

# SUSTAIN- ABILITY REPORT 2022



BHTC

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



Dear readers,

At BHTC, we strongly recognize that the pursuit of sustainability is essential for the long-term success of our business and the well-being of society as a whole. As a responsible company, we are committed to minimizing our environmental impact, promoting social and economic progress while upholding the highest standards of ethics and governance.

In last year's sustainability report we have pointed out our strategic direction in regards to sustainability. We have started several initiatives to further drive our implementation progress. These are our highlights for 2022:



We remain committed to continuously improve our strategies, initiatives and actions as well as to transparently report on our progress. To achieve this, we pool and merge our expertise, creativity and resources. Together with our highly motivated and creative employees, we found and will find solutions to achieve the goals and continuously strengthen sustainability at BHTC.

This report related to the fiscal year 2022, will inform you in detail about our progress we have made in the field of sustainability as well as our next steps for the upcoming years. We invite you to join us on this journey and collaborate with us to drive positive change in the world.



**Michael Jaeger**



**Sascha Beyer**

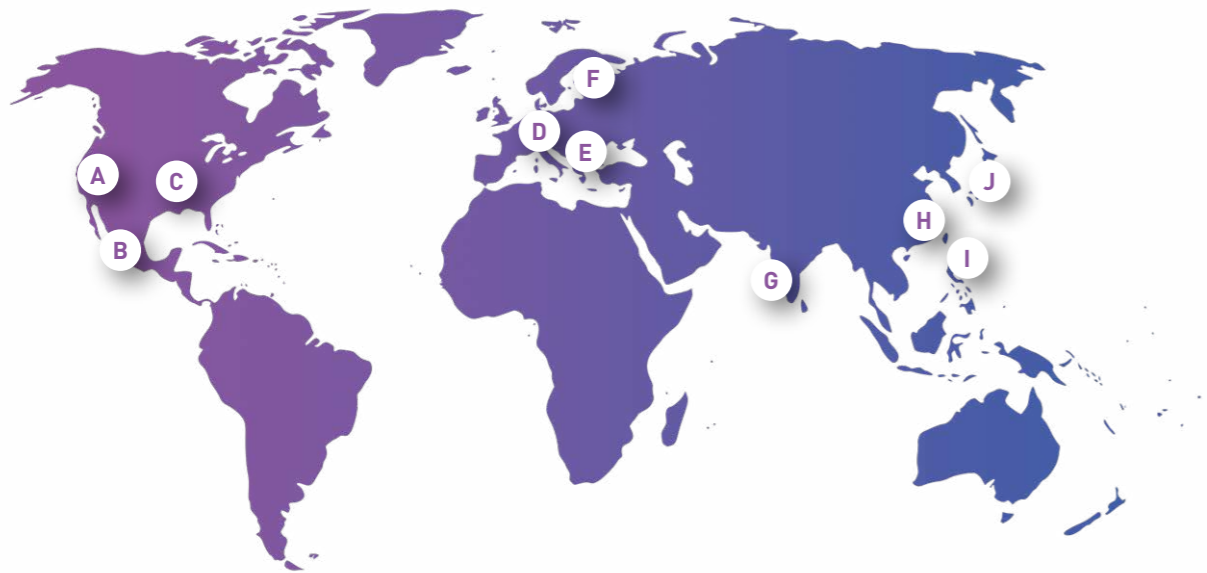


**Christian Bludau**



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

In 2022, the BHTC Group generated sales of 619 mEUR with 2960 employees and at nine locations worldwide (Germany, United States of America, China, India, Japan, Taiwan – China, Bulgaria, Mexico and Finland). BHTC has five production sites to secure its leading position among manufacturers of air conditioning panels, equipment for vehicle air conditioning and state-of-the-art HMI solutions. These are located in Bulgaria, China, Germany, India and Mexico.



<b>A</b> <b>BHTC INC.</b> Silicon Valley, USA 2018 ■	<b>D</b> <b>BHTC GMBH</b> Lippstadt, Germany 1999 ■●◆	<b>G</b> <b>BHTC INDIA PVT. LTD.</b> Pune, India 2006 ■●◆	<b>J</b> <b>BHTC JAPAN K.K.</b> Tokyo, Japan 2007 ■◆
<b>B</b> <b>BHTC MEXICO S.A. DE C.V.</b> San Miguel de Alende, Mexico 2014 ●◆	<b>E</b> <b>BHTC EOOD</b> Sofia, Bulgaria 2013 ■●◆	<b>H</b> <b>BHTC (SHANGHAI) CO., LTD.</b> Shanghai, China 2004 ■●◆	
<b>C</b> <b>BHTC INC.</b> Novi, USA 2002 ■◆	<b>F</b> <b>BHTC FINLAND OY</b> Tampere, Finland 2017 ■	<b>I</b> <b>BHTC GMBH TAIWAN RO</b> Jhubei, Taiwan, China 2018 ■	

