



SUSTAINABILITY REPORT

2023



WE OPEN UP YOUR WORLD WITH EVERY DRIVE



REPORTING SCOPE AND BOUNDARY

This document outlines the sustainability strategy, management, and performance of Inalfa Roof Systems Group B.V. (referred to as 'Inalfa' or 'Inalfa Group') for the period from January 1, 2023 to December 31, 2023. It represents our fifth annual corporate sustainability and CSR report.

The scope and boundary of this report includes Inalfa Roof Systems Group B.V. in Venray and its subsidiary entities and companies. Inalfa is wholly owned by BHAP HK Investment Ltd., based in Hong Kong. Subsidiaries of Inalfa are defined as entities that are part of the economic unit of Inalfa Roof Systems Group B.V., over which Inalfa has control.

Except where otherwise specified, this report encompasses Inalfa and all its subsidiaries, as detailed in the Annual Report. This report has been structured and compiled with the guidance and reporting requirements of the Global Reporting Initiative (GRI). We invite feedback on this report, and suggestions can be directed to our Global Corporate Social Responsibility Global Sustainability team via: sustainability.reporting@inalfa.com

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OUR COMMITMENT TO ESG

LEADERSHIP REFLECTION

GENERAL

ENVIRONMENTAL

SOCIAL IMPACT

GOVERNANCE



SUSTAINABLE DEVELOPMENT



ENVIRONMENTAL STEWARDSHIP



SOCIAL RESPONSIBILITY



**ETHICAL GOVERNANCE
AND ACCOUNTABLE**



Our Commitment to ESG Principles

As we reflect on the past year, we are proud to present our Sustainability Report 2023, a testament to our ongoing commitment to responsible business practices and sustainable development. In the face of global challenges, we have remained steadfast in our dedication to environmental stewardship, social responsibility, and ethical governance. This report serves as a comprehensive overview of our sustainability performance, outlining our achievements, challenges, and the strategies we have implemented to drive positive change. Through transparent disclosure and rigorous analysis, we aim to provide stakeholders with valuable insights into our sustainability initiatives and their impact on both our business and the world at large. Join us on this journey of reflection, accountability, and continuous improvement as we strive to build a more resilient and sustainable future for all.

Leadership Reflection

Interview with our CEO

Sustainability continues to be a crucial aspect within the automotive industry. Can you elaborate on how Inalfa integrates sustainability into its overall business strategy, particularly in the context of the supply chain?

Sustainability is at the forefront of our business strategy, and it's integral to our operations, including our supply chain. We focus on two primary environmental areas: climate transition and responsible material usage. Aligning with the targets set in the Paris climate agreement, we're committed to reducing CO₂ emissions and ultimately achieving carbon neutrality. Moreover, we're transitioning towards a circular economy, where recycled materials are reused, significantly reducing waste.

While many OEMs adhere to the minimum targets outlined in the Paris agreement, and often have more ambitious goals, we're committed to meet customer targets. Regarding circularity we anticipate the forthcoming revised End-of-Life Vehicle legislation. However, it's crucial to note that each OEM might have differing targets and timelines.

Additionally, besides environmental concerns, we recognize the importance of managing social and governance requirements. ESG reporting is standardized, and meeting a minimum score is imperative to remain compliant in the industry.

At Inalfa, our Sustainability team comprises representatives from all functions, working collaboratively to integrate ESG requirements into our existing business models. While much of this integration is already well-established, aspects like climate transition require additional focus.

To address this, we've established a dedicated Product Carbon Footprint team, ensuring alignment with both internal and external activities. Deepening our relationships within the supply chain beyond traditional dynamics is also pivotal.

Could you shed light on the measures Inalfa has taken to reduce its carbon footprint and environmental impact in production processes and the supply chain?"

Internally, we closely monitor energy consumption across all our sites, implementing measures to reduce waste and enhance efficiency. This includes initiatives such as upgrading to more energy-efficient equipment and implementing LED lighting. Externally, we're actively engaged in assessing the carbon footprint of our supply chain. While this is a complex endeavour given the industry's low maturity in this area, we've initiated a prioritized program for our suppliers.

We have also undertaken comprehensive investigations into our aluminum supply chain, from upstream smelting processes to downstream recycling initiatives. As a result, we have successfully sourced aluminum produced using hydro energy, with increasing recyclate content. Additionally, we've collaborated with specialized partners to develop plastic grades with substantial post-industry and potentially post-consumer recyclate content, furthering our commitment to sustainability.

Could you elaborate on how Inalfa ensures the ethical sourcing of raw materials used in your products, particularly concerning Conflict Minerals?



Georges Andary, Group CEO & President

“Sustainability is at the forefront of our business strategy, and it’s integral to our operations, including our supply chain.”

Ethical sourcing is a fundamental aspect of our supply chain management, especially concerning Conflict Minerals such as Tin, Tantalum, Tungsten, and Gold. We’ve been monitoring this for many years now. Our approach involves annual reports shared with our customers, detailing our actions to improve ethical sourcing practices. Inalfa is committed to utilizing only certified conflict-free smelters for materials used in our products. While we maintain a well-controlled status, sectors like electronics face challenges due to geopolitical instability. Open communication is key to addressing and resolving any required actions.

As an Example, a significant focus was placed on deepening our understanding of the carbon footprint associated with aluminum components, tracing it back to the smelters and evaluating energy usage during the smelting process.

Could you provide examples of how Inalfa minimizes waste and promotes recycling within your manufacturing operations?

Waste reduction starts with gaining insight into our operations. We closely monitor waste streams, such as paper in office settings, and scrap parts from production, which serves as an important Key Performance Indicator. Segregating waste not only minimizes environmental impact but also presents a business opportunity to save on disposal costs. Additionally, we’re actively working to increase the use of recyclable materials in single-use packaging for overseas supplied components.

Inalfa is dedicated to minimizing our environmental impact and contributing positively to our communities. Our operations are managed with a focus on energy and waste management, prioritizing employee health and safety. Additionally, our production sites actively engage in community initiatives, such

as organizing litter collection drives in the areas surrounding our facilities.

Water usage in our production processes is relatively low, with the main usage occurring in our test center. To conserve water, we have implemented closed-loop water circuits for climate chambers, minimizing consumption and promoting efficient management.

Furthermore, we’ve implemented detailed monitoring of energy consumption and provide training to our facility and maintenance teams on best practices for energy reduction. We’ve initiated programs to raise awareness and collect ideas for reducing our CO₂ footprint, fostering informed decision-making. While technical improvements are pursued, we also encourage employees to be mindful of energy usage. In terms of renewable energy, we’re exploring options such as solar energy on-site and participation in wind and solar parks. In the short term, we’ve purchased renewable energy certificates for all our production locations in Europe.

Lastly, could you describe how your company measures and reports on its sustainability performance, and what key indicators you focus on?”

We have three major pillars for sustainability reporting. Firstly, our annual Corporate Sustainability Report (CSR), aligning with EU requirements, is published on our website. Secondly, we utilize Customer Sustainability scorecards, rating our performance according to standards such as EcoVadis and Drive Sustainability SAQ 5.0. Our aim is continual improvement, gradually progressing to higher ratings. Lastly, we prepare for upcoming legislation, such as the EU Corporate Sustainability Reporting Directive, ensuring compliance and the assurance of reported information.

Snapshot

Who We Are

OUR HISTORY

Founded in 1946, Inalfa commenced as a dynamic production and trade company specializing in ironmongery and consumer goods. Over the decades, we have continuously innovated and evolved, transforming from producing consumer goods to creating copier and automotive parts. By the 1970s and 80s, we had rapidly developed into a multinational entity, dedicated to manufacturing the finest roof systems for the automotive industry—a commitment we uphold to this day.

OUR MISSION

At Inalfa Roof Systems, our mission is to craft exceptional in-vehicle experiences for individuals worldwide. We aim to be the vanguard of innovation within our sector, producing high-quality, user-centric roof systems tailored for both the automotive and truck industries.

CUSTOMER FOCUS

Customer attention is paramount at Inalfa. This approach allows us to better anticipate industry changes and deliver regional and customer-specific solutions efficiently. Consequently, Inalfa maintains representation in the key global markets of the automotive industry, categorized into four regions: Europe, North America, China, and Asia-Pacific. Our unwavering dedication to innovation and customer satisfaction cements our position as a leader in the automotive roof systems sector.

OUR PHILOSOPHY

We are thinkers, entrepreneurs, and innovators. Constantly seeking the best solutions, we stay ahead by analyzing market trends and basing our future-centric product designs on these insights. Our relentless pursuit of perfection extends from grand projects down to the minutest details.

OUR GLOBAL PRESENCE AND CORPORATE STRUCTURE

Inalfa Roof Systems Group B.V. (hereafter 'Inalfa') is a private limited liability company under Dutch law, encompassing fully owned affiliates. Our global footprint spans Asia (China, South Korea, and Japan), Europe (the Netherlands, Germany, Poland, and Slovakia), and North America (the United States and Mexico).

LEGACY AND INNOVATION

Inalfa originated as an industrial production and manufacturing enterprise in 1946. Within three decades, the company diversified from household materials to metal hardware, consumer goods, copier parts, and later, automotive parts. The 1970s and 80s marked Inalfa's transformation into a global powerhouse, primarily focusing on the development, manufacturing, and supply of automotive roof systems.

OPERATIONAL SCALE

Currently, we supply advanced roof systems to over 40 major car and truck manufacturers from our 17 production facilities across nine countries on three continents.

Direct Sales Turnover Roof Systems

EUR 1.342 Million

(2% increase to 2022)

Volume Roof Systems

Pcs 6.065.704

(14% increase to 2022)

Table 1: Locations of Inalfa Offices and Facilities

| Regional Market | Country | Global HQ | Regional HQ | Sales Office | Engineering & Validation | Roof Assembly | Rollo Assembly | Glass Encapsulation |
|-----------------|-----------------|-----------|-------------|--------------|--------------------------|---------------|----------------|---------------------|
| China | China | | 1 | 1 | 1 | 7 | 2 | 2 |
| Asia Pacific | South Korea | | 1 | 1 | 1 | 2 | | 1 |
| | Japan | | | 1 | | | | |
| Europe | The Netherlands | 1 | 1 | 1 | 1 | 1 | | |
| | Germany | | | 1 | | | | |
| | Poland | | | | | 1 | 1 | 1 |
| | Slovakia | | | | | 1 | | |
| North America | Mexico | | | | | 1 | 1 | |
| | United States | | 1 | 1 | 1 | 2 | | 1 |
| Totals | | 1 | 4 | 6 | 4 | 15 | 4 | 5 |

PRODUCTION AND STANDARDS

Our collective production capacity allows us to manufacture and supply over 6 million sunroofs and components annually. Each product is crafted with precision to meet ISO 26262 Functional Safety standards, ensuring premium quality and safety for our users.

Note: We ensure that all our products adhere to the ISO 26262 Functional Safety standards and are IATF 16949 certified. This commitment guarantees that we meet the rigorous standards and expectations set by automotive manufacturers, our clients, and the end-users who own and drive cars and trucks.

2023 was also the year, where Inalfa expanded to India. It signed a strategic technical collaboration & alliance agreement with Gabriel India to manufacture sunroofs in India with a new manufacturing plant in Chennai.

Since Gabriel is an external partner, activities are not further mentioned in this report.

CUSTOMER COMMITMENT

Inalfa's dedication to quality ensures that the in-vehicle experiences for drivers and passengers are exemplary. Our roof systems are designed not only to meet but to exceed the futuristic ambitions of our clients while minimizing energy consumption.

Our unwavering goal is to be the most innovative company in the automotive and truck roof systems sector. By focusing on high-quality, user-centered designs, we continue to lead in creating in-vehicle experiences that define the future of the automotive industry.

INALFA'S FINANCIAL PERFORMANCE

Despite the difficult market circumstances in China and North America region and the continued supply chain disruptions, the 2023 turnover (roof systems production sales combined with development and tooling compensation sales) increased to Euro 1.356 million (2022: Euro 1.342 million).

