

# BOS GROUP SUSTAINABILITY REPORT 2022



**focused on** customer  
– driven by **innovations**

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***"We need to make changes if we are to reduce the impact we are causing on our single planet."***

### Sustainability in the BOS Group

In the course of 2022, we (BOS) have started to strengthen our sustainability activities and have planned to create a separate department for this.

The entity created specifically for this purpose at BOS, will in future consider the sustainability of the Group along the entire value chain and - as the sum of its many components - analyze it globally and coordinate all further measures. It is the common task of all employees at BOS to permanently increase sustainability.

Sustainability is not a new topic at BOS. For many years, we have been dealing globally at all locations with the topic of recycling, among other things, in the sense of a sustainable circular economy. The use of sustainable materials, re-localization in the supply chain, the use of recyclates in injection moulding, are already underway at BOS.

Photovoltaics at some of our sites and the use of LED lighting are being implemented at BOS. At the same time, we are ensuring energy efficiency in mobility with lightweight construction of our products.

In the course of the current four megatrends "digitalization", "deglobalisation", "demographic change" and "decarbonisation", sustainability has once again gained in importance. The world is changing disruptively. Not only natural disasters are accumulating at an alarming scale and pace, providing evidence of climate change. Political crises and wars are also shaking people around the world.



Therefore, everyone in their living environment, but especially industry, is called upon to do everything possible to slow down and, in the best case, stop this man-made development. And at the latest since the European Union proclaimed the "Green Deal" regarding climate neutrality by 2050 at the end of 2019 and the German Federal Government has brought this EU target forward to 2045, a "sustainable" rethinking has taken place in industry.

For us at BOS, the coming years must be about developing a sustainability culture worldwide in all dimensions of the company. This is a demand of our customers, of politics, of society, of our children but even more for our own good.

The foundations of this culture and goals for the near future include:

- Achieving climate neutrality by 2039 at the latest
- Expansion of renewable energies and reduction of energy consumption
- A binding roadmap for a more sustainable product portfolio
- Developing and reporting on the sustainability of our supply chain
- Implementation of the BOS Code of Conduct at all sites
- Promoting diversity and equal opportunities
- Reducing employee fluctuation
- Increasing health and safety in the workplace

This Sustainability Report 2022 is a first milestone of this initiative. It not only documents the outcome of our activities and measures in recent years, but also reflects our strategy and vehement commitment in terms of sustainability.

Marcel Lehmann  
Managing Director



**NORTH AMERICA**  
Rochester Hills, MI, USA  
Irapuato I & II, Mexico  
Guanajuato, Mexico

**GERMANY**  
Ostfildern, Germany  
Langenfeld, Germany  
Trusetal, Germany  
Leutkirch, Germany

**EUROPE**  
Mosonszolnok, Hungary  
Györladamer, Hungary  
Kláštrec, Czech Republic  
Arad, Romania  
Tychy, Poland  
Katowice, Poland

**ASIA**  
Taicang, China  
Shenyang, China  
Shanghai, China  
Tokyo, Japan  
Seoul, South Korea  
Phnom Penh, Cambodia

## The BOS-Group - Global Presence

BOS is one of the world's leading automotive suppliers for mechatronic and kinematic systems. We develop innovative products that set standards in comfort, safety, lightweight construction and energy efficiency.

All companies in the group are majority family-owned and we have a presence at 20 locations in 12 countries. With our sites in China and Mexico, we also have a strong presence in emerging markets. Eco Parts Ltd. in Cambodia is our only production site in a developing country.

Our headquarters in Ostfildern manages the Group's global business and is the headquarters of the Interior and Exterior Kinematics and Mechatronics and Panorama Roofs and Roof Modules divisions. The Upholstery and Trim division is located at the Langenfeld site, and the headquarters of Atera GmbH in Leutkirch manages the business of Atera Leisure Products and Exterior Carrier Systems.

Our core competence is the development of innovative and technically robust products and systems. Product solutions from most economic to high end continuously define the state of the art. The best product for every vehicle model is the declared goal of our engineers and creates the highest possible customer satisfaction.

We operate worldwide in niche markets where we are among the larger suppliers or market leaders.



## Sustainability Management

Sustainability has been given a structure! We want to develop holistically in a targeted manner - this includes a good foundation. Our vision illustrates our commitment to our customers; we are partners in achieving sustainability goals.

Our mission and strategy is to operate in the market as a long-term partner for our customers, but also as a consolidated employer for our employees. What we do should last - that's why we consider sustainability throughout the entire product development phase.

But what we do should also be done with the least negative impact on people and the environment, especially throughout our supply chain.

This includes environmental and climate protection in our own areas of responsibility as well as in upstream processes.

We derive our goals from our mission and are supported by the Sustainable Development Goals (SDGs), which originate from the United Nations and define sustainable development issues. They form a global and widely used framework for considering the economic, ecological and social aspects of sustainability.

### Vision

*Supporting mobility in a livable environment*

### Strategy

Commitment to sustainable and long-term oriented business. Sustainability at BOS means aligning product creation in all aspects to human and environmental friendliness, energy efficiency and climate protection, as well as high human values.

### Target

Visualization of the goals through the SDGs



## Sustainable Development Goals (SDG)

With the 2030 Agenda adopted in 2015, the United Nations initiated a comprehensive package of reforms that includes the 17 Sustainable Development Goals (SDGs).

In a multi-stage process, we identified five SDGs that map the key impacts of the BOS Group's business activities. By continuously improving our business practices, products and manufacturing processes, we aim to make a positive contribution to these goals while limiting negative impacts. These SDGs are integrated into our sustainability management, where they are addressed in the respective areas. We regularly review our goals and develop them further.



## Sustainability Goals

The global orientation of our Group creates proximity to our customers and an important advantage for our business. In order to remain a competent partner for our customers in all regions, we are continuously expanding our international production, development and supplier network.

We accept the responsibility of entrepreneurial trade and continue to strive to maintain and further develop the high standard in the area of social sustainability and working conditions. To this end, we must set and pursue global standards.

We strive to further reduce our energy consumption and thus also our CO2 emissions. Our sites worldwide are required to set and achieve annual targets for reducing environmental impact. In the long term, we are pursuing climate neutrality for all our business activities, at the latest by 2039 according to the current status.



Our concrete ecological targets provide for the following:

- by 2030: 30% CO2 reduction compared with the reference year 2018 - this means a constant annual reduction in CO2 emissions of at least 2.5%.
- by 2025: 100 % use of renewable energies at the sites - until then, the share of renewable energies is to be successively increased.
- annual reduction in the consumption of hazardous substances compared with the absolute figures for the previous year.
- annual positive trend in the reduction of waste volumes compared to the absolute figures of the previous year.