Development ■ Production ● Distribution ◆

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

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

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

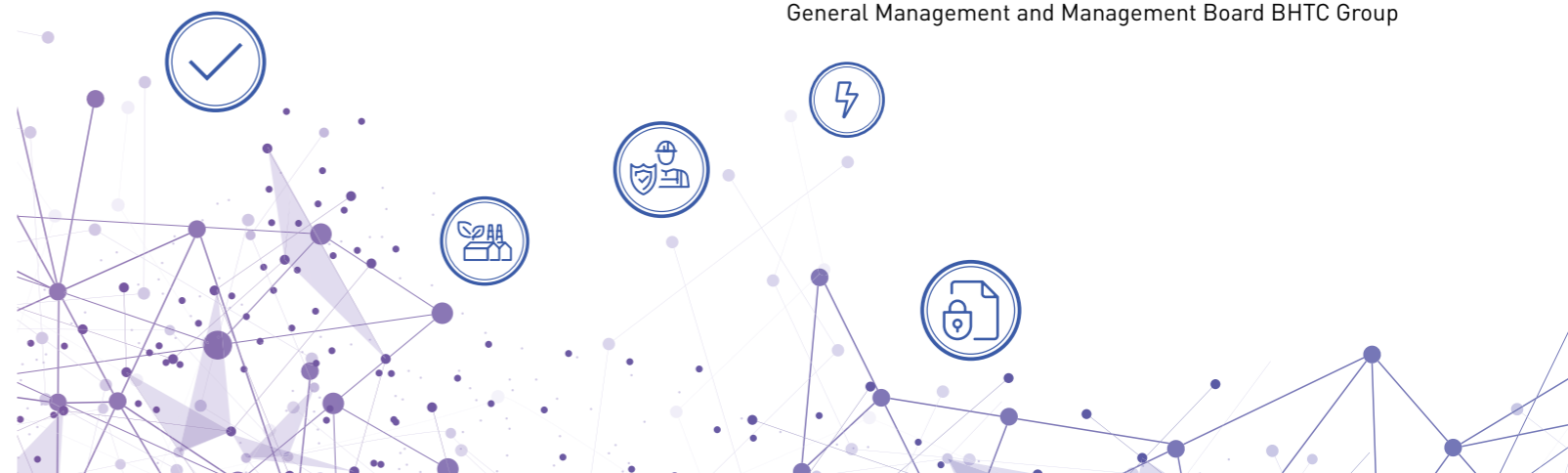
## POLICY FOR QUALITY, ENVIRONMENT, OCCUPATIONAL SAFETY, ENERGY AND INFORMATION SECURITY

### We inspire with convincing quality!

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

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

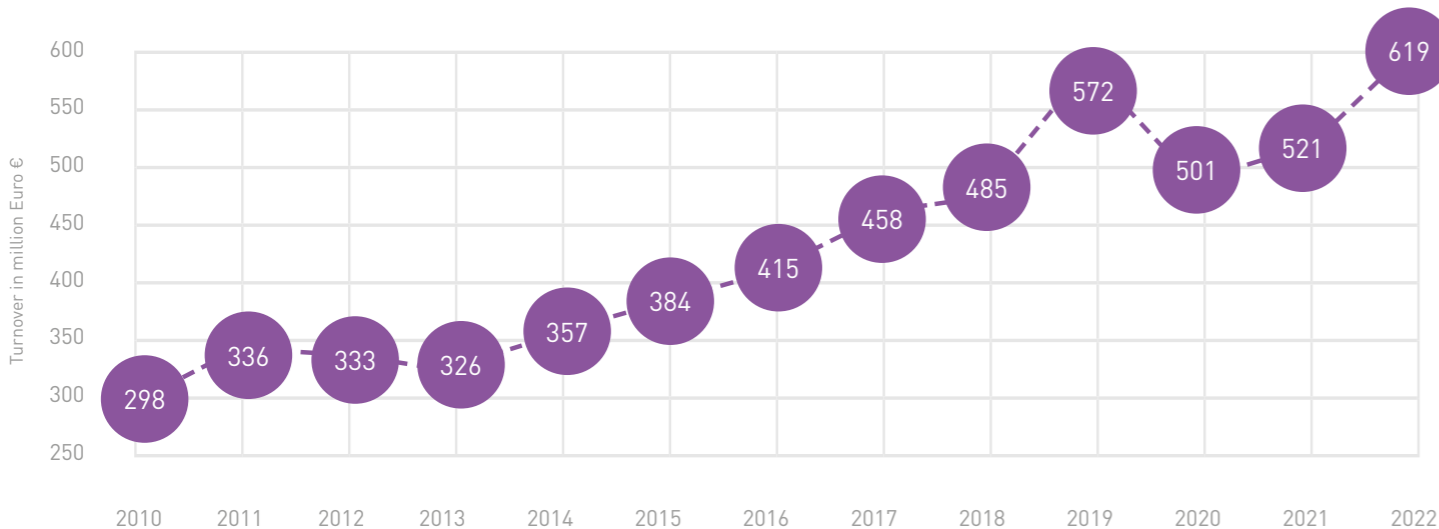
**We will support each other by following this policy!**  
General Management and Management Board BHTC Group



