



SUSTAINABILITY REPORT 2023

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Preliminary remark:

For reasons of linguistic simplicity, the masculine form is used in this document, but all genders are meant equally. We respect and recognize the diversity of gender identities and use this spelling for practical reasons only.

Foreword by the management

Dear Readers,

For Meleghy Automotive, the year 2023 was all about sustainability and the transformation towards climate neutrality. In an automotive industry characterized by global challenges, we have consistently focused on acting responsibly. For us, sustainability is not just a component, but the core of our corporate strategy.

Our progress in the past year is based on three core areas: Climate protection, resource efficiency and social responsibility. Together with our employees and partners, we implemented measures to reduce CO₂ emissions, expanded the use of renewable energy at our sites and optimized processes to conserve resources. These efforts help to minimize our ecological footprint and make our production processes more sustainable.

We are particularly proud of our close partnerships along the entire supply chain. By working together with customers and suppliers, we develop innovative solutions that make the mobility of the future lighter, more efficient and more environmentally friendly.

Despite the challenges that 2023 brought with it, we remain convinced that sustainable management is the key to long-term success. This report gives you an insight into our progress and underlines our commitment to a responsible future.

Our special thanks go to all our employees, whose commitment and dedication have made these successes possible. Together we are shaping the sustainable future of Meleghy Automotive and everyone involved. Forming tomorrow. For you. For us. For everyone.

With best regards

Paulo Cruz Pinto | André Blech

Management of Meleghy Automotive



André Blech, Managing Director



Paulo Cruz Pinto,
Managing Director

Scope of reporting

Meleghy Automotive’s Sustainability Report 2023 provides a comprehensive insight into our strategy, goals and achievements in the area of sustainability. In this report, we analyze our commitment in various sustainability areas, including economic, environmental and social sustainability.

In doing so, we take into account our main markets, the expectations of our stakeholders, the applicable legislation and organizational requirements. We examine our products and services as well as key ethical, social, ecological and corporate policy aspects that significantly influence our actions and our environment.

Through efficient processes and a continuous improvement mindset, we strengthen our credibility and acceptance as a reliable key supplier for our customers. We closely follow the evolving regulation of the competitive environment, including the cur-

rent Supply Chain Act and the CSRD Directive, and adapt flexibly to maintain our competitiveness. We are also integrating the sustainable priorities set by the current federal government at an early stage in order to respond effectively to the increasing legalization of corporate responsibility.

Some of the data presented in this report is also included in Meleghy International’s annual report and is audited externally.

Our sustainability reporting is based on the standards of the GRI (Global Reporting Initiative) and the 17 Sustainable Development Goals (SDGs) of the United Nations (UN). Based on a comprehensive materiality analysis and an employee survey, we have identified five SDGs on which we have the greatest influence and which are therefore particularly relevant to us.

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Focus on SDGs 2023

REPORTING PERIOD, SCOPE AND REPORTING CYCLE

This sustainability report, prepared in accordance with the GRI standard, contains measures, results and key figures for the period from January 1, 2023 to December 31, 2023 and thus covers the business activities of all productive Meleghy Automotive companies in the 2023 financial year.

The sustainability report is updated annually and published on the Meleghy Automotive website. All information in this report relates to the sustainability-related business activities of all companies operating under the Meleghy Automotive business unit. The business unit is part of the Meleghy International group of companies, trading as Meleghy & Cie. Automotive GmbH. No information, valuations or material topics relating to minority interests and investments have been included in the report. The report does not include companies, joint ventures and the like that belong to the Meleghy International group of companies but are not allocated to the Meleghy Automotive division. These include PDahlke Engineering GmbH and Innomotive Safety Systems GmbH. In the sustainability report, we refrain from naming the individual legal names of the Meleghy Automotive companies and refer to individual locations or generally speak of the Meleghy Automotive

division in relation to all companies.

OUR ENTITIES UNDER CONSIDERATION:

- » Meleghy Automotive Wilnsdorf, Germany
- » Meleghy Automotive Gera, Germany
- » Meleghy Automotive Lauter-Bernsbach, Germany
- » Meleghy Automotive Löbnitz, Germany
- » Meleghy Automotive Reinsdorf, Germany
- » Meleghy Automotive Abrera 1, Spain
- » Meleghy Automotive Abrera 2 Spain
- » Meleghy Automotive Brandys nad Labem, Czech Republic

SIGNIFICANT CHANGES IN THE ORGANIZATION

In 2023, the management succession process that was initiated was continued and implemented. Corresponding changes to the Executive Board are explained in detail in the Governance section.

CONTACT FOR QUESTIONS ABOUT THE REPORT

If you have any questions about the sustainability report, please contact our sustainability team via the following e-mail:

sustainability@meleghyautomotive.de



MELEGHY AUTOMOTIVE SUSTAINABILITY REPORT 2023

GENERAL INFORMATION

Our company profile

Meleghy Automotive is a company that specializes in the development and production of (body) structural components for the automotive and sheet metal processing industries.

Meleghy Automotive is an important division within the Meleghy International group of companies, which is made up of various units:

- » **Meleghy Automotive:** It develops and manufactures (body) structural components and assemblies for the automotive and sheet metal processing industries.
- » **Meleghy Engineering:** The division that offers engineering services on the market via the subsidiary PDahlke Engineering GmbH.
- » **Meleghy Innovations:** This division is currently covered by the joint venture Innomotive Safety Systems GmbH and deals with innovative product solutions and their development and production for the car and truck market.

Meleghy Automotive has its roots in the long history of the automotive supply sector and was founded and established in 2012 through the acquisition of Neef Fertigungstechnik GmbH and its know-how, as well as the many years of experience of the founding families. Through the acquisition and consolidation of various companies in Germany and abroad over the coming years, the small German family business was restructured and further developed into an international group of companies, Meleghy International, with its business divisions.

All of the Group's production and administration companies operate under the Meleghy Automotive brand, whose core business is identical and deals with the development and production of structural components made of steel and aluminum. Together, they offer sustainable and innovative solutions for the sheet metal processing automotive industry.

Our family business

Meleghy Automotive is a first-generation family business that has been owned by five families since it was founded in 2012. The company is operationally managed by the three managing partners Dr. Gyula Meleghy, Dr. Thomas Werle and Michael Scharff (until May 2022).

As a family business, sustainable development is at the heart of everything we do and is firmly anchored in our corporate philosophy. We strive not only to be economically stable and innovative, but also to assume ecological and social responsibility. This is reflected in all our business units, as we are committed to a sustainable future that meets the needs of future generations.

Management and leadership team 2023



Our Core Competencies



Forming



Joining



Coating

Meleghy Automotive is a leading producer and supplier of high-quality body and chassis components for the automotive industry. Our expertise ranges from the development to the production of body assemblies and complex structural components made of steel and aluminum. With an international production network and outstanding core competence in forming, joining technology and surface coating, we set uniform top standards along the entire process chain.

Our customers

Our aim is to offer our customers (international OEMs and Tier 1) tailor-made solutions that meet their individual requirements and fulfill the highest quality standards. We support them right from the start of development along the entire process chain. Meleghy Automotive always strives to ensure geographical proximity to our customers and to build long-term partnerships.