The targets in the ecological area are tracked via environmental management.

Furthermore, in the social area we have implemented an occupational health and safety management system in which we pursue defined goals that ensure the functionality of the system:

- Reduction of workplace accidents as well as accidents on the way to work and the related days lost.
- Continuous promotion of prevention in the area of safety and health at work
- Consultation and participation of employees on all relevant occupational safety and health issues.
- Identifying and assessing hazards in the various work areas.

Ensuring that the principles of workplace ergonomics and work design are followed

Consistent substitution of sources of hazards wherever possible in place of technical, organizational and personal measures.

The occupational health and safety management system has been introduced and certified at all manufacturing sites as well as at the headquarters of the BOS Group.

For years, our claim "focused on customer - driven by innovations" has been the guiding principle in our cooperation and orientation with our customers on three continents. In the main development centres of the automotive world, we are a direct and reliable contact partner with local development teams in Detroit, Stuttgart and Tokyo, among others. We speak to our customers in their local language and can respond directly and agilely to customer requirements with the appropriate cultural background and in-depth product know-how.

Our goal is to continue to develop the best products for our customers, including not only function and design but also the use of sustainable materials such as recycled materials and recycled raw materials. To achieve this, it will be necessary to continuously search the market for suitable materials and suppliers.

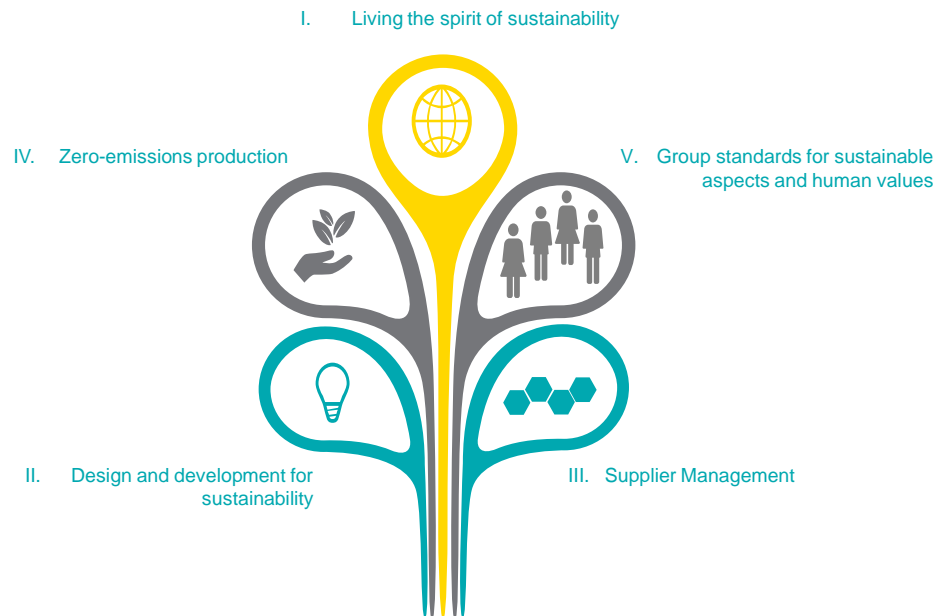
Our goal is to continuously reduce the footprint of our products over their entire life cycle, always keeping customer requirements in mind.

The majority of our footprint happens in our supply chain, we see this as a main focus for our actions. On a regular basis, we communicate our requirements and expectations as well as changes to our general terms and conditions to our suppliers and business partners. We expect them to comply with applicable laws and regulations as well.



## The fields of action

As a responsible company in society, we are committed to sustainable and long-term management. For our strategy and the achievement of our sustainability management goals, we have developed five so-called fields of action as well as an associated logo.



Sustainability at BOS means aligning product creation in all aspects with human and environmental friendliness, energy efficiency and climate protection, as well as high human values. This vision, objective and guideline is manifested in implementation programs in these five areas.

Our fields of action are structured according to the areas in which we see development potential and required activities in order to maintain BOS at a high standard and, above all, to develop it further. Our fields of action described:

### I Living the spirit of sustainability.

Establishing the vision, commitment and responsibility in the global workforce  
Commitment to ambitious goals to improve the business  
Integrating sustainability into everything we do and think



### II Design and development for sustainability

Use of recycled materials  
Use of renewable materials  
Minimizing the use of resources and materials



### III Supplier management for sustainability

Establishing the supplier selection, qualification and decision making  
Establishing the supply chain and supplier requirements



### IV Zero-emissions production for sustainability

Climate-neutral global production footprint by 2035  
Recycling of production and packaging materials  
Minimization of waste and scrap



### V Group standards for sustainable aspects and human values

BOS Code of Conduct  
Establishing the value requirements in the selection, qualification and decision-making



We believe that we can best achieve our goals with this structure of allocation.

Through a good global internal network and with the support of experts, champions and responsible employees, it will be possible to develop as a group and be the customer partner with whom you can achieve your goals.

## Materiality analysis

In order to understand the significance of sustainability aspects, it is necessary for companies to analyse the key points and thus identify focal points in their activities.

This analysis is carried out in workshops with managers from the relevant areas. From our point of view, the materiality analysis is a living tool for the evaluation of significant issues, therefore it has to be constantly reviewed and updated.

The analysis is carried out by looking at internal and external topics, also particularly within our supply chain. In the following case, the analysis was carried out with the involvement of supply chain management experts and thus allowed a holistic view of the impact of our business activities.