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

BHTC's turnover has significantly increased compared to 2021. Consequently, the decrease in revenue observed in 2020 due to Covid-19 has been effectively offset, with the current figures surpassing pre-covid levels.

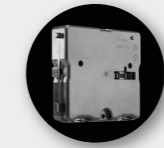
## SALES DEVELOPMENT



## CLIMATE



Climate control units



Climate control (black-boxes)



Climate components



Climate software

## HMI



Center Information Display (CID)



Integrated Center Stack (ICS)



Touch devices



Cluster

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



### Climate Operating Panels

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



### ITOS & Power Electronics

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



### Black-box Climate Control Units


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




### Climate Software

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

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

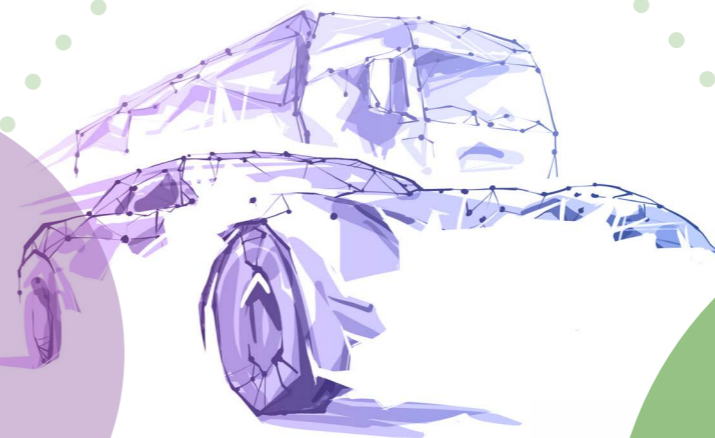
 **Center Information Displays (CID)**  
The latest display technologies with multi-touch and other ground-breaking innovations.

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

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

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

## FROM IDEAS TO THE FUTURE



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

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

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

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



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

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

BHTC Group	2022
Number of production plants	5
Thereof with certification according to ISO 14001:2015	5
Quota of certified production plants	100%

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

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

Compared to 2021, we were able to significantly reduce our energy consumption while achieving a notable increase in sales. In particular, the consumption for natural gas fell by about 16% compared to the previous year. These optimization measures have enabled us not only to contribute to the successful management of the European gas crisis but also to achieve a lower environmental impact.

Despite we already achieved our target of a 10% improvement in 2022 compared to our base year, we anticipate challenges in terms of specific energy consumption in the upcoming years. This is primarily due to the vertical integration of a new production step within the display manufacturing process at our location in China.

We will closely monitor our target and make necessary adjustments to ensure a continuous improvement process based on ambitious targets.



## BHTC Group

2021 2022 Target 2030

Specific energy consumption (kWh / 1000 EUR of sales)<sup>1</sup>

57,7 47,8 Min. -10%

Besides the annual reduction of our energy intensity, switching to renewable energy sources is a main pillar of our sustainability strategy. In order to achieve the target of fully operating all production sites with renewable electricity in 2025, BHTC relies on three different elements: self-produced electricity from photovoltaic systems, green electricity purchase from the local electricity suppliers and the purchase of renewable electricity certificates.

Compared to 2021, BHTC has been able to benefit from its first photovoltaic system implementation at BHTC Mexico in August 2022. Thereby we have started to use completely self-produced energy to cover major parts of our energy needs. We are continuing this strategy and are intensively evaluating the implementation of photovoltaic systems at the other production sites.

## BHTC Group

2021 2022 Target 2025

Renewable electricity share (%)

41 45 100

Decarbonization is one of the central tasks of our time. By 2030, our goal is to produce CO<sub>2</sub>-neutral in all production sites (according to Scope 1 and 2). Therefore, we will constantly work on minimizing our corporate carbon footprint. Unavoidable, remaining emissions are to be offset by certified climate protection projects.

