



# SUSTAINABILITY REPORT

2024



WE OPEN UP YOUR WORLD WITH EVERY DRIVE

## REPORTING SCOPE AND BOUNDARY

This document outlines the sustainability strategy, management, and performance of Inalfa Roof Systems Group B.V. (referred to as 'Inalfa' or 'Inalfa Group') for the period from January 1, 2024 to December 31, 2024.

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

As part of our continued growth and operational development, we have expanded and refined our global footprint in 2024. Notable changes within the scope of this report include:

- **In-House Encapsulation Capabilities:** Two of our plants, one in China and one in Mexico, have integrated in-house encapsulation capabilities, enhancing production efficiency and quality control.
- **Mexico:** Data from our Shared Service Center office is now fully integrated into the Mexico operations data, reflecting a more comprehensive view of our regional activities.
- **Slovakia:** In 2024 Inalfa decided to open a shared service center in Trnava, new entity to become operational in January 2025.
- **India:** In 2023, Inalfa entered the Indian automotive sunroof market through an alliance agreement with Gabriel India, launching a new manufacturing facility in Chennai which started operations in 2024. As Gabriel operates as an external partner, activities from this facility are not included within the scope of this report.

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

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OUR COMMITMENT TO ESG

LEADERSHIP REFLECTION

GENERAL

ENVIRONMENTAL

SOCIAL IMPACT

GOVERNANCE



**SUSTAINABLE DEVELOPMENT**



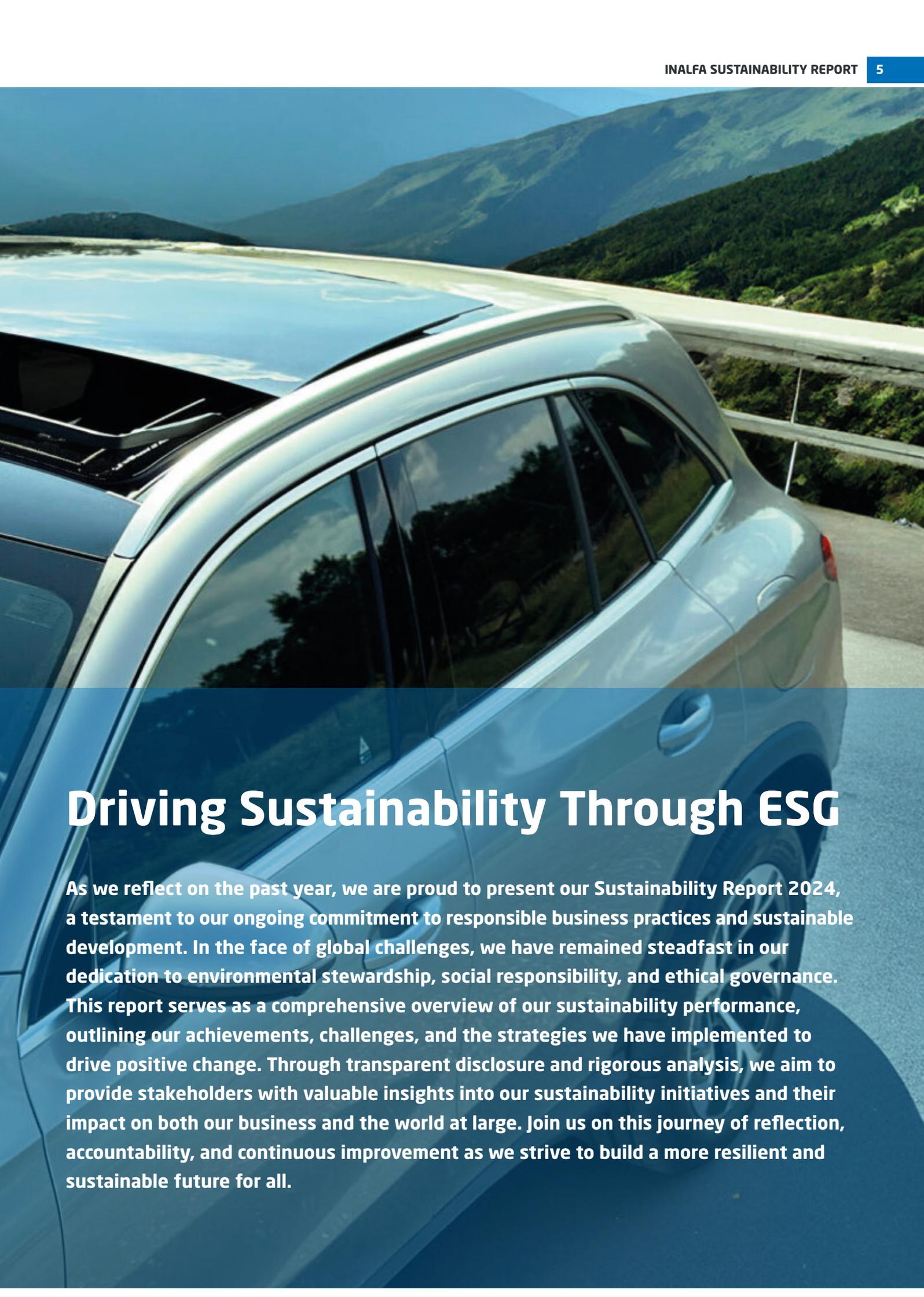
**ENVIRONMENTAL STEWARDSHIP**



**SOCIAL RESPONSIBILITY**



**ETHICAL GOVERNANCE  
AND ACCOUNTABLE**

A silver car is parked on a road overlooking a mountain range. The car is the central focus, with its rear and side windows visible. The background shows a vast landscape with green hills and mountains under a clear blue sky. The car's reflection is visible on the road surface.

# Driving Sustainability Through ESG

As we reflect on the past year, we are proud to present our Sustainability Report 2024, a testament to our ongoing commitment to responsible business practices and sustainable development. In the face of global challenges, we have remained steadfast in our dedication to environmental stewardship, social responsibility, and ethical governance. This report serves as a comprehensive overview of our sustainability performance, outlining our achievements, challenges, and the strategies we have implemented to drive positive change. Through transparent disclosure and rigorous analysis, we aim to provide stakeholders with valuable insights into our sustainability initiatives and their impact on both our business and the world at large. Join us on this journey of reflection, accountability, and continuous improvement as we strive to build a more resilient and sustainable future for all.

# Leadership Perspectives on Sustainability

## Interview with our Chief Operating Officer

### How are you integrating sustainability into the financial and governance strategies of the company?

This is a critical area for us. Each year, as part of our strategic planning, every business unit conducts a SWOT analysis and prepares its annual budget. Sustainability is now a key consideration in these discussions. Business leaders work closely with the global management team (GMT) and submit proposals that include sustainability-related activities. These are discussed in dedicated sessions and the outcomes are directly reflected in both our strategic direction and annual budget.

This year, we've identified four priority projects at the global level, one of which is focused entirely on sustainability. These projects are monitored closely and reported on every two months in both FORM (Functional Operations Review Meetings) and GMT meetings. Over the past four months, the sustainability project has already been reviewed twice, highlighting our commitment to consistent progress tracking.

To ensure alignment across the company, we also cascade sustainability updates and policies during our monthly senior leadership meetings and global town halls. This helps reinforce our sustainability mindset across all levels of the organization.

### What types of sustainability initiatives are discussed at Board level, environmental, social, or both?

Most initiatives so far have focused on environmental sustainability, particularly around emissions and resource management. For example, we've actively promoted CDP reporting for several years now. At the start of this year, we achieved a B rating in both climate change and water categories.

These achievements are updated regularly through our sustainability project reports, which are one of the four main global initiatives tracked bi-monthly. We have also completed a detailed analysis of our customers' sustainability requirements. Some focus on Scope 1 and 2 emissions, while others prioritize Scope 3. Based on this, we have built dedicated internal teams and developed processes to meet varying expectations. The level of progress and collaboration seen has been impressive.

### How has your experience in China shaped your approach to sustainability?

My experience in China taught me that sustainability must be locally adapted while aligning with global goals. In China, we face intense regulatory pressure and fast-evolving consumer expectations. Innovation opportunities in areas like electrification and localisation revealed that sustainability cannot be an add-on—it must be embedded in every aspect of business strategy. I have carried this mindset into our global operations.

### What are the main challenges in implementing sustainable practices across the company?

We operate in 7 countries across four regions, Europe, North America, China, and Korea with additional sales offices in Germany and Japan. Each region has different sustainability priorities and is moving at a different pace. While we define global standards, we must tailor implementation to each region's unique status.

One ongoing challenge is energy transparency. In some countries, green and traditional energy sources are mixed, and energy invoices don't clearly differentiate between them. This makes it difficult for our plants to verify



**Mr Luke Mo, Chief Operating Officer**

**“We operate in 7 countries across four regions. While we define global standards, we must tailor implementation to each region’s unique status.”**

green energy usage. We’re actively engaging with local governments to push for more transparent billing systems. Encouragingly, there are positive developments on this front in the past year.

Another challenge comes from our customers. They increasingly demand more detailed sustainability data and expect us to cascade these requirements through our supply chain. However, every customer uses a different data system, which increases our administrative workload and costs. We are advocating for a unified system that can streamline compliance across all accounts.

**What sustainability KPIs do you use and how is progress tracked?**

We have a clear KPI system in place. Our mid-term goal is a 30% reduction in CO<sub>2</sub> emissions by 2025, using 2019 as the baseline. Long-term, we aim for a 50% reduction by 2030. Progress is tracked both at the group level and by region.

We also monitor our annual CDP scores on climate change and water.

These scores not only reflect our progress but also provide new opportunities for business engagement.

**How do you collaborate with the CFO and CHRO on sustainability?**

Sustainability is integrated into our financial planning. When we prepare the annual budget, we include sustainability-related costs and efficiency targets. Each business plan must reduce costs while also setting measurable targets for reducing energy, water, and chemical use. These are embedded into our cost centers.

We have also taken steps like hedging green energy prices through mid-term contracts, locking in rates through to mid-2026. This helps us meet sustainability goals while ensuring supply stability.

On the HR side, we work closely with the CHRO to embed sustainability in our culture. We report on progress through senior leadership and global town halls and use promotional campaigns across regions to raise awareness. Sustainability KPIs are now part of job descriptions for operations staff and include safety, energy, and environmental targets.

**Can you share a success story where sustainability improved operations?**

Certainly. At our Poland plant, which produces sunroofs for Ford, the team identified an opportunity to reduce glue consumption. After a month of testing, they cut chemical use by 20%, shortened cycle time, and improved production efficiency. This resulted in both cost savings and performance gains.

**Is this approach being replicated in other locations?**

Yes. Following the success in Poland, we are now rolling out the same practice to other production lines. These initiatives are underway, and we expect to see results within the next month.

# Snapshot

## Who We Are

### OUR HISTORY

Established in 1946, Inalfa began as a vibrant production and trading company focused on ironmongery and consumer goods. Through decades of transformation and innovation, we evolved from manufacturing everyday products to producing components for copiers and the automotive sector. By the 1970s and 1980s, Inalfa had grown into a multinational organization, setting its sights firmly on the automotive industry. Since then, we have remained committed to designing and delivering premium roof systems for vehicles.

### OUR PURPOSE & VISION

Our purpose is to open up your world with every drive. With our product, drivers and passengers can experience more fresh air, natural light and a greater connection to the outside world. We seamlessly integrate our technology to make driving more enjoyable.

Our vision is to be the preferred Original Equipment Manufacturer (OEM) partner for roof systems and integrated technologies in the changing industry landscape – a partner that is trusted to deliver. This means strengthening our OEM relationships by continuing to deliver quality based on our technical expertise and excellence. Leading in innovation with new products and technologies that exceed customer expectations and developing strategic partnerships with our suppliers.

### CUSTOMER FOCUS

At Inalfa, our customers are at the heart of everything we do. This customer-centric mindset empowers us to stay ahead of industry trends and respond swiftly with tailored, regional solutions. To ensure close collaboration and efficient service, we maintain a strong presence across the automotive industry's key global markets, organized into four strategic regions: Europe, North America, China, and Asia-Pacific. Our focus on innovation and customer satisfaction reinforces our leadership in the global roof systems market.

## OUR PHILOSOPHY

At Inalfa, we are thinkers, entrepreneurs, and innovators, driven by a passion for excellence and a forward-looking mindset. We continuously seek smarter, more effective solutions by closely analyzing market trends and translating these insights into future-ready product designs. Our commitment to precision and quality is evident in everything we do, from large-scale innovations to the finest design details.

## OUR GLOBAL PRESENCE AND CORPORATE STRUCTURE

Inalfa Roof Systems Group B.V. is a private limited liability company governed by Dutch law, encompassing a network of wholly owned subsidiaries. Our global presence is strategically established across key automotive markets, including Asia (China, South Korea, and Japan), Europe (the Netherlands, Germany, Poland, and Slovakia), and North America (the United States and Mexico). During spring 2024 an organizational realignment has taken place by (re)introducing global functional heads (C-level) to come to a more centralized decision making. The General Management Team (GMT), which includes global functional heads and regional presidents is reporting to the Board of Management. With this realignment Inalfa aims to improve efficiency and cost and align with OEM's global purchasing strategies.

## LEGACY AND INNOVATION

Since our founding in 1946, Inalfa has grown from a traditional industrial manufacturer into a pioneer of cutting-edge automotive solutions. Over the first three decades, we expanded our portfolio from household products to metal hardware, consumer goods, copier components, and eventually automotive parts. The 1970s and 1980s marked a pivotal shift, positioning Inalfa as a global leader in the design, production, and delivery of innovative automotive roof systems.

## OPERATIONAL SCALE

Today, Inalfa proudly supplies advanced roof systems to more than 40 leading car and truck manufacturers worldwide. Our operations span 13 production facilities located in seven countries across three continents, ensuring a truly global reach and consistent, high-quality delivery.

Inalfa's global production capacity enables us to manufacture and deliver over 6 million sunroofs and components annually, maintaining the highest standards of quality and safety. Every product is meticulously engineered to comply with ISO 26262 Functional Safety standards, ensuring both premium quality and optimal safety for users.

We are committed to meeting the demanding expectations of the automotive industry, ensuring that all our products not only adhere to ISO 26262 Functional Safety standards but are also IATF 16949 certified. This certification affirms our dedication to the highest quality management standards and our ability to meet the rigorous requirements set by automotive manufacturers, clients, and end-users.

**In 2024 we achieved  
sales of EUR 1,3 Billion**

**Supported by a production  
output of 5,6 Million units**

**Table 1: Locations of Inalfa Offices and Facilities**

Regional Market	Country	Global HQ	Regional HQ	Sales Office	Engineering & Validation	Production
China	China		1	1	1	6
Asia Pacific	Japan			1		
	South Korea		1	1	1	1
Europe	The Netherlands	1	1	1	1	1
	Germany			1		
	Poland					1
	Slovakia					1
North America	Mexico					1
	United States		1	1	1	2
<b>Totals</b>		<b>1</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>13</b>

Note: Some sites contain several buildings and/or legal entities covered under 1 certificate.

