



GENTHERM



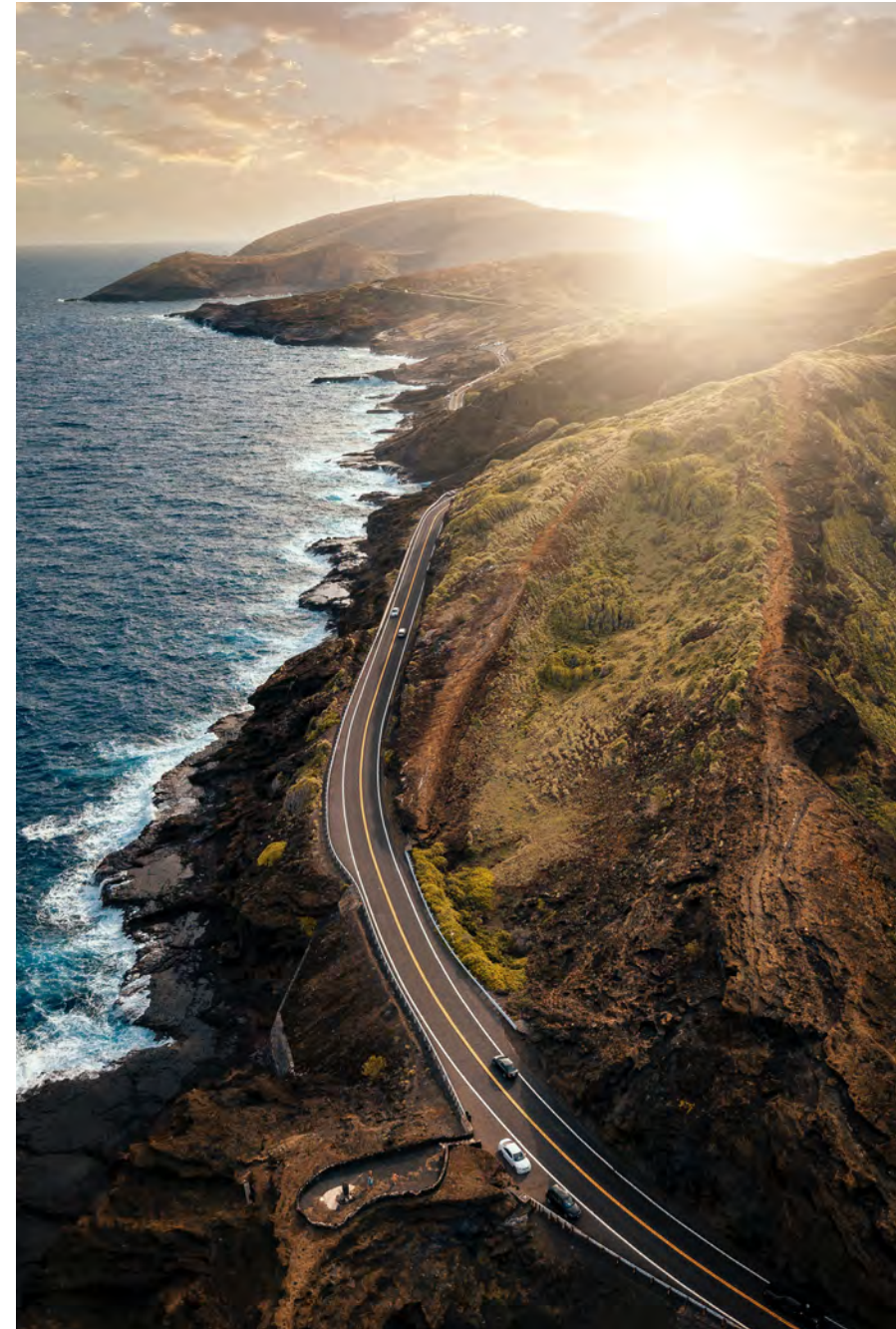
# Sustainability Report

2022

# 01

## INTRODUCTION

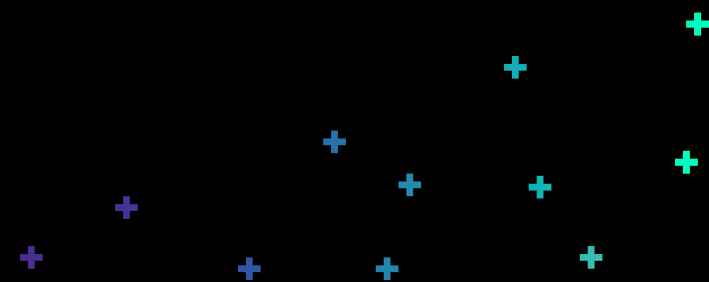
Gentherm's sustainability journey continues to be a key focus of our long-term corporate strategy. We made important strides toward our environmental performance and efficiency metrics — and we are building on these successes. Guided by transparency, and aligned with industry benchmarks and sustainability standards including the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (SDGs), Gentherm's reporting is evolving. As we provide detailed information on how we build positive, lasting impact for our employees, customers and other stakeholders within these pages, we are also moving our data to Gentherm's [ESG website](#), allowing flexibility to update information beyond a once-a-year ESG report.



“We look forward to sharing how we create value for our customers and shareholders through the lens of our sustainability efforts.”

**YIJING BRENTANO**

Senior Vice President, Investor Relations, Strategy, and Corporate Development







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# A Letter from our CEO

Environmental, social and governance (ESG) is at the core of our identity — and the reason why we built our efforts on a People, Planet and Places framework when we formalized our efforts five years ago.

This past year marked tremendous progress toward creating a more sustainable future for Gentherm, our community and our stakeholders. We updated the pillars of our sustainability approach to include a focus on products, highlighting our efforts to develop technologies that promote increased energy efficiency and driving range by reducing power consumption of an electric vehicle. We have dedicated staff, new teams and new processes to help drive accelerated environmental impact.

We also thoughtfully worked toward identifying a sustainability commitment that is both meaningful and achievable, and arrived at a 59% reduction in Scope 1 and Scope 2 emissions by 2035. We coupled this with establishing a supplier engagement program to support Scope 3 action plans. We heard from our suppliers that sustainability is a driving consideration in their business plans, and we know working collaboratively will help us achieve our goals across the entire supply chain.

Gentherm continues to face one of the toughest operating environments in history, with material and labor cost inflation, semiconductor shortages and other supply chain challenges. Despite these headwinds, we completed two significant acquisitions. We added Alfmeier products to the Gentherm automotive portfolio and Dacheng Medical, bolstering Gentherm Medical. Both of these actions will contribute to our sustainability efforts as we work toward integrating best practices throughout Gentherm.

While we are still at the early stages of our sustainability journey, we achieved our initial seven-year environmental targets in less than half the forecasted time. And we are being recognized for this. In 2022 we were named as one of America's Most Responsible Companies by Newsweek and named one of Investor's Business Daily 100 Best ESG Companies.

We are proud of the progress we've made and are equally energized about what the future holds. Together we continue our journey to create a sustainable future for our employees, customers, communities and other stakeholders.

Sincerely,

Phil Eyer  
President and Chief Executive Officer

# 02

## ABOUT US

Gentherm develops and delivers thermal solutions making meaningful differences in everyday life – improving health, wellness, comfort and energy efficiency – making the world a better place for generations to come.

**14**

countries

**30<sup>+</sup>**

distinct locations

**14,000<sup>+</sup>**

employees

**70<sup>+</sup>**

OEM customers

**530<sup>+</sup>**

patents issued

**\$1.2<sup>+</sup>**

billion in revenue

included on

**700<sup>+</sup>**

vehicle makes and platforms

customers in

**75<sup>+</sup>**

different countries

**90<sup>+</sup>**

patents issued in 2022

### GLOBAL WORKFORCE



### IT SECURITY

zero known security  
breaches

## Spotlight

Gentherm completed two strategic acquisitions in 2022 — Alfmeier Präzision SE (“Alfmeier”) and Jiangmen Dacheng Medical Equipment Co. Ltd. (“Dacheng”). Acquiring the automotive business of Alfmeier creates the largest global supplier of thermal and pneumatic comfort for the automotive market while the Dacheng acquisition bolsters Gentherm Medical and allows us to become a private-label supplier to existing Dacheng customers.

Gentherm’s leadership is focused on the integration process, making sure we bring together the broad array of products, people and processes into the most efficient and effective organization possible. Our leadership team created an Integration Steering Committee, meeting weekly to ensure we are careful and deliberate as we combine procedures. With representation from both companies, the team analyzes various workstreams to determine which one of the two existing processes or an alternative hybrid solution will provide the best future path for Gentherm.

Our integration team also works with industry experts to arrive at the best approach for each step in the process. This “outside-in” view helps us blend two companies and arrive at the best answer, creating synergies that benefits Gentherm overall.

The integration process includes aligning best practices to support our sustainability journey. Our teams are working to add the Alfmeier and Dacheng locations to our sustainability tools and calculation processes, while also learning from their perspective and past activities. While the data covering 2022 in this report excludes the newly acquired sites, over the course of 2023 we will bring this data together for consolidated reporting in the future.

## 2022 Sustainability Awards

Gentherm is honored to be recognized by outside organizations and customers, validating our efforts this past year.

01

### **Newsweek’s America’s Most Responsible Companies**

For the second consecutive year, Gentherm was recognized as a company that according to Newsweek, “actually means it when they say they are serious about being good corporate citizens”.

02

### **Honda North America – Environmental Sustainability Award**

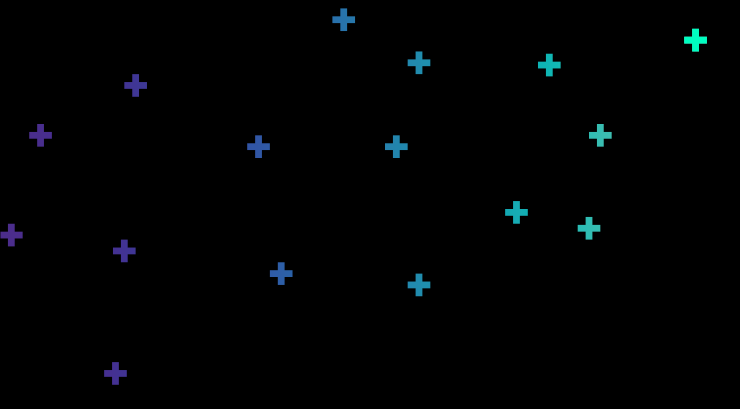
Gentherm was recognized by Honda North America for the efforts our Celaya, Mexico team has undertaken to reduce on-site water consumption, and to increase water reuse and recycling.

03

### **American Chamber of Commerce – Hanoi, Vietnam**

For the third consecutive year, Gentherm was recognized by the Hanoi chapter of the Chamber of Commerce for its work in ESG / sustainability.



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“These two acquisitions didn’t just grow  
Gentherm. They created value for our  
customers and enhanced our product portfolio.”

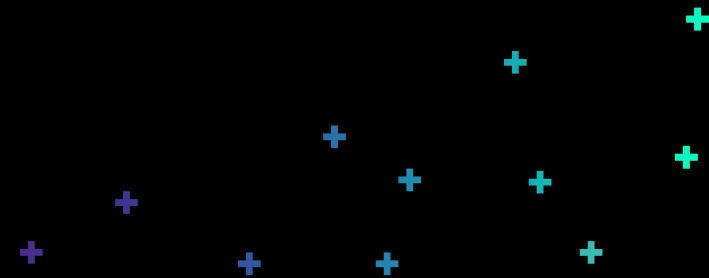
**JAYMI WILSON**

Senior Vice President and General Manager, North America Automotive, Global Sales Operations, and Global Marketing

“We are reviewing best practices from both organizations and then using knowledge to develop the 'sweet-spot' path forward for Gentherm. Culturally, we understand you can't just combine people and practices. We are carefully monitoring how our teams mesh together to form one new, stronger team.”

**WITALI HIMMELREICH**

Executive Director of Corporate Projects, Integration Management Office Leader





# 03

## SUSTAINABILITY APPROACH

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Sustainability encompasses many areas affecting our ability to succeed over the long term, well beyond environmental impact. From how we treat and train our employees to the kind of corporate citizen we are in the communities where we have sites, sustainability is part of Gentherm's culture and embedded in our DNA. It's also dynamic. We adapt programs over time, flexing to address and support emerging focus areas.



Almost five years ago, Gentherm encapsulated our sustainability efforts into three pillars: People, Planet and Places. While these pillars remain our foundation, we also added Product as a new focus area under Planet, with dedicated staff, new teams and new processes to help accelerate environmental impact.

Our product focus dictates looking upstream and downstream in the value chain to better understand and represent Gentherm's true environmental impact. We are asking many questions to drive change in our products.

***What materials go into our products and are there greener alternatives?***

Gentherm has customers that are asking if we can design and build products with recycled plastics or bio-based materials — up to 100% of the product's content.

***How do we engineer the things we build — can we “think different” and drive impact?*** Our teams, including engineering and purchasing, are asked to reduce the CO<sub>2</sub> impact of our products, including the raw materials and how we use them.

