



EBERSPÄCHER GROUP

SUSTAINABILITY REPORT 2022

FOREWORD

Sustainability is not a matter of chance. It is the result of planned entrepreneurial activity – we already wrote this guiding principle in the foreword of our first Sustainability Report 2019. The current report again underscores the positive results of Eberspächer's sustainable corporate management.

Green energy makes an important contribution to climate protection. Since our first Sustainability Report 2019, we have reduced our global production-induced CO₂ emissions by around 45 percent. This supports our Green Footprint, one of our three areas of activity concerning sustainability.

We also attained success in the other two areas: Innovation and People. To conserve resources and protect the climate, we are developing products for clean mobility with an open approach to technology. These minimize the pollutant emissions of conventional drive systems. We are stepping up the development of high-performance components for fuel cell systems by pooling various skill sets within the company.



Martin Peters

Chairman of the Executive Board/Managing Partner

At the same time, we are investing in new thermal management solutions that do not impair the range of electric vehicles.

We make a point to assume responsibility for our employees and society – after all, our employees' development is crucial for our future. This is reflected in the various awards Eberspächer attains as an employer and the lively participation in further training programs. We are working hard to realize our vision of responsibly shaping the mobility of tomorrow for the environment and society.



We published our first sustainability report in 2019. Since then, we have reduced our global production-induced CO₂ emissions by 45 percent – an important step toward our goal of CO₂-neutral production in 2030.



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THE COMPANY

The Eberspächer Group ranks as a leading system developer and supplier in the automotive industry. The family-owned company based in Esslingen am Neckar in Germany stands for innovative solutions in exhaust technology, thermal management, and automotive controls for different vehicle types.

In combustion or hybrid drives and in e-mobility, Eberspächer components and systems ensure increased comfort, higher safety, and a clean environment. In mobile and stationary fuel cell applications as well as the use of hydrogen as an energy carrier, Eberspächer is a pioneer for future technologies.

OUR DIVISIONS



PUREM BY EBERSPÄCHER

Specialist for exhaust technology and acoustic solutions



CLIMATE CONTROL SYSTEMS

Thermal management solutions for all vehicle types



AUTOMOTIVE CONTROLS

Electronics expertise for automotive applications, safe power distribution in vehicles, and battery management systems

OUR BUSINESS AREA



NEW BUSINESS - HYDROGEN MOBILITY

Balance of Plant components for mobile and stationary hydrogen fuel cell systems

OUR VISION

With our products and solutions, we are shaping the mobility of the future. It will be safe, comfortable and free of fossil fuels. We are shaping it at the pace of the markets and our customers. Sustainability is particularly important to us, with a clear goal:



We want to achieve CO₂-neutral production globally by 2030.



CORPORATE STRATEGY

OUR VISION

DRIVING THE MOBILITY OF TOMORROW

Eberspächer is actively helping to shape the mobility transformation. Dedicated People are working on Smart Solutions for Clean Mobility. The team at Eberspächer is moving the company toward a successful future. As a family-owned company, we focus on trust and our strengths: long-term thinking and a developed value culture. We face the global competition and changing market conditions with confidence and resolution – since 1865, today, and in the future.

The MOVE company strategy was developed in a joint process between the management, executives, and employees. Strategically we are assigning our activities to mature, dynamic, and completely new business areas. We are shaping our successful future through initiatives in clearly defined areas of actions for all Divisions:

CLEAN MOBILITY

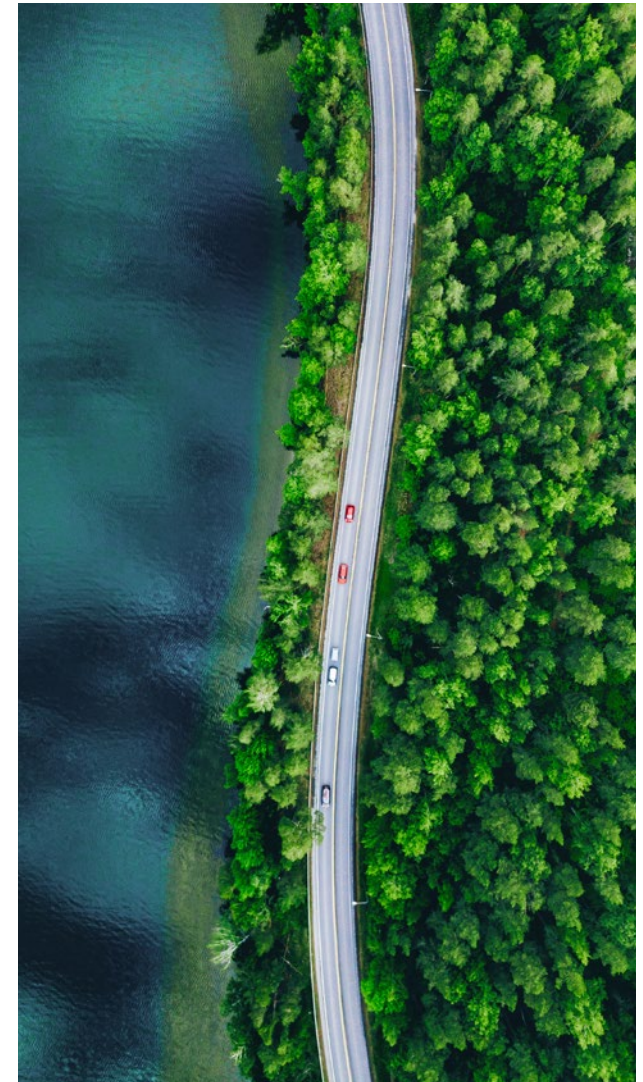
Our products and services help support environmental protection, safety and comfort in vehicles.

SMART SOLUTIONS

We vigorously pursue innovations that inspire our customers. We expand our market position through investments, partnerships and acquisitions.

DEDICATED PEOPLE

We act with dedication and accept responsibility. We continuously develop our capabilities and create a powerful, global organization in an attractive working environment.



EBERSPÄCHER GROUP WORLDWIDE

OUR LOCATIONS

GLOBAL PRESENCE AT OVER 80 LOCATIONS

NORTH & SOUTH AMERICA

Brazil, Canada, Mexico, USA

EUROPE

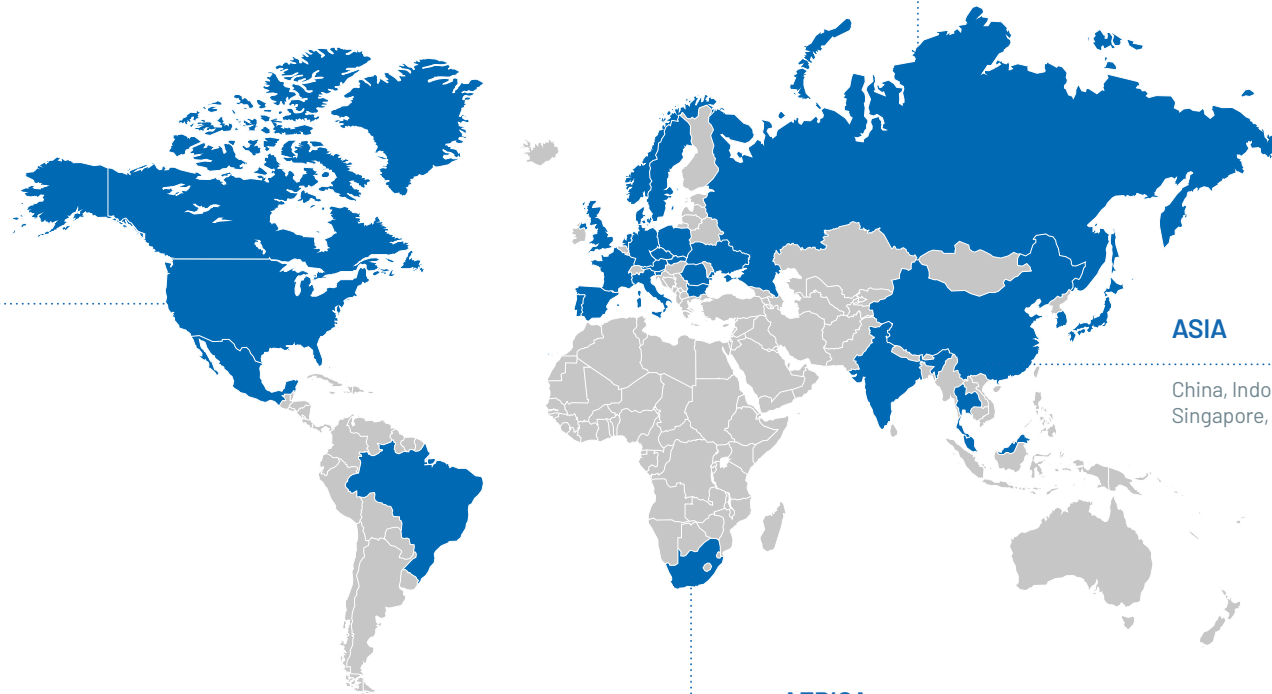
Austria, Bulgaria, Czech Republic, Denmark, France, Germany, Great Britain, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Ukraine

ASIA

China, Indonesia, Japan, Malaysia, Republic of Korea, Singapore, Thailand

AFRICA

South Africa



SUSTAINABILITY IN FIGURES*



Employees

10,700

Number of women in the total workforce

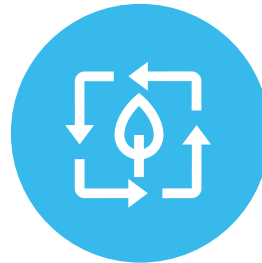
29%

Number of women in management positions

18%

less production-related CO₂ emissions (t CO₂/CO₂e)**

15%



of the production plants purchase green electricity

31%



Increase in R&D expense**

17,5%



*Figures rounded.