# Industry Trends and Legislative Landscape

**In 2024, the automotive sunroof systems market witnessed significant advancements aligning with sustainability objectives, reflecting the industry's commitment to environmental responsibility and innovation.**

**The incorporation of smart glass technology in sunroofs gained momentum, offering enhanced energy efficiency and passenger comfort. Electrochromatic glass, which allows users to adjust the tint of the sunroof, helps in regulating cabin temperature and reducing reliance on air conditioning. This technology not only improves energy efficiency but also contributes to the overall sustainability of vehicles by minimizing energy consumption.**

## SAFETY REGULATIONS

At the same time, advancements in safety regulations, especially those related to crash safety, influenced vehicle weight. New and more stringent crash safety standards, such as those outlined by the Euro NCAP (New Car Assessment Program), necessitated the inclusion of high-strength steels and composite materials for additional structural reinforcements. While these materials improved occupant protection, particularly in side-impact collisions and pedestrian safety, they also contributed to a slight increase in vehicle weight. Similarly, the EU's General Safety Regulation (GSR), which became fully applicable in 2024, required new vehicles to be equipped with several active safety systems, such as driver-assistance technologies, automated emergency braking, and lane-keeping assistance. These systems, reliant on additional sensors and cameras, further added to vehicle weight, though their primary aim was to reduce accidents and fatalities, justifying the trade-off.

The EU also introduced specific regulations to improve pedestrian protection, requiring softer materials and energy-absorbing structures in areas like vehicle hoods and bumpers. While these features helped minimize injury risk in the event of a collision, they too had a marginal effect on overall vehicle weight.

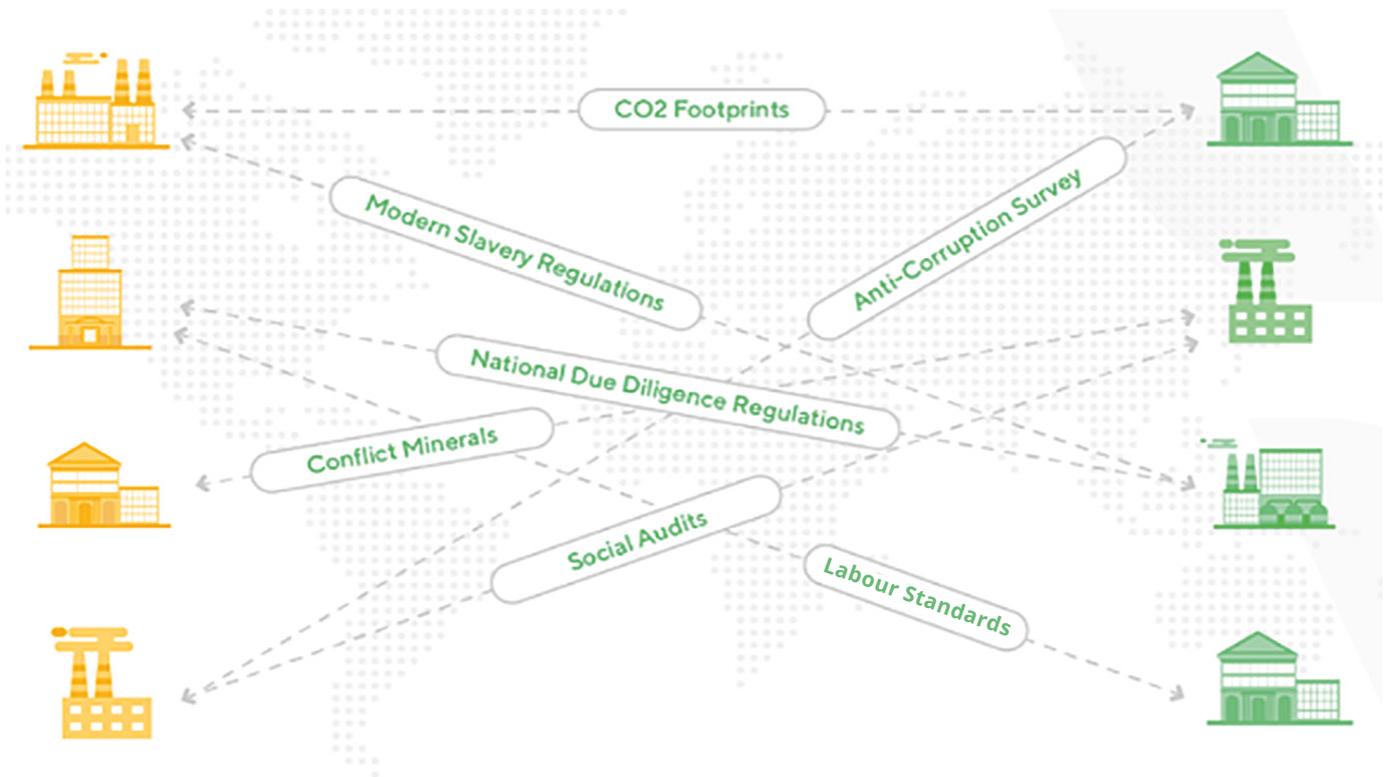
In response to these challenges, the automotive industry adopted innovative lightweight materials and recycling technologies to meet both the safety and environmental standards. Manufacturers sought to maintain a balance between enhancing vehicle safety, meeting recycling targets, and minimizing the weight of the vehicle, ensuring compliance with both sustainability and performance requirements.

Above trends trigger continuous Innovation, see more in Section "Technology Innovation" (page 68). Collaboration with new and existing partners and customers is essential, to make strategic resource choices.

Another important trend is the fast-changing geopolitical developments requiring structurally different supply chain choices. Strategic flexibility and agility have become key.

The increase of legislation of which many is linked to the EU Green Deal Framework, is putting a constraint on resources and the organization as well.

Below graph shows the complexity of information exchange related to sustainability.



**CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)**

Simultaneously, in 2024, the Corporate Sustainability Reporting Directive (CSRD) came into effect, expanding mandatory sustainability reporting for automotive companies. Under this directive, manufacturers were required to disclose more detailed information on climate risks, biodiversity impacts, supply chain emissions, and social governance. Additionally, the EU Taxonomy for Sustainable Activities further emphasized the need for automotive companies to demonstrate alignment with low-carbon technologies and resource-efficient production methods. This regulation also opened up access to sustainable finance options, with investors increasingly prioritizing companies committed to sustainability.

**Forward looking note on CSRD:**

During the preparations of this report in February 2025 several key legislative change proposals were announced in the Omnibus package. Resulting in a delay of 2 years and expected simplification of standards

and obligations. Inalfa embraces the opportunity to take a more diligent approach towards sustainability and continue to prepare for CSRD reporting by 2027 with focus on future strategy.

Another key trend in 2024 was the increased focus on Scope 3 emissions, the indirect emissions generated across a company's supply chain. Automotive manufacturers were required to report these emissions in accordance with the Greenhouse Gas (GHG) Protocol, prompting greater collaboration with suppliers and the use of life-cycle analysis (LCA) tools to capture emissions across the entire vehicle lifecycle.

Overall, 2024 marked a year of transformation in the automotive industry, as the sector navigated stricter recycling standards, evolved safety features, and more comprehensive reporting requirements. These changes not only shaped the materials and designs of vehicles but also underscored the growing need for a balanced approach to sustainability, safety, and efficiency in a rapidly changing regulatory environment.



## Board of Management and Supervisory Oversight

**The Board of Management (BOM) remains the highest authority in Inalfa's governance structure. The BOM is responsible for ensuring an effective internal control system and is elected by the company's shareholders at the annual General Meeting, with no restrictions on tenure.**

### THE BOM IS RESPONSIBLE FOR:

- Approving the annual business plan, which integrates sustainability management, monitoring, and reporting.
- Overseeing operational management.
- Approving the company's sustainability strategy and goals each year.
- Receiving quarterly updates on sustainability matters from the head of sustainability.

This clear governance structure ensures that all organizational levels are actively engaged in and accountable for risk management, establishing a robust framework for effective leadership.

### BOM AS PER 31 DECEMBER 2024:

- Georges Andary – President & CEO
- Junfei Ma – CFO

### CHANGES IN THE BOARD OF MANAGEMENT IN 2024:

- The BOM consisted of four members in January 2024 and was streamlined to two members by December 2024, with Georges Andary and Junfei Ma serving as President & CEO and CFO, respectively, since April 2024.
- Jos Sanders (CEO EU & VP R&I) and Eckart Semmler (CEO NA and COO) concluded their roles in March 2024. Jos Sanders assumed the role of Group CSO, while Eckart Semmler left the company.
- Haibo Zhang, previously CFO, transitioned out of the BOM in April 2024 to take on the role of Regional President, China.
- Junfei Ma joined the BOM as CFO in April 2024.

The BOM is supported by the General Management Team (GMT), which includes global functional heads and regional presidents.

**SUPERVISORY BOARD AS OF 31 DECEMBER 2024 (NO CHANGES FROM 2023):**

- Jingang Li
- Xu Bin
- Xuemei Cui

**GENDER DIVERSITY 2024:**

- The Supervisory Board consists of three members, with 33% women representation.
- The Board of Management consists of two members, with 0% women representation.
- Sub-topmanagement consists of 8 members with 12,5% women representative.

**BOARD OF MANAGEMENT AND SUPERVISORY BOARD - DIVERSITY AND TRANSPARENCY COMMITMENT**

Inalfa is committed to promoting diversity and is actively considering gender diversity objectives for future appointments and nominations.

**AFFIRMING OUR COMMITMENT TO TRANSPARENCY AND ETHICAL CONDUCT, THE BOM DECLARES THE FOLLOWING:**

- No Conflicts of Interest: Inalfa is not involved in any business transactions or contracts in which a Board Member, the CEO, the CFO, or any related parties have a vested interest.
- Financial Integrity: There are no instances of financial conflicts of interest within the organization.
- Accurate Accounting: We consistently maintain precise and reliable accounting records, demonstrating our commitment to operational integrity.
- Internal Controls: Robust internal controls have been thoughtfully designed, effectively implemented, and continually upheld.
- Sustainability and Confidence: We operate with confidence in our ability to continue as a sustainable business, with no significant uncertainties.

**MANAGEMENT COMMITTEES**

The Board of Management (BOM) is supported by several key committees, each playing an essential role in ensuring that Inalfa's operations are strategically aligned, ethical, and sustainable:

**1. GENERAL MANAGEMENT TEAM (GMT):**

The GMT works closely with the BOM, providing strategic recommendations on policy and organizational development. The GMT also takes on critical responsibilities in risk management, ensuring effective navigation of potential risks and challenges.

**2. INTEGRITY COMMITTEE:**

Chaired by the Group Compliance Officer, who also serves as the head of Legal, the Integrity Committee ensures that Inalfa's business practices adhere to our Code of Conduct, values, and ethical standards. This

committee focuses on sustainable growth and reports independently to the CEO and BOM. When necessary, the Integrity Committee has the authority to report directly to the Supervisory Board, ensuring that all key policies and strategies reflect the company's commitment to ethical standards.

**3. SUSTAINABILITY COMMITTEE:**

The Sustainability Committee advises the BOM on the development and implementation of Inalfa's group-wide sustainability strategy. It addresses material sustainability issues by bringing them to senior management's attention and overseeing their resolution. Representing various business areas and functions, this committee monitors and reports on the progress of Inalfa's sustainability initiatives. It convenes quarterly, and its findings are presented to the BOM to ensure continuous alignment with our sustainability objectives.

## Focus Areas and Risk Management

**At Inalfa, Sustainability is deeply embedded across the organization, integrated into our overall governance and management structure. The roles and responsibilities for sustainability are clearly defined, with specific duties outlined in the accompanying diagram to ensure alignment with our sustainability strategy. This holistic governance approach guarantees that sustainable and ethical practices are woven into every aspect of our operations.**

**A core element of Inalfa's sustainability strategy is setting clear priorities and conducting a materiality analysis. We continuously engage in sector research to identify emerging sustainability issues and actively consult with our stakeholders to ensure that these issues align with both internal goals and external expectations.**

### STAKEHOLDER ENGAGEMENT AND PRIORITIZATION

#### • CUSTOMERS

We prioritize regular engagement with our customers to address sustainability concerns, ensuring that our offerings align with their specific sustainability needs. We provide comprehensive, transparent information on sustainability matters and work to maintain our reputation as a reliable, responsible supplier.

#### • INVESTORS AND FINANCIAL INSTITUTIONS

Annually, we participate in meetings with fund managers and analysts focused on sustainable investing. We continue to see growing interest from socially responsible investors in our Environmental, Social, and Governance (ESG) performance, reflecting our commitment to sustainability.

#### • SUPPLIERS

Maintaining close communication with our suppliers is a key element of our strategy. We ensure that they meet our sustainability standards and foster ongoing assessments at supplier sites. Through collaboration, we work to improve their sustainability practices.

### STAKEHOLDER CONSULTATION

Our stakeholder consultation process encompasses both internal and external stakeholders:

- **Internal Stakeholders:** All business areas and relevant group functions.
- **External Stakeholders:** Board members, owners, investors, customers, suppliers, and communities.

This collaborative approach ensures that we remain aligned with stakeholder expectations and strategic objectives, shaping the direction of our sustainability efforts.

### KEY MATERIAL SUSTAINABILITY ISSUES

Through thorough analysis, we have identified several critical sustainability issues that demand active management:

- Economic Performance
- Corporate Governance and Ethics
- Sharing the Value with Employees
- Employee/Human Capital Development
- Safety
- Impact on the Environment and Society

## DOUBLE MATERIALITY POLICY ALIGNED WITH RISK MANAGEMENT & STRATEGY

Inalfa recognizes that strategic planning in today's rapidly evolving world requires strategic flexibility and agility. These attributes are essential to maintaining a competitive edge in a landscape marked by constant change and uncertainty. Our Double Materiality approach integrates the following priorities into our risk management and strategic framework:

### KEY STRATEGIC AREAS OF FOCUS:

- 1. Geopolitics:** Geopolitical developments necessitate a reevaluation of supply chains and sourcing decisions. The shifting global landscape demands more resilient and adaptable supply chain choices.
- 2. Innovation:** In times of scarcity, collaboration becomes crucial. Strategic resource allocation and development of innovative partnerships are key to ensuring continuity and competitiveness.
- 3. Sustainability:** Sustainability is not just a regulatory requirement but a foundational pillar for strengthening Inalfa's competitive position. Meeting sustainability requirements is essential to stay ahead in the industry, and adopting sustainable practices is core to our long-term strategy.
- 4. Legislation & Regulation:** The growing complexity of legislation and regulations, spanning materials, social issues, trade, and more, requires a keen focus. We must stay vigilant and adaptive to comply with changing legal frameworks.
- 5. Energy Transition:** We remain committed to energy reduction and the setting of clear energy targets, aiming for continual improvements in energy efficiency and operational sustainability.
- 6. Materials and Circular Economy:** A growing emphasis on the circular economy drives our focus on hot spots and enhancing supply chain cooperation to ensure a sustainable flow of materials. We aim to reduce waste and promote the reuse of materials.
- 7. Critical Raw Materials & Rare Materials:** With the rise of electrification, the use of critical raw materials is increasing. Additionally, we are addressing the potential restrictions surrounding PFAS (Per- and polyfluoroalkyl substances), focusing on responsible sourcing and sustainable material alternatives.