### The focus topics identified in the analysis with a high relevance

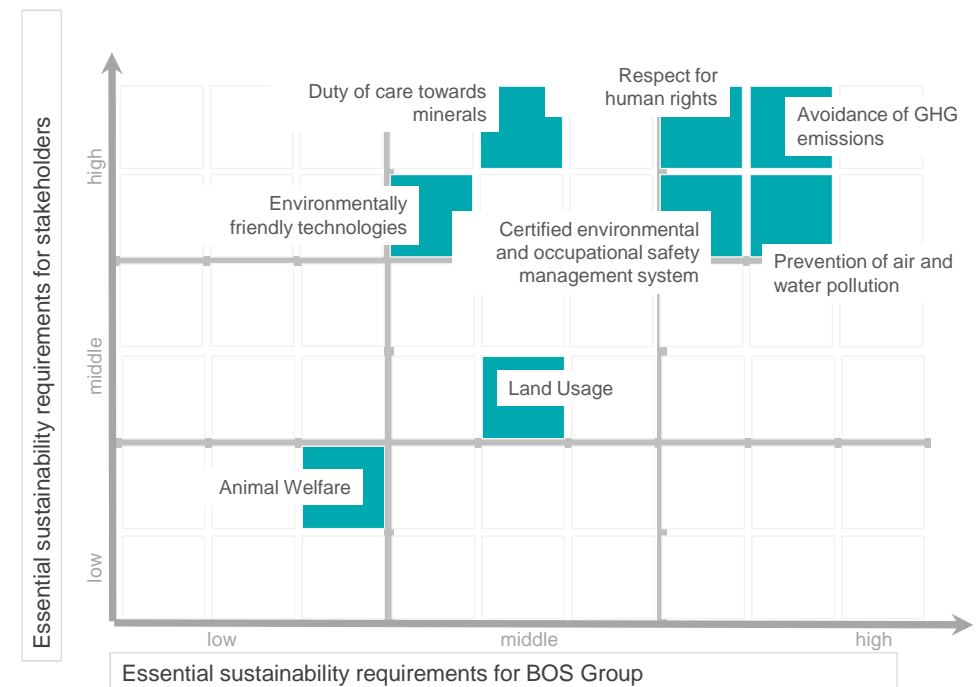
- Avoidance of greenhouse gas emissions (GHG emissions)
- Prevention of air and water pollution
- Certified environmental and occupational health and safety management system
- Respect for human rights and social issues
- Environmentally friendly technologies (production of primary products, own production)
- Due diligence on minerals from high-risk areas

Whilst topics with a medium or low relevance result are by no means insignificant, they are either not significantly addressed by stakeholders, or we as a company see only a small opportunity to exert influence.

In our context, land use refers to impacts in connection with the extraction of raw materials during the mining of metals; here, we increasingly rely on recycled materials from the material cycle.

In the area of animal welfare, we work exclusively with our customers' directed suppliers; the selection of suppliers takes place elsewhere and is borne by the customer. For this reason, we see only a very small possibility of influence here.

The materiality analysis visualized and illustrated:



## Company management

## Rights and working conditions

## Ethics

## Environment and Product

## Supply Chain



### Compliance

It is our aspiration to conduct all business in an ethically and legally impeccable manner, with the aim of manifesting a climate of mutual trust both towards our business partners and in our internal dealings. We see this as a central basis for long-term corporate success. The BOS Group is committed to respecting internationally recognized human rights. We also expect our business partners to respect human rights, in particular the UN Global Compact, and actively work towards compliance with and implementation of these principles along the value chain.

The BOS Group Code of Conduct has been translated into all BOS country languages and is available to every employee via the intranet or information board. In addition, every new employee receives the Code of Conduct together with their employment contract.

The main contents of the BOS Code of Conduct are humane working conditions, cooperation with business partners, in particular fair business conduct and avoidance of corruption as well as avoidance of conflicts of interest, handling of information and other assets, fairness and diversity, responsibility at the workplace as well as quality and environmental protection. The Code applies worldwide to all sites, for all cultures and value systems. The rules and procedures are constantly adapted to current requirements.

We regularly train our employees to raise awareness of impeccable behaviour. Our managers are required to ensure that their employees comply with the Code of Conduct both internally and externally. Any behaviour to the contrary will not be tolerated and may result in legal action.

Our recruitment processes are free from discrimination, not only for reasons of fairness to all population groups, but also because we seek the most professionally suitable person for each vacancy. We achieve this by recruiting in an open, diverse and equal manner.

All business partners, without exception, are required to familiarize themselves with our Code of Conduct for Suppliers and Service Providers, to commit to social responsibility and to comply with all applicable laws, in particular to avoid corruption. The "BOS Code of Conduct - Sustainability Standard for Suppliers" is a mandatory supplement to the existing purchasing conditions and is enclosed with the contracts. It becomes valid with the conclusion of the contract between the business partner and BOS.

In addition, regular audits are carried out to ensure compliance with signature regulations, purchasing specifications and hospitality guidelines.

### Quality

Quality in all work results is an essential building block for sustainable results. With an internationally certified quality management system in accordance with IATF 16949 and ISO 9001, we ensure the highest quality standards at all our locations worldwide. In order to be able to realize our "zero defect target", we work on the continuous improvement of our processes and work results. For this purpose, we use various internal systems such as the BOS Product Engineering Process (PEP+), the BOS Production System (BPS), Engineering Change Online (ECO) and the systematic problem solving process. Our products are developed in a partnership process together with the customer. Within the framework of this interaction, it is possible to develop a tailor-made product, individually according to customer requirements.



### Chance and Risk

Our risk assessment covers all internal and external events that could lead to negative deviations from original business plans for a given period. In the same process, opportunities are also assessed.

The assessment and documentation is carried out with the management in multidisciplinary teams on an annual basis with the involvement of all the locations.

The aim of this assessment is primarily to identify, recognize potential and actual risks to people and employees as well as environmental risks, to review the effectiveness of existing measures already taken to counter human rights risks, and to plan future measures in the area of human rights as well as environmental issues.



## Responsibility and human rights

We are a company operating internationally. With 20 sites in Europe, Asia and North America, we have a global footprint. This comes with a great deal of corporate responsibility, which we also accept.

In addition to the responsibility for more than 6,000 employees, we also have a supply chain with more than 1,000 series suppliers, who in turn have their suppliers.

The supply chain is traditionally an important building block in any sustainability strategy. For us as an automotive supplier with international reach, compliance with human rights, labour rights and climate neutrality at every stage of the value chain is an indispensable area when it comes to living up to global responsibility.

Nowhere else are the interrelationships between the three pillars of sustainability - economic, ecological and social - so clearly felt and so strongly contrasted.

This is therefore a clear focus of our sustainability activities.

We set out the framework for our work in our "Code of Conduct". This describes our moral vision of cooperation at BOS.

Our Supplier Code of Conduct directly addresses our suppliers and business partners.

Together these two standards are at the heart of our internal and external specifications.

## Working conditions

We draw on the experience of all age groups, face up to demographic change and offer our employees individual support measures and flexible time models in line with their life situation.

Diversity also includes a culture of trust and transparent communication. Our employees are regularly informed about current changes and measures through company and information events, notices on the intranet and notices on the bulletin boards. Management maintains a constructive dialog with the Works Council, the Representative Council for Severely Disabled Employees, and the Youth and Trainee Representative Council.

At our headquarters, we are successively modernizing our workplaces with well thought-out lighting concepts, sound insulation measures and ergonomic office furniture tailored to the needs of our employees. The result is modern open-plan offices with retreats, meeting rooms and communication areas.