SUNROOF SYSTEMS MARKET

During 2023, the auto sector was facing challenges like inclining EV sales, widespread strikes in the U.S. automotive producers' factories, supply chain disruptions, and rising material costs. However, amidst these turbulent times, there were glimmers of hope and resilience. Global light vehicle production in 2023 increased by 9% compared to 2022, mainly contributed by recovery of demand and inventory restocking.

Many regions have rebuilt inventories, leading to a shift towards a more traditional demand-driven model amidst concerns about interest rates and vehicle affordability. While surpassing pre-pandemic production levels in 2023, consumer demand remains a crucial factor influencing production.



Board of Management and Supervisory Board

The Board of Management (BOM) is the pinnacle of Inalfa's governance structure. The BOM is tasked with ensuring an adequate and effective system of internal controls. They are elected by the company's shareholders at the annual General Meeting without any tenure restrictions.

THE BOM IS RESPONSIBLE FOR:

- Approving the annual business plan, which integrates sustainability management, monitoring, and reporting.
- Overseeing operational management along with the CEO.
- Approving the company's sustainability strategy and goals yearly.
- Receiving updates on sustainability issues quarterly from the head of sustainability.

This hierarchical and multi-faceted approach ensures that all levels of the organization are engaged in and responsible for risk management, thereby fostering a robust and effective governance framework.

BOM AS PER 31 DECEMBER 2023:

- Georges Andary, Group CEO and President
- Haibo Zhang, Group CFO
- Jos Sanders, CEO EU & Group VP R&I
- Eckart Semmler, COO and CEO North America

AMENDMENTS BOM IN 2023:

- BOM consisted out of 5 persons in January 2023 and out of 4 persons in December 2023:
 - Group CIO function integrated in Group CFO function
 - Change of Group CEO and President in October 2023
 - Klaus Billetter and Yuqing Gao left the company

SUPERVISORY BOARD PER 31 DECEMBER 2023:

- Li Jingang
- Xu Bin
- Cui Xuemei

AMENDMENTS SUPERVISORY BOARD 2023:

- Günther Walz and Burkhard Göschel left the Supervisory Board

GENDER DIVERSITY 2023:

- Supervisory Board contains 3 persons, 33% women
- BOM contains 4 persons, 0% women
- Sub-top Management: yet to be defined

The BOM and the Supervisory Board, while noted for some variance from the balanced composition guideline intended for "large" companies, are actively considering gender diversity objectives for future nominations and appointments.

AFFIRMING OUR COMMITMENT TO TRANSPARENCY AND ETHICAL CONDUCT, THE BOM, TO THE BEST OF ITS KNOWLEDGE, DECLARES THE FOLLOWING:

- Inalfa is not engaged in any businesses or contracts where a Board Member, the CEO, the CFO, or any related party has a vested interest.
- There are no instances of financial conflicts of interest.
- Our diligent maintenance of accurate accounting records underscores our dedication to operational integrity.
- Internal controls have been thoughtfully designed, effectively implemented, and consistently upheld.
- We operate with confidence in our ability to continue as a sustainable entity without significant uncertainties.

MANAGEMENT COMMITTEES

The BOM is supported by several key committees, including the General Management Team (GMT), the Integrity Committee, and the Sustainability Committee. Each plays a vital role in ensuring that Inalfa's operations are strategic, ethical, and sustainable.

The GMT supports the BOM by making recommendations on strategic policy and organizational development. Additionally, the GMT holds key responsibilities in risk management oversight, ensuring the organization navigates potential risks effectively.

The Integrity Committee, chaired by the Group Compliance Officer who is also the head of Legal, is responsible for ensuring that Inalfa's business practices align with our Code of Conduct, values, and ethical standards.

This committee focuses on sustainable growth and reports independently to the CEO and BOM. Furthermore, the Integrity Committee has the authority to report directly to Inalfa's Supervisory Board when necessary. The committee ensures that all key policies and strategies reflect the company's values and ethical standards.

The Sustainability Committee advises the BOM on the group-wide sustainability strategy, policies, and initiatives. This committee addresses material sustainability issues by raising them with senior management and overseeing their resolution. Representing each business area and group function, the Sustainability Committee is responsible for monitoring and reporting on the progress, implementation, and performance of Inalfa's sustainability strategy. The committee meets quarterly, and its findings are presented at BOM meetings.

Strategic ESG Framework and Priorities

Sustainability and Corporate Social Responsibility (CSR) roles and responsibilities are integrated throughout the organization, mirroring Inalfa's overall governance and management structure. Detailed duties of various groups and functions are outlined in the accompanying diagram, ensuring alignment with the company's sustainability strategy.

By leveraging this comprehensive governance approach, Inalfa ensures that sustainability and ethical practices are embedded in all aspects of its operations.

Setting priorities and materiality analysis is a cornerstone of Inalfa's sustainability strategy. We engage in sector research to identify critical topics as they emerge and consult with our stakeholders to ensure these areas align with both internal and external priorities.

CUSTOMERS

Regular engagements with our customers are pivotal in addressing sustainability concerns and aligning our offerings with their specific sustainability needs. We strive to provide comprehensive information on sustainability issues and maintain our reputation as a reliable supplier.

INVESTORS AND FINANCIAL INSTITUTIONS

On an annual basis, we actively participate in meetings with fund managers and analysts who specialize in sustainable investing. The interest from socially responsible investors in our Environmental, Social, and Governance (ESG) performance continues to grow, reflecting our commitment to sustainability.

SUPPLIERS

We maintain close communication with our suppliers, ensuring they meet our sustainability standards. Our supplier program facilitates ongoing assessment of conditions at supplier sites and enables collaborative efforts to enhance their sustainability performance.

STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDER CONSULTATION ENCOMPASSES:

- Internal Stakeholders: Every business area and all relevant Group functions.
- External Stakeholders: Board members, owners, investors, customers, suppliers, and communities.

Together, this collaborative approach informs our focus areas, ensuring they align with stakeholder expectations and strategic objectives.

KEY MATERIAL SUSTAINABILITY ISSUES

Through rigorous analysis, we have pinpointed several critical sustainability issues that need active management:

- a) Economic Performance
- b) Corporate Governance and Ethics
- c) Sharing the Value with Employees
- d) Employee/Human Capital Development
- e) Safety
- f) Impact on the Environment and Society



ECONOMIC PERFORMANCE

The market situation, material shortages, and the pandemic have influenced our new approaches for a more resilient future. These challenges underscore the necessity of resilient and adaptive economic strategies.

CORPORATE GOVERNANCE AND ETHICS

Upholding robust corporate governance and ethical standards is fundamental to our sustainability approach.

SHARING THE VALUE WITH EMPLOYEES

Sharing the economic value created with our employees is crucial for fostering a motivated and dedicated workforce.

EMPLOYEE/HUMAN CAPITAL DEVELOPMENT

Investing in employee development ensures that our workforce is well-equipped to meet current and future challenges.

SAFETY

We maintain high safety standards across all our operational activities. Our products comply with necessary safety and information standards, highlighting our commitment to providing a safe working environment and safe products.

ENVIRONMENTAL AND SOCIETAL IMPACT

Our focus on environmental impact traditionally revolved around operational and legal compliance. We emphasize meeting the automotive sector's sustainability and carbon reduction requirements.

LIFE CYCLE ANALYSIS

A Life Cycle Analysis (LCA) assessment of one of our main products has been conducted. This assessment provides insights into the environmental impact across several life stages, from production to upstream and downstream components and materials.

ENERGY MONITORING

Initiated since 2019, our energy monitoring program sets that year as the baseline. The continuous upward results in 2023 indicate positive strides toward improved energy efficiency, showcasing our efforts to minimize environmental footprint.

Inalfa's commitment to sustainability is both a strategic imperative and a reflection of our values. By addressing these material issues, we not only comply with legal requirements but also align with broader societal expectations, ensuring that our sustainability strategy remains robust and forward-thinking.

The Pillars of Our Governing Model

Inalfa's governance model is structured into three tiers focusing on risk management, assurance, and independent oversight.

OPERATIONAL LEVEL

At the base level, managers are accountable for identifying and managing risks within their respective areas. These responsibilities cover products, activities, processes, and systems. Thus, risk management at this level is directly tied to day-to-day operations.

INTERNAL ASSURANCE

The second tier involves internal assurance provided by independent audit and review functions like legal and compliance departments. These departments are distributed throughout the organization and ensuring that operational risk management is both supported and verified.

INDEPENDENT REVIEW

Finally, the third tier is the independent review conducted by the Internal Audit group, which is part of the finance function. This group has the highest level of oversight, critically examining the company's risk management framework, controls, processes, and systems. They report their findings directly to the Board of Management (BOM), ensuring comprehensive oversight and accountability.

OUR DEDICATION TO INTEGRITY

In every aspect of our operations, our unwavering dedication to integrity serves as our guiding principle. We believe that upholding the highest standards of ethical conduct is not just a responsibility, but a fundamental commitment to our stakeholders and the world. Throughout this report, you will find evidence of our steadfast adherence to integrity, manifested in the implementation of robust policies and practices across our organization. From our supply chain management to our interactions with communities and employees, integrity is at the forefront of everything we do. By embedding integrity into our core values and decision-making processes, we ensure that every action we take contributes to a sustainable future built on trust, transparency, and accountability.

PRIORITY RISK CATEGORIES AND FOCUS AREAS

In 2023, we continued to prioritize four key risk categories, each supported by specific focus areas:

STRATEGY AND PRODUCTS

Our focus in this area centers on the product roadmap, ensuring alignment with our sustainability objectives and market demands.

FINANCE AND REPORTING

We closely monitor liquidity, interest rates, and the availability of funds to sustain our operations while maintaining financial stability.

BUSINESS PARTNERS

With a focus on our supplier strategy and performance, we seek to strengthen partnerships that align with our sustainability goals and ethical standards.

OPERATIONS

Environmental stewardship, health and safety, and information technology remain paramount in our operations, as we strive to minimize our environmental footprint and uphold the well-being of our employees and communities.

By addressing these priority risk categories and focus areas, Inalfa demonstrates its commitment to sustainable practices and responsible business operations, contributing to the long-term prosperity of our stakeholders and the planet.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



FOCUS TOPICS FROM MATERIALITY ASSESSMENT

GOVERNANCE

- Financial Performance and Resilience
- Corporate Culture and Behavior (CoC)
- ESG/Sustainability Governance

SOCIAL: EMPLOYEES & SOCIETY

- Talent, Recruitment and Retention
- Human Capital Development
- Employee Occupational Health and Safety

ENVIRONMENT & CLIMATE OPERATIONS

- Climate Change Management (physical and transition)
- Energy Management and Renewable Energy
- Waste Management

SUPPLY CHAIN

- Supply Chain Management ESG
- Supply Chain Climate Transitions
- Responsible Sourcing Critical Raw Materials

PRODUCT & CIRCULAR ECONOMY

- Design for Environment (circular economy)
- Technological Innovation
- Customer Loyalty and Trust

Environmental Stewardship

Championing Environmental Responsibility

OUR COMMITMENT TO ESG

LEADERSHIP REFLECTION

GENERAL

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GOVERNANCE



The background of the page features a silhouette of three wind turbines against a sunset sky. The sky transitions from a deep blue at the top to a warm orange and yellow near the horizon. The turbines are positioned at different heights and angles, creating a sense of depth and scale. The overall mood is serene and focused on renewable energy.

Inalfa's commitment to environmental stewardship is underscored by our Environmental Policy and ISO 14001 certified environmental management systems. These frameworks ensure that we operate in a manner that is both environmentally responsible and compliant with regulations. Just as we prioritize financial performance, our business areas and production facilities are equally accountable for their environmental impact. Notably, in 2023, no significant environmental incidents, non-compliances, or spills were recorded, reflecting our dedication to maintaining high standards.