## CLIMATE CHANGE: ADAPTATION AND MITIGATION

Climate Change Adaptation is central to our operations, ensuring preparedness for potential disruptions not only within our own operations but also across our supply chain. We have designed systems to adapt to changing climate conditions, safeguarding the continuity of our business activities.

Climate Change Mitigation focuses on actionable strategies for reducing our carbon footprint.

### OUR TRANSITION ROADMAP INCLUDES THREE KEY ROUTES:

- 1. CO<sub>2</sub> Impact Mapping:** We are committed to mapping out our carbon emissions and setting realistic reduction targets. Annual follow-up of progress ensures we are consistently improving and meeting our sustainability goals.
- 2. Circular Raw Materials:** Investing in the selection and development of circular raw materials within our supply chain will allow us to enhance material efficiency and reduce reliance on virgin resources.
- 3. Sustainability in Strategy:** Sustainability is integral to Inalfa's overall strategy. We are embedding sustainability into every facet of our operations, ensuring it is a key driver of future growth and success.

## CHALLENGES OF CONSTANT CHANGE

The constant evolution of legislation and the market landscape poses a significant challenge. Staying ahead of these changes requires continuous monitoring and agile adaptation, ensuring that Inalfa remains compliant and competitive.

Forward-looking: legal developments in Sustainability Reporting. In early 2025, key developments will shape Inalfa's future strategies, particularly concerning sustainability reporting. Notably, the EU Omnibus proposals aim to simplify and delay several sustainability reporting standards and obligations. As these developments unfold, Inalfa will adapt its reporting practices to stay aligned with evolving regulations and ensure comprehensive, transparent sustainability disclosures.

# Risk Management

**In the face of an increasingly complex global landscape, risk management at Inalfa requires forward-thinking and adaptability. As we move into early 2025, we recognize several challenges that may impact our operations and strategy. Among the primary concerns are rising legal demands, market uncertainties driven by trade tensions, and the broader economic environment.**

## MARKET RISKS AND PROFITABILITY PRESSURES

One of the significant risks is the decline in production volumes coupled with rising costs. These dynamics put pressure on profitability, creating the following challenges:

- **Balancing Direct/Indirect Cost Ratios:** Maintaining an optimal balance between direct and indirect costs will be crucial as we navigate cost increases across various inputs.
- **Cost Absorption and Pricing Negotiations:** The increased cost from materials and production must be absorbed. Adjustment of our price accordingly is not fully possible and might become more difficult in the future, adding further the financial strain.

## IMPACT OF FINANCIAL PRESSURES ON SUSTAINABILITY

These market pressures also have implications for sustainability efforts, as the relationship between finance and sustainability becomes increasingly intertwined:

- **Environmental Impact:** Investments required for climate transition projects may face delays or cuts due to financial constraints. Additionally, the ability to sell green materials could be challenged by higher costs and customer resistance to price hikes.
- **Social Impact:** Reduced production volumes will likely result in staff reductions, particularly in direct manufacturing roles, affecting our workforce and potentially reducing the number of employees in certain regions.

- **Governance Impact:** With limited resources, there will be a stronger emphasis on ensuring compliance and maintaining operational efficiency. Despite these challenges, sustainability remains a priority, and its integration into the corporate governance framework continues to evolve.

## SUSTAINABILITY'S GROWING ROLE IN CORPORATE RISK MANAGEMENT

While financial challenges will shape our short-term priorities, sustainability is firmly gaining traction as a key focus within our corporate risk management and business strategy. As we navigate the current market landscape, the importance of sustainability cannot be understated. Even in a more financially constrained environment, our commitment to sustainability will remain strong.

## INTEGRATION OF SUSTAINABILITY AND CSRD PREPARATION

In response to evolving expectations, sustainability management is being further integrated into Inalfa's organizational structure, with a particular focus on regional rollout and deeper functional alignment. This integration is designed to ensure that sustainability is not just a separate agenda but is woven into the fabric of our operations, governance, and risk management practices. Looking ahead, the Corporate Sustainability Reporting Directive (CSRD) will require greater transparency and integration of sustainability into our risk management processes. In preparation for this, we are ensuring



that sustainability is not only part of our corporate strategy but also connected to all functional areas and stakeholder interests. This alignment will facilitate more holistic risk management and help Inalfa meet both current and future regulatory and market requirements.

**CORPORATE GOVERNANCE AND ETHICS**

Maintaining strong corporate governance and ethical standards is essential to our approach to sustainability. Upholding these principles ensures that we operate with integrity and transparency across all levels of the organization.

**SHARING THE VALUE WITH EMPLOYEES**

We believe that sharing the economic value created by the company with our employees is crucial for fostering a motivated, engaged, and dedicated workforce. This supports our overall strategy of creating a positive organizational culture.

**EMPLOYEE/HUMAN CAPITAL DEVELOPMENT**

Investing in employee development is central to our sustainability strategy. By ensuring that our workforce is equipped with the necessary skills, we prepare them to meet both current and future challenges effectively.

**SAFETY**

Safety is a top priority across all operational activities at Inalfa. Our products meet all relevant safety and regulatory standards, and we are

committed to providing a safe working environment for our employees. Our safety standards extend to ensuring that the products we manufacture contribute to the safety of drivers and passengers.

**ENVIRONMENTAL AND SOCIETAL IMPACT**

Historically, Inalfa’s focus on environmental impact has centered on compliance with operational and legal requirements. However, we now place a stronger emphasis on meeting the automotive sector’s evolving sustainability and carbon reduction goals. We remain committed to minimizing our environmental footprint and contributing to societal well-being.

**LIFE CYCLE ANALYSIS (LCA)**

We continue to conduct a comprehensive Life Cycle Analysis (LCA) of our key products. This assessment provides valuable insights into the environmental impact of our products across various stages of their life cycle, from production to end-of-life, helping us identify areas for improvement in resource efficiency and environmental performance.

**ENERGY MONITORING AND EFFICIENCY**

Our energy monitoring program, initiated in 2019, has shown consistent positive progress since its baseline year. We continue to observe significant improvements in energy efficiency, demonstrating our commitment to reducing energy consumption and minimizing our environmental footprint.

# The Pillars of Our Governing Model

**Inalfa's governance framework is designed around three key tiers, each dedicated to ensuring effective risk management, assurance, and independent oversight.**

## 1. OPERATIONAL LEVEL

At the foundational level, managers are directly responsible for identifying and managing risks within their respective areas. These responsibilities extend across products, activities, processes, and systems, making risk management integral to the daily operations of the business.

## 2. INTERNAL ASSURANCE

The second tier of our governance model focuses on internal assurance, which is provided by layered review processes within Finance and review functions, such as legal and compliance departments. These departments are embedded throughout the organization to support and verify that operational risk management is both effective and compliant with internal policies and regulatory requirements.

## 3. INDEPENDENT REVIEW

The third and final tier is independent review, carried out by the Internal Audit group, which is part of the finance function. This group performs the highest level of oversight by critically assessing the company's risk management framework, internal controls, and operational processes. The Internal Audit group reports its findings directly to the Board of Management (BOM), ensuring a thorough level of oversight and accountability.

## COMMITMENT TO ETHICAL BUSINESS PRACTICES

Integrity is at the heart of everything we do. We believe that upholding the highest ethical standards is not just a responsibility, but a commitment to our stakeholders and the world at large. Throughout this report, you will find evidence of our steadfast adherence to integrity, reflected in the implementation of robust policies and practices across our organization.

From supply chain management to employee relations and community engagement, we integrate integrity into every facet of our operations. By embedding these principles into our decision-making processes, we ensure that each action we take contributes to a sustainable future built on trust, transparency, and accountability.

## PRIORITY RISK CATEGORIES AND FOCUS AREAS

In 2024, we maintained our focus on four key risk categories, each with specific focus areas:

### STRATEGY AND PRODUCTS

We prioritize aligning our product roadmap with our sustainability objectives and market demands. This ensures that our products meet the evolving needs of the automotive industry while adhering to sustainability standards.

### FINANCE AND REPORTING

We closely monitor key financial indicators, including liquidity, interest rates, and funding availability, to ensure the financial stability necessary to support long-term operational success.

### BUSINESS PARTNERS

Our supplier strategy remains a focal point, ensuring that our partnerships are in line with our sustainability goals and ethical standards. We aim to strengthen relationships with suppliers who share our values and commitment to responsible practices.

### OPERATIONS

Environmental stewardship, health and safety, and information technology remain central to our operations. We continue to reduce our environmental footprint and uphold the well-being of our employees and the communities in which we operate.

By addressing these priority risk categories, Inalfa demonstrates its unwavering commitment to sustainability and responsible business operations, driving long-term prosperity for our stakeholders and minimizing our impact on the environment.

### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



### FOCUS TOPICS FROM MATERIALITY ASSESSMENT

#### GOVERNANCE

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

#### SOCIAL: EMPLOYEES & SOCIETY

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

#### ENVIRONMENT & CLIMATE OPERATIONS

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

#### SUPPLY CHAIN

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

#### PRODUCT & CIRCULAR ECONOMY

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

# Environmental Stewardship

## Our Environmental Responsibility

OUR COMMITMENT TO ESG

LEADERSHIP REFLECTION

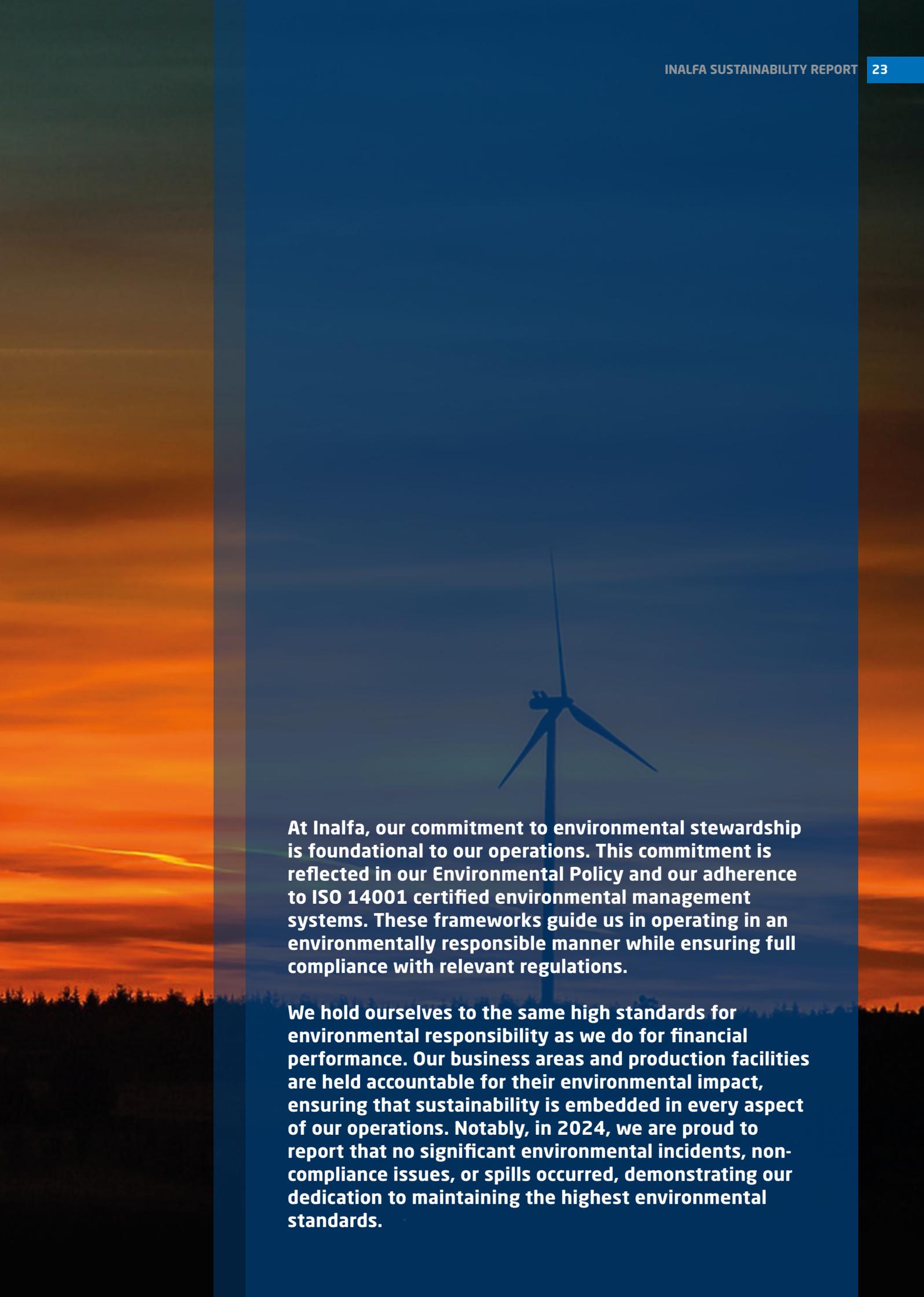
GENERAL

ENVIRONMENTAL

SOCIAL IMPACT

GOVERNANCE





**At Inalfa, our commitment to environmental stewardship is foundational to our operations. This commitment is reflected in our Environmental Policy and our adherence to ISO 14001 certified environmental management systems. These frameworks guide us in operating in an environmentally responsible manner while ensuring full compliance with relevant regulations.**

**We hold ourselves to the same high standards for environmental responsibility as we do for financial performance. Our business areas and production facilities are held accountable for their environmental impact, ensuring that sustainability is embedded in every aspect of our operations. Notably, in 2024, we are proud to report that no significant environmental incidents, non-compliance issues, or spills occurred, demonstrating our dedication to maintaining the highest environmental standards.**



## Addressing Climate Change

**In response to the challenges posed by climate change, Inalfa has undertaken a thorough assessment of potential risks to our organization, considering both physical and transitional impacts over short, medium, and long-term horizons. Our climate change strategy is centered around proactive risk management and aligns with emerging trends in the automotive sector, including the growing electrification of vehicles.**

We have developed an actionable climate change plan that focuses on key priorities, such as continuous monitoring of national and local climate policies and adapting our operations to these evolving frameworks. Our product development objectives are aligned with industry best practices, emphasizing eco-efficiency, circularity, and compliance with Industry 4.0 standards.