Our product portfolio

As a full-service partner, we develop new processes and products. We develop and establish these into stable production processes for the automotive industry.

Our focus is on assemblies in the automotive segments:

- » Floor
- » Structure / Hat
- » Stiffening / Crash components
- » Chassis

Product examples include side members, battery consoles, rear end parts, A-pillars, cross members, diagonal braces, tank tubes, dome-dome braces, struts, MIMEC® products.

We manufacture our products primarily from steel and aluminum in thicknesses between 0.6 and 3 millimeters and a tensile strength of up to 2,000 megapascals.



Our locations

Our goal: production near you

Meleghy Automotive has an international network of 9 locations in 3 countries, strategically positioned to respond to customer needs and ensure an efficient supply chain. Some of our locations are also centers of innovation and technology, with highly skilled teams working on world-class solutions. This global network enables us to offer the highest quality products and services worldwide.

i In 2024, we are planning to build a new plant in Miskolc (Hungary) and will relocate production from the Group's smallest production site (Lößnitz) and divest this site.



Germany

- » Gummersbach
- » Wilnsdorf
- » Gera
- » Reinsdorf
- » Bernsbach
- » Lößnitz

Spain

- » Abrera 1 (Barcelona)
- » Abrera 2 (Barcelona)

Czech Republic

- » Brandýs nad Labem (Prag)



Our Philosophy

At Meleghy Automotive, our mission, vision and philosophy are crucial to our actions as a family-run company. These shared values are the foundation of our trust in cooperation and our entrepreneurial success. They guide our actions and create unity among us. They underline our demands on ourselves and our aspiration to be among the best and to make a positive contribution to the development of mobility in society.

„Forming tomorrow with Innovation, Precision and Sustainability. For you. For us. For everyone.“

Our mission

„We shape tomorrow with innovation, precision and sustainability. For you. For us. For everyone.“ This claim reflects our commitment to developing innovative technologies and manufacturing processes as well as high-precision solutions that help shape the production methods for shaping the mobility of the future.

Sustainability in the use of resources and the satisfaction of our customers are at the heart of our philosophy, while at the same time we strive to create positive change for society as a whole.

FORMING TOMORROW FOR YOU. FOR US. FOR EVERYONE.

Our vision

Our vision is the core of our brand and at the same time our central brand message. Because we are already shaping tomorrow today - as a family business, on many levels.

As a family business, we strive to help shape the future of mobility through innovation and progress. Our responsibility towards the environment and society is reflected in the creation of sustainable processes and products. We are committed to the highest standards and continuous improvement, both in terms of quality and the development and satisfaction of our workforce. Our long-term goal is to grow financially independent and to keep our company in family ownership.

Our guiding principles

We defined our philosophy in 11 guiding principles in 2012 in collaboration with the workforce and communicated them to our stakeholders. For more than 10 years, the company's guiding principles have contained fundamental statements on a wide range of areas of activity, such as health and safety, employee motivation, responsible use of resources, open and trusting communication and partnership-based cooperation with customers and suppliers. They reflect the most important areas of our thoughts and actions and reflect our mission and vision.

At Meleghy Automotive, we rely on open and trusting communication with various stakeholders. We consider this to be a key factor in our sustainable business success. We take account of changes in legal and regulatory requirements. Below we list some of our stakeholders and the main communication channels:

Our stakeholder communication

Stakeholder	Selected communication methods
Management	Management and leadership meeting, employee magazine
Customers	Customer visits, meetings, trade fair appointments, audits
Employees	Company meetings, workshops, events, website, social media, employee magazine
Suppliers and business partners	General terms and conditions, supplier self-disclosure, supplier audits, workshops, Code of Conduct
Authorities	Dialog, answering inquiries, statistical reports
Financial management	Talks, workshops, seminars and congresses, trade fairs
Associations	Bilateral and individual interviews, workshops, career fairs, open days

Our partners and suppliers

At Meleghy Automotive, our partners and suppliers are critical to our success and our commitment to sustainability. We foster long-term relationships based on shared values and goals and ensure that they meet our high standards in quality, sustainability and social responsibility. Our collaboration aims to ensure an efficient and ethical supply chain, develop innovative solutions and minimize environmental and social impacts. These partnerships span the entire product life cycle and create added value for our customers and society.

OUR PURCHASING PROGRAM INCLUDES:

- » Raw materials: steel and aluminum as coils and blanks
- » Stamped, pressed and drawn parts: made of steel and aluminum, bent wire parts
- » Standard and connecting parts: welded and punched nuts, screws, turned parts, rivets, bolts
- » Contract work: Galvanizing, KTL and powder coating, lasering, polishing, blank cutting
- » Punching and forming tools: transfer, progressive die, test gauges
- » Joining systems: robot welding systems, devices
- » Capital goods: machinery, equipment, buildings
- » Non-production materials: energy, industrial safety, technical gases, welding materials, packaging, containers...

SECURING RAW MATERIALS AND MATERIALS

As a supplier, we follow the material and component specifications of our customers, which have been predefined by them. Changes require a proposal and the approval of our customers. If possible, we examine the use of sustainable alternatives from an economic and ecological point of view. Ensuring security of supply is a decisive criterion in this process.

REQUIREMENTS FOR PARTNERS

The requirements for our suppliers and partners at Meleghy Automotive are defined by various international standards and the company's own guidelines. These form the basis for our partnership-based cooperation and include the following criteria:

- » Economic stability and reliability
- » Certified management systems
- » Quality standard IATF 16949, alternatively ISO 9001
 - » Environmental standard ISO 14001
 - » Energy standard ISO 50001
- » Consistent implementation of the zero-defect principle
- » Competitive price-performance ratio
- » Delivery reliability and adherence to delivery dates
- » Flexibility and high level of service
- » Willingness to optimize products and processes
- » Recognition of our general terms and conditions of purchase
- » Recognition of the Meleghy International



Code of Conduct on Social Responsibility

- » Compliance with the law
- » Integrity and organizational governance
- » Consumer interests
- » Communication and financial responsibility
- » Information security
- » Protection of intellectual property and plagiarism
- » Human rights and working conditions
- » Environmental protection and energy management (careful use of resources and waste avoidance)

This approach ensures our corporate responsibility and ensures that we do not enter into partnerships with organizations or partners that do not meet these standards.

Our workforce

All employees were recorded, with the exception of temporary staff, trainees, interns and temporary workers.

As at December 31, 2023, we had a total of 1202 employees in the company, of which 1016 were male and 186 female. The proportion of female employees corresponds to 15.5%. Compared to the previous year, the proportion of women increased by 1.9%. At 31%, the Brandys plant in particular has a very high proportion of women. This is followed by the Reinsdorf site with 17% and Gera and Abrera with 15% each. In general, our sites employ women in both the commercial and industrial areas.

In principle, employment relationships are not limited in time unless they are temporary employment relationships due to illness, parental leave or other replacements or longer absences. A fixed-term employment relationship is therefore only concluded if it is foreseeable from the outset that there will be no vacancies afterwards. In December 2023, these accounted for less than 3% and were therefore not statistically analyzed.