When it comes to addressing climate change, Inalfa has conducted a comprehensive assessment of potential risks, both physical and transitional, to our organization's performance across short, medium, and long-term horizons. Our climate change strategy and action plan are informed by key priorities, including proactive monitoring and adaptation to evolving national and local climate policies. We are committed to innovating and adapting our products to align with emerging trends such as the increased electrification of the automotive sector. Furthermore, we are setting environmental objectives for product development that prioritize eco-efficiency, circularity, and compliance with industry standards like Industry 4.0. Investments in upgrades and improvements are aimed at reducing operational energy consumption, procuring renewable energy, and minimizing waste volumes to lessen our environmental footprint.

As of December 31st, 2023, none of our production facilities are situated in areas at immediate risk of climate-related harm, and none are located near ecologically sensitive or protected sites.



Addressing Climate Change

Our Environmental policy and supporting ISO 14001 certified environmental management systems enable us to work in an environmentally responsible and compliant manner. Business areas and productions are also responsible for their own environmental performance in the same way as financial or other performance. No significant environmental incidents, non-compliances or spills were recorded during 2023.

We have completed a systematic assessment of the climate change risks (physical and transitional) that are potentially material to the organization's short-, medium- and longer-term performance.

THE KEY ISSUES THAT WILL FORM OUR CLIMATE CHANGE STRATEGY AND ACTION PLAN ARE:

- Tracking and responding to national and local climate change policies and changes in regulations
- Innovating and adapting products to address the emerging trends of the further electrification of the sector
- Establishing environmental objectives for product development that are focused on eco-efficiency, circularity, weight, user experience, autonomous vehicles and Industry 4.0 standards
- Investing in environmental related upgrades and improvements to reduce operational energy consumption, procuring renewable energy, and minimizing facilities' environmental footprints by reduction waste volumes.

As per 31st December 2023, Inalfa Group's production facilities, as well as the customers to which it provides, were not located in areas or geographical areas which are at risk of short term physical climate

related harm or risk. Additionally, none of Inalfa's production facilities are in or adjacent to sites that are ecologically sensitive or protected.

Our energy management continues to enable us to continuous access to accurate and reliable energy and carbon data. The availability of this data is significantly supporting our efforts to reduce energy consumption and carbon emissions as part of our overall energy and carbon policy and management system. Our specific energy consumption (energy per unit of sales turnover/ production), based on Scope 1 and 2 has continued to decline year on year since 2019.

COLLABORATION WITH SCHNEIDER ELECTRIC

Inalfa's collaboration with Schneider Electric in energy management remains pivotal, providing us with ongoing access to precise and dependable energy and carbon data. This data plays a crucial role in bolstering our endeavours to curtail energy consumption and carbon emissions, in alignment with our comprehensive energy and carbon policy and management system. Notably, our specific energy consumption, measured as energy per unit of sales turnover/production and encompassing Scope 1 and 2 emissions, has demonstrated a consistent year-on-year decline.

Environmental Performance Figures

Inalfa delivered consistent effort towards reducing gas usage over the years. Total trend compared to base year 2019 has resulted in a real reduction of 16% CO₂ Scope 1+2 (4% average per year). Including the use of renewable energy the total reduction is 29%, showcasing an initial commitment to efficiency. Building on this, despite a temporary increase in 2021, we have managed to maintain a relatively stable consumption. A 43.7% gas reduction is achieved via 30% reduction in EU plants, 50% in US (including consolidating plants) and 10% in Korea. However, the most significant achievement came in 2023, where a notable 43.7% reduction was recorded compared to the previous year, reflecting a substantial stride towards sustainable practices.

GHG Scope 1: Gas Usage

Table 2: Gas Usage

| Year | Gas | | | |
|------|------------|-----------|-----------------|--------------------|
| | Usage | Cost | Emission Factor | CO ₂ |
| | kWh | EUR | Defra | tCO ₂ e |
| 2019 | 13,031,280 | | 0.000184 | 2,459 |
| 2020 | 12,418,856 | € 356,097 | 0.000184 | 2,284 |
| 2021 | 13,851,096 | € 405,730 | 0.000184 | 2,547 |
| 2022 | 14,557,407 | € 883,034 | 0.000182 | 2,401 |
| 2023 | 8,187,413 | € 810,447 | 0.000182 | 1,500 |

GHG Scope 2: Electric Power

Table 3: Electric Power

| Year | Electricity | | | |
|------|-------------|-------------|-----------------|--------------------|
| | Usage | Cost | Emission Factor | CO ₂ |
| | kWh | EUR | EIA Average | tCO ₂ e |
| 2019 | 40,287,000 | | 0.0007096 | 20,143 |
| 2020 | 36,254,000 | € 3,266,119 | 0.0005003 | 18,138 |
| 2021 | 35,570,000 | € 3,271,013 | 0.0005005 | 17,802 |
| 2022 | 35,517,792 | € 4,128,306 | 0.0004704 | 16,708 |
| 2023 | 35,183,720 | € 5,396,607 | 0.0004821 | 16,963 |

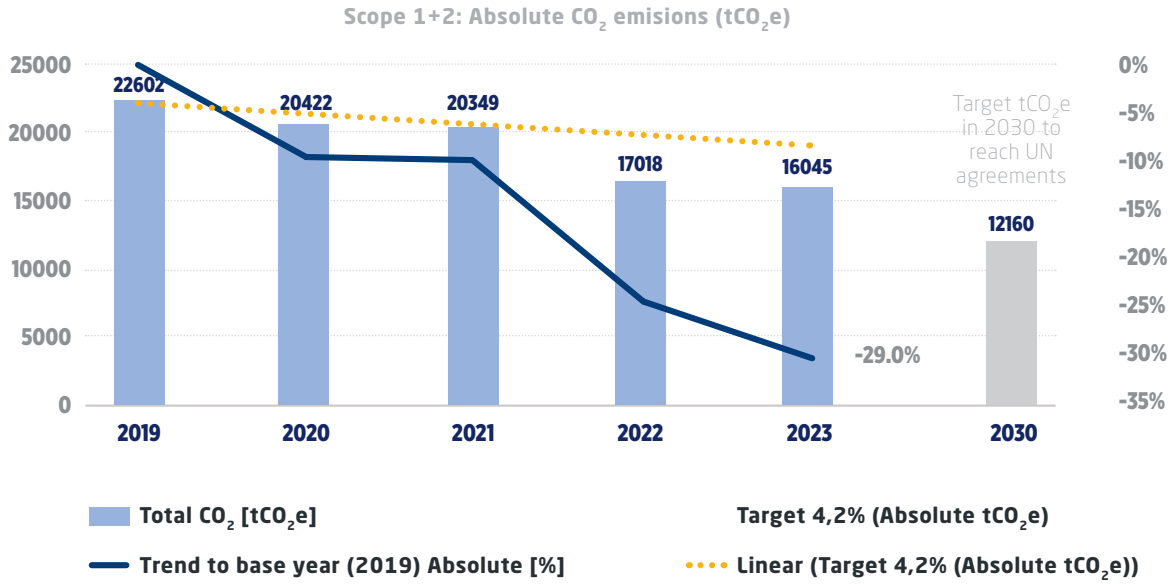
In the realm of electricity consumption, in 2019, electricity usage stood at 40,287,000 kWh, gradually decreasing by approximately 10% to 36,254,000 kWh in 2020, indicating an initial commitment to reducing energy consumption. This downward trend persisted in 2021, with a further decrease to 35,570,000 kWh. Despite minor fluctuations, electricity usage remained relatively stable in 2022, standing at 35,517,792 kWh. The energy conservation continued in 2023, where consumption dropped to 35,183,720 kWh, marking further reduction compared to the previous year and approximately a 12.65% decrease in electricity usage since base year. Overall, major efforts have been dedicated to reducing gas consumption, resulting in significant decreases (43.7%) over the reporting period. Despite

an increase in volume, electricity consumption experienced only minor reductions, indicating ongoing efforts towards efficiency. However, Inalfa faced challenges as energy costs surged, primarily due to high costs for both gas and electricity. Moreover, the average Emission Factor for Electric Power increased across all countries except China and Korea, contributing to a negative impact of 2.5% on CO₂ emissions.

Due to emission factors from IEA are available with a 2 year backlog showing the 2021 energy crisis impact. During 2021 the amount of coal was increased and the amount of hydro and nuclear energy was reduced due to lack of rainfall.

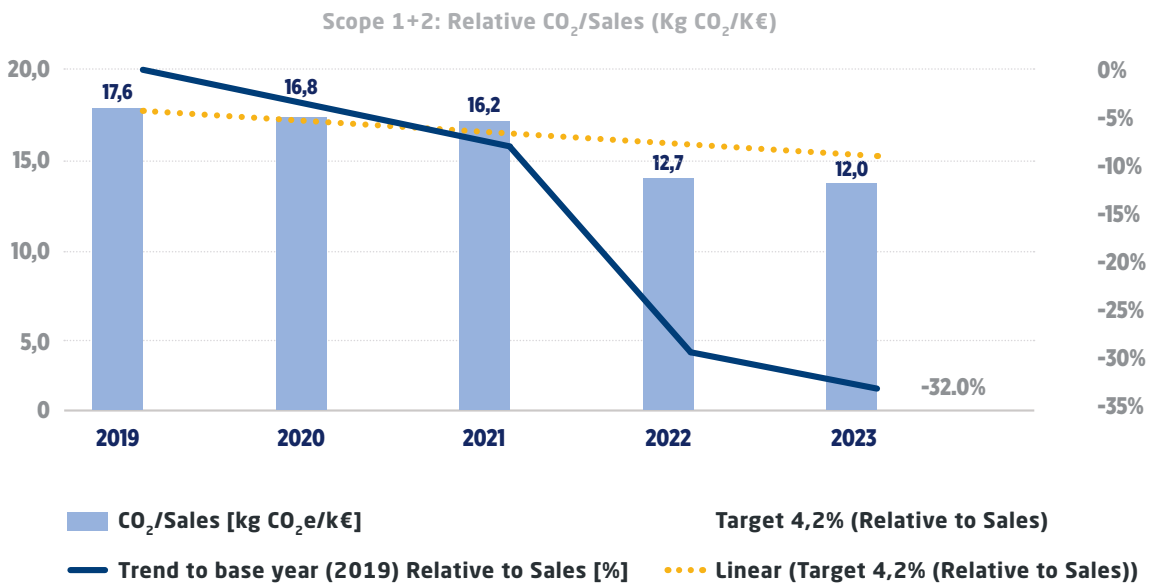
TOTAL GHG SCOPE 1+2: ENERGY

Table 4: GHG Emission - Efficiency including Renewables



The absolute CO₂ emissions, have decreased by 29% compared to the base year of 2019. This reduction is attributed in part to energy reduction efforts and the utilization of Energie Attribut Certificaat (EAC) with Guarantee of Origin for EU activities. Specifically, the portion of reduction attributed to EAC stands at 12.9%.

Table 5: GHG Emission - Efficiency including Renewables



Relative CO₂ emissions per sales unit (KgCO₂/k€) have seen a substantial 32% reduction compared to the base year (2019). These reductions are relative to Global Sales numbers, which serve as the basis for intensity measurement. Despite a 2% increase in Direct Sales Turnover and a significant 14% increase in the volume of systems sold up to 2022, the difference between volume and sales is attributed to factors such as product mix and currency conversion to EUR. Notably, despite growth in both volume and sales, the reduction in CO₂ emissions for in-house energy usage has been significantly reduced.

Regional differences and consequent effects have been mostly related to activities, while Inhouse Encapsulation had a key impact on electricity consumption. The Climate chambers in our Test Centers delivered significant contribution, allowing us to identify potential weaknesses or areas for improvement before deployment.