**Compared to the previous year.

SUSTAINABILITY STRATEGY AND ORGANIZATION

DIALOGUE

It's important to us to inform Eberspächer's stakeholders about our business activities. In doing so, we rely on regular communication with one another. We use a wide range of channels to accommodate the variety of topics, interested parties, and beneficiaries. In this

way, we ensure that information is communicated in a manner that's suitable for the target group, all while creating opportunities for feedback and remaining open to dialogue.

STAKEHOLDERS AND CHANNELS OF INTERACTION

TOPICS

- Business practices and ethical standards
- Climate protection and energy efficiency
- Compliance with statutory requirements
- Dedicated People
- Diversity and equal opportunities
- Due diligence in the supply chain
- Human rights
- Innovations
- Occupational health and safety management
- Product quality and sustainability
- Resource conservation
- Social engagement
- Training and development

CHANNELS

- Annual report & Sustainability report
- Audits (on-site / off-site)
- Cooperation with (technical) universities
- Customer and supplier portals
- Customer visits
- Eberspächer Website
- Employee surveys
- Interviews
- Intranet and Employee magazine
- Personal contact (Phone / E-Mails / Letters)
- Press releases
- Social media
- Sponsoring
- Supplier days
- Sustainability portals
- Trade fairs
- Web conferences
- Webinars
- Workers and staff meetings

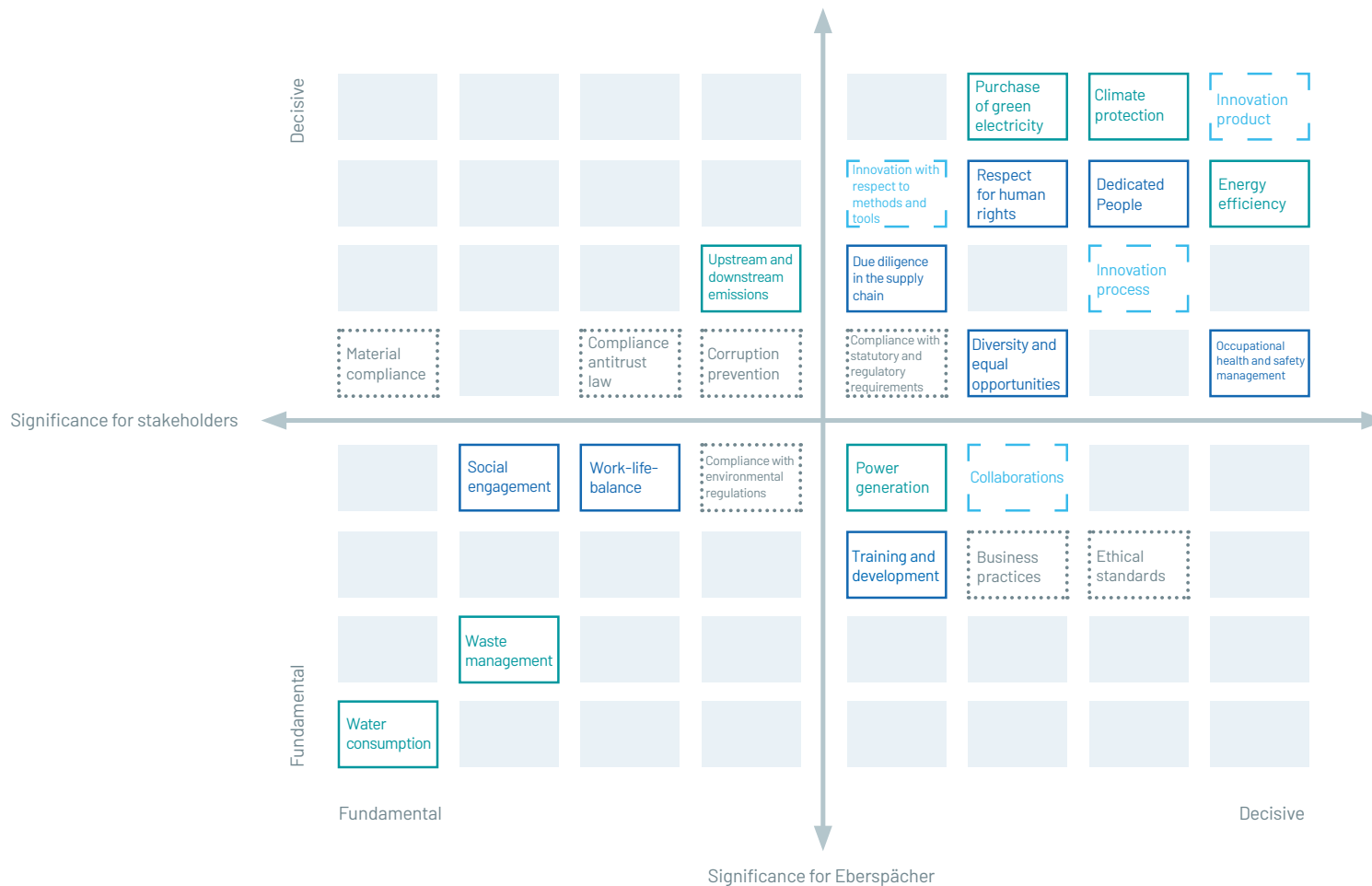
STAKEHOLDERS

- Applicants
- Creditors
- Customers
- Employees
- Non-governmental organizations
- Public
- Residents / Neighbors
- Shareholder
- State / Authorities
- Suppliers

MATERIALITY ANALYSIS

Through direct exchange with our stakeholders, we recognize which topics are important for Eberspächer and its various interest groups.

The results are incorporated into the relevance analysis and form the basis of our sustainability-related areas of activity.



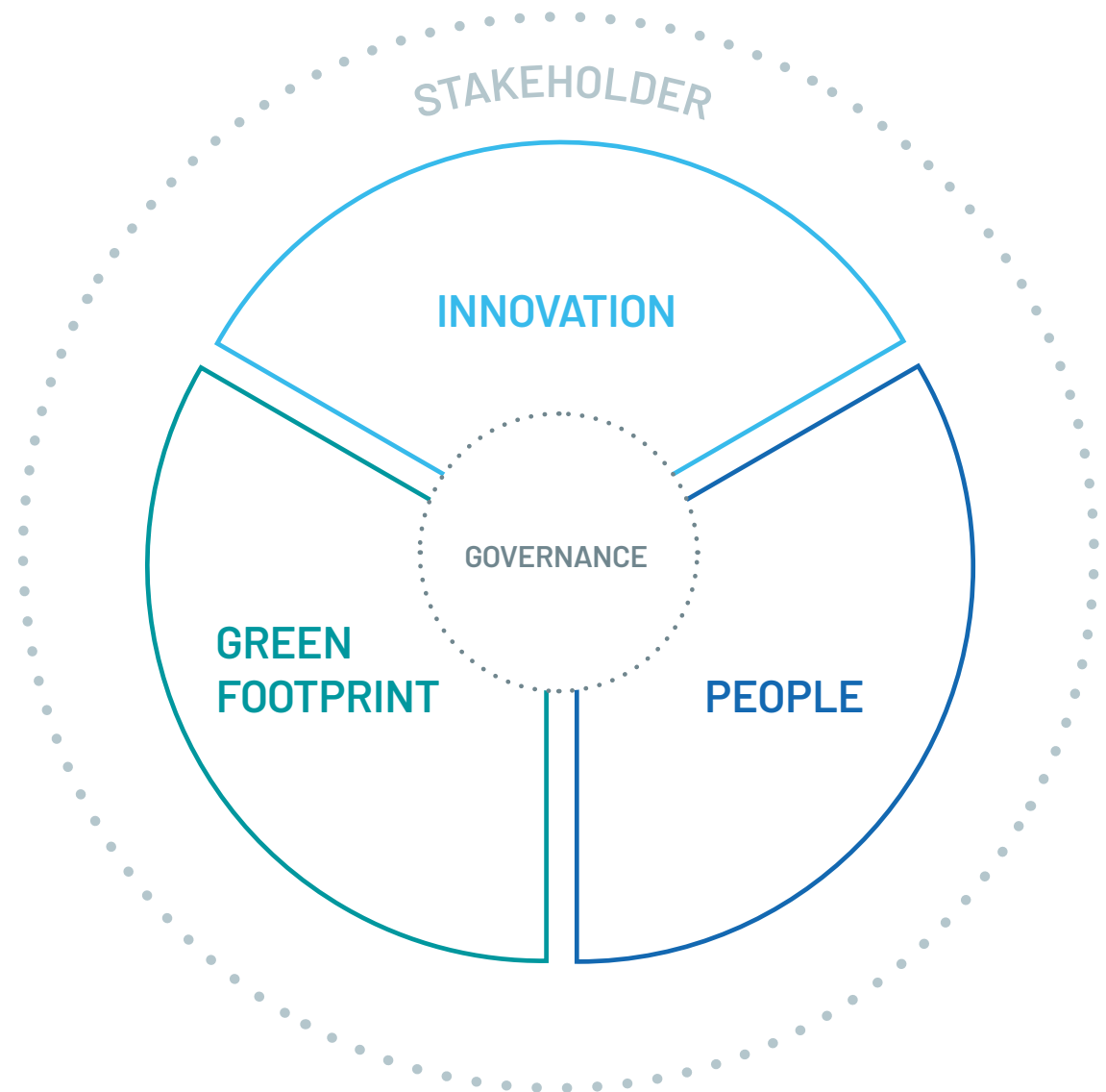
FRAMEWORK FOR OUR ACTIONS

With the Sustainable Development Goals (SDGs), the United Nations has defined goals for sustainable development. They form a global, universally accepted framework that considers the environmental, economic, and social aspects of sustainability.

