footprints (PCF)



BHTC AS EMPLOYER

- Average age: 39 years
- Female: 34% Male: 66%
- Diversity, Equity, Inclusion and Belonging (DEI&B) Manager appointed
- Bi-annual employee survey established



COMPLIANCE & SUPPLY CHAIN

- Whistleblower-System established
- Code of Conduct as mandatory requirement for all suppliers
- ISO 14001 certified key suppliers:
 - 2021: 63%
 - 2024: 66%
 - Target: 68% by 2030
- 94 VDA 6.3 audits performed



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



Sustainability is no longer just a strategic priority — it is a responsibility we all share. At BHTC, we recognize the profound impact that businesses can have on the environment, society, and the future of our planet. As we continue on our journey toward greater sustainability, we are pleased to introduce our latest Sustainability Report, which reflects both our progress and our unwavering commitment to environmental, social, and governance (ESG) principles.

A key milestone in our sustainability strategy is our goal to run on 100% green electricity by 2025. This commitment underscores our dedication to reducing our carbon footprint and actively contributing to a cleaner future. The automotive industry is evolving rapidly, and with it comes a responsibility to innovate and reduce emissions. We are embracing these challenges with proactive solutions that will help us build a more sustainable tomorrow.

2024 is also a year of transformation for BHTC, as we integrate into the AUO family following our acquisition in April. This transition presents us with both opportunities and challenges as we align our values, practices, and strategies to create a stronger organization. AUO places a high value on sustainability, and we are stepping into significant footsteps from which we can learn and grow.

Sustainability is not just about numbers and policies — it is about people, innovation, and responsibility. At BHTC, we are fostering a culture where every employee is empowered to contribute to our ESG goals. Transparency, ethical governance, and long-term thinking will continue to guide us as we move forward.

We invite all of you — our employees, partners, and stakeholders — to join us in shaping a greener, more responsible future. Sustainability is a collective effort, and together, we can make a meaningful and lasting impact.



Simon Hsu
CEO



Jens Helbig
Vice President
Operations Management





BHTC was founded in 1999 in Lippstadt, Germany as a joint venture between MAHLE Behr and Hella. In 2024, BHTC became part of the AUO group. BHTC provides comfort for all vehicle passengers in every driving situation. This includes first-class and comfortable climate conditions and the intuitive and ergonomic operation of our Human Machine Interface (HMI) systems.

In 2024, the BHTC Group generated sales of 717 mEUR with 3,150 employees in nine regions worldwide (Germany, United States of America, China, India, Japan, Taiwan R.O.C., 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 MEXICO S.A. DE C.V.
San Miguel de Alende, Mexico
2014 ●◆ | D BHTC EOOD
Sofia, Bulgaria
2013 ■●◆ | G BHTC (SHANGHAI) CO., LTD.
Shanghai, China
2004 ■●◆ |
| B BHTC INC.
Novi, USA
2002 ■◆ | E BHTC FINLAND OY
Tampere, Finland
2017 ■ | H BHTC GMBH TAIWAN RO
Jhubei, Taiwan, R.O.C.
2018 ■ |
| C BHTC GMBH
Lippstadt, Germany
1999 ■●◆ | F BHTC INDIA PVT. LTD.
Pune, India
2006 ■●◆ | I BHTC JAPAN K.K.
Tokyo, Japan
2007 ■◆ |

Development ■ Production ● Distribution ◆

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 safety, energy and information security.

BHTC-POLICY FOR QUALITY, ENVIRONMENT, OCCUPATIONAL SAFETY, ENERGY, PRODUCT SAFETY AND INFORMATION SECURITY

We inspire with convincing quality!

Our integrated management system for quality, environment, occupational safety, energy, product safety 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 are committed to the following principles:

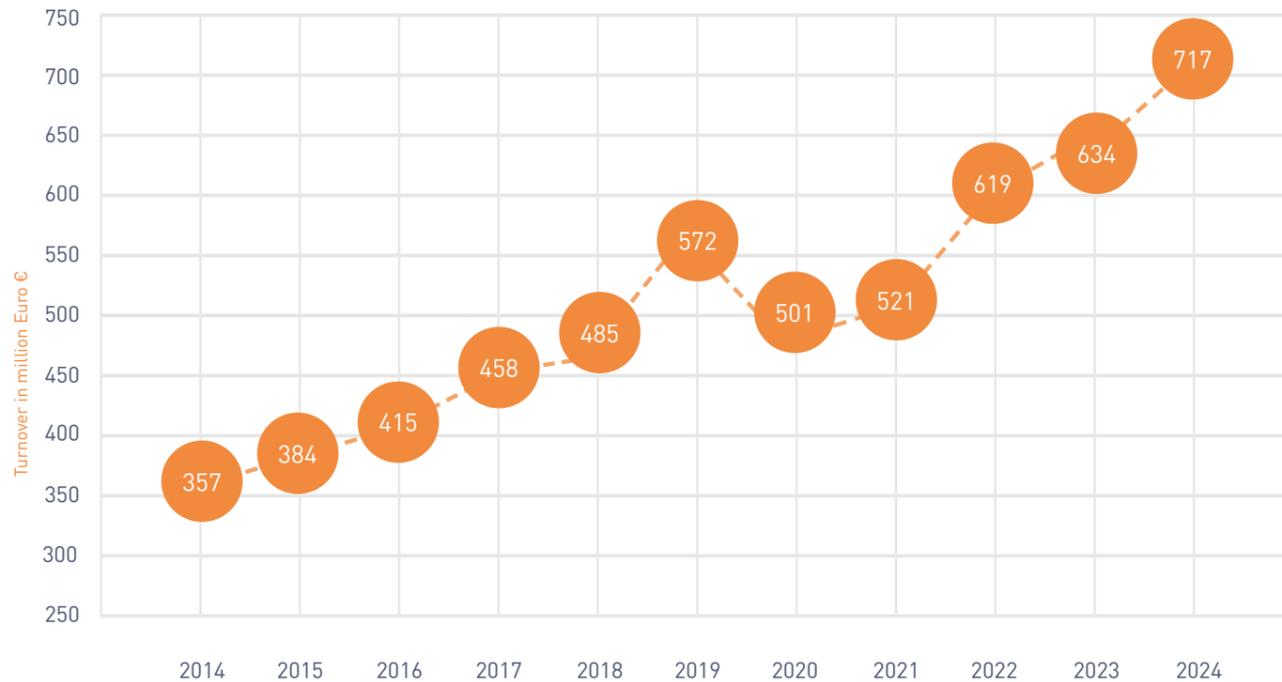
- ✓ We listen carefully to our customers; they challenge us to continuously improve our level of quality.
 - ✓ We involve our employees in occupational health and safety considerations and actively involve them in decisions.
 - ✓ We inspire our customers with innovative, high-quality and safe products and services.
 - ✓ We work steadily to reduce our environmental impact and increase energy efficiency in order to improve our ecological footprint.
 - ✓ We develop our innovative and competitive products and services based on standardized and established quality processes and methods.
 - ✓ We continuously strive to improve our management system and the associated processes.
 - ✓ We rely on efficient, smart production and logistics processes to deliver always high quality on time.
 - ✓ We periodically review and fulfill the requirements of our stakeholders such as customers, employees, shareholders, suppliers and authorities.
 - ✓ We promote a long-term partnership with our suppliers and service providers.
 - ✓ We are committed to comply with legal and regulatory requirements as well as product safety standards that are relevant to BHTC.
 - ✓ We plan and procure new installations, equipment and services with the aim of achieving high energy efficiency.
 - ✓ 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 provide all employees with safe and healthy workplaces; identified risks and hazards are systematically reduced or eliminated.
- We support each other in complying with 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 IATF 16949.

In 2024 BHTC has continued its growth path. Compared to 2023, we were able to increase our turnover by around 83 mEUR.

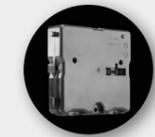
SALES DEVELOPMENT



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) – 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



The acquisition of BHTC by the AUO Corporation marks a strategically significant milestone for a successful further development of both companies. This merger unites the leader in automotive displays with the leader in climate control business. Together, we combine our strengths under the new shared vision of the Mobility Solutions Business Group. The mission statement has firmly established sustainability as a guiding principle for our business activities.



YOUR JOURNEY, OUR VISION

Bringing Humans Together and Connecting Communities



MISSION

We deliver the most exciting and intuitive human-centered mobility experience that enhances comfort, safety and sustainability as the highest quality and most agile, innovative, and trusted partner for costumers worldwide.

OUR JOINT VALUE PROPOSITIONS

Together, we offer a fully integrated value chain as well as a multi-faceted global footprint including local engineering and production capabilities to all our customers worldwide. Our leadership in technology and innovation, coupled with deep insights into consumer electronics, forms a strong foundation to redesign in-vehicle experience for future generations.

We share a common understanding that the industrial sector bears a significant responsibility for sustainable development across the world. AUO is an ESG-pioneer with decades of experience in implementing sustainability in industrial applications. BHTC has an extensive know-how in implementing environmental protection and occupational health & safety in productions across various countries and continents. We aim to learn from each other and combine the best of both worlds. Together, we aim to reaffirm our commitment to present and future generations, embedding sustainability as a central aspect in our activities and initiatives.

We have established an ESG workstream as part of our integration program. This workstream – driven by key sustainability players from both companies – aims to support the exchange between both teams, support mutual learning and implement synergy potentials within both AUO and BHTC with regards to sustainability.



Fully-Integrated Value Chain

Display maker + full Tier-1 capability



Tech & Innovation Leadership

Advanced display & HMI technologies



Deep Insights in Consumer Electronics

AUO leads in IT, TV & Gaming displays



Multi-Faceted Global Footprint

Local engineering & production



ESG Pioneer

Industrial leader in ESG commitment & action



Accelerating Customer Leadership

Enabling possibilities to help customer lead

SUSTAINABILITY MANAGEMENT

Sustainability is considered as a BHTC group-wide obligation. Ensuring the worldwide exchange on sustainability subjects and evaluating relevant aspects and requirements, BHTC has established an interdisciplinary and global sustainability team. This team exists of specialists from central functions such as EHS, Purchasing, Research & Development, Sales, Human Resources, Treasury and Legal as well as site representatives from our production sites. They exchange ideas regularly, devise strategic contents and implement specific initiatives according to the overall roadmap. Central functions such as Sales, Quality and Supply Chain Management communicate and conduct dialogs with key stakeholders. The Sustainability Manager develops, implements, and monitors BHTC's sustainability strategy along the three sustainability dimensions of environment, social and governance.

In addition to our global sustainability team, we have local sustainability teams, that are in charge of implementing sustainability initiatives onsite.

All activities are guided by our Vice President Operations Management. In order to steer the related activities on a regular basis, we established a steering committee consisting of our Sustainability Manager, as well as our Vice President Operations Management, Vice President Quality and Vice President Supply Chain Management. 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.



