

# Sustainability Report 2023



WE SHAPE  
FUTURE MOBILITY

EFFICIENCY  
IN MOTION

ELECTRIFICATION

ICE

THERMAL



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# Preface



**Arnd Franz**

Chairman of the Management Board  
and CEO of the MAHLE Group

Dear readers,

The events and developments that occurred in 2023 have once again shown how important sustainable thinking and acting is for our society and our businesses. The year was marked by severe geopolitical tensions and economic challenges. Besides the terrible suffering caused by the ongoing war in Ukraine and the disturbing conflicts in the Middle East, businesses and supply chains were also affected by rising interest rates, increases in energy and commodity prices as well as pressure on global trade. At the same time, the year was marked by the continuation of numerous relevant legislative changes, such as the Supply Chain Transparency Act in Germany but also by interesting trends. For example, in 2023 approximately 15 percent more electric vehicles were sold worldwide than in the previous year but the vast majority of vehicles still use internal combustion engines. Electrification and sustainable Internal Combustion Engines are both pillars of our group strategy MAHLE 2030+, which determines the goals and enablers to create a successful and sustainable future for MAHLE.

Ecological and social responsibility are, as you will read in this report, an important part of our business. MAHLE strives to act consciously and be a law-abiding company. MAHLE wants to be a role model when it comes to the health and safety of our employees, their jobs and the cautious use of resources along the entire value chain – from certified smelters to the end of life of products.

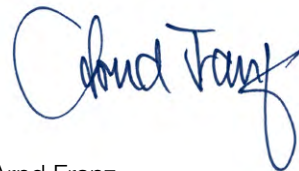
In addition to the eight strategic areas in our end-to-end sustainability process, MAHLE has included a sustainability goal in its top five group strategy

goals of MAHLE 2030+. This enhances the value of sustainability in the MAHLE Group. As a result, carbon reduction is one of the top five business goals for MAHLE worldwide, and we are proud that the company is on track with its established CO<sub>2</sub> Roadmap, having reduced the total Scope 1 and 2 emissions by 43 percent compared to 2019. Our CO<sub>2</sub> Roadmap now also covers Scope 3 emissions both upstream, for goods and services we buy from our suppliers, and downstream, for emissions that are linked to the use phase of our products. We have set targets for these Scope 3 emissions to meet the goals of the Paris Agreement. Our reduction targets have been externally validated by the Science Based Targets initiative in 2023.

“If you can’t measure it, you can’t improve it.” Therefore, we have introduced Life Cycle Assessments and Carbon Footprints to be able to assess the environmental footprint of our products. In particular, new processes and reporting methods have been implemented to ensure environmental and social standards are met. For example, we will comply with the German Supply Chain Transparency Act in our supply chain and be prepared for upcoming similar legislative regulations around the world. We strive to offer sustainable and innovative products in our strategic fields of Electrification, Thermal Management and Efficient Internal Combustion Engines. MAHLE is convinced that a variety of technology solutions for mobility are needed globally to achieve the climate targets as quickly as possible, and this is why we are part of different alliances, such as the Hydrogen Alliance, the Forum on Automotive Aftermarket Sustainability and the E-Fuel Alliance.

MAHLE was awarded the “Building Public Trust Award” in Germany for the best sustainability reporting in the category “non-listed company (newcomer)” and received another reward in China for the group’s sustainability strategy and its implementation.

In this Sustainability Report 2023, we aim to inform you about our goals, strategies and measures as well as the progress we have made in different areas. Our report has been prepared in accordance with the Global Reporting Initiative Standards. By using these standards, we are making our actions more transparent and laying the foundation for integrated sustainability communication in the future.



Arnd Franz



# The MAHLE Group

*MAHLE is an international development partner and supplier to the automotive industry, ranking among the world's top 25. The technology group, which is headquartered in Stuttgart / Germany, was founded in 1920. MAHLE components are installed on every second car throughout the world. MAHLE is a global player with 148 production locations in 29 countries, especially at the key automotive hubs. This is where our 11 research and development centers are located, creating innovations and new products that we supply to all passenger car and commercial vehicle manufacturers worldwide. Thanks to our global production network, we have a high degree of flexibility and considerable scale effects. In 2023, MAHLE generated sales of EUR 12.8 billion.*

## MAHLE 2030+

Our industry is changing. Electrification and digitalization are shaping mobility – to reduce our CO<sub>2</sub> footprint, to protect our climate, to make transportation more efficient and more comfortable, and to provide better products to people around the world. As a key player in the industry and leader in technology, MAHLE is taking a key role in driving this transformation. In the next decade, the importance of fossil fuels will be and will have to be drastically reduced. Electric cars and trucks will become prevailing solutions, and production volumes for combustion engines will decline in most markets.

Our new strategy MAHLE 2030+ addresses this changing environment. We are building on our vision “We Shape Future Mobility” with three strategic areas: Electrification, Thermal Management and Clean Internal Combustion Engines. This combination makes MAHLE a strong and competent partner for the automotive industry.

In Electrification, MAHLE is focusing on efficient electric drives and intelligent charging. A key MAHLE competence that is fundamental to electrification is Thermal Management. In this area, MAHLE will continue to expand its position as a supplier of modular thermal management systems for batteries, drives, and cabin comfort.

And as far as Internal Combustion Engines are concerned, MAHLE will remain a reliable partner to its customers around the world. As there is demand, MAHLE will drive efficiency progress in this segment with suitable products and optimize its cost structures. This is because electrification will not be the only solution for carbon-neutral mobility. If we want to achieve results quickly, we have to apply all available technologies. This is why we are embracing technology diversity.

## Markets and products

MAHLE has positioned itself clearly for the future: our goal is to make mobility more efficient, more environmentally friendly, and more comfortable. We offer our customers attractive, competitive, and sustainable solutions in all major global markets and for all drive types. In doing so, we will concentrate on those products in which we have or can expand a leading market position. All MAHLE activities have one thing in mind: to maximize output while minimizing emissions. We strive for efficiency in everything that moves. That's why we call our mission “Efficiency in Motion.” It is a slogan for both our solutions and the way we work: seamless collaboration that is focused on our customers and our goals.



## Our management approach

We are led first and foremost by our vision “We Shape Future Mobility”, our predefined five group goals and our leadership principles. Four MAHLE leadership principles provide the direction and framework for a global understanding of leadership. The non-profit MAHLE Foundation holds 99.9 percent of the company’s shares, while 0.1 percent of the shares are held by Verein zur Förderung und Beratung der MAHLE Gruppe e.V. (MABEG), which also holds all of the voting rights and therefore exercises the shareholder rights. This structure ensures our entrepreneurial independence, which creates the basis for long-term planning and long-term investment decisions. The MAHLE Management Board discusses and makes common decisions from a group perspective.

Our management system helps us to achieve our business objectives, meet international customer standards and comply with national and international standards and regulations. The basic principles of our organization, management system and business processes are defined in the Group Management Manual. Employees must follow the processes defined in this manual. Advisory boards such as the Risk Management Committee or the Compliance Steering Committee review the management of specific topics. The MAHLE Group is divided into five business units, which are also responsible for breaking down the various goals into organizational processes:



The **Engine Systems and Components** business unit represents one of our core fields of expertise and reflects decades of development and system know-how. The range of products includes steel and aluminum pistons, piston rings, cylinder liners, engine bearings and valve train systems.



The **Filtration and Engine Peripherals** business unit is one of the top suppliers in many product groups. It offers product solutions such as filter systems and components for the engine periphery.



The **Thermal Management** business unit develops thermal solutions for batteries, fuel cells, power electronics, electric drives and combustion engines enabling greater ranges, higher efficiencies and a longer service life.



Our expertise in the development and manufacture of electric motors and of electronic and mechatronic systems forms the foundation of our **Electronics and Mechatronics** business unit, which is a growth driver within the MAHLE Group, particularly based on solutions for e-mobility.



Our **Aftermarket** business unit supplies trade, workshops, engine repair partners and retail platforms around the world with products in original equipment quality, service units and services.

In addition to this, we have four profit centers: Motorsports and Special Applications, Large and Small Engine Components, Industrial Thermal Management and Control Units, which address specific market and customer segments. We serve customers in Europe, North and South America and Asia/Pacific.



## MAHLE Group business segments 2023

**Sales:** EUR 12,818 million | **Headcount:** 72,373

BUSINESS UNITS					PROFIT CENTERS & SERVICES	
<b>Engine Systems and Components</b>	<b>Filtration and Engine Peripherals</b>	<b>Thermal Management</b>	<b>Electronics and Mechatronics</b>	<b>Aftermarket</b>	<b>Motorsports and Special Applications</b>	
					<b>Large and Small Engine Components</b>	
					<b>Industrial Thermal Management</b>	
					<b>Control Units</b>	
					<b>Corporate Services</b>	
EUR 2,636 million	EUR 2,136 million	EUR 4,591 million	EUR 1,357 million	EUR 1,256 million	EUR 841 million	<b>Sales</b>
23,354	9,586	20,180	8,615	1,956	8,682	<b>Headcount</b>

### MAHLE as a reliable business partner

MAHLE has a responsibility for the upstream supply chain as well as the fulfillment of our own supply obligations toward our customers. We take this responsibility seriously in each of our locations around the world and as a group. We also strive to continuously improve our processes to consistently provide our customers with reliable, high-quality products on time.

Logistics in the automotive sector are closely synchronized, which means that supply disruptions can, in the worst-case scenario, lead to a halt in production for the customer. To that end, the risk monitoring of our own suppliers and the implementation of mitigation measures help to prevent a loss of supplies. If a risk occurs despite risk mitigation measures, our contingency plans help to maintain our deliveries to customers.

## Key figures of the MAHLE Group by region



**148 production locations**



**11 MAHLE  
Tech Centers worldwide**



**72,373 employees<sup>1</sup>**

### **North America**

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**24 production locations**

**15,314 employees<sup>1</sup>**

**Sales of EUR 3,562 million**

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Canada, Mexico, USA



### **South America**

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**8 production locations**

**8,435 employees<sup>1</sup>**

**Sales of EUR 759 million**

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Argentina, Brazil

## Europe

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**54 production locations**

**31,690 employees<sup>1</sup>**

**Sales of EUR 5,892 million**

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Austria, Bosnia and Herzegovina,  
Czech Republic, France,  
Germany, Great Britain, Hungary,  
Italy, Poland, Portugal, Romania,  
Slovakia, Slovenia, Spain, Türkiye

## Asia/Pacific

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**60 production locations**

**16,141 employees<sup>1</sup>**

**Sales of EUR 2,548 million**

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China, India, Indonesia,  
Japan, Philippines, Singapore,  
South Korea, Thailand

## Africa

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**2 production locations**

**793 employees<sup>1</sup>**

**Sales of EUR 57 million**

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South Africa

<sup>1</sup> As at December 31, 2023

# Sustainability Management

*Sustainability is not a fashion trend at MAHLE. The link between environmental protection, good corporate governance, and the economy has become a genuine success factor. Just as we at MAHLE put a higher focus on the entire value chain of sustainable mobility, our business partners are increasingly taking interest in our sustainability management and requesting insights into how we consider environmental and social aspects in our activities.*

## Principles of sustainability management

The principles that guide our actions are ethically correct and lawful conduct, and protecting the environment, resources and the well-being of our employees. Sustainability for MAHLE means remaining a reliable partner for our customers while innovating our products to have a reduced impact on the environment.

## Sustainability management

### At a glance

- **The materiality analysis was updated with four new material topics: Child Labor, Forced and Compulsory Labor, Customer Health & Safety and Corporate Culture**
- **Carbon reduction has become one of the TOP 5 goals of the whole MAHLE Group**
- **End-2-End Sustainability has become a strategic enabler of our group strategy MAHLE 2030+**
- **The EcoVadis rating lists MAHLE among the 10 percent of best performing automotive suppliers**

The MAHLE Management Board is ultimately responsible for sustainability, environmental management, and safety at work. Strategic decisions related to the sustainability goals of MAHLE are made by the Management Board. The Sustainability Report must be approved by the responsible members of the MAHLE Management Board. Our sustainability management is regularly reviewed by the Sustainability Steering Committee. The committee identifies related

risks and opportunities at an early stage and ensures the appropriate management of our sustainability projects.

In our MAHLE 2030+ strategy, we have defined carbon reduction as one of our five group goals, therefore making sustainability topics even more relevant. End-2-End Sustainability has become a strategic enabler to implement sustainability topics in all relevant business processes. Further action fields are Climate & Environment, Occupational Safety, Employees and Social, Human Rights, Compliance and Ethics, Sustainable Products, Sustainable Financing and Sustainable Purchasing.

The MAHLE Management Board receives quarterly briefings on current sustainability developments and the status of the relevant targets. Projects and measures are operationally implemented in sustainability topics in a decentralized manner in the various business units and central functions of the MAHLE Group.

The corporate function for sustainability is responsible for managing the sustainability program. It coordinates sustainability activities throughout the group, leads the regular updates of the materiality analysis, conducts performance monitoring, and ensures communication and stakeholder dialogue.