Our goal is to employ highly qualified, productive employees around the world who are willing to perform and

who bring their particular social and professional skills to our company and thus contribute to our business success.

Thanks to the international composition of our management team, we benefit from experience from different cultural backgrounds and can respond flexibly to global challenges as well as local market needs. At our corporate headquarters, we consciously ensure that employees from the countries in which we operate are represented in the workforce. We benefit significantly from their local knowledge and thus improve cooperation with local colleagues.





## Occupational health and safety

In order to maintain and promote the health of our employees, we have introduced an occupational health and safety management system in accordance with DIN EN ISO 45001 at all BOS locations worldwide, which is regularly certified and continuously developed. The core objectives are prevention and continuous improvement in occupational health and safety:

- A wide range of preventive measures protect and promote the health of employees, e.g. health management with its own first-aid stations, preventive medical check-ups, external psychological counselling services, company physicians, offers for sports activities, driving training courses.
- Occupational health and safety encompasses all measures to prevent occupational accidents, work-related illnesses and occupational diseases. One of its foundations is the risk assessment to identify sources of danger.
- On the basis of country-specific regulations on occupational health and safety and the results of regular inspections, we ensure that the health of employees is maintained.
- We offer professional counselling for employees in difficult professional phases or stressful private life situations
- A cross-site reporting system contributes to the prevention of occupational accidents and to health protection

All managers in the BOS Group assume responsibility for compliance with occupational health and safety requirements. They are supported and advised by safety officers, occupational physicians and occupational safety specialists.

Maintaining the health and performance of our employees as well as cultural diversity and tolerance within the company are important to us. We promote personal responsibility and create opportunities to maintain lifelong performance.

One goal of every company is to keep the sick leave rate as low as possible, the efforts here within the BOS Group can be rated as successful across all locations.

Sick leave	2021	2022
Sick days / working days	3.5%	3.2%

The number of days lost due to occupational accidents, in which there is a direct link to safety at the sites, is also an important performance indicator for mapping the situations. A cross-site reporting system contributes to the prevention of occupational accidents and health protection, and the figures for 2021 and 2022 are as follows:

Number of work accidents >3 days of incapacity for work	2021	2022
Occupational accidents >3 work days	55	59
Accident frequency rate (accidents per thousand employees)	7.62	9.49

Details and causes are worked through directly at the respective BOS locations and improvements to the situations are initiated.

Occupational safety experts supervise local management to make work even safer and to create conditions that enable safe and productive business operations. Preventing sources of danger is an integral part of our activities.

With the foreseeable end of the Corona pandemic, it is now time to become active again in the area of prevention and to focus more on health management issues. Workshops, lectures and other activities will help to provide the broadest possible range of opportunities for maintaining good health. These include sports events, ergonomics and nutrition workshops as well as eye tests.

Our occupational safety teams were particularly challenged during the pandemic, but the initial uncertainty and many questions were resolved professionally. In this way, we managed to avoid major production stoppages through targeted, sensible and consistent measures. Comprehensive testing concepts enabled infection chains to be interrupted at an early stage. Organized vaccination campaigns accelerated access to vaccinations for our employees.

Despite official lockdowns in parts of China and Mexico, the commitment of our employees made it possible to compensate for downtime and meet call-off orders.



## Society and employees

As part of society, we are committed to upholding labour standards and fair business practices, enabling a good business environment.

We rely on our employees; there is no substitute for their knowledge and experience. We are proud of the long tenure of many colleagues.

Years of service - by year as of 12/31	2021	2022
Under 10	5813	4677
10 – 19	1051	1099
20 – 29	361	417
30 – 39	20	27
Over 40	2	2
Total	7247	6222

We achieve this, among other things, through an open feedback culture, appreciative leadership, attractive fringe benefits, and offers for balancing work and family life. These include:

- Independent and self-reliant action, positive and results-oriented cooperation, and appreciative leadership.
- Best possible promotion through regularly conducted employee interviews, professional feedback and development meetings
- Definition of tasks and authorities through function descriptions as well as written designations and assignments
- Flexible workplace and working hours through mobile working / very flexible or reduced working hours
- Employer-funded company pension plan and accident insurance
- Anniversary bonuses

- Subsidies for travel costs or local public transport,
- as well as free parking, tax-free credit cards, special conditions with our house bank, discounted leasing of IT equipment and access to Business Bike bicycles.

We offer home office options for employees at several locations, we facilitate commuting to work with free company buses, and we assist with housing for employees through rent subsidies and, in some cases, free housing. We partner with several organizations that employ people with disabilities and participate in various school programs, such as orientation days and make school visits. We also offer internship programs for colleges as well as universities, apprenticeships for dual studies and university lectures by managers.

Our international orientation of our sites gives our colleagues the opportunity to develop nationally and internationally. In 2022, 14 employees were working as expatriates at other sites.

As a family business, we have a special responsibility for our employees. We communicate operational changes to them as early as possible and actively support them in qualifying for new activities within BOS or in moving to a new area of responsibility.

In 2022, more than 6,200 employees were employed in the BOS Group. More than 5,500 of them had a permanent employment contract, 433 had a fixed-term contract.

We are particularly pleased about the increasing numbers of students at our sites, even if the number of trainees stagnated in 2022, we expect an increase again in the coming years.

Training young people has always been an important task within the BOS Group. In the future, a stronger focus will be placed on this again.

Employees under an employment contract	2021	2022
Indefinite	6566	5517
Limited	494	433
Temporary worker	166	243
Students at a dual university	6	11
Trainee	15	18
Total	7247	6222



## Employee development, training and continuing education

BOS is a training company. We see human resources work as sustainable in the training and qualification of young people and offer the apprenticeship professions industrial clerk, IT specialist and industrial mechanic as well as dual courses of study in business administration, industrial engineering, business informatics, mechanical engineering and mechatronics.

The takeover rate of students is over 90%. From 2023 we are doubling our pool of apprentices and dual students again.



We support our employees in postgraduate and master's degree courses as well as further training courses such as state-certified technician, project manager or industrial specialist financially and by giving them time off. In 2022, around 10 employees at the Ostfildern site were enrolled in a BOS-financed postgraduate course. For 2023, we have again planned to double the number of people funded.

Our newly established "Young Excellence Program (YEP!)" is a two-year development program aimed at developing our best talents in the following dimensions: Personality, Network, Career, Change and Escalation. The selected professionals from the entire BOS Group are each trained in a junior and senior group for the next career step.