Due to an extensive initiative to reduce our gas consumption, we were able to decrease our emissions in Scope 1. However, the vertical integration of a new production step within the display manufacturing process at our location in China as well as the effect of running two buildings at the same time during the relocation of our Indian facility to a new building brought up a higher demand of purchased electricity. Thereby the Scope 2 emissions increased compared to the 2021 value.

## BHTC Group

2021 2022 Target 2030

Scope 1 (in tCO<sub>2</sub>)<sup>2</sup>

1.688 1.220 CO<sub>2</sub>-neutral

Scope 2 (in tCO<sub>2</sub>)<sup>2</sup>

12.204 13.155 CO<sub>2</sub>-neutral

We remain committed to continuing our sustainability initiatives and reducing our environmental impact. Thereby several decisions have already been made and measures have been implemented:

- In 2022, various optimizations of packaging materials were carried out for BHTC Germany. By switching from a paper filling material to a paper air cushion material, we save around 44% of our paper packaging material per year. Furthermore, the material of all corrugated board boxes was changed from paper to a mix of grass and recycled paper in a share of 30% and 70% (depending on the paper grade). Besides that, we changed our packaging concept for several spare part deliveries from PE foam cushion to corrugated cardboard packaging. On the one hand, this elimination of plastic packaging reduces the overall energy demand during the production of the packaging material. On the other hand, the volume of the packaging was reduced by 60%, so that fewer transports to the customer are required due to the higher packing density. We are currently evaluating further optimization potentials as well as the expansion of the above mentioned optimizations to our international plants.
- Our production site in Bulgaria has achieved the worldwide recognized ISO 50001 certification for energy management during 2022. Within the certification process we proved the establishment of an energy policy, the implementation of energy management strategies and action plans as well as the monitoring and measurement of energy performance KPIs. The assessment by an independent third-party certification body proved that BHTC's energy management system meets the requirements of the ISO 50001 standard.
- BHTC Mexico has successfully installed a photovoltaic system with a capacity of 499,8 kWp by August 2022. During the last year the system has generated 296 MWh electricity, which covered more than 7 % of our Mexican electricity demand in 2022. As the system will run for a full year in 2023 for the first time, we are expecting to increase the coverage to 19 %.



Our photovoltaic system in Mexico after its implementation in August 2022

<sup>1</sup> Takes into account sales according to IFRS standard (previously: HBG standard); 2021 reference value adjusted accordingly.  
<sup>2</sup> According to Greenhouse Gas Protocol Scope 1 consists of all direct emissions from sources that are owned or controlled by the company. This includes all direct emissions caused by our facilities (f.e. heating or refrigerant) and our vehicle fleet. Scope 2 accounts for all indirect emissions from the generation of purchased electricity as well as purchased heating or cooling.

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

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

Occupational Health and Safety aspects are firmly anchored in the company's business activities as an integral part of corporate policy. The relevant internal processes are designed with these aspects in mind. We strive to reduce the risk of accidents and injuries to a minimum by effective preventive measures and procedures. Furthermore, we ensure compliance with all legal obligations and agreed customer specifications.

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

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

All these measures create a high level of transparency within the company and ensures that activities can be managed in a targeted manner. At our production sites in Germany and Bulgaria, the Occupational Health and Safety Management System is established according to the worldwide relevant standard ISO 45001:2018 and certified by an external accredited body.

## BHTC Group

2022

Number of BHTC production plants	5
Thereof with certification according to ISO 45001:2018	2
Quota of certified production plants	40%
Employee quota of certified production plants	51%

In 2022, our accident-related key performance indicators experienced an increase compared to the previous year, mainly attributable to a rise in incidents at our German plant. Despite the fact that the hazard situation at the facility remained unchanged from the prior year, more accidents have occurred. Based on the internal accident analyses, we have implemented several individual measures to prevent the reoccurrence of identical accident causes in the future. Given that our accident analyses did not identify any accident hotspots linked to specific processes, procedures, technologies or areas, we have made the decision to enhance awareness and intensify general training measures, including e-learning programs.

The safety of our employees has the highest priority for us – we won't accept an ongoing upward trend in accident KPIs. Nevertheless, when assessing these key metrics, it is essential to consider that 2021 marked the year with the lowest accident figures on record. Moreover, it needs to be considered that the commuting accidents are constituting approximately 35% of all incidents at our German plant. BHTC's ability to directly prevent such accidents is quite limited. These commuting accidents, known to result in extended sick leave based on past experiences, played a significant role in driving up the LTIR and lost time rate in 2022.