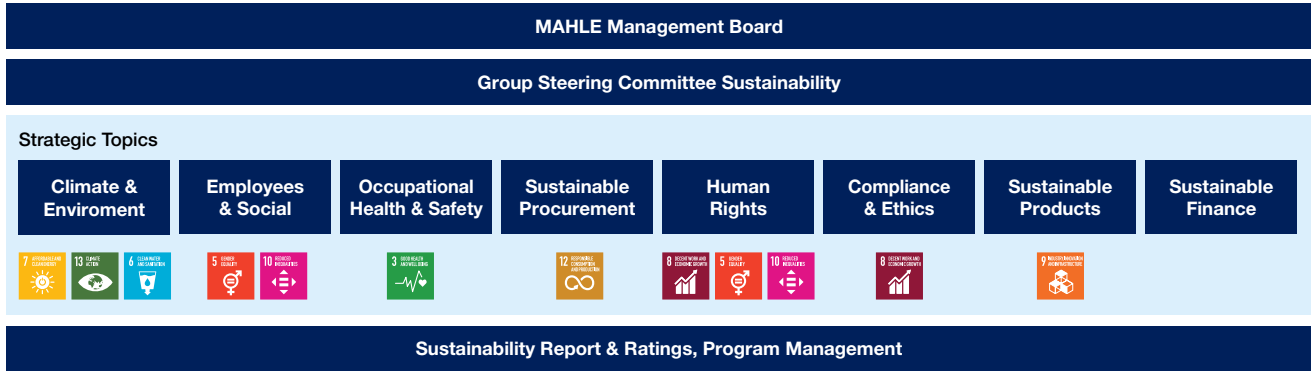
The sustainability organization has grown. All business units have appointed sustainability managers who are responsible for introducing and implementing the program and carrying out specific projects. We apply international standards relevant to our industry when designing our environmental, quality and occupational safety management. Appropriate management systems are fundamental in helping us to assess sustainability risks and design



adequate mitigation measures. We regularly review our management systems to ensure they meet internal and external expectations and drive certification of our plants in accordance with international standards.

To ensure the credibility of our reported data, MAHLE has increased process efficiency and reporting requirements by introducing a new IT solution for sustainability key performance indicators.

**Organizational chart of our sustainability program**

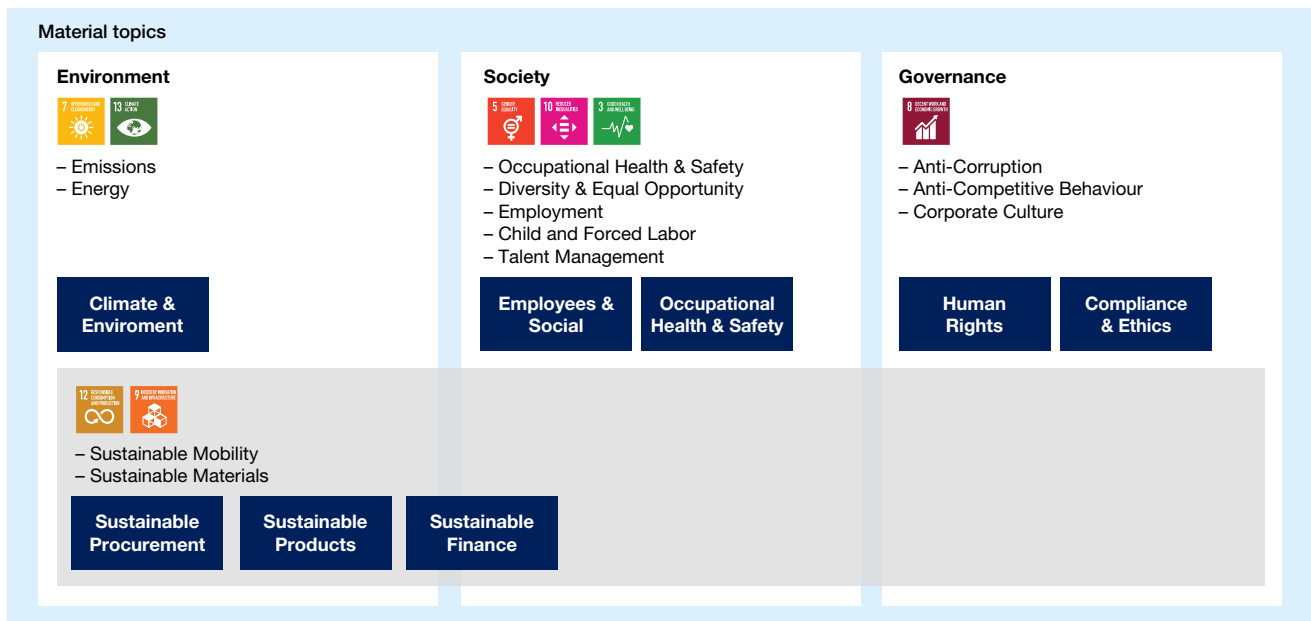


**Defining material topics**

Our materiality matrix has been developed in accordance with the guidelines provided by GRI 2021, the Global Reporting Initiative. We have used the expertise of different global and regional functions to rank topics and validate the resulting materiality matrix. To better reflect the views of stakeholders at our 148 manufacturing sites around the world, we engaged regional business unit managers and plant managers in defining the material topics. The update of our 2023 materiality analysis reflects the importance of

the topic to our stakeholders and the impact of MAHLE. While generally confirming the results of the 2022 assessment, minor adjustments were made to the importance of selected topics. For example, child labor and forced labor, consumer safety and corporate culture have become material topics. According to the materiality analysis, the topics of waste and water/wastewater are not material anymore but we still report them in accordance with GRI. See graph below for an overview of the MAHLE material topics.

**Material topics for MAHLE**



## Ratings and rankings

The MAHLE sustainability activities are regularly evaluated by external agencies.

Ecovadis is a cross-industry platform that enables customers to evaluate their suppliers according to sustainability aspects. With a total of 61 out of 100 points, MAHLE has increased its score by four points in comparison to the previous assessment. This places the company among the top 10 percent in our peer group (manufacture of parts and accessories for motor vehicles).

The Carbon Disclosure Project (CDP) is a reporting platform with a focus on climate protection. MAHLE currently uses CDP to report on the performance in terms of climate and water protection. MAHLE received a B rating for CDP climate, which is above average globally and in our industry.

Morningstar Sustainalytics evaluates companies based on publicly available information according to a so-called Sustainability Risk Score. Our risk rating improved last year from 17.0 to 14.6 points, which means that MAHLE is currently also among the top 20 percent of automotive suppliers. MAHLE provides sustainability-related information to its customers via the Drive Sustainability initiative. Drive Sustainability uses SAQs (self-assessment questionnaires) to evaluate the sustainability performance of suppliers in the automotive industry.

The SAQ aims to gain a holistic picture of a supplier's sustainability performance and is measured on plant level. Overall, all of the 120 rated plants are compliant with customer requirements.

## Overview of sustainability ratings

Rating	Summary	Result 2023	Result 2022	Improvement
Ecovadis	Top 10% in group (Manufacture of parts and accessories for motor vehicles)	61/100	57/100	<ul style="list-style-type: none"> <li>Environment</li> </ul>
CDP Climate	Above industry average	B	B	MAHLE increased its scoring in six out of eleven categories and reached in ten out of eleven categories the score A or A-
CDP Water	Industry average	B	B-	<ul style="list-style-type: none"> <li>Value chain engagement</li> <li>Water accounting</li> </ul>
Morningstar Sustainalytics <sup>2</sup>	Low risk of experiencing material financial impacts from sustainability factors	14.6	17.0	<ul style="list-style-type: none"> <li>Product and service safety</li> </ul>

<sup>2</sup>In no event the rating shall be constructed as investment advice or expert opinion as defined by the applicable legislation. Copyright © 2024 Morningstar Sustainalytics. All rights reserved. This score contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and are provided for informational purposes only.

## External engagement and political dialogue

MAHLE recognizes the pivotal role of external engagement and political dialogue in order to improve sustainability. This stems from our understanding that collaboration with external stakeholders is integral to addressing societal and environmental challenges. As a global company, our active relationship with external stake-

holders and political actors is driven by two motivating elements. Firstly, engaging with political entities ensures we are aligned with evolving regulations. This enables us to proactively adapt to and comply with new standards and legislative changes, understand important regulatory developments and contribute our expertise to political processes. Secondly, by actively participating in political dialogues, we are able to identify and mitigate potential risks associated with regulatory uncertainties, geopolitical developments, market access and industry-specific challenges.

### Management and activities of external partners

MAHLE aims to provide expertise to political processes and to contribute to the formulation of policies related to our business activity, e.g. in the field of environment, innovation or technology. We have established relationships with members of parliaments, public authorities, ministries and government representatives and want to adopt a solution-focused approach when applying our industry knowledge. At group level, the central department of External Affairs coordinates relations with policy makers, in Germany, the European Union and in other main markets.

In addition to direct dialogues with representatives of government, authorities, or institutions, we actively participate in the formulation of political positions in relevant associations in Germany, the EU and its member states, as well as other countries.

Internationally, we are part of various associations and networks, including the German Automotive Industry Association (VDA), the European Association of Automotive Suppliers (CLEPA), the US Motor & Equipment Manufacturer's Association (MEMA), and associations in Brazil, China and Japan related to finance, research and technology, information technology, logistics, trade and after-market. We participate in industry associations, working groups and forums to legally collaborate with peers, share best practices, and collectively address the challenges faced by the automotive industry in terms of politics and society. In selected cases, MAHLE leadership takes a more active role in these associations. This includes active involvement in non-competitive technology and innovation discussions, which allows us to contribute to the development of sustainable solutions.

These organizations are valuable platforms for us in terms of identifying common interests within the industry and facilitating active communication with external stakeholders.

MAHLE believes that regular and transparent communication with stakeholders, including politicians, investors, customers, local communities and the public ensures that the sustainability efforts of MAHLE are visible and understood.

### MAHLE takes transparency very seriously

Transparency is foundational to our approach in external engagement. We acknowledge that integrity is key to mutual trust and understanding in our political representation, so we have conveyed our recognized ambition in our compliance requirements. Compli-

ance with regulations and industry standards is non-negotiable. Officials in particular must comply without exemptions and must not appear to be exerting any influence from the outset. In terms of external, the MAHLE Business Code defines a clear code of conduct for dealing with third parties. We are listed in the European Transparency Register with respect to our lobbying activities at European level and other national and regional registries, where applicable.

### Our focus in 2023

2023 was dominated by distressing geopolitical events in the Middle East and continued serious concern caused by the Russian attack on Ukraine. Besides terrible human suffering, the ongoing war in Eastern Europe in particular led to political reactions, geopolitical uncertainties and trade tension. This can impact supply chains, production and market conditions and lead to external shocks to business, industry and society. Like most companies, MAHLE also had to deal with the results and we were closely monitoring any legislation discussed and eventually implemented by policy makers.

The year was also characterized by numerous legislative initiatives relevant to the industry continuing to adopt policies. Major EU regulatory initiatives were further developed to continue the de-carbonization of business impacting MAHLE, especially the regulation on CO<sub>2</sub> limits for passenger cars and heavy duty vehicles, hydrogen and pollutant emissions for new vehicles ("EURO 7"). And in general, the regulatory frameworks to shift toward electric vehicles are of importance to MAHLE.

MAHLE is convinced that we need diversity in technology solutions for future mobility to reach the climate targets as fast as possible. We advocate for policy makers to adopt a regulatory framework that considers the contribution of different powertrain technologies for sustainable road transport and freedom of choice for business and consumers.

The integration of advanced technologies in vehicles and the automotive aftermarket raises questions about data privacy, data accessibility, cybersecurity and respective regulatory activities. Some of these questions are covered by the EU's Data Act. Engaging in political dialogue to address these concerns related to digitalization and its secure and indiscriminatory data availability is a vital topic for our company's business.

# Climate and Environment

*MAHLE is committed to its responsibility toward the environment and takes the expectations of its stakeholders seriously. Climate and environment is therefore a key element of the strategic enabler End-2-End Sustainability of our business strategy MAHLE 2030+.*

Our environmental management system focuses on minimizing environmental impacts on water resources and biodiversity loss in our immediate environment, increasing resource efficiency and promoting environmentally friendly practices in business processes.

MAHLE contributes to the Sustainable Development Goals (SDGs) “Clean Water and Sanitation” (SDG 6), “Affordable and Clean Energy” (SDG 7), “Responsible Consumption and Production” (SDG 12), “Climate Action” (SDG 13).



## Environmental management

Combining stakeholder requirements with our own environmental goals is part of our strategy toward reducing our environmental footprint, increasing efficiency, and making us more resilient.

### At a glance

- In 2023, 145 of our 148 locations were certified in accordance with the environmental management system ISO 14001 or EMAS

Environmental management is overseen by the Sustainability & Occupational Health, Safety and Environment (HSE) corporate function with support from the regional departments. Four regional HSE heads report regularly on the status of HSE management in the MAHLE plants. This direct line of communication from our plants via the regional to the corporate function ensures a constant flow of communication at MAHLE. This setup helps to initiate new environmental projects, increases transparency for the corporate function and eases communication.

Each production location has a HSE team or at least one HSE officer to ensure compliance with regulations and our management system. The responsibilities of the local HSE representatives include recording key HSE figures regularly and providing support for the implementation of the HSE targets. We manage our environmental performance on the basis of the Plan, Do, Act, Check cycle. We have defined key performance indicators (KPIs) on different levels for the most important topics so that we can monitor our progress. Based on the reporting, KPIs are aggregated across the group and discussed regularly within the MAHLE Management Board.

Our regional HSE representatives coordinate internal surveillance audits as part of audit programs and report monthly to internal stakeholders to ensure continuous improvement at the sites. External audits are also conducted to ensure our compliance with statutory environmental requirements. Employees participate in finding the root cause of incidents and cases of non-conformity and in establishing corrective actions. These actions are later evaluated to ensure that similar incidents are prevented. For cases of non-conformity, the same process is followed, and the corresponding actions and corrective measures are documented.



Our group-wide Guidelines for Occupational Health & Safety, Environmental and Climate Protection instruct us on how to handle complex environmental topics. It specifies in more detail how environmental standards have to be taken into consideration during the development of new products and processes and calls for existing processes to reduce their environmental impact. One example is the MAHLE Business Code, which specifies our objectives for health, safety, environmental and climate protection.