CLIMATE CHAMBERS

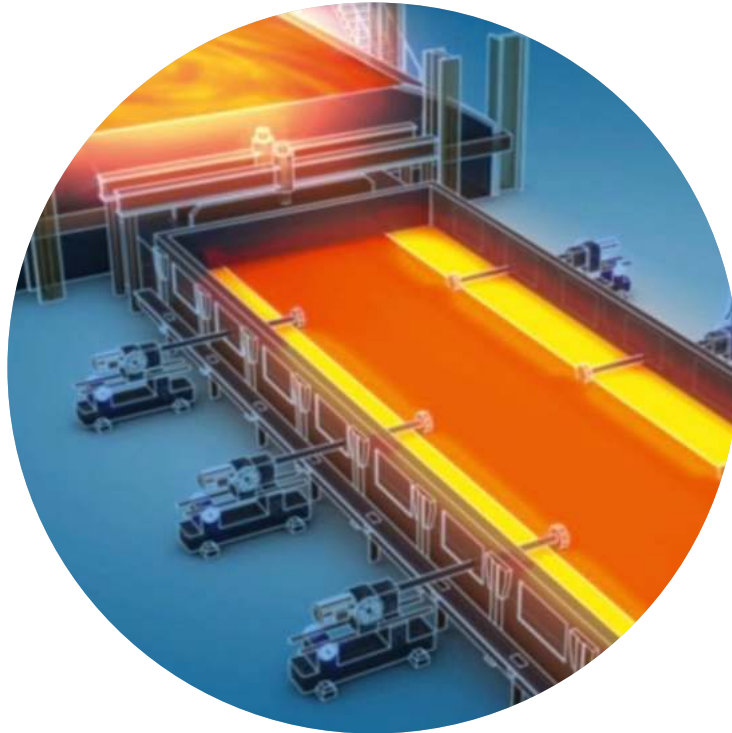
Climate chambers, often found in test centers, are controlled environmental chambers used to simulate various climatic conditions for testing purposes. These chambers are designed to replicate specific temperature, humidity, and sometimes other environmental factors such as sunlight exposure, air pressure, or pollutants. They are commonly used across industries such as automotive, aerospace, electronics, and materials science for testing the performance, durability, and reliability of products under different environmental conditions. Climate chambers enable manufacturers to assess how their products will perform in real-world scenarios, allowing them to identify potential weaknesses or areas for improvement before mass production or deployment.

GHG SCOPE 3

Scope 3 covers GHG emissions up and downstream of our internal operations. According to the GHG protocol there are 15 categories as shown below.

| Upstream or Downstream | Corporate Sustainability Goals and strategy - CEO |
|-------------------------------------|--|
| Upstream Scope 3 Emissions | 3.1 Purchased goods and services |
| | 3.2 Capital goods |
| | 3.3 Fuel- and energy-related activities (not included in Scope 1 or 2) |
| | 3.4 Upstream transportation and distribution |
| | 3.5 Waste generated in operations |
| | 3.6 Business travel |
| | 3.7 Employee commuting |
| | 3.8 Upstream leased assets |
| Downstream Scope 3 Emissions | 3.9 Downstream transportation and distribution |
| | 3.10 Processing of sold products |
| | 3.11 Use of sold products |
| | 3.12 End-of-life treatment of sold products |
| | 3.13 Downstream leased assets |
| | 3.14 Franchises |
| | 3.15 Investments |

Inalfa's product footprint has the largest impact on GHG Scope 3 emissions



SCOPE 3 UPSTREAM

CATEGORIES 4, 5, 6 AND 7 are impacts within Inalfa’s direct control and managed as such. **CATEGORY 1** Purchase products is generated in our supply chain, for a part at our direct supplier but often also further upstream.

We are working with our direct suppliers and also collaborating in the trade organizations , such as AIAG and CLEPA, to manage this complex new subject.

SCOPE 3 DOWNSTREAM

Sold goods (**CATEGORY 11**), are a major factor during the use phase of a vehicle, due to added weight and aerodynamics of an open roof. Although having a minor impact on the fuel consumption, it is counted for during the complete life of a vehicle, typically 15 years.

CATEGORY 5 waste of operations is coming from scrap in our assembly and single use packaging. In case of local production returnable packaging is used. The EU operations arrange a significant part of transportation internally, while in China most of the transport is arranged by the suppliers. Category 9, transport of our products to customers is in most cases excluded.

For Electric Vehicles, as compared to internal combustion vehicles, this reduction is no longer valid as charging may be done using renewable energy. Therefore, Inalfa’s focus for Scope 3 GHG has been shifted purely to the upstream supply chain. This strategy is in line with OEM customer expectations.

CATEGORY 6 business travel, has been a focus area for several years. Intercontinental travel including from and to China has increased in 2023 with collaboration taking place online using the latest technologies remaining to be the preferred solution. With ending of the pandemic worldwide, our air travels have doubled in 2023. Besides the increased use of online meetings, collaborating on-site and face-to-face remains important for a strong connection.

An indicative split of Scope 3 upstream is shown in the chart below.

The major portion comes from **CATEGORY 1** Purchased goods, being the components and systems, which are assembled into complete system. Transport responsibility is depending on the contract incoterms.

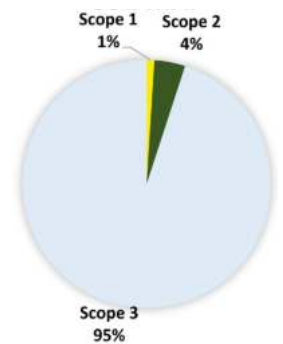
CATEGORY 7 employee commuting has garnered increased attention, particularly in light of impending legal reporting obligations in the European Union. Recognizing the need to address this issue, the implementation of electric vehicle (EV) charging facilities has been prioritized to facilitate sustainable transportation options for employees.

CATEGORY 4 upstream transportation of components is only accounted for if the transport is carried out by Inalfa. The ratio differs strongly per region. The EU and NA operations arrange a significant part of transportation internally, while in China most of the transport is arranged by the suppliers.

Table 6: Scope 3 Upstream



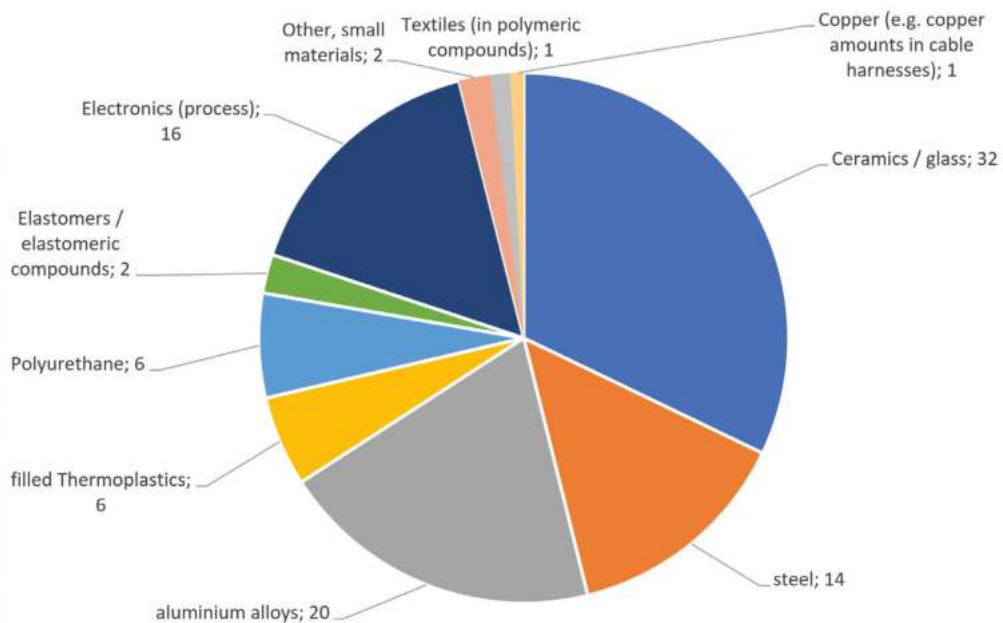
Table 7: CO₂ MAP



AN INDICATIVE SPLIT OF SCOPE 3 UPSTREAM IS SHOWN IN THE CHART BELOW

The chart shows per material classification the GHG impact (in kg), based on gross weight, for a typical roof system. The exact numbers vary based on parameters such as size, configuration, quality requirements and specific supply chain. These values exclude Roof assembly, Packing and Logistics.

Table 8: Typical BLTS CO₂ Breakdown (kg/roof)



Inalfa aims to reduce GHG Scope 3 emissions in line with SBTi to a pathway that is well below the 2°C global warming objective and the specific targets being set by our customers for new programs.



WATER CONSUMPTION AND WASTE FROM OPERATIONS

Water usage is mainly for personal consumption and sanitation, and in our test facility. Another main use is for the Encapsulation process of glass panels. The validation center uses water for climate chambers (humidity), rain simulation and corrosion tests. For the climate chambers we have introduced a closed loop water circuit.

Water usage in 2023 decreased by approximately 6% compared to the base year of 2019. We note a significant increase in our Korea plant, due to increased activities for Inhouse Encapsulation and Validation. Our Korea plant had a chronic leakage of the underground pipeline, which was repaired, in April.

Table 9: Water

| Year | Water | | | | |
|------|----------------|------------------------|-------|---------------|----------|
| | Usage | Total Water Usage/Roof | FTE | Water per FTE | Trend |
| | m ³ | L | | | Absolute |
| 2019 | 80,405 | 0.015 | 5,005 | 16.06 | 100% |
| 2020 | 71,560 | 0.018 | 6,005 | 11.92 | 89% |
| 2021 | 71,277 | 0.014 | 5,490 | 12.98 | 89% |
| 2022 | 65,590 | 0.012 | 5,244 | 12.51 | 82% |
| 2023 | 75,560 | 0.012 | 5,008 | 15.08 | 94% |

Due to the nature of activities the effluent discharges have limited impact on the environment. Where necessary, treatment facilities are installed including grease traps from canteens.



WASTE FROM OPERATIONS

We adhere to local legislation in stewarding natural resources and managing general waste, partnering with licensed external waste operators for specific waste streams. Recycling percentages are calculated theoretically based on waste stream types. Furthermore, our total waste output has decreased compared to 2022, attributed to intensified efforts in diverting waste to dedicated streams wherever possible.

Scrap is monitored as a KPI with a different target per category.

- **Assembly Roof:** improved compared to 2022 , stable on target
- **In House Encapsulation:** improved compared to 2022 1.6%, typical higher due to lack of repair option, average on target
- **In House Rollo:** increase compared to 2022 0.9%, more fluctuation due to manual labor and project launch

PREPARING FOR A MORE SUSTAINABLE FUTURE

To advance our sustainability efforts, we engaged with key companies in the recycling market to explore opportunities and challenges in increasing the utilization of recycle for new products. Several studies were initiated to evaluate the feasibility of adopting renewable energy solutions for our facilities. Notably, as of 2023, all our EU activities are powered by 100% green electricity, marking a significant step towards reducing our carbon footprint.

Table 10: Waste

| Waste type | Total | Recycling | Scrap | Scrap |
|------------------------------|-----------|-----------|-------|-------|
| | Amount | | 2023 | 2022 |
| | Kg | % | % | % |
| All Waste Streams | 5,236,218 | 71 | | |
| Hazardous Waste | 375,282 | | | |
| Scrap Roofs | | | 0,28 | 0,37 |
| Scrap In House Rollo | | | 1,09 | 0,9 |
| Scrap In House Encapsulation | | | 1,37 | 1,6 |

Social Impact and Community

Responsible Business at a Glance: Integrated Approach

At Inalfa, we have integrated environmental, energy, occupational health and safety (HSE), and quality management into a cohesive system known as the Integrated Management System (IMS). This approach ensures that our operations are streamlined, compliant, and aligned with international standards.

Each of our facilities, as well as the Group as a whole, is tasked with establishing and maintaining its own locally compliant IMS. The IMS adheres to the rigorous standards set forth by the International Automotive Task Force (IATF) and ISO, which are widely recognized across the automotive and components sectors. Notably, all relevant facilities hold certifications in IATF 16949, ISO 14001, and ISO 45001, underscoring our commitment to quality, environmental sustainability, and occupational health and safety.