So that we can present sustainability-related performance in a transparent, understandable, and comparable way, we use the SDGs as the basis for our sustainability strategy. For Eberspächer, we have derived three areas of activity from these goals:

GREEN FOOTPRINT – INNOVATION – PEOPLE

Within these, we act responsibly to secure the livelihood of present and future generations. Effective governance ensures our contribution to a sustainable society, climate protection, and long-term corporate success.

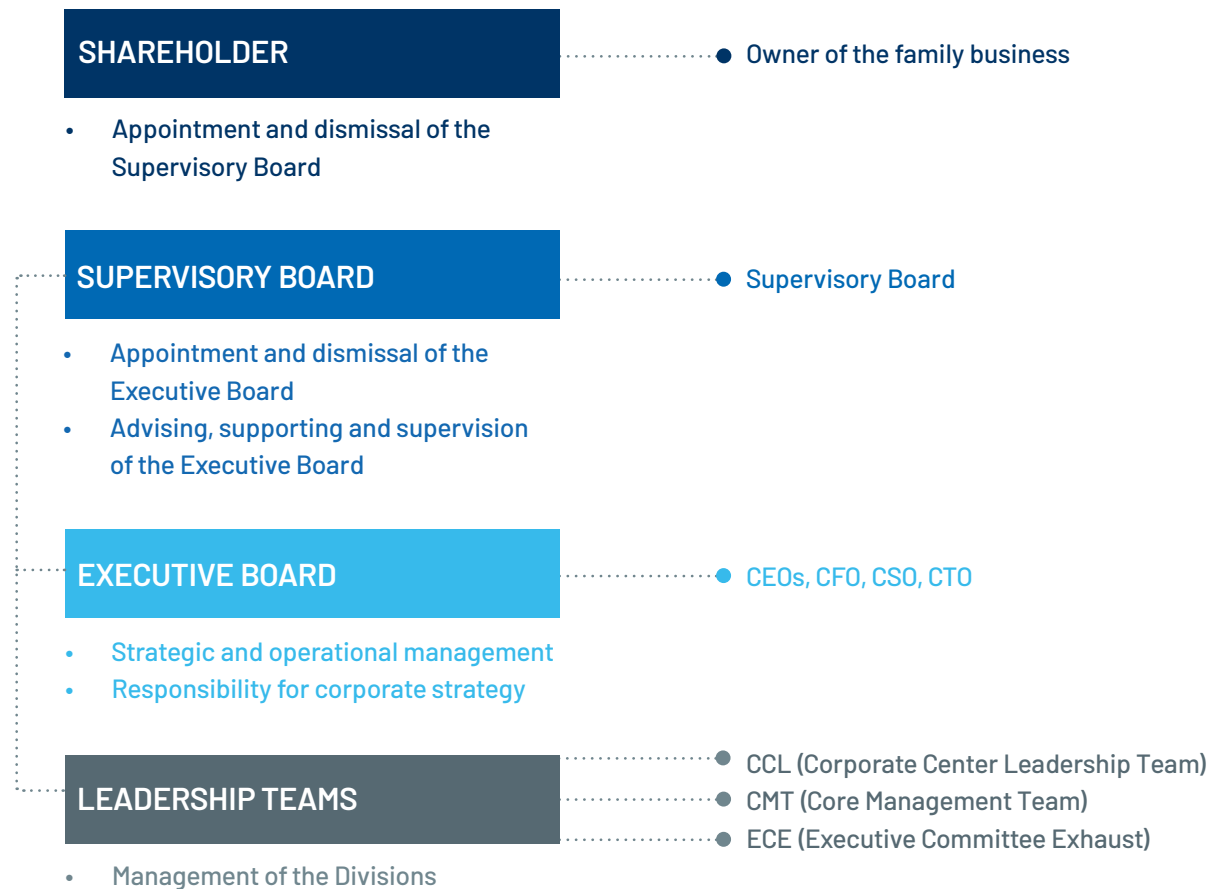


GOVERNANCE

SUSTAINABLE CORPORATE GOVERNANCE

Sustainable corporate governance is aimed at the long-term future viability and sustainable management of the organization. Starting at the shareholder level, the governance structure extends through the Supervisory Board and the overall management through to the individual leadership teams. The areas of responsibility are clearly defined.

Ecological, economic, and social sustainability issues are managed by the Eberspächer Sustainability Committee. This committee meets every six weeks and reports regularly (or as required) to the Executive Board. Among others, the committee consists of the Heads of Human Resources, Communications, Compliance & Sustainability, and other representatives of the Divisions. The Chief Strategy Officer is also a member of the Executive Board.



GOVERNANCE

COMPLIANCE UND BUSINESS CONDUCT

Along with observance of ethical principles, compliance with the law and internal regulations form the basis of our economic success. Strict adherence to all legal regulations that apply to our business activities both internationally and nationally in the respective countries is of paramount importance. This applies to the obligations we place on ourselves, internal company guidelines, and other regulations.

In addition to its own fundamental ethical values, Eberspächer follows the conventions and recommendations of national and international organizations. Important guidelines in this regard are the "United Nations Global Compact", the UN "Guiding Principles on Business and Human Rights", and the "OECD Guidelines for Multinational Enterprises".

The Code of Conduct of the Eberspächer Group combines the most important principles for compliance with the law and with regulations, for morally and ethically acceptable conduct in business transactions, and for dealing with colleagues. It is binding for all members of the company management as well as for all executives and employees.

A global compliance organization is available to advise on integrity issues or problems relating to unethical or non-compliant behavior. In addition, training courses and information materials raise awareness of compliance issues. Through the "Speak Up" whistleblowing tool, violations by employees, business partners, and third parties can be reported at any time – even anonymously.

The behavioral guidelines defined by Eberspächer for business partners are set out in the Business Partner Code of Conduct. They include legal compliance, social and ecological principles, and commitments within the scope of implementing due diligence. Their acceptance and strict compliance, confirmed in writing, is the basis for doing business with Eberspächer.

Fulfilling the human rights and environmental obligations listed in the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichten-gesetz) is for us a matter of course. With our own ethical and moral behavioral code, the Eberspächer Code of Conduct, we have voluntarily imposed this commitment on ourselves.

PRODUCT SAFETY AND QUALITY MANAGEMENT

A high standard of quality and care is a matter of course at Eberspächer. In order to eliminate risks for our customers from the outset, product safety and conformity officers ensure that specific customer requirements and statutory regulations are implemented. To minimize risk, almost all production plants of the Eberspächer Group have a certified quality management system.

Table 1: Number of certified sites in accordance with IATF 16949 / ISO 9001

	2022	2021	2020	2019
Quality management system in accordance with IATF 16949 / ISO 9001	50	47	39	35



GOVERNANCE

RISK MANAGEMENT

The Eberspächer Group identifies sustainability risks systematically and early on as part of our group wide risk management system. They are analyzed and evaluated in terms of their probability of occurrence and effects. Detailed information on this can be found in the Annual Report. There are currently no extraordinary risks to the sustainable business activities of the Group of Companies.

INFORMATION SECURITY

To allow it to manage the growing legal, customer-specific, and internal requirements, the company's relevant information security management areas are audited regularly.

The continuous further development of the information security management system (ISMS) contributes to this. Purem by Eberspächer has valid TISAX® labels for the Esslingen (GER), Cowley (UK), Rakovnik (CZ), and Spartanburg (USA) sites.



THREE AREAS OF ACTIVITY



PROTECT CLIMATE AND SAVE RESOURCES

- Energy efficiency: Energy management, Building / Facility, Behavior / Awareness
- Energy supply: Energy procurement, Energy generation
- Resource saving
- Upstream and downstream emissions

SHAPING CLEAN MOBILITY

- Advance defossilization with innovative products in the field of hydrogen drives
- Technology Roadmap Euro 7
- Products for megatrends of the future

ASSUME RESPONSIBILITY FOR EMPLOYEES AND SOCIETY

- Occupational health and safety management
- Respect for human rights
- Diversity and equal opportunities
- Training and development
- Due diligence in the supply chain
- Social engagement

SUSTAINABLE DEVELOPMENT GOALS (SDGS):





**PROTECT
CLIMATE &
SAVE RESOURCES**

GREEN FOOTPRINT

An integral part of our MOVE company strategy is to actively shape clean and quiet mobility. Clean Mobility is our contribution – with our entire product portfolio, but also through our corporate actions. Our goal is to achieve CO₂-neutral production by 2030. In doing so, we are simultaneously supporting the 1.5 degree target of the 2015 Paris Climate Agreement. Well thought-out and efficient energy and environmental management is very important to us. Our strong commitment to protecting the environment is based on our energy and environmental guideline.



CERTIFIED MANAGEMENT SYSTEMS

The environmental management systems of almost all production sites are certified in accordance with the requirements of ISO 14001 and are complemented by an energy management system. The energy management system of the most high-consumption sites is certified according to ISO 50001.

Table 2: Number of certified sites in accordance with ISO 14001 and ISO 50001

	2022	2021	2020	2019
Environmental management systems in accordance with ISO 14001	37	36	29	24
Energy management systems in accordance with ISO 50001	8	8	5	5

Defined targets require regular review and performance monitoring. Fixed key figures provide information about our carbon footprint and the targets we have set for resource and environmental protection:

Table 3: Energy consumption¹

IN MWH	2022	2021	2020	2019
Energy consumption totals	165,504	170,519	157,795²	185,186
Natural gas ³	35,077	35,707		
Fuel oil ⁴	141	115	43,225	56,974
District heating	7,773	13,693		
Electricity	122,513	121,004	114,570	128,212

¹ Energy consumption of our production sites incl. administration and development.