Our environmental management system is based on strict international standards. In 2023, 145 of our 148 locations were certified with ISO 14001 and/or EMAS.

## Climate protection



Climate protection is one of the major challenges we face today. MAHLE is therefore striving to significantly reduce its impact on the climate. As such, we have integrated climate protection into our business strategy as a strategic topic.

### At a glance

- MAHLE was able to reduce Scope 1 & 2 emissions by 43 percent and Scope 3 emissions relevant to our SBTi target (Cat. 01 and Cat. 11) by 9 percent compared to the baseline 2019
- 145 energy efficiency projects in 2023 resulted in reported energy savings of about 32 GWh annually
- The share of renewable electricity increased by 10 percent compared to 2022 to 372 GWh
- The climate targets of MAHLE 2030 have been externally validated by the Science Based Targets initiative (SBTi) to be in line with the Paris Agreement to limit global warming to 1.5°C
- MAHLE once again received a CDP climate rating of B

### Management of Greenhouse Gas Emissions

Climate change has become a main driver of transformation in the automotive industry.

The Paris Agreement is a legally binding international treaty to address the effects attributed to climate change and to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.

With regard to the direct emissions of MAHLE from combustion processes (Scope 1 emissions) and the greenhouse gas emissions caused by the generation of purchased energy (Scope 2 emissions), MAHLE has set the clear goal to be in line with the Paris Agreement and aims to become carbon neutral by 2040. The interim target is to reduce Scope 1 and 2 emissions by 49 percent by 2030.

Emissions generated in the supply chain through purchased goods and services (Scope 3, Cat. 01) and through product use (Scope 3, Cat. 11) are to be reduced by 28 percent by 2030.

The base year for our short-term climate targets is 2019.

In 2023, the 2030 climate targets set by MAHLE (Scope 1&2 and Scope 3 Cat. 01&11) have been externally validated by the Science-Based Targets initiative to be in line with latest climate science and the goals of the Paris Agreement to limit global warming to 1.5°C.

When reporting greenhouse gas emissions, we take into account the recommendations of the Greenhouse Gas Protocol (GHG Protocol). We record Scope 1 and Scope 2 emissions related to our own operations (operational control approach) from facilities with more than 50 employees on a monthly basis.

### Scope 1 and 2 emissions

The most important energy sources used in our plants are electricity and natural gas, which is used in our energy-intensive production processes like foundries and welding. With more than two thirds of the total energy consumption most of the greenhouse gas emissions stem from the use of electricity.

In 2023, we were able to reduce Scope 1 and 2 emissions by 13 percent compared to 2022. Scope 1 emissions decreased by 5 percent, mainly due to a reduction of natural gas consumption. Scope 2 emission decreased by 15 percent. This change is mainly due to the increased purchase of less carbon-intensive electricity.

Our production locations in Germany have used renewable electricity since 2021 (guarantees of origin) and have compensated their Scope 1 and Scope 2 (district heating) emissions with carbon offsets. In order to achieve the Scope 1 and 2 targets, we are acting in the following areas:

1. We aim to increase energy efficiency by 2 percent every year.
2. We want to generate electricity from solar power by operating our own photovoltaic systems.
3. We want to use more renewable energy sources to cover our electricity demand and minimize our CO<sub>2</sub> emissions.
4. We want to replace fossil fuel use with electricity or other equivalent resources.

Scope 1 and 2 greenhouse gas emissions	Unit	2019	2021	2022	2023
Scope 1	kt CO <sub>2</sub> e	217	210	197	186
Scope 2 – market based	kt CO <sub>2</sub> e	1,233	866	747	637
Scope 2 – location based	kt CO <sub>2</sub> e	n.r.	803	812	838
Total emissions (market based)	kt CO <sub>2</sub> e	1,450	1,076	945	823
Offsets of emissions in Germany	kt CO <sub>2</sub> e	0	-33	-26	-24
Total emissions including offsets Germany	kt CO <sub>2</sub> e	1,450	1,044	919	799
Relative emissions as measured against sales	t CO <sub>2</sub> e/ EUR million sales	121	98	76	62

### Scope 3 emissions

We used the GHG Protocol to determine our most relevant Scope 3 categories and calculated the emissions in all Scope 3 categories. The largest share of carbon emissions in the value chain comes from upstream emissions of the raw materials and services we purchase (Category 01) and from the use of our products (Category 11). These two categories make up 96 percent of our Scope 3 emissions in 2023.

Since these two categories are of material importance to MAHLE, they have been integrated in our Scope 3 near-term target, which has been validated by the SBTi. In terms of progress toward the SBTi target, MAHLE achieved a reduction of 9 percent in 2023 compared to the baseline 2019.

However, Scope 3 emissions rose from 31 Mio tons CO<sub>2</sub>e in 2022 to almost 33 Mio tons CO<sub>2</sub>e in 2023. The increase of Scope 3 emissions compared to the previous year is mainly due to business growth, as well as methodological changes. In particular, emission factors (weight-based) for core materials, e.g., aluminum, plastics and steel, have increased in Category 01. Also an improvement in data accuracy led to higher emissions in the category.

In 2023, MAHLE started to apply supplier-specific emission factors (weight-based) to the calculation of Scope 3 Category 01 emissions. Even though data availability is still limited, supplier-specific emission factors were found to be well below the average database emission factors. Scope 3 Category 11

increased slightly due to a market-driven delay in the increase of new battery vehicle registrations.

In order to achieve significant reductions in the supply chain in the coming years, we are intensifying our collaboration with our suppliers. In particular, MAHLE will focus on gathering and processing emission data from suppliers. We have also specified our expectations toward carbon management in the supply chain in our Supplier Code of Conduct.

In order to achieve our Scope 3 targets, we are mainly acting in the following areas:

1. In order to increase transparency on Scope 3 Cat. 01 (purchased goods and services) emissions, we gather emission data from our suppliers in the Cost & Emissions Transparency sheet (CET) for information about Product Carbon Footprints. The main contributors are materials like aluminum, plastics and resins.

2. Emissions in Scope 3 Cat. 11 (use phase emissions) mainly depend on our product portfolio and the specific demands of our customers.

3. We engage with selected key suppliers on their decarbonization journey.

4. MAHLE defines specific requirements for the use of renewable energy or low-carbon materials in selected projects.

5. In electrification, MAHLE is focusing on electric drives and intelligent charging. We will continue to expand our position and portfolio as supplier of modular Thermal Management systems for batteries, drives, and cabin comfort.



In 2023, MAHLE compensated emissions from flight travel by the means of carbon offsets in order to promote sustainable business travel.

Scope 3 greenhouse gas emissions 2023 by category	Unit	2019	2021 <sup>3</sup>	2022	2023
01 Purchased goods and services	kt CO <sub>2</sub> e	6,092 <sup>4</sup>	5,134	5,891	7,260
02 Capital goods	kt CO <sub>2</sub> e	203	185	256	222
03 Fuel- and energy-related services	kt CO <sub>2</sub> e	467	436	290	301
04 Upstream transportation and distribution	kt CO <sub>2</sub> e	148	133	91	183
05 Waste generated in operations	kt CO <sub>2</sub> e	48	43	67	91
06 Business travel	kt CO <sub>2</sub> e	5	2	2	9
07 Employee commuting	kt CO <sub>2</sub> e	132	24	114	113
08 Upstream leased assets	kt CO <sub>2</sub> e	n.r.	n.r.	n.r.	n.r.
09 Downstream transportation and distribution	kt CO <sub>2</sub> e	27	24	16	33
10 Processing of sold products	kt CO <sub>2</sub> e	356	299	294	292
11 Use of sold products	kt CO <sub>2</sub> e	28,676	24,431	24,136	24,243
12 End-of-life treatment of sold products	kt CO <sub>2</sub> e	14	12	12	11
13 Downstream leased assets	kt CO <sub>2</sub> e	1	1	1	2
14 Franchises	kt CO <sub>2</sub> e	n.r.	n.r.	n.r.	n.r.
15 Investments	kt CO <sub>2</sub> e	n.r.	n.r.	n.r.	n.r.
<b>Total</b>	<b>kt CO<sub>2</sub>e</b>	<b>36,171</b>	<b>30,726</b>	<b>31,171</b>	<b>32,760</b>

<sup>3</sup> 2021 not audited

<sup>4</sup> Emissions in Cat. 01 were calculated based on a spend-based approach. We changed to a weight-based calculation method for production material and included non-production material in the calculation as of 2021. Aftermarket spend has been included in the calculation of Cat. 01 Purchased Goods and Services starting in 2022.

### Energy savings through nature

At the Austrian site in St. Michael ob Bleiburg, cooling water has recently been supplied from the nearby deep well. By cooling the injection molding plant using groundwater, refrigeration compressors and free coolers could be put out of operation. This saves MAHLE around 7.7 million kWh of electricity per year. In addition, noise emissions were reduced by switching off the system. The extracted groundwater is 100 percent recycled and cooled down again via a heat exchanger before being returned to the ground.

### Energy consumption

In 2023, we continued to report developments related to energy and emissions regularly, e.g., through monthly reports for business units and regions as well as a quarterly report for our

management. Annual energy efficiency targets are defined on plant level.

Total energy consumption remained stable compared to 2022 but improved by 11 percent relative to the annual sales.

The share of renewable electricity increased by 10 percent compared to 2022. This is due to the installation of a photovoltaic system e.g. in Izmir, Türkiye, the increased use of solar power through leasing contracts in India and China as well as the switch to renewable electricity in selected plants.

We were also able to reduce the consumption of fossil fuels, in particular heating oil and natural gas, as part of our decarbonization journey.

### Energy consumption 2021/2022/2023 by source

Energy source	Unit	2021	2022	2023	Change 2022–2023
Total electricity	GWh	2,118	2,139	2,174	2%
(of which non-renewable)	GWh	1,780	1,803	1,802	0%
(of which renewable)	GWh	338	336	372	10%
Heating oil	GWh	29	26	25	-2%
Natural gas	GWh	896	917	852	-7%
Other	GWh	99	102	137	35%
Total	GWh	3,141	3,184	3,189	0%
Relative energy consumption as measured against sales	MWh/ EUR million sales	287	256	249	-3%



Energy efficiency has been an integral part of our environmental management systems on group and plant level. At the end of 2023, 11 locations were certified in accordance with the ISO 50001 energy management system and 18 in accordance with the EMAS standard. The energy management at these locations is supervised by an energy manager and they help us tackle energy-intensive processes by continuous improvement. Some plants also carry out their own energy audits.

In 2023, we continued using the implemented energy sprints to enhance energy management. Energy Sprints are carried out over several weeks by a team consisting of experts from different plants and typically start with data/information collection, on-site energy audits with brainstorming and identification of potential measures, which are presented to the plant management. The objective is to identify energy efficiency potentials and cost savings, but also share best practices. In 2023, six energy sprints were carried out and those sprints are already an integral part of our continuous improvement and optimization process.



Since 2022, MAHLE has been offering its plants the use of an Industrial Internet of Things (IIoT) platform for ISO 50001-compliant energy recording by combining energy data with production data to draw conclusions about potential savings. 34 plants are now connected and proactively working with energy monitoring. In these plants, peak shaving and predictive consumption can be derived in the future and may be seen in automated, web-based reports and dashboards as well as a comparison of energy consumption between specific systems to enhance best practice sharing.



## Sustainable products

The sustainable product development activities of MAHLE contribute to the Sustainable Development Goals “Responsible Consumption and Production” (SDG 12).



It is one of our core challenges to develop our business toward a circular economy. We use raw materials in our production processes, and we need energy to process these products, which affects the environment. Scarcity and price increases for raw materials and energy have a significant impact on business activities. For reasons of environmental protection and cost effectiveness, our goal is to use resources efficiently and limit the impacts of our processes.

### At a glance

- **MAHLE obtained an external certification for calculating the Product Lifecycle and Carbon Footprint in accordance with the ISO (International Organization for Standardization) standards**
- **We are actively working to increase the use of recycled materials**

Material loops need to be closed in order to be sustainable in the long-term. We strive to contribute to resource conservation by putting a greater focus on the sustainable composition of our products and on making our products more recyclable and climate friendly, while achieving the required product and material quality. Therefore, we focus on sustainably developing products and purchasing sustainable materials early on. Working toward a circular economy is a task that involves MAHLE as a whole, from Research and Development to production and sales.

### Product Life-Cycle Assessments and Carbon Footprint

The increasing demand for life-cycle assessments and product carbon footprint calculation reflects a growing awareness for sustainability among customers and businesses.

The Product Carbon Footprint is a mandatory requirement for many new requests for quote and might become a decisive factor in future business nominations.

There is also an internal demand from research and development. In order to be able to come up with ecologically enhanced products, it is essential to compare the impact of different materials, manufacturing processes and designs.

In 2023, MAHLE obtained an external certification on the method used for calculating the product life-cycle and carbon footprint. This certified that the method is scientifically and technically valid and sufficient in accordance with the international standards ISO 14040/44, ISO 14067/GHG Protocol Product Standard. The external certification not only significantly enhances the credibility of the company's sustainability efforts but also contributes to building a trustworthy reputation with customers.

An analysis across the entire value chain showed that parts and assemblies from external suppliers have a significant impact on the MAHLE CO<sub>2</sub>e footprint. Therefore, MAHLE has started a pilot project to determine the product-related emissions in collaboration with our suppliers. This approach brings transparency and identifies main emissions drivers. One exemplary outcome is that MAHLE defines specific requirements for the use of renewable energy in specific plants or low-carbon materials in selected projects.