Of the 1202 employees, 1160 were employed full-time. This corresponds to 96.5% of all employees.

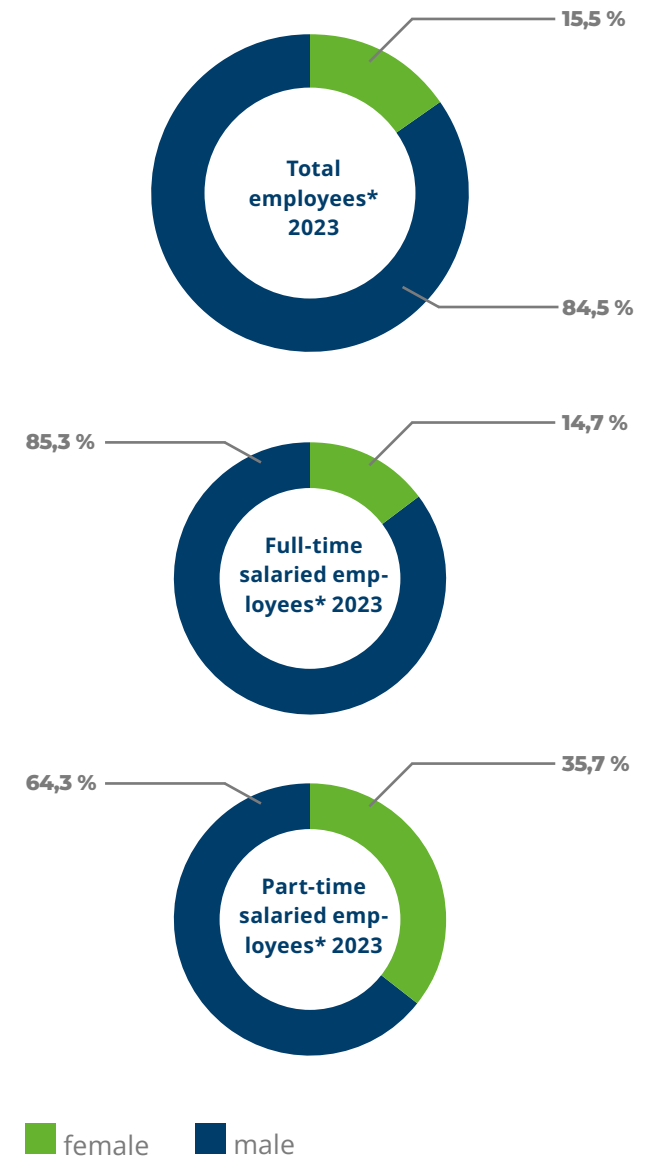
42 employees were employed part-time, which corresponds to 3.5%. Our part-time ratio increased by 0.4% compared to the previous year.

The individual distribution of total employees as well as full-time and part-time employees can be seen in the following 3 overviews. The breakdown is by plant and by gender.

We continue to strive to increase the proportion of women in the overall workforce, particularly in the production departments and production-related support areas. To this end, we participate in official campaigns such as „Girls' Day“ to get girls interested in technical and scientific professions. In addition, we also carry out internal measures to attract female employees from the unskilled labor sector for in-house training or further training in the technical field.

We also try to draw attention to ourselves and the associated range of women's activities through various internship offers and our presence at schools, which we cover through our training managers and HR department.

Employees* by gender in 2023



*excluding trainees, temporary staff, students, etc.

OUR OTHER EMPLOYEES

All employees who were temporary staff, trainees, students and temporary workers were recorded here.

The distribution of employees by type of employment and plant is shown in the diagram opposite.

The largest group of non-employees in the company is the group of temporary workers. In December 2023, 131 temporary workers were employed across the company. Temporary workers are employed in the area of production with simple helper activities and in the area of logistics with simple activities for the movement of goods.

The employment of temporary workers is necessary to cover recurring fluctuations in customer call-offs. We endeavor to employ temporary workers in the company on a long-term basis, provided the production volume permits this. In addition, we first offer vacancies in the production area to suitable temporary workers so that they can join our permanent staff on a permanent basis.

Temporary staff are employed to carry out simple tasks in the area of property maintenance.

In December 2023, the company employed 33 trainees, who are supervised by training managers. The

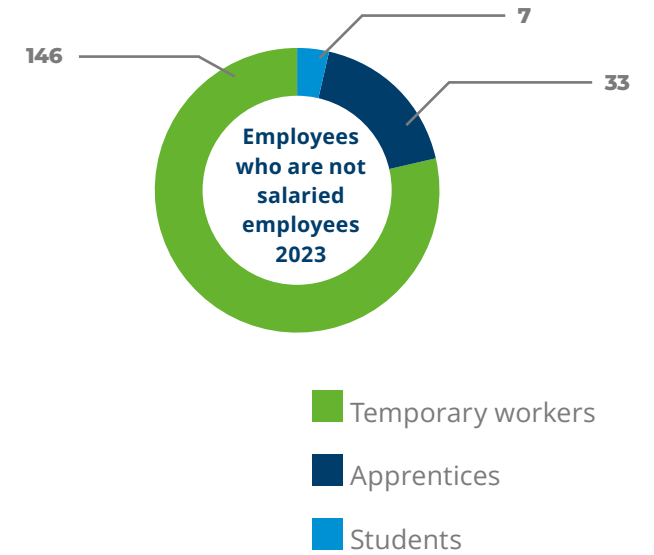
Bernsbach, Reinsdorf and Gera plants have their own facilities (training workshops) for technical/ industrial training, while Wilnsdorf has a separate area. At our Reinsdorf site, we started work in the training workshop in the third quarter of 2023. The trainees at the Bernsbach and Reinsdorf sites are active at both sites, i.e. the opportunities are used across all sites. In future, the Reinsdorf training workshop will be used primarily for training in electrical engineering. Of course, the advantage here is also the cross-location use - for example, there is close coordination between the training managers at the Reinsdorf and Gera locations, as the distance between the two locations is easily feasible.

DIVERSITY MANAGEMENT

We are committed to equal opportunities regardless of gender, origin, age, religion and lifestyle, as this is a key aspect of our sustainable corporate development. Accordingly, we are equally committed to promoting our employees regardless of the factors mentioned. The diversity of our workforce enables us to create an innovative and modern environment.

In order to rule out any form of discrimination, we make all employees aware of the obligations and principles of our Code of Conduct during their induction, which sets out topics such as the prohibition of discrimination and harassment as well as disrespectful behavior.

Employees who are not salaried employees (2023)



Our Governance

Meleghy International, a family-run company, attaches great importance to responsibility and ethical behavior. We comply with applicable laws and are committed to ethical standards in all our actions. Our understanding of responsibility is anchored in the Meleghy International Code of Conduct, which also applies to the Meleghy Automotive entities. Our understanding of ecological, economic and social behavior is anchored in the CoC.

Our internal guiding principles complement this responsibility and illustrate our aspiration to conduct our business activities sustainably in harmony with our society, the environment and biodiversity for future generations.

RESPONSIBLE CORPORATE MANAGEMENT

Meleghy International is the brand name that stands for the entire group of companies without being a separate legal entity. Meleghy & Cie. Automotive GmbH is the sole shareholder of the operating companies that operate under the Meleghy Automotive brand.