² Decline is mainly due to the pandemic-related reduction in production volumes.

³ Natural gas consumptions are converted from m³ to kWh using an internally determined average conversion factor.

⁴ Fuel oil is used at only one site in Germany and is converted from liters to kWh using an internally determined average conversion factor.

Table 4: Production-related carbon footprint

IN T CO ₂ /CO ₂ E	2022	2021	2020	2019
Total emissions	34,443	40,548	51,641	62,211
Direct emissions (Scope 1)				
Natural gas and fuel oil ⁵	7,099	7,266	5,845	8,384
Indirect emissions (Scope 2)				
Electricity ⁶	26,278	31,108	45,796	53,827
District heating	1,066	2,174	-	-

⁵ Natural gas and fuel oil consumption is converted to emissions using the [VDA \(German Association of the Automotive Industry\) Factors](#) published in 2022. Emissions from the one site using fuel oil in 2022 are included in the reported figure at approximately 37t CO₂e.

⁶ Electricity consumption is converted using the "[Carbon footprint country specific electricity grid greenhouse gas emission factors](#)", published in March 2022.

ENERGY CONSUMPTION AND CARBON FOOTPRINT

Around 70 percent of our currently reported total energy demand accounts for electricity. This makes electricity the biggest factor when it comes to our carbon footprint.

Absolute electricity consumption in megawatt hours (MWh) is roughly at the previous year's level. If we look at consumption compared to our 2019 baseline, absolute consumption is down about four percent.

The purchase of green electricity offers the greatest potential for reducing CO₂ in our manufacturing. In 2022, in addition to the German production plants, we converted further sites in the Czech Republic, Italy, Portugal, and France to green electricity. As a result, we reduced our electricity consumption-induced CO₂ emissions by 16 percent compared to the previous year. In the coming years, we will gradually expand our green electricity procurement throughout the world.

We are optimizing our carbon footprint with further energy efficiency measures. The focus here is on:

- Reducing energy consumption during non-production periods
- Optimizing production areas' heating
- Compressed air generation and leak management

Following the "Think global, act local" motto, the sites are making efforts to implement local climate protection measures. In Neunkirchen, Saarland, for example, participating members of the "Energieeffizienz für die Industrie" network aim to regularly work together to increase their energy efficiency, implement climate protection and sustainability measures, and ultimately reduce CO₂ emissions. The Renningen site supports biodiversity with a flower meadow sponsorship.

At our Shanghai plant, the first photovoltaic system was commissioned in 2022. It generates around 900-megawatt hours of electricity per year. This electricity is fed directly into the plant and used to operate the machines or for room and hall lighting. Additional photovoltaic projects intended to serve as an alternative to purchasing electricity from the national energy mix are currently being evaluated.

Natural gas and district heating cover about one-third of the total energy needs of the Eberspächer plants and are mainly used to heat the production and administration buildings. Compared with the previous year, consumption required for heating fell by 13 percent – a success that is attributable to the optimization measures implemented in recent years.

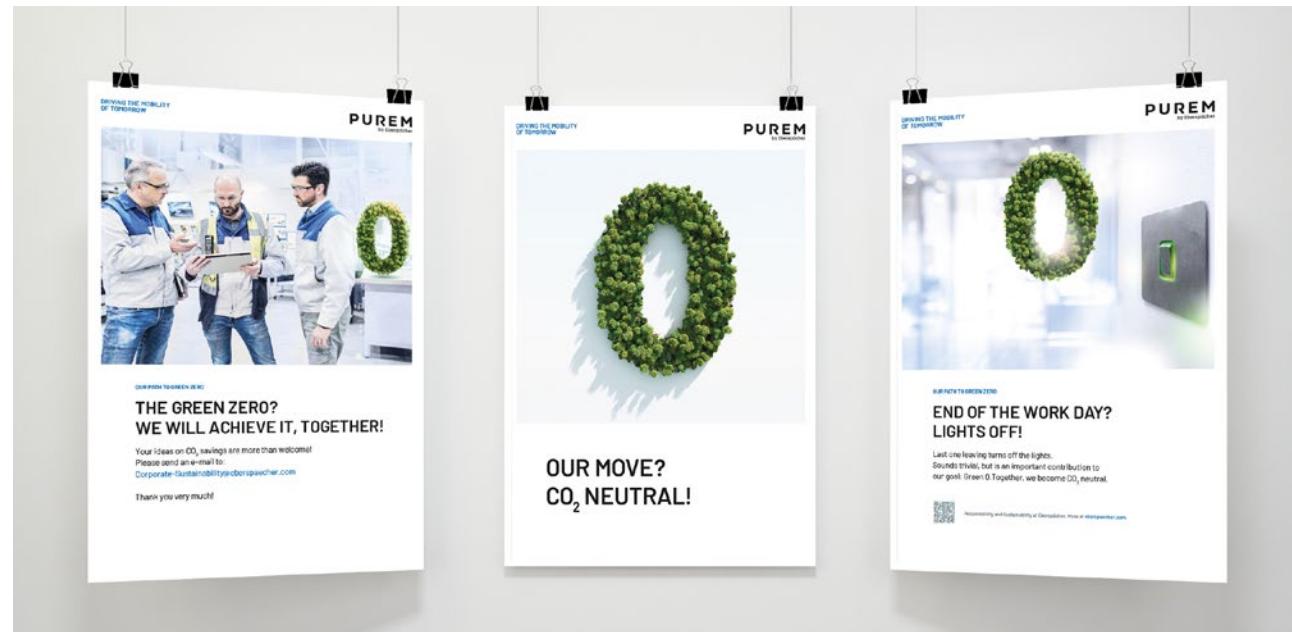
Eberspächer participates in the CDP* (formerly: Carbon Disclosure Project) and has been able to significantly improve its score over the last two years. For the 2022 Climate Change Questionnaire, Eberspächer once again confirmed its B score.

* The CDP is a non-profit organization that operates a global disclosure system for companies, cities, states, and regions. The CDP creates transparency regarding environmental impacts – and helps us manage them as a company. The global business community considers CDP the gold standard of environmental reporting.

ENERGIEVERBRAUCH UND CARBON FOOTPRINT

In 2022, "Green Zero" served as the company-wide motto: In this awareness campaign, all employees were able to make a contribution to the set organizational goal of CO₂-neutral production by 2030. This specifically raised awareness of sustainability and climate protection. Numerous CO₂ reduction ideas from employees were also collected.

THE DESIGN OF CLEAN AND QUIET MOBILITY IS ANCHORED IN OUR CORPORATE MOVE STRATEGY.



WATER

At Eberspächer, water is not required as a direct resource for production processes. The proportion of sanitary water in the overall water consumption is over 90 percent. The low volumes of wastewater from cooling and cleaning processes are fed away neither directly nor indirectly, but disposed of completely as waste by certified contract partners.

WASTE

The amount of waste created at all Eberspächer sites is recorded and separated into non-hazardous and hazardous types. The volume of hazardous waste generated in 2022 was on par with the previous year. Non-hazardous waste generation improved by eight percent. Compared to the 2019 baseline, the volume of non-hazardous waste was reduced by 30 percent. Hazardous waste decreased by 22 percent.

Table 5: Hazardous and non-hazardous waste

IN T	2022	2021*	2020	2019
Non-hazardous waste	10,300	11,140	11,035	14,727
Hazardous waste	1,009	1,001	784	1,289

* Values updated, recalculation after receipt of all invoices.





**SHAPING
CLEAN
MOBILITY**

INNOVATION

Eberspächer is shaping the clean and quiet mobility of tomorrow – today.

With their developments, all Divisions of the Eberspächer Group contribute to Clean Mobility. Research and development have always been a top priority. As an exhaust and acoustic specialist, Purem by Eberspächer stands for innovative exhaust gas aftertreatment systems for emission reduction.

In addition to conventional drive technologies, Eberspächer is also active in other promising future fields related to the transformation process of the automotive industry – take hydrogen technology, for example. For electrified or hybrid vehicles, the product portfolio includes efficient thermal management solutions and on-board electronic components that are relevant to safety

For 2025, our goal is to generate 50 percent of our net sales independently of the combustion engine.

Table 6: Overview of R&D expenses as well as patent or utility patent applications filed

	2022	2021	2020	2019
Research and Development expenses in € million	51.6	43.9	32.0	159.7
Patent or utility patent applications filed (number)*	93	95	67	83

*Foreign late registrations not included.

In total, Eberspächer holds 3,802 active applications and granted patents worldwide.



PRODUCT DEVELOPMENT

The automotive industry is changing at a rapid pace. Using modern development and production methods, Eberspächer can keep up with growing customer requirements.

All the processes of the company are becoming increasingly digitized. In the area of Research & Development, vPPD (virtual Product and Process Development), simultaneous engineering, and other virtual development and simulation methods are being used. Test procedures and cycles are increasingly being carried out virtually.

Appropriate simulation and calculation software programs allow reliable tests without the use of real components. Entry into production with real parts and components can take place later in the product creation cycle. This minimizes the use of resources for the production of prototypes and test series in a sustainable way.

PRODUCT INNOVATIONS

EFFICIENT EXHAUST GAS AFTERTREATMENT SYSTEMS

The **Purem by Eberspächer Division** is the Group of Companies' exhaust emission conversion and acoustics specialist. The Division's research and development activities focus on advanced exhaust aftertreatment systems for passenger cars and commercial vehicles.