Our commitment to reducing our environmental footprint is also reflected in ongoing investments aimed at enhancing our operational energy efficiency. These initiatives include procuring renewable energy, reducing waste, and upgrading facilities to minimize energy consumption. By incorporating these changes, we aim to significantly reduce the environmental impact of our operations.

### ENVIRONMENTAL RISK MANAGEMENT

As of December 31st, 2024, none of our production facilities are situated in regions at immediate risk of climate-related harm. Additionally, our facilities are not located near ecologically sensitive or protected areas, further ensuring that we operate in a manner that minimizes our impact on critical ecosystems.

Through these efforts, Inalfa continues to demonstrate its commitment to environmental sustainability and climate action, ensuring that we contribute to a cleaner, more resilient future for both our business and the global community.

### ADDRESSING CLIMATE CHANGE

We continue to conduct a thorough, systematic assessment of potential climate change risks, both physical and transitional, that could impact the organization's performance over short-, medium-, and long-term horizons. This risk evaluation plays a pivotal role in shaping our strategy to mitigate climate change impacts and ensure business resilience.



## Climate Change Strategy and Priorities

### OUR COMPREHENSIVE CLIMATE CHANGE STRATEGY AND ACTION PLAN FOCUSES ON THE FOLLOWING CORE ISSUES:

- **Tracking and Adapting to Climate Policies:** We continuously monitor national and local climate change policies and regulatory changes to ensure our operations are aligned with evolving frameworks and compliant with relevant regulations.
- **Product Innovation and Adaptation:** As the automotive sector undergoes a transformation, particularly with the rise of vehicle electrification, we are focused on innovating and adapting our products to meet these emerging trends. This includes designing products that support the increased electrification of the automotive industry.
- **Eco-efficiency and Circularity in Product Development:** Our product development objectives prioritize eco-efficiency, circularity, weight reduction, and improvements in user experience. Additionally, we focus on advancements that align with the development of autonomous vehicles and meet the standards of Industry 4.0.
- **Environmental Upgrades and Energy Efficiency:** We continue to invest in environmental upgrades across our production facilities. This includes initiatives to reduce operational energy consumption, procure renewable energy, and minimize waste, all while enhancing our facilities' environmental performance.

### ENERGY AND CARBON MANAGEMENT

Our specific energy consumption (measured as energy per unit of sales turnover/production) based on Scope 1 and Scope 2 emissions has continued to decline year over year since 2019. This ongoing reduction reflects our dedication to energy efficiency and the achievement of our broader energy and carbon management goals.



## Environmental Performance Metrics

### SCOPE 1 AND 2

Inalfa has consistently delivered efforts toward reducing gas usage over the years. Total trends, compared to the base year of 2019, have resulted in a real reduction of 20% CO<sub>2</sub> Scope 1+2 (an average of 4% per year). Including the use of renewable energy, the total reduction stands at 36.5%, showcasing our initial commitment to efficiency. The most significant achievement occurred in 2023, when a notable 43.7% reduction was recorded compared to the previous year, reflecting a substantial stride towards sustainable practices. In 2024, gas consumption amounted to 5,746,408 kWh, which corresponds to 1052 tCO<sub>2</sub>e (30% reduction to previous year), further emphasizing our progress.

In terms of electricity consumption, in 2019, usage stood at 40,287,000 kWh, gradually decreasing by approximately 10% to 36,254,000 kWh in 2020, indicating an initial commitment to reducing energy consumption. This downward trend continued in 2021, with a further decrease to 35,570,000 kWh. Despite minor fluctuations, electricity usage remained relatively stable in 2022, standing at 35,517,792 kWh. The energy conservation continued in 2023, where consumption dropped to 35,183,720 kWh, marking a 12.65% decrease in electricity usage since the base year. In 2024, electricity consumption was recorded at 34,580,916 kWh, which corresponds to 16415 tCO<sub>2</sub>e (6% reduction to previous year), reflecting continued efforts to manage energy use.

These results underscore Inalfa's continued commitment to reducing its environmental impact and making significant strides toward energy efficiency and sustainable practices.

### NOISE MEASUREMENTS

Noise monitoring is an established part of environmental and occupational safety management across the organization. Measurements are conducted in accordance with applicable legal frameworks, workplace risk assessments, or operational changes. All reported results remained within defined threshold values, with no deviations identified. Where required, periodic or targeted assessments are performed to ensure continued compliance and safeguard employee well-being.

### CHEMICALS EMISSIONS (VOC PLANT)

Chemical emissions are monitored wherever legally required or operationally relevant. Monitoring programs address key parameters such as volatile organic compounds, sulfur and nitrogen oxides, and non-methane hydrocarbons, with measurement frequencies defined by national regulations or permit conditions. Across the sites where emissions monitoring applies, results consistently remain within regulatory thresholds.

## GHG Scope 1: Gas Usage

**Table 2: Gas Usage**

Year	Gas			
	Usage	Cost	Emission Factor	CO <sub>2</sub>
	kWh	EUR	Defra	tCO <sub>2</sub> e
2019	13,031,280		0.000184	2,459
2020	12,418,856	€ 356,097	0.000184	2,284
2021	13,851,096	€ 405,730	0.000184	2,547
2022	14,557,407	€ 883,034	0.000182	2,401
2023	8,187,413	€ 810,447	0.000182	1,500
2024	5,746,408	€ 588,117	0.000183	1,052

Absolute CO<sub>2</sub> has decreased by 22.7% excluding green energy and 36.5% including green energy compared to base year 2019 (5.2% compared to previous year).

## GHG Scope 2: Electric Power

**Table 3: Electric Power**

Year	Electricity			
	Usage	Cost	Emission Factor	CO <sub>2</sub>
	kWh	EUR	EIA Average	tCO <sub>2</sub> e
2019	40,287,000		0.0007096	20,143
2020	36,254,000	€ 3,266,119	0.0005003	18,138
2021	35,570,000	€ 3,271,013	0.0005005	17,802
2022	35,517,792	€ 4,128,306	0.0004704	16,708
2023	35,183,720	€ 5,396,607	0.0004821	16,963
2024	34,580,916	€ 4,395,237	0.0004747	16,415

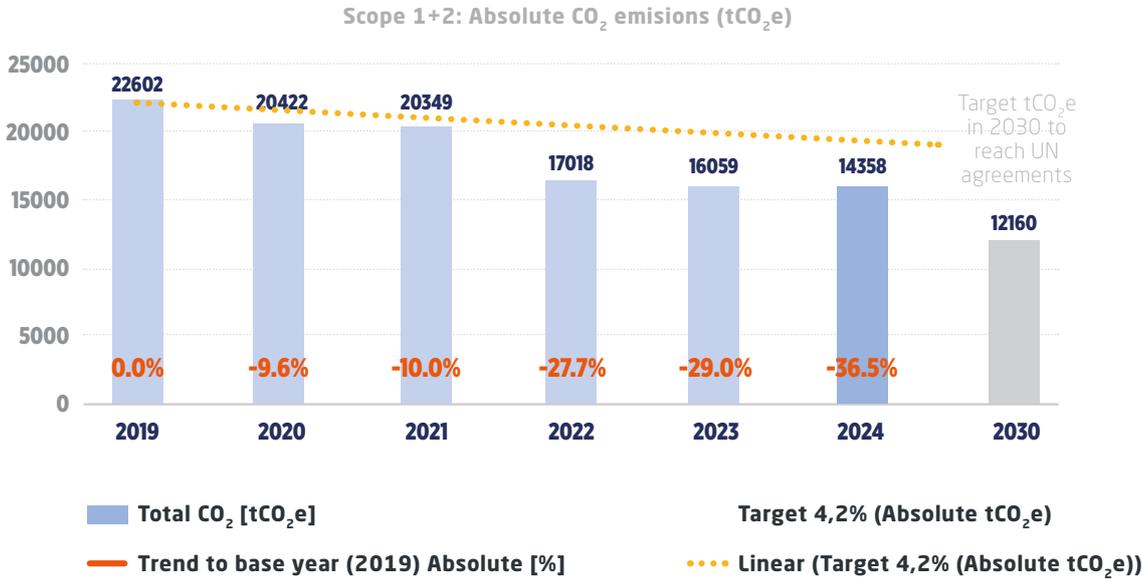
While energy consumption has decreased, the energy cost has increased significantly, compared tot 2020, with EU energy prices remaining double compared to other regions, while North America (NA) continues to have the lowest energy cost. Despite a decrease in absolute energy consumption the absolute CO<sub>2</sub> emissions (tCO<sub>2</sub>e) have reduced by 36.4% compared to the base year 2019 and 5.2% compared to 2023.

7 AFFORDABLE AND CLEAN ENERGY



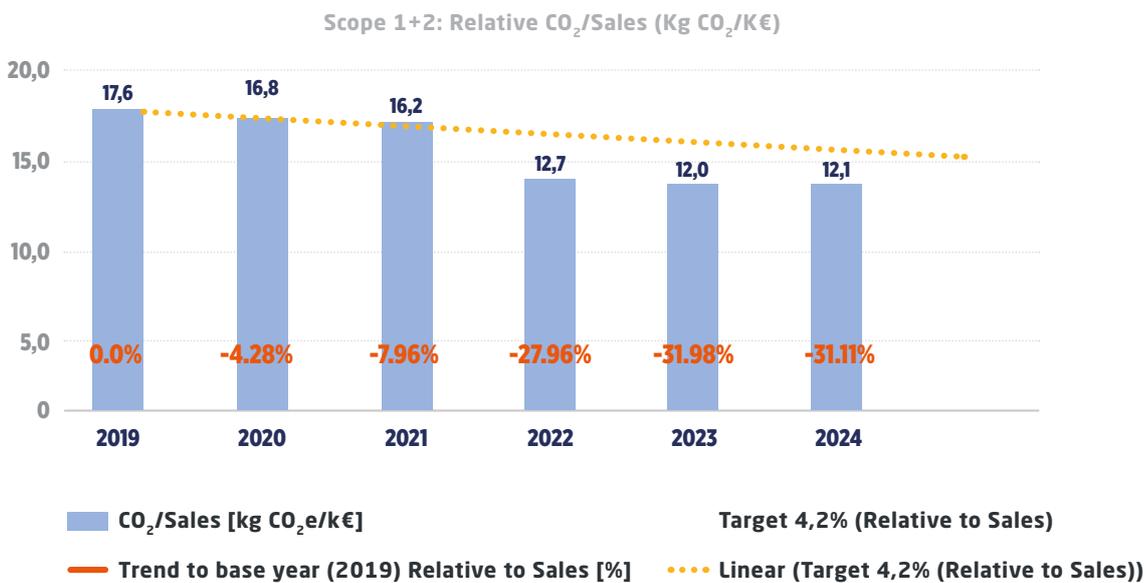
TOTAL GHG SCOPE 1+2: ENERGY

Table 4: GHG Emission - Efficiency including Renewables



The absolute CO<sub>2</sub> emissions (tCO<sub>2</sub>e) have been reduced by 36.5% compared to the base year (2019), and 7.5% compared to 2023. This reduction is attributed in part to energy reduction efforts and the utilization of Energie Attribuu Certificaat (EAC) with Guarantee of Origin for EU activities. Specifically, the portion of reduction attributed to EAC stands at 12.9%.

Table 5: GHG Emission - Efficiency including Renewables



The reduction in emissions is partly due to both the reduction in energy use and the use of Energie Attribuut Certificaat (EAC) with a Guarantee of Origin for EU activities. The relative CO<sub>2</sub> intensity (KgCO<sub>2</sub> per sales turnover) has decreased by 31% compared to the base year (2019), but no further decrease was recorded in 2024.

In terms of global sales, the intensity figures were calculated based on the Direct Sales Turnover for Roof Systems: A 6.4% decrease compared to 2023 and Volume Roof Systems: A 8% increase to 2023.

The delta between volume and sales can be attributed to the product mix and the conversion of currency to EUR. The drop in volumes and sales has led to efficiency losses, but despite these challenges, the reduction efforts have kept the intensity effect neutral.

**REGIONAL EFFECTS**

Inalfa has made notable progress in reducing its energy consumption, with regional differences and activity types playing a significant role in the overall energy performance. For example, Inhouse Encapsulation has a major impact on electricity consumption, as do the climate chambers in our Test Centers, which require considerable energy for their operation. These areas contribute heavily to our overall electricity consumption figures.

For Scope 1 (gas), it is primarily used for heating purposes. Significant improvements have been achieved through the implementation of improved control systems, sensor technology, and temperature setting adjustments, all contributing to better efficiency in gas usage. Additionally, the impact of a mild winter at the end of 2024 has also played a role in reducing heating requirements, further aiding in gas consumption reductions.

For Scope 2 (electricity), country location has a significant influence on our emission factors. The average emission factor for electric power has decreased in most countries, with the exception of the USA (specifically Michigan and Georgia), where there was a slight increase. Poland continues to have the highest emission factor for electric power, but it has shown improvements that remain below average. In contrast, China, while still among the higher emission factors, has seen a 2.9% improvement.

In 2024, several energy reduction measures were implemented, leading to further energy efficiency gains.

**THESE MEASURES INCLUDE:**

- Installation of a compressed air pressure monitoring system to optimize energy use and prevent waste.
- Replacement of old air-conditioning units with more energy-efficient models, reducing electricity consumption.
- Upgrading lighting throughout facilities with LED bulbs, contributing to a reduction in electricity use.
- Implementation of on/off sensors for lights and PLC-controlled shop floor lighting to ensure energy is only consumed when necessary.
- Installation of solar-powered lighting in specific areas, reducing the reliance on grid electricity.

These energy-saving measures are part of Inalfa's broader strategy to improve energy efficiency across all regions and contribute to our ongoing commitment to sustainability. Despite the challenges posed by regional differences and the nature of specific activities, we continue to see a steady reduction in energy consumption and CO<sub>2</sub> emissions across our operations.

### GHG SCOPE 3

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

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

Inalfa recognizes that the largest impact on Scope 3 greenhouse gas (GHG) emissions comes from the product footprint. These emissions are largely associated with the supply chain, including both upstream and downstream activities.

#### SCOPE 3 UPSTREAM EMISSIONS

Scope 3 upstream emissions include several categories, particularly those within Inalfa’s direct control, such as Categories 4, 5, 6, and 7, which are actively managed. However, Category 1, which pertains to the purchase of products, originates within Inalfa’s supply chain. For this category, emissions are generated not only by direct suppliers but often from suppliers further upstream, where primary data may be sparse.