Under the motto "Employees train employees", qualified internal trainers pass on BOS know-how and specialist knowledge in a compact, effective and practical manner. For example, in 2022, due to the pandemic, only a total of 14 training courses and 3 workshops were offered at the Ostfildern site, as well as 36 external training courses totalling just under 1,000 hours. The aim is to bring the offering back up to a higher level in 2023. As a further example, the Mosonszolnok and Györladamer sites conducted around 580 internal training sessions and 58 external training courses, totalling just under 17,000 hours.

## New employees

New employees undergo a structured induction program with an information session on their first day of work, feedback meetings with Human Resources and the specialist departments during the probationary period, specialist supervisors, mentors and a three-day training session with information about BOS. New at the German and Hungarian sites, newly hired and promoted employees were supported by around 40 mentors through our mentoring program.

The following table shows the entries and exits by year as of Dec. 31 in each case:

Entries/exits - by year as of 31.12 each	2021	2022
Entries	17045	1800
Exits	2202	2825

In 2022, 1,800 new employees were hired in the BOS Group, but over 2,800 employees also left us in the same period. The high number of departures is due to the tense situation in the automotive industry as well as the existing crises and cost pressure. We felt the challenges directly, but now expect market situations to stabilize and are very confident that this was a one-off effect on this scale.

## Leadership

For our executives we offer training programs tailored specifically to the needs of our company on the classic topics of strategy, leadership and management, but also special training courses, for example in the area of technology. Uniform training content ensures that a common understanding of strategy, leadership and integrated management is developed throughout the company.

The "Qualified Executive Development Program (FEP)" was newly developed on a voluntary basis to prepare high potentials for leadership roles. We are developing a strong underpinning of trained and qualified managers in order to do justice to both employees and the company through conscious leadership in their day-to-day work.



## Diversity and equal opportunities

Diversity, cultural diversity and tolerance are lived as a matter of course and are firmly anchored as strategic sustainability issues. As a matter of principle, we make no distinction based on ethnic, national or social origin, gender, skin colour, age, language, disability, religious, political or other views, or sexual identity. We value diversity. We do not tolerate discrimination or harassment based on these characteristics.

With over 6,200 employees on 3 continents at 20 locations, we are committed to global collaboration and internationally mixed teams with over fifty percent female employees and a healthy age structure as well as international diversity.

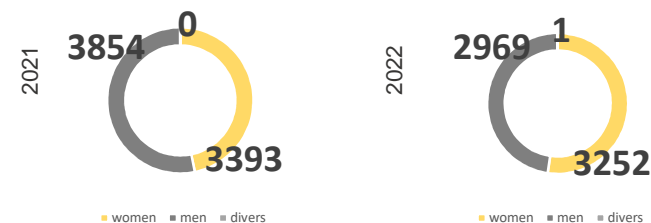
Citizenships of employees	2021	2022
Foreign nationalities at the sites	3,0%	8,7%

We offer our employees individual support measures and flexible time models according to their individual life situation. We consider our age structure to be healthy, which is shown in the following overview:

Employees (headcount) - by age per Dec. 31	2021	2022
Under 20	52	70
20 - 35	3102	2260
36 - 55	3416	3265
Over 56	677	627
Total	7247	6222

Employee structure	2021	2022
- women	47%	53%
- men	52%	48%
Quota of severely disabled persons	0.8%	1.1%

Looking at the worldwide group metrics, it can be noted that BOS has majority female, as well as one diverse person since 2022:



The hierarchical levels show a different picture from the overall larger proportion of female employees, however those in a management position is disproportionately low, this needs to be addressed.

Women in management positions	2021	2022
Women total	3390	3248
Women in management positions	59	87
Proportion of women in management positions	1.7%	2.7%

Our goal is to employ and promote highly qualified, motivated and productive employees worldwide who contribute their particular social and professional skills to our company and thus contribute to our business success.

Thanks to the international composition of our management team, we benefit from experience from different cultural backgrounds and can respond flexibly to global challenges as well as local market needs. At our corporate headquarters, we consciously ensure that employees from the countries in which we operate are represented in the management teams. We benefit significantly from their local knowledge and thus improve cooperation with local colleagues. We focus on global collaboration and internationally mixed teams with employees from a total of 24 countries.



## Business Ethics

In general, business ethics deals with appropriate corporate policies and practices regarding potentially controversial issues such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility, fiduciary responsibility, and more. In many cases, corporate ethics are mandated by law; in others, they represent a fundamental guideline to which the company can adhere in order to gain public recognition.

At BOS, we follow a fundamental set of moral and ethical values. This concept is laid down in our Code of Conduct, which is valid at all locations worldwide and describes the framework for our collective actions. For a successful implementation we need all employees of the BOS Group, therefore communication as well as continuous information is important for the success of the BOS Group.

We see ourselves as part of society. We want to actively shape our environment as a reliable partner and sponsor of culture, sports, education and social projects. The aim is to achieve the highest possible benefit for society as a partner of the region through our commitment.

## Code of Conduct

The Code of Conduct defines the basic rules and principles according to which we want to work together at BOS - today and in the future. The Code of Conduct is largely based on the ten principles of the United Nations Global Compact (<https://unglobalcompact.org/what-is-gc/mission/principles>), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and summarizes the uniformly high standard of the BOS Group with regard to our employees, our environment and our external partners.

The Code of Conduct serves as an orientation framework for our daily work for each of us, regardless of whether we are managers or employees. It sets a standard for ourselves, and at the same time it is intended to help us behave responsibly toward business partners, the public and colleagues. We also expect this responsible behaviour from our business partners and suppliers. Together we have the responsibility for the reputation of BOS.

We make our Code of Conduct available at all locations, it is trained and communicated to all employees, and it should be lived by everyone - every day. The Code of Conduct can be found

BOS Intranet (internal): <http://ost.intra.bos.de/mainnav/information/principles-grundsätze.html>

BOS Internet (external): <https://www.bos.de/unternehmen/grundsätze.html>

at other notice boards on the store floor

## Fairness and Remuneration

We respect the right to appropriate remuneration, which is based on the performance of the employees, legally guaranteed minimum wages and the respective labour market. Throughout the BOS Group, our employees receive remuneration and social benefits irrespective of gender, age, nationality, denomination, ideology, sexual orientation or country-specific characteristics.

The basis for salary changes is the economic situation of BOS and the individual performance of the employee. Managers evaluate their employees on the basis of their performance and conduct confidential employee interviews with them at least once a year. In addition to their monthly fixed compensation, many employees receive a variable salary component, the amount of which depends on the employee's personal target achievement and the earnings performance of BOS.

Our social benefits are tailored to the needs of the locations. For example, all employees at German locations are covered by accident insurance through BOS in professional and private situations.