***What happens to our products at the end of their useful life?*** Companies across the automotive supply chain are moving toward conducting full Life Cycle Analysis (LCA) on products. This requires quantifying each individual product's carbon footprint from the components to the use phase, and all the way to the disposal and recycling at the product's end-of-useful life.





## People

At Gentherm our leaders treat employees with respect and provide a safe working environment. We provide career opportunities, development, support and more.

People create our success.



## Planet

We strive to minimize our environmental impact. We believe our product lineup reduces the environmental impact of automobiles through our innovative products and technologies, and we continue to improve our operations through more efficient use of resources and reduced emissions. As part of Planet, our approach includes an emphasis on our Products — what materials go into them, what are the impacts of their use, and even how they are dealt with at the end of their useful life.



## Places

As a global company, we strive to be a positive force in the communities where we operate. Our teams support an array of causes, including STEM education and training, and provide financial support for local charities. Types of community involvement and support vary across our sites, based on local needs and culture.



## Leadership

Senior leaders, sustainability program leaders and key contributors from manufacturing, human resources and corporate strategy comprise our Environmental, Social & Governance (ESG) steering committee. This cross-functional team provides guidance and leadership. It helps steer our program, and meet stakeholder requirements by reviewing project activity, setting goals, determining messaging and implementing new policies.

Our Board of Directors' Nominating and Corporate Governance Committee also provides guidance and oversight for our corporate responsibility and sustainability work. This committee reviews and provides feedback around our sustainability activities on at least a quarterly basis, with a report to the full Board of Directors at least annually.

While sustainability is woven into the fabric of different functions across the company, we further foster support for our program by linking it to compensation for certain senior leaders. Including specific sustainability-related achievements and deliverables in their annual objectives directly impacts their annual bonus. Other leaders within the company also have performance evaluations directly related to sustainability objectives, driving focus and accelerating achievements.

## Supporting Systems

In 2022, we completed implementing The Bee, a tool from Manufacture 2030 that helps to effectively measure our environmental impact. The Bee uses industry standard data and processes to calculate Scope 1 and Scope 2 emissions based on local emissions factors, reported energy and resource usage along with other inputs. This automated process helps Gentherm accurately report our impact, and we have seen immediate benefits.

As part of driving improvement, our operations team leveraged the environmental project module to help develop, implement and track projects

with environmental impacts, including environmental and cost impacts. This module also suggests projects that may help drive additional progress — and with over 500 suggested projects so far, our team is fully engaged.

We began bringing our newly acquired locations into our reporting system in late 2022. We expect those sites to be fully integrated into Gentherm's sustainability processes before the end of 2023.







## Reporting Standards and Transparency

Gentherm looks to industry benchmarks and standards for guidance and direction as we report our sustainability initiatives.

Annually, we disclose information aligned with SASB Standards for Auto Parts and the United Nations Sustainable Development Goals (SDGs). In 2022 Gentherm also filed our second annual CDP Climate Change submission ([link](#)). Our most recent submission includes our first-ever publicly available Scope 3 emission data. We also completed the CDP Forests submission ([link](#)).

Gentherm works to ensure we are meeting our customers' standards for sustainability and transparency. Using systems such as Ecovadis and the NQC / SAQ questionnaire, we regularly report sustainability information to our customers, both from a corporate perspective and related to individual manufacturing sites.

As our sustainability program matures and as industry benchmarks and standards evolve, we are adapting our reporting and moving some data to Gentherm's [website](#), creating a centralized, accessible location for documents, standards and related reports. One change you will see this year is our SASB standards are no longer included in the appendix of this report. Instead, we will release the SASB standards at a different time in the calendar year, allowing us to present that important information in a standalone format.

## Sustainability Partnerships and Programs

Companies around the world and across industries are learning and adapting to new requirements, trends and information to support sustainability efforts. To leverage best practices and emerging trends, Gentherm is forming outside partnerships and aligning with industry experts.



Gentherm partnered with Edison Energy to help form our short-term and long-term carbon reduction pathway. Edison Energy is a global consulting and services firm with deep expertise in energy, carbon reduction and more.



[Suppliers Partnership for the Environment](#) (SP) provides a forum for companies in the auto industry to collaborate and work together to solve problems and drive progress. Gentherm joined SP in 2022, participating in focused roundtables such as developing common sustainability standards for use across the automotive value chain.



The [U.S. EPA Green Power Partnership](#) encourages organizations to voluntarily move toward green and renewable energy with achievement levels based on each organization's use of renewable energy as a share of total U.S.-based usage. The program provides benchmarking data, market and supply information, and procurement assistance.





# 04 TECHNOLOGY

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Gentherm's product portfolio delivers on our mission statement: Creating and delivering extraordinary solutions that make meaningful differences in everyday life, by improving health, wellness, comfort and energy efficiency. It also provides guidance and direction as our global team develops and brings new technologies to market. Whether building upon our market-leading Climate Control Seating products or breaking new ground with ClimateSense®, Gentherm's technologies are the foundation of our business for both internal combustion and electric vehicles.



“Extraordinary technology lets us provide extraordinary products for our customers across different vehicle lines.”

**HELEN XU**

Senior Vice President and General Manager, Asia Automotive, Global Climate and Comfort

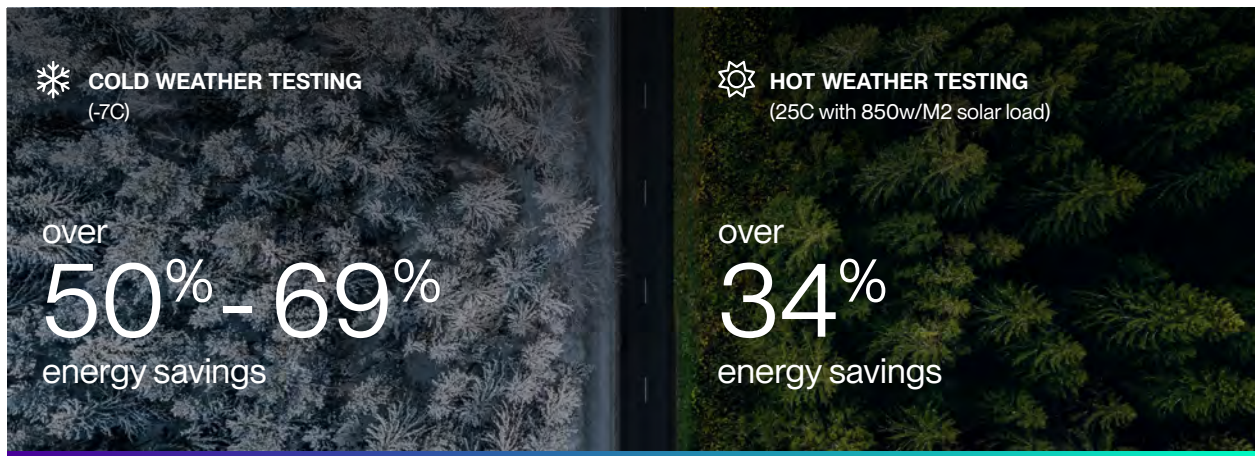


# Gentherm Automotive

## Gentherm's ClimateSense®

Our microclimate comfort system uses cutting-edge hardware combined with advanced software algorithms. The system delivers optimal vehicle occupant comfort while providing improved energy efficiency. Thermal comfort is delivered by heating and cooling each vehicle passenger directly rather than relying only on centrally heating and cooling the cabin air, providing a personalized comfort solution.

In 2022, Cadillac announced the launch of its [new CELESTIQ](#). Gentherm's ClimateSense was included in the launch, reinforcing the importance of this system and how customers value occupant comfort and energy efficiency.



External testing in electric vehicles has shown that traditional central HVAC systems for heating in cold temperatures can reduce range by up to 30%. ClimateSense has the potential to reduce range degradation by up to 75%.

Note: Testing conducted on a mass market EV, based on two occupants in vehicle. [More details here.](#)

## 2022 SUPPLIER & TECHNOLOGY AWARDS

### 01

Lear Changan, Excellent Supplier Award  
(Langfang, China)

### 02

Sanyo Trading Corporation Award for  
Top Performing Manufacturing Supplier –  
Quality and Continuous Improvement  
(Ha Nam, Vietnam)

### 03

General Motors Supplier Quality  
Excellence Award (Langfang, China)

### 04

Hebei Province Development and  
Reform Commission "Enterprise  
Technology Center" Recognition  
(Langfang, China)

**Climate Control Seats (CCS)**

Gentherm’s CCS seating products include CCS-A (active) and CCS-V (vent). Both product lines leverage patented technologies providing vehicle passenger thermal comfort through seating surfaces, while also delivering energy efficiency improvements and reduced vehicle emissions.

A study conducted by the U.S. Department of Energy’s National Renewable Energy Laboratory (NREL) confirmed that vehicles using Gentherm’s CCS product produce lower CO<sub>2</sub> emissions (per mile driven, under similar conditions) than those without the same CCS equipment. The full details of this 2017 study are available [here](#).


CAR WITH:		TRUCK WITH:	
CCS-V	1.0 gram / mile	CCS-V	1.3 gram / mile
CCS-A	2.3 gram / mile	CCS-A	2.9 gram / mile

These reductions, measured in grams per mile, can avoid massive quantities of emissions. If just 15% of all new vehicles sold globally included CCS-V seats, we estimate that over 40,000,000 kg of CO<sub>2</sub>\* emissions would be avoided per year – greater than Gentherm’s total Scope 1 and Scope 2 emissions. It is approximately equal to:





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Emissions avoided by **10** wind turbines running for a full year




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Carbon sequestered by over **650,000** tree seedlings over 10 years




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Almost **2,000** garbage trucks of waste recycled instead of landfilled

\*Based on annual global production volume in relevant markets of 65,000,000 vehicles (50 / 50 car truck split), with a 25% use rate and 15,000 miles driven per year

### Battery Performance Solutions (BPS)

Gentherm's Cell Connecting Board (CCB) systems provide electric and hybrid drivetrains with a reliable and continuous flow of battery temperature and cell voltage information during vehicle charging and operation, ensuring performance and safety.

We also manufacture the units using a proprietary, energy-efficient, mechanical structuring process, eliminating the use of acids and other

chemicals traditionally used during the more energy-intensive 'chem-etch' manufacturing process. Outside testing, engineering experts, and the German-based research organization the Fraunhofer Institute, confirm our manufacturing process results in a significant reduction of greenhouse gas equivalency emissions, water usage, and a range of other factors, as compared to the traditional chem-etch process.





The results of the Fraunhofer study highlight the drastically improved environmental impact of our process as compared to traditional chem-etch manufacturing processes.

When comparing Gentherm's mechanical structuring process of aluminum and copper based foils vs. traditional chem-etch manufacturing, impacts include:

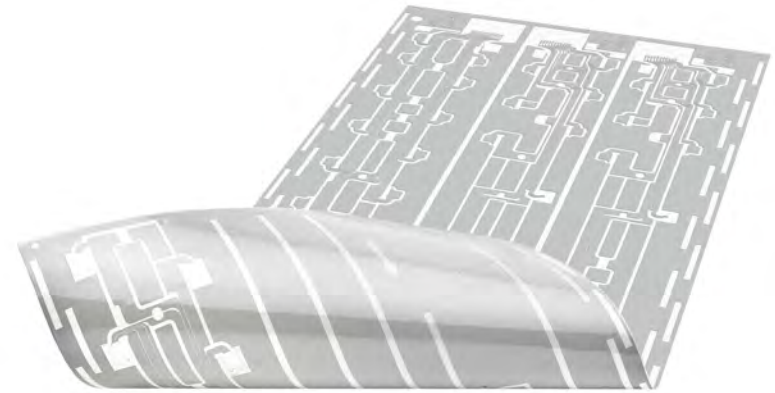
- Approximately 98-99% reduction in kg of CO<sub>2</sub> equivalency (CO<sub>2</sub>e)
- Approximately 91-98% reduction in water consumption

To learn more about Gentherm's innovative products in this area, visit our website [here](#).

Our CCB products also uses aluminum for the conductive traces instead of the copper used in traditional manufacturing methods. Aluminum provides an easier path to recycling materials and products at end-of-life.

And finally, while this manufacturing technology is new, it is definitely not "drawing board" technology. In 2022, we announced the first launch and application of CCB as a component of the [plug-in hybrid BMW 7 series](#).

Gentherm's BPS product portfolio also includes systems that improve the performance of the battery packs in hybrid-electric vehicles. It heats a battery during cold conditions and cools it during warm conditions. This temperature management technology increases battery pack life, reducing waste by delaying the need to recycle or dispose of the battery.

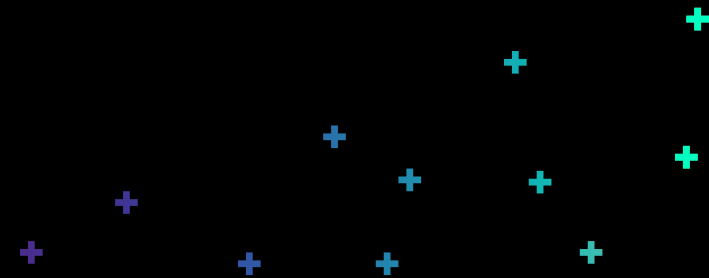




“Within our BPS products, our Flexible Foil Cell Connecting Boards are friendlier to the earth because we do not use chemical etching. This is but one technology moving us toward our sustainability goals.”