Nevertheless, despite these challenges, our German plant's accident rate for 2022 remained lower than the industry average reported by the employers' liability insurance association BG ETEM.

## BHTC Group

2021

2022

Accident rate<sup>3</sup> [LTIR; accidents per 1 million working hours<sup>4</sup>]

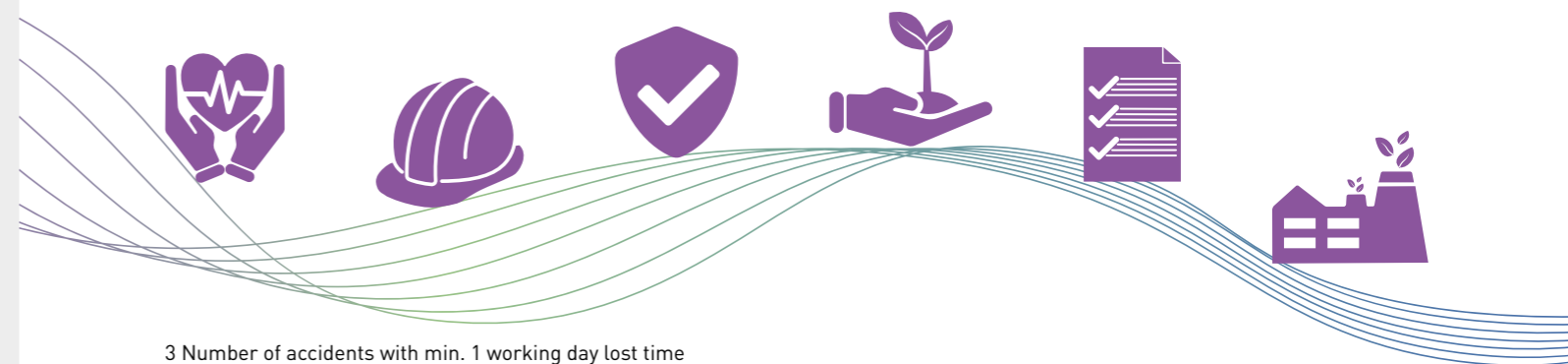
1,4

3,4

Lost time rate<sup>5</sup> [work hours missed per 1 million working hours]

419

640



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

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

5 Lost time due to work related accidents including commuting accidents

## UP TO NOW

Sustainable solutions are not only to be realized in our production processes. They already have to be established during our product development activities, e.g. by selecting the right materials. We have already worked on this in the past. Therefore 56% of the total PC-ABS plastic and 30% of the most used aluminum and magnesium grade already consist of recycled material.

We also place great emphasis on reducing our material usage and consumables in order to lower our waste volume. Minimizing the usage of hazardous substances like special adhesives is a strong focus also beyond the guidelines and laws to protect employees and the environment.

We are on a path of continuous improvement towards CO<sub>2</sub>-neutral products and CO<sub>2</sub>-neutral production. Regarding this topic BHTC has made first product offers in a normal and a CO<sub>2</sub>-reduced version, to provide customers with the opportunity to put a stronger focus on sustainability.

## TARGETS

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

We are committed to using predominantly separable and recyclable assemblies. This means that we focus on using detachable connections so that parts can be reused and repaired. We are committed to using mono-materials if possible to simplify the recycling process. We want the materials we use to have the best possible carbon footprint. For this, we always choose materials from renewable resources whenever possible. Selected materials should always have the smallest possible CO<sub>2</sub> footprint compared to their alternatives. However, we need to overcome current limitations in regards to technical properties and requirements in the automotive industry as well as the market availability of alternative materials in high volumes. Our parts and products are being developed according to lightweight principles as well as in line with material-specific design. We design parts and products with the circular economy in mind. On the one hand, this means that the material we use can be recycled; on the other hand, the parts and products made of this material are being designed for a long life. We also strive for robust, reliable production with a minimum of waste.

In order to calculate and assess sustainability data across the entire value chain, a substantial amount of data needs to be exchanged between OEMs, BHTC, and suppliers. A robust exchange with suppliers is particularly crucial for accurately determining CO<sub>2</sub>e values in Scope 3. To ensure a secure and convenient data exchange, various software solutions available in the market are currently under evaluation. The goal is to identify a solution that can meet the future specifications of the OEMs and the demands of BHTC.