A similar process was implemented for life-cycle assessment. It ensures that sustainability aspects beyond emissions are considered early on and effectively. This ensures that all legal and customer requirements can be met. Some of the benefits include being able to:

- identify improvement potential within product life-cycle. Emissions can then be reduced by taking actions at the most relevant development stages,
- compare alternative designs and products with regard to environmental impacts,
- provide detailed environmental information to internal and external stakeholders.

### Recycled materials

We aim to increase the recycled content of plastics and metals, such as aluminum and steel.

In recent years, MAHLE has assessed ways to increase the share of resins from renewable materials. The volumes used decreased from about 7,770 tons in 2022 to 6,661 tons in 2023 (5,3 percent). Due to a calculation error in the last report, the figure for last year was changed. The decline is caused by market conditions that prevented MAHLE from securing recycled compounds in North America. The main reason lies in a global shortage of the glass filler required to produce recycled resins. This was evident with several suppliers, so primary material was used instead of recycled material to avoid stoppages for customers due the supply chain failures. Although MAHLE intends to increase the recycling share of resins in the design phase, specific OEM (Original Equipment Manufacturer) product design requirements, which often cannot be met by recycled compounds, limit this capability. However, we plan to switch back to recycled polymers where possible in 2024.

MAHLE is working closely with suppliers to source raw materials with higher recycled content, and is exploring ways to incorporate more recycled content without compromising quality and performance, therefore meeting customer and development requirements.

We have created an official MAHLE standard on the calculation of “Mechanical Recyclate/Recycled Content” to better understand the topic and our possible levers to increase the recycled content. It emphasizes continuous reuse, recycling and regeneration of products and materials with the aim of creating a closed-loop system that reduces environmental impact and fosters sustainability.

### Hazardous substances

Our management system for hazardous substances strives to reduce and replace the use of carcinogenic, mutagenic, bio-cumulative substances and substances that are toxic for reproduction, also known as CMR (carcinogenic, mutagenic and reprotoxic chemicals) substances.

In 2023, we worked on replacing the trichlorethylene used in degreasing processes in our locations in India. We also successfully replaced the use of N-propyl-bromide in Atlantic – USA.

In order to better manage chemicals and identify improvement potentials while minimizing the risks, we started to build up a global chemicals database. Some of the benefits include being able to:

- monitor volumes, locations and usage of chemicals to ensure accurate inventory management,
- maintain an up-to-date database of safety data sheets for each chemical, providing crucial information on hazards, handling and emergency procedures,
- assess and prioritize chemicals risks, helping to focus on high-priority areas,
- monitor exposure measurements and employee exposure,
- manage and evaluate the threshold limits based on regulatory standards and industry best practices to ensure compliance.

By further addressing these elements, we will promote a safer workplace, proactively address potential health and safety risks associated with workplace exposure and ensure compliance with regulations.

## Waste management

Waste management activities carried out by MAHLE contribute to the Sustainable Development Goals (SDG) “Responsible Consumption and Production” (SDG 12).



### At a glance

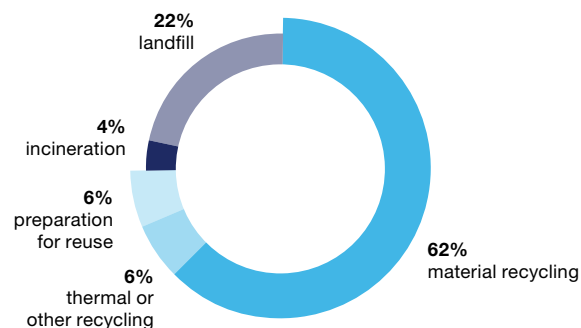
- MAHLE specified categories for waste reporting
- Over 110 kt of waste sent to mechanical material recycling (> 62 percent of total waste)

We are further developing our processes to efficiently use materials in our production and packaging processes. For example, our waste management follows well-established priorities like the scrap pyramid. We strive to minimize scrap and surplus, although it is not possible to eliminate production waste entirely. That is why the second step in the pyramid, preparation for reuse, is also

a high priority. We aim to further recycle any waste that cannot be reused, while disposal without a recovery of materials should only take place in exceptional cases.

The amount of waste created is regularly part of our reporting processes. Since most of our production plants are ISO 14001 certified, their waste management is included as one of the standard environmental topics. We utilize our HSE Process Check Instruction to ensure that waste reduction is considered in the development of new products. This process also requires plants to assess the environmental effects of any changes made to products or processes. Our waste management is regularly monitored and subject to external and internal audits. As we aligned our waste accounting in 2023 to upcoming reporting changes of the new European sustainability reporting standard, the waste amounts cannot be compared in various categories, so a new table has been made. The reduction is caused by continuous improvement and better data availability.

### Waste per disposal path in 2023



### Waste 2021 – 2022

Type	Unit	2021	2022
Metals	tons	93,938	93,938
Plastics	tons	5,215	5,454
Non-hazardous waste for recycling	tons	38,180	40,854
Non-hazardous waste for landfill/incineration	tons	32,396	33,187
Hazardous waste for recycling	tons	14,787	15,160
Hazardous waste for landfill/incineration	tons	16,441	17,568
Overall generated waste	tons	200,957	206,161
Overall generated waste as measured against sales	tons/EUR million sales	18	17

### Waste 2023

Type	Unit	2023
Non-hazardous waste for incineration	tons	2,022
Non-hazardous waste for landfill	tons	33,564
Non-hazardous waste for material recycling	tons	94,555
Non-hazardous waste for thermal or other recycling	tons	5,786
Non-hazardous waste in preparation for reuse	tons	3,218
Hazardous waste for incineration	tons	4,797
Hazardous waste for landfill	tons	5,626
Hazardous waste for material recycling	tons	16,671
Hazardous waste for thermal or other recycling	tons	4,894
Hazardous waste in preparation for reuse	tons	7,469
Overall generated waste	tons	178,601
Relative waste as measured against sales	tons/EUR million sales	14

## Water and wastewater

The water management activities of MAHLE contribute to the Sustainable Development Goal (SDG) “Clean Water and Sanitation” (SDG 6).



### At a glance

- MAHLE conducted a water risk assessment and identified 20 plants with high and very high water risks
- MAHLE improved its CDP water rating to B

We improved the group-wide water reporting system in order to make water consumption management more transparent. The water KPIs for each location are accessed via our global HSE database. The reporting categories have been adapted to be in line with the upcoming European sustainability reporting standard.

In 2023, we conducted a risk-based assessment of relevant operating sites to identify water stress locations: 12 locations are in areas of extremely high water stress, with a focus on Asia. These locations are responsible for a withdrawal of about 896 megaliters (15 percent) in 2023. An additional eight locations are in areas with high water stress. These locations are responsible for 506 megaliters (8 percent) of water withdrawal in 2023. In total, our locations in areas with the highest or high water stress are responsible for 23 percent of our overall water withdrawal. MAHLE sets site-specific targets for water management that are pursued within the environmental management systems of the location.

In 2023, we mainly utilized municipal water and groundwater. We also further extended the use of water in a circular way so as to not waste it – for example, it was used as rinsing and cooling water. Total water withdrawal decreased by 34 percent in 2023. One of the reasons for this is a change in water accounting. Groundwater extraction for the use of geothermal energy and remediation purposes is not included anymore as this is not consumption of the water itself but just a use of its energy. The definition of recycled water changed from recycling by third parties to recycled water at our sites. In the long term, we intend to intensify our water management activities to reduce water consumption.

### Water withdrawal in 2021 / 2022 / 2023

Water source	Unit	2021	2022	2023	Change
Municipal water	ML	3,596	3,738	3,599	-4%
Groundwater	ML	4,351	5,128	2,372	-54%
Surface water	ML	84 <sup>5</sup>	84 <sup>5</sup>	65	n.r.
Rain water	ML	n.r.	n.r.	12	n.r.
<b>Total water withdrawal</b>	<b>ML</b>	<b>8,285</b>	<b>9,166<sup>6</sup></b>	<b>6,048</b>	<b>-34%</b>

<sup>5</sup> Including rain water

<sup>6</sup> Including 216 ML withdrawn groundwater processed

### Recycled water in 2021 / 2022 / 2023

Water source	Unit	2021	2022	2023	Change
Recycled water/reused water	ML	45	85	69 <sup>7</sup>	n.r.

<sup>7</sup> Change of scope from third-party recycling to on site recycling



# Working at MAHLE

*“People come first!” This motto passed down by our company founders Hermann and Dr. Ernst Mahle still applies today and is reflected in our company philosophy.*

People are the basic building block of MAHLE and are our most valuable resource. They are key to our future viability in a transforming mobility world. MAHLE attaches great importance to fostering a culture of commitment, empowerment, and inclusion, therefore positioning the company as an attractive employer. This includes investing in employee development, creating a work environment where everyone can thrive, ensuring safety and equal opportunities, and opposing all forms of discrimination in the workplace.

Our activities contribute to the Sustainable Development Goal (SDG) “Decent Works and Economic Growth” (SDG 8).



## At a glance

- MAHLE performed a global, group-wide employee survey to assess the level of employee engagement and enablement within the workforce
- MAHLE continues to digitalize and standardize talent management processes at a global level to enhance employee readiness for future challenges. This includes implementing a global online learning platform in 30

countries, extensively deploying the performance appraisal process, which had a completion rate of >93 percent, and starting a global onboarding process

- MAHLE is committed to increasing the representation of women at executive levels worldwide by 2030: the target is 13 percent for the first executive level and 18 percent for the second executive level

## MAHLE as an attractive employer

### HR Roadmap as cornerstone for strategic HR

In line with our HR Roadmap developed in 2020, we are adapting existing HR structures and processes to meet the demands of accelerated transformation.

Overall, our HR Roadmap focuses on five strategic areas of action:

- Purpose & Agility: Enabling a culture of purpose, accountability and innovation to attract and retain the right talent
- Talent-to-Value: identifying, developing and enabling diverse talent with specific capabilities and leadership, following a clear talent-to-value logic



- Performance Recognition: next generation performance management to drive business priorities, incentivize performance and accelerate results
- Disruption Architecture: driving and facilitating organizational change and optimizing the company footprint in times of transformation
- Acceleration of Efficiency: providing high-quality, efficient and compliant HR transactional operations, services and data

### Employer branding in tight market conditions

The worsening global shortage of skilled workers requires increased efforts and differentiated approaches to counter it. We support local initiatives that introduce young people, especially girls, to Science, Technology, Engineering and Mathematics (STEM) professions at an early stage, helping to build a new generation of talent. In Germany, for example, we traditionally support the annual Girl's Day. South Africa is another example of where we have been collaborating with the Center for the Advancement of Science and Mathematics Education (CASME) since 2013. This center seeks to develop math and science education in schools in rural and under-resourced areas with projects such as Science2Go. Our commitment to these projects and the public relations excellence associated with them has been recognized by the International Public Relations Association (IPRA) with the "Golden World Award."

Our employer branding activities position MAHLE as an employer of choice among our target audiences. We are engaging talent through diverse media channels and face-to-face contact, highlighting our diverse and international teams. In 2023, we received several awards, including the "Potential Park Award," "Best Recruiters" and "Leading Employers." MAHLE was also recognized as a "MINT minded Company" and "Diversity Leader" by being one of the top employers for promoting women in the company.

### Talent acquisition and retention remain key

Ensuring effective talent acquisition is essential for MAHLE to achieve its strategic goals. In 2023, we introduced a new global onboarding process, which was already piloted in the US and is set for a global rollout in stages. The process is managed within our HR tools and aims to establish a globally consistent standard and outstanding experience for new hires. It will foster a strong bond between the company and the new recruit from preboarding to the first 90 days at MAHLE. This initiative benefits all stakeholders by ensuring a positive first impression, increasing employee motivation, job performance and employee retention, therefore making HR more efficient. In the face of a talent shortage, internal mobility has continued to prove key to quickly filling positions and has provided benefits such as transferable skills and knowledge sharing. We are continuing to further upgrade our global HR system landscape, including the applicant management system that was successfully implemented in 29 countries worldwide.

Our digital recruitment tools offer many benefits for internal and external candidates. We prioritize candidates by enhancing the overall candidate experience through transparency, improved communication, a standardized selection process and a more streamlined hiring process. We also help our employees up-skill and re-skill with a new digital and sustainable solution that offers all employees worldwide an online learning platform that is accessible anytime and anywhere. By doing this, we are promoting individual and continuous training. Retaining new and existing employees is equally important. The introduction of new leadership principles in 2020 and the ongoing adaptation of our broad range of development opportunities helps to create a work culture that binds our employees to the company. This is complemented by retention measures designed specifically for individual employee groups, ranging from employee assistance programs for newcomers, to reintegration measures after extended absences, and a range of flexible working options. Accordingly, our monthly average employee turnover rate for 2023 stayed almost unchanged compared to the previous year at 1.6 percent. This is despite the increasing movement on the labor market after the pandemic.

### New working culture

As a company, we are committed to providing a work environment that positively impacts performance, employee satisfaction, engagement, and retention.

Therefore, in 2023, we implemented a new global employee survey to assess the level of employee engagement and empowerment within the workforce. This survey helped us identify key strengths of our organization, but also areas where we can improve. Targeted and tangible actions are and will be implemented across all levels of the organization based on employee feedback. The aim is to shape an even better place to work.

We also foster hybrid working models that include both on-site and remote working as part of a state-of-the-art working culture. Our approach allows employees to perform their job where they will be most productive and where they can align their working style with their individual needs. This strengthens a global working culture that is characterized by flexibility, self-management, trust and personal accountability. We contributed to hybrid working by rolling out a Global Remote Working Guideline and several workspace pilots, including desk sharing concepts and open space offices. By creating modern and inspiring workspaces that are efficient in terms of space utilization, we strive to maintain our attractiveness as an employer, contribute to improving our carbon footprint and reduce infrastructure-related costs.