**THOMAS STOCKER**

Senior Vice President and General Manager, Europe Automotive, Global Pneumatic Comfort and BPS



### Alfmeier Technologies

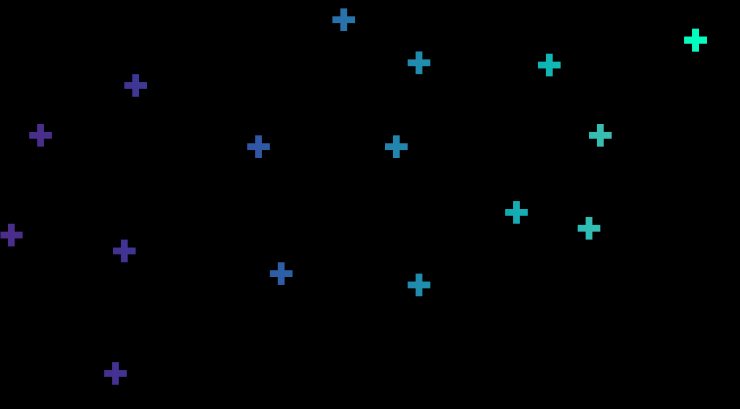
Adding [Alfmeier products](#) to the Gentherm portfolio strengthens our ability to help deliver on our mission statement — complementing Gentherm's offerings and bolstering our value proposition in comfort, health, wellness and energy efficiency.

Alfmeier is an innovative market leader in automotive lumbar and massage comfort solutions, with deep expertise in advance valve system technologies,

integrated electronics and software. Alfmeier, headquartered in Treuchtlingen, Germany, pioneered the use of Shape Memory Alloy (SMA) valve and pump technology for automotive seats and continues to be an innovation leader with more than 200 patents.

To learn more about Alfmeier products, visit us on the web at [Gentherm.com](#) or [Alfmeier.de](#).



A decorative graphic in the top left corner consisting of several plus signs (+) in shades of blue and teal, arranged in a scattered pattern.

“This transaction aligns well with global consumer demand for expanded offerings in vehicle passenger comfort. Combining Alfmeier’s technological advancements in mechanical comfort with Gentherm’s expertise in thermophysiology maximizes our capabilities of providing world class comfort and wellness solutions.”

**PHIL EYLER**  
President and Chief Executive Officer

## Gentherm Medical

Gentherm Medical faced numerous challenges over the last few years as medical facilities around the world responded to the pandemic. Whether it was the difficulty of simply meeting with medical personnel, or hospitals pushing investment in equipment down the priority list to deal with more immediate issues, the medical industry encountered unprecedented hurdles. However, the Gentherm Medical team was up to the challenge — while tackling these issues and continuing to grow its legacy product business, the team also expanded its product lines by acquiring Dacheng Medical Equipment, headquartered in Jiangmen, China.

Dacheng develops and manufactures patient temperature management solutions for Chinese and international customers. This acquisition provides Gentherm Medical with a leading commercial and manufacturing presence and well-established reputation in China's emerging high-growth market for patient warming devices. It also allows Gentherm Medical to become a private label supplier to existing Dacheng customers. Dacheng's products have regulatory approvals in many countries including China, the United States and Brazil.

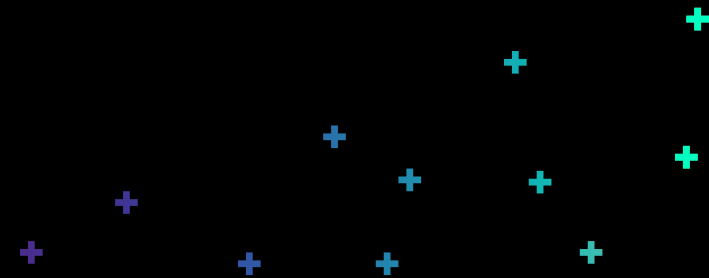




“This acquisition significantly expands our capabilities through added capacity and proprietary automated processes, giving us a manufacturing footprint in both the United States and China. We are excited to welcome Dacheng to the Gentherm team.”

**STEVE FLETCHER**

Senior Vice President and General Manager, Medical



# 05

## PEOPLE

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We believe that it's not companies that compete – it's teams of people. By continually working to enhance the strength and skills of our team, we ensure that we can work every day to create and deliver extraordinary solutions that make meaningful differences in everyday life, by improving health, wellness, comfort and energy efficiency.

# A Letter from our CHRO

At Gentherm, our people are the foundation of how we create and deliver extraordinary solutions that make meaningful differences in everyday life. Around the world, our team members are dedicated to developing innovative technologies that are helping define vehicle comfort, deliver energy efficiency in electric vehicles, and helping save lives in operating rooms.

The fabric of our company is our winning culture behaviors of Customer Focus, Global Mindset, Performance & Accountability, and Employee Engagement and Inclusion. Since establishing these winning culture behaviors in 2018, we have seen a dramatic enhancement of talent through internal development and recruitment. In this time, we have also established DE&I as a foundation of the company and implemented an industry-leading manufacturing culture and environment. This is illustrated by our best-in-class safety results and strong community outreach in all of the locations where we operate. Adopting leading board and governance best practices further underscores our commitment.

*Together, our people and winning culture are the driving force in delivering the highest quality products and performance for our customers and other stakeholders.*

Sincerely,



**Barb Runyon**

Senior Vice President, Chief Human Resources Officer and Corporate Communications







**KEY STATISTICS**

**14**

different countries

**30+**

distinct locations

**14,000+**

employees

**22%**

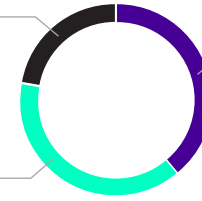
Asia

**39%**

North America

**39%**

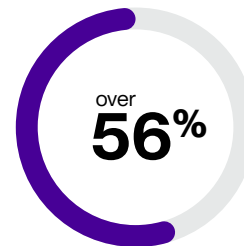
Europe



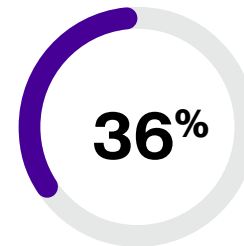
**2,000+**

employees from Alfreimer & Dacheng acquisitions

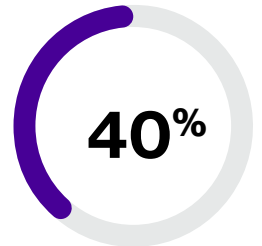
**DE+I AND BELONGING**



female workforce



racially / ethnically diverse U.S. workforce



female executive committee

Completed first global pay equity study with minimal gaps

**ENGAGEMENT AND TALENT DEVELOPMENT**

**01**

Launched inaugural *Week of Careers*

**02**

Implemented Gentherm *Career Growth Model*

**03**

Delivered 500,000+ hrs of employee training

**04**

97% of workforce participated in employee engagement survey

# Our Foundation – Winning Culture Behaviors

We showcase employees that model these behaviors in each of our quarterly global town hall meetings. A select group of our 2022 winners are:



## CUSTOMER FOCUS

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Rob Ford, Intellectual Property Attorney and Associate General Counsel, was recognized for leading a drive to modify and update numerous legal / commercial agreements, generally driven by supply chain and / or inflation issues. His efforts helped enhance customer relationships and maintain efficient business dealings.



## GLOBAL MINDSET

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When faced with an unexpected microchip shortage affecting one specific automotive customer, Engineering Team Leader Greg Kawa, and Senior Software Engineer Viktor Karch, led a global team that identified and successfully implemented an innovative solution to address the issue. They completed the entire development and testing process in just a few weeks, a fraction of the normal time. Requiring software development changes, completing part validations, developing new part numbers and ensuring customer approval, this global team demonstrated how working as “One Gentherm” helps us achieve our goals.



## PERFORMANCE & ACCOUNTABILITY

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At one of our major manufacturing sites in Acuña, Mexico, Senior Technical Engineer Igor Spasojevic and Senior Engineering Manager Ricardo Flores hosted a “value analysis and value engineering” (VAVE) workshop attended by over 25 key team members to review current production processes, part utilization, materials and more. Collaboration at that workshop, produced ideas with a total cost savings of over \$500,000.



## EMPLOYEE ENGAGEMENT & INCLUSION

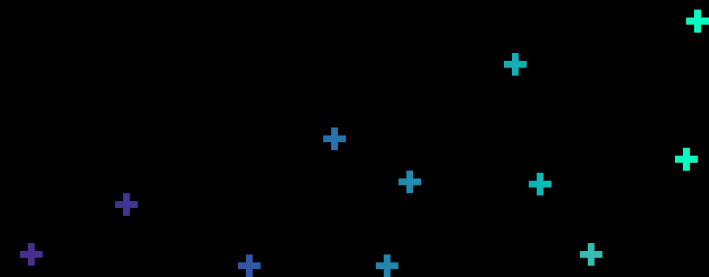
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With a large manufacturing site in Ukraine, our team is directly affected by the conflict. As part of supporting their colleagues, our Ukraine Women’s Network organized numerous programs to support individuals actively serving in the military – helping families of those colleagues called to service. Their efforts also included providing events and support for the children of employees on active duty, helping those children during a time of need. At Gentherm, our thoughts are with our team in Ukraine, as well as all people affected by this conflict.

“Together, we create an environment that cultivates diversity, transparency and respect. This ensures our team members are appreciated, can develop their careers, wow our customers and grow our business.”

**BARB RUNYON**

Senior Vice President, Chief Human Resources Officer and Corporate Communications



# Human Capital

## Global Engagement Survey

### 2021

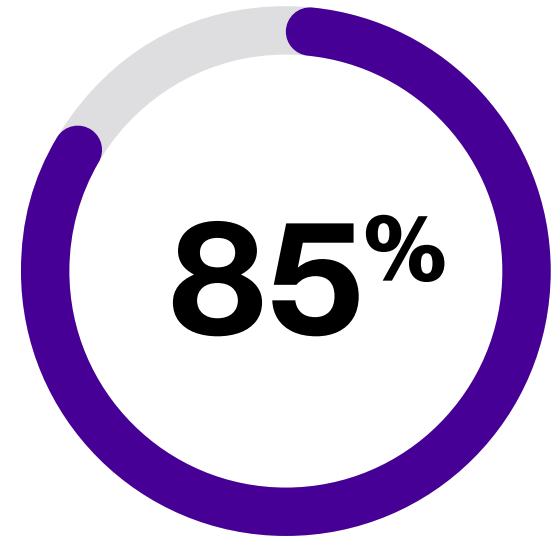
Gentherm completed our first ever global engagement survey. It received over 10,000 employee responses and had a response rate of 97% — nearly 20 points above the manufacturing benchmark.

### 2022

We used robust analytics to understand the voice of our employees. Our leaders took the findings and began to create action plans in the spirit of continual improvement of our workplace culture. We also set up employee-led engagement committees to pursue unique initiatives relevant to each site. In addition, approximately 400 leaders across Gentherm were trained in creating a personal leadership goal to enhance teamwork.

### 2023

We will complete our second global survey. As a way to connect, we introduced coffee talks where employees are randomly paired to have a coffee break with other employees cross-functionally and across the globe. These conversations inspire connection and affiliation in today's hectic business demands in a hybrid working world.



employees responded favorably to "I am able to balance my work and personal life"



**Diversity, Equity, Inclusion and Belonging**

Our DE+I mission aligns strongly with our corporate mission:

*Embracing diversity inspires innovation. We are building a culture of belonging where we value our differences to positively impact the lives of our employees, customers and communities.*

**THE DE+I EFFORTS FOCUS ON THREE KEY AREAS**

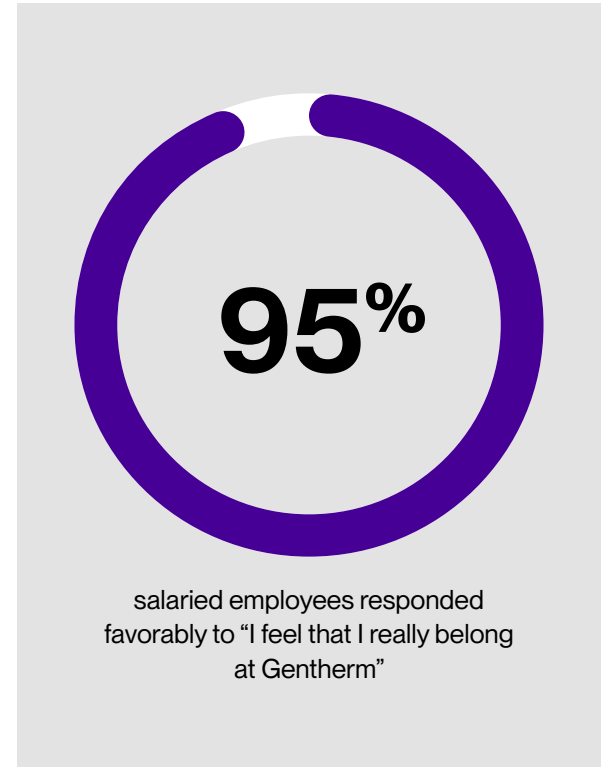
 <p><b>COLLABORATE</b></p> <p>Engage with our employees and provide a strong employee experience</p>	 <p><b>CONNECT</b></p> <p>Enhance our local communities where we operate</p>	 <p><b>CULTIVATE</b></p> <p>Enrich the capabilities and skills of our employees and acquire diverse talent</p>
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In 2022, we made progress in educational programs through Unconscious Bias and our “Elevate the Dialogue” programs. This training was delivered to nearly 80% of our global leaders, and focused on setting consistent standards, identifying feedback mechanisms to help solve conflicts and creating a culture and a sense of belonging for all.