PUR = Purchasing; EHS = Environmental, Health & Safety; R&D = Research & Development; HR = Human Resources

ENVIRONMENTAL MANAGEMENT

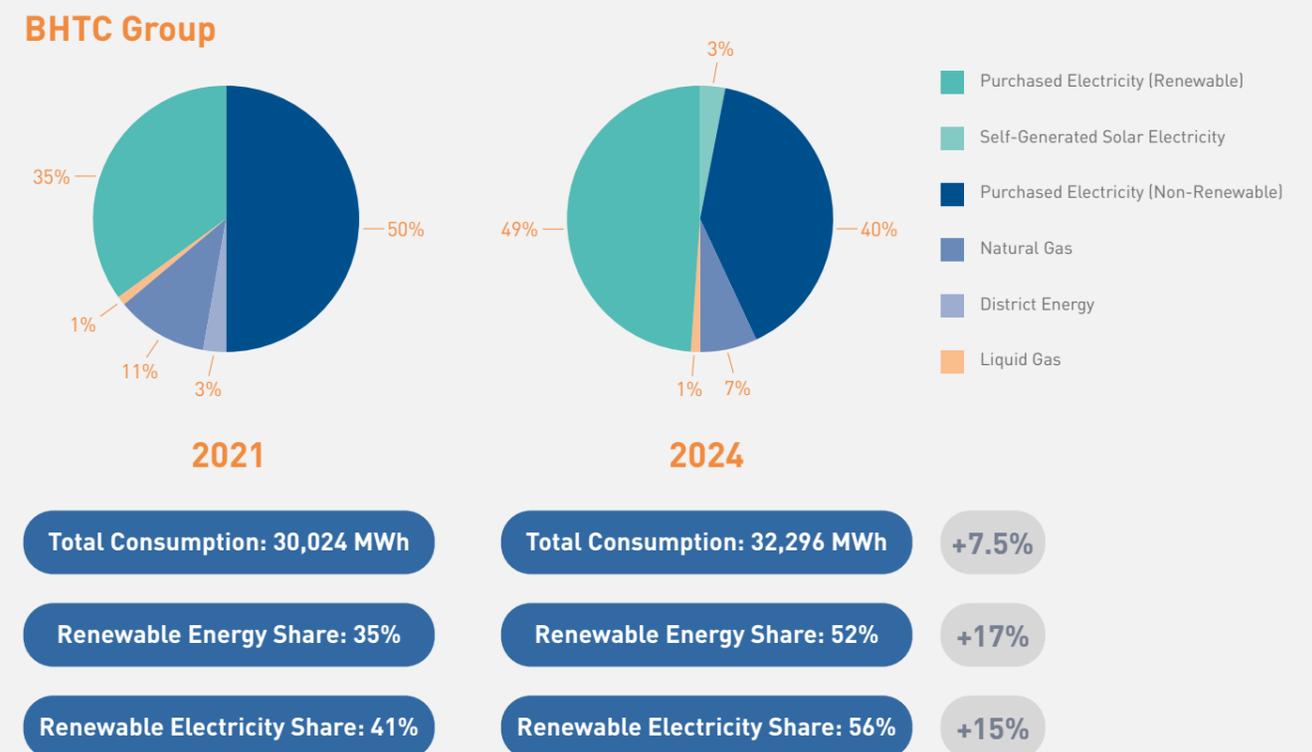
Protecting the environment for current and future generations is a central part of our corporate responsibility. In this context we aim to continuously reduce our ecological footprint, making use of a holistic environmental management system that is certified at all production sites in accordance with 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.

Environmental figures 2024



In order to evaluate BHTC's improvement in environmental performance, we have defined meaningful targets, which are published as part of this sustainability report. The achievement of BHTC Group's targets will be ensured by the definition of internal sub-targets for each individual production site including their continuous monitoring. In this way, we strengthen the awareness of the environmental indicators in all locations.

In 2021, we introduced the KPI Energy Intensity as a measure of energy efficiency. It puts the total energy used in relation to our sales. The following table shows the key figures that are relevant for our KPI energy intensity.



Management
Sustainability Team
Strategic Topics

ENVIRONMENTAL MANAGEMENT

Looking specifically at the past year 2024, we see that the absolute energy consumption at the production sites of the BHTC Group increased by 1,200 MWh (+4.6%) compared to 2023. This mainly results from two effects: On the one hand side we are still ramping up our energy-intensive bonding process in China and on the other hand side we have seen a significant growth in production volumes. At the same time, however, we were able to increase our group sales clearly (+13%) over the same period. Thereby, our specific energy consumption has fallen noticeable compared to the previous year (-8%) and significantly compared to our reference year 2021 (-22%).

Over the past three years, we have already achieved the target set in 2021 of reducing Group-wide energy intensity by 10%. We are taking this as an opportunity to redefine this target to 30%.



Besides the target to reduce our energy intensity, switching to renewable energy sources is a main pillar of our sustainability strategy. In order to achieve the target of fully operating all production sites with renewable electricity in 2025, BHTC currently relies on three different elements: self-produced electricity from photovoltaic systems, green electricity purchase from the local electricity suppliers and the purchase of renewable electricity certificates. In addition, we are also examining whether and in what form Corporate Power Purchase Agreements (CPPAs) can be used to open up further opportunities for BHTC to generate electricity from renewable sources.

In 2024, we have covered 10,578 MWh of our electricity consumption by Energy Attribute Certificates. Additionally, we benefit from our photovoltaic systems at our sites in Mexico and India, with a total output of around 1,049 MWh in 2024. In Germany, we converted our electricity contract to a green electricity contract at the beginning of 2024. All these activities resulted in an again rising Renewable Electricity Share of 56%.