## Our employees

### Employee development

At the end of 2023, 72,373 employees were working for the MAHLE Group worldwide. This corresponds to a year-on-year increase of 427 employees, or 0.6 percent. The main reasons for this development were our organic growth, especially in future-oriented areas, a good order situation, strong production capacity utilization, particularly in North America, and the increased expansion of our shared service centers worldwide.

After several years of decreasing personnel in our European countries, the number of employees increased in 2023. This was primarily due to the further expansion of the future-oriented Electronics and Mechatronics business unit and a good order situation in all business areas.

In North America, most of the increase in the workforce related to the business units of Filtration and Engine Peripherals and

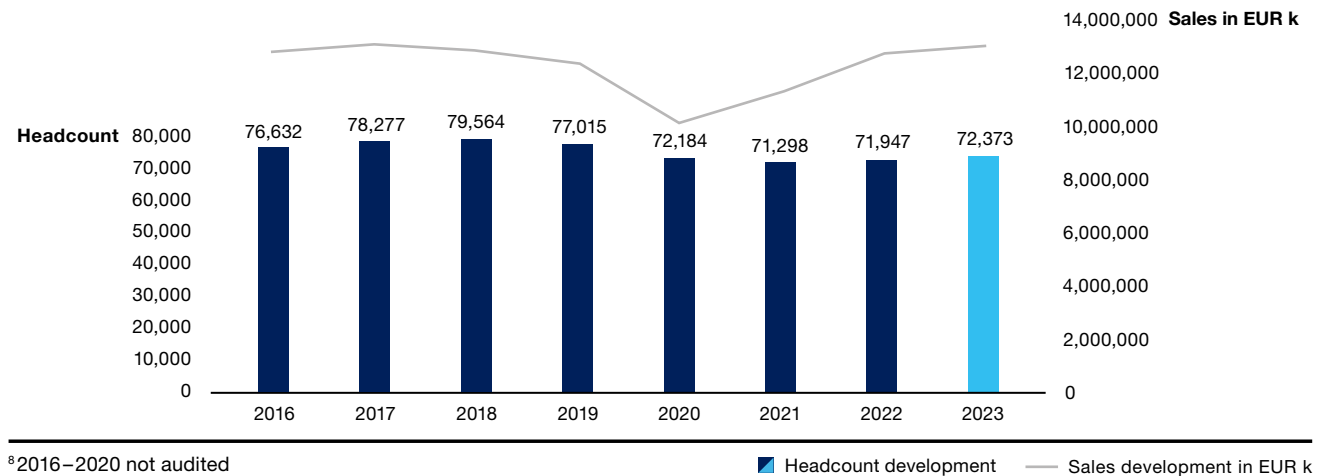
Thermal Management in Mexico. After a stronger increase in the number of employees in South America in the previous year, the number of employees decreased slightly in 2023. In Asia-Pacific we recorded a decrease of headcount, while Africa had slightly fewer employees overall.

### Types of employment

While most of our global workforce is permanently employed and works full-time, we also employ 1,317 members of our staff on a part-time basis, of which 68 percent are women.

Some workers were hired by the MAHLE Group temporarily from external service providers in 2023. This figure is driven by different market conditions in the regions. For instance, increasing orders in Western Europe led to a short-term increase in the number of loaned and temporarily employed production personnel in order to instantly meet demand.

### Headcount & sales development 2016 – 2023<sup>8</sup>



### Total number of employees per region (headcount), total sales by region and per employee

Region	Europe	North America	South America	Asia-Pacific	Africa	Total
Total employees	31,690	15,314	8,435	16,141	793	72,373
Change to previous year (absolute)	+525	+545	-328	-291	-25	+427
Change to previous year (in %)	+1.7%	+3.7%	-3.7%	-1.8%	-3.1%	+0.6%
Total sales in EUR k	5,891,980	3,562,269	758,529	2,547,781	57,268	12,817,826
Sales in EUR per employee	185,926	232,615	89,926	157,845	72,217	177,108

Number of employees per type of employment and by region (headcount)<sup>9</sup>

Region	Permanent Employees	Temporary Employees (≤3 months)	Temporary Employees (>3 months)	Apprentices	Part-time	Total Employees
Europe	27,028	286	1,939	637	1,250	31,140
North America	14,964	7	27	0	37	15,035
South America	8,183	0	0	159	0	8,342
Asia/Pacific	12,184	5	259	122	29	12,599
Africa	744	28	1	0	1	774
<b>Total</b>	<b>63,103</b>	<b>326</b>	<b>2,226</b>	<b>918</b>	<b>1,317</b>	<b>67,890</b>

Number of employees per type of employment and by gender (headcount)<sup>9</sup>

Gender Key	Permanent Employees	Temporary Employees (≤3 months)	Temporary Employees (>3 months)	Apprentices	Part-time	Total Employees
Male	46,747	190	1,460	769	425	49,591
Female	16,346	136	766	149	892	18,289
Others	10	0	0	0	0	10
<b>Total</b>	<b>63,103</b>	<b>326</b>	<b>2,226</b>	<b>918</b>	<b>1,317</b>	<b>67,890</b>

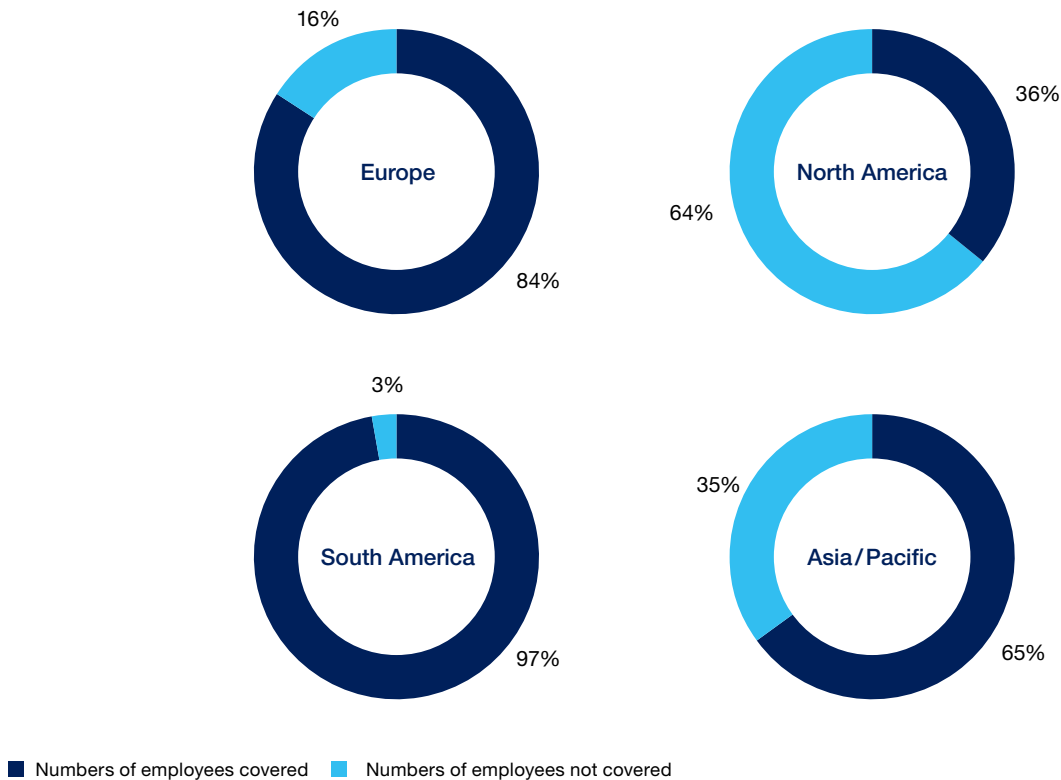
Number of new employee hires by age group, region and gender (headcount)<sup>9</sup>

Region	< 18 years	18-29 years	30-49 years	50-64 years	> 65 years	Total
Europe	55	1,432	1,534	303	5	3,329
of which female	20	472	593	112	1	1,198
North America	1	3,088	2,693	461	27	6,270
of which female	0	1,068	1,039	183	8	2,298
South America	0	492	341	14	0	847
of which female	0	79	82	0	0	161
Asia/Pacific	0	521	494	26	0	1,041
of which female	0	112	137	4	0	253
Africa	0	1	6	1	0	8
of which female	0	0	4	1	0	5
<b>Total</b>	<b>56</b>	<b>5,534</b>	<b>5,068</b>	<b>805</b>	<b>32</b>	<b>11,495</b>

<sup>9</sup>Employee data of the following sections cover 94% of global employees included in our HR group reporting. Not included: inactive employees, joint ventures.



## Percentages of employees covered by collective bargaining agreements<sup>9</sup>



We consider it our responsibility to provide young people with on-the-job education and state-of-the-art apprenticeships. Therefore, 918 apprentices and numerous interns were trained at many of our sites worldwide in 2023. Internships do not only offer educational benefits but also the opportunity to gain experience and develop professionally. During an internship, students gain valuable insights into our daily business, so it is also an important opportunity for us to position MAHLE as a future employer of choice. Apprenticeships are offered in various business-, technical- and production-related occupational fields and lay the foundation for many of our much-needed professions. Our aim is to facilitate permanent employment in the company after a successful internship or apprenticeship whenever possible.

### Newly hired employees

In the year under review, 11,495 new employees were hired worldwide, of which 3,915 (34 percent) were women. Encouragingly,

this corresponds to a higher proportion of women compared to the proportion of women in the total workforce (27 percent). The hiring figures were driven by the development of individual regions with high growth targets. The worldwide focus also continues to be on internal recruiting to provide employees with opportunities for career development through internal mobility.

## Representation of employees

We believe it is important to have trusting relationships with our employees and their representatives. We communicate regularly and openly on business developments and initiatives through various internal communication channels, such as our employee app or the intranet. We are trying to implement inevitable headcount adjustments or site closures in a socially responsible manner. In most countries and locations, there is local employee

representation with whom we cooperate closely. Globally, the working conditions of more than 71 percent of our workforce are subject to collective bargaining agreements. In Germany, in addition to the location-based Works Councils, a Central Works Council represents the overriding interests of the workforce. The employee representatives from our European locations also send delegates to a European Works Council.

## Learning and development

### Talent management framework

In terms of talent management, we have continued to roll out our “Talent Cycle” as a global framework to support our organization with the talent capabilities needed in a changing mobility world. The Talent Cycle is an annual, global process that sets standards for performance evaluation and recognition, contributes to a better feedback dialogue between managers and employees, and provides guidance for individual career development. One key element of the Talent Cycle is the Annual Performance and Development Dialogue, in which employee and manager align on individual goals, discuss strengths and development needs, and agree on development goals. In the year under review, the completion rate for the Performance and Development Dialogue within the Talent Cycle was 93 percent.

### Redesigned learning and development landscape

Our employees’ expertise and commitment drive our long-term success. We are consistently investing in the training and development of our workforce and further expanding our global training offering. Our employees worldwide took part in a total of 76,464 qualification measures (2022: 72,056).

As part of the MAHLE learning and development landscape, we launched a new global learning system that gives employees in 29 countries easy access to a large range of learning offerings. A comprehensive global training and development catalogue that includes cross-functional and career-related learning content is

accessible to all employees and is constantly being updated. New features include employee access to external libraries from business or private devices, expanded language courses and e-mobility training modules. Each training module reflects the competencies defined in our new MAHLE Competency Model. The competency model provides clear guidance to all employees in their professional and personal development as it identifies the competencies that are essential to the success of the individual, the team, and the entire organization in the ongoing transformation. The model is based on our corporate strategy, our vision and our leadership principles and takes the dynamic changes of our business environment into account.

MAHLE is committed to the principle of life-long learning and will continue to empower our global workforce with the skills needed in a transforming mobility world. Targeted training and qualification programs support our employees and managers in their necessary re-skilling and up-skilling toward future job profiles and new areas of competence.



## Diversity, equal opportunities and non-discrimination

Diversity, equal opportunities and non-discrimination are firmly anchored in our corporate values as an internationally operating company. We appreciate our global workforce, regardless of gender and gender identity, nationality, ethnic origin, religion or belief, disability, age or sexual orientation.

We promote the diversity and inclusion of our employees' different experiences and backgrounds and see this as an opportunity. Diversity & Inclusion (D&I) helps us perform more innovatively and support our business goals. MAHLE made a group-wide commitment to promoting D&I and implementing corresponding initiatives by signing the Diversity Charta in 2016. All these measures contribute to the Sustainable Development Goals (SDGs) "Gender Equality" (SDG 5) and "Reduced Inequalities" (SDG 10).



Various local policies are in place to affirm our commitment to a discrimination-free workplace and to set rules and guidelines regarding the prevention of harassment. Our North American location initiated two employee resource groups for women and cultural diversity. They meet on a regular basis to work on local D&I initiatives and establish affinity groups. The MAHLE site in St. Michael ob Bleiburg in Austria has been awarded the "equalitA" seal of quality. The award from the Austrian Federal Ministry of Labor and Economics recognizes exemplary internal measures to empower women and promotes companies that are committed to equal opportunities and equality. Our locations in Sempeter pri Gorici, Ljubljana, and Maribor in Slovenia also retained their Family-Friendly Enterprise certificate (Druzini prijazno podjetje).