All predevelopment activities contribute to fulfilling worldwide emission legislations such as Euro 7 and other global legislation. Development activities primarily involve new components for Diesel Engines and, where appropriate, for Otto Engines. They ensure that the exhaust system heats up to operating temperature more quickly – and keeps it constant. In this way, the potential of the cold-start phase – in which a large proportion of pollutant emissions occur – can be leveraged.

RESOURCE-SAVING BATTERY MANAGEMENT SYSTEMS

Current research in the **Automotive Controls Division** is focusing on battery management systems (BMS) for 12 V lithium-ion batteries. These ensure CO₂ reduction in several vehicle series and are a new, promising product area for Eberspächer. Various orders within a manufacturer group make development more efficient: Identical parts can be created, thereby conserving resources. Another integral part of the development work comes in the form of "Smart Switches" – electronic components that regulate the power supply in electrically driven and autonomous vehicles. Even in emergency situations, these ensure functions that are relevant to safety.

THERMAL MANAGEMENT SOLUTIONS: SUSTAINABLE AND EFFICIENT

Research and development within the **Climate Control Systems Division** primarily take place directly at the sites where the individual product groups originated.

For the **Fuel Operated Heaters Business Unit**, the focus in 2022 was on developing a range extender for hybrid vehicles. Various concept analyses involving the integration of an air or water heater identified the positive effects of our fuel operated heaters on the vehicles' electric range. The devices thus contribute to sustainability and comfort.

PRODUCT INNOVATIONS

The **Electrical Heaters Business Unit** focuses on sustainable mobility. The specialists in Herxheim develop and produce electrical heaters specifically for electric and hybrid vehicles. In addition to providing comfort for the passenger compartment, these make an important contribution to the vehicle itself by protecting the traction battery in cold weather. The latest generation of high-voltage coolant heaters in two output levels in 400 V PTC technology is more compact and lighter than its predecessors – and, therefore, even more efficient.

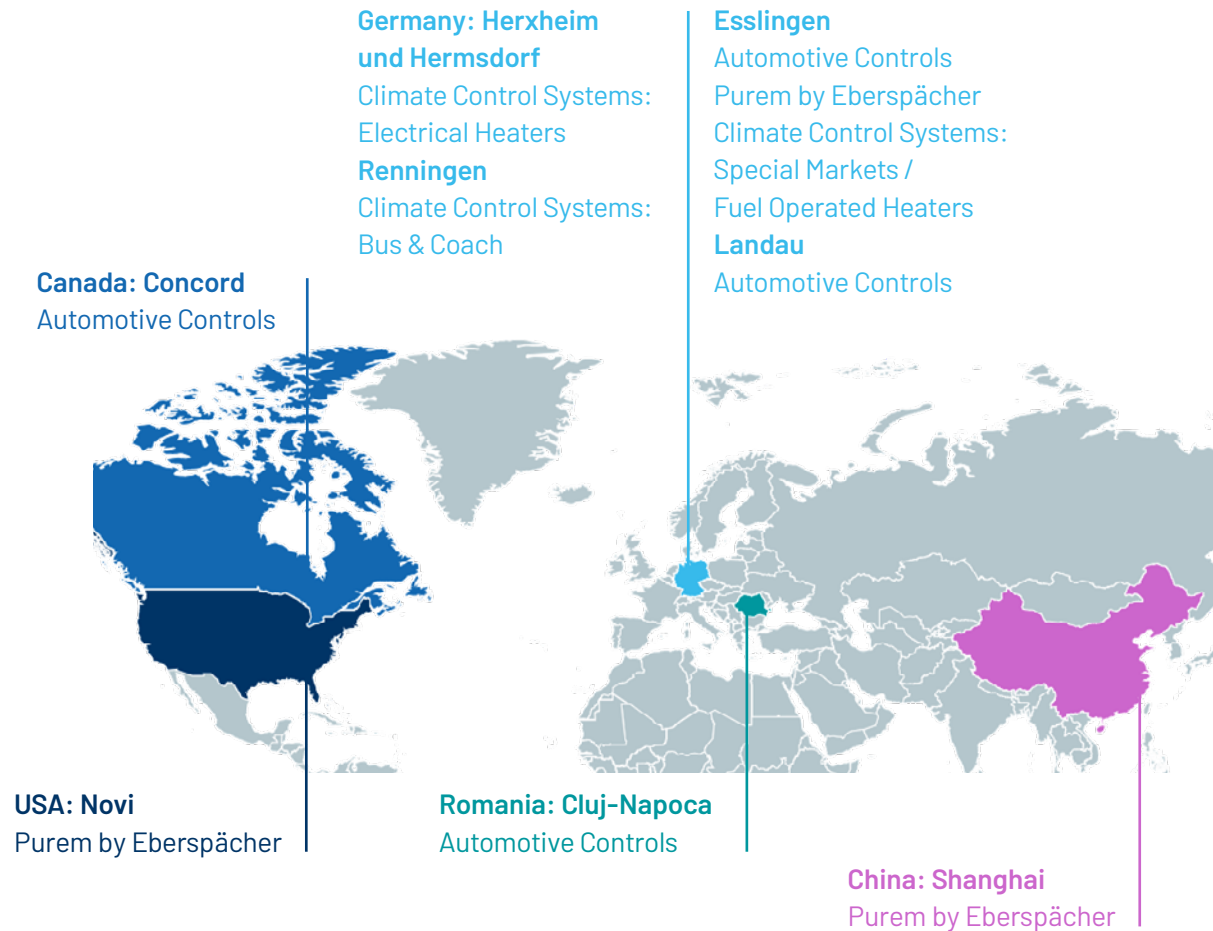
In the **Special Markets Business Unit**, specialists are working not only on concepts for clean and comfortable mobility, but also on solutions for greater self-sufficiency in energy supply. Consisting of Power Units, a Smart Hub, and the Eberspächer e-connected app, the Xellstor energy management system ensures a sustainable and self-sufficient power supply. The system provides electrical energy in motor homes, workshop vans, or ambulances independently of the power grid and can, for example, be charged by solar energy.

With the introduction of fuel heaters for hydrogenated vegetable oils (HVOs), NO_x, CO₂ and particulate emissions can be reduced. In EMVs (electric mini vehicles), electrified thermal management solutions facilitate emission-free and sustainable operation in all weather conditions. With efficiency as the focus, new maturity levels of Battery Thermal Management Systems went into serial operation for EMVs and the construction segment.



PRODUCT INNOVATIONS

For the **Bus & Coach Business Unit**, the target set for 2022 was to drive forward the eco-efficiency of air conditioning systems and reduce their greenhouse potential in terms of the refrigerants used. In this context, the maturity level of the heat pumps, which are operated with the natural refrigerant R744, was significantly increased and prepared for market launch. The heat pumps' forward-looking conceptual revision guarantees the sustainability of this platform. The development of a Thermal Management Station (TMS) also makes an important contribution in this respect. It provides energy on the bus as required and transfers waste heat. Whether fully electric, hybrid, or hydrogen-powered: By increasing efficiency and reducing emissions, our systems meet the high ecological requirements and contribute to clean mobility.



HYDROGEN TECHNOLOGY

As a climate-friendly energy carrier, hydrogen contributes to the decarbonization of industry and transport. With hydrogen solutions for mobile and stationary applications, Eberspächer is living up to its role as a technological pioneer and contributing to climate protection.

COMPONENTS FOR OPTIMIZED FUEL CELL SYSTEMS

For fuel cell systems, Eberspächer offers an innovative portfolio of Balance of Plant solutions, as well as exhaust air systems. **Eberspächer Vairex's** core competence is air compressors – a key component for fuel cell performance. The high-performance products help optimize systems in terms of efficiency and service life. **Purem by Eberspächer** is transferring its expertise from exhaust technology to the field of fuel cell applications. For example, valves, catalytic converters, water separators, or acoustic solutions are being developed.

For Purem by Eberspächer, having an openness to technology is a key factor when it comes to transformation of the automotive industry. Alternative drive technologies are the focus of our research. With respect to the hydrogen engine, the exhaust and acoustics specialist is working intensively with the Karlsruhe Institute of Technology (KIT), Allianz Wasserstoffmotor e.V., and more.

We see it as our mission to actively help shape the framework conditions for hydrogen use and to keep the development period for a robust exhaust gas after-treatment system as short as possible.

Eberspächer is also involved in other consortia and committees in order to be close to developments relating to hydrogen in the industry and mobility sectors. One example of this is Hydrogen Europe, a pan-European hydrogen association.

INNOVATION MANAGEMENT AND NEW BUSINESS AREAS

Eberspächer pursues steadfast innovation management. Targeted investments in the company's own development centers – not to mention the advancement of standards, processes, methods, and basic research – are all components of this management process.

The systematic setup of new business areas is just as important to Eberspächer as refining existing Business Units and the product portfolio.

Next Shed by Eberspächer is the venture client unit of the Group of Companies. Eberspächer thus acts as an early customer for startups with promising solutions. We rely on sustainable partnerships at eye level and bundled expertise to drive forward business ideas in a future-oriented, scalable manner. For startups, Eberspächer offers support on the path to accelerated market maturity, as solutions can be tested early on in real-life situations and demonstrated on the market. In a volatile environment, we offer valuable expertise, give access to an extensive network and the chance for sustainable growth.

Next Shed's activities are aligned around four focus areas:

THERMAL
COMFORT FOR
MOBILE USE

SECONDARY
ENERGY SUPPLY

TEMPERATURE
SENSITIVE SUPPLY
CHAINS

DIGITALIZATION
AND
CONNECTIVITY





**ASSUME
RESPONSIBILITY FOR
EMPLOYEES AND SOCIETY**

PEOPLE

We actively take responsibility for both Eberspächer employees and society at large.