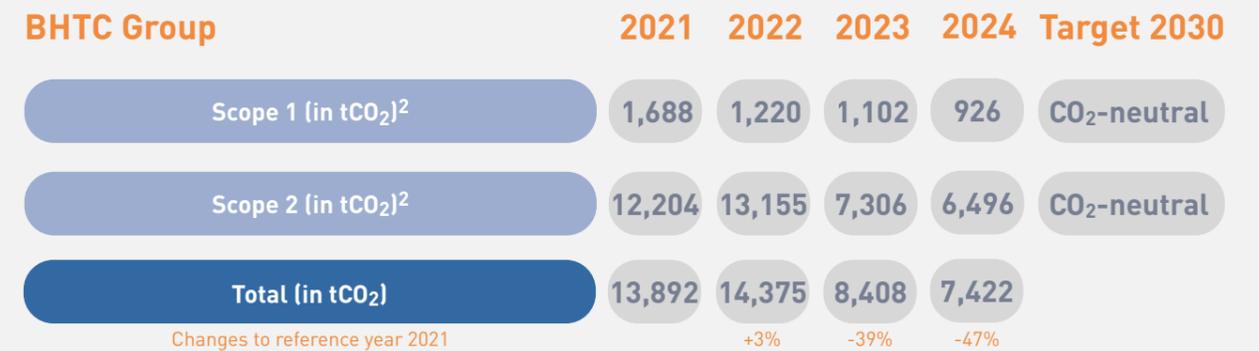
¹ Takes into account sales according to IFRS standard.

ENVIRONMENTAL MANAGEMENT

Decarbonization is one of the central tasks of our time. 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.

In 2024, we were able to significantly reduce our group-wide natural gas consumption once again – directly affecting our emissions in Scope 1. Compared to our reference year 2021, we were able to achieve a reduction of 45%. The major positive contribution to this reduction was made at our site in Lippstadt, which benefited from the change from conventional natural gas heating technology to environmentally friendly heat pump technology. The heat pumps have been in operation since the fourth quarter of 2024 and, in combination with our green electricity contract, generate CO₂-neutral heating energy for our site. This trend will continue in 2025, as the heat pumps will then be available throughout the year. According to our current forecast, we will only need about 15% of the natural gas required at the Lippstadt site in 2021.

Thanks to the increase in the share of renewable electricity, we were able to further reduce Scope 2 emissions compared to 2023. In 2025, we will see another drastic reduction, because our production sites will all be manufacturing with 100% renewable electricity.



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 (e.g. 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. The emissions are calculated following the market-based approach.

Last year, we launched a wide range of initiatives at our international locations, which have been recognized and awarded by external parties. We would like to highlight a few of them:

BHTC Germany

→ We successfully made the change from the previous heating technology, which used natural gas-fired heaters, to environmentally friendly **heat pump technology** during the last quarter of 2024. This modern and environmentally friendly technology not only allowed us to make our heating system future-proof, but also it enables us to cool our production building when necessary. This is an additional benefit for us, because it means that we were able to replace the equipment previously needed for cooling as well. The heat pumps are operated exclusively with green electricity, which will help us to reduce our overall CO₂ emissions on site by approximately 85%. In the future, we will only use natural gas heating technology as a back-up in weather conditions in which the heat pumps alone cannot achieve adequate efficiency.



→ BHTC Germany participated in the world's largest **cycling campaign "Stadtradeln"** once again in 2024 and took first place within our city area for the third time in a row. "Stadtradeln" is an initiative designed to promote both environmental protection and the personal health of the participants in a fun competition against other teams and companies. With over 35,000 km cycled within 3 weeks, BHTC team members were able to increase their previous best performance from last year by around 5,000 km. This not only benefits the participants personally due to their sporting activity, but also the environment by saving approx. 5,900 kg CO₂. BHTC once again donated 10 cents per kilometer cycled and voluntarily topped up the total amount of 4,000 EUR to support two local charity organizations. We are becoming a serial offender - and we are proud about it.



BHTC India

→ As part of our group-wide initiative to promote the use of renewable electricity, we are pleased to report very positive news from our plant in Pune, India. Since September 2024, the approximately **1,400 solar panels** have been generating electricity for our site. We expect an annual energy production of around 1,050 MWh per year, which will correspond to about 50% of the site's energy needs. A sustainable investment that will not only help us to save around 780 tons of CO₂ per year, but will also make us less dependent on external energy suppliers, thereby increasing our self-sufficiency.

In addition, we are still examining the options for installing even more solar panels and thus further increasing the positive trend in the future.



BHTC Mexico

→ After our **photovoltaic system in Mexico** has been successfully supplying about 20% of our on-site electricity needs with renewable electricity since 2022, we decided to expand the system at the end of 2024 (previously 500 kWp to currently 580 kWp). This will enable us to further increase the share of solar-generated electricity to around 25% starting 2025. Thus, we can achieve a considerable rate of independent and environmentally friendly electricity generation. The system is directly connected to our **charging infrastructure** for electric vehicles, which enables us to supply a part of our company vehicles with electricity generated by our own solar power plant. In 2024, we expanded our charging stations from 2 to 4 charging points to further benefit from this integrated solution.



BHTC China

→ BHTC hosted a **"Monthly Walking Challenge"** in May 2024. This activity aimed at encouraging employees to step outside and embrace a healthy lifestyle themed "A Small Step Every Day, A Giant Leap for Health". The challenge encouraged participants to complete at least 10,000 steps walking daily. A positive side effect: CO₂ emissions for otherwise necessary short trips could be avoided to a certain extent. To add fun and interactivity, an online check-in platform was set up where participants were able to record their walking distances and share their progress in the community group. The top performers in the competition were our "Walking Stars" and we awarded them small prizes to keep the enthusiasm high. The winner averaged around 30,000 steps a day - an impressive result! This month-long walking challenge not only helped participants develop healthy exercise habits but also conveyed a positive and uplifting lifestyle philosophy.

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".