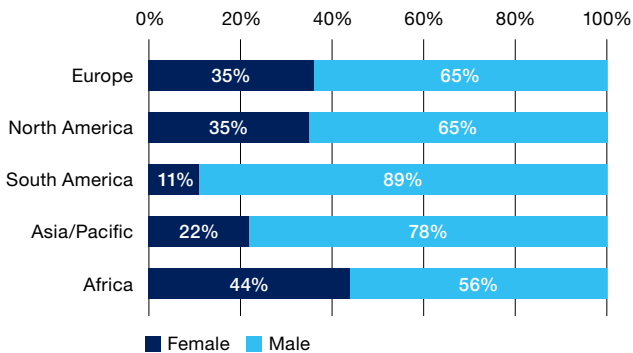
”

We make a difference by awakening empathy. We believe that embracing diversity and fostering inclusion enables us to achieve greater things together.

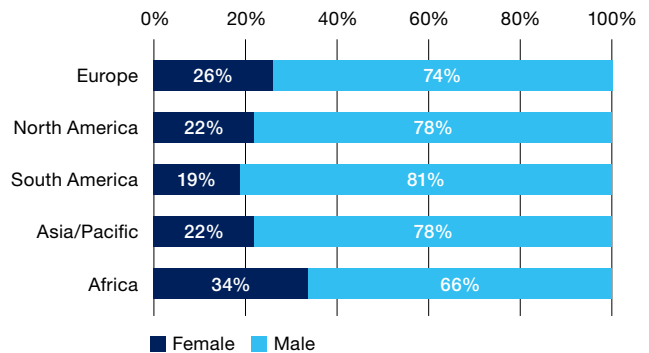
Nos Program  
Itajubá, Brazil

In order to underline the importance of diversity, equal opportunities and non-discrimination to our business success, we continued to expand our global learning offerings to include D&I learning paths and a virtual D&I learning toolbox in multiple languages.

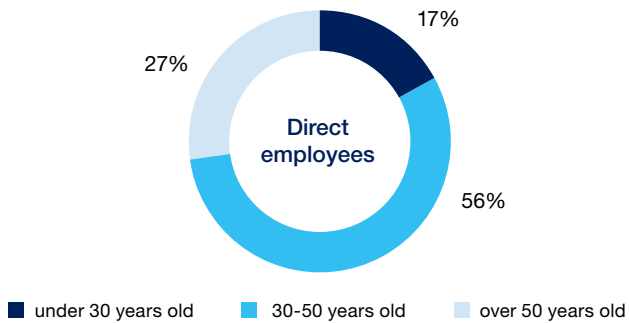
**Gender diversity (direct employees)**



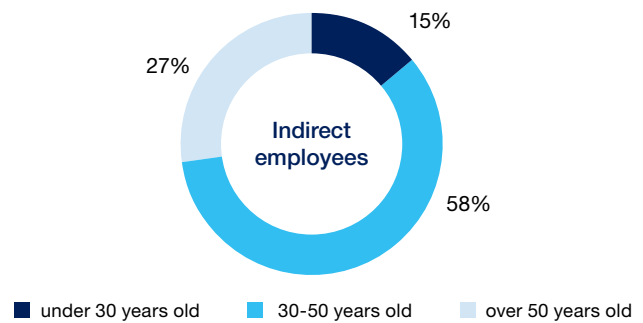
**Gender diversity (indirect employees)**



**Age diversity (direct employees)**



**Age diversity (indirect employees)**



We demonstrate our clear commitment through continuous internal and external communication, and we celebrate our diverse workforce with a range of activities each year. For example, on International Women’s Day we held global online live sessions about how to embrace equity and a global role model campaign entitled “You make the difference” on Diversity Day.

**Diversity of our global workforce**

Employees from 5 business units, 148 production locations and 11 Tech Centers work together at MAHLE. Overall, 27 percent of our employees are women. In the benchmark, we are well within our industry average. The proportion of women in production (direct employees) is 29 percent and in administration (indirect employees) 24 percent globally.

At MAHLE, diversity not only means working together across five continents and multiple cultures, but it also stands for collaborating in mixed teams across multiple generations. As most of our

employees are between 30 and 50 years old, the overall average age of our global workforce was 42 years in 2023. We see age diversity as an advantage for MAHLE and are proactively fostering cross-generational teams. We encourage teams to co-create initiatives that combine past learnings with new innovations for greater efficiency.

**Targets for the proportion of women on the Supervisory Board and Management Board**

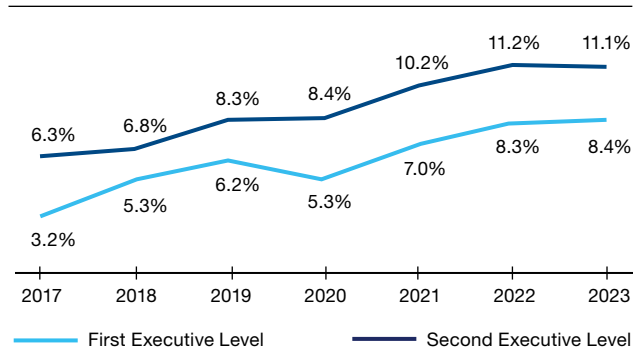
MAHLE GmbH set a target of 20 percent female representation on the Supervisory Board, and this target was achieved in the reporting period. In April 2022, the Supervisory Board stated:

“For the period until 30 June 2025, the target figure for the proportion of women on the Supervisory Board is set at 25 percent. The target figure for the proportion of women in the Management Board of the MAHLE GmbH is set at 29 percent by 30 June 2027 (which currently equals 2 out of 7 members).”

### Proportion of female executives worldwide

Globally, 15 percent of all leadership positions were filled with women at the end of 2023. On the first executive level below the Management Board, we had 8.4 percent of women. On the second executive level, 11.1 percent of the positions were held by women. This corresponds to a continuously positive development over the last few years.

### Proportion of women on first and second executive level<sup>11</sup>



<sup>11</sup> 2017–2020 not audited

### New targets for the proportion of women on first and second executive level

Our commitment to an inclusive and appreciative work environment was reinforced by the adoption of a new group-wide D&I strategy in 2021. A central element of the new D&I strategy is promoting women to management positions. To achieve a more gender-balanced ratio in the company's executive ranks and to affirm our social commitment to ESG responsibility, we extended our targets for women at both executive levels below the MAHLE Management Board in 2023. Our new goal is to increase the proportion of women to 13 percent on the first executive level and to 18 percent on the second executive level globally by December 31, 2030.

A mix of various HR measures, such as a more targeted focus on female successors in the event of replacements, development and recruiting, female empowerment programs as well as a range of flexibility offers will help us to achieve these goals. In particular, we enhanced our female empowerment program with the first global conference for female leaders on the topic Inclusive Leadership as well as the global and local online networking events for women. We also launched a pilot project in cooperation with an external

partner to foster a better balance for women and men on parental leave. The program offers permanent networking and education for a smooth re-entry to work. We monitor our efforts with the D&I Dashboard twice a year. It is a global management tool for key D&I indicators, focusing in particular on the achievement of our targets for female leaders.

### Fair pay and voluntary benefits

With regard to working conditions, we have implemented different organizational measures to meet the applicable statutory regulations and any rules connected with labor agreements at our locations. We strive to ensure that our employees are remunerated fairly and in line with market conditions. Therefore, we recently implemented new best-practice global bonus schemes for both our executives and managers. The new schemes aim to ensure that remuneration is determined by the requirements of the transformation.

In addition to the benefits provided for under law and in labor agreements, we also offer notable supplementary benefits at many locations. For example, in Germany, employees can benefit from an attractive, company-funded pension scheme. Moreover, MAHLE increasingly provides additional health care and insurance benefits. For example, we offer an annual health check and an employee assistance program to the entire workforce in China and best-practice health insurance in both the United States and South America.

### Eliminating pay gaps

In order to ensure a good working atmosphere and fair employment conditions, we endeavor to close any gender pay gaps and to prevent them from the outset. As a company that is bound by labor agreements in many regions, we strive for equal pay conditions regardless of gender. Evaluation and remuneration systems across the organization are designed to be free of gender bias and are based on technical criteria. In several countries, we are required by law to work to counter gender pay gaps. In Germany, for example, we prepare a corresponding report in accordance with the Transparency in Wage Structures Act (*Entgelttransparenzgesetz*).



# Occupational Health and Safety

*According to the guiding principle formulated by our company founders, our core responsibility is the well-being of our employees. Therefore, we proactively tackle occupational safety across the group and raise awareness among our employees to keep occupational risks to a minimum.*

## At a glance

- **MAHLE safety target set for 2030 with a lost time injury rate of 2.3 per one million hours of work**
- **The lost time injury rate fell to 2.8 in 2023**
- **In 2023, another 20 of our plants were certified in accordance with ISO 45001**
- **Global machine safety and occupational risk assessment standards released**

## Principles of Safety at Work, our 'Golden Rules'

Our global guidelines for sustainable occupational health and safety, environmental and climate protection provide a framework for consistent occupational health and safety management throughout the whole group. The following three 'Golden Rules' have been our basic safety rules to provide clear guidances to our employees:

1. Safety First: safety takes top priority. Risks are not accepted.
2. I Care – We Care: we are all responsible for ourselves and for others.
3. Walk the Talk: safety is not something we just talk about – it must also be reflected in our actions.

In the MAHLE Business Code, we pledge that we will act in accordance with the applicable standards regarding health and safety at work and environmental protection. Regular training sessions and instructions are designed to prevent accidents and minimize risks. All this helps to achieve the Sustainable Development Goal (SDG) "Good Health and Wellbeing" (SDG 3).



At corporate level, the Sustainability & Occupational Health, Safety and Environment function coordinates and monitors health and safety at work activities worldwide. On-site Occupational Health, Safety and Environment (HSE) representatives are responsible for implementing safety measures in consultation with the regional and business unit HSE managers. Operational responsibility lies with the respective location managers. Our locations also have safety committees comprising members of management, employee representatives, if applicable, and the locations' respective HSE representative. Their job is to manage and monitor occupational health and safety issues and to establish measures for continuous improvement. Employees participate in finding the root cause of incidents, cases of non-conformity or near-misses and in establishing corrective actions. In practice, all kinds of occupational risks at workplaces must be identified, assessed and addressed by the head of the respective department, with support from the HSE experts.

In 2023, an additional 20 of our plants were certified in accordance with the ISO 45001 standard. This brings the number of ISO 45001 accredited locations up to 123.

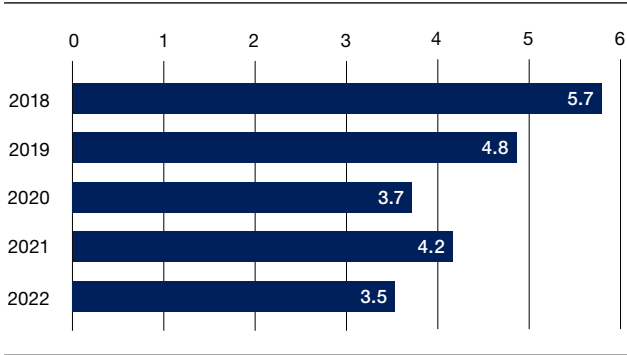
ISO 45001 certified locations 2023	
Europe	55
North America	17
South America	8
Asia/Pacific	43
<b>Total</b>	<b>123</b>

**Our objective: to reduce the accident rate**

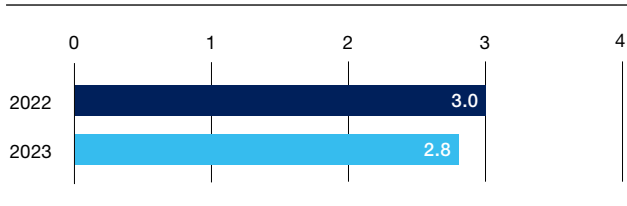
MAHLE works with individual target agreements in the plants in order to continuously reduce the number of accidents. Until 2023, we used DART (Days Away Restricted or Transferred) as our accident rate definition. The DART rate takes into account accidents leading to days away or restrictions or transfers to other workplaces per one million working hours.

In 2023, we adapted the definition of our accident rate from the DART rate to the globally used LTIR (loss time injury rate). It takes into account only the number of accidents at work with at least one day of absence in relation to the hours worked, standardized at one million working hours.

**Development of DART accident rates<sup>12</sup> globally until 2022<sup>13</sup>**



**Development of LTIR accident rates<sup>14</sup> globally from 2022<sup>15</sup>**



By 2030, we want to reach a global LTIR of 2.3. In order to achieve this, we have established individual annual plant targets for all business units until 2030.

After reducing the accident rate in 2022, we managed to reduce our accident rate to 2.8 in 2023.

Our activities to improve occupational health and safety can be grouped into three main safety initiatives:

1. Safety Culture
2. Machine Safety
3. HSE Support and Internal Auditing

As part of our group-wide initiative on safety at work, MAHLE resumed regional training programs to improve the leadership culture and to intensify existing global and regional safety culture programs. In the programs, we emphasize that safety takes absolute priority at MAHLE and that managers have a special responsibility to ensure safety at the workplace. Special training sessions on the safety responsibilities of managers started in Germany and have been extended as mandatory training for all German managers to raise awareness.

Various activities have been performed to improve safety during maintenance activities in several regions. For example, our South America region has conducted workshops focused on learning about appropriate measures to be considered, following the so-called lockout/tagout (LOTO) principle during maintenance activities. More than 600 employees and contractors were trained in 2023.

As part of our safety initiatives, we provide ongoing training to employees and work continuously on developing a safety culture that reflects our rule: "I Care – We Care." We encourage our employees to report near misses or, where possible, eliminate potential risks. The global Machine Safety Guideline was also released. This guideline is the worldwide MAHLE standard for improving machine safety and reducing accidents with technical causes. A training program has also been resumed to increase machine safety knowledge in our HSE community.