Gentherm held several outreach events to positively impact a variety of organizations including:

- Habitat for Humanity
- GreenLight Fund Detroit
- Alternatives for Girls
- Loyola High School Detroit
- Children’s Center
- Rhonda Walker Foundation

Key leaders were able to participate in the Center for Diversity and Inclusion (CADIA), Inforum, Executive Leadership Council and Diversity Inc. programs, and we signed and stand behind the CEO Action for Diversity and Inclusion pledge.





# WOMEN'S NETWORK

## Women's Network

Our Global Women's Network inspire our female employees through educational programs, mentoring opportunities and networking including lactation instruction through our family center, donations to Alternatives For Girls, global celebrations for International Women's Month and breast cancer awareness activities.



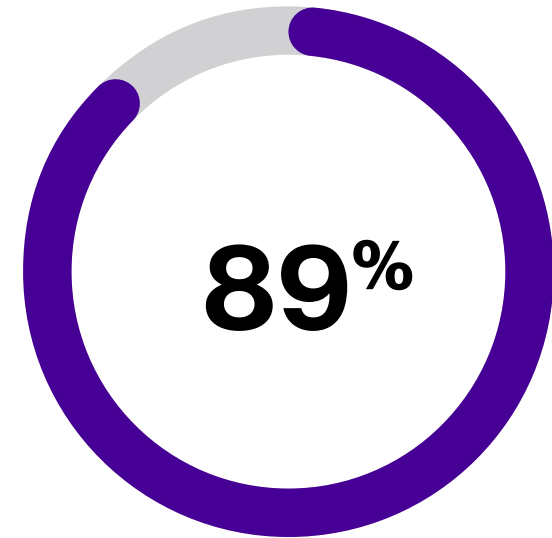


# Health and Safety

Employee health and safety is a core strength. Our leaders and employees are committed to safe behaviors, standards and requirements.

Our team rallies behind our Vision Zero strategy and the Seven Golden Rules:

- |   |  |  |
|---|--|--|
| <p><b>01</b><br/>Leadership commitment with a top-down approach</p> | <p><b>02</b><br/>Identify hazards and risks</p>      | <p><b>03</b><br/>Set safety and health targets</p> |
| <p><b>04</b><br/>Ensure a safety system / standards</p>             | <p><b>05</b><br/>Use safe and healthy technology</p> | <p><b>06</b><br/>Improve qualification</p>         |
| <p><b>07</b><br/>Involve people</p>                                 |  |  |

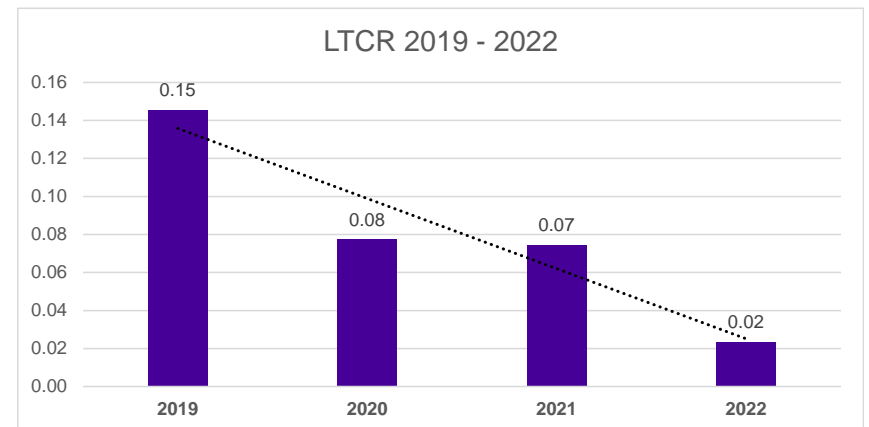


employees responded favorably to "Gentherm provides a safe working environment"

In our recent engagement survey, 89% of our employee responded favorably to "Gentherm provides a safe working environment."

With our disciplined focus on safety, and by following appropriate procedures and practices, we have shown consistent and significant improvements in safety.

Gentherm's Lost Time Case Rate (LTCR) decreased by 84% since 2019, reaching a rate of 0.02 in 2022. With over 25,000,000 hours worked, our unrelenting focus on safety has driven positive results, with only three lost time accidents recorded in 2022. Our team is incredibly proud that our employees can come to work knowing that Gentherm's processes and procedures create a workspace where injuries and accidents are rare – the safety of our employees is a vital part of our work environment.



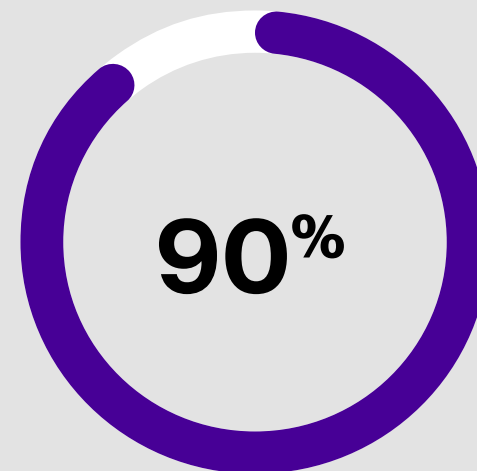
# Total Rewards

Compensation and benefits programs are designed to attract, motivate and retain our employees in the locations where we compete for talent, consistent with employee positions, skill levels, experience, knowledge and geographic location. We align our executives and eligible employees annual bonus opportunity and long-term equity compensation with our shareholders interests by linking earned pay with company financial and stock performance.

In 2022, Gentherm implemented a global job architecture for all salaried positions, helping deliver a consistent framework for compensation and rewards to our employees. We also completed a global pay equity study which identified minimal pay gaps, which we are addressing. Our compensation structure will help Gentherm to better evaluate the effectiveness of our rewards and compensation programs and to increase pay transparency and pay equity across the organization.



## TALENT DEVELOPMENT HIGHLIGHTS



salaried employees responded favorably to "my current responsibilities will allow me to further succeed at Gentherm"

**4,800**

micro learning videos viewed

**1,000+**

courses viewed

On demand e-learning added 10 hours of personal development per year / per employee



# Talent Development

Our leadership development programs ensure that our leaders have the skills to engage and lead in today’s ever-changing business environment. Over the last five years, we increased our focus on learning and development. We created a leadership model to serve as a compass for leadership success at Gentherm.

In 2022, Gentherm offered a selected number of employees across the globe the opportunity to participate in a series of “on-demand” learning resources to further enhance their professional development. A virtual library offering hundreds of “micro” learning courses were strategically aligned to Gentherm’s Winning Culture Behaviors and Impact Leadership Model to align learning with our culture and business needs.

Gentherm also completed our first Accelerator high potential program in 2022, with 18 graduates, increased retention and 50% promotion rate. This 24-month long program gives high potentials access to the CEO and other senior executives as well as the support of expert coaches to assist in their future development.

Based on our engagement survey feedback, we had an opportunity to increase career development pathways, so we rolled out our inaugural Week of Careers. This week included a series of webinars, testimonials and developmental discussions for our salaried workforce. We also introduced our new Career Growth Model below.



## IMPACT LEADERSHIP



Deliver Results



Drive Change



Cultivate Innovation



Build Capability

# People Spotlight

Seven of our sites created the European Step Challenge where Gentherm employees virtually walked their way through Europe by completing step goals. Through this challenge, team members implemented more movement in their daily lives, connected with team members across Europe, and strengthened our One Gentherm network. More than 200 colleagues participated, achieving 45,222,936 steps equivalent to 29,395 kilometers.

## GERMANY

### Odelzhausen

- Named Top Employer in Germany by Top Employers Institute for the ninth consecutive year.



## CHINA

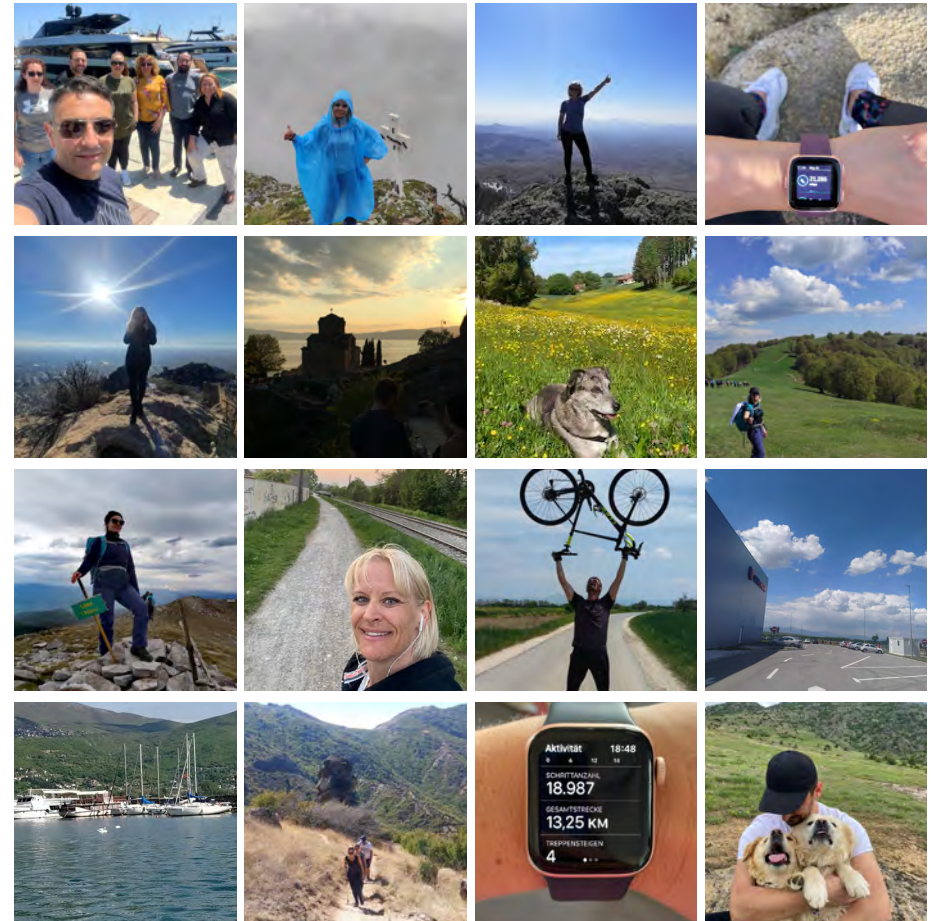
### Shanghai

- Worked with an external vendor to provide food and personal goods deliveries during locally mandated "stay-home" lockdowns, ensuring our employees were taken care of and safe.

## HUNGARY

### Pilisszentiván

- Certified in "Family Appreciated Diversity" a special program that supports work life integration, parental leave for new fathers and workplace accommodations for employees that are disabled.



## Ethics and Compliance

The Gentherm Code of Business Conduct and Ethics (“Code of Conduct”) is a vital document outlining what Gentherm expects from our employees and our directors, and provides guidance and direction for our team. The Code of Conduct covers an array of topics, including workplace conduct, conflicts of interest, legal compliance, anti-corruption and more. The Code of Conduct is part of each new hire’s onboarding process and is available in 11 different languages.

### **Gentherm Ethics Hotline**

Gentherm maintains a global, externally hosted [ethics hotline](#) that allows employees to report issues or concerns about actions that do not align with our culture or our Code of Conduct. With web-based and telephone reporting options, this 24/7 available resource allows our employees to reach out to management and anonymously report concerns.

Every reported item is reviewed with key members of senior leadership and investigated as appropriate. Items reported through this tool are carefully monitored, including reporting to the Audit Committee of the Board of Directors.

The Gentherm Code of Conduct prohibits retaliation against any employee that reports an issue in good faith.

### **Annual COI Survey**

Gentherm’s annual Conflict of Interest and Business Ethics Survey is another tool used to educate and reinforce the importance of doing business the right way. This web-based survey is delivered to every active gentherm.com email and covers topics such as legal compliance, workplace conduct and harassment, insider trading, trade controls and sanctions, anti-bribery and anti-corruption. All survey results are reviewed by our compliance team, and any potential issues or concerns are investigated and reported to appropriate leadership.

### **Compliance Training**

In 2021 we launched our global web-based compliance training program, and we continue to deliver focused compliance training to our employees around the world. In 2022, we delivered over 4,500 training modules, covering insider trading, financial records integrity and modern slavery / forced labor awareness.



A decorative graphic in the top left corner consisting of several plus signs (+) in shades of blue and green, arranged in a roughly triangular pattern.