Eberspächer is bonded by strong values. They are the basis of our corporate culture, which fosters diverse perspectives, cultures, and ways of thinking – and in which each individual makes a contribution. Likewise, Eberspächer supports social and sustainable projects and thus assumes responsibility for society and the environment.

MANAGEMENT APPROACH AND PERSONNEL POLICY

OUR VALUES

In a culture based on respect, Eberspächer does not tolerate any discrimination but instead promotes diversity and equal opportunities. For us, compliance with labor law requirements and appropriate remuneration of our Dedicated People are a matter of course. Eberspächer respects the lawful representation of its employees'

interests and strictly rejects corruption and any form of forced or child labor. As a globally active company, Eberspächer is committed to upholding human rights and fair working conditions.

TRUST

We have a positive attitude and rely on the motivation and honesty of each individual.



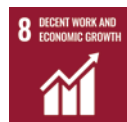
RESPECT

We believe in and value each other and treat each other with respect.



TOLERANCE

We respect the opinions and views of others, even if they are different from our own.



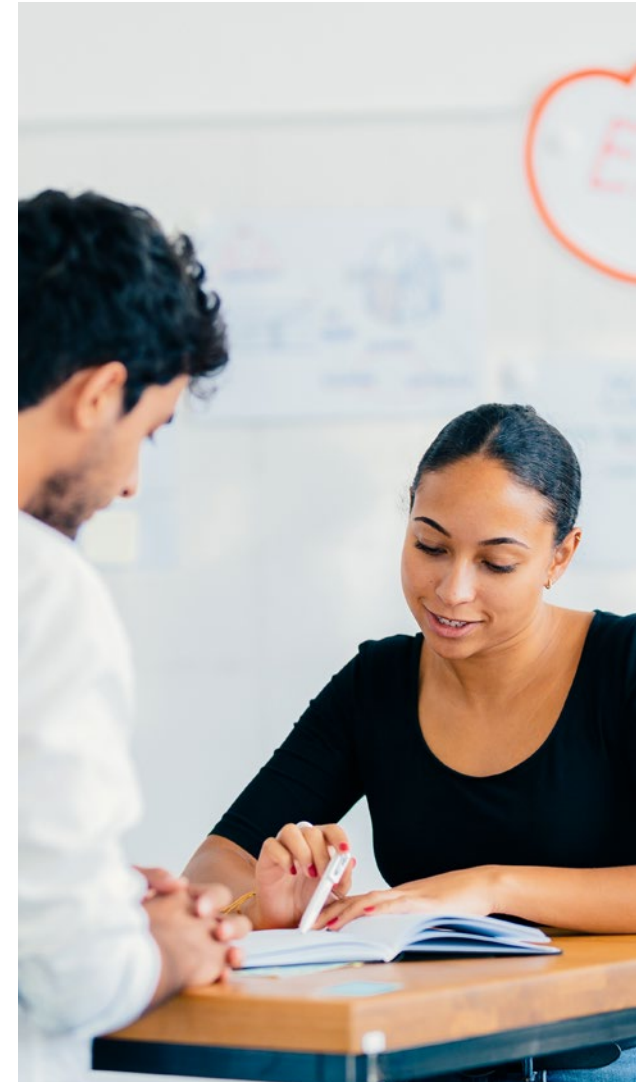
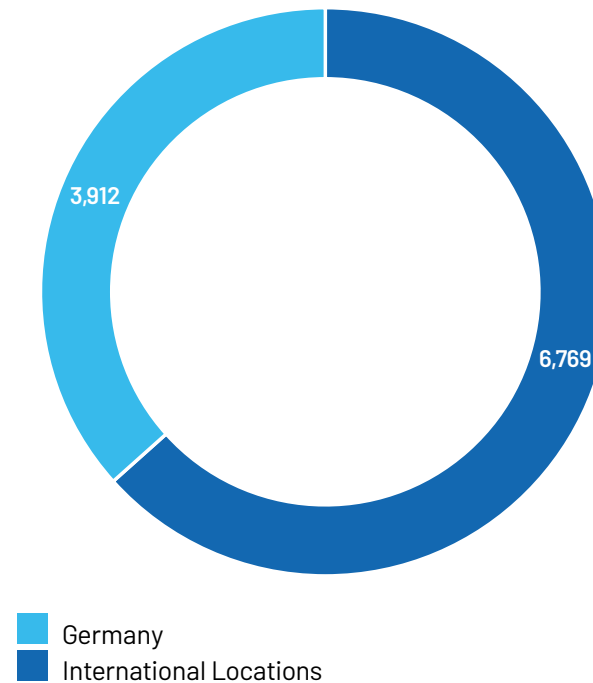
DEDICATED PEOPLE

Our key employment figures emphasize the international corporate culture and global presence of the Eberspächer Group.

10,681 employees (including apprentices) were employed at Eberspächer in the 2022 fiscal year – 3,912 of them in Germany and 6,769 at our international sites. At its Esslingen headquarters for example, employees from around 40 different nations successfully work together.

Over 7,100 employees are assigned to the Purem by Eberspächer Division, almost 3,000 to the Climate Controls Systems Division, 420 to the Automotive Controls Division, and 160 to the Corporate Center.

Diagram 1: 10,681 employees worldwide



DIVERSITY MANAGEMENT

The diversity of different perspectives, cultures, and ways of thinking drives our innovative entrepreneurial power. We regard the personal and individual differences of our employees as enrichment at all levels.

The “Speak Up” whistleblowing tool enables possible discrimination cases to be reported and ensures any such violations are processed. To do justice to the different dimensions involved in diversity, Eberspächer has established a wide range of measures to sign the Charta der Vielfalt (Charter of Diversity).



As part of our global business, we work successfully with people from different countries and cultures, irrespective of ethnic, national and social origin, gender, color, age, language, disability, religious, political or other opinion, or sexual identity. We value diversity. We do not tolerate discrimination or harassment based on the aforementioned.



Table 7: Employee overview

	2022	2021	2020
Ø Employees	10,681	10,600	9,902
Number of women in entire workforce	29%	27%	26%
Number of men in entire workforce	71%	73%	74%
Number of women in management positions	18%	16%	15%
Number of men in management positions	82%	84%	85%
Average age	41 years	42 years	42 years
Severely disabled quota	2.3%	2.5%	2.0%
Ø Seniority	8 years	9 years	9 years

PROMOTE DIVERSITY

GENDER

Eberspächer is in favor of supporting mixed teams and equal opportunities between all genders. The approach to hiring, promotions, and remuneration is always based on qualifications and performance assessment. For our management levels, we strive for gender parity because different degrees of experience and expertise yield more versatile approaches.

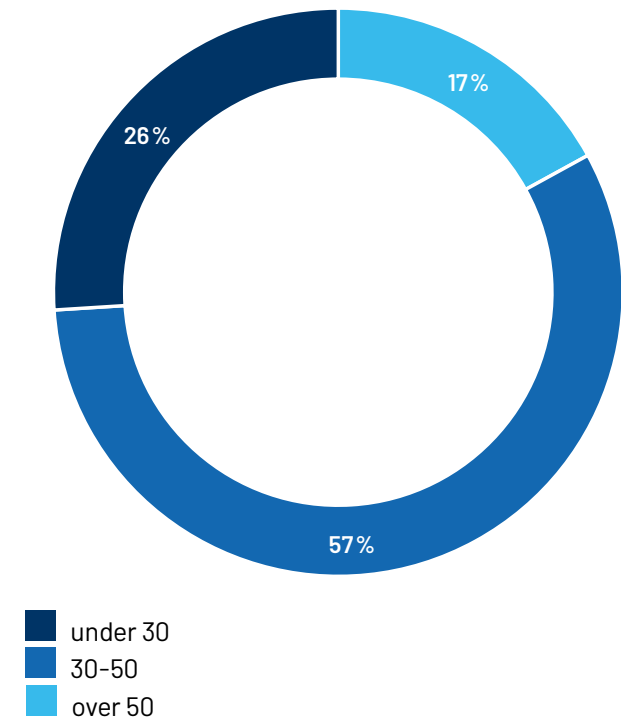
Since 2020, the Eberspächer Women's Network has been committed to the personal and professional development of women at Eberspächer. Consisting of around 120 female colleagues, the network offers not only women but all employees the opportunity to network within and outside the company. In 2022, the network became more present: Online events are now held twice a month for all German locations. The formats convey insights from women in leadership positions, information on personal development and further education, or tips for everyday professional life.

GENERATIONS

Just as different genders and cultures have a valuable influence on our business activities, Eberspächer values the experience and perspectives of different generations. It is therefore important to us to offer employees an ideal working environment, right up to retirement. Thanks to preventive measures such as health courses, as well as check-ups and ergonomics consultations, working life – whether in production or in the office – is supported until retirement.

Flexible work models such as mobile working, part-time work, and partial retirement contribute to age-appropriate employment. These opportunities create room for individual health care, to care for relatives, and to harmonize family and career – a traditionally important concern for us as a family business. This is underscored by the company's own daycare center at the Esslingen site.