Employees at headquarters receive an employer-funded pension plan, subsidies for travel costs and public transport, and other various allowances such as credit card top-ups, anniversary bonuses, birth grants, and free parking for cars, motorcycles and bicycles. In cooperation with leasing partners, high-quality IT equipment, e-bikes and bicycles can be leased on a tax-privileged basis.

Employer-financed pension provision is provided by a provident fund with insolvency-protected liabilities of approximately EUR 11 million for BOS GmbH & Co. KG and Atera GmbH on the reporting date of December 31, 2022.

At the sites in Hungary, employees have the opportunity to work in a home office, are brought to BOS by free company buses and are supported by rent subsidies or free accommodation.

All managers must take personal responsibility for protecting employees against discrimination and monitors respect for human rights and the guarantee of fair working conditions.

## Work-Life-Balance

Our employees bear responsibility in all phases of their lives in their professional, family and personal lives. To ensure that this balance can be achieved, we create suitable framework conditions with:-

- modern work concepts and the possibility to work on a mobile basis
- very flexible working time models
- Adjustment of individual working hours in different phases of life or leave of absence
- Financial support for childcare

For example, employees on parental leave remain closely tied to the company through coordination meetings, further training and the option of part-time work. We also offer opportunities for part-time employment or further training. We also support our employees in caring for their children and design individual solutions - e.g. home office, part-time, partial retirement, leave of absence, vacation - in special phases of life.

## Social engagement

Using the example of the Ostfildern site, Germany:

- As a family-owned company with just under 400 employees at the Ostfildern site, we are one of the major employers in the region. Almost half of our employees live in the surrounding area.
- The company's regional ties and strong sense of responsibility toward its workforce are underlined by a broad range of training opportunities for young people, sponsorship of local clubs and organizations, and cooperation with educational institutions. As a partner to the region, our aim is to achieve the greatest possible benefit for society through our commitment:
- Allocation of internships, final theses and job offers for working students of the universities of Esslingen, Nürtingen and Karlsruhe as well as the University of Stuttgart.

- Project cooperation between the Baden-Württemberg Cooperative State University and our technical departments
- Company visits, orientation days, internships and job application training for students of our educational partnerships
- Promotion of joint projects with students from high schools in Ostfildern and the surrounding area

Using the example of the Irapuato site, Mexico:

BOS Automotive has empowered people in disadvantaged situations by supporting the DIF Irapuato (integrated family development). The commitment to the DIF is based on the motto.

¡Unidos nadie se queda atrás!  
(Nobody is left behind!)



## Company management

## Rights and working conditions

## Ethics

## Environment and Product

## Supply Chain



Using the example of our sites in Taicang and Shenyang, China

In China, we focus primarily on good working conditions and support and protect our employees through social, accident, supplementary health and public liability insurance. We offer annual (occupational) medical check-ups for our employees and maintain a management system for health and safety at work. Management takes personal responsibility, protects our employees from discrimination, and monitors respect for human rights and the provision of fair working conditions.

In Shenyang, we facilitate a shuttle bus and the "didi cab platform" for all employees and support our employees in e-mobility. We also cooperate with two universities and schools as a practical base and for career guidance.

Using the example of the Detroit, USA site:



The BOS team is socially engaged, for example at Forgotten Harvest by packing food, which is then distributed to the people in need in the neighbouring community.

Using the example of our sites in Mosonszolnok and Györladamer, Hungary

In addition, we have launched donation initiatives for Ukrainian colleagues and their families as well as for an animal shelter. We are actively engaged not only for our employees but also regionally and socially and want to be part of a socially sustainable future.



Since 2017, BOS has been a dual training partner of Széchenyi István University in Győr in the mechanical engineering course.

Every year, BOS creates a calendar, the proceeds of which are donated to the animal shelter in Győr. We are actively committed not only to our employees, but also regionally and socially, and see ourselves as part of a socially sustainable future.



Buy a 2023 desk calendar with last year's BOS Hungary memories!

The money raised will support the work of the Animal Shelter in Győr!

The printing cost of the calendars was 1000 HUF. You can purchase them at a price of your choice at the Reception!



## Information and IT security

The protection of BOS and the information entrusted to the BOS partners, especially in the prototype area, as well as the protection of the intellectual property of BOS are very important. The company regulations on information security or IT security define how this is handled at BOS.

All information, including in particular in the area of prototypes and prototype development, which the employee receives during his or her employment, must be handled accordingly.

Confidential and secret information may neither be passed on to third parties nor made accessible to third parties in any other form, unless this is required in accordance with the agreements of the BOS or according to the applicable legal situation. All reasonable precautions shall be taken to prevent third parties from accessing the information.

To ensure all this, all BOS sites are certified according to TISAX.



## Data protection

The protection of personal data has the highest priority at BOS. The Basic Data Protection Regulation (DSGVO) regulates the handling of personal data as a law applicable throughout Europe (Regulation (EU) 2016/679).

Personal data may only be processed if the employee has consent or if a legal regulation permits or prescribes the processing. The principles of the GDPR for the processing of personal data must be observed. They are set out in Article 5 (1) of the GDPR and in our company regulations on data protection organization.

## Whistle-blower

The BOS Group acts according to the principles of responsible corporate governance oriented towards sustainable value creation in all areas of the company. We trust that all employees make the right decision and act in accordance with these central guidelines and recommendations.

To ensure compliance with the principles, clear responsibilities have been defined in the BOS Group's management system and guidelines and control systems have been anchored.

In the event of violations of guidelines and regulations, if concerns cannot be addressed locally or appropriate support cannot be found there, there are the central offices at BOS with which contact can be made.

When investigating violations of the Code of Conduct, care is taken to ensure the greatest possible confidentiality, protection of the whistle-blower and consideration of data protection regulations.

### Contact person internal:

Director Human Resources International  
BOS GmbH & Co. KG  
Ernst-Heinkel-Str. 2, D-73760 Ostfildern  
Telephone: +49 (0) 711 9360-1346  
Email: hinweisgeben@bos.de

### Contact person external:

Executive Vice President Supply Chain  
BOS GmbH & Co. KG  
Ernst-Heinkel-Str. 2, D-73760 Ostfildern  
Telephone: +49-(0)711-9360-1646  
Email: hint@bos.de

To remain anonymous, an anonymous email can be created via the following link:  
<https://anonymousemail.me/>

We always ask that ideas, suggestions and concerns be raised with the respective supervisor and management or directly through the above contact, explicitly in an anonymous manner if needed.