Meleghy International is managed by a two-tier management system consisting of the shareholders and the Group Management Board. These two bodies form the top management level of Meleghy International and act in accordance with the duties and powers defined in the shareholders' agreement. Meleghy Automotive entities are an integral part of Meleghy International and are subject to the instructions of top management.

The Management Board of Meleghy International is responsible for the overall management of the company and thus also of the entities relevant to reporting. In cooperation with the representatives of the operating units and the central functions, it forms the top management level. Communication and coordination take place on a regular basis through scheduled meetings in which operational and service-related topics are discussed. Both short-term operational matters and long-term strategic decisions are made on this basis in order to ensure a coherent and coordinated approach at all management levels. Responsibilities are defined in the management organization chart.

CLEAR RESPONSIBILITIES FOR SUSTAINABILITY ISSUES

Clear guidelines for our sustainable actions on ecological, economic and social issues are anchored in our CoC. Compliance is a fundamental component of our business activities. Our employees undertake to comply with the CoC and act in a legally compliant and responsible manner. We also have corresponding requirements and expectations of our partners, suppliers and customers.

The Executive Board is responsible for overseeing and ensuring compliance with the governance principles and for governance, risk and compliance (GRC). Operational implementation takes place within the Meleghy Automotive organization, which has set up its own GRC/CSR organization. This organization is supported by delegated specialists from relevant areas and will be headed by Michael Schütz from April 2023, who will also be responsible for the further development of the GRC/CSR system.

Our risk management system supports strategy development, planning, implementation, control and continuous process improvement in all corporate functions and operational facilities. We monitor the impact on customers, employees, suppliers, business partners and the environment to ensure that we can manufacture and provide our products and services properly. Our strategic risk management identifies and addresses a variety of risks at all levels, including:

- » Fluctuations in markets and volumes,
- » Compliance risks,
- » Global economic and political risks,
- » financial risks such as the availability of funds, interest rate levels and exchange rates,
- » Availability and prices of raw materials and other goods,
- » Risks in technical development and production technology and
- » Cybersecurity.

In order to respond to the increasing importance of sustainability aspects in our business activities, we have revised our catalog of criteria for strategic risks and expanded it to include environmental, social and governance risks. Our goal for the coming years is to place this catalog on an IT-based integrated foundation. Regardless of the organizational level, our system provides a framework that enables the uniform use of defined tools and methods to identify, assess and deal with risks in a uniform manner. The risk scenarios at plant level can be divided into three categories:

- » Risks from natural disasters such as earthquakes, floods or pandemics,
- » System risks such as the failure of important machines, electricity or personnel
- » Risks to the continuation of business operations, including damage to tools, fire, staff strikes, cyberattacks, interruption to the supply of materials.

Through regular risk assessments, we have identified a large number of possible courses of action and checked their effectiveness. The most important risk mitigation measures at the operational level

include preventive maintenance and emergency planning. Responsibility for strategic risk management lies with the company management, while the plant managers of the manufacturing companies are responsible for managing corporate risks. The risk manager is responsible for the implementation and effectiveness of the risk management system.

Our Risk Management

Our Memberships

EXTRACT FROM OUR MEMBERSHIPS

Associations			
AWU Arbeitskreis Wilnsdorfer Unternehmer	ACOD Automotive Cluster Ostdeutschland	Stiferverband der deutschen Wissenschaft	WIFU Wittener Institut für Familienunternehmen
IBU Industrieverband Blechumformung	AT Automobil Thüringen	TH Köln Technische Hochschule Köln	BPM Bundesverband der Personalmanager
VDA Verband der Automobilindustrie	Fraunhofer Gesellschaft	Smart3 e.V.	IHK/AHK Industrie und Handelskammer
Training facilities			
IHK/AHK Industrie und Handelskammer	TÜV Technischer Überwachungsverein	Haufe	IBU Industrieverband Blechumformung

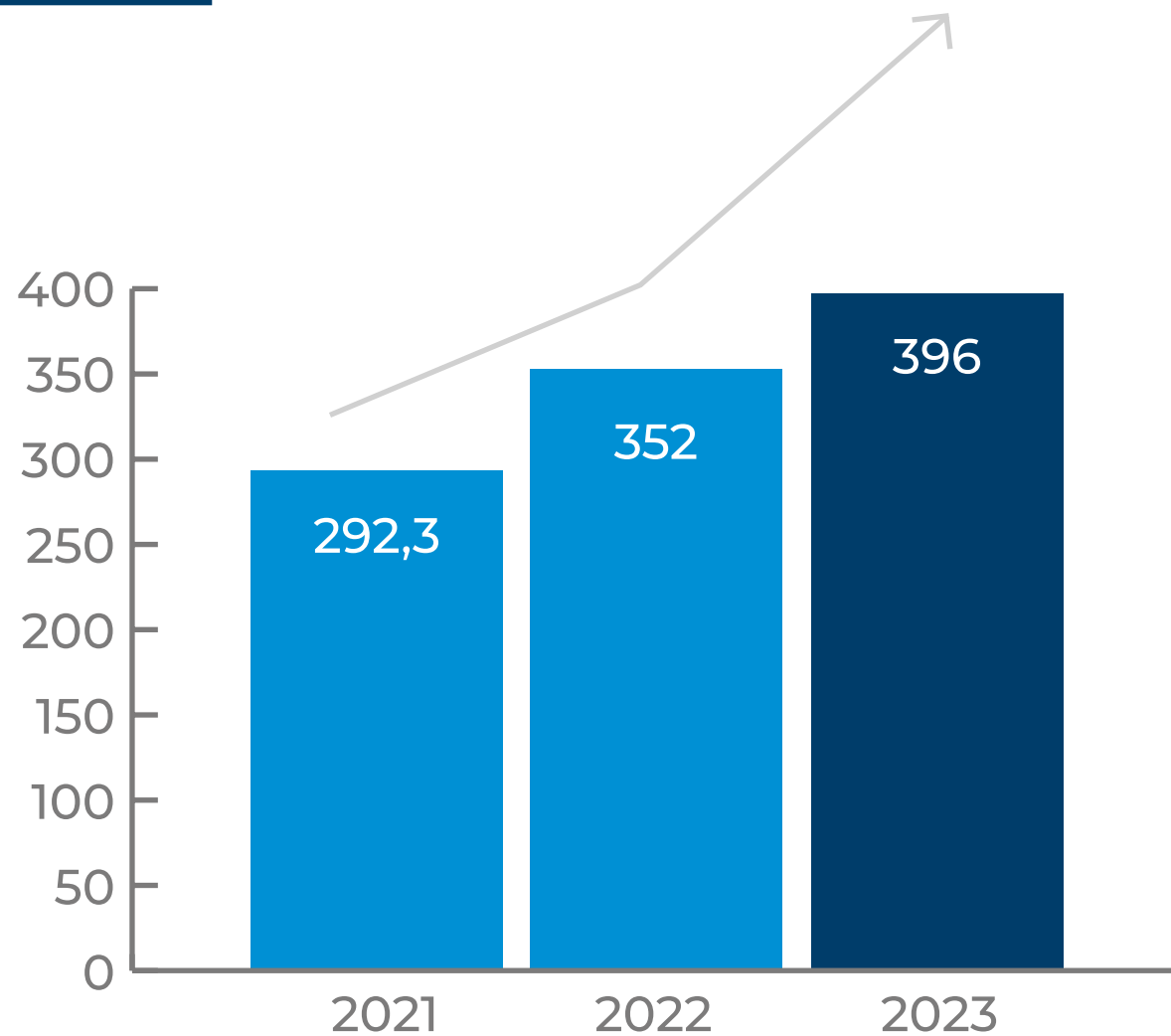
Meleghy Automotive is a member of various associations and interest groups as well as external initiatives for economic, ecological and social improvements. The benefits of these memberships are manifold. They give us access to a valuable network of experts and companies. This facilitates the exchange of best practices, collaboration on solutions and access to the latest information and research results, also in the context of sustainability. In the area of training skilled workers, we take advantage of the opportunities offered by internal and external training courses.