“Ethics and compliance are not optional items or something we just talk about. We provide training and communications to our teams about our policies; we tell our employees what type of behavior we expect from them; and we give them options to report issues or ask questions. Ethics and compliance is part of the foundation of a strong company.”

**MATTEO ANVERSA**

Executive Vice President, Chief Financial Officer and Treasurer



## Cybersecurity / IT Training

In 2022, our employees completed over 8,000 training sessions, covering cybersecurity awareness, phishing tactics and more.

Cybersecurity is a key focus for leadership. Gentherm invested heavily into building a comprehensive strategy to ensure that production facilities, IT systems and system access meet current best practices. We are regularly reviewing our cybersecurity standards to ensure up-to-date risk assessment and mitigation so that we can operate with confidence in a digital world.

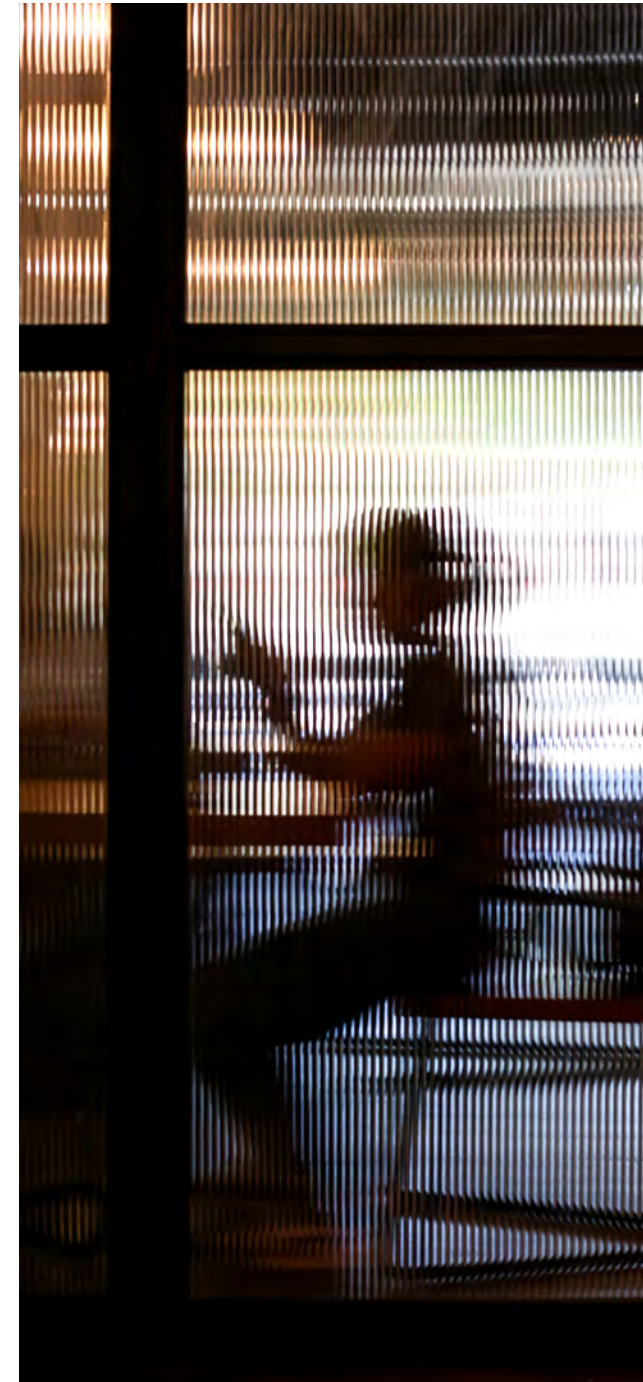
Our Board of Directors and Audit Committee also provide guidance and leadership in this area. Their guidance supports our efforts related to information technology, data security and privacy matters, internal controls, risk mitigation, preparedness and incident response plans, and related cybersecurity insurance coverage. In 2022, they also oversaw the rollout of Gentherm's security standards to our acquisitions, as well as an expansion of our system access controls.

## Human Rights

At Gentherm we strive to ensure that all people are treated with dignity and respect. Our Code of Conduct clearly states our stance against harassment and discrimination, and to further clarify our position, we maintain a Global Human Rights Policy. This policy expands on and further details our practices and position on forced labor, safe working conditions, harassment, child labor and labor practices. Our policy can be found [here](#).

As a global company, we understand the risks of improper business conduct at our locations and throughout our supply chain. In all locations we expect our employees to operate with respect for all people and their well-being. As part of our annual sustainability survey, each location is required to outline the local steps and procedures taken to ensure we follow high standards related to our workforce and to always operate in compliance with all applicable laws and regulations.

Our commitment to human rights is also demonstrated in our annual conflict minerals process and filings. We conduct annual due diligence on the source and chain of custody of tantalum, tin, tungsten and gold (3TG), and ensure compliance with U.S. Securities and Exchange Commission rules governing the reporting of sources of 3TG used when producing our products.



# 06

## PLANET

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Sustainability is about more than just our environmental impact but that doesn't mean we take our commitment to reducing our footprint as anything less than a vital piece of how we do business. Across the globe, companies are shifting their efforts to drive progress, and Gentherm is proud to be part of that movement.

# Sustainability – Looking Forward

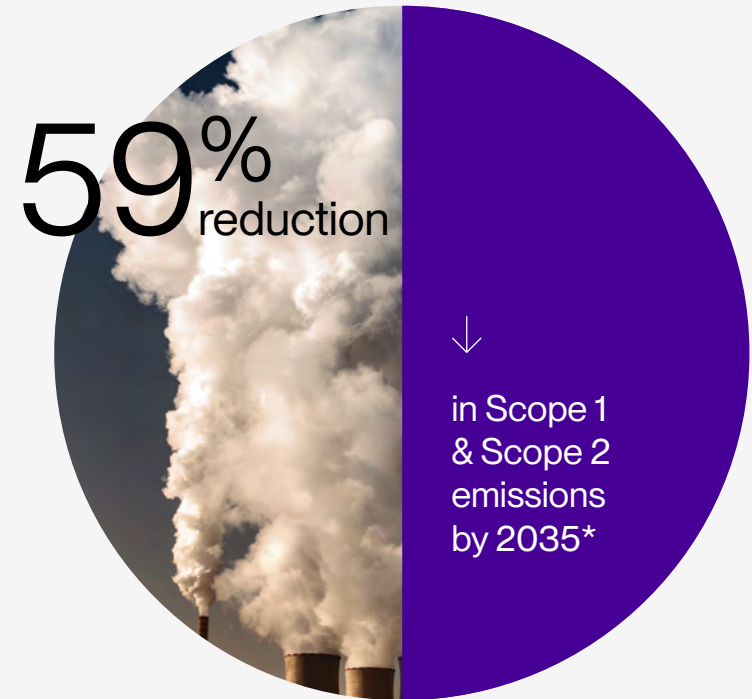
Over the last few years, Gentherm has carefully built a sustainability program from the ground up. In the first few years we focused on understanding our impact, measuring it and being transparent in reporting key metrics. In our 2020 Sustainability Report, we introduced targets and operational objectives for calendar years 2020 to 2026 that pushed us to be more efficient and to improve our resource and energy efficiency. We achieved these targets ahead of schedule and are now working toward our long-term carbon reduction goals.

Over the course of 2022 our sustainability team, working with outside experts and consultants, developed our long-term carbon reduction goals and aspirations that will guide us for years to come and will influence our products, our operations, our purchasing decisions, and other sustainability efforts throughout the company.

An essential part of developing our aspirations is understanding how we are going to drive this reduction over the next 10+ years. This is especially important since that reduction needs to be delivered as Gentherm grows our business and expands. We plan to get bigger, but to have our carbon footprint get smaller.

Our team looked at an array of options and projects with an eye on how different locations and countries will require different steps to drive progress. Whether it's something traditional like energy audits or something more advanced like Power Purchase Agreements (PPA), our team has and will continue to examine the options and navigate us down this path.

## GENTHERM CARBON REDUCTION GOAL



## Scope 3 Action Plans



Educate and coordinate with key vendors to build sustainability awareness and education throughout our vendor base



Introduce guidance and requirements to measure and report emissions data, and to develop their own emissions targets

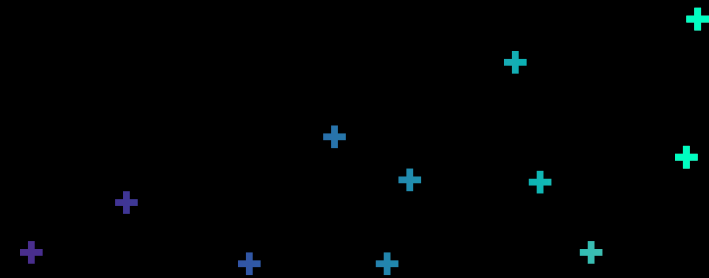


Implement vendor sustainability tracking / measurements

“While drawing up our long-term aspirations and targets, it was essential that our plan was not just a point in the future that we 'want to get to' but that it's realistic and we have a path and a plan to achieve it. I challenged our team to not just dream about where we want to go but to solve the problem, and help us figure out how to get there.”

**PHIL EYLER**

President and Chief Executive Officer







# Our Carbon Reduction Toolbox

To achieve our aspirations, we will need to leverage every tool in our toolbox. It's a long journey – every little bit will help us get there. Our tools include:

01

## Energy Efficiency

Conducting detailed energy audits, identifying and implementing changes that drive improved energy efficiency.

02

## On-Site Generation

Examining business appropriate opportunities for on-site power generation including solar panels or other options, and working to implement those projects over time.

03

## Renewable Purchases

Reviewing options for each of our locations, based on local requirements and available opportunities. This may include sourcing renewable energy from a local grid provider, entering into a PPA type arrangement or utilizing Energy Attribute Certificates (EACs).

04

## Infrastructure Changes

Monitoring the infrastructure and grid energy for each country where we do business. Part of our journey includes tailwind effects driven by the “greening of the grid.”

05

## Fuel Changes

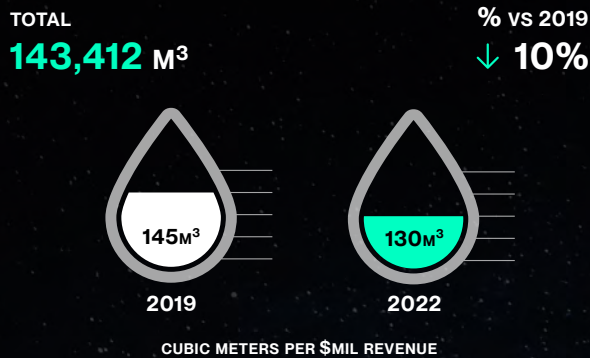
Examining opportunities to transition our buildings central heating system from natural gas to electric, allowing for use of renewable electricity.



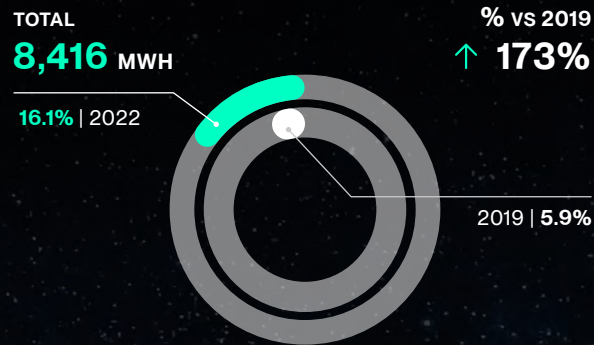
# Planet Metrics

Measuring our activities and understanding the data drives resource efficiency throughout Gentherm's operations. The information below summarizes key environmental metrics, both in absolute quantity and intensity (usage versus revenue). For 2022, this data excludes the Alfmeier and Dacheng locations, however as they become fully integrated into our sustainability processes our future reports will include their operations. As Gentherm grows, we expect changes in total resources used; however by measuring intensity, we can measure our efforts to minimize our environmental impact and operate efficiently.