Diagram 2: Age structure employees Eberspächer Group



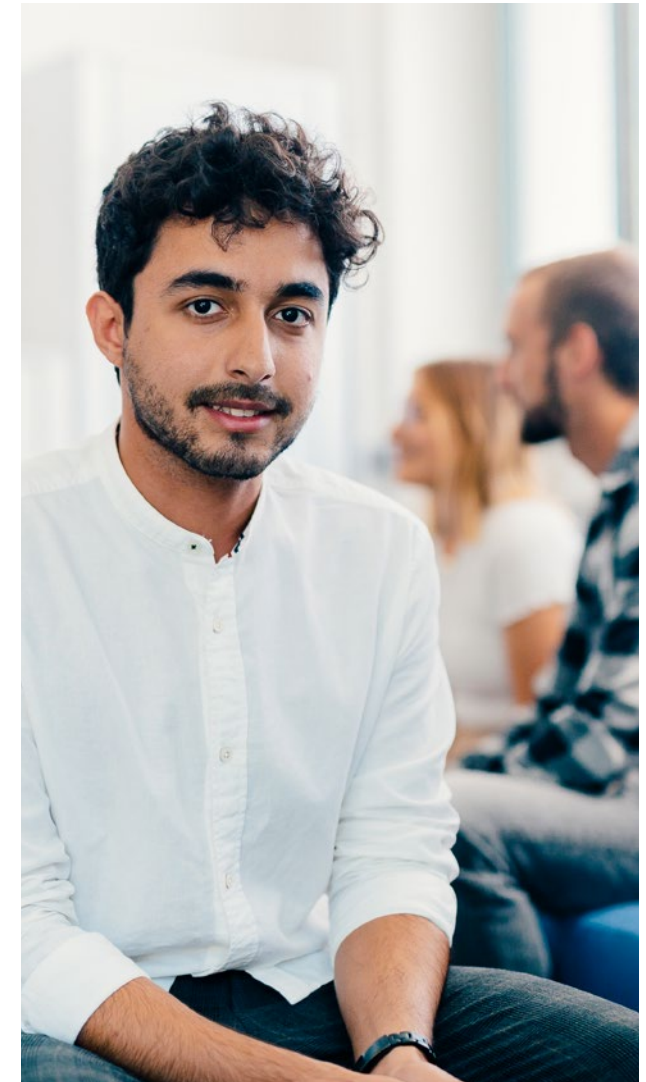
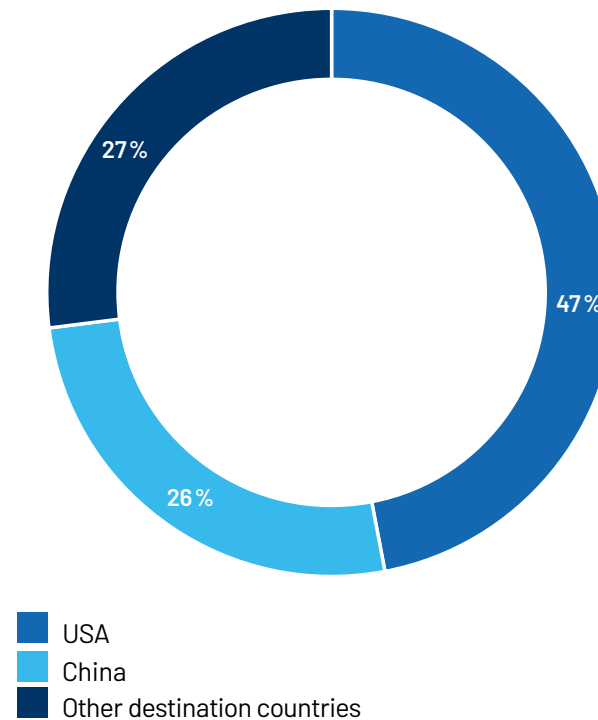
PROMOTE DIVERSITY

INTERCULTURALITY

Each and every day, interculturality enriches Eberspächer as a company: Around 10,700 employees in 30 countries and at 80 locations form a lively mix of cultures and ways of life. Linguistic and cultural diversity broadens our horizons and represents a decisive competitive factor for Eberspächer in that it helps to open up new markets.

Eberspächer supports exchange between its sites as well as intercultural skills through global teams, cultural training, language courses, and global personnel assignments. The international deployment of assignees, which lasts four months to five years, is carried out within the framework of a company-wide Global Mobility guideline. Assignments are based on development details or company decisions. In 2022, around 20 assignees from four nations were on international assignment – under the influence of restrictions that were in place due to the Covid-19 pandemic. There are also assignments between third countries where Germany is neither the home nor the host country.

Diagram 3: Destination countries assignees from Germany



TRAINING AND DEVELOPMENT

Eberspächer demands and promotes solid training and continuous education. It is the basis for our corporate success.

Regular feedback and development meetings serve to develop talent and underscore the environment of open exchange at Eberspächer. In addition to specific programs to develop and expand technical, methodological, and process skills, the focus is on personal development. We aim to fill 70 percent of management positions internally by 2030.

The “Eberspächer Learning World” (a digital learning management system) and the “World of Competence” (the training administration tool used by the Purem by Eberspächer Division) are available to carry out targeted further training. The “Eberspächer Learning World” can be used by almost all locations in Germany. Digital training was further expanded in 2022, particularly with on demand courses that enable learning independent of time and location. With the newly introduced language learning app Speexx, employees can currently expand their vocabulary in five languages. Almost ten percent of employees used this service in 2022.

In order to help identify new employees within the company from the outset, Eberspächer developed a globally active digital onboarding e-learning program last year. It will be rolled out in 2023. Local onboarding events complement this type of sustainable knowledge transfer. About 100 new hires participated in the German onboarding days in 2022.

The “CARL” competency model launched in 2021 was increasingly integrated into existing tools and training sessions in 2022. It is also used in “DRIVE,” the leadership initiative for the Climate Control Systems and Automotive Controls Divisions as well as the Corporate Center.



CARL:

Collaboration

Adaptability

Results orientation

Living our values

● Core competencies ● Hierarchical level ● Functional competencies

TRAINING AND DEVELOPMENT

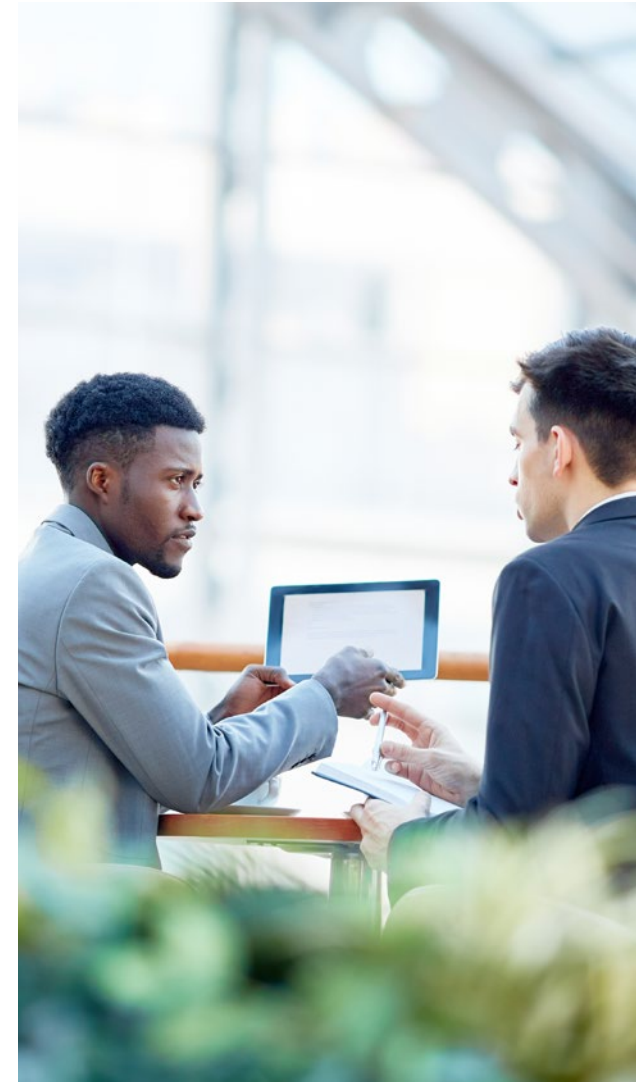
The global leadership program “Leads!” continued in 2022 with regularity. In 2022, a total of 149 executives took part in 13 seminars. The first Development Center was held in the US as part of the program. In addition to courses from the “Eberspächer Learning World”, the program was rounded out with support options for digital transformation, training sessions for cross-team collaboration, and moderation at internal strategy workshops.

With its training program, Eberspächer helps to promote talent at an early stage. A wide range of industrial and commercial apprenticeships as well as dual courses of study in the worlds of technical and business administration provide an introduction to working life. In 2022, almost 230 young people could be trained in Germany and abroad.

The new training workshop, “Heinrich Baumann Talentschmiede”, was opened at the Neunkirchen plant in March 2022. It gives participants direct proximity to our products and processes, offering our young talents state-of-the-art technical equipment and great scope for development. “Junior Company” is the name of another new training project at the Esslingen and Neunkirchen sites. It allows junior employees to work together on projects in the area of sustainability – and thus contribute to the company-wide strategy.

Numerous awards confirm the excellent training on offer: Young Eberspächer talents received awards for their achievements in 2022. Eberspächer also received an award as a training company.

Furthermore, as in the previous year, Eberspächer was again able to offer a large number of working student positions and internships. The “Young Talents@Eberspächer” contact and retention program for retaining former trainees and students was stepped up. Numerous individuals have thus made a successful re-entry into the company.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

The overriding goal of occupational health and safety management at Eberspächer is to prevent accidents and work-related illnesses.

A Group-wide HSE (Health, Safety, and Environment) management system and certification to the ISO 45001 standard ensure this. The total number of successfully certified sites increased to 16 in 2022.

To ensure resource-saving and environmentally friendly corporate activities as well as safe working conditions, local sites are supported by experts. Two established HSE roles coordinate company-wide activities. This enables cross-linking among experts, mutual learning as well as the creation of uniform standards based on best practices.