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

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



## OUR HR MISSION:

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



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

## HR - FAIRNESS & INTEGRITY

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

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

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

## BHTC BEHAVIORS

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



### IN TOUCH WITH THE FUTURE



#### Give clear feedback

- Immediate and on a regular basis
- Respectful, clear and specific
- Objective and based on reflection



#### Express clear expectations

- Provide context and explanation about expectations in your sphere of responsibility
- Ensure a consistent and clear understanding of expectations and objectives
- Write down your expectations in case of any uncertainty



#### Treat everyone in a respectful manner

- Encourage employee comments and opinions
- Be open for dialogue and offer a trustful relationship
- Interact respectfully, independent from level



#### Lessons learned

- Treat mistakes openly and learn from mistakes
- Demonstrate accountability and integrity on a daily basis
- Drive improvement based on prior experiences



#### Live a decision culture

- Make well-prepared decisions based on facts and figures
- Take ownership for decisions within your sphere of work
- Reflect on ideas and make decisions on time



#### Think and act entrepreneurially

- Support and drive change
- Think strategically and future oriented
- Take over ownership of outcomes and focus on achievements



#### Live cooperation

- Foster team commitment and spirit
- Encourage teamwork and interaction within and between teams
- Take different perspectives into account and recommend solutions

### LEADERSHIP BEHAVIORS



#### Provide context and a vision to the team

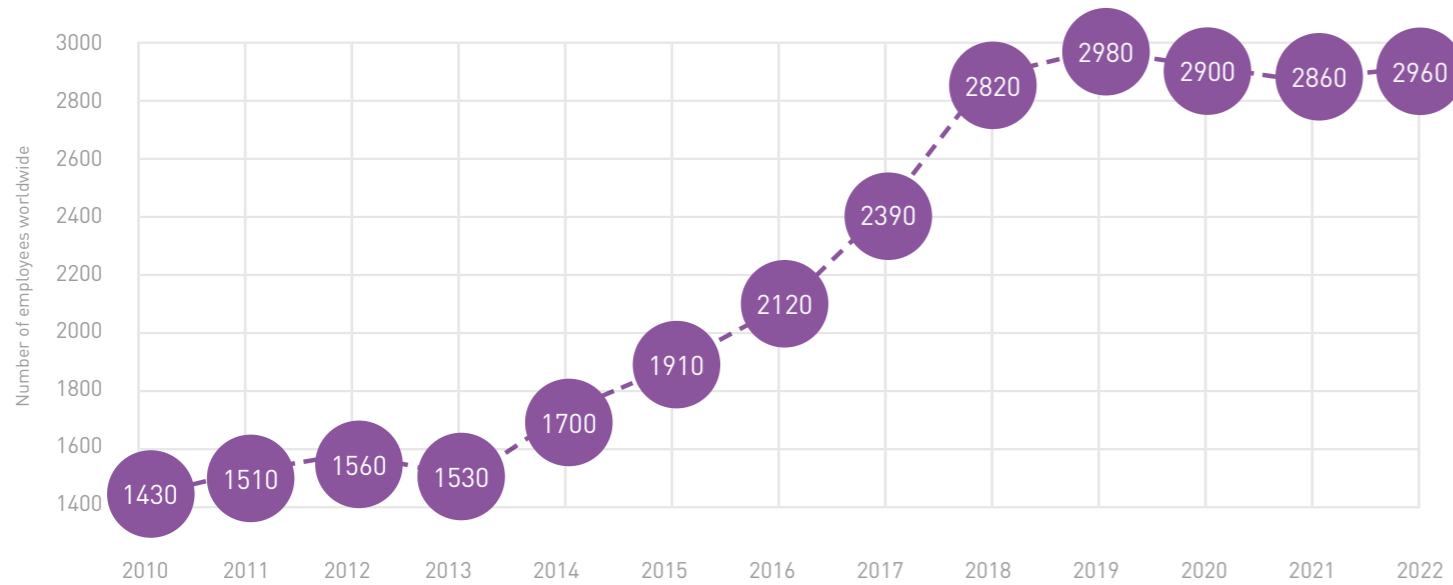
- Give orientation and share background information
- Communicate clearly
- Explain and encourage