Occupational Health and Safety aspects are firmly anchored in the company's business activities as an integral part of corporate policy. The relevant internal processes are designed with these aspects in mind. We strive to reduce the risk of accidents and injuries to a minimum by effective preventive measures and procedures. Furthermore, 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 ensure that activities can be managed in a targeted manner.

At our production sites in Germany and Bulgaria, the Occupational Health and Safety Management System is established according to the worldwide relevant standard ISO 45001:2018 and certified by an external accredited body.

Status 2024



The procedures for determining our accident KPIs have remained consistent with previous years. This means that our figures still include both commuting accidents and accidents involving external employees. And unfortunately, the data from 2024 shows an increase in the accident KPI compared to the values of the previous reporting years.

BHTC Group	2021	2022	2023	2024
Accident rate³ [LTIR; accidents per 1 million working hours⁴] <small>Thereof workplace related accident rate</small>	1.4	3.4	1.3	3.6
Lost time rate⁵ [work hours missed per 1 million working hours] <small>thereof workplace related lost time rate</small>	419	640	256	911

In 2024, commuting accidents accounted for around 45% of all accidents recorded and even around 58% of related lost time. None of the accidents occurred during a transport organized by BHTC. On the other hand, the key figures related to pure workplace accidents are approximately at the same level as in 2022. Unfortunately, we did not manage to repeat our very good result from 2023.

As in previous years, each individual accident was analyzed. We found that there were no accident focus areas in terms of machines, processes, departments, or employee groups. Instead, the accidents were of a highly varied nature, often reflecting very individual cases that are challenging to prevent through conventional measures. Based on in-depth investigations, it is clear that the accidents in 2024 do not align with patterns from prior years, indicating that recurring causes are not present.

We consider the accident prevention measures we apply, such as workplace risk assessments, technical and organizational measures, instructions, and employee training, to be appropriate and suitable overall. Nevertheless, we are examining how we can further improve and expand these with the aim of achieving even better accident prevention.

³ Number of accidents with min. 1 working day lost time; LTIR = Lost Time Injury Rate

⁴ 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).

⁵ Lost time due to work related accidents including commuting accidents.



The development process plays a crucial role in the level of sustainability of our products, as decisions are made that affect the entire product lifecycle. This includes aspects such as sustainable material selection, resource efficiency, and minimizing environmental impact. Thus, the pursuit of sustainability in the product, its development process and in our work in general has been a high priority for us in recent years.

SUSTAINABILITY IN PRODUCT DEVELOPMENT

Sustainable solutions are a central part of our product development. Selecting the right materials plays a crucial role in reducing environmental impact. We also consider how we can make our design even more sustainable. To support this, we have integrated a sustainability check into our development processes, serving as a guide toward more sustainable products.

This Sustainability Check is a key milestone for assessing the development progress of a project. At this stage, we evaluate whether the project's sustainability potential is fully leveraged based on the latest technology, customer requirements, and economic considerations.

USE OF RECYCLED MATERIALS

BHTC is committed to integrating secondary raw materials across all commodities. Nevertheless, the use of technical recyclates (metal, plastic, glass) in the automotive sector faces challenges due to strict performance, safety, and durability standards. Optical requirements like color matching add complexity, as recyclates must match primary materials in function and appearance.

Limited availability of high-quality recyclates further restricts their use. High sourcing and processing costs, along with extra quality controls, add to the challenge. Compliance with legal regulations requires additional testing and documentation. Despite these hurdles, recyclates are key to sustainability, requiring innovation to meet industry demands. In the year 2024, the proportion of recycled plastic in our products sold (an average of older, still active series products and the current series products) was 10%, as revealed by an analysis of International Material Data System (IMDS) data records⁶.

Our customers' requirements and our own efforts to become more sustainable are prompting us to make further efforts to increase the use of recyclates in all commodities. For example, various of our customers require recycle percentages that are higher than 50% by weight.

In one of our actual series projects for climate control panels, three of the four heaviest plastic components are made from 100% recycled plastic.

⁶ Supplier-based, 76% of all products were analyzed, excluding rejects and production waste.

MEASURING SUSTAINABILITY GOALS

It is important to us that the sustainability performance of our products becomes measurable. We see opportunities in determining Product Carbon Footprints and conducting Life Cycle Analyses (LCAs). Currently, we are working on expanding our expertise in this area and building a robust and reliable data foundation for these types of analyses. Our goal is to establish a secure verification process so that PCFs and LCAs can be certified by a third party before being shared with our customers.

Material data also have a significant impact on our Company Carbon Footprint (CCF), particularly on our Scope 3 emissions. In this context, we are currently evaluating the quality of available data sources and developing a reporting approach in compliance with the European Sustainability Reporting Standards (ESRS) from 2025. We are striving to become more accurate in the calculation of emissions. For example, we are starting to process secondary data from databases when recording emissions from the purchase of products and services. We gradually introduce the retrieval of primary data from our suppliers.

EMISSION REDUCTION & SUSTAINABILITY IMPROVEMENTS

While we are still in the process of building comprehensive methods to assess the full impact of our products, we are already working on targeted initiatives based on the knowledge and data currently available. These efforts are both a starting point and a testing ground for the evolving tools and methodologies we are developing.

Our R&D department actively contributes to cross-functional sustainability projects aimed at improving environmental performance beyond just emission reductions. Key areas of focus include:

- Increasing the use of recycled and mass-balanced materials
- Sourcing regional raw materials
- Engineering for sustainability through:
 - Lightweight design and material efficiency
 - Enhanced disassembly and repairability
 - Durable, long-lasting products
 - Use of mono-materials to simplify recycling

We are aware that sustainability decisions often involve trade-offs. For example, lightweight materials may reduce emissions during the product's use phase but increase the carbon footprint in manufacturing. We consider these interdependencies carefully and aim to make responsible, balanced decisions.