Table 11: Group and Facility IATF and ISO Certifications

| Group/Facility | IATF 16949 Automotive Quality Management | ISO 14001 Environmental Management | ISO 45001 Health & Safety Management | ISO 50001 Energy Management | ISO 27001 IT Information Security Management |
|-------------------------|--|--|--|-----------------------------------|--|
| Inalfa Group | N.A. | N.A. | N.A. | N.A. | ✓ |
| Auburn Hills, USA | ✓ | ✓ | ✓ | | |
| Cherokee USA | ✓ | ✓ | ✓ | | |
| Irapuato, Mexico | ✓ | ✓ | ✓ | | ✓ |
| Venray, The Netherlands | ✓ | ✓ | ✓ | | |
| Września, Poland | ✓ | ✓ | ✓ | ✓ | ✓ |
| Krakovany, Slovakia | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chongqing, China | ✓ | ✓ | ✓ | | |
| Shanghai, China | ✓ | ✓ | ✓ | | |
| Beijing, China | ✓ | ✓ | ✓ | ✓ | |
| Yantai, China | ✓ | ✓ | ✓ | | |
| Guangzhou, China | ✓ | N.A. | N.A. | | |
| Changchun, China | ✓ | ✓ | ✓ | | |
| Mado, South Korea | ✓ | ✓ | ✓ | | |

Our management system undergoes independent accreditation by third-party assessors, providing assurance to our stakeholders regarding Inalfa's adherence to HSE management and performance standards. This external validation underscores our dedication to transparency and accountability in all aspects of our operations.

Key Long-Term HSE Goals

Inalfa remains steadfast in pursuing our key long-term HSE goals, which serve as guiding principles in our sustainability efforts:

Zero Occupational Injury and Illness: Our foremost priority is the health and safety of our employees. We strive to achieve zero incidents of occupational injury and illness through proactive measures and continuous improvement initiatives.

Carbon Reduction: We are committed to minimizing our carbon footprint across all aspects of our operations. By implementing energy-efficient practices and investigate renewable energy sources, we work to reduce carbon emissions and mitigate our environmental impact.

Resource Efficiency: Inalfa endeavours to reduce the consumption of natural resources, including water, energy, and raw materials, in our production processes. Through efficiency measures and sustainable practices, we aim to optimize resource utilization while minimizing waste generation.

Elimination of Restricted Substances: Upholding our responsibility to environmental stewardship, we are dedicated to eliminating the use of restricted substances in our products and processes. This commitment extends to compliance with regulatory requirements and proactively seeking alternatives that are safer and more sustainable.

By steadfastly pursuing these HSE goals, Inalfa demonstrates its commitment to responsible business practices, environmental stewardship, and the well-being of our employees and communities. Through continuous improvement and collaboration, we strive to create a sustainable future for generations to come.

Our dedication to quality is not only evident in our internal processes but also recognized by our clients, as demonstrated by the following summary of customer awards and recognitions.

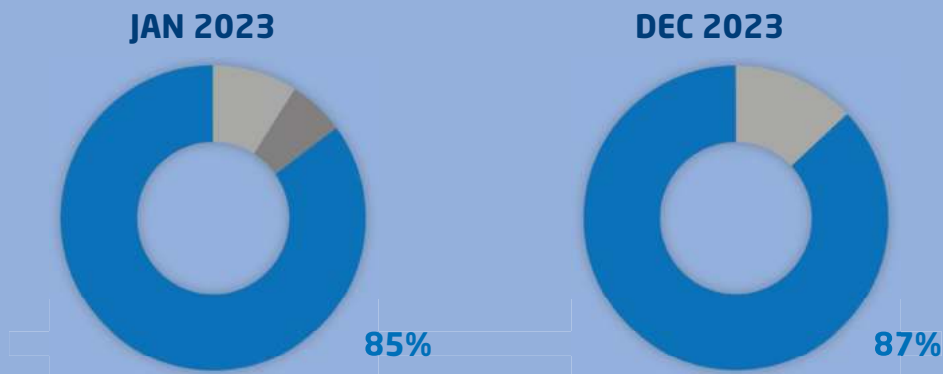
CUSTOMER AWARDS AND RECOGNITION



NEW CERTIFICATES IN 2023

Ford Q1
Volvo VQE
 in Wrzesnia.

VOICE OF THE CUSTOMER GLOBAL SCORE



NOTE: These scores are based on the actual scores that are reported by the customer.

POLICIES

In 2023, new policies were introduced across various operational domains, including the Hybrid Working Policy, Disaster Recovery Policy, Policy Deployment in On-Time Delivery (OTD), Global Product Safety Dashboard, Global Product Safety Sign-Off, Procurement Strategy Management, Scrap Management Policy, and Incoming Inspection Policy, demonstrating our commitment to enhancing sustainability practices and operational resilience.

Our Process House is the key enabler for our transformation, consisting of the following pillars: Business Management, Resource Management, Core Process, Market to Contract (MtC), Time to Market (TtM), Order to Delivery (OtD).

In 2023 we strengthened MtC (business creation) and TtM (project realization) and focussed on improving profitability of programs in running production (OtD).



Advancing Innovative and Circular Solutions

The roof system market is changing continuously, driven by the major trends in the automotive industry. For instance, electrical mobility which is very volatile due to changes in government policies and OEM strategies, new potential customers and suppliers that need to adapt to these changing circumstances. More trends that impact the industry and Inalfa are autonomous driving, connectivity, digitalization, safety regulations and sustainability.

Next to that, technical developments are also being monitored to identify potential opportunities for Inalfa and its customers. All these trends and changing circumstances also require a well-balanced innovation strategy.

The core product of Inalfa is the roof system, this can be a bottom loaded or top loaded, openable or fixed roof system with or without a rollo blind. Inalfa's development's focus is aimed at these core products.

A strong focus for these systems is on package reduction in the headroom area, driven by the pressure on interior space coming from Battery Electric Vehicles with battery packs packaged in the floors of these cars. By reducing this package, improved headroom leads to better passenger comfort but it also enables car manufacturers to lower the height of their cars which leads to reduced weights, improved aerodynamics, lower energy consumption and more electric range.

A great example of this is the UFX®, the Ultra Flat Xperience, an openable roof system that can be fitted in the same package as a fixed roof system

but with the experience of an openable system. This new product gives the end-customer fresh air by means of ventilation and a genuine connection with the outside world which is in line with the feedback received from the market.

Other technical developments regarding electrical mobility are about lower system noises by developing brushless motors, de-coupling elements for motors and by removing drive cables as was done in the Direct Driven Rollo which also provides the optimum thermal comfort to the passengers of the car as well as weight savings for improved vehicle range.

Concerning sustainability, Inalfa has increased the focus on our Scope 3 Product Carbon Footprint to support the global targets set in the 2015 Paris Climate Agreement.

The Advanced Engineering and Purchasing teams are continuously working on realizing higher amounts of recycled materials in our future product, while maintaining performance.



2023 ACTIONS REGARDING PRODUCT CARBON FOOTPRINT

- Quick Calculation Model for Product Carbon Footprint developed internally aligned to OEM requirements
- Inalfa Purchased LCA software and started training to develop inhouse expertise
- First new project executed with Inalfa China team including Supplier selection criteria for product carbon footprint

Besides the core product, an increase in requests for technologies and functionalities that provide a certain appeal or comfort to the occupants is noticeable. Examples are switchable glass solutions, ambient lighting, foldable panoramic display and more. These technologies are developed with various partners, from traditional suppliers to start-ups and in close cooperation with our customers. Some of these technologies have some clear advantages, for instance in the field of thermal management. By reducing the transmittance of thermal energy, heating up of the car will be kept to a minimum which has a positive effect on energy consumption of the air-conditioning and therefore also on driving range.

The last innovations that need to be highlighted are in the field of autonomous, safety and connectivity and more focused a longer implementation horizon. LiDAR integration in the car's roofs is seen more often these days. Although, the widespread implementation of high levels of autonomy is not expected soon, these sensors can also be used for safety purposes, and it does affect the roof area. Therefore, Inalfa is investigating together with leading industry partners the integration of LiDAR modules in its roof system. It concerns a full system solution with a focus on maximizing the uptime and usability of the sensor by implementing cleaning and cooling functionalities and providing a seamless integration in both fixed as well as openable roof systems.



Upholding Human Rights Everywhere we Operate

In alignment with our commitment to ethical practices and respect for human dignity, Inalfa upholds a comprehensive Human Rights Policy that ensures fair treatment, equality, and safety across all aspects of our operations. This policy serves as a cornerstone of our corporate ethos, guiding our interactions with employees, suppliers, and stakeholders worldwide. The most significant are summarised herewith.

NON-DISCRIMINATION, EQUAL & FAIR TREATMENT

Inalfa firmly upholds the principles of non-discrimination and equal opportunity in employment. Our recruitment and career advancement processes are conducted solely on the basis of merit, disregarding factors such as race, gender, disability, or any other characteristic outlined in local laws. We embrace diversity and inclusivity, fostering an environment where individual differences are celebrated and respected. Discriminatory practices of any form are strictly prohibited within our organization.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

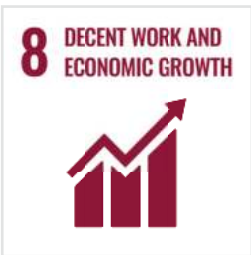
Respecting the fundamental rights of our employees, Inalfa acknowledges and supports their freedom to associate with any organization, including labor unions, without fear of reprisal or interference. We engage in constructive dialogue and negotiations to ensure fair employment conditions, respecting the autonomy of labor unions and employee organizations.

FORCED LABOR AND HUMAN TRAFFICKING

Inalfa categorically rejects the use of forced or compulsory labor in any form within our operations or supply chain. We actively monitor and terminate relationships with suppliers or employment agencies found engaging in such practices. Human trafficking-related activities are strictly prohibited.

DIVERSITY

At Inalfa, diversity and inclusion are not just values; they are integral to our success and innovation. We are committed to fostering an environment where individuals from diverse backgrounds can thrive and contribute their best work. We remain steadfast in our efforts to challenge bias both within our organization and in society at large.



CHILD LABOR

Recognizing the rights of children, Inalfa prohibits the use of child labor within its facilities and supply chain. We adhere to international standards and local laws regarding the minimum age for employment, ensuring that children are safeguarded from exploitation and provided opportunities for education and personal development.

WORKING HOURS

Inalfa respects the right to rest and leisure, adhering to local regulations and customs regarding working hours and overtime. We strive to maintain a healthy work-life balance for our employees, promoting safety in the workplace and prioritizing their well-being.

REMUNERATION

Our remuneration policy emphasizes fairness and equity, ensuring that employees receive compensation that meets their basic needs and reflects their contributions. We uphold equal pay for equal work, fostering internal equity and external comparability within defined job markets.

HEALTH, SAFETY & ENVIRONMENT

Inalfa is committed to providing a safe and hygienic working environment for all employees. We continuously improve safety measures within our facilities, including the provision of personal protective equipment where necessary. Additionally, we prioritize environmental sustainability, minimizing adverse effects on the environment through responsible practices.

TRAINING AND PERSONAL DEVELOPMENT

Acknowledging the importance of continuous learning and personal growth, Inalfa invests in training and development opportunities for employees. We encourage and support employees in enhancing their skills and expertise, fostering a culture of lifelong learning and professional advancement.

Inalfa remains steadfast in its commitment to upholding human rights principles across all facets of our operations. Through adherence to our Human Rights Policy, we strive to create a workplace that is inclusive, fair, and respectful of the dignity and rights of every individual.



ACTIVE CITIZENSHIP

Doing Good Feels Good

Inalfa is committed to fostering a positive impact on the community, encompassing individuals of all ages and backgrounds. Our efforts span various initiatives, such as providing essential goods, planting trees, cleaning environments, and maintaining various community projects. Throughout 2023, our dedication extended beyond environmental stewardship to humanitarian efforts in response to global events.

Reaching Out in Challenging Times

The year 2023 posed significant humanitarian and environmental challenges, marked by the war in Ukraine, ongoing pandemic restrictions in multiple countries, and an increasing awareness of our planet’s future. Despite these obstacles, Inalfa remained steadfast in its commitment to support the community.