In our training workshops, we train both internally and externally in cooperation with the following institutions, among others:

- » Berufs- und Förderungswerk BFG Gera,
- » AWA Altenburg,
- » IB Jena,
- » OAV Ostthüringer Ausbildungsverbund,
- » Edelstahlwerke Siegen

Our Economic Performance

The supply chain problems that arose after the coronavirus pandemic were exacerbated in 2023 by the ongoing war in Ukraine. The economic development programs and government economic stimulus packages led to a slight easing of the situation in the second half of the year. Sales of electric vehicles in 2023 are still not at the level that we or our customers expected. Despite the difficult starting position, we were able to increase sales in 2023 compared to previous years.



Turnover in million euros

MiMEC

One focus of our development activities is on reducing the consumption of resources through the use of mechanical joining technologies. In this context, we have developed and patented innovative process technologies under the registered trademark MiMEC.

MiMEC is continuously being further developed and simulated using specially developed FEM methodology. MiMEC is used for material pairings of steel and aluminum.

In the area of production, we intensified our efforts to optimize the resistance spot welding of aluminium. The aim is to increase the welding quality and service life of copper welding caps and reduce power consumption.

In the area of logistics, innovative forming technology, integrated into the body assembly production systems, helps to drastically reduce transportation costs and thus save resources in the long term.

By using innovative 3D printing techniques, we have succeeded in using spare and wear parts for our operating equipment in a resource-efficient manner using plastic instead of elaborately mechanically manufactured steel parts.

Our Innovations

MELEGHY AUTOMOTIVE SUSTAINABILITY REPORT 2023

ETHICAL BUSINESS



Our Code of Conduct

Meleghy International is committed to social responsibility in its business activities worldwide and has developed a comprehensive Code of Conduct (CoC) within its Corporate Social Responsibility (CSR) guidelines.

The CoC contains fundamental principles and behavioral guidelines for our business activities and covers the areas of working conditions, social and environmental compatibility, information security, transparency and trusting cooperation both in internal operations and in stakeholder dialog. These guidelines are a reflection of our corporate values.

We take responsibility to consider the economic, technological, social and environmental impact of our business decisions and actions. Meleghy International is voluntarily committed to the well-being and sustainable development of global society and is guided by generally accepted ethical values and principles, in particular integrity, honesty and respect for human dignity. We expect all our stake-

holders to uphold these values and to comply with them throughout the supply chain.

The most important obligations in our CoC are:

- » Integrity is the basis of our actions.
- » Compliance with labor law provisions and the protection of human rights.
- » Transparent data and information management.
- » The holistic consideration of nature and biodiversity for future generations.
- » Ensuring that our employees have access to open and respectful communication.
- » Communication with suppliers on compliance with environmental requirements from new legislation (Supply Chain Duty of Care Act LkSG)

In order to continuously expand our CSR, the management regularly reviews and implements new initiatives. This includes measures for occupational health and safety, ethical business practices and social commitment at our locations. The full CoC is also available on our website.

Our Compliance

Compliance with corporate values, codes of conduct and relevant laws, guidelines and standards is of central importance for Meleghy Automotive in order to minimize risks in connection with corporate management and business operations. We understand compliance risks to be the potential for violations of these principles and laws, which could potentially lead to loss of orders, loss of customers, damage to reputation, legal sanctions and/or financial consequences.

During the reporting period, Meleghy Automotive conducted a comprehensive compliance assessment on two levels. This assessment covered our operating sites and the corporate level of our company. All business units and central departments were involved in this process, which covered the following topics:

- » Corruption Valuation index (T1)
- » Conflicts of interest (T2)
- » Human rights (T3)
- » Labor standards (T4)
- » Law-abidingness (T5)
- » Occupational safety (T6)
- » Environmental laws (T7)

As none of the compliance risks were classified as significant, the results of the survey paint a positive picture of the compliance status at Meleghy Automotive. This assessment is subject to an annual review and, if necessary, the existing topics are reclassified, expanded and supplemented as required.

To this end, we review proposals for additional risk mitigation measures for all risk scenarios and remain committed to continuously improving our compliance practices.

We maintain a legal register in our organization, which is reviewed and updated at least once a year. When it comes to occupational safety, we make use of both internal and external support in the form of specialists. In addition, we review our HR-specific activities through our in-house counsel.

		Probability			
		unlikely	low	probably	high
Influence	extreme				
	large				
	moderate	T7	T1 T6		
	low	T4	T2 T3 T5		

Our Whistleblowing

Meleghy Automotive has implemented an internal whistleblowing management system that fulfills several important purposes:

- » Detection, clarification and punishment of grievances
- » Protection of whistleblowers
- » Legal certainty

Abuses within the meaning of our guideline include, among other things:

- » Criminal offenses,
- » Fines for the protection of life and health and the protection of employees and their representative bodies,
- » Human rights violations,
- » environmental violations,
- » Violations of internal rules of conduct (e.g. CoC),
- » unethical business practices and
- » Other legal violations pursuant to Section 2 of the Whistleblower Protection Act.

Meleghy International's new whistleblowing/whistleblowing system policy came into force on October 1, 2023.

With the new regulation, the company's internal complaints management has been adapted to create more transparency with regard to any grievances to be reported and the implementation of the reporting procedure provided for this purpose. At the same time, the revised policy takes into account the new legal requirements of the German Whistleblower Protection Act and the amended customer requirements.

The new policy was published on the intranet for employees to read when it came into force.

In the event of a report, the procedures defined for reporting, clarification of the facts, corrective measures, documentation and effectiveness checks are applied within the framework of the directive on the whistleblowing system.



Our information security and data protection management system

Customers and their protection are at the heart of our management systems. As proof of our compliance with information security requirements, we carry out regular internal audits and have the TISAX® label (Trusted Information Security Assessment Exchange) confirmed by an external auditor every three years. The rules and regulations are currently being revised and, in particular, prepared for the new VDA ISA catalog version 6 for the upcoming audit in 2025. The regulations not only serve to protect IT, but also personnel security, building security, supply chain security and the protection of machinery and equipment. To further develop our processes and methods in the area of information security, an external information security officer has been appointed, who uses his expertise to take into account new requirements, e.g. in the area of crisis management with the update to ISA catalog version 6, and develops and implements suitable solutions for our company.