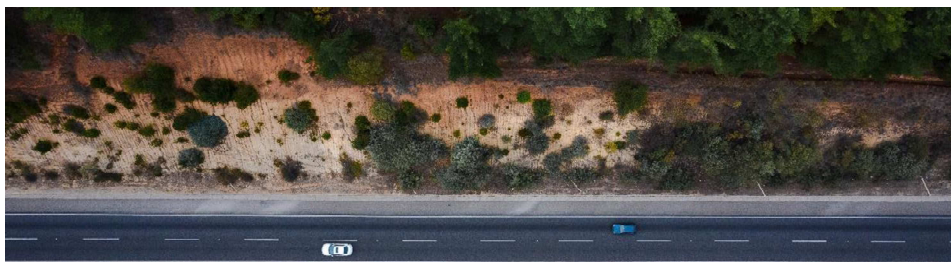
## Environment

We fulfil our environmental responsibility by designing all procedures and processes in an environmentally friendly manner. All locations of the BOS Group are certified according to DIN EN ISO 14001:2015. We have anchored the principles of our understanding of environmental protection in our environmental policy, compliance with which we also demand from our suppliers and partners.

Our environmental targets regularly adapt to our growing requirements and continue to develop. In addition to our internal targets, we have also defined such standards for our supply chain and communicate them via our sustainability standard for suppliers as well as our general terms and conditions.

The task and goal of environmental management is to promote continuous improvement in environmental performance. For this purpose, annual environmental targets are set for the BOS Group, which are implemented at the sites through environmental programs and the resulting measures.

One of our main goals is the reduction of CO<sub>2</sub>e. For this purpose, we are guided by the SBTi (Science Based Targets initiative) on the WB2D (Well Below 2 Degree goal).



## Energy and Emissions

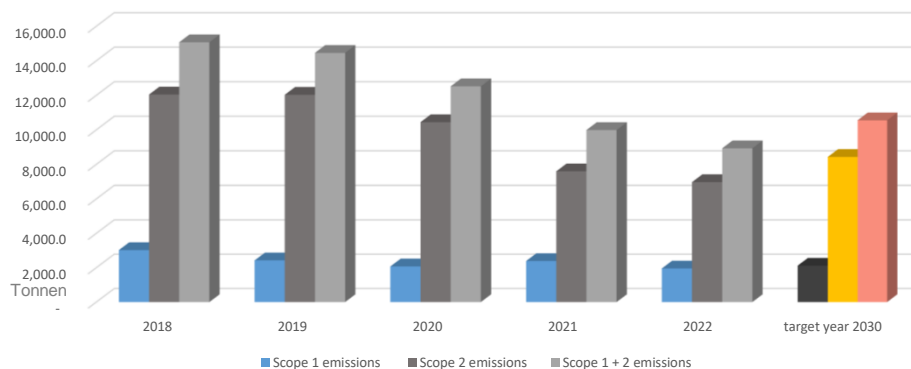
Our energy consumption can be divided into three main areas: electricity, heat supply and fuels. In order to be able to assess the impact of our actions, we introduced an environmental management system in 2008, and since 2017 we have been calculating our global CO<sub>2</sub> emissions on the basis of the figures recorded.

To calculate these CO<sub>2</sub> emissions or equivalents, we refer to the standard of the Greenhouse Gas Protocol, with whose key figures we report Scope 1 and 2 emissions as location-based (based on national emissions data) and market-based emissions (based on the respective contractual energy purchases of the sites).

	2018	2019	2020	2021	2022	Target Year 2030
Scope 1 Emissions [t]	3.028,5	2.426,9	2.075,5	2.390,8	1.958,5	2.120,0
Scope 2 Emissions [t]	12.048,6	12.035,3	10.448,3	7.600,9	6.975,2	8.434,0
Scope 1 + 2 Emissions [t]	15.077,1	14.462,2	12.523,9	9.991,7	8.933,7	10.554,0
Power consumption [kWh]	28.870.102	29.321.941	27.061.857	25.762.141	25.735.985	
Renewable energy [%]	10	14	13	52	53	100
Heat consumption [kWh]	7.531.572	7.165.387	7.225.627	8.788.696	7.563.889	
Renewable energy [%]	6,8	5,4	2,7	2,9	5,0	100

To achieve continuous improvement in our energy consumption, we operate an active energy management system in accordance with DIN EN ISO 50001. Our sites in Trusetal, Klášterec, Mosonszolnok and Györladamér are certified in accordance with DIN EN ISO 50001. They are among the sites with the highest energy consumption. Our other sites systematically record key consumption figures as part of environmental management and derive energy efficiency measures.

We were able to achieve the 2030 targets as early as 2021 by pursuing our goals. The illustration shows Scope 1 and 2 emissions in tons of the BOS Group in thousand tons:



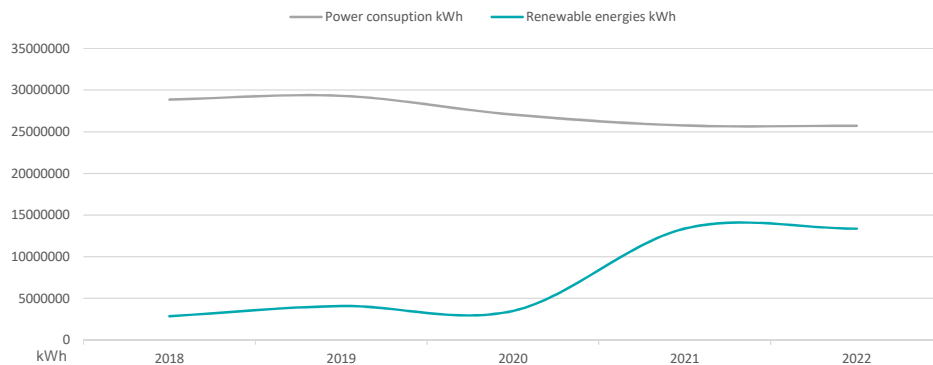
## Renewable energies and own power generation

We are increasingly using renewable energies directly at our sites. Here we work nationally at local level with energy suppliers and supply the plants via green power contracts with certificates of origin, power purchase agreements (PPAs) and iREC certificates (international Renewable Certificates).

As a result, we have been able to steadily increase the share of renewables in our electricity supply in recent years and move closer to our goal of achieving an energy supply from 100% renewable sources in 2025.

The following figure shows, over the course of the BOS Group's electricity purchases, starting in 2018, the company's decision to expand the share of renewable energy in 2020.

The figure shows the purchase of electricity within the BOS Group from 2018 to 2022 in kilowatt hours (kWh), as well as the share of renewable energy. In 2022, we are at a share of just over 50%, whereas the total electricity purchase has experienced a slightly negative trend.