Recognition for Non-Discriminatory Practices in Korea

In 2023, Inalfa Korea earned recognition as an excellent company for its non-discriminatory workplace practices. Following a discrimination diagnosis from the Labor-Management Development Foundation, the company implemented significant improvements in its employment policies. These initiatives have not only enhanced Inalfa Korea’s reputation but also fostered positive communication between labor and management.

EU, Cycling for ALS Awareness

In June 2023, our colleague Peter Jans-Beken and his wife Monique embarked on an inspiring journey. They cycled the formidable Mont Ventoux (43 km) in France, a renowned and challenging route for cyclists. Their mission was to raise funds and awareness for ALS research, with hopes of discovering a cure or effective treatment for this currently incurable disease. Peter and Monique’s personal battle with ALS, a debilitating disease that progressively paralyzes muscles and impairs essential functions, has been met with remarkable courage and resilience. The Inalfa community, along with co-workers, generously supported their cause, demonstrating solidarity and generosity in the face of adversity.



US, Sponsoring families in Auburn Hills

With the busy January, we tend to forget the great job our colleagues in Auburn Hills did. Last December, the Auburn Hills employees sponsored two families for Christmas. The AHA team purchased many of the necessities including bedding, bakeware, clothing, shoes & boots. In addition, they gave toys to the kids and money which was used to purchase gift cards for food.



Mexico, visited the "Elderly Club"

In April a volunteer's group of Inalfa de Mexico and SSC employees visited the "Elderly Club in Irapuato". The purpose of this activity was to create a space to connect generations between young and older adults to help them with their loneliness and generate awareness in young people. We shared experiences on how to manage events or issues in life. All of them enjoyed a great relaxing moment, laughs, dancing, interchanging experiences and learning!



China, Volunteer services

The Guangzhou General Manager, said "Since its establishment, the Guangzhou company has carried out many volunteer service activities in the local area. Providing care for local poverty, poor children, lonely elderly and many more."

Inalfa's efforts in 2023 are a testament to our continuous commitment to both community welfare and environmental sustainability. By participating in local endeavors and supporting global causes, we aim to promote a culture of care, empathy, and responsibility.

OUR PEOPLE

Nurturing Talent and Career Growth

We cherish invaluable contributions of our employees and specialized professionals dedicated to success of Inalfa. Embracing a focused and collaborative approach, we prioritize the development of high-quality automotive roof systems, positioning ourselves as a global leader in innovation. To support our mission, we continuously train and develop our employees while also seeking individuals who demonstrate resilience, teamwork, and proactive engagement to join our workforce.

At Inalfa, our ethos, "It's our spirit that makes the difference," encapsulates our organizational culture and commitment to excellence. Guided by this principle, we foster an environment where teamwork, respect, and transparency thrive, enabling us to achieve our dual objectives of industry leadership and employer of choice status.

We have employees from more than 30 nationalities and each one brings a specific set of skills, experiences, capabilities, and cultural perspectives. The combination of our employees' diversity is a big part of making our company a rich and vibrant organization. At the end of 2023 our workforce totalled 5,008.

Full time employees accounted for 2,046 and 1,904 were contingent (contract workers).

The largest body of employees was in China followed by the United States with the other countries' complements tabulated below. Some countries in which we operate do not record or report on employee's gender as per local legislation. This data is reflected as "undeclared" in data tables.

Table 12: Employees by Category

| Employment Category | Employees | | | | Contingent Workers | | | | Total |
|------------------------------------|--------------|--------------|------------|--------------|--------------------|------------|------------|--------------|--------------|
| | Male | Female | Undeclared | Total | Male | Female | Undeclared | Total | |
| Blue collar (operational) | 1,157 | 889 | | 2,046 | 490 | 197 | 269 | 956 | 3,002 |
| White collar (office based) | 1,528 | 374 | 2 | 1,904 | 55 | 4 | 43 | 102 | 2,006 |
| Permanently employed | 2,125 | 1,002 | 2 | 3,129 | Not Applicable | | | | |
| Full-time employed | 2,669 | 1,246 | 2 | 3,917 | 540 | 195 | 312 | 1,047 | 4,964 |
| Part-time employed | 16 | 17 | 0 | 33 | 5 | 6 | 0 | 11 | 44 |
| Total full- & part-time | 2,685 | 1,263 | 2 | 3,950 | 545 | 201 | 312 | 1,058 | 5,008 |

Note: All human resources data is as year-end of 31st December 2023.

Table 13: Employees by Region

| | Male | Female | Undeclared | Total | Percentage |
|-----------------|--------------|--------------|------------|--------------|------------|
| China | 1,116 | 262 | 0 | 1,378 | 27.5% |
| United States | 567 | 362 | 0 | 929 | 18.6% |
| Poland | 453 | 350 | 0 | 803 | 16.0% |
| Korea | 304 | 24 | 312 | 640 | 12.8% |
| Slovakia | 324 | 266 | 0 | 590 | 11.8% |
| Mexico | 223 | 154 | 0 | 377 | 7.5% |
| The Netherlands | 239 | 44 | 0 | 283 | 5.7% |
| Germany | 3 | 1 | 0 | 4 | 0.1% |
| Japan | 1 | 1 | 2 | 4 | 0.1% |
| Total | 3,230 | 1,464 | 314 | 5,008 | |

Table 14: New Employees by Age (including contingent workers)

| New Employees | Male | Female | Undeclared | Total |
|-----------------|------------|------------|------------|--------------|
| < 30 years old | 330 | 156 | 0 | 486 |
| 30-50 years old | 244 | 192 | 0 | 436 |
| > 50 years old | 46 | 38 | 0 | 84 |
| Unknown Age | 2 | 0 | 19 | 21 |
| Total | 622 | 386 | 19 | 1,027 |

Table 15: Terminations of Employment by Age (including contingent workers)

| Terminations | Male | Female | Undeclared | Total |
|-----------------|--------------|------------|------------|--------------|
| < 30 years old | 560 | 250 | 2 | 812 |
| 30-50 years old | 122 | 115 | 0 | 237 |
| > 50 years old | 569 | 361 | 3 | 933 |
| Unknown Age | 41 | 3 | 51 | 95 |
| Total | 1,292 | 729 | 56 | 2,077 |

The tables above detail the new joiners and leavers during 2023. The overall reduction in headcount is part of the final stage of the transformation project.

Parental Leave

In 2023, 136 people took parental leave and 93 returned to work after their parental leave ended. In 2022, 149 people took parental leave and 92 returned to work after their parental leave ended.

Parental leave can span through a 2-year period in some countries and some of those who took leave in 2023 may return in 2025. Parental leave is offered according to local legislation. With local requirements being different in every country, the regulations for parental leave in the Netherlands are serving as guiding principles for international locations.

Table 16: Parental Leave Taken and Return to Work

| | Parental Leave Taken | | | Return to Work after Parental Leave | | |
|-----------------|----------------------|-----------|------------|-------------------------------------|-----------|-----------|
| | Male | Female | Total | Male | Female | Total |
| China | 36 | 15 | 52 | 36 | 10 | 46 |
| Korea | 4 | 2 | 6 | 4 | 1 | 5 |
| Mexico | 0 | 7 | 7 | 0 | 6 | 6 |
| Poland | 0 | 11 | 11 | 0 | 4 | 4 |
| Slovakia | 2 | 12 | 14 | 0 | 0 | 0 |
| The Netherlands | 28 | 5 | 33 | 18 | 3 | 21 |
| United States | 9 | 2 | 11 | 9 | 2 | 11 |
| Germany | 0 | 2 | 2 | 0 | 0 | 0 |
| Total | 79 | 56 | 136 | 67 | 26 | 93 |

Table 17: Absenteeism (weighted) by Region

| Region/Country | Absenteeism (employees) | Absenteeism (contingent workers) |
|--------------------------|-------------------------|----------------------------------|
| China | 0,63% | 0,29% |
| The Netherlands | 3,06% | 0% |
| Korea | 0,20% | 0,30% |
| Mexico and United States | 1,95% | 0% |
| Poland | 4,66% | 0% |
| Slovakia | 4,70% | 5,40% |
| Average | 2,32% | 0,88% |

HUMAN CAPITAL DEVELOPMENT

Our commitment to sustainability extends to the long-term professional, personal, and career development of our employees. We have established a comprehensive human development program that encompasses training, performance management, and apprenticeship initiatives.

People Performance Management

Our People Performance Management (PPM) program is conducted annually and encompasses several key steps:

1. Goal Setting

Employees set their goals at the beginning of the year.

2. Performance Evaluation

Throughout the year, employees work towards achieving their agreed-upon goals, with regular performance and development assessments.

3. End of Year Review

At the end of the year, goals and competencies are evaluated as part of the performance review process, resulting in an overall performance rating.

Table 18: People Performance Management - Percentage of Employees per Stage

| Performance and Career Development Reviews | |
|---|--------------|
| Goal Setting: Undertaken at the start of 2023 | 97.7% |
| At year end | |
| Self-Evaluation: Employees evaluate the year's performance (goals and competencies) | 95.3% |
| Manager-Evaluation: Managers evaluate their direct report's performance (goals and competencies), including giving a rating | 98.7% |
| Calibration: Session between managers and HR, to discuss, validate and agree upon the performance ratings of the managers' direct report(s) | 100% |
| Performance Conversation: Session between manager and employee to discuss last year's performance and related rating. After this conversation, the manager sends the End Year Review to the employee | 99.2% |
| Employee Acknowledgement: Employee will be requested to acknowledge the End Year Review | 98.6% |

These robust performance management practices not only contribute to the professional growth of our employees but also reflect our dedication to fostering a sustainable and inclusive work environment.

Talent Reviews

The Talent review is our annual process of identifying, calibrating, discussing, and developing our employees. While the end of year review is looking back at the performance of last year, the Talent Review is looking at the future and it predicts the likelihood of future success. It can indicate whether an employee will be able to take up another or additional positions, promotion, tasks, projects, roles and or succeed in more broad and complex roles. The table below provides the data as at year end 2023.

Table 19: Talent Reviews - Percentage of Employees per Stage

| Talent Review Stages | |
|--|--------------|
| Update Talent Profile: The employee updates their Talent Profile with information about their career, future interests, and plans | 87.7% |
| Potential Assessment: Manager to assess the employee's potential, retention risk and loss impact | 96.8% |
| Calibration: Senior Managers and HR to review and openly discuss identified talents and next steps for development | 100% |
| Career Conversation: Manager discusses the Talent Review and next steps for development with the employee | 95.9% |

Internal Programs and Benefits

Internal Programs and Benefits standard employment package and benefits always complies and with typically exceeds local minimums.

THE BENEFITS PACKAGE FOR FULL-TIME AND PART-TIME EMPLOYEES IS THE SAME AND INCLUDES:

- healthcare;
- disability and invalidity coverage;
- parental leave;
- retirement provision;
- others, such as a savings fund, food coupons, etc.

Training and Development

At Inalfa, we prioritize the ongoing growth and development of our employees through a diverse array of training opportunities, both online and in person, conveniently accessible during working hours. These resources are designed to support our employees' professional advancement, skills enhancement, and managerial proficiency, ultimately enabling Inalfa to achieve its strategic objectives.

Our comprehensive training programs encompass a range of subjects, including in-house programs tailored to specific job functions and sponsored external training opportunities. Internal training modalities include interactive classroom sessions, web-based training modules, and e-learning platforms, ensuring flexibility and accessibility for all employees.

Professional skills training addresses a variety of essential competencies, such as effective communication, workplace etiquette, negotiation techniques, compliance with data protection regulations, conflict resolution, and decision-making skills.

For comprehensive insight into our training initiatives and their impact, please refer to the consolidated training data presented on the following pages.