We have implemented a tried-and-tested data protection management system throughout the Group, which ensures compliance with European and national data protection regulations in our entities and, in particular, ensures that our employees are regularly

sensitized and trained. We take the protection of the rights of the data subjects whose personal data we process very seriously. Our processes are regularly checked for compliance with data protection law. It is also important to us to provide complete transparency regarding our handling of personal data vis-à-vis the data subjects. In order to have all data protection requirements independently reviewed, we have appointed an external data protection officer who has many years of international experience in the field of data protection.

Merging the management systems, also in combination with quality management, not only serves to reduce costs, but also to increase resilience to business-critical events.



MELEGHY AUTOMOTIVE NACHHALTIGKEITS REPORT 2023

ECONOMIC AND ECOLOGICAL SUSTAINABILITY

Our Materials and Waste Management

Meleghy Automotive has a strong focus on the responsible use of materials and waste management. Our products are mainly made of recyclable steel and aluminum. Steel in the automotive industry is approaching a closed-loop economy, as around 90% of the steel used in the industry worldwide is recovered. This helps to improve the environmental footprint, as recycled steel does not compromise on quality. To avoid mixed waste, our plants are equipped to separate steel and aluminum materials. Compared to 2022, our procurement volume of steel and aluminium has risen from 100,837 tons to 112,011 tons, which corresponds to an increase of 10%. This increase is due to increased customer demand and the increased production volume that we have been able to record in recent years.

As part of the requirements of DIN EN ISO 14001 for environmental management, Meleghy Automotive continuously records waste generated, prepares an annual waste balance sheet and assesses the impact on our sites. We have developed and implemented a

waste concept for all plants, including regular checks of the waste disposal companies to ensure that they are authorized to dispose of the respective waste. The quantities of waste are categorized and documented in accordance with the current „Ordinance on the European Waste Catalogue (Waste Catalogue Ordinance - AVV)“. We feed paper, wood and film into the external recycling cycle, thereby reducing resource consumption and negative climate impacts. However, Meleghy Automotive products are mainly made of recyclable steel and aluminum. The repeatable recyclability results in an improved eco-balance. As part of production process development and optimization, we attach great importance to keeping the material usage rate as low as possible and also to designing the production processes so robustly that as little waste as possible is produced. We continuously monitor the reject rates and take action in the event of deviations according to.



Our Energy and Water Consumption

We have successfully implemented certified environmental management systems in accordance with DIN EN ISO 14001 at all Meleghy Automotive plants. In addition, our German plants are also certified in accordance with DIN EN ISO 50001 (energy management system). This enables us to continuously record consumption values for electricity, gas and water over many years, which forms the basis for targeted optimization measures. We go one step further by systematically recording and evaluating consumption data not only for conventional fuels such as diesel and petrol (including industrial trucks), but also for the electricity required to charge our electric vehicles. This is particularly relevant as we increasingly switch to electromobility and enables us to take efficient measures to reduce our energy consumption and promote sustainable mobility.

In 2023, 60% of total energy consumption was accounted for by electricity, 32% by natural gas and

8% by other fossil fuels. Compared to 2022, we were able to reduce the proportion of natural gas by a further 3%.

This reduction underlines our commitment to a sustainable energy supply and our efforts to minimize our ecological footprint. We are implementing a comprehensive approach to continuously optimize our resource consumption. This includes the establishment of a specialized energy and environmental team and the continuous training of our employees in these areas. We are also optimizing our energy monitoring in order to record and control consumption more precisely. A key aspect of our efforts is identifying best practice approaches and examining the possibility of implementing these across all plants. This enables us to use proven processes and solutions effectively and achieve our sustainability goals.

In 2023, we again implemented extensive measures to reduce our gas consumption. One example of this is the Reinsdorf site, where the hall temperature in the work area was reduced from 20°C to 18°C in some areas and the temperature level in areas that are not in constant use will be lowered further. In the areas with 3-shift operation, the temperature was also lowered at night and the flow temperature to the office buildings was reduced.

RESPONSIBLE USE OF WATER

In the 2023 reporting year, the water consumption of the Meleghy Automotive production sites under review amounted to 31,175 m³. The 26% increase in water consumption compared to the previous year is due to production increases at the individual plants.

We will therefore continue to make every effort in future to reconcile economic growth with responsible and sustainable resource management.



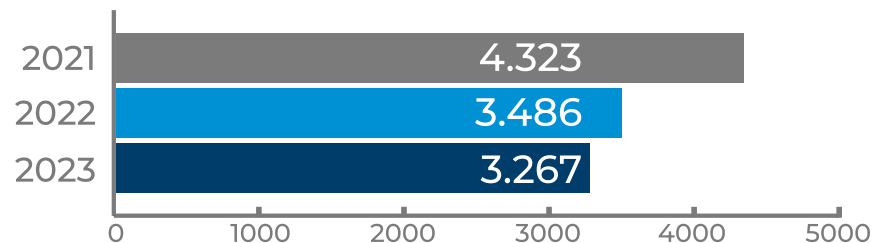
Our Greenhouse Gas Emissions

Meleghy Automotive is firmly committed to continuously reducing the greenhouse gas emissions caused by our company. Our efforts to sustainably reduce our carbon footprint include the following objectives:

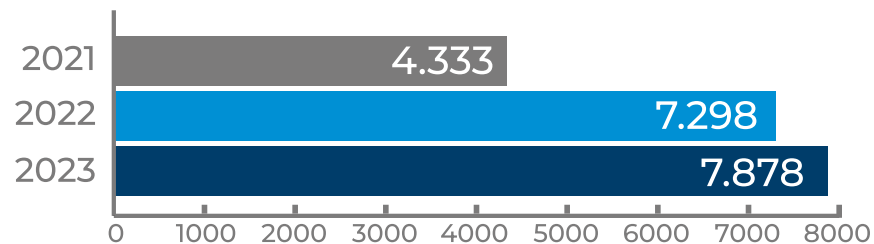
- » Reduction of energy consumption
- » Procurement/generation of green electricity
- » Adaptation and introduction of low-emission or carbon dioxide-free technologies
- » Conversion from natural gas to renewable energies

Compared to 2022, Scope 1 CO₂ emissions were reduced by 219 tons, which is mainly due to the lower heating requirements. Due to the increase in economic output, particularly at the Gera site in the first and second quarters of 2023, Scope 2 CO₂ emissions rose by 580 tons. To reduce CO₂ emissions, we will continue to work on increasing the proportion of renewable energy in addition to implementing energy-saving projects.