#### Give Leadership priority

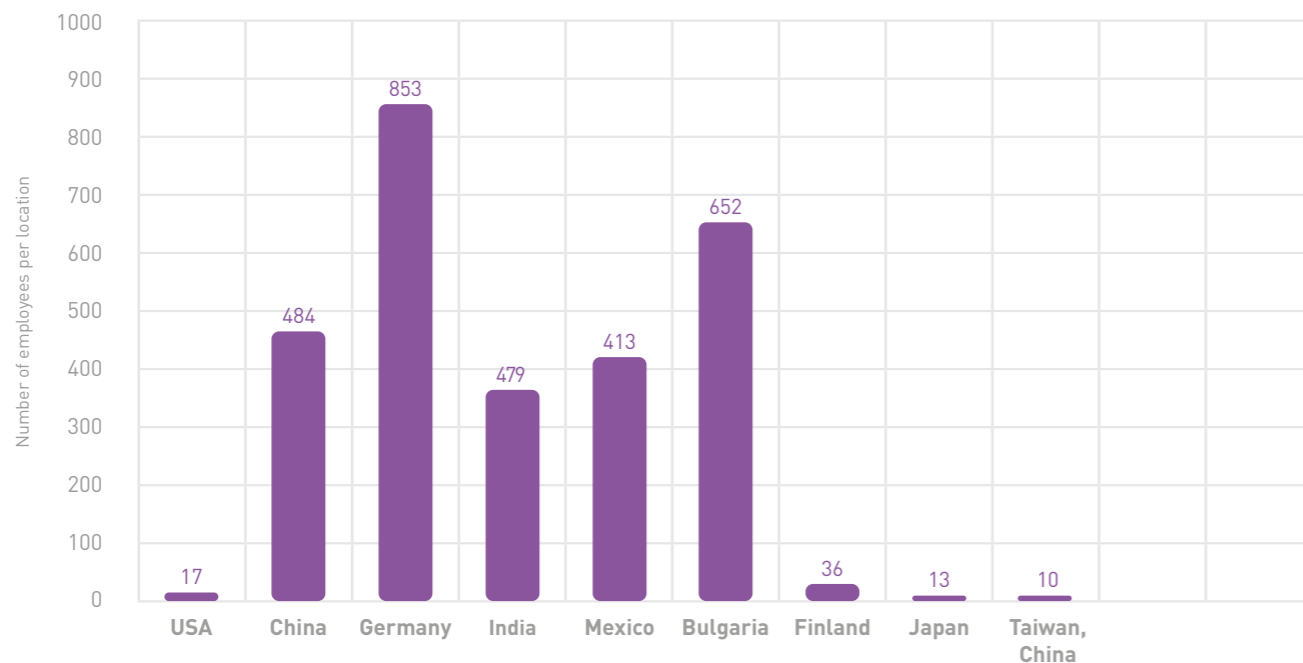
- Act as a Leader and reflect your Leadership style
- Coach and develop your team
- Take time for Leadership

## EMPLOYEE NUMBERS (ROUNDED TO THE NEAREST 10)



Our employees are our strongest resource and we are happy to have a team of many great personalities. Since 2010, the BHTC team has doubled in size. Despite several external factors such as corona pandemic, we were able to keep stable employee numbers during the last years.

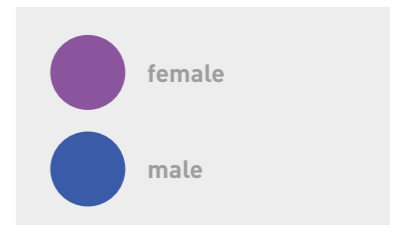
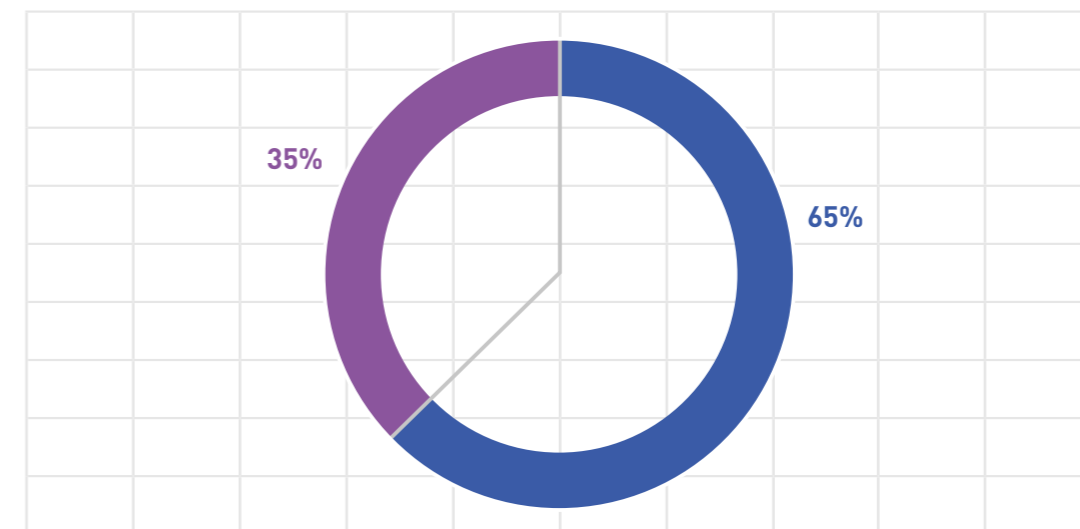
## NUMBER OF EMPLOYEES PER LOCATION (STATUS: DECEMBER 2022)



The age structure is very diverse. From trainees starting their training at the age of 18 to colleagues getting to celebrate their retirement with us, all age groups are represented at BHTC. BHTC can only benefit from this broad range. Knowledge is passed on to future generations, and new ideas are always finding their way into our daily routine. The average age of our employees is 38,1 years internationally.