To ensure greater transparency in the supply chain, Inalfa utilizes LCA (Life Cycle Assessment) software from Sphera, formerly GaBi. This tool provides data insights and helps to close gaps in primary emissions data across deep supply chains. As part of our ongoing commitment to reducing emissions, we actively collaborate with direct suppliers and engage with trade organizations to manage this complex and evolving area of GHG emissions. Whenever possible, primary data from suppliers is used to refine and improve the CO<sub>2</sub> impact values for our products and their materials.

**SCOPE 3 DOWNSTREAM EMISSIONS**

For Scope 3 downstream emissions, Inalfa’s focus has primarily been on the upstream supply chain. This strategy aligns with the expectations of our OEM (Original Equipment Manufacturer) customers, who are increasingly requesting Cradle to Gate LCA reporting. By prioritizing upstream emissions, we can ensure that our products are aligned with customer sustainability goals and support efforts to reduce their overall carbon footprint.

Where applicable, Category 3.9, which covers downstream transportation of products to OEM customers (Gate to Customer), is included in our scope. This category captures the emissions associated with the transportation of finished products to the customer’s site.

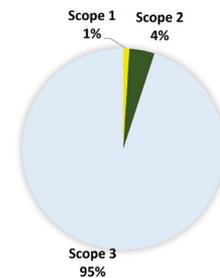
Additionally, Category 3.12, concerning the End-of-Life Vehicle (ELV) treatment of products sold, is managed in alignment with the EU ELV Directive. Through this, Inalfa ensures that its products are recyclable and meet the standards for the end-of-life treatment of vehicles, contributing to a circular economy approach. Our products meet the requirement of at least 95% RRR (Recyclable, Recoverable, Reusable) as reported in the IMDS system. A structural reuse of parts is not applicable since our products are designed to last a complete lifetime, spare parts are available in case incidental replacement is needed. Recycling is supported by material type marking of polymeric parts. This results in a maximum of 5% of materials ending up in landfill. With a GHG protocol emission factor of 0.3 kg CO<sub>2</sub>/kg material, this result in a CO<sub>2</sub> impact of 0.02% of scope 3.1 product.

**INDICATION OF SPLIT CO<sub>2</sub> SCOPE 1-2-3**

**Table 6: Scope 3 Upstream**



**Table 7: CO<sub>2</sub> MAP**



**SCOPE 3 UPSTREAM EMISSIONS: BREAKDOWN AND KEY CHALLENGES**

The chart above provides an indicative split of Scope 3 Upstream emissions, which include several categories that have varying levels of impact on Inalfa’s overall GHG footprint. These emissions are largely related to activities in the supply chain, and managing them requires a detailed understanding of each category’s contribution.

**Category 1: Purchased Goods (CO<sub>2</sub> Data for Purchased Goods)**

Category 1, which refers to CO<sub>2</sub> emissions from purchased goods, represents the biggest challenge in terms of control and management. This category is particularly difficult to monitor and manage because purchased goods, the components produced at suppliers’ facilities and later assembled by Inalfa into complete Roof Systems, typically do not have CO<sub>2</sub> emissions explicitly included in contracts. To address this, Inalfa

continues to engage with suppliers and use LCA (Life Cycle Assessment) software to estimate emissions from purchased materials and components.

**Category 4: Upstream Transportation of Components**

Category 4, related to upstream transportation of components, is accounted for when Inalfa arranges the transportation. This depends on the contract incoterms, which dictate responsibility for transportation. The emissions associated with transportation vary significantly by region:

- EU and NA operations manage a significant portion of transportation internally, thereby controlling emissions from this activity.
- In China, however, the majority of transportation is handled by suppliers, making it more challenging to track and manage emissions related to this category.

**Category 5: Waste of Operations**

In Category 5, which covers waste from operations, the main sources are scrap materials generated during assembly and single-use packaging. In regions with local production, returnable packaging is used, which reduces waste and lowers emissions associated with packaging disposal. However, the challenge remains to minimize scrap in the assembly process and to optimize packaging materials, further reducing the footprint in this category. This refers to metrics on page 34, table 1.3 recycling 75%.

**Category 6: Business Travel**

In 2023 business travel increased after the covid period, especially after opening of China region. In 2024 we see a stabilizing business travel based on the importance of face-to-face meetings in combination with online communication with a 17% reduction due to focus on decarbonization as well.

**SCOPE 3 - 3.6 BUSINESS TRAVEL**

**Table 8: Scope 3 - 3.6 Business Travel**

**2024**

Region/ Country	Flight	Car	Total
	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg
Total	1,509,333	381,308	1,905,757
	change to previous year -19%		change to previous year -17%

**2023**

Region/ Country	Flight	Car	Total
	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg
Total	1,862,322	430,982	2,293,304
	change to previous year -97%		change to previous year -47%

**2022**

Region/ Country	Flight	Car	Total
	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg	CO <sub>2</sub> in kg
Total	945,150	612,250	1,557,843

**Scope 3 Category 6: Business Travel**

In 2023, business travel saw an uptick as activities resumed post-COVID, particularly with the reopening of the China region. This increase was largely driven by the renewed need for face-to-face meetings as operations expanded and the importance of in-person collaboration grew. However, in 2024, we observed a stabilization in business travel, as the balance between

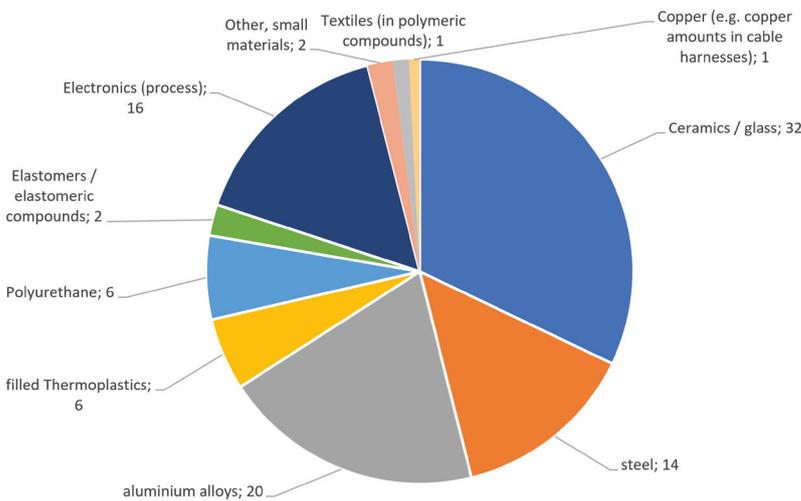
face-to-face meetings and online communication continued to evolve. As part of our ongoing commitment to decarbonization, Inalfa implemented measures to reduce the carbon footprint associated with business travel. This focus resulted in a 17% reduction in overall business travel emissions in 2024, highlighting our continuous efforts to reduce emissions while maintaining effective communication and collaboration across regions.

**Category 7: Employee Commuting**

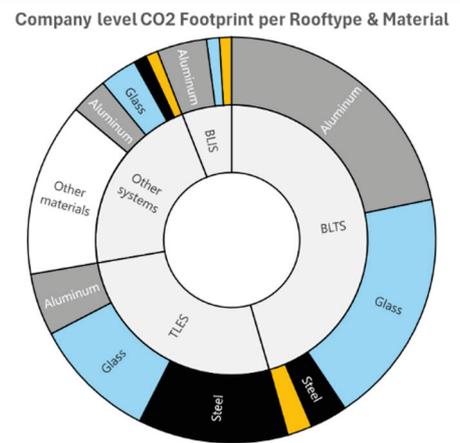
As EU legal reporting obligations for employee commuting emissions grow, Category 7 has gained more attention. Inalfa is preparing for these regulations by implementing initiatives such as EV (Electric Vehicle) charging

facilities at several locations to encourage the use of electric vehicles for commuting. These efforts are designed to reduce the carbon footprint associated with employee travel to and from work.

**Table 9: Typical BLTS CO<sub>2</sub> Breakdown (kg/roof)**



**Table 10: Typical material BLTS roof hot spot materials/product type and volume mix**



**Scope 3 Upstream Emissions: GHG Impact per Material Classification**

The chart below illustrates the GHG impact (in kg of CO<sub>2</sub>) per material classification for a typical Roof System. These values are calculated based on gross weight and provide an estimate of the emissions associated with each material used in the production process. It is important to note that the exact numbers may vary depending on parameters such as size, configuration, quality requirements, and the specific supply chain. These values exclude emissions related to Roof assembly, Packaging, and Logistics, which are accounted for separately.

**2024 Inventory Efforts**

In 2024, Inalfa undertook an extensive inventory to gather primary data from key suppliers who represent the hot spots in our supply chain. This inventory

process was crucial for improving the accuracy of our Scope 3 emissions data. By combining this primary data with secondary data, we were able to produce a company-level CO<sub>2</sub> footprint that provides a clearer picture of the environmental impact across the entire supply chain.

This initiative is an essential step in closing the gap of missing emissions data and enhancing the transparency of our (deep) supply chains. By actively working with suppliers and using advanced LCA (Life Cycle Assessment) tools, we aim to refine our understanding of the emissions associated with each material, as well as better manage the associated environmental impact. Inalfa aims to reduce GHG Scope 3 emissions in line with SBTi to a pathway that is well below the 2°C global warming objective and the specific targets being set by our customers for new programs. Detailed numbers are disclosed and shared with customers via the annual CDP program reporting.



## WASTE MANAGEMENT

### WASTE FROM OPERATIONS

Inalfa’s waste management follows local legislation, ensuring that waste is properly controlled and handled by licensed external operators for dedicated waste streams. The recycling percentage is calculated based on the specific waste stream type and remains an essential part of our environmental efforts.

In 2024, we maintained a stable total waste level while achieving a 4% improvement in recycling compared to the previous year. This increase reflects our ongoing commitment to enhancing waste management practices and improving recycling efficiency.

We closely monitor scrap as a key performance indicator (KPI), setting specific targets for different categories.

- **Assembly Roof:** In 2024, we improved performance compared to 2023, maintaining stable results throughout the year and staying consistently below the target.

Table 11: Waste

Waste type	Total	Recycling	Scrap	Scrap
	Amount		2023	2024
	Kg	%	%	%
All Waste Streams	5,218,065	75%		
Hazardous Waste	313,240			
Scrap Roofs			0,28%	0,17%



### WATER CONSUMPTION AND DISCHARGES

In 2024, Inalfa achieved a notable reduction in water consumption, reaching 64,148 m<sup>3</sup> compared to 80,405 m<sup>3</sup> in 2019. This represents a 20% decrease in water usage over the five-year period, highlighting our commitment to resource efficiency and sustainable operations. Water consumption at Inalfa is closely tied to activities such as Inhouse Encapsulation and Validation. These processes, particularly in the encapsulation and testing of products, require significant water usage. While there has been a steady decrease in water consumption across most plants, the Encapsulation activities led to a slight increase in water usage. Despite this, we have seen an overall positive trend in the reduction of water consumption across all other operations.

Regarding effluent discharges, due to the nature of our activities, these have a limited impact on the environment. Where necessary, treatment facilities are installed, including grease traps in canteens, ensuring that our waste water is managed effectively and responsibly.

These improvements in water usage are part of Inalfa’s broader sustainability efforts, which continue to reduce our environmental footprint while maintaining operational efficiency.

**Table 12: Water**

Year	Water				
	Usage	Total Water Usage/Roof	FTE	Water per FTE	Trend
	m <sup>3</sup>	L			Absolute
2019	80,405	0.015	5,005	16.06	100%
2020	71,560	0.018	6,005	11.92	89%
2021	71,277	0.014	5,490	12.98	89%
2022	65,590	0.012	5,244	12.51	82%
2023	75,560	0.012	5,008	15.08	94%
2024	64,148	0.011	4,400	14.57	80%



Comparison of Water Consumption: 2024 vs. 2019 (base year)

# Social Impact

## Operational Excellence Through Inalfa Manufacturing System

At Inalfa, we have unified our environmental, energy, occupational health and safety (HSE), and quality management efforts into a single, cohesive framework known as the Inalfa Manufacturing System (IMS). This system ensures our operations remain efficient, compliant, and aligned with international best practices.

Each of our facilities, along with the organization as a whole, is responsible for developing and maintaining a locally compliant IMS. Our IMS is built upon the stringent requirements of the International Automotive Task Force (IATF) and ISO standards, which are recognized globally within the automotive and components industries. All relevant Inalfa locations are certified to IATF 16949, ISO 14001, and ISO 45001, reaffirming our commitment to quality, environmental sustainability, and the health and safety of our workforce.



## 8 DECENT WORK AND ECONOMIC GROWTH



**Table 13: Group and Facility IATF and ISO Certifications**

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

**Safety:** 92% sites certified ISO45001, including Risk Inventory & Evaluation process; One site has a none-certified HSE management system with internal auditing.

**Environment:** 100% sites certified ISO14001, including Environmental Aspect Evaluation process

**Zero Occupational Injury and Illness:** The health and safety of our employees is our top priority. We are committed to achieving zero workplace injuries and illnesses through proactive risk management and continuous improvement.

**Carbon Reduction:** We aim to significantly reduce our carbon footprint across all operations. By adopting energy-efficient technologies and exploring renewable energy sources, we work to lower emissions and lessen our environmental impact.

**Resource Efficiency:** Inalfa is focused on reducing the use of natural resources such as water, energy, and raw materials. Through sustainable practices and efficiency initiatives, we strive to optimize resource use and minimize waste.

**Examples:**

- use of less components and related material for the direct driven rollo blind system, implemented for new programs, resulting in a significant reduction of CO<sub>2</sub>
- use of green aluminium for guiding rails in new programs with plans to change over for dedicated running programs, resulting in 33% lower CO<sub>2</sub> for these components

**Elimination of Restricted Substances:** As part of our commitment to environmental responsibility, we actively work to eliminate restricted substances from our products and processes. We ensure compliance with regulations and seek safer, more sustainable alternatives.

## KEY EVENTS AND ACHIEVEMENTS IN 2024

### • TISAX RECERTIFICATION AND EXPANSION

Inalfa successfully completed the TISAX recertification of our Headquarters in Venray, reinforcing our commitment to robust information security practices. We also expanded TISAX labeling to additional facilities in line with customer priorities.

TISAX (*Trusted Information Security Assessment Exchange*) is a European automotive industry standard, administered by the ENX Association on behalf of the VDA (German Association of the Automotive Industry), designed to assess and ensure enterprise-level information security.

### • ISO 27001 TRANSITION AUDIT - EU

We conducted a successful transition audit to align our European operations with the latest ISO 27001 standard for information security management, further strengthening our data protection and cybersecurity posture.

### • IATF TRAINING REFRESHED AND EXTENDED

As part of our commitment to continuous improvement and operational excellence, IATF (International Automotive Task Force) training was refreshed and expanded across relevant teams and functions.

### • CUSTOMER AWARDS AND RECOGNITION

Inalfa Mexico received a Certificate of Excellence and was honored with Gold Status Supplier recognition, reflecting our dedication to quality, performance, and customer satisfaction.