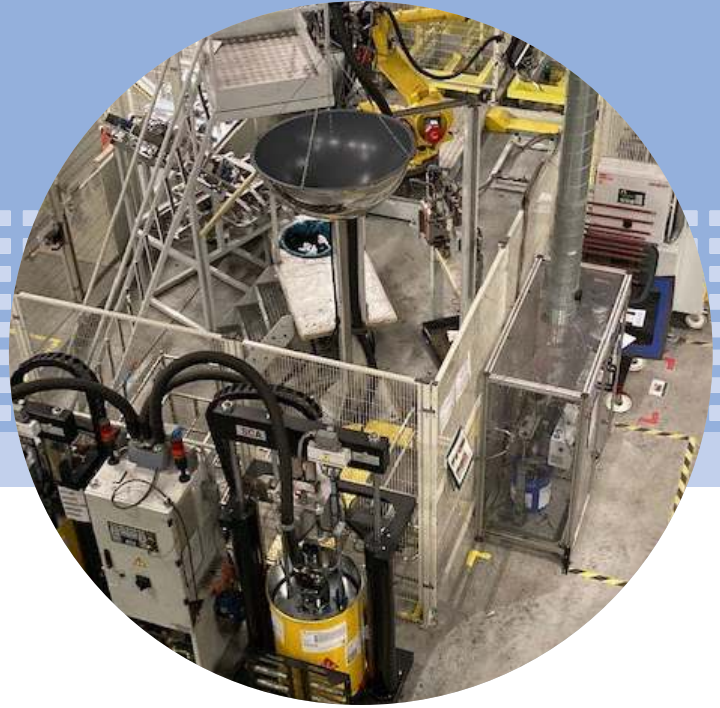
Table 20: Mandatory training for new employees covers the following topics with some minor regional variations:

| New Joiners | Inalfa Suppliers |
|---|---------------------------------|
| Inalfa Introduction | Code of Conduct (Supplier Code) |
| Corporate Culture Introduction | Safety & Health Training |
| Code of Conduct and Ethics | Ethics Training Suppliers |
| Union, CBA, and Employment Rules Training | |
| Reimbursement Process | |
| Safety & Health | |
| On the Job Training | |
| People Performance Management | |
| Security and Confidentiality | |
| ISO27001 Information Security Management System | |

Table 21: Consolidated Training: Attendees per Country

| Country | Topics/Courses | Male | Female | Total |
|-----------------------------|----------------|---------------|--------------|---------------|
| Mexico | 61 | 1,648 | 759 | 2,407 |
| United States | 30 | 4,886 | 4,212 | 9,098 |
| Poland | 53 | 1,178 | 690 | 1,868 |
| Slovakia | 47 | 791 | 484 | 1,275 |
| Korea | 10 | 1,027 | 100 | 1,127 |
| China | 243 | 8,582 | 1,947 | 10,529 |
| The Netherlands and Germany | 237 | 1,006 | 178 | 1,184 |
| Total | | 19,118 | 8,370 | 27,488 |

Aligned with our mission and values, Inalfa continues its trajectory as the premier supplier of automotive roof systems globally. This growth trajectory translates into promising career prospects across diverse fields. As we pursue our vision of shaping the future of automotive technology, we invite talented individuals to explore the opportunities available and contribute to our joint success.



Safeguarding Health and Safety in our Workplace

Inalfa emphasizes the importance of ongoing worker input and education in identifying and addressing health and safety issues. Our health and safety standards encompass occupational safety, with measures in place to control worker exposure to potential hazards through proper design, engineering controls, maintenance, and training. Workers are provided with well-maintained personal protective equipment where hazards cannot be adequately controlled. Importantly, Inalfa ensures that workers are not disciplined for raising safety concerns in good faith.

Inalfa’s commitment to health and safety also extends to its suppliers, recognizing that a safe work environment not only reduces the risk of work-related injuries and illnesses but also enhances product quality, production consistency, and worker morale.

Table 22: Occupational Health and Safety Training by Country

| Country | Male | Female | Total Attendees | Total Hours | Variety Topics |
|---------------|--------------|--------------|-----------------|---------------|----------------|
| China | 1779 | 569 | 2348 | 3,094 | |
| South Korea | 302 | 28 | 330 | 7,920 | |
| Mexico | 225 | 86 | 311 | 1,800 | |
| Poland | 135 | 123 | 258 | N/A | |
| Slovakia | 143 | 136 | 279 | 558 | |
| United States | 433 | 427 | 427 | 4,455 | |
| Total | 3,017 | 1,369 | 4,386 | 17,827 | |

During 2023 the effects of the COVID-19 pandemic started to taper off. Unfortunately, COVID-related illness still led to 302 infections but zero fatalities.

OUR COMMITMENT TO ESG

LEADERSHIP REFLECTION

GENERAL

ENVIRONMENTAL

SOCIAL IMPACT

GOVERNANCE



Table 23: Occupational Health and Safety Performance

| | Employees | Contractors | Total |
|---|-------------|-------------|-------------|
| Total Man-hours | 7,489,505 | 1,470,731 | 8,960,236 |
| Fatalities | 0 | 0 | 0 |
| Lost Time Incidents (LTI) | 31 | 6 | 37 |
| Restricted Work Cases (RWC) | 10 | 0 | 10 |
| Medical Treatment Case (MTC) | 19 | 10 | 29 |
| Total Recordable Incidents (LTI, RWC, MTC) | 58 | 16 | 81 |
| Total Recordable Incident Frequency Rate (TRIFR) | 1.55 | 2.18 | 1.81 |
| First Aid Treatments (FAT) | 5 | 0 | 5 |
| Near Miss Incidents (NMI) | 44 | 0 | 44 |
| Days Lost due to LTIs | 376 | 95 | 471 |
| Average Absence due to Normal Illness (% days lost through illness per employee) | 2.3% | 0.9% | |

Note: Incident frequency rates calculated per 200,000 man-hours.

Governance, Ethics and Accountability

Unwavering in Ethical Conduct with Focus on New Company Values

Inalfa's Code of Conduct, serves as a comprehensive guide to Inalfa on ethical behavior and corporate governance standards. The code emphasizes core values such as integrity, respect, and transparency, reflecting Inalfa's commitment to responsible business practices. It covers various areas including compliance with laws and regulations, fair treatment of employees, protection of company assets, and ethical decision-making. The code also highlights the importance of creating a safe and inclusive work environment, promoting diversity and equal opportunities for all employees. By adhering to the principles outlined in the code, employees contribute to maintaining Inalfa's reputation as a trusted and socially responsible organization.

KEY COMPONENTS OF INALFA'S CODE OF CONDUCT INCLUDE:

Compliance with Laws and Regulations

Employees are expected to comply with all applicable laws and regulations in the countries where Inalfa operates.

Ethical Business Practices

The code emphasizes ethical behavior in all business dealings, including honesty, integrity, and fair competition.

Protection of Company Assets

Employees are responsible for safeguarding company assets and using them only for legitimate business purposes.

Conflicts of Interest

Employees are required to disclose and manage any conflicts of interest that may arise in the course of their work.

Fair Treatment of Employees

Inalfa is committed to providing a safe, respectful, and inclusive work environment, free from discrimination, harassment, and retaliation.

Health and Safety

Inalfa is committed to providing a safe work environment for its employees. Inalfa's employees are expected to prioritize health and safety in the workplace and comply with all relevant policies and procedures.

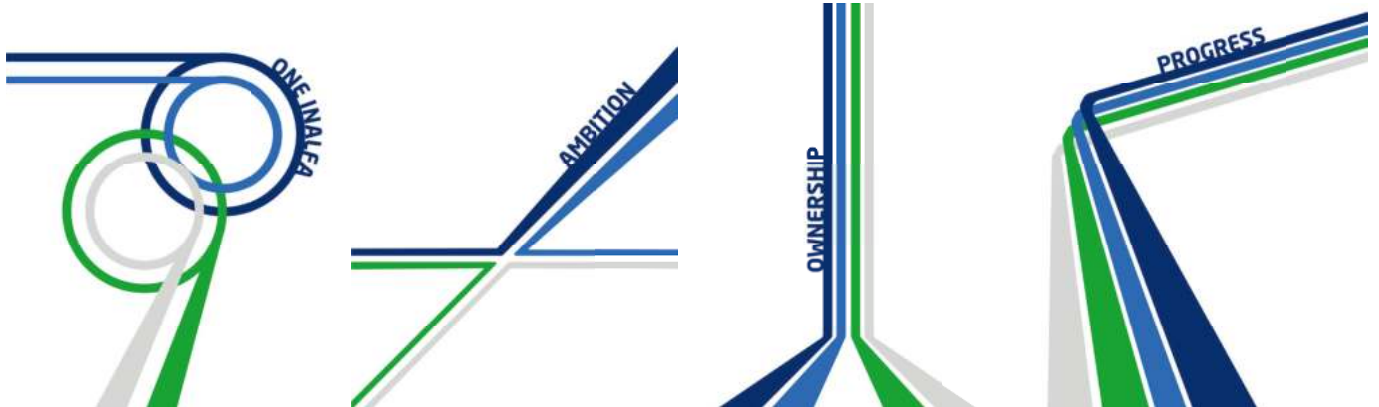
Environmental Responsibility

Inalfa is dedicated to minimizing its environmental impact and expects employees to support sustainable practices.

Reporting Violations

Employees are encouraged to report any violations of the code or concerns about unethical behavior through appropriate channels, such as the company's whistleblower hotline' into 'in line with Inalfa's Speak-Up policy.

These key components reflect Inalfa's commitment to ethical conduct, integrity, and accountability in all aspects of its operations.



Cultural Transformation, New Values

In 2023 Inalfa launched a global Cultural Transformation program. Supporting our new culture are four values that we will live by as we move forward: One Inalfa, Ambition, Ownership and Progress.

To help employees understand what these values mean in our everyday work and how they translate into positive and helpful behavior, four value campaigns have been launched in 2023 – one for each value. These campaigns included (among others) learning activities (e-learning and leadership workshops), contests & challenges and videos from our GMT members where they shared their personal connection with the values and how they already see it being lived at Inalfa.

ESG: PREPARING FOR AN ACCOUNTABLE, SUSTAINABLE FUTURE

In 2023, we embarked on the development of a new policy aimed at implementing a Double Materiality Assessment approach, inclusive of a Stakeholder Assessment. This policy, currently under construction, is slated for completion in 2024 following alignment with our financial auditor and adherence to new CSRD reporting requirements.

Internally, we have introduced a new SharePoint platform to disseminate information on Sustainability and ESG to all organizational members. This platform is segmented into three categories: the Annual Corporate Sustainability Report, Sustainability Scorecards, and Climate Transition. Beyond facilitating data transparency, this platform also offers accessible introductions to enhance awareness of sustainability topics among staff.

Preparations for future CSRD reporting commenced in Q4 2023, involving a thorough understanding of the new ESRS standards and requirements and their implications for ESG reporting. Moreover, enhancements were made to our Sustainability Scorecards to align with EcoVadis, SAQ 5.0 standards by Drive Sustainability, and CDP ratings.

A new global team was established to oversee the management of CO₂ Scope 3.1 Product Carbon Footprint in a structured manner, supported by the implementation of lifecycle assessment software. Additionally, we invested in LCA software to develop in-house expertise, complemented by external training sessions attended by our experts, with internal training initiatives underway, particularly targeting engineering, procurement, and sales departments.

Table 24: Corporate Governance Training (2023)

| Training Topic | Male | Female | Total |
|----------------------------------|--------------|--------------|---------------|
| Ethics and Compliance | 1,981 | 766 | 2,747 |
| Anti-bribery and Anti-corruption | 1,253 | 518 | 1,771 |
| Corporate Policies | 2,110 | 1,085 | 3,195 |
| Leadership and Values (new 2023) | 1,711 | 729 | 2,440 |
| | 7,055 | 3,098 | 10,153 |

In the year 2023, apart from the yearly legal check on the compliance documentation, Inalfa started with the preparation for the update of its Code of Conduct, Supplier Code and Speak Up policy. As a result we will have more lean documents, fully up to date, reflecting the updated corporate values of Inalfa as well.

Ethical and Responsible Business Practices

Inalfa’s Supplier Code underscores our commitment to ethical and responsible business practices throughout our supply chain.