Together with the rollout of a new HSE and sustainability software, we standardized the processes to perform appropriate safety risk assessments for our workplaces.

<sup>12</sup> DART accident rate considering accidents leading to **D**ays **A**way or **R**estrictions or **T**ransfers per one million working hours (≥1 day)

<sup>13</sup> 2018-2020 not audited

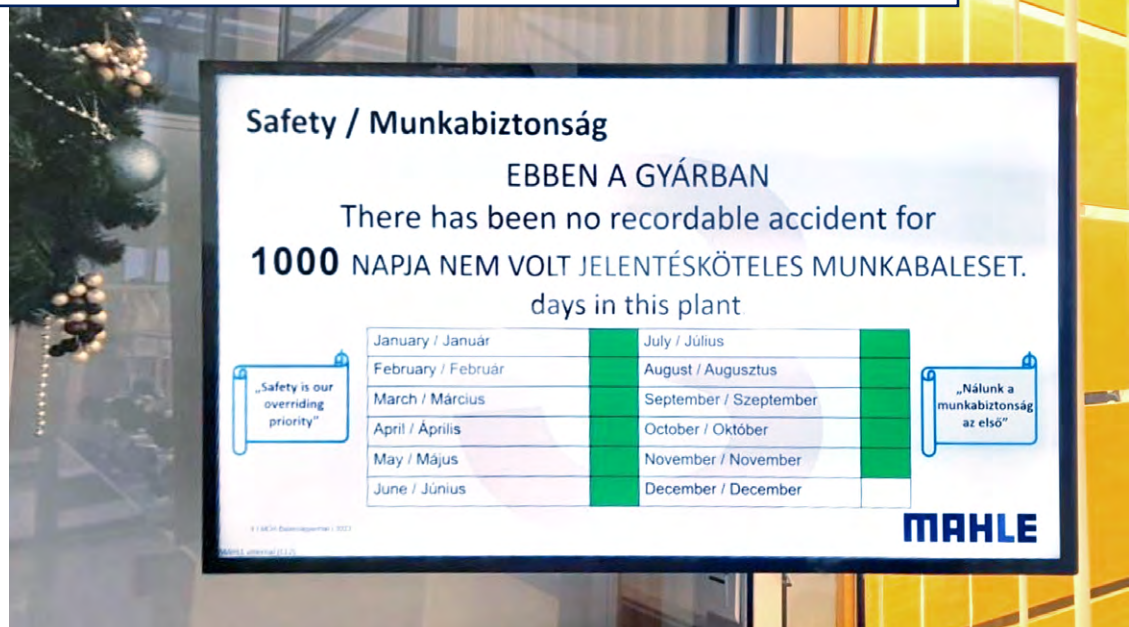
<sup>14</sup> LTIR accident rate considering accidents leading to days away per one million working hours (≥1 day)

<sup>15</sup> 2022 not audited



### 1,000 days without accident – Hungary plant wins Safety Excellence Award

December 6, 2023 marked 1,000 days without a recordable accident at MAHLE Balassagyarmat, Hungary. To honor this achievement, the plant was awarded the MAHLE internal Safety Excellence Award. Various measures have improved the staff's work safety. In addition to a new fire alarm and sprinkler system, the parking space for commuting buses was redesigned to avoid accidents. Minor safety precautions such as handrails, fall protection and improvements to production and warehousing were also installed. The staff were also taken into account as the suggestion scheme was improved, employee health screening was conducted and first aid training was fostered.



### Dealing with incidents

We have clear policies for the proper handling of work-related hazards. If an incident is reported, we classify it according to its hazard potential. We record not only events that could endanger our employees but also those that pose a potential risk to our business partners. Incidents that may cause a severe hazard to the wellbeing of our employees or production and meet defined internal criteria are classified as hazardous events. As such, the plant management must report them immediately to the head of the business unit, the relevant central departments, all members of the MAHLE Management Board and Corporate Communications. A dedicated hazardous event alert process has been established. If our business partners were directly or indirectly affected

by the impact of an incident, we would inform them at the earliest opportunity.

Serious accidents, their causes and the effectiveness of the implemented corrective measures are evaluated by the regional HSE management team together with the affected plant. After analyzing the accident, the corrective and preventive measures are discussed with all parties involved, up to and including the MAHLE Board Member responsible for HSE. The results and lessons learnt are shared with all plants. This supports the continuous learning process that reaches beyond the limits of individual locations, preventing similar incidents from happening elsewhere.

# Sustainability in the Supply Chain

*Compliance and sustainability requirements as defined in our Supplier Code of Conduct need to be confirmed by all suppliers in the MAHLE supplier panel. The MAHLE Integrity Platform allows suppliers and other parties to register violations of our Code of Conduct or laws.*

Our MAHLE Purchasing has a clear understanding of responsibility in the supply chain. Due to rising demands in customer requests regarding conflict minerals and decarbonization and the new Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG), we have further strengthened our activities in this field of responsibility. Therefore, the prerequisite for conducting business with MAHLE remains unchanged: full compliance with our sustainability requirements – from the production of materials to their impact on people, the environment, and the working conditions at supplier companies.

Our activities contribute to the Sustainable Development Goal "Responsible Consumption and Production" (SDG 12).



## At a glance

- **Creation of the new “Supplier Management and Governance” department to work more effectively on sustainability topics in the supply chain**
- **MAHLE joined the Responsible Supply Chain Initiative (RSCI)**

## Supplier management

Our supply chain is key to the achievement of our sustainability goals. Therefore, it is crucial that suppliers act in accordance with the standards defined by MAHLE, which are based on legal and customer requirements. As an example, if suppliers contracted by MAHLE violate social or environmental standards, this may

hurt MAHLE in the form of supply disruptions and quality and cost losses, or it may damage our reputation, besides the harm inflicted on the planet and on humans. Actively managing sustainability aspects in the supply chain reduces these risks. Moreover, suppliers who operate sustainably often prove to be reliable and innovative partners in the long term.

### The MAHLE supplier network

Our network comprises around 7,000 direct suppliers for our production materials alone. The most important supplier countries are China, Germany and the United States. We procure raw materials, semi-finished goods and prefabricated items, ranging from simple plastic parts to complex mechatronic and electronic assemblies. In the automotive industry, it is important to fulfill global quality standards for our products. Doing this and remaining competitive require us to source materials from global supply markets.

### Sustainable Purchasing

In view of the complexity of our supply chain, we have taken measures to harmonize our sustainability activities across the group in recent years. For instance, we created a Strategic Purchasing function to take care of sustainability in the supply chain. In October 2023, we consolidated capacities from different teams of Strategic Purchasing and Supplier Quality and created a new department called “Supplier Management and Governance” so that we could become more effective in all sustainability topics.

Our Purchasing Academy provides the most important information about sustainability for our employees in Purchasing. We also offer our employees online training modules so they can better understand and actively discuss the recent challenges regarding sustainability and environmental and human rights protection.

A Sustainable Purchasing Policy was created in 2022 to underline the sustainability expectations and aspirations of our Purchasing department. The policy gives guidance to our buyers and refers to our grievance mechanism in case of violations.

Regular Supplier Sustainability Board Meetings in Purchasing are conducted to guide the Purchasing and Sustainability Team and to confirm or decide on specific actions that may be derived from our Supplier Risk Analysis, for example.

### The Responsible Supply Chain Initiative

MAHLE has been a member of the Responsible Supply Chain Initiative (RSCI) since the start of 2023. The initiative was founded by the German Association of the Automotive Industry (VDA) and supports its member companies in implementing the German Supply Chain Act. This act obliges companies to assess human rights and environmental risks along the value chain and to take appropriate measures to prevent and reduce them. In essence, the RSCI developed a special audit catalogue and an exchange mechanism for a standardized sustainability assessment.

### The Supplier Code of Conduct

We aim to guarantee human rights within our global supply chains, avoiding child labor, inadequate labor law protection, exploitation, and discrimination, for example. MAHLE not only opposes such violations but proactively practices and stands up for fairness and responsibility. These values not merely determine how we deal with each other and work together, but also apply to our relationships with customers, suppliers, and other business partners.

To ensure compliance with statutory provisions and ethical principles within its own supplier base, MAHLE has developed the Supplier Code of Conduct for all suppliers of the MAHLE Group. It was updated in 2022 to comply with increased expectations and regulatory demands, such as the German Supply Chain Act.

MAHLE suppliers must accept our Supplier Code of Conduct and are expected to enforce our guidelines in their own supply chain. It contains requirements in the following areas:

- Human rights: prohibition of forced or child labor and slavery or human trafficking, protection of local communities and indigenous peoples, promotion of equal opportunities, protection from discrimination and freedom of association

- Working conditions: working hours and holiday, occupational health and safety
- Prohibition of corruption and bribery
- Fair and free competition
- Data protection and confidentiality
- Environmental and climate protection: reduction of greenhouse gas emissions, material compliance (e.g., REACH, RoHS)
- Exclusion of conflict minerals
- Whistleblower platform for reporting violations against these requirements

MAHLE has also adjusted the existing web-based whistleblower system ("Integrity Platform") to ensure that any violations of these requirements in the supply chain can be reported to MAHLE by any person.

We provide supplementary information on our procurement and supplier management in the MAHLE Supplier Guideline. The guideline includes additional instructions for suppliers in selected business areas and regions that depend on legal regulations or specific customer requirements. For example, in the US we work with minority-owned companies.

### Supplier registration, assessment and approval

We focus on sustainability aspects when assessing our suppliers. Upcoming regulatory requirements such as the German Supply Chain Act confirm that due diligence is crucial to identifying sustainability risks early on. We rely on state-of-the-art technology for tracking and monitoring human rights compliance, labor practices and environmental issues. The aim of this is to identify potential risks in our supply chain at an early stage. When selecting suppliers, one factor we consider is their compliance with certified quality and environmental management standards, which are assessed as part of the initial audits. The initial audit must be passed successfully to be considered in our supplier panel. We also introduced uniform supplier scorecards in our common Supplier Portal to facilitate the self-assessment of suppliers.

When registering new suppliers, we request that they provide their valid certifications via the Supplier Portal. These may include IATF 16949, ISO 9001 and ISO 14001. We also assess them regularly after they are commissioned and require certificates to be renewed on a timely basis.



### Risk management in the supply chain

We use a software system that allows us to monitor risks that may arise in the supply chain. This is based on more than 75 indicators in different areas, ranging from key financial figures to location indicators and figures relating to environmental or social aspects. The continuous monitoring means that our purchasers and, in case of human rights and environmental alerts, our Sustainable Purchasing Team receive an early warning of any increased risk. This enables us to promptly respond with the appropriate countermeasures. The risk management tool currently monitors more than 80 percent of our expenditure in this area.

We also carry out sustainability assessments based on our annual risk analysis. This analysis is based on country, industry and internal MAHLE material group risks conducted on around 40,000 suppliers. The results are used to conduct a concrete risk analysis that is a more supplier-specific analysis and is applied to approx. Ten percent of the supply base. Some of our tools are the MAHLE Supplier Code of Conduct, sustainability assessments or Corporate Social Responsibility (CSR) audits. The outcome of the concrete risk analysis has an influence on our sourcing decisions. So far, no child nor forced labor violations have been identified.

Furthermore, we use the outcome of the risk analysis as a pre-selection for conducting CSR audits.

Sustainability rating plays an essential role in defining our supplier panel, e.g. when approving new suppliers or during the contracting process. In addition to the supplier's sustainability rating (including human rights and environmental aspects), financial stability and other governance criteria are also considered in our supplier nominations.

In the event of a clear violation of our Supplier Code of Conduct, we urge the supplier to remedy the problem and report serious compliance violations to our Compliance Office for appropriate action. If the supplier does not resolve the issue, we would ultimately remove the supplier from our supplier panel.

### Current initiatives

MAHLE is an active member of the Automotive Industry Dialogue of the German Association of the Automotive Industry (VDA) and joined the Sustainability in the Supply Chain working group to

ensure compliance with statutory provisions and ethical, social, and environmental principles in the industry.

By participating in the "Easy on the Planet" program of the Lyreco Advantage company, MAHLE was able to increase the sustainable purchase of office materials significantly and therefore contributed to the planting of new trees.

### Critical Raw Materials

MAHLE implemented a process that consists of identifying and better managing risks throughout the entire mineral supply chain. For example, conflict materials are mined in conditions of armed conflict and human rights abuses, so we handle them with special diligence. In 2022, we formalized our ambition in regards to conflict minerals in our Conflict Raw Materials Guideline for Supply Chain. It describes our expectations toward our direct suppliers, but also the various other stakeholders in the supply chain. The guideline is an integral part of our purchasing conditions.

In addition to that, we are improving our internal processes to increase transparency and the quality of supplier responses by specifying our expectations. Our process is based on the OECD (The Organization for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. All affected suppliers must provide an official Conflict Mineral Reporting Template (CMRT) and Extended Minerals Report Template (EMRT) to MAHLE. In cases of non-compliance with our due diligence red flags, an escalation process will be started. Red flags include, for example, origin from high-risk regions, incomplete supplier responses or non-certified smelters.

The annual CMRT campaigns have been expanded and now include cobalt and mica, a group of 37 types of silicate minerals, in order to meet increasing external requirements. In 2023, MAHLE reached a score of 92 percent in the Conflict Minerals Reporting Templates in the Supplier Assurance (Drive Sustainability) Platform. We have established internal processes to continuously increase the number of conflict-free smelters.

Our Conflict Mineral Reporting Template (CMRT) and Extended Minerals Report Template (EMRT) are uploaded to the Supplier Assurance Platform every year. This platform checks and validates them in the area of "Responsible sourcing of raw materials."