Female employees currently account for 35 % of our total workforce. To further inspire women for technical professions, we actively participate in the "Women in MINT<sup>6</sup> Professions" network. This creates a cooperation platform and inspires female pupils and students for technical careers.

## GENDER DISTRIBUTION



<sup>6</sup> MINT is an abbreviation for Mathematics, Informatics, Natural Sciences and Technology.

## BHTC AS AN ATTRACTIVE EMPLOYER

Our employees are our most important resource and ensure the future viability of our company. Thanks to their specific skills, their competence and their commitment, they make a valuable contribution to our corporate success every day. It is important to us that our employees are motivated, experience a respectful and fair working environment and are able to perform their tasks effectively and efficiently. To provide them with the best possible support, we conduct a global employee survey every two years. The feedback we receive is shared with all employees. By participation of our employees and contribution of our leadership teams, specific actions for further improvement are developed. For example, in 2022 our learning culture was promoted globally by providing LinkedIn Learning licenses and additional language courses for all employees. Other measures relate to leadership culture, meeting culture and local benefits. Since 2022, all actions in this context have been implemented under the title "YOU!@BHTC" to promote the corporate culture.

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

Some of our sites also offer company doctors, Well-Being Teams or cooperation with regional medical facilities. Finally, employees returning to work after a period of illness will be supported through reintegration programs.

Our teams realized great projects worldwide, be it planting new trees, fundraising for those in need, or internally promoting recycling projects, as well as energy and paper savings.

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

## DIVERSITY & EQUALITY

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

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



Our Mexican colleagues celebrating one of the greatest Mexican traditions "Día de Muertos"

"Día de Muertos" is a Mexican tradition celebrated on November 1st and 2nd to welcome back the spirit of the departed and loved ones. It is a time of joy, remembrance as well as cultural pride and showcases the Mexican belief in the continuity of life and death, fostering a strong connection between generations and emphasizing the importance of remembering and celebrating one's ancestors.

## HUMAN RIGHTS

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

BHTC offers various internal and external reporting channels or contact persons, for example internally by contacting supervisors, employee representatives or our Compliance Board. Additionally, there are external ombudspersons established. BHTC maintains a constructive relationship with employee representative bodies, where they are established. At BHTC, we do support those who need it most. In this context, we organized an internal fundraising campaign for the victims of the war in the Ukraine. Our employees have donated a substantial 5-digit sum, which was matched 1:1 by BHTC as an addition.

## TRAINING & DEVELOPMENT

We recognize the importance of empowering our people to perform at their best. In all our global locations we use competence evaluation and/or employee appraisals to explore the training needs of our employees in a structured way. A wide range of trainings from basics to high technological trainings but also soft skill trainings are offered in our locations. Through our succession planning, which is regularly carried out internationally, we ensure a strategic approach to secure our talent pipeline. When we recognize talent, we do support the growth of the employee, no matter what stage he or she may be in his or her career. For example, we reactivated our internal talent development program "Energizing BHTC" in 2022 and gave young talents and leaders the chance to build international networks and share business strategies and leadership skills. With several days of international workshops, the program was a complete success.

The opportunities provided by our intern, students and apprenticeship programs have empowered numerous young employees to begin their careers as important members of our team with a combination of project-based activities, hands-on experience and guidance from our BHTC team. In all our locations we also run dedicated programs to support our managers in their roles and to give guidance to those who are growing into new roles, to ensure a high quality standard of leadership. We continuously strive for improvement. Our employees are the most important resource we have and therefore we see their development and growth as one of our core responsibilities.

As an international, worldwide operating company, BHTC does practice a responsible corporate governance and expects all its 2960 employees worldwide to act with integrity in an exemplary manner and to comply with laws and regulations. This includes responsible treatment of employees, customers, business partners and the environment. Conducting in accordance with regulations and acting with integrity in everyday business is the basis for BHTC's long-term corporate success.

The Compliance Management System of the BHTC Group aims to continuously incorporate global compliance requirements by having a decentralized system of persons responsible do have a regular exchange with the locally responsible managers and do systematically analyze compliance risks in their respective area of responsibility. By application of the BHTC Compliance Program, they implement and control required appropriate compliance measures, and improve compliance at BHTC.

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

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

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

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





## IMPRINT

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**BHTC**