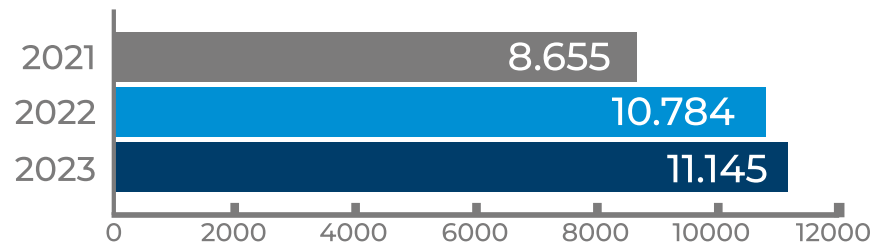
Direct emissions (Scope 1)



Indirect emissions (Scope 2)



Total (Scope 1+2)



Our Fleet Management

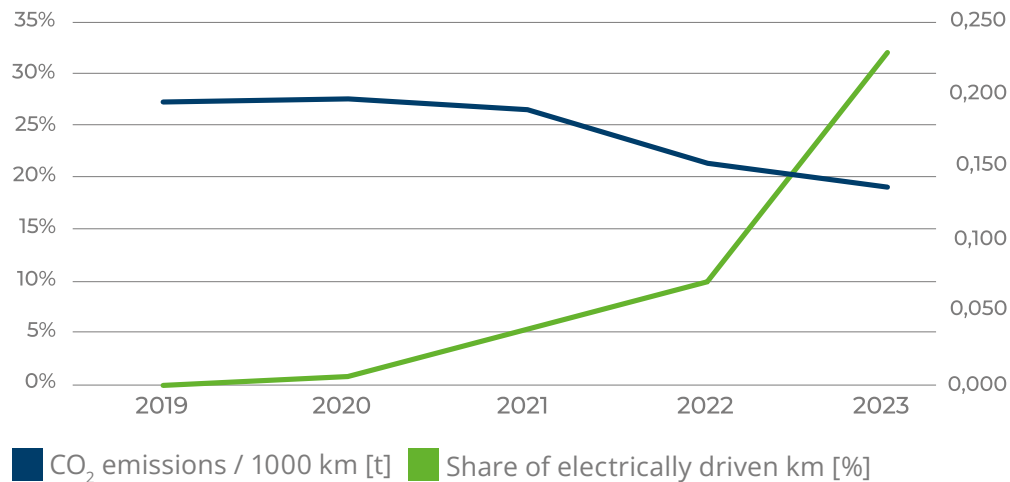
Since 2019, we have been consistently implementing a mobility concept developed by our own mobility managers.

The main objective of this concept is the gradual conversion of all company vehicles to electric mobility, including the necessary charging infrastructure. In 2023, we applied for and received the highest possible environmental bonus for all converted company vehicles. Meleghy Automotive will have a total of 24 charging points in 2023.

These measures are part of our commitment to sustainable mobility and the reduction of our CO₂ emissions.

New charging points	
+4	2020
+14	2021
+4	2022
+2	2023

Development of fleet emissions



CONVERSION OF MOBILE COMBUSTION UNITS

In order to further reduce our CO₂ footprint, we are increasingly focusing on converting our mobile combustion units to electromobility. This applies not only to our fleet of vehicles, but also to our industrial trucks for internal transportation. We are proud to announce that the share of kilometers driven electrically in total mileage has increased from 0% in 2019 to 32% in 2023. This trend will continue as more petrol and diesel vehicles are converted and hybrid vehicles are replaced by fully electric ones. These conversion measures have enabled us to reduce CO₂ emissions per 1000 kilometers driven from an average of 0.194 tons in 2019 to 0.137 tons in 2023. This corresponds to an impressive 29% reduction in CO₂ emissions and is a further step towards making our fleet emissions climate-neutral.

Extract from our R&D activities

Since 2020, we have started to carry out research projects and apply for patents that are funded as tax and public research and development projects. We have received the necessary certificates for several projects that allow us to benefit from these grants.

In 2023, we received the research and development seal of approval from the BSFZ research allowance certification body.



This underlines our efforts and successes in the area of research and development as well as our commitment to innovative solutions.





MELEGHY AUTOMOTIVE SUSTAINABILITY REPORT 2023

SOCIAL SUSTAINABILITY

Our Health and Occupational Safety

We implement a system that ensures the health and safety of all employees, regardless of whether they are employees or non-employees, i.e. temporary workers are also included in this system.

The system is based on official and legal requirements. All areas of the company are primarily monitored by the company safety officer and the plant manager at the site. The department heads also have access to the system so that health and safety issues such as risk assessments, accidents at work, etc. can be addressed and processed.

An occupational health service has also been commissioned for all plants. The occupational health service commissions and carries out mandatory, optional and preventive examinations.

A quarterly occupational safety committee with the participation of the safety specialist, the occupational health service, the plant management, the plant management team, the representatives of the works council and the safety officers ensure compliance with and further development of the internal health and safety system.

HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

A risk assessment is available for each workplace,

which describes the specific hazards and prescribes protective measures. It is drawn up for every new workplace. Every change to the workplace makes it necessary to revise the risk assessment. The assessment is carried out in particular in accordance with the requirements of the Occupational Health and Safety Act and the Workplace Ordinance as well as in compliance with other legal requirements.

As part of the risk assessment for each workplace, hazards are identified, the risk of injuries and health impairments are identified and protective measures are defined.

A company agreement on the subject of risk assessment ensures that the works councils are extensively involved in the preparation of the risk assessment and, in particular, in the definition of necessary protective measures.

The procedure for identifying risks and investigating work-related accidents and incidents is described in the company agreement „Risk assessment“. A joint investigation committee of works council and employer representatives investigates accidents, risk areas and incidents and develops corrective measures and preventive safety measures to avoid future risks.

The risk assessments are created and defined by

the safety specialist and the respective department manager.

OCCUPATIONAL HEALTH SERVICES

The occupational health service can be consulted by any employee if health problems are present or suspected as a result of their work.

If necessary, employees are invited to mandatory examinations. Furthermore, the preventive and suitability examinations specified in the risk assessment are offered.

All information provided to the company doctor is subject to medical confidentiality and is not disclosed to the employer. Personal data of employees in the context of occupational medical examinations are stored by the doctor separately from company data. Only the information on fitness for a specific job in the form of „suitable / temporarily not suitable / not suitable“ is communicated to the employer.

The company doctor carries out a monthly inspection of the plant together with the safety specialist in advance of the occupational safety committee and is thus integrated into the internal system for identifying and eliminating risks and hazards.



GREEN BELT TRAINING

Our Training and Further Education

According to internal estimates, 2 days / 16 hours per year and employee are spent on training and further education.

In-house training, short courses, etc. have not yet been systematically recorded, but recording is planned from 2024.

Qualification Matrix

A skills matrix is used to check the skills of employees. In this matrix, the required qualifications and skills are compared with the individual qualifications and skills available. Deviations from the target profile lead to the training of necessary content.

Management Development

The management development program, which was mentioned in the previous report, continues to be expanded. In the first and second quarters of 2023, we conducted several management training sessions, the first of which was designed for the management level and the second for the department head and plant management level. The training for department heads and plant managers was conducted across all locations in order to maintain and further promote cooperation in this regard. The result of the training at management level was our company's new mission statement and the new management principles. Based on these principles, a requirements profile for managers is currently being

drawn up, on the basis of which a training program will be created. Completion of the training program will ensure that managers have the necessary skills to work as managers in the company. We also use a performance appraisal system that provides for an annual and, if necessary, half-yearly performance review between the line manager and employee.