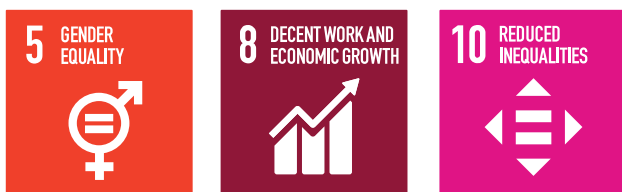
# Human Rights

*As a foundation-owned company, MAHLE has always had a sense for social responsibility. This is reflected in the strategic topic of Human Rights, which connects various due diligence processes throughout our business activities.*

## At a glance

- **Protection of human rights is a cross-cutting responsibility for MAHLE**
- **Implementing the requirements of the German Supply Chain Act was the focus of our human rights due diligence activities**

Upholding human rights, combating child and forced labor, and respecting employees' freedom of association are self-evident principles for MAHLE and are supported by our due diligence processes. This is reflected in our sustainability strategy by the strategic topic of Human Rights, which connects various due diligence processes throughout our business activities. It contributes to the Sustainable Development Goals "Gender Equality", (SDG 5), "Decent Work and Economic Growth" (SDG 8) and "Reduced Inequalities" (SDG10).



At MAHLE, we have set up a cross-functional working group on human rights including representatives from HR, Purchasing, Sustainability & HSE, Compliance and Risk Management. The working group initiates actions to perform human rights due diligence, such as risk assessments, a whistleblower platform, and training sessions. In 2023, the working group focused on implementing the requirements of the German Supply Chain Act, which came into force on January 1, 2023. MAHLE has conducted risk assessments of its own operations and suppliers in terms of human rights. The MAHLE Integrity Platform has been extended to serve as whistleblower system for human rights top-

ics. Oversight of our human rights strategy and actions remains with the Sustainability Steering Committee.

Social responsibility is very important to MAHLE, so the "Principles of Social Responsibility in the MAHLE Group" were introduced in December 2022 and will be continuously developed and revised. The principles provide for mandatory high standards regarding human rights, including the rejection of forced and child labor, working conditions, and cooperation with employees and their representation bodies in accordance with the relevant International Labor Organization (ILO) conventions. These principles must be observed within the MAHLE Group and along the MAHLE supply chain.

The MAHLE Business Code also imposes an obligation on the company and its employees to comply with all the laws and regulations applicable in their respective working environments, including regulations designed to prevent forced and child labor. Any violations will be subject to disciplinary action under the applicable labor law. Policies are in place to identify risks both during the recruitment process and for the duration of the employment relationship. A candidate's age and the availability of important documents, such as a residence or work permit, are checked before employment commences.

MAHLE also has an employee representation structure. Employee representatives – with whom MAHLE maintains a constructive relationship – are also involved in ensuring human rights are upheld. Employees who witness violations against human rights have the option to report these violations via our internal reporting channels, be that via their supervisors, the Corporate or Regional Compliance Office, the external ombudsperson, or by using the web-based Integrity Platform whistleblower system. Reporting these violations does not put them at a personal disadvantage.

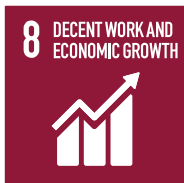
# Responsible Corporate Governance

*Responsible business behavior means complying with laws and internal rules as well as ensuring fair competition. Therefore, compliance has always been an important element of our corporate governance.*

## At a glance

- Expanded the guide Prevention of Corruption by fraud topics
- Over 98% of targeted employees trained on corruption and antitrust law
- Over 120 Data Protection Coordinators

Our activities contribute to the sustainable development goal (SDG) “Decent Works and Economic Growth” (SDG 8).

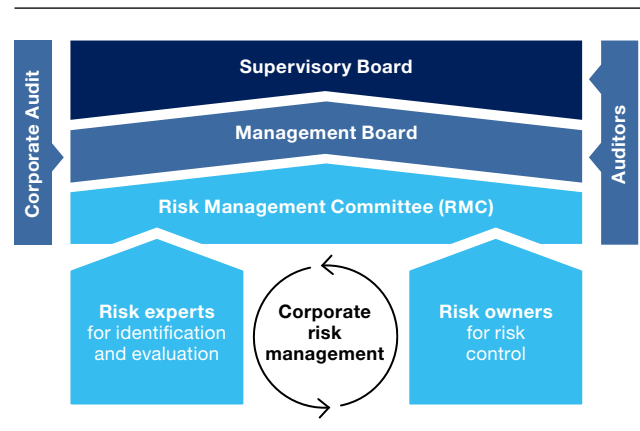


## The MAHLE risk management system

Our risk management system covers economic, environmental and social aspects. In order to identify opportunities and risks at an early stage and address them proactively, our experts in the corporate functions and business areas continuously assess short-, medium- and long-term market trends (0-1 year; 1-5 years; 5-15 years). For example, we make use of scenario analyses drawn up by our Corporate Planning department to model changes in markets and regulatory frameworks.

The Risk Management Committee, in which members of the MAHLE Management Board and the Group Risk Manager are represented, is responsible for managing and monitoring the risk

Schematic diagram of risk management at MAHLE



management system. This committee defines the top risks for the company and prioritizes them according to potential financial impact and likelihood of occurrence based on the evaluation conducted by risk experts. For each risk identified, the committee appoints one or more risk owners whose task is to initiate targeted measures to reduce the potential impact of the risk.

The Group Risk Manager is responsible for the practical implementation of the risk management system and summarizes the top risks, including countermeasures and risk controlling instruments, in the Annual Group Risk Management Report. This report must be approved by the whole MAHLE Management Board.

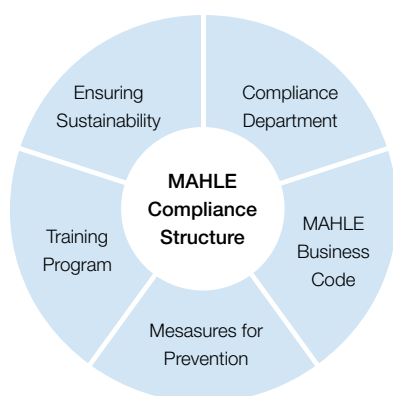
In the event that a hazard occurs despite risk prevention, we have arranged an economically prudent degree of cover by means of insurance policies for the financial consequences of production losses and MAHLE business interruptions that may be caused by fires and natural disasters, for example. We ensure that specific liability situations, such as environmental issues, are also covered.

The relevant risks and opportunities identified in connection with the environmental aspects include mainly new regulatory emission reduction targets and the increasing environmental awareness in the markets. The automotive industry in particular is facing a transformation due to stricter emissions regulations and electrification:

- MAHLE has a large portfolio of emission-relevant segments such as combustion engine components, so it may experience reductions in demand for these components, resulting in decreasing sales of the affected products. We see opportunities in increasing the efficiency of our components and expanding our portfolio of electric drives and auxiliary components.
- Furthermore, as MAHLE has production, administration and distribution sites in various countries worldwide, it faces a variety of potential environmental risks. We regularly monitor these risks (e.g. fire and other natural hazard risks) and continuously reduce them by following a long-term strategy. This helps us avoid material damage to our facilities and consequential damage such as air and water pollution, and economically negative impacts on our supply chains.

## Our compliance management system

The existing compliance structure is continuously optimized and adjusted on the basis of risk by the MAHLE compliance organization. At group level, we ensure that our conduct and actions adhere to laws and internal rules by means of the MAHLE compliance structure. As shown in the graphic below, this includes the MAHLE Business Code as a basic code of conduct for all employees worldwide as well as our compliance organization,



preventive measures and training concept. We take various steps to safeguard the effectiveness and sustainability of our compliance structure, including documenting our compliance activities, and conducting compliance audits and regular web-based compliance learning programs.

### MAHLE compliance structure

Our decentralized approach to compliance means that all organizational units, divisions and departments are responsible for the processes and compliance risks applicable to their area. The aim of this is to uphold laws and internal rules as per the legal compliance procedure. There are also compliance risk areas for which central responsibility is assumed. These include, for example, antitrust law and prevention of corruption, which are managed centrally by the group-wide MAHLE compliance department (see subsection "Prevention of fraud, corruption and antitrust law"), or data protection, which is managed centrally by the Corporate Data Privacy department (see subsection "Data protection"). Furthermore, the Corporate Sustainability & Occupational Health, Safety and Environment corporate function is responsible for handling environmental compliance risks, while the Human Resources (HR) department deals with compliance risks relating to social concerns. Preventive measures, such as guidelines and training courses, have been implemented in all of these compliance areas.

### MAHLE Business Code

We are committed to complying with ethical standards and laws in all our business activities. This is based on the MAHLE Business Code, which defines the legal and ethical framework for all MAHLE employees, including the members of the MAHLE Management Board, members of the MAHLE Management Committee, and executives. For affiliated companies located outside Germany, the MAHLE Business Code describes the minimum standards, which should then be supplemented by local requirements and specific characteristics. In joint ventures and companies in which MAHLE does not have a majority holding, but rather a holding of at least 25 percent and not more than 50 percent, appropriate measures are taken to ensure compliance with the objectives of the MAHLE Business Code.

The MAHLE Business Code was updated in September 2023 following adjustments to the whistleblower system. New employees receive a copy with their orientation documents. Members of the MAHLE Management Board, members of the MAHLE Man-

agement Committee, and executives are required to submit a written commitment to comply with the contents of the MAHLE Business Code and ensure that it is observed within their scope of responsibility.

**Compliance organization**

The MAHLE Group Compliance Organization Guideline defines and designates the responsibilities of the compliance organization and describes its tasks and reporting lines in the event of compliance violations.

At group level, the compliance organization consists of the MAHLE Management Board, the Compliance Steering Committee, and the Corporate Compliance Office. Further Regional Compliance Committees and Regional Compliance Offices have also been established at a regional level.

The Compliance Steering Committee consists of members of the MAHLE Management Board and MAHLE Management Committee as well as executives from Human Resources, Legal and Internal Audit. It is responsible for the content and strategic further development of the compliance structure and reports directly to the MAHLE Management Board.

The Corporate Compliance Office implements preventive measures such as training sessions and communication activities relating to antitrust law and corruption prevention. It also handles reports of compliance violations, evaluates them, and passes them on to the appropriate bodies. The Corporate Compliance Office is attached

to the Corporate Legal department. When planning internal compliance audits, it consults with the Corporate Internal Audit department, which then performs the compliance audits.

The Corporate Compliance Office is supported by the Regional Compliance Offices, which are available to support employees in their region with compliance queries and reports of violations. They also implement any necessary compliance measures at a local level.

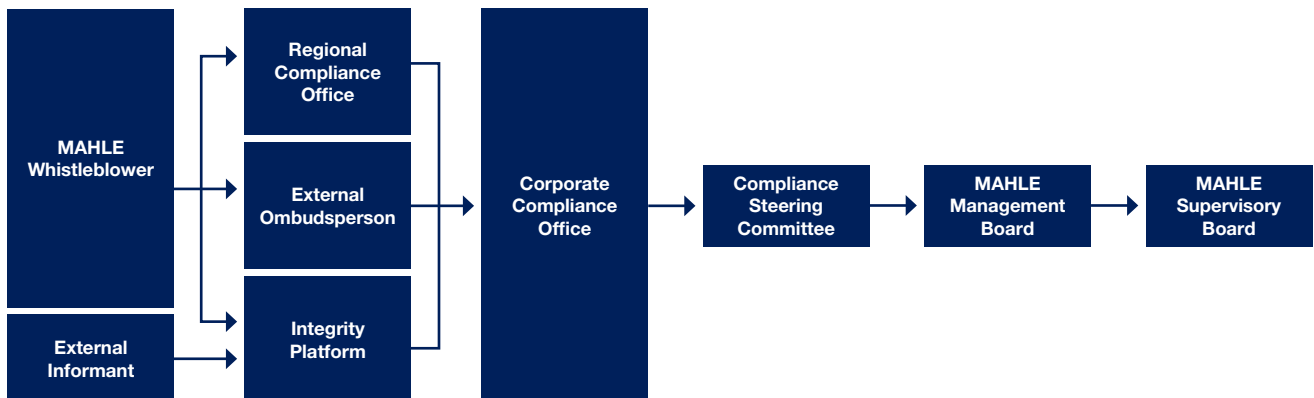
The Regional Compliance Offices also preside over the Regional Compliance Committees. They are primarily responsible for analyzing local compliance risks, reporting on local compliance issues and adapting the guidelines to suit local characteristics.

**Management of compliance violations**

The Corporate Compliance Office must be involved in any incidents that may have a significant impact on the whole group. It assesses compliance incidents in accordance with the provisions of the MAHLE Group Compliance Organization Guideline. Any serious and significant violations are immediately reported by the Corporate Compliance Office to the Compliance Steering Committee. The responsible members of the Compliance Steering Committee decide whether the Corporate Internal Audit department should be involved for investigation purposes.

Employees wishing to report a potential violation of compliance rules can approach the Corporate Compliance Office or the Regional Compliance Office responsible for them. Employees can also use the web-based whistleblowing system when observing such a compliance vi-

**The MAHLE compliance reporting channels**



olation, as well as when there is an increased need for confidentiality. The Integrity Platform is available to all employees and to external parties on the MAHLE website. Alternatively, employees have the option of contacting the external ombudsman responsible for their region.

In 2023, 162 potential compliance violations were reported worldwide. The Corporate Compliance Office classifies the received reports in categories in accordance with the MAHLE Group Compliance Organization Guideline. Seven serious or significant reports were investigated by Corporate Internal Audit, 143 were forwarded to the respective department, four were not taken account of due to lack of information and eight were in the pre-assessment.

The