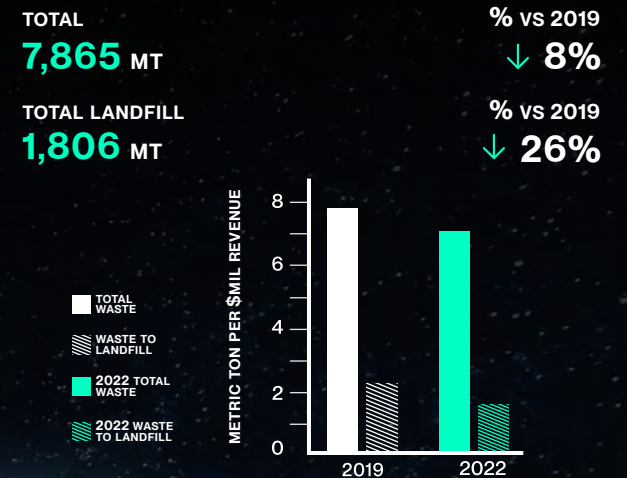
## WATER<sup>1</sup>



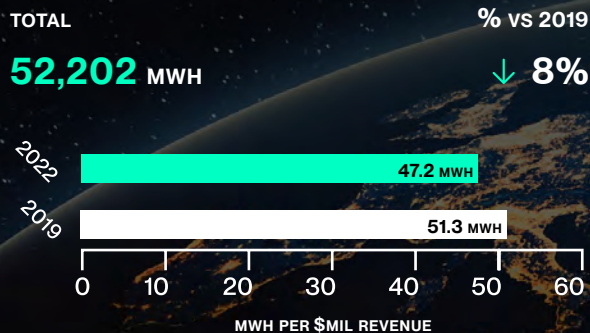
## RENEWABLE ELECTRICITY<sup>2</sup>



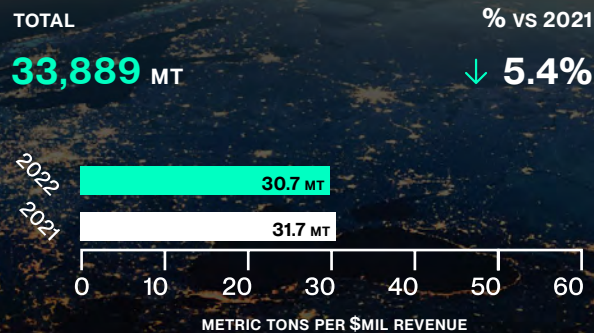
## SOLID WASTE



## ELECTRICITY<sup>2</sup>



## SCOPE 1 & 2 EMISSIONS<sup>3</sup>



## RECYCLING PERCENTAGE











1. All water usage is provided by local municipal services, including being withdrawn from local sources per municipal services standard practices. Other than small amounts recycled for landscaping / irrigation, discharged water volumes are equal to total water usage volumes.  
 2. Other than minor / pilot program solar power projects at select locations, 100% of Gentherm's electricity is purchased from local municipal sources (local power grids).  
 3. We calculate our Scope 1 GHG emissions based on local direct use of resources such as natural gas and heating oil. We calculate our Scope 2 GHG emissions based on purchased power such as electricity and steam. See Appendix for more details on emissions data.

Note: All percentage variances shown above are relative to the baseline year noted for that metric.

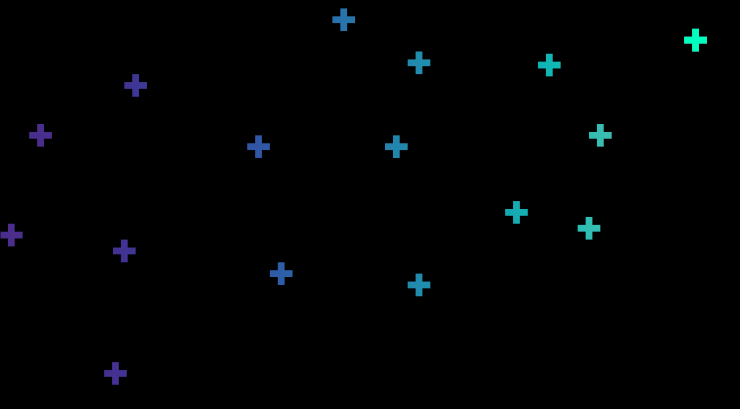
# Targets

In 2020, Gentherm established four environmental targets to help us measure our performance with regard to improving our resource intensity, choosing 2019 as our baseline. As a result of our teams' work over the past few years, our efficiency metrics have shown great improvement. In 2021 we achieved our seven-year targets, and in 2022 we continued to operate above our seven-year target levels.

As part of driving our sustainability forward, in 2022 Gentherm continued to invest in projects that drive energy savings and improved efficiencies at our sites. A few examples of these projects include installing electric vehicle charging stations at our Northville and Odelzhausen locations, installing high efficiency LED lighting at numerous locations, upgrading air compressors to increase their operating efficiency, and installing an all new high-efficiency heating and cooling system at our Langfang site. These projects alone represent almost \$500,000 in investment, demonstrating Gentherm's commitment to driving energy efficiency.

		Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7					
		2019	2020	2021	2022	2023	2024	2025	2026	Target Metric	Present Status	Improv. Goal	Improv. to Date	Status*
	Electricity Usage Total - MWH	49,837	46,427	49,181	52,202					<b>47.7</b>	<b>47.2</b>	<b>7%</b>	<b>7.9%</b>	
	<b>Metric:</b> Electricity Usage - MWH / \$Mil. Revenue	<b>51.3</b>	<b>50.8</b>	<b>47.0</b>	<b>47.2</b>									
	Waste to Recycling Total - Metric Tons	2,534	2,462	2,963	3,172					<b>35.9%</b>	<b>40.3%</b>	<b>7%</b>	<b>20.1%</b>	
	<b>Metric:</b> Waste to Recycling as a Percent of Total Waste	<b>33.6%</b>	<b>38.2%</b>	<b>40.6%</b>	<b>40.3%</b>									
	Hazardous Waste Total - Metric Tons	45	33	43	42					<b>0.043</b>	<b>0.038</b>	<b>7%</b>	<b>18.6%</b>	
	<b>Metric:</b> Hazardous Waste - Metric Tons / \$Mil. Revenue	<b>0.046</b>	<b>0.037</b>	<b>0.041</b>	<b>0.038</b>									
	Water Usage Total - Cubic Meters	141,236	127,626	137,484	143,666					<b>135.2</b>	<b>129.7</b>	<b>7%</b>	<b>10.8%</b>	
	<b>Metric:</b> Water Usage - Cubic Meters / \$Mil. Revenue	<b>145.3</b>	<b>139.8</b>	<b>131.4</b>	<b>129.7</b>									

\*For all metrics, even those noted as "achieved," we will continue to monitor our progress versus baseline and toward our targets. We believe that the impact of COVID-19 on business operations may have resulted in metrics that are outliers / non-normal, and hence we may see reversions or data variance over the short term.

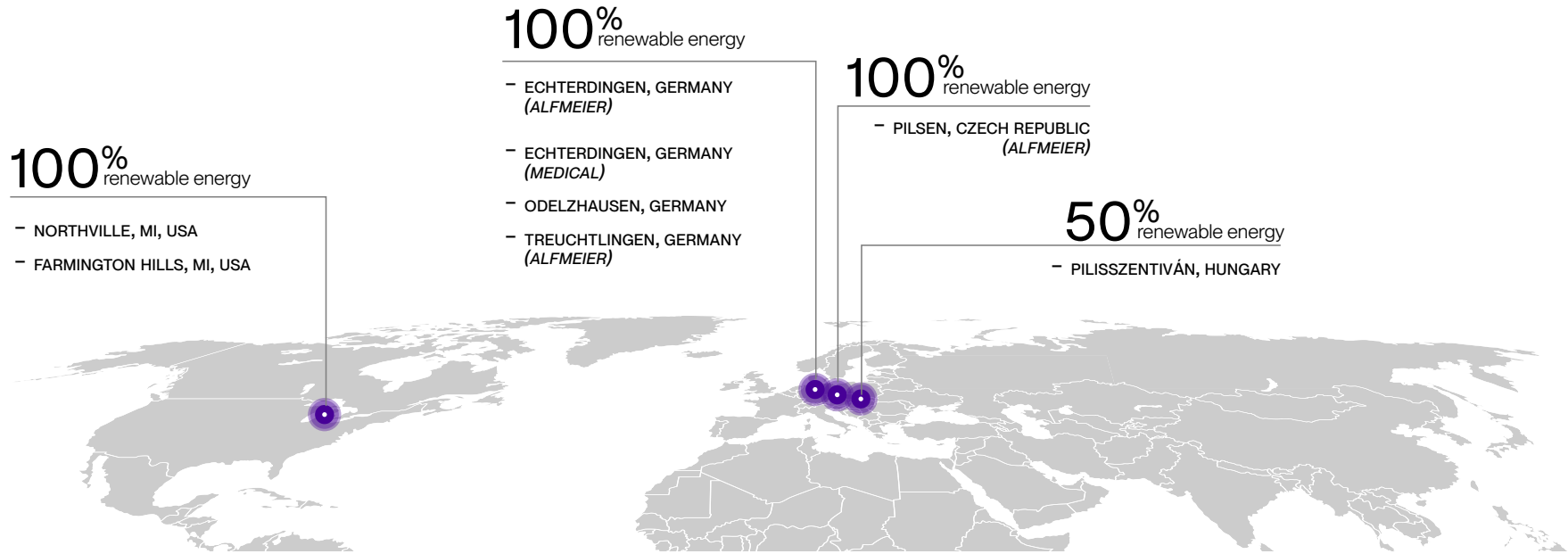
A decorative graphic in the top left corner consisting of approximately 15 plus signs (+) in shades of blue and green, arranged in a loose, upward-pointing cluster.

“Our operations team recognizes we require power and resources for our business. That said, we are engaged and committed to being efficient and supporting Gentherm on our sustainability journey.”

**RAFAEL BARKAS**

Senior Vice President, Global Operations and Supply Chain





## Planet Spotlight

Reducing Gentherm’s environmental footprint can’t be done by one site or with one idea. It takes efforts at every building and from every employee, whether it’s at our largest manufacturing site or a smaller office building.

### Renewable Energy Use

Our largest share of emissions within our Scope 1 and Scope 2 is related to electricity purchase. While Gentherm implemented some small on-site generation projects, nearly 100% of our energy is purchased from local municipal sources (the local power grid). However, in some locations, there are opportunities to purchase renewable electricity at a rate higher than the standard supply, commonly referred to as a “green tariff.” Utilizing green tariffs, Gentherm and Alfmeier have achieved 100% renewable electricity usage at seven sites.

### ISO-14001

Gentherm is proud that 93% of all employees work in ISO-14001 certified sites, including 100% of our employees at automotive manufacturing sites.

## PLANET SPOTLIGHT

# North America

## USA

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### Northville, Michigan

- Provides 10 fully operational vehicle charging stations with more to come.
- Installed LED lightbulbs at our facilities for 95% of our lighting needs.

### Del Rio, Texas

- Enrolled in a voluntary program with the local electricity provider to support renewable energy investments.
- Replaced all lighting in the office areas with high efficiency LED bulbs, reducing lighting-related energy use by approximately 70%.

## MEXICO

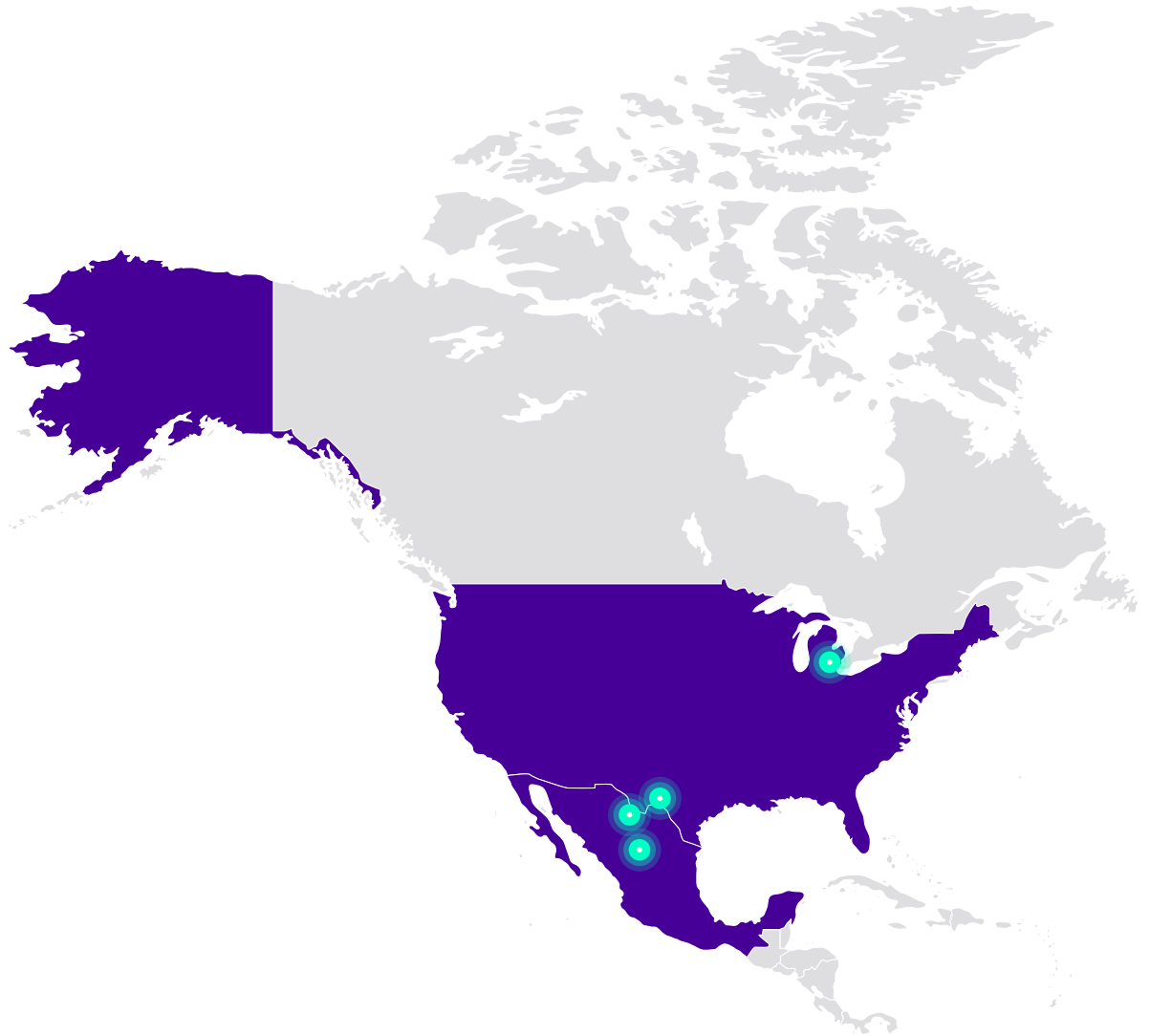
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### Acuña

- Local recycling program received Green Office gold classification for its environmental actions.