### • ZERO PRODUCT RECALLS

Inalfa achieved zero product recalls in 2024, underscoring our strong focus on product quality, reliability, and robust quality assurance processes throughout the production lifecycle.





Ms Wendy Broekhoff, CHRO

**“In my view, engagement is the most important topic for our future. It’s not just about running a survey, engaged teams perform better.”**

# Leadership Perspectives Human Resource

## Interview with our CHRO

### **How have you promoted a culture of sustainability within HR over the last six months?**

I do see it becoming more embedded in how we communicate. The SPTI (Science Based Targets initiative) project, for example, makes sustainability tangible. People are contributing to real outcomes. That’s far more powerful than just talking about it.

### **How do you manage the tension between labour cost pressures and the shortage of qualified personnel?**

We’re clearly in an employee’s market right now — the power lies with employees. That makes it more challenging to attract new talent, particularly in technical roles, and this is something we’re seeing not just in the Netherlands, but globally. In that context, restructuring can be approached with a certain level of responsibility and confidence: those who leave our organisation are entering a strong labour market where their skills remain in high demand and new opportunities are readily available.

### **What are you doing to promote internal mobility and career development?**

We address internal mobility through our talent management process. We ask employees about their mobility preferences and factor that into our talent calibrations.

### **How do you handle flexibility in work arrangements and ensure that overtime remains voluntary?**

We look at this broadly under the topic of working time. Since COVID, there’s been a consistent demand for more flexible working. Some roles can accommodate it more easily than others. Culture plays a role, too, so we give global guidance but leave room for local execution.

Overtime, in particular, is a balancing act, especially in parts of Asia, where it’s often seen as necessary for financial reasons. But we still need global standards to ensure fairness, wellbeing, and safety. External pressures from OEMs on forced labour and working hours reinforce that need.



**Have there been any updates to HR policies related to human rights, sustainable employment, or health and safety?**

All these areas are well covered in our Code of Conduct, which was recently refreshed. Most principles are already embedded in our day-to-day practices.

**Have you had success in improving gender diversity in hiring?**

Absolutely. At a previous company, I pushed for female-only shortlists. Some headhunters backed out, but those who stayed delivered. You have to be intentional and committed. It takes longer, but it's possible. You just have to want it.

The excuse of "we can't find them" is exactly that, an excuse. You have to look differently, think differently, and challenge the process.

**How are you aligning employee engagement with sustainability goals?**

Training is one part of it. But there is a necessity to optimize a structured, long-term development plan. Right now, it's too reactive, based on calendar-year cycles. Development should be mutual: employee-driven but manager-supported. That structure has room for improvement and will be supported from HR.

Also, development isn't just classroom training. It's 70% on-the-job, 20% coaching, and 10% formal training. That model is the base for our training plan.

**And how would you describe employee engagement today?**

In my view, engagement is the most important topic for our future. It's not just about running a survey, engaged teams perform better. But true engagement requires listening, openness, and consistent follow-up. That's an area we're committed to focusing on more going forward.



# Human Resources and Organizational Development

## HUMAN RESOURCES INITIATIVES

- **Training & Competence Evaluation:**

Enhanced training programs and systematic competence evaluations were implemented as integral parts of our People Performance Management framework, aimed at fostering employee development and aligning individual growth with organizational goals.

## ORGANIZATIONAL CHANGES

- **Spring 2024 - Structural Realignment:**

Major organizational changes were initiated in spring 2024, introducing a more centralized decision-making model to enhance operational efficiency and cost-effectiveness across the global organization.

- **Autumn 2024 - Business Transformation:**

In response to intensifying market competition and growing systemic challenges, Inalfa embarked on a new transformation phase in autumn 2024 to reinforce adaptability, agility, and long-term resilience.

- **Leadership Update - New Global CHRO:**

On November 1, 2024, a new Chief Human Resources Officer (CHRO) joined the Global Management Team (GMT), marking a strategic step in strengthening global HR leadership and supporting organizational transformation



## Our people

**Inalfa's shareholders are committed to gender diversity when filling positions on the Supervisory Board and the General Management Team (GMT). However, the commitment to diversity extends beyond gender alone. Inalfa's culture and corporate values encompass a broader understanding of diversity, which includes variations in background, culture, religion, education, and personality. Global scientific research already shows for years that "diverse teams perform better", and this is exactly what Inalfa embraces and focuses on to accomplish. It is our goal to build strong and diverse (management) teams. We foster an environment where people from different backgrounds feel welcome.**

This year, we are proud to announce the appointment of a new Chief Human Resources Officer (CHRO), further strengthening female representation in our leadership team. She brings a wealth of experience in human resource management and organizational development, and her leadership will be instrumental in advancing our diversity and inclusion initiatives.

### **INALFA'S CULTURE AND CORPORATE VALUES**

In 2024, we continued our journey to fully engrain the 2021 revised Inalfa's culture and corporate values. At multiple locations, we held several sessions with employees to discuss and to drive our culture. Bringing our best minds together always works excellently. As a global company, it is crucial we also think globally, and that means all forms of diversity are welcome at Inalfa. Inalfa's values form the basis for all HR processes, including hiring, performance management, and training. For the coming years, we will continue driving these topics, and ensure they are fully engrained in our day-to-day activities (and no longer treated as a separate topic).

## WORKFORCE OVERVIEW - 2024

# Employees

**AS OF YEAR-END 2024, INALFA EMPLOYED A TOTAL OF 3,580 PEOPLE, COMPOSED OF:**

- 2,435 male employees (68%)
- 1,145 female employees (32%)

This represents a 12% decrease in total headcount compared to 2023. The reduction primarily impacted blue-collar (direct manufacturing) roles, driven by a decline in sales volumes and the implementation of efficiency improvement programs.

Notably, the announced restructuring efforts did not affect the number of white-collar employees in 2024, maintaining stability in the administrative and support functions during this period of transition.

**Table 14: Employees by Category**

Employment Category	Employees				Contingent Workers				Total
	Male	Female	Undeclared	Total	Male	Female	Undeclared	Total	
Blue collar (operational)	993	764	0	1,757	380	116	233	729	<b>2,486</b>
White collar (office based)	1,442	381	0	1,823	45	4	42	91	<b>1,914</b>
Permanently employed	1,981	940	0	2,921	0	0	0	0	<b>2,921</b>
Full-time employed	2,416	1,127	0	3,543	424	120	275	819	<b>4,362</b>
Part-time employed	19	18	0	37	1	0	0	1	<b>28</b>
<b>Total</b>	<b>2,435</b>	<b>1,145</b>	<b>0</b>	<b>3,580</b>	<b>425</b>	<b>120</b>	<b>275</b>	<b>820</b>	<b>4,400</b>

Note: All human resources data is as year-end of 31<sup>st</sup> December 2024.

**Table 15: New Employees by Age (including contingent workers)**

New Employees	Male	Female	Undeclared	Total
< 30 years old	215	59	0	274
30-50 years old	163	87	0	250
> 50 years old	12	14	0	26
Unknown Age	0	0	4	4
<b>Total</b>	<b>390</b>	<b>160</b>	<b>4</b>	<b>554</b>

**Table 16: Terminations of Employment by Age (including contingent workers)**

Terminations	Male	Female	Undeclared	Total
< 30 years old	520	171	0	691
30-50 years old	76	78	0	154
> 50 years old	474	263	0	737
Unknown Age	26	1	3	30
<b>Total</b>	<b>1,096</b>	<b>513</b>	<b>3</b>	<b>1,612</b>

The tables above detail the new joiners and leavers during 2024. The overall reduction in headcount is part of the final stage of the transformation project.

**Parental Leave**

In 2024, 143 people took parental leave and 93 returned to work after their parental leave ended. In 2023, 136 people took parental leave and 93 returned to work after their parental leave ended.

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

**Table 17: Absenteeism (weighted) by Region**

Region/Country	Absenteeism (employees)	Absenteeism (contingent workers)
Europe	3.84%	5.12%
China & Japan	0.48%	0.98%
Korea	0.29%	0.21%
USA and Mexico	1.95%	0%
<b>Average</b>	<b>2.37%</b>	<b>2.07%</b>

**Table 18: Parental Leave Taken**

	Parental Leave Taken		
	Male	Female	Total
Europe	34	36	70
China & Japan	35	11	46
Korea	0	2	2
USA and Mexico	14	11	25
<b>Total</b>	<b>83</b>	<b>60</b>	<b>143</b>

**Table 19: People Performance Management - Percentage of Employees per Stage**

Performance and Career Development Reviews in 2024	
<b>Goal Setting:</b>	<b>97.1%</b>
<b>End Year Review</b>	
<b>Self-Evaluation:</b> Employees evaluate the year's performance (goals and competencies)	<b>96.5%</b>
<b>Manager-Evaluation:</b> Managers evaluate their direct report's performance (goals and competencies), including giving a rating	<b>98.2%</b>
<b>Calibration:</b> Session between managers and HR, to discuss, validate and agree upon the performance ratings of the managers' direct report(s)	<b>100%</b>
<b>Performance Conversation:</b> Session between manager and employee to discuss last year's performance and related rating. After this conversation, the manager sends the End Year Review to the employee	<b>98.1%</b>
<b>Employee Acknowledgement:</b> Employee will be requested to acknowledge the End Year Review	<b>97.4%</b>

## PEOPLE PERFORMANCE MANAGEMENT (PPM)

People Performance Management (PPM) is Inalfa's structured, annual process designed to align individual performance with company goals, support employee development, and drive organizational success. The cycle consists of three key phases:

### 1. Goal Setting

At the start of the year, employees and managers collaborate to set clear, measurable goals aligned with business objectives.

### 2. Ongoing Performance and Development:

Throughout the year, employees work towards these goals while focusing on professional development and competency growth.

### 3. End Year Review:

At year-end, performance and competencies are formally evaluated. This review summarizes the employee's achievements, providing insight into the level of success in their current role, based on consistent results and contributions over the year.

**The process is supported by structured conversations and validation steps to ensure fairness and transparency:**

- Performance Conversations:**

Over 97% of employees participated in a dedicated session with their manager to review their performance and receive feedback, culminating in the manager submitting the End Year Review.

- Calibration Sessions:**

100% of performance ratings were discussed in calibration sessions between managers and HR to validate and align assessments across the organization.

**Explanation Talent Review:** Talent Review is our annual process of identifying, calibrating and discussing/developing our talents/employees. While End Year Review is looking back at the performance of the last year, Talent Review is looking at the future and it predicts the likelihood of future success. It can indicate whether an employee will be able to take up another position/tasks/projects roles and/or succeed in more broad and complex roles.

**Table 20: Talent Reviews - Percentage of Employees per Stage**

Country	Update Talent Profile: Employee will update his/her Talent Profile (information about career data and future interests and plans).	Potential Assessment: Manager to assess the employee's (direct report) potential, retention risk and loss impact.	Calibration: (senior) Managers and HR to review and openly discuss identified talents and next steps for development.	Career Conversation: Manager to discuss the Talent Review and next steps for development with the employee (direct report).
China	89.10%	100.00%	100.00%	99.80%
Germany	80.00%	100.00%	100.00%	60.00%
Japan	100.00%	100.00%	100.00%	100.00%
Korea, Republic of	100.00%	100.00%	100.00%	100.00%
Mexico	92.40%	98.30%	100.00%	98.30%
Netherlands	78.60%	88.30%	100.00%	89.80%
Poland	91.50%	99.40%	100.00%	99.40%
Slovakia	100.00%	99.10%	100.00%	98.30%
United States of America	77.30%	98.30%	100.00%	98.30%
<b>Total (Global)</b>	<b>88.10%</b>	<b>97.60%</b>	<b>100.00%</b>	<b>97.60%</b>

# Training and people development

**At Inalfa, we deeply value the invaluable contributions of our employees and the specialized professionals who drive our success. With a focused and collaborative approach, we remain committed to delivering high-quality automotive roof systems, reinforcing our position as a global innovation leader.**

To support this mission, we invest continuously in the training and development of our workforce, while actively attracting individuals who embody resilience, teamwork, and proactive engagement. Our guiding ethos, "It's our spirit that makes the difference", captures the essence of our organizational culture and our unwavering commitment to excellence.

Rooted in this spirit, we foster a workplace where teamwork, respect, and transparency flourish. This culture not only supports our ambition to be an industry leader, but also strengthens our reputation as an employer of choice.

## DIVERSITY AND INCLUSION

With employees representing over 30 nationalities, Inalfa benefits from a wide range of skills, experiences, and cultural perspectives. This diversity enriches our organizational fabric, helping us remain agile, innovative, and globally connected.

## LEARNING AND DEVELOPMENT

Inalfa offers a broad portfolio of training opportunities across key disciplines, empowering employees to build skills that support both personal growth and organizational performance. Training topics include:

- Business Competencies
- Business Development
- Compliance and Legal
- Engineering / Product
- Finance
- Human Resources
- Inalfa Processes

- Information Technology (IT)
- Leadership Competencies
- Manuals
- Operations
- Policies
- Program Management
- Purchasing
- Quality & Supplier Quality Development (SQD)

In 2024, the most heavily utilized training areas were Inalfa Processes, followed by Compliance and Legal, and Operations, reflecting our focus on operational excellence and regulatory integrity.

## TRAININGS ON SPECIFIC ENVIRONMENTAL TOPICS

Environmental training is integrated into operational practices across the organization, supporting compliance, risk prevention, and employee awareness. In total, over 1,100 employees have participated in relevant training programs. These included:

- Waste segregation training reaching more than 650 employees,
- Emergency preparedness and chemical handling training for over 300 employees,
- ADR (hazardous waste) certification, spill response drills, and thematic environmental sessions as part of onboarding or annual programs.

Training formats vary by location and legal requirements, ranging from periodic modules to role-specific instruction. The content is tailored to operational risks and delivered across diverse functions, including production, logistics, and maintenance.



**Table 21: Employees with disabilities**

Percentage of Employees with disabilities	Male	Female
Europe	1.33%	0.16%
China & Japan	0.00%	0.00%
Korea	1.34%	4.00%
USA and Mexico	0.45%	0.25%
<b>Total</b>	<b>0.66%</b>	<b>0.24%</b>

Please note that there may be different legal definitions of persons with disabilities in different countries.