“Safety first, quality always” – this is the guideline that all Eberspächer employees internalize from day one. The reduction of absenteeism and accident tallies is the key measure for the overriding preventive approach to occupational health and safety. We contribute to this with various safety precautions, such as on-site inspections. This has proved successful: In 2022, the accident frequency was significantly improved.

Despite the restrictions imposed by the ongoing Covid-19 pandemic, employees had a wide range of preventive health options to choose from. In Germany, 14 virtual seminars involved sports activities and addressed the topics of sleep and mindfulness in everyday working life. In the second half of the year, some of the courses were resumed in person.

Vision tests, ergonomics and nutrition workshops, and a company reintegration management program rounded off the available preventive health options. The range of social counseling services offered by the company was also broadened.

Table 8: Number of certified sites in accordance with ISO 45001 / OHSAS 18001 and overview of occupational accidents

	2022	2021	2020	2019
Occupational and health management systems in accordance with ISO 45001 / OHSAS 18001	16	15	13	10
Accidents with downtime	89	101	90	144
Accident frequency rate [accidents/h worked x 1 million]	4,8	5,5	5	7,2

DIALOGUE WITH EMPLOYEES

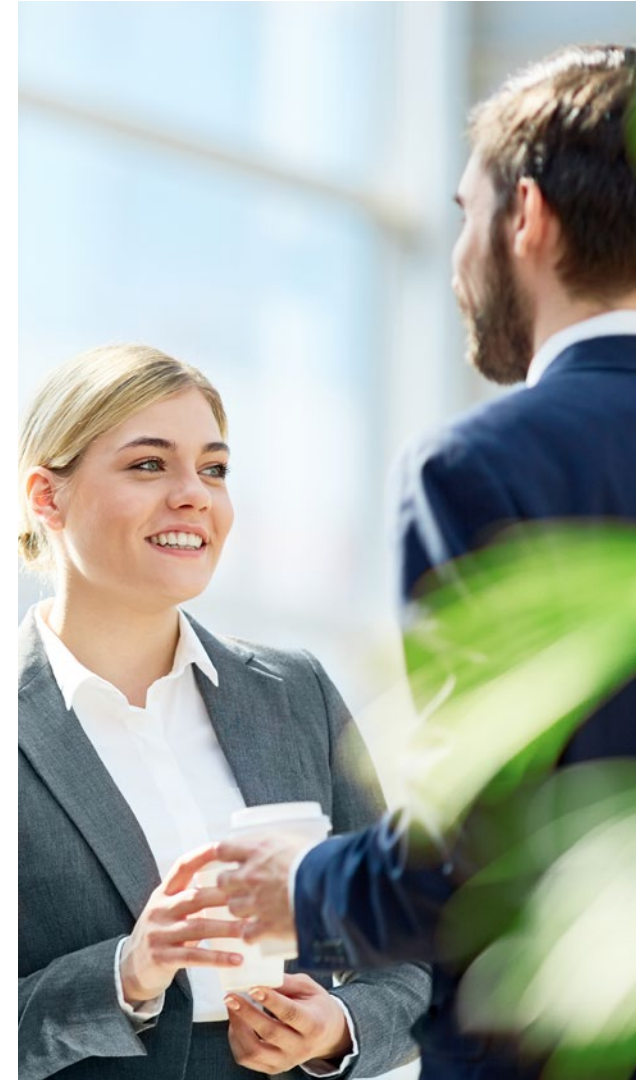
Transparency and open dialog in all directions are part of Eberspächer's corporate culture. Feedback is, therefore, a crucial management and evaluation tool.

The "Employee Pulse Check" survey was again used in 2022 to determine employee sentiment around the world. All Eberspächer Group employees were able to participate. In addition, ratings on employer platforms such as Kununu or Glassdoor are an indicator of optimization potential. Fortunately, these rankings were once again significantly improved compared to the previous year. This is also supported by various awards Eberspächer received for being an attractive employer.

At the individual level, the "Performance and Development Appraisal" serves as a feedback instrument. The bilateral discussion between manager and employee is used for the annual performance and competency assessment, the definition of target agreements, and a personal development plan.

For fast and dialog-oriented internal communication, Eberspächer has been using the new global Intranet platform "EBinside" since the end of 2021. It can be accessed by employees worldwide via desktop and app. They can actively contribute to the communication culture through reactions and comments, participation in short surveys, or their own posts in the community.

Podcast and video formats make strategic decisions transparent and executives accessible. The "Team E" employee magazine also plays an important role in internal communications. Three times a year, it provides information in eight languages about what is happening in the company. It offers the opportunity to understand backgrounds and get to know employees from other areas. Further insights are provided by formats such as the "Management in Dialogue" series held on-site with members of the management team, and the digital "Lunch and Learn" event.



SOCIAL RESPONSIBILITY

As part of the defined sustainability areas of activity, we promote the social sector as well as activities in the areas of science, education, sports, art, and culture.

We feel particularly committed to improving the living conditions of the people at our sites. The local relevance of our corporate social responsibility activities is therefore highly important to Eberspächer. Our social engagement initiatives are based on three pillars:

ASSUMING RESPONSIBILITY TOGETHER

Together, we stand by our global responsibility. We support and empower our employees to act in the interests of society and the common good.

FOR OUR SITES

We feel particularly committed to improve the living conditions of the people at our sites. That is why we attach particular value to social engagement at the local level.

WORLDWIDE

A global presence means global responsibility. Within the scope of our possibilities, we contribute to promoting social and ecological progress worldwide.

It is important to Eberspächer that employees promote social responsibility. We therefore support them in making an individual contribution to this cause. The "Helping Hands" initiative is based on this idea. With Eberspächer providing financial support to volunteers, its objective is to strengthen the social engagement of employees at the sites. The initiative was continued in 2022, sponsoring ten volunteer efforts by our Dedicated People.

Eberspächer supports social projects with further donations and sponsoring activities. The individual sites coordinate and implement measures directly where they are to meet specific local needs. The criteria and associated internal processes are defined as part of a company-wide guideline.

For many years now, support for the Lamani Primary School in South Africa has been one of the flagship projects for social engagement. The South African site supports this with financial resources and is committed to the children's education.

In Oradea, Romania, the focus is on environmental protection. Waste collection and tree planting campaigns are regularly held together with other local companies. Our own children's holiday program "EberCamp" teaches children and adolescents about environmental protection and strengthens their personal development.

We are driven by the conviction that corporate citizenship initiatives make an important contribution to society. Eberspächer is proud of the commitment of its employees.

RESPONSIBLE SOURCING

When purchasing production materials, Eberspächer ensures that materials used in our products come from checked and approved sources. In this context, we take responsibility for protecting human rights.

CONFLICT MINERALS

Eberspächer maintains close communication with its suppliers to ensure responsible procurement in the supply chain. Conflict-driven mining activities are unacceptable to us. This applies, above all, to avoiding support for the conflict minerals tin, tantalum, tungsten and gold (3TG) from the Democratic Republic of Congo (DRC) and neighboring countries. Profit from mining, trading, and selling the 3TGs can contribute directly or indirectly to financing and aiding armed groups. The Conflict Minerals Reporting Template (CMRT) for direct suppliers ensures transparency in the supply chain. It is used to retrieve comprehensive information on smelters in the respective used materials' country of origin. Our goal is to avoid sourcing materials from regions where direct or indirect financing of armed groups and human rights violations are common. Eberspächer underscores this commitment in its „Conflict Mineral Policy“.

ECOLOGICAL RESPONSIBILITY IN THE SUPPLY CHAIN

Energy-intensive industries represent the biggest lever for optimizing Scope 3 emissions – especially steel manufacturers. Through a regular exchange, Eberspächer analyzes the ecological footprint of steel producers, as well as their strategy and roadmap for “green steel.”

A key criterion is the reduction of CO₂ emissions per ton of steel. This can be positively influenced through the use of green energy and a high recycling rate. We attach great importance to transparency in our cooperation with our strategic partners.

In addition to the opportunities for reducing CO₂ in the material group of steel, Eberspächer analyzes further potential in cooperation with selected business partners. We are in regular contact with our globally active logistics partners to improve the carbon footprint resulting from transport and traffic. Together, we define and implement starting points for optimizing Scope 3 emissions across the entire supply chain.

SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

The Eberspächer company bases its actions on globally applicable standards. In 2022, we prepared intensively for the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, or LkSG). As a first step, the requirements of the LkSG and other requirements relating to sustainability and environmental and climate protection were incorporated into the Business Partner Code of Conduct. First, we analyzed and assessed the country- and sector-specific risks in our supply chains. The next step is to determine the concrete, supplier-specific risk exposure and derive appropriate measures. To monitor the supply chain, we also introduced an AI-based software tool that allows us to record violations and monitor risks.

An elementary requirement of the LkSG is the regulation of responsibilities for human rights and environmental aspects within the company itself and for the supply chain. The resulting new tasks have been defined, and the role of the Eberspächer Compliance Committee has been strengthened.

NOTE ON REPORTING

This report informs stakeholders of the objectives, performance, and contributions of the Eberspächer Group in relation to the sustainability of its economic activities in 2022. The present report was created on the basis of the guidelines of the Global Reporting Initiative (GRI) – Core Option. No external audit was carried out or confirmation obtained.

The data and information presented were collected and consolidated in collaboration with the relevant departments. The figures presented are rounded.

In the interests of the flow of the text, we have used masculine forms, but these of course include persons of any gender.

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WE ARE EBERSPÄCHER:





A THANK YOU TO THE EMPLOYEES

Commitment and reliability characterize our employees. Their engagement and expertise drive Eberspächer forward and strengthen the company in times of transformation. These loyal, hard-working employees embody our MOVE strategy. For this, we thank them.