### Celaya

- Has shutdown programs for air conditioners, lamps and a campaign for employees to turn off lights.



## PLANET SPOTLIGHT

# Asia

## CHINA

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### Shenzhen

- Implemented steps to drive toward a "zero landfill" location, recycling over 85% of all solid waste in 2022.
- Implemented changes that drove over 160 kWh per day by optimizing lighting, modifying water pump use for cooling towers and reducing air pressuring our compressed air system.

### Langfang

- Used an infrared heating and shrinking device at one step on the production assembly line, reducing the power consumption on this machine from 800 watts per usage to 350 watts.
- Installed water purifiers and filters to replace the use of bottled water, significantly reducing plastic trash.

## VIETNAM

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### Ha Nam

- Collected and recycled almost 3,000 used batteries.
- Conducted a VAVE workshop, focusing on the fleece and sewing processes for a particular customer and resulting in process changes eliminating over 5,000 kg of waste per year.

## JAPAN

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### Tokyo

- Employees bring in their own cups and towels to reduce office waste.

## SOUTH KOREA

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### Anyang

- Employees use their own mugs instead of throw-away cups.
- installed new dishwasher that uses 20-30% less water.



## PLANET SPOTLIGHT

# Europe

## GERMANY

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### Odelzhausen

- Eliminated single use plastic cups and plates and transitioned to recyclable materials.

### Echterdingen

- Eliminated trash and product disposal associated with some of the traditional warming blankets / technologies.

## HUNGARY

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### Pilisszentiván

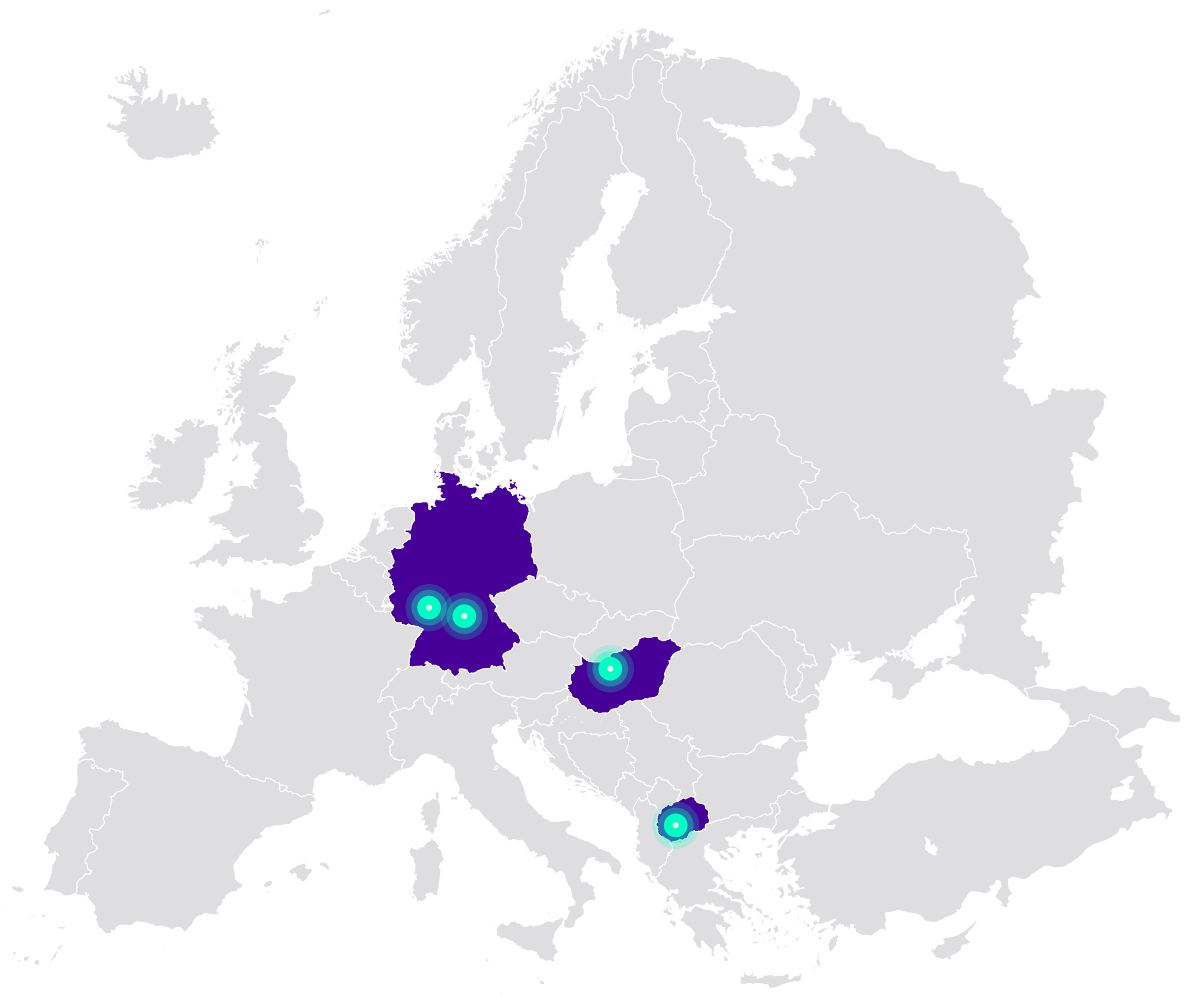
- Reduced the amount of adhesive by 5% on one product line, and drove a 5% reduction in polyester-based fleece usage on another product line.

## NORTH MACEDONIA

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### Prilep

- Implemented opportunities to turn specific pieces of equipment off during employee breaks, down-time and other short pauses in their usage.
- Raised awareness around the environmental impacts of bicycles vs. cars, public transportation and ride sharing during Mobility Week.





An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road is light gray and contrasts with the dark green foliage. The perspective is from above, looking down at the road as it snakes through the trees.

# 07

## PLACES

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The Places pillar represents things we do outside of our buildings and outside of designing and manufacturing our products. It's how we work to become the company that people are proud to have in their hometown.

We continue supporting the GreenLight Fund Detroit, providing \$50,000 in annual funding as part of our five-year, \$250,000 commitment to this important organization. GreenLight Fund Detroit helps create opportunities for children, youth and families experiencing poverty in the Detroit area, breaking down barriers to prosperity.



PLACES SPOTLIGHT

# North America

## USA

### Northville, Michigan

- Worked with the local Habitat for Humanity chapter, helping build a house for a local family in need.
- Teamed with FIRST Robotics to sponsor and mentor a student team from the Detroit International Academy for Young Women — The Pink Panthers.

### Del Rio, Texas

- Donated goods and supplies that provided Thanksgiving baskets and meals to families in need.

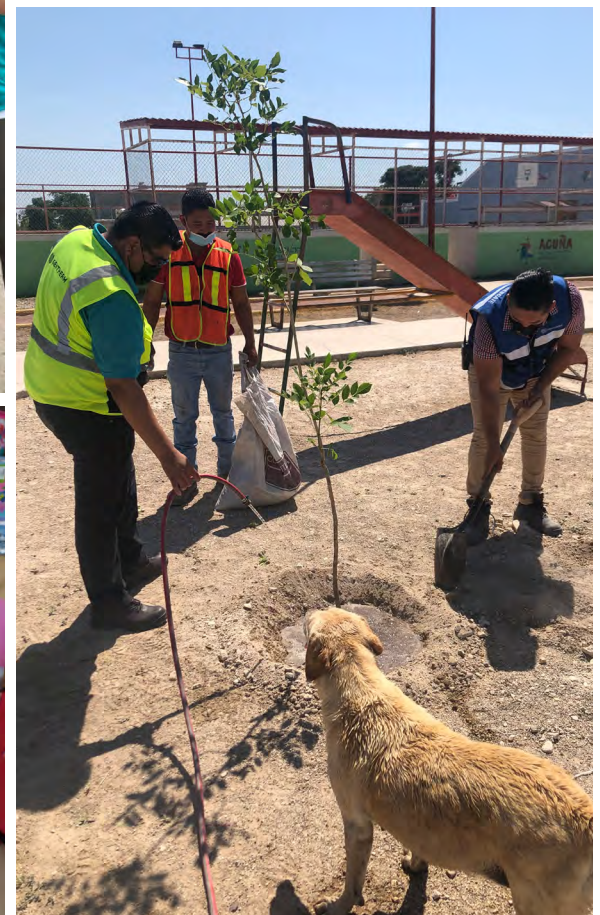
## MEXICO

### Acuña

- Worked with local government to adopt a town square, including reforesting the area with plantain trees and other vegetation.

### Celaya

- Organized its yearly school supplies program, collecting donations to ensure local school children have all the supplies needed for their school work.





PLACES SPOTLIGHT

# Asia

## VIETNAM

### Ha Nam

- Conducted job interview skill training with over 400 local university students to assist professional development.
- Organized “Battery Collection Days” in local schools, educating students about proper battery disposal and recycling, collecting thousands of batteries to properly dispose.





PLACES SPOTLIGHT

# Europe

## GERMANY

### Odelzhausen

- Continued yearly tradition of providing gifts and financial donations to the local children's hospice, St. Nikolaus Children's Hospice.

## HUNGARY

### Pilisszentiván

- Planted trees in local schoolyards, providing shade for the students, and planted other trees around a local lake.
- Collected toy and food donations to support the Bethesda Children's Hospital during the December holiday season.

## NORTH MACEDONIA

### Prilep

- Celebrated World Environment Day by picking up trash and planting trees within the community.
- Provided vocational training to local students.
- Hosted a donation event to provide books to the local library.







# 08

## STAKEHOLDERS & SUPPLY CHAIN

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Sustainability is not limited to what we do within our walls and at our sites. We also look at how we impact the supply chain both upstream and downstream. We form business relationships with partners whose sustainability views align with our values of driving improvement.

As Gentherm's sustainability program matures, we see similar advances in our business partners. Part of our journey is constantly being aware of trends and changes, adapting our program as needed. This includes listening to and understanding our customer's sustainability requirements, while also communicating Gentherm's requirements to our supply base. While 2022 presented challenges from global inflation and continuing supply chain issues, our sustainability team continued progress toward our goals.

On the customer side, our sustainability team works closely with our sales team and our customers to understand their requirements. The automotive market has seen increased focus on recycled content in products, end-of-life disposal and more. This is one reason we added the "Product" focus to our People, Planet, Places approach.

On the supplier side, we provide clarity and directions for our supply base through our Supplier Code of Conduct and our Supplier Requirements Manual, both available [here](#). These documents detail our expectations around health and safety; restrictions against corruption, bribery, and extortion; labor and human rights, including child labor, forced labor and human trafficking; and Gentherm's right to audit and review their operations across a range of topics.

As part of driving sustainability within our supply chain, the Gentherm Supplier Diversity program seeks to increase the diversity of our purchasing spend related to productive materials, nonproductive materials and purchased services.





# 09

## GOVERNANCE

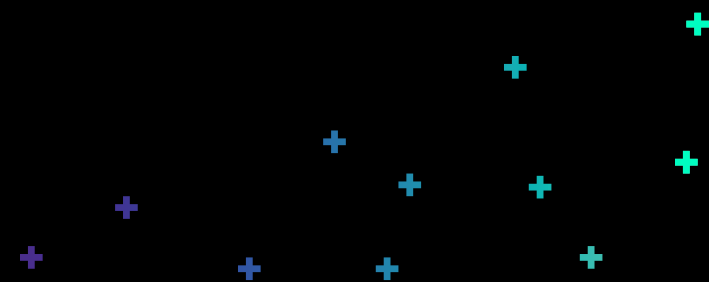
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We hold our executive leadership team, including our CEO and our Board of Directors, to the highest ethical and governance standards. We require compliance with our Code of Business Conduct and Ethics, our corporate governance policies, all applicable laws and our Winning Culture Behaviors.

“A strong sustainability program, like so many parts of any well-run business, is based on a foundation of solid corporate governance.”

**WAYNE KAUFFMAN**

Senior Vice President, General Counsel and Secretary





With a robust and thoughtful sustainability program, we also strive to ensure we are transparent in our actions and in our results. The goal of our sustainability program is not limited to our internal efforts and results. It considers the impact on all of our stakeholders, including customers, suppliers and shareholders.