Through the continuous development of our sustainability strategy - and while expanding our assessment capabilities - BHTC remains committed to reducing its environmental footprint while delivering high-quality, responsible products.

At BHTC, we are a people-centric organization. This principle extends across all our business areas, including the creation of intuitive, human-centered mobility experiences that enhance comfort, safety, and sustainability at the highest quality for drivers and their passengers worldwide. Our employees master challenges as a community, constantly working on new ideas and contributing their creativity to deliver world-class products with passion.

We continuously promote and align our business strategies and practices. Only by being an attractive employer people will choose BHTC for the long term, bringing their great ideas and driving the growth of our company every day. Without the innovative power of our employees, we wouldn't be where we are today and wouldn't be able to achieve our ambitious goals for an even brighter future.

As we move through the integration of BHTC and AUO, we recognize that merging two distinct company cultures presents several tasks. Bringing together two distinct company cultures is a complex and transformative process.

This process demands careful attention and continuous effort to ensure that we foster a unified environment that embraces both the strengths and values of our past and the opportunities of our future. In this context, we have created the acronym A.O.T. (Act as One Team), rooted in our Key Elements of Behaviour of Ownership, Agility, and Transparency. These key elements guide our daily interactions, decisions, and the way we approach growth and transformation.

In addition to strengthening our internal culture, we are focused on enhancing our external presence. By refreshing and improving our visibility on platforms such as LinkedIn, our website, and other channels, we aim to position BHTC as an even more attractive employer for potential new talent and a trusted partner for our customers and stakeholders. We are committed to becoming a leading company not only in product innovation but also in how we present ourselves to the world.



OUR HR MISSION:

We want to promote a culture of ownership, accountability and transparency with continuous collaboration and commitment across stakeholders as well as ensuring services, policies, and systems are aligned with BHTC's core strategies and goals.



OUR KEY STRENGTHS ARE

- Recruit and hire diverse talents
- Strengthen communication
- Enhance culture development
- Offer competitive & effective 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 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 as well as 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.

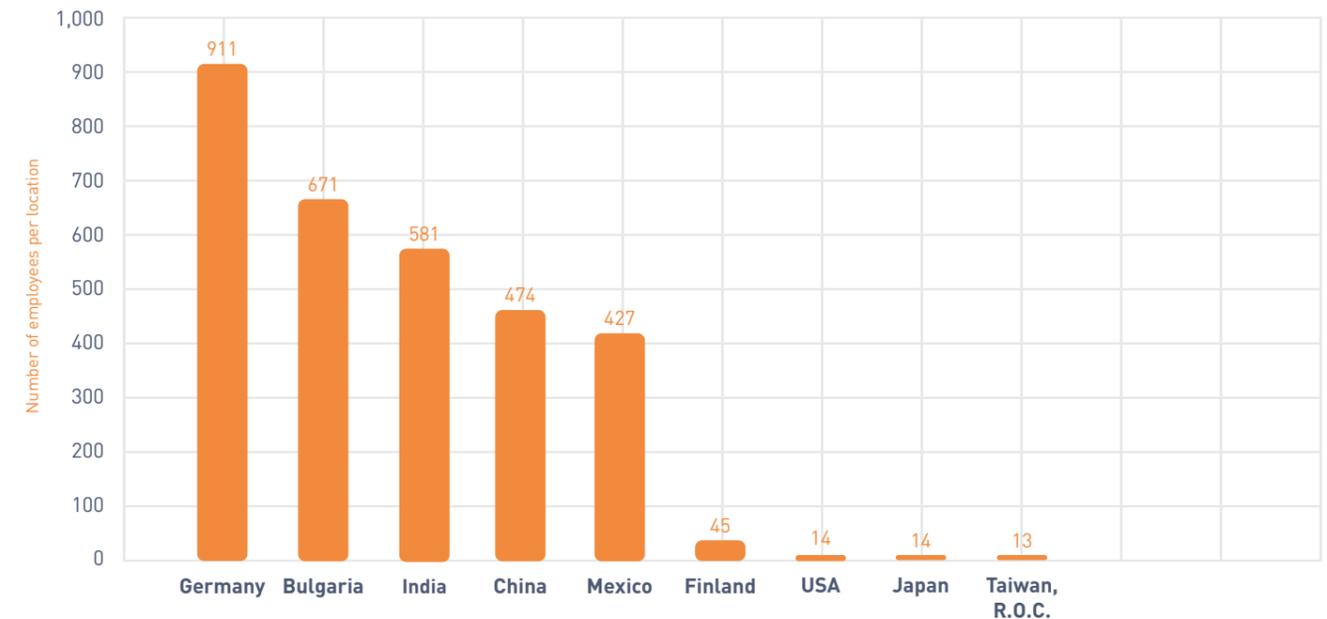
The risk of violating the laws and regulations may be substantial. The costs of failing to comply with employment laws is significant. We believe, fair, timely and equal compensation is the basis for a trustful work relationship. Our employee's payments are in compliance with federal, state and local wage and hour laws.

EMPLOYEE NUMBERS (ROUNDED TO THE NEAREST 10)



Our employees are our strongest resource and we are happy to have a team of many great personalities. Since 2010, the BHTC team has more than doubled in size. Our international team is spread all over the world.