After the extreme price developments in the energy sector in 2021 and 2022, projects to expand in-house power generation systems at the locations once again received significant momentum. We are working on various projects for the construction of photovoltaic systems on available and unused open spaces, especially on usable roof areas.

After Ostfildern and Györladamer, further locations are to be provided with appropriate systems, which will enable us to further increase the proportion of renewable energies, cost reductions and short amortization periods as well as long-term price security are possible.

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## Minimize impact

We want to minimize the possible impact of our actions on the environment and avoid possible risks for our stakeholders.

The major challenges of our time include the responsible use of resources and measures to counteract climate change. We have committed ourselves to the goals of the Paris climate protection agreement and are addressing the issues of developing products with, for example, reduced CO<sub>2</sub>e footprints.



## Sustainable product development

Through the constant further development and optimization of our digital processes, we create the possibility of a forward-looking and sustainable product design. Among other things, an intelligent and fully integrated material management system offers our designers a highly transparent overview of the sustainability of the product to be developed.

When it comes to evaluating our products, even in the development phase, we work on expanding a continuous and systematic determination of our Global Warming Potential (GWP), i.e. one of the main influences on the man-made greenhouse effect. For this we use the LCA software solutions that are established and recognized in the automotive world. These offer the possibility of continuously examining our products for main influences in order to systematically counteract them.

In selected pilot projects, we present these solutions, some of which are unconventional, to our customers. Many of these ideas are very popular. In close cooperation with our customers, some materials have already reached series maturity, even in highly complex applications.

In order to protect our seas from nets floating around, we have already developed innovative products from used nets in close cooperation with our suppliers. In the future, our products will ensure that fewer and fewer of these disused nets can be disposed of in our seas.

## Circular economy

The recycling of end-of-life vehicles provides that this can be separated into the various materials during the scrapping process. Automotive suppliers have almost no influence on the way vehicles are recycled, but one starting point is a sustainable design that allows sorting at the end.

Our aim within the framework of sustainable product development is therefore to offer solutions that can be mechanically separated and sorted as well as possible after the end of the product life and then fed into a circular economy, i.e. in the first step a material recycling of the materials.

The aim of the circular economy is to be able to keep the various material groups in a material cycle for as long as possible - in the sense of a high proportion of recycling.

This is also particularly relevant in the area of waste, where, in addition to reducing waste, we also strive for a high proportion of recycling by already reusing it in the factories and separating waste according to type and send it to disposal, which then has the option of using recycling processes.

Wherever possible, we and our customers rely on granules with the highest possible proportion of recycle, which also comes from material recycling processes.

## Product compliance

Through great efforts, we have also succeeded in manufacturing visible and highly sophisticated plastic components in automobile interiors from up to 100% recycled plastic. Of course, these components also meet all the requirements imposed on us by our customers and the legislator.

The constant further development and adaptation of the legal regulations of our products, both within the EU and in the international market, are supported by regular examinations and analyses of the material data sheets.

Product or material compliance is about complying with environmental laws and regulations as well as international law that limit or even prohibit the use of different substances and/or materials in products

## REACH and SCIP

It is our job to check our products for substances on the candidate list, which lists relevant materials that have certain properties that are hazardous to health and the environment. They are therefore also referred to as Substances of Very High Concern (SVHCs) and are potential candidates for Annex XIV of the REACH Regulation (Registration, Evaluation and Authorization of Chemicals in Europe) on substances that require authorization.

Registering our products in the SCIP (Substances of Concern In Products) database ensures that information on articles containing Candidate List substances is available throughout the life cycle of products and materials, including in the waste phase. The information contained in the database is then made available to waste disposal companies and consumers.



## Responsible Supply Chain

The progress and growth of BOS is based on marketable innovations that are developed in our structured innovation and product development process.

In order to be able to operate a resource efficient supply chain, the BOS Group is constantly checking and optimizing suppliers, production and distribution networks.

In order to further improve this resource efficiency and sense of responsibility and to reduce CO2 emissions in the long term, the BOS Group relies on the localization of suppliers in the immediate vicinity of its own production sites, as well as the use of reusable packaging and intelligent packaging concepts. With this localization and the packaging concepts, batch sizes could be changed and more and more modern trucks could be used.

The BOS Group has been working with a transport service provider for some time and has started recording CO2 emissions along the value chain. In the future, this will form the basis for data transparency with regard to sustainability. All of this means that the BOS Group offsets the transport in order to continuously reduce the CO2 footprint.

With the forthcoming Supply Chain Due Diligence Act (from 2023) to avoid human rights violations in supply chains and the increasingly strict requirements of OEMs, the BOS Group decided in 2021 to adopt its own code of conduct for suppliers, the sustainability standard for suppliers.

This includes the topics of human rights and labour rights of employees, business ethics & compliance, environmental protection & safety and the responsible procurement of raw materials. This sustainability standard specifies the BOS Group's expectations of the attitude and behaviour of all business partners and is seen as the basis for a successful business relationship between the BOS Group and its partners.

The business partners make a significant contribution to the BOS Group being able to achieve its sustainability goals, e.g. improving resource efficiency and reducing CO2 emissions over the entire life cycle. It is therefore important that business partners meet the same environmental, social and governance standards by which the BOS Group measures and is measured itself.

This code of conduct is mandatory for all business partners who deliver to the BOS Group and is also based on the 17 Sustainable Development Goals (SDGs) of the United Nations. Based on the 17 SDGs, the relevant ones for the BOS group were identified and communicated.

## Conflict minerals, Cobalt and MICA reporting

Care for the transparent documentation of the supply chain for conflict minerals ("Conflict Minerals") in accordance with "Regulation (EU) 2017/821" and the US law Dodd Frank Act, Section 1502" as well as for cobalt and mica.

The origin of minerals is continuously queried from our suppliers, documented right up to the smelting stage and reported in joint cooperation using an international and cross-industry standard and thus constantly optimised.



## Outlook on the sustainability report

With this sustainability report we provide an overview of successfully implemented measures, processes and the organization as well as goals and plans. The report includes topic-specific excerpts from BOS GmbH & Co. KG and the entire BOS Group for the 2022 financial year.

Through a transparent reporting system, all employees are informed about our strategy and goals. Active communication with employees sharpens awareness of quality and processes as well as the relevant topics.

The forthcoming sustainability reports will be prepared in accordance with legal requirements and the corresponding regulations. On this basis, the reports and information will in future also be created at shorter intervals and probably in a different format to meet the legal requirements and to create comparability and transparency.

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