The Supplier Code document is a set of guidelines and expectations for suppliers to adhere to when conducting business with Inalfa. The code emphasizes legal compliance, fair labor practices, occupational health and safety, environmental management, conflict minerals, and anti-corruption measures. It requires suppliers to sign and respect the code, with Inalfa providing assistance when necessary to achieve compliance. The document also highlights the importance of QHSE (Quality, Health, Safety, and Environment) management systems meeting international standards, with compliance forming part of the supplier scorecard evaluation process. Inalfa reserves the right to conduct unannounced visits to supplier sites to ensure compliance with the code.

By monitoring supplier adherence to the code and evaluating QHSE management systems, Inalfa strives to foster a culture of transparency, accountability, and sustainability within its supply chain, ultimately enhancing the overall quality and reliability of its products and services.



Rigorous Safety and Quality Excellence

Our Global Product Safety Sign-Off Policy, developed in 2023, serves as a comprehensive framework for evaluating Product Safety Critical Characteristics to ensure the effective implementation of required processes and systems across production sites.

Applicable to all production locations, this policy is activated whenever new programs are launched for production. Emphasizing product safety critical characteristics parameters, the plant's product safety representative meticulously assesses each safety topic outlined in the global product safety sign-off form. All relevant documents, including sign-off sheets, evidences, attachments, action plans, and safety committee minutes/recommendations, are meticulously documented and archived within our global product safety management SharePoint for future reference and retrieval.

Before archiving, thorough verification is conducted to ensure the maturity, clarity, and completeness of the documentation, adhering closely to the processes outlined in our global archiving policy.

Ensuring Trust through Product and Material Excellence

Our commitment to innovation is evident in the development of new technologies closely aligned with customer expectations. For instance, our Direct Driven Rollo system significantly reduces components and weight, thereby minimizing material usage, including critical raw materials. Similarly, our package optimized mechanisms are tailored for Electric Vehicles, compensating for reduced headspace due to battery presence.

In parallel, we are actively exploring and customizing secondary materials with high recycled content to contribute significantly to our Circular Economy efforts. Furthermore, research on biobased feedstock for plastics is underway to further enhance sustainability.

Our customer-centric approach is deeply ingrained in our organizational culture, with the "Voice of the Customer" report serving as a key performance indicator reported monthly to top management. Moreover, we have implemented an ISO 27001 information security management system, with just zero? non-conformity reported in 2023.

Furthermore, our global Product Safety management process, inclusive of a safety committee, ensures prompt discussion and action on any product safety non-compliance issues, aligning with IATF and ISO standards. Notably, in 2023, no incidents regarding breaches of loyalty and trust were reported, underscoring our unwavering commitment to ethical conduct and integrity.

Glass, as the primary component of roof assemblies, holds the largest mass and contributes significantly to embodied carbon. To mitigate the environmental impact of our products, we collaborate closely with our supply chain partners to reduce the carbon footprint of each component and the overall roof assembly. Our focus areas include glass, steel, aluminum, and plastic, which are the main contributors to environmental impact. In 2023, our primary focus continued to be on aluminum due to its high potential for reduction. We are actively exploring the development of recycled plastic that meets automotive standards through partnerships with reputable specialist companies.

Special attention was also given to electronic parts due to their critical raw materials content, emphasizing the need to minimize rare earth materials and ensure responsible sourcing. All materials undergo rigorous assessments for restricted substances and substances of concern, with responsible alternatives being sought where necessary. Additionally, we continuously strive to minimize material quantity through advanced designs and value engineering.

Transparent and Responsible Supplier Relationships

Inalfa maintains stringent requirements for its suppliers, mandating adherence to corporate standards that mirror our commitment to sustainability. Our focus extends to aligning with the Automotive sector's "Sustainability Guiding Principles," designed to enhance sustainability practices throughout the supply chain. Our Supplier Code articulates our expectations concerning legal compliance, fair labor practices, occupational health and safety, environmental management, conflict minerals, and anti-corruption measures. Suppliers and their employees and sub-suppliers are obligated to uphold and endorse this Supplier Code. We provide support to suppliers in meeting our standards and sectoral requirements as needed. Suppliers are expected to promptly report any non-compliance, and Inalfa reserves the right to conduct unannounced visits to sites where our products are manufactured or where our suppliers operate. Our Supplier Code is publicly accessible on our website.

Furthermore, we require all suppliers to maintain Quality, Health, Safety, and Environment (QHSE) management systems, as well as information security management systems, meeting internationally recognized standards such as IATF 16949, ISO 9001, ISO 14001, ISO 45001, and ISO 27001, or equivalent. Compliance with these standards forms part of our supplier scorecard evaluation process.

STRICT QUALITY CONTROL MEASURES

Automotive roof components and systems incorporate diverse materials selected during the design phase, meeting stringent automotive standards for performance, safety, and environmental impact. Through long-term contracts, we engage suppliers for component production, ensuring adherence to strict quality control measures. Our production process encompasses the assembly of these components into comprehensive roof systems. Materials for bonding (adhesives), lubrication (greases), glass panel encapsulation (polyurethane mix), and textile (for in-house rollo sunshade) undergo rigorous safety and environmental evaluations before use, ensuring adherence to established standards and the provision of safe working conditions. All materials undergo verification for compliance with international automotive standards before production release and undergo continuous monitoring throughout their lifecycle until the end of production.

Furthermore, we have intensified our efforts in responsibly sourcing a broader range of critical raw materials. Initiatives are underway to align with new legislations, such as the SCDDA (German Supply Chain Due Diligence Act), demonstrating our commitment to ethical and sustainable practices throughout our supply chain.

CONFLICT MINERALS

Conflict minerals refer to the mineral precursors of tantalum, tin, tungsten, and gold (3TG), which are used in most electronic products. Mining revenues from these minerals have been linked to funding for groups engaged in extreme violence and human rights atrocities. Accordingly, the automotive sector requires its supply chain, including Inalfa, to demonstrate that 3TG metals have been responsibly sourced.

Inalfa has been annually reporting on the sources and quantities of conflict minerals since 2016. This is managed by our Material Compliance team, in cooperation with the Purchase and Supplier Quality departments. We use the sector-accepted RMI Conflict Minerals Reporting Template to ensure responsible sourcing. During 2023 all relevant suppliers have been requested to report 3TG smelters in our supply chain and if they participate and/or receive RMAP certification to the IPC-1755 - Responsible Sourcing of Minerals Data Exchange Standard. 100% of relevant suppliers have responded in 2023. 75% of the smelters reported are Certified conflict free or Active in the process to become certified, with remaining percentage affected by the Ukraine-Russian conflict.

Request for Cobalt reporting is becoming standard for automotive industry and therefore, Inalfa has analyzed its products on the content of Cobalt. The amount of cobalt used in production at Inalfa is only minor and therefore not considered material.



Supplier Requirements

- Suppliers must implement a conflict minerals policy and provide a 'conflict-free guarantee', ensuring their products do not contain minerals from mines that support or fund conflicts in the DRC or adjoining countries.
- Suppliers must identify the products they supply to Inalfa and report on whether they contain any conflict minerals.

Continuous Improvement

We continue to promote conflict-free minerals in our supply chain by:

- Requiring our 3TG suppliers to have their smelters undergo third-party sourcing audits.
- Supporting multi-stakeholder initiatives to improve transparency and audit processes in the minerals supply chain.
- Report smelter lists to our customers and engage in improvement actions related to the actual critical locations.

Presence Business Partners/Suppliers for Direct Materials

Table 25:

| BP AMOUNT 2023 | CHINA | KOREA | N.AMERICA | EUROPE | GROUP |
|----------------|-------|-------|-----------|--------|-------|
| | 114 | 89 | 119 | 127 | 342 |

Table 26: Global Footprint BPs

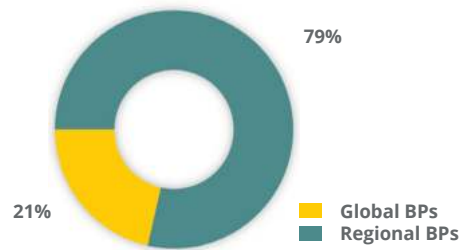


Table 27:

Suppliers Statistics rating SMS score

During 2023, we assessed 153 suppliers and rated them as follows:

| Grade | 23-JAN | 23-FEB | 23-MAR | 23-APR | 23-MAY | 23-JUN | 23-JUL | 23-AUG | 23-SEP | 23-OCT | 23-NOV | 23-DEC | AVERAGE |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | |
| A | 86 | 75 | 75 | 98 | 125 | 119 | 123 | 128 | 138 | 136 | 139 | 136 | 113 |
| B | 45 | 48 | 41 | 14 | 9 | 12 | 14 | 10 | 3 | 6 | 4 | 6 | 19 |
| C | 3 | 10 | 4 | 15 | 8 | 7 | 7 | 5 | 0 | 3 | 5 | 2 | 6 |
| D | 14 | 17 | 30 | 23 | 11 | 15 | 9 | 10 | 12 | 8 | 5 | 9 | 14 |

| Grade | 23-JAN | 23-FEB | 23-MAR | 23-APR | 23-MAY | 23-JUN | 23-JUL | 23-AUG | 23-SEP | 23-OCT | 23-NOV | 23-DEC | AVERAGE |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | Total | |
| A | 58% | 50% | 50% | 65% | 82% | 78% | 80% | 84% | 90% | 89% | 91% | 89% | 74% |
| B | 30% | 32% | 27% | 9% | 6% | 8% | 9% | 7% | 2% | 4% | 3% | 4% | 12% |
| C | 2% | 7% | 3% | 10% | 5% | 5% | 5% | 3% | 0% | 2% | 3% | 1% | 4% |
| D | 9% | 11% | 20% | 15% | 7% | 10% | 6% | 7% | 8% | 5% | 3% | 6% | 9% |

Customer Engagement and Sustainability Performance

To uphold this commitment and further our engagement with customers, we have implemented a comprehensive three-pronged approach, primarily focusing on the climate aspect of Environmental, Social, and Governance (ESG) considerations.

WIDE ASSESSMENTS THROUGH THIRD-PARTY PORTALS:

We engage with reputable third-party platforms such as NQC, CDP, and Ecovadis to conduct comprehensive assessments of our sustainability practices. These platforms provide standardized criteria and benchmarks, enabling us to evaluate our performance against industry standards and identify areas for improvement.

INDIVIDUALIZED ENGAGEMENT WITH CUSTOMERS:


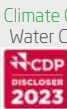
We actively solicit feedback from our customers and respond to their sustainability concerns through personalized communication. This includes addressing specific climate goals and footprint reduction initiatives outlined by our customers. By fostering direct dialogue, we ensure that our sustainability efforts align closely with the expectations and priorities of our partners (e.g. BMW, Mercedes, Stellantis, Volvo).

INTEGRATION OF CARBON FOOTPRINT CALCULATIONS INTO RFQ PACKAGES:

Recognizing the importance of environmental considerations in procurement decisions, we have begun incorporating carbon footprint calculations and reduction targets into Requests for Quotation (RFQ) packages. This proactive sustainable practices also reinforces our commitment to reducing our overall environmental impact throughout the supply chain.

By embracing transparency, dialogue, and proactive measures, we aim to strengthen our relationships and drive positive environmental outcomes, from very early stages of engagement.

Table 28:

| Platform | Type | Level | Status Score | Target Score | Share with OEM |
|---------------|----------------|---------|--|--|---|
| EcoVadis | CSR | Company |  <p>Overall Score ➤ 55/100 Percentile 62nd (Minimum score met)</p> | Target for Silver OEM requirement minimum score 45% Report Aug./score Oct. | GM , Nissan, Renault, Stellantis |
| NQC (SAQ 5.0) | CSR | Plant | <p>100% B 80+</p> <p>(all requested plants green)</p> | Target for 85% OEM requirement minimum score B 80 Report Aug./score Oct. | BMW, Ford, Honda, JLR, Stellantis, VW AG, Volvo Cars, Truck: Daimler, Scania, Volvo |
| CDP | Climate, Water | Company |  <p>Climate C Water C CDP DISCLOSURE 2023 (2022 was D)</p> | Target CDP: C OEM requirement Disclosure Report Aug./score Oct. | BMW, Ford, GM, Honda, Hyundai, Kia, JLR, Nissan, Stellantis, Volvo Cars |

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