**Table 22: Employees Total Training Hours**

Employees Category (number of people)	Employees				Contingent Workers			
	Male	Female	Undeclared	Total	Male	Female	Undeclared	Total
Blue collar	993	764	0	1757	380	116	233	729
White collar	1442	381	0	1823	45	4	42	91
Permanently employed	1981	940	2921	0	0	0	0	0
Full time employed	2416	1127	0	3543	424	120	275	819
Part time employed	19	18	0	37	1	0	0	1
<b>Total full time and part time employees</b>	<b>2435</b>	<b>1145</b>	<b>0</b>	<b>3580</b>	<b>425</b>	<b>120</b>	<b>275</b>	<b>820</b>

Employees Category (Management Level)	Total Trainings Hours			
	Male	Female	Undeclared	Total
Non-Executive	27204	10747	0	37951
Executive	209	31	0	240
<b>Total</b>	<b>27413</b>	<b>10778</b>	<b>0</b>	<b>38191</b>

Average Training hours per Employee	Male	Female	Undeclared	Total
<b>Total</b>	<b>9,6</b>	<b>8,5</b>	<b>0,0</b>	<b>8,7</b>



**Table 23: Social Protection per Region, covering Loss of Income**

Location	Sickness	Unemployment	Employment Injury and acquired disability	Parental Leave	Retirement
Europe	Yes	Yes	Yes	Yes	Yes
China & Japan	Yes	Yes	Yes	Yes	Yes
Korea	Yes	Yes	Yes	Yes	Yes
USA and Mexico	Yes	Yes	Yes	Yes	Yes

### SOCIAL PROTECTION COVERAGE BY LOCATION

Inalfa ensures comprehensive social protection benefits across all key locations. Employees in China, Germany, Korea, Poland, Slovakia, Netherlands, and the United States receive coverage for sickness, unemployment, employment injury and acquired disability, parental leave, and retirement. In Mexico, all these benefits are provided except for unemployment coverage. This approach reflects Inalfa's commitment to supporting employee well-being and security through robust social protection programs tailored to each country's regulations.

**Table 24: Adequate Wages**

Location	Lowest Base Salary	Does Inalfa provide an Adequate Wage (Y/N)
China	Beijing: Meeting Minimum Wage Chongqing: Meeting Minimum Wage Shanghai: Meeting Minimum Wage Yantai: Meeting Minimum Wage Guangzhou: Meeting Minimum Wage Changchun: Meeting Minimum Wage	Yes
Germany	Exceeding	Yes
Korea	Meeting Minimum Wage	Yes
Mexico	Exceeding	Yes
Poland	Exceeding	Yes
Slovakia	Exceeding	Yes
The Netherlands	Exceeding	Yes
United States	Exceeding	Yes

**HUMAN RIGHTS ASSESSMENTS**

Human rights topics are addressed through a combination of local practices such as employee satisfaction surveys, internal feedback mechanisms, and adherence to codes of conduct. These tools allow employees to express concerns anonymously and support general oversight of workplace conditions.



### 3 GOOD HEALTH AND WELL-BEING



## Health and Safety Performance

**At Inalfa, protecting the health and safety of our employees and contractors is a fundamental priority. We actively encourage ongoing worker involvement and education to identify, report, and resolve potential health and safety risks.**

**Our comprehensive health and safety standards address all aspects of occupational safety, with a focus on:**

- Hazard control through thoughtful design, engineering solutions, and preventive maintenance
- Robust training programs to ensure employees are well-informed and equipped to work safely
- Provision of personal protective equipment (PPE) where hazards cannot be eliminated
- Open reporting culture, where employees are encouraged to raise safety concerns without fear of retaliation

Importantly, Inalfa does not tolerate any disciplinary action against individuals who report safety issues in good faith.

### EXTENDING SAFETY

Inalfa's commitment to health and safety also extends to contractors working on Inalfa facilities. We believe a safe work environment not only minimizes the risk of injury or illness but also contributes to higher product quality, improved operational consistency, and better overall morale.

- Total employee hours worked: 8,612,833
- Total contractor hours worked: 1,359,838
- Fatalities: 0
- Restricted Work Cases (RWC): 0

**Table 25: Occupational Health and Safety Performance**

Exposure Hours and Incidents Frequency Rates	2024 Employees	2024 Contractors
Total Manhours	8,612,833	1,359,838
Fatalities	0	0
Lost Time Incidents (LTI)	39	6
Restricted Work Cases (RWC)	0	0
Medical Treatment Care (MTC)	7	4
<b>Total Recordable Incidents (LTI, RDI, MTI)</b>	<b>46</b>	<b>10</b>
<b>Total Recordable Incident Frequency Rate (TRIFR)</b>	<b>1.1</b>	<b>1.5</b>
Near Miss Incidents (NMI)	71	0
Days Lost (LTIs)	973.0	158.0
Average absence due to normal illness (Percentage days lost through illness per employee)	2.1%	1.4%



## Community Service

**Inalfa is committed to fostering a positive impact on the community, encompassing individuals of all ages and backgrounds. Our efforts span various initiatives. Just 1 of many stories we like to highlight.**

### **Inalfa North America Team Joins Lighthouse Food Services in the Fight Against Hunger.**

Our colleagues in North America spent the month of October collecting food to support Lighthouse Food Services. Lighthouse provides emergency food assistance through food pantries, satellite pantries and a home delivery service. The Purchasing Department spent the day at Lighthouse delivering and packing food. Supporting Lighthouse is **a wonderful way to give back to the community and help those in need.** Food banks play a critical role in the fight against hunger and food insecurity. Thank you to everyone who donated food and to those who helped pack and deliver boxes to help the community!





# Governance

## Ethical and Responsible Business Practices



**Inalfa's Code of Conduct serves as a comprehensive framework for ethical behavior and corporate governance, guiding all employees and temporary workers in their daily activities. It reflects Inalfa's core values, integrity, respect, transparency, and accountability, and underscores the company's commitment to responsible and sustainable business practices.**

**The Code outlines expectations across a broad range of areas, including compliance with laws and regulations, fair and respectful treatment of employees, protection of company assets and information, and ethical decision-making. It also promotes a safe, inclusive, and diverse workplace, emphasizing equal opportunity and zero tolerance for discrimination or harassment. By following the principles set out in the Code, employees help uphold Inalfa's reputation as a trustworthy and socially responsible organization.**

**To further align with evolving standards and reinforce these values, a revised and streamlined Code of Conduct was issued in May 2024 by the Legal and Compliance department. This new version replaces the previous master policy and sub-policies with a single, clearer document that incorporates Inalfa's updated values. To support global understanding and adherence, a mandatory e-training was rolled out at the end of 2024 for all employees with Inalfa email access. For employees without access to digital training, local classroom sessions were arranged.**

**In parallel, Inalfa introduced the new Supplier Code / Code for Business Partners, effective July 2024. This policy outlines Inalfa's expectations for ethical business conduct from its external partners and suppliers. Aligned with the internal Code of Conduct, it reinforces Inalfa's commitment to integrity, sustainability, and fair business practices across the value chain. The Legal and Compliance department has provided dedicated training and guidance to Inalfa's Purchasing departments to ensure proper understanding and implementation of the new supplier standards.**



### CODE OF CONDUCT TRAINING

At the end of 2024, the Legal and Compliance department rolled out a mandatory e-training on the updated Code of Conduct to all employees worldwide who have an Inalfa email address. For employees without computer access, local classroom training sessions were organized to ensure full participation. Training efforts continued into 2025; however, these are not yet reflected in the current reporting tables

**Table 26: Code of Conduct Completion**

Row Labels	Learning Content Duration (In Hours)
China	374
Germany	2
Japan	3
Korea, Republic of	201
Mexico	54
Netherlands	96
Poland	72
Slovakia	69
United States of America	122
Grand Total	<b>990</b>



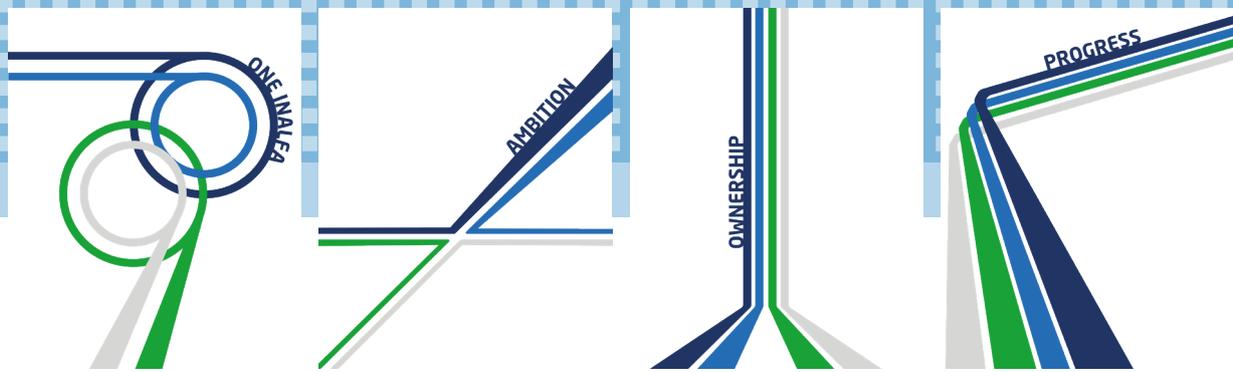
## Ethical and Responsible Business Practices

**Inalfa is committed to upholding the highest standards of ethical and responsible business conduct, not only within its own operations but throughout its global supply chain. This commitment is embedded in the Supplier Code, a comprehensive set of guidelines that defines the expectations suppliers must meet when doing business with Inalfa.**

The Supplier Code emphasizes key areas such as legal compliance, fair labor practices, occupational health and safety, environmental stewardship, conflict mineral sourcing, and anti-corruption measures. Suppliers are required to sign and adhere to the Code, and Inalfa provides support when necessary to help them achieve compliance. The Code also highlights the importance of having robust QHSE (Quality, Health, Safety, and Environment) management systems aligned with international standards. Compliance with these systems forms part of Inalfa's supplier scorecard evaluation, and Inalfa reserves the right to carry out unannounced audits at supplier sites to verify adherence.

Beyond the supplier network, Inalfa reinforces ethical behavior internally by providing ethics and compliance training to all employees. These training sessions are designed to build awareness, promote responsible decision-making, and ensure employees are familiar with both company standards and legal obligations.

Through continuous monitoring, training, and transparent supplier engagement, Inalfa promotes a culture of accountability, sustainability, and integrity. These practices support the delivery of high-quality, reliable products while ensuring that ethical principles are upheld at every level of the value chain.



## Cultural Transformation and ESG Integration

**In 2024, we continued to build on the momentum of our cultural transformation by reinforcing Inalfa's new core values and further embedding them into daily operations. Our efforts in ESG also progressed, with ongoing development of the Double Materiality Assessment and Stakeholder Assessment policy, in preparation for full alignment with CSRD reporting requirements and our financial auditor.**

To support internal awareness and transparency, we maintained and expanded the use of our dedicated ESG SharePoint platform. This platform remains a central hub for information on Sustainability and ESG, offering structured access to the Annual Corporate Sustainability Report, Sustainability Scorecards, and Climate Transition content. It continues to serve as an effective tool for educating employees and promoting organization-wide engagement in sustainability topics.

### SUSTAINABILITY PROGRESS AND INITIATIVES

In 2024, Inalfa made notable progress in advancing its sustainability agenda, aligning with evolving regulatory frameworks and OEM expectations.

#### AWARDS AND RECOGNITIONS:

Inalfa's CDP rating improved from C-level (Awareness) to B-level (Management), reflecting enhanced integration of climate-related reporting and coordinated action across the organization.

#### GLOBAL CARBON FOOTPRINT INITIATIVE:

An inventory of selected high-impact suppliers was completed in 2024 as part of a broader project to estimate the company's carbon footprint. A dedicated tool to track Inalfa's annual Company Carbon Footprint was developed and entered a pilot phase in 2024, with formal method rollout planned for 2025–2026 across all regions.

#### LIFECYCLE ASSESSMENT (LCA):

The first reference models for Lifecycle Assessments were created and are now used to guide the development of new and ongoing programs.

#### AWARENESS AND TRAINING:

Inalfa continues to provide internal and supplier training sessions in line with legislative and OEM-specific requirements, increasing awareness and compliance with environmental standards.

### USE OF GREEN ELECTRICITY

Although solar power integration for Scope 2 emissions faces challenges, Inalfa has steadily progressed in using wind energy via Energy Attribute Certificates (EACs) as part of its renewable energy strategy.

### DOUBLE MATERIALITY AND RISK ASSESSMENT

A comprehensive Double Materiality Assessment, incorporating Stakeholder Assessment and Risk and Opportunity Assessment, was conducted in alignment with European Sustainability Reporting Standards (ESRS). This work provides a solid foundation for Inalfa's ESG strategy development and future reporting.

### QUALITY COMPLAINT POLICY

The Quality Complaint Policy, issued by the Global Quality department on December 6, 2024, establishes a global, standardized approach to managing quality complaints detected before delivery to the final customer. The policy aims to maximize customer satisfaction while minimizing costs related to non-quality.

It applies to all Inalfa plants worldwide and governs processes such as quality assurance, root cause analysis, and prevention of recurrence using systems like QRCM and LLMS. The policy promotes preventive measures including pFMEA, error-proofing, internal audits, and continuous improvement. Complaint resolution follows the 8D methodology or customer-required alternatives, including clear milestones such as team formation, containment, root cause analysis, corrective actions, and lessons learned.

Adherence to customer timelines and reporting is mandatory, and the policy is linked to related processes such as Quick Response Concern Management and Error-Proofing Validation. Key performance indicators include customer PPM, complaint volumes, production disruptions, and scrap costs. The policy fosters learning from past issues to ensure sustained product quality.

### ENSURING EXCELLENCE IN PRODUCT SAFETY AND QUALITY

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

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

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

# Transparent and Responsible Supplier Relationships

**Inalfa enforces rigorous standards for its suppliers, ensuring they align with our commitment to sustainability and adhere to the Automotive sector's "Sustainability Guiding Principles." Our Supplier Code clearly defines expectations on legal compliance, fair labor practices, occupational health and safety, environmental management, conflict minerals, and anti-corruption measures. All suppliers, including their employees and sub-suppliers, must endorse and comply with this Code. We actively support suppliers in meeting these standards and expect timely reporting of any non-compliance. Inalfa retains the right to perform unannounced site visits to manufacturing or supplier locations. The Supplier Code is publicly available on our website for transparency.**

Additionally, we require suppliers to implement Quality, Health, Safety, and Environment (QHSE) management systems and information security systems compliant with internationally recognized standards such as IATF 16949, ISO 9001, ISO 14001, ISO 45001, and ISO 27001, or their equivalents. Compliance with these standards is integrated into our supplier scorecard evaluation process, reinforcing accountability and continuous improvement across the supply chain.

**Table 27: Suppliers statistics: regional and global**

	IRSCN	IRSKR	IRSNA	IRSEU	IRSGROUP
<b>BP PARENT GROUP (YE.2023)</b>	110	91	119	139	342
<b>BP PARENT GROUP (YE.2024)</b>	107	86	121	131	320
				<b>GLOBAL BPs</b>	<b>86</b>
				<b>REGIONAL BPs</b>	<b>234</b>

## SUPPLIER FOCUS IN 2024 COST PRESSURE AND RECOVERY

In 2024, the pressure to increase prices from suppliers due to rising energy, material, labor, and transportation costs eased compared to 2023. Inalfa was able to recover a major part of these increased costs through compensations received from OEMs. However, the company also absorbed a significant portion internally. Cost efficiency continues to be a critical focus area to maintain competitiveness.