NUMBER OF EMPLOYEES PER REGION (AS OF DECEMBER 2024)

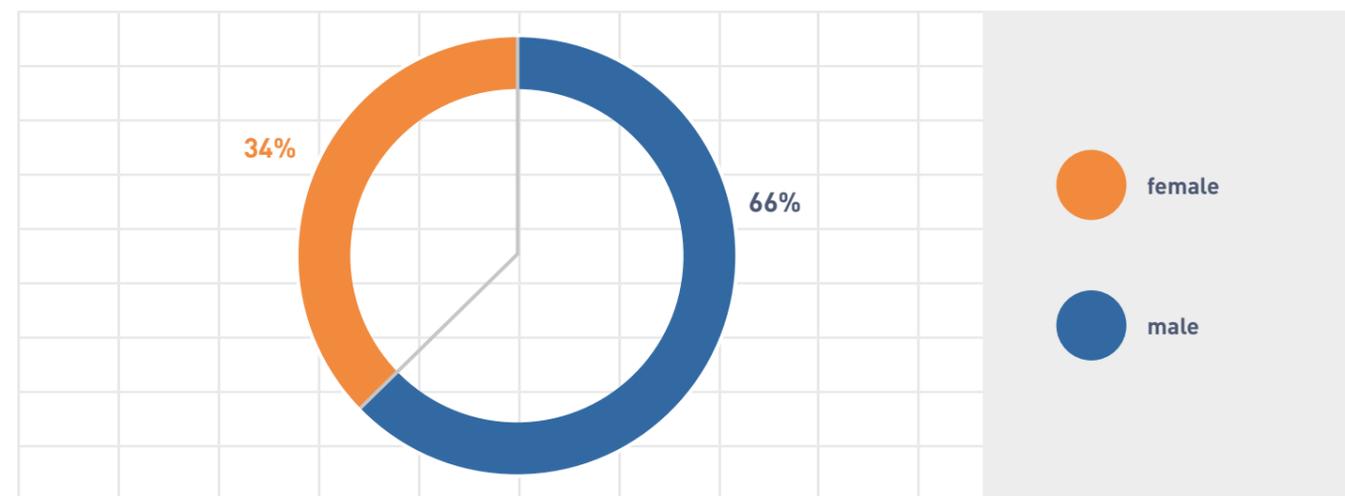


The age structure is very diverse. From trainees starting their training at the age of 18 to colleagues getting to celebrate their retirement with us, all age groups are represented at BHTC. BHTC can only benefit from this broad range. Knowledge is passed on to future generations, and new ideas are always finding their way into our daily routine. The average age of our employees is 39 years internationally.

BHTC Group	Male	Female	≤29	30-49	≥50
Executive & Management Board	100%	0%	0%	22%	78%
Management Team	85%	15%	0%	60%	40%
Employees	64%	36%	22%	60%	18%
Total	66%	34%	21%	60%	19%

Female employees currently account for 34% of our total workforce. To further inspire women for technical professions, we actively participate in the “Women in MINT⁷ Professions” network. This creates a cooperation platform and inspires female pupils and students for technical careers.

GENDER DISTRIBUTION



⁷ MINT is an abbreviation for Mathematics, Informatics, Natural Sciences and Technology.

STRENGTHENING DIVERSITY, EQUITY, INCLUSION & BELONGING AT BHTC

At BHTC, we recognize that Diversity, Equity, Inclusion & Belonging (DEI&B) are not just values but essential drivers of innovation, collaboration, and long-term success. A diverse workforce brings a wealth of perspectives, fuels creativity, and enhances problem-solving — ultimately making us a stronger and more competitive organization.

To further embed DEI&B into our company culture, we have established a dedicated role to focus on this critical area. With this, we are reinforcing our commitment to creating an inclusive and equitable work environment where every employee feels valued and empowered to contribute their best.

In the coming year, we will take the first steps in shaping our DEI&B strategy, focusing on raising awareness, developing a clear policy, and fostering an inclusive mindset across the organization. Our goal is to lay a strong foundation by exploring opportunities for future initiatives that support diversity, equity, inclusion, and belonging at BHTC.

We believe that by actively driving this agenda, we are not only enhancing our workplace culture but also positioning BHTC as an employer of choice, where diversity is celebrated, equity is ensured, and every voice matters.



Christina van Putten

Responsible for BHTC's DEI&B roadmap



I'm excited about our continued focus on Diversity, Equity, Inclusion & Belonging at BHTC. Together, we are building a more inclusive environment where every voice is valued. I look forward to the positive changes ahead and to seeing the impact of our ongoing commitment in the future.



BHTC AS AN ATTRACTIVE EMPLOYER

Our employees are our most valuable asset to enable our continued success story and to reach our strategic objectives. Thanks to their specialized skills, competence, commitment and collaboration they are creating a high performing culture. 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 provide them with the best possible support, we conduct a global employee survey every two years. The feedback we receive is shared with all employees. By participation of our employees and contribution of our leadership teams, specific actions for further improvement are developed. We continue to be an employer of choice and a great place to work. There are ongoing activities at all of our locations worldwide to continuously improve our positive company culture. This is a testament to our commitment in fostering a positive, inclusive, and engaging workplace culture where everyone can contribute together.

In 2023 our learning culture was promoted globally by providing bite size learning initiatives, LinkedIn Learning licenses and additional language courses for all employees. Other measures relate to leadership development, promoting culture, meeting culture and local benefits. Since 2021, all actions in this context have been implemented under the title "YOU!@BHTC" to promote the corporate culture.

We place great emphasis on raising awareness on wellness and encouraging people to take personal responsibility of self-wellbeing. Thereby we organized several health campaigns and offerings at various BHTC locations. For example, BHTC promotes health checks, eye check-ups, free vaccinations, sports events, and counseling offers (e.g. on mental health or the compatibility of family care and work).

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.

Additionally, BHTC supports our employees to participate in various sports events. For example, internal cricket tournaments, football and badminton events are held, there are joint sportive running events and running trainings. In Germany, BHTC is the main sponsor of the "BHTC Möhnesee Triathlon", thus supporting the sporting spirit in the region.