The system is used to assess work performance and evaluate the agreed annual targets. Qualification and development measures are also defined for the coming year. On this basis, individual training requirements are determined and incorporated into the training plan for the following year.

An Excerpt from our Social Commitment

Social commitment is a central component of our corporate culture at Meleghy Automotive. We are aware of our responsibility to society and are actively committed to making a positive contribution. Our efforts extend across various social areas, from supporting charitable organizations to promoting the health and safety of our employees. In this section of our sustainability report, we would like to present an insight into our social initiatives and commitments and how we contribute to improving the quality of life of our employees and our communities. Our efforts in this area are based on the guidelines of the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs) of the United Nations (UN). Here are some examples of our diverse social initiatives:



TOP TRAINING COMPANY 2023 OF THE CITY OF GERA IS MELEGHY AUTOMOTIVE - AWARD OF THE IHK OSTTHÜRINGEN

We are TOP TRAINING COMPANY of the city of Gera. We were honored by the IHK with the official IHK award for Top Training Company 2023 Gera.

„With the certificate, we want to set the tone for dual training and the commitment of companies that goes beyond legal requirements. Training is a joint task in the company that must be developed across all levels. This investment requires a lot of time and expertise, but is extremely sustainable.

You can feel that here,“ emphasized IHK Vice President Christine Büring. Our efforts in recent years, from the expansion of the training workshop for basic metal training to projects such as Energy Scouts and additional examination support, have paid off. >>



TOP Ausbildungsunternehmen | 2023
IHK Ostthüringen zu Gera



A DONATION FOR EARTHQUAKE VICTIMS IN SYRIA AND TURKEY

Our Meleghyans at the Wilnsdorf site have been busy collecting for those affected by the severe earthquake in southern Turkey and Syria.

The internal appeal for donations raised an impressive sum. The management was delighted with the employees' social commitment and decided without further ado to double the amount raised by the employees. The money will be donated to the alliance of German aid organizations „AKTION DEUTSCHLAND Hilft“.

CAMPAIGN „GENIALSOZIAL“ IN REINSDORF

Once a year, the Saxon Youth Foundation therefore launches a day of action called „GenialSozial“, on which pupils swap their school desk for a job.

This year, the two students, who are currently in the 5th grade at the Lößnitz secondary school, came to our plant in Reinsdorf for a day. There they were welcomed by our logistics team and properly instructed in advance.

Afterwards, they were given a detailed tour of the plant by our shift supervisor and were able to see

our production and all other areas for themselves. They found the loading and unloading of the trucks, especially the gicaliners, particularly interesting. After the tour, the two helped us with document archiving and digitization.














At the end of the day, we as a company transfer the two students' daily wages to the „genialsozial“ account.

























































MELEGHY AUTOMOTIVE SUSTAINABILITY REPORT 2023

GRI CONTENT INDEX




















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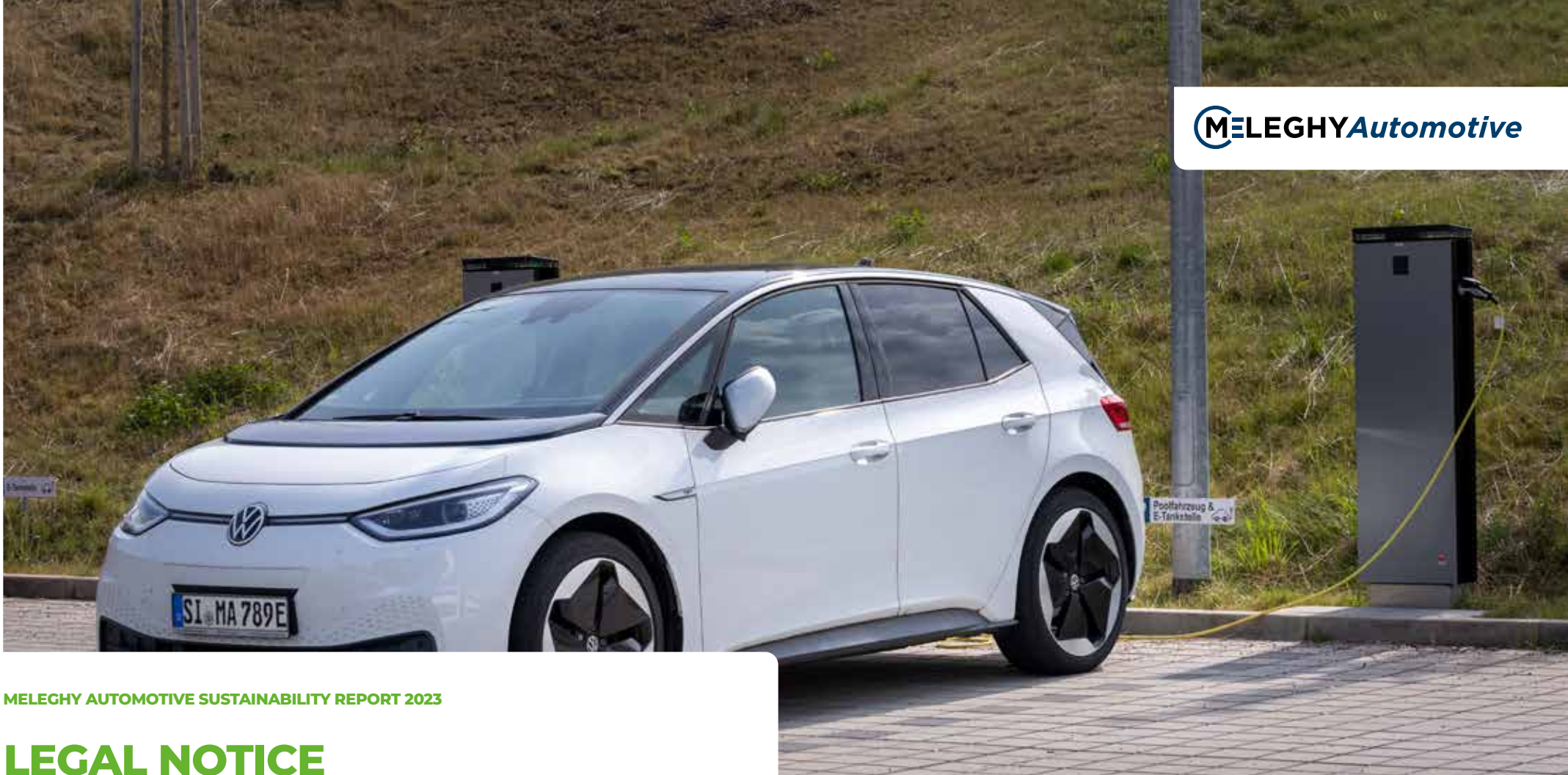
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MELEGHY AUTOMOTIVE SUSTAINABILITY REPORT 2023

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Meleghy & Cie. Automotive GmbH
Im Greuel 11, 51465 Bergisch Gladbach

E-mail:
sustainability@meleghyautomotive.de

www.meleghyautomotive.de

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Represented by:
Dr. Gyula Meleghy (CEO)

EDITING AND DESIGN:

Sustainability-Team,
Marketing Department
Meleghy Automotive

PICTURE CREDITS

Meleghy Automotive,
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