Part of building and maintaining a strong sustainability program is ensuring proper leadership and guidance. To help drive our program, our Nominating and Corporate Governance Committee oversees our program, providing strategic guidance, setting objectives and monitoring performance. The Committee's responsibilities are formally outlined in the official charter ([here](#)).

Another way we ensure robust governance around our sustainability efforts is by awareness and monitoring legislation, proposed legislation, and even best practices and standards within the auto industry as well as across a larger swath of business. We stay attuned to changes through a combination of work with outside experts as well as our direct involvement in industry action groups.

For more information on our corporate governance structure and practices, refer to our annual Proxy Statement, or visit the Governance section of [Gentherm.com](https://www.gentherm.com) ([here](#)).



# 10

## 2023 PLANS & COMMITMENTS

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People. Planet. Places. These three words encompass Genterm's view on sustainability. As part of our journey, our goal is to make commitments every year that drive our program forward. By building on what we've done previously and looking forward, we are confident that our sustainability program isn't just responding to customer requests or meeting benchmarks, but blazing a path forward.

# Our 2023 Plans Include:

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## 01

Implement key steps to support our long-term carbon reduction plan. By understanding the options in our carbon reduction toolbox and the individual parameters at each site, we plan to build momentum to support our plan. This will include energy audits, on-site generation work and more.

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## 03

Continue to advance external standards alignment, including working toward adding TCFD- and GRI-based disclosures to our process.

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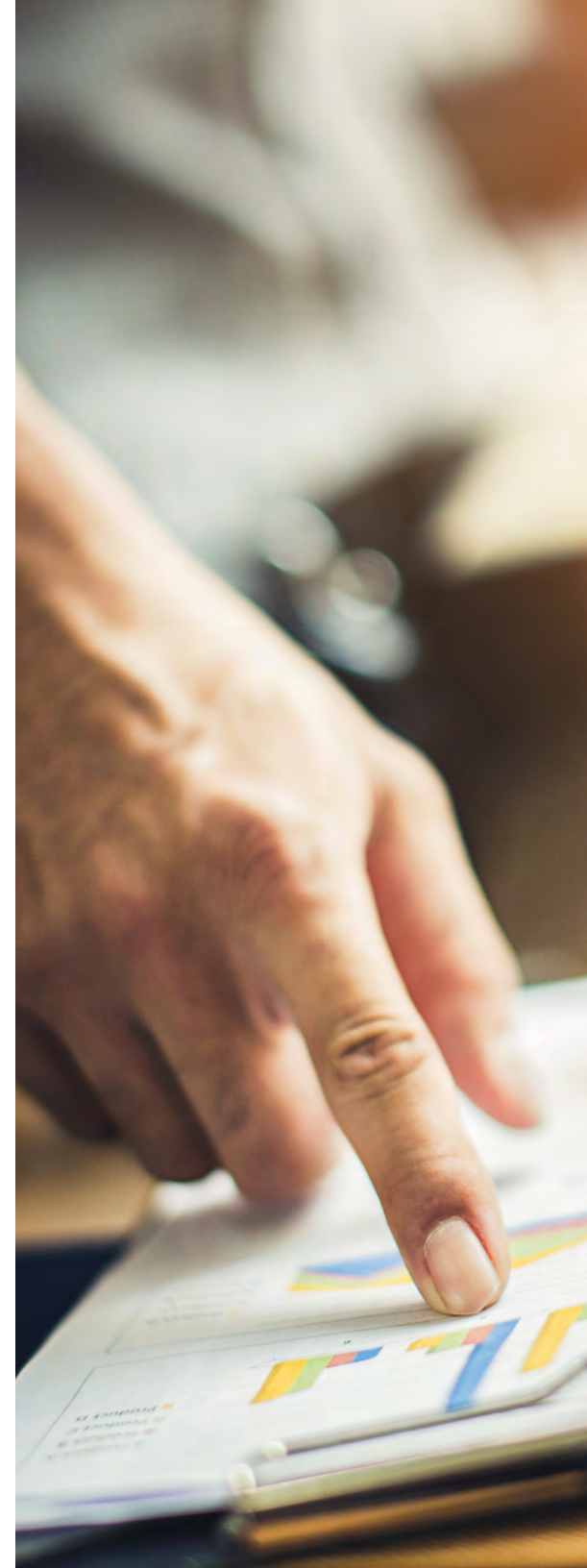
## 02

Develop our first ever product sustainability roadmap and strategy. As the marketplace has become more attuned to the sustainability impact of products, our team is working to hone our strategy in this area.

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## 04

Complete the integration of our Alfmeier and Dacheng acquisitions into our sustainability program. This will include metric reporting and target setting, helping to ensure that we come together as "One Gentherm."



# Appendix



## Safety Definitions

Lost Time Case Rate (LTCR): Measured according to standard OSHA methodology. No data around on-site, work-related fatalities is recorded or reported in this report as Gentherm has not recorded an on-site, work-related fatality in our 20+ year history.

## Additional Disclosures

Political donations: Gentherm does not donate to or allow the use of company funds to specifically support political purposes. In accordance with our internal Delegation of Authority policy, all charitable donations or similar activities must be approved by the Chief Executive Officer, and in agreement with the Chief Financial Officer, the Chief Human Resources Officer, and General Counsel.

As a global business, we align with trade associations and organizations related to our business which may, at their own discretion and under their own leadership, participate in the political process, including working to influence decisions that could benefit our company, our industry and related business.

Gentherm is a member of the Automotive Industry Action Group (AIAG), Original Equipment Suppliers Association (OESA), Human Resources Professionals Association (HRPA) and other similar industry groups. Our association with these industry groups generally include standard membership fees, with annual fees of approximately \$50,000 total.

Fleet vehicles: Gentherm does not maintain a traditional vehicle fleet. We do, however, maintain a small number of company-owned vehicles designated for sporadic, non-specific employee use ("pool vehicles"). While this number may fluctuate based on expiring leases and other criteria, we estimate the average number is approximately 20 vehicles, operated at an average of 10,000 miles or less per year. Based on average CO<sub>2</sub> emissions for a vehicle, the total output would represent a de minimus amount to our total GHG emissions (less than 0.3%) and is therefore excluded from our detailed GHG tracking process. Gentherm's processes also do not include emissions related to personal vehicles that may be bought / leased using company provided auto allowances as part an individual employee's compensation.

Material and chemical management: Gentherm works to ensure that all of our manufactured goods align with all applicable regulations around the use or inclusion of controlled chemicals and materials. These efforts include utilization of the IMDS (International Material Data System), and monitoring of products and substances versus regulations such as REACH.

Hazardous waste disposal methods: In 2022, Gentherm's hazardous waste was approximately 0.5% of all solid waste generated (41.7 metric tons). Gentherm's hazardous waste types vary by location but are generally comprised of waste oil and related products used in lubrication and equipment maintenance, activated carbon scrap, scrap glues and adhesives, and non-production related items such as light bulbs and non-industrial batteries. Our methods of disposal vary from region to region in accordance with applicable laws and regulations and are based on substance, but may include incineration, physical-chemical treatment, or other appropriate disposal methods. Disposal methods may include engaging services from appropriately qualified and licensed third-party service providers in the local region.

Key Environmental Metrics by Region (2022)	North America	Europe	Asia	Total
<b>Electricity Usage / Source</b>				
Total KWH Used	22,435,507	11,423,122	18,343,668	52,202,297
Total KWH from Non-Renewable Sources	20,058,282	7,292,283	16,435,828	43,786,393
Total KWH from Renewable Sources	2,377,225	4,130,839	1,907,840	8,415,904
Percent of Total KWH Used	43.0%	21.9%	35.1%	100.0%
Percent of KWH from Non-Renewable Sources	89.4%	63.8%	89.6%	83.9%
Percent of KWH from Renewable Sources	10.6%	36.2%	10.4%	16.1%
<b>Total Energy Usage / Source</b>				
Total GJ Used	88,755	55,013	71,452	215,221
Total GJ from Renewable Sources	8,558	14,871	6,868	30,297
Total GJ from Non-Renewable Sources	80,197	40,142	64,584	184,923
Percent of Total GJ Used	41.2%	25.6%	33.2%	100.0%
Percent of GJ from Renewable Sources	9.6%	27.0%	9.6%	14.1%
Percent of GJ from Non-Renewable Sources	90.4%	73.0%	90.4%	85.9%
<b>Solid Waste Source / Disposal</b>				
MT Waste to Landfills	865	901	41	1,806
MT Waste to Recycling	1,262	486	1,425	3,172
MT Waste to Incinerators	1,051	233	1,561	2,845
MT Waste - Hazardous	20	5	16	42
Total MT Waste	3,198	1,625	3,042	7,865
Percent Waste to Landfills	27.0%	55.4%	1.3%	23.0%
Percent Waste to Recycling	39.5%	29.9%	46.8%	40.3%
Percent Waste to Incinerators	32.9%	14.4%	51.3%	36.2%
Percent Waste - Hazardous	0.6%	0.3%	0.5%	0.5%
Percent Total Waste	40.7%	20.7%	38.7%	100.0%
<b>Water Usage</b>				
Total Water Usage (Cubic Meters)	44,082	38,125	61,205	143,412
Percent Water Usage	30.7%	26.6%	42.7%	100.0%
<b>Greenhouse Gas Emissions</b>				
Scope 1 & 2 (MT CO2e)	10,404	6,374	17,111	33,889
Percent of Total Scope 1 & 2 (KG CO2)	30.7%	18.8%	50.5%	100.0%

Key Environmental Metric History	2019	2020	2021	2022
<b>Electricity Usage / Source</b>				
Total KWH Used	49,836,657	46,426,671	49,181,072	52,202,297
Total KWH from Renewable Sources	2,932,913	4,423,996	5,743,939	8,415,904
Percent of KWH from Renewable Sources	5.9%	9.5%	11.7%	16.1%
<b>Solid Waste Source / Disposal</b>				
MT Waste to Landfills	2,153	1,827	1,882	1,806
MT Waste to Recycling	2,534	2,462	2,963	3,172
MT Waste to Incinerators	2,816	2,115	2,413	2,845
MT Waste - Hazardous	45	33	43	42
Total MT Waste	7,548	6,437	7,299	7,865
<b>Water Usage</b>				
Total Water Usage (Cubic Meters)	141,236	127,626	137,484	143,412
<b>Greenhouse Gas Emissions</b>				
Total Scope 1 & 2 (MT CO2e)	33,186	31,492	33,885	33,889

## FORWARD LOOKING STATEMENTS AND DISCLAIMERS

This report contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent our goals, beliefs, plans and expectations about our prospects for the future and other future events. Such statements may be identified by the use of forward-looking terminology such as “anticipates,” “appears,” “believes,” “continues,” “could,” “designed,” “effect,” “estimates,” “evaluates,” “expects,” “forecasts,” “goal,” “initiative,” “intends,” “may,” “objective,” “outlook,” “plans,” “potential,” “priorities,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” or similar terms, variations of such terms or the negative of such terms.

The forward-looking statements included in this document, including our targets and goals, are made as of the date hereof or as of the date specified and are based on management’s reasonable expectations and beliefs. Such statements are subject to a number of assumptions, risks, uncertainties and other factors, many of which are difficult to predict and generally beyond our control, which could cause actual results to differ from that described in the forward looking statements. Such risks and uncertainties include the risks noted in reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2022, as well as additional factors we may describe from time to time in other filings with the U.S. Securities and Exchange Commission. Except as required by law, we expressly disclaim any obligation or undertaking to update any forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

This report describes topics that we consider to be important to stakeholders when evaluating sustainability matters at Gentherm. The inclusion of information in this report is not an indication that such information is material as defined under the U.S. federal securities laws and the applicable regulations thereunder. No part of this report or our sustainability website disclosure constitutes, or shall be taken to constitute, an invitation or inducement to invest in Gentherm or any other entity and must not be relied upon in any way in connection with any investment decision.

Statements regarding our policies, guidelines or goals are aspirational in nature. They are not promised to be delivered nor guaranteed for achievement. We cannot guaranty that our directors, officers, employees and suppliers follow the requirements of our codes, policies and guidelines in all circumstances. Uncertainties are inherent in collecting data from a wide range of facilities and operations in a global company. Standards of measurement and methods of calculating sustainability data are developing and numbers reported (other than audited financial data) are based on company calculations and good faith estimates and have not been externally assured.

Unless otherwise indicated, references to “Gentherm”, “the Company”, “we”, “our” and “us” in this report refer to Gentherm Incorporated and its consolidated subsidiaries. The content of this report generally covers subject matter for the 2022 calendar year unless otherwise noted and is limited to operations owned and/or operated by Gentherm. For some performance indicators, prior year data is provided to allow for annual comparisons.

This report may contain public information or links to websites owned and operated by third parties. When clicking on third-party links, users will leave our website. These links are provided for additional information and convenience only. Gentherm is not responsible for such public information, third-party websites or their content and is not incorporating by reference, endorsing, approving or adopting any information posted on any third-party website. No representation, warranty, or undertaking is made by Gentherm as to the accuracy, reasonableness, or completeness of public information or information contained on third-party websites.