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.

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. For example, we continued our internal global talent development program "Energizing BHTC" in 2024 and gave young talents and leaders the chance to build international networks and share business strategies and leadership skills. With several days of international workshops, the program was a complete success. We also launched the "IGNITE program" for young leaders inhouse to enable and equip them for successful transition to lead high performing teams. Several initiatives at locations were successfully conducted such as customer centricity, team building and many more learning avenues to grow, engage and develop talents.

The opportunities provided to our intern, students and apprenticeship programs have empowered numerous talents 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 such as self-discovery insights 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.

Therefore, we encourage establishing a continuous learning culture as a new normal to build and grow our vision towards bringing humans together and connecting communities.

COMMUNITY ENGAGEMENT AT BHTC

At BHTC, we believe that corporate success goes hand in hand with social responsibility. As a global company, we are committed to making a positive impact in the communities where we operate. Whether through charitable donations, volunteer initiatives, or awareness campaigns, we actively contribute to causes that promote education, well-being, environmental sustainability, and social inclusion.

In 2024, our teams worldwide participated in various initiatives that reflect our dedication to giving back and fostering a strong connection with our communities:

Social Responsibility Certification – BHTC Mexico

BHTC Mexico achieved Level 3 of the “Certificado Empresa con Responsabilidad Sociolaboral”, the highest distinction in this ranking. This prestigious certification recognizes our commitment to fair labor practices, ethical business conduct, and social responsibility, reinforcing our role as a responsible corporate citizen.

Movember Awareness

Through the “Blue Week” campaign, BHTC Mexico actively raised awareness about men’s health, mental well-being, and prostate cancer, contributing to the global Movember movement. These initiatives reflect our strong belief that businesses have a responsibility beyond profit. At BHTC, we will continue to strengthen our commitment to community engagement, ensuring that we create a lasting, positive impact wherever we operate.



Stadtradeln – BHTC Germany

Through our participation in the “Stadtradeln” event, BHTC Germany not only promoted sustainable mobility but also made a meaningful impact by donating 3,000 EUR to “Aktion Kinderträume”. The funds supported the purchase of a wheelchair-accessible vehicle for a young child in need, demonstrating our commitment to social inclusion.



Bridge Renovation – BHTC Bulgaria

Our team in Bulgaria came together to renovate a bridge in Vitosha Park, one of the country’s most cherished nature reserves. This hands-on effort demonstrated our dedication to environmental sustainability and community well-being.



Supporting Education – BHTC India

At BHTC India, education is a cornerstone of our Corporate Social Responsibility (CSR) efforts. We provided essential infrastructure equipment to the Shri Pandharinath Arts, Commerce, and Science College, supporting 800 students from underprivileged backgrounds in their pursuit of higher education.



Blood Donation Camp

More than 100 employees participated in our blood donation camp in collaboration with Medicoover Hospital, showcasing our dedication to saving lives and fostering a culture of giving.



Runathon of Hope

BHTC India proudly participated in the Runathon of Hope, the largest sporting event in the Pimpri-Chinchwad region. Over 100 employees joined 4,000+ runners to promote health, wellness, and social causes, with funds supporting child education and clean drinking water initiatives.



BHTC Group leverages a robust global network of supply chain partners to drive innovation, facilitate development and manufacturing processes, and ensure timely delivery of components integral to offered customer products. With regard to our suppliers, we focus on quality as well as compliance with social and environmental protection standards. Therefore, we have developed a Code of Conduct for Suppliers and Service Providers of the BHTC Group that requires to comply with human rights, working conditions, health and safety regulations, sustainable sourcing of raw materials, environmental performance and business ethics. The Code of Conduct for Suppliers and Service Providers of the BHTC Group is an essential prerequisite for the establishment and continuation of the business relationship with the supplier and is an integral part of BHTC's Framework Supply Agreement.

Supplier's environmental management system shall also align with the requirements of ISO 14001 or EMAS in the version valid at the date of delivery and certified evidence thereof shall be provided upon request to BHTC. This requirement is contractual obligation addressed in BHTC's Framework Supply Agreement. Our focus is continuously to prove compliance of potential suppliers and upholding certification of existing business partners in a dedicated database.

BHTC Group

2021 2022 2023 2024 Target 2030

Key suppliers⁸ certified under ISO 14001 (% share)

63%

64%

65%

66%

68%

Furthermore, we strive to enhance our activities to maintain due diligence in the supply chain and to establish processes that consider social and environmental aspects. A major step in this direction has been to create a potential supplier Self-Assessment and Approval Form and implement it worldwide. An integral part of this document are corporate social responsibility assessment that result in final rating which help us to understand and address risks. The assessment is an important prerequisite for joining BHTC's panel of suppliers. In addition to binding contractual documents, certifications check, etc., BHTC is evaluating supplier quality performance with on-site audits. They are typically performed at our suppliers' facilities by VDA 6.3 certified audit experts. We have carried out 94 supplier audits in 2024. Four health and safety non-conformities have been identified at the supplier's site, corrective actions have been requested, and their effectiveness is being monitored accordingly. At BHTC, we are committed to upholding human rights and environmental standards throughout our entire supply chain. In order to ensure these values are consistently respected, we are taking a proactive approach by implementing a dedicated software solution to support risk analysis and identify any areas requiring further attention. This tool will enable us to better assess potential risks related to human rights and environmental impact, and to take appropriate measures where necessary.

⁸ Key suppliers = suppliers with production related order volume larger than 10 kEUR in the reported year. A supplier of this group is considered as certified only if evidence for an active ISO 14001 certificate is available.

IMPRINT

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