## SUSTAINABILITY ENGAGEMENT

Inalfa initiated in-depth communication with 60 prioritized suppliers to collect sustainability data, primarily targeting decarbonization efforts. This engagement supports transparency and progress toward environmental goals throughout the supply chain.

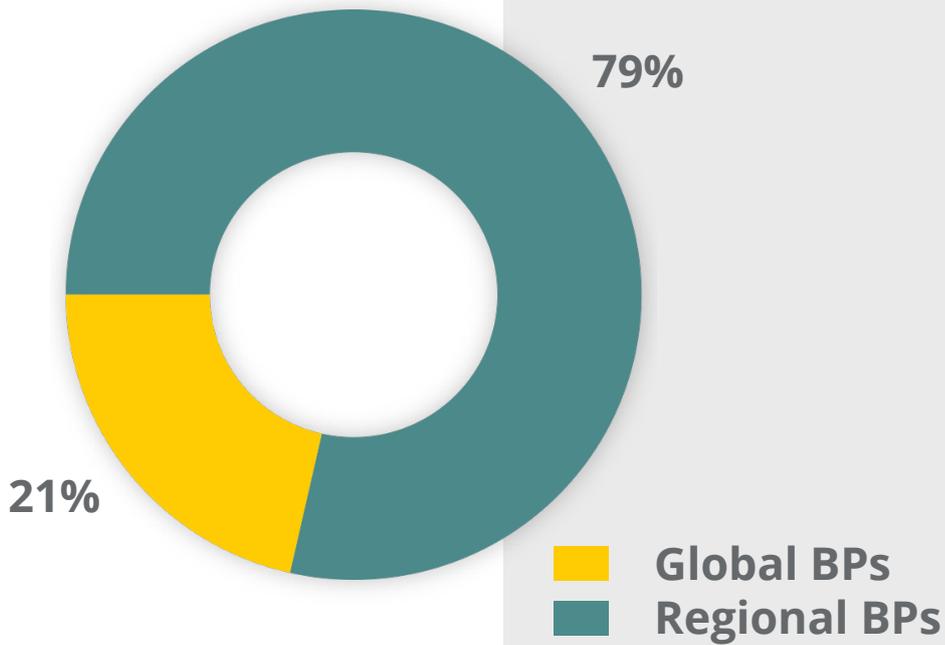
## SUPPLY CHAIN SAFETY

No major environmental or health and safety incidents were reported within the supply chain during 2024, underscoring ongoing vigilance and commitment to safe and responsible supplier practices.



## Global Footprint BPs

Table 33: Global Footprint BPs





supplier Audit done in CN - Ningbo Changyang Machine Ind.Co.Ltd

Table 28:

**Suppliers Statistics rating SMS score EU**  
 During 2024, we assessed 158 suppliers and rated them as follows: (status Dec 2024)

Grade	AVERAGE
A	144
B	5
C	4
D	5

**144 A-rated (91%)**  
**5 B-rated (3%)**  
**4 C-rated (2%)**  
**5 D-rated (3%)**

Table 30:

**Suppliers Statistics rating SMS score NA**  
 During 2024, we assessed 169 suppliers and rated them as follows

Grade	AVERAGE
A	76
B	60
C	4
D	29

**76 A-rated (44%)**  
**60 B-rated (36%)**  
**4 C-rated (2%)**  
**29 D-rated (17%)**

Table 29:

**Suppliers Statistics rating SMS score CN**  
 During 2024, we assessed 115 suppliers and rated them as follows:

Grade	AVERAGE
A	97
B	11
C	5
D	2

**97 A-rated (84%)**  
**11 B-rated (10%)**  
**5 C-rated (4%)**  
**2 D-rated (2%)**

Table 31:

**Suppliers Statistics rating SMS score KR**  
 During 2024, we assessed 42 suppliers and rated them as follows:

Grade	AVERAGE
A	31
B	7
C	2
D	2

**31 A-rated (73%)**  
**7 B-rated (17%)**  
**2 C-rated (5%)**  
**2 D-rated (5%)**



## Materials and Supply Chain Actions

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

### INDUSTRY TOOLS FOR MATERIAL MANAGEMENT

The automotive industry is well-equipped with harmonized tools such as IMDS (International Material Data System) and CAMDS. CAMDS (Chinese Automotive Material Data System) is a standardized platform used in China to manage and report material data in the automotive supply chain, ensuring compliance with local regulations and OEM requirements.

These platforms serve as the foundational systems to manage and report material data across the supply chain, detailing material content down to the substance level along with weight. They provide multiple filters to validate compliance with relevant legislation and OEM requirements.

### FOCUS ON PFAS AND ALTERNATIVE SOLUTIONS

A key emerging topic is the use of PFAS (per- and polyfluoroalkyl substances), with ongoing efforts to prepare and implement alternative technical solutions to reduce or eliminate these substances.

### SUPPLIER REQUIREMENTS ON CONFLICT MINERALS

To uphold responsible sourcing, suppliers must implement a conflict minerals policy and provide a conflict-free guarantee, ensuring their products do not contain minerals sourced from mines that finance or support conflicts in the Democratic Republic of Congo (DRC) or adjoining countries. Suppliers must identify the products they supply to Inalfa and report whether these contain any conflict minerals.

### CONTINUOUS IMPROVEMENT

Inalfa actively promotes conflict-free minerals within its supply chain by requiring all 3TG (tin, tungsten, tantalum, and gold) suppliers to have their smelters undergo third-party sourcing audits. We support multi-stakeholder initiatives aimed at improving transparency and audit processes throughout the minerals supply chain. Smelter lists are reported to our customers, and we engage in improvement actions focused on critical sourcing locations to ensure continuous progress.



Table 32: 3TG smelter status

Total number of smelters	Conformant to RMAP standard	Active > committed to undergo RMAP assessment	Non-Compliant acc. OEM feedback	Engage with supplier next step to improve
345	228	12	0	105
100%	66%	3%	0%	30%

### CONFLICT MINERALS AND SMELTER COMPLIANCE

Inalfa's annual material inventory covers over 90% of the relevant supply chain. Among smelters located in covered countries, all are RMAP (Responsible Minerals Assurance Process) conformant. Overall, 70% of all smelters meet RMAP standards, while the remaining smelters have no reported legal non-compliance. Inalfa actively follows up with suppliers to drive continuous improvement in this area.

#### EXTENDING MINERAL REPORTING: MICA AND COBALT

- Mica: Not present in Inalfa products.
- Cobalt: Present in Inalfa products in minor quantities, less than 1 gram per sunroof.

### PRODUCT DESIGN AND CIRCULAR ECONOMY

Focusing on Climate CO<sub>2</sub> Scope 3.1 emissions, the global team completed the first inventory of prioritized hotspot suppliers. In line with circular economy goals, efforts are underway to increase the use of recycled materials in new products, targeting 25% recycled content in plastics and exploring opportunities to raise recycled content in steel and aluminum.

#### PRODUCT CARBON FOOTPRINT

A Quick Calculation Model for Product Carbon Footprint was rolled out to support supplier inventory and roof-level consolidation. Inalfa developed its first in-house Lifecycle Assessment (LCA) models to build expertise, and the team executed the first new project incorporating supplier selection criteria based on product carbon footprint.

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



# Technology Innovation: Balancing Agility and Sustainability

**The automotive market, including the roof system segment, is currently very volatile. There is significant uncertainty around OEM drivetrain strategies (Internal Combustion Engine, Battery Electric Vehicle or Hybrid) due to slowing growth in EV adoption and a cooling of China's market, China being the largest global market, where domestic OEMs are gaining increased consumer preference.**

This overall uncertainty is driving a stronger push for cost reduction, which will directly affect suppliers. Vehicle planning is being impacted through delays in new model introductions, extended lifecycles of existing vehicles, and strategic shifts in drivetrain and roof system development. Inalfa must therefore remain agile and responsive to this high volatility, focusing on shortening the time to market for new innovations.

Alongside faster innovation and cost focus, sustainability has become increasingly important in 2024. Driven by the 2015 Paris Agreement, many OEMs are requesting greater transparency on product carbon footprints and sustainability strategies. Beyond inquiries on current serial products and supply chains, Inalfa has received requests for future roof systems with ambitious carbon footprint targets, including commitments to "Net Zero." The following sections outline our approach and key focus areas on this topic.

Inalfa's core product remains the roof system, offered in various configurations: bottom-loaded or top-loaded, openable or fixed, with or without rollo blinds. Our development efforts concentrate on these core products. To remain competitive amid market volatility, reducing costs in standard systems through value engineering will continue to be a top priority.

Another continuous focus is reducing the roof system package in the headroom area, driven by interior space pressures from battery packs located in vehicle floors. Reducing this package improves passenger

comfort by increasing headroom and enables OEMs to lower vehicle height, resulting in reduced weight, improved aerodynamics, lower energy consumption, and extended electric range. A prime example is the UFX® (Ultra Flat Xperience), an openable roof system with the compactness of a fixed roof but offering ventilation and a genuine connection to the outside world, meeting direct market feedback. In 2024, the UFX® development progressed with full product validation and expansion into wider applications featuring low cost, high performance, and enhanced modularity on both vehicle and roof system levels.

Technical advancements supporting electrical mobility include reducing system noise by developing brushless motors, creating in-house software solutions for high-end applications, introducing motor de-coupling elements, and eliminating drive cables, as demonstrated in the Direct Driven Rollo.

Beyond roof systems, Inalfa aims to leverage its mechatronics expertise across other automotive applications. Developed examples outside standard roof systems include tailgate actuators, active rear spoilers, electric side steps, and an innovative rear slider system that transforms an SUV into a pick-up vehicle.

Sustainability efforts at Inalfa have increasingly focused on Product Carbon Footprint to support global climate targets set by the Paris Agreement. Advanced Engineering and Purchasing teams continuously develop Life Cycle Assessment (LCA) models to quantify product carbon



footprints. Inalfa collaborates with existing and new suppliers to source materials with higher recycled content and lower CO<sub>2</sub> footprints, particularly for essential components made of glass, aluminum, steel, and various plastics.

In 2024, Inalfa proudly received a CDP (Carbon Disclosure Project) B score, reflecting effective management of its environmental impact. The CDP rating offers a transparent and accurate assessment aligned with the Taskforce for Climate-Related Financial Disclosures (TCFD) and major environmental standards.

Value-added innovations enhancing occupant appeal and comfort are increasing. One recent innovation is in-glass ambient lighting, a unique, modular solution developed by Inalfa that has attracted interest from many premium customers. Additional examples include switchable glass solutions and foldable panoramic displays. These technologies are developed in collaboration with a broad range of partners, from traditional suppliers to start-ups, and in close cooperation with customers.

Lastly, innovations in autonomy, safety, and connectivity, though aimed at a longer-term horizon, are progressing. LiDAR integration in vehicle roofs is becoming more common. While widespread adoption of high-level autonomy is not imminent, these sensors are also used for safety applications and impact roof system design. Inalfa is closely monitoring global initiatives for LiDAR integration in roof areas, including supporting technologies such as cleaning and cooling systems to maximize sensor uptime and usability.

OUR COMMITMENT TO ESG

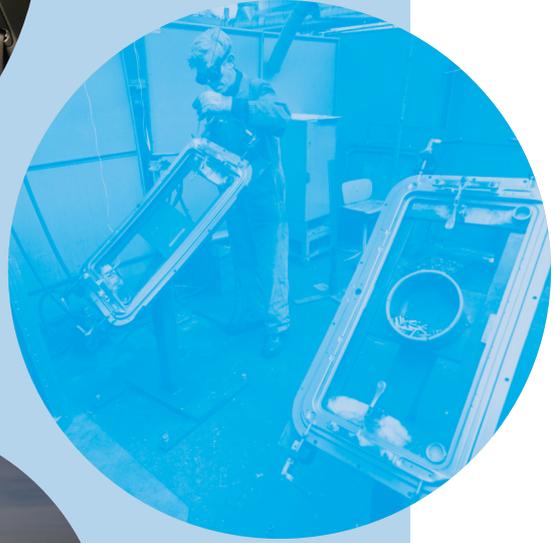
LEADERSHIP REFLECTION

GENERAL

ENVIRONMENTAL

SOCIAL IMPACT

GOVERNANCE





# Customer Engagement and Trust Through ESG

**Inalfa actively promotes its commitment to sustainability in all customer interactions, demonstrating that we take Environmental, Social, and Governance (ESG) responsibilities seriously. As sustainability becomes an essential factor in procurement and new business decisions, we have adopted a comprehensive, three-pronged approach to enhance transparency, performance, and alignment with our customers’ expectations, particularly focusing on climate-related aspects of ESG.**

### 1. WIDE ASSESSMENTS THROUGH THIRD-PARTY PORTALS

We participate in recognized third-party sustainability assessment platforms such as CDP, EcoVadis, and NQC. These platforms provide standardized criteria, allowing us to benchmark our ESG performance against industry standards, identify improvement areas, and increase trust with our stakeholders.

### 2. INDIVIDUALIZED ENGAGEMENT WITH CUSTOMERS

Inalfa engages directly with key customers, including BMW, Mercedes, Stellantis, and Volvo, to address specific climate and sustainability goals. By fostering open dialogue and aligning with customer-specific footprint reduction initiatives, we ensure that our sustainability efforts reflect their evolving priorities and expectations.

### 3. INTEGRATION OF CARBON FOOTPRINT CALCULATIONS INTO RFQ PACKAGES

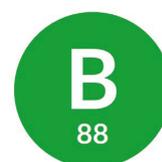
Recognizing the growing importance of climate considerations in sourcing decisions, we now include Product Carbon Footprint (PCF) data and reduction targets in our Requests for Quotation (RFQ) packages. This proactive measure reinforces our commitment to reducing environmental impact and enables sustainable decision-making from the earliest stages of product development.

### ADDITIONAL SUSTAINABILITY INITIATIVES IN CUSTOMER ENGAGEMENT:

- Compliance with ESG scorecard requirements, increasingly a prerequisite for new business awards.
- Trade compliance management in a rapidly changing global environment.
- Collection and oversight of supply chain data, including responsible sourcing of critical raw materials such as conflict minerals and cobalt.

Inalfa is compliant with current legal requirements and is following customer sustainability requirements. Inalfa remains vigilant in monitoring regulatory developments in the automotive industry; preparing to meet future demands through continuous improvement and innovation.

We are proud to have achieved a CDP Climate B-rating in 2024, underscoring our progress in managing climate-related risks and demonstrating transparency in our environmental impact reporting.



SAQ 5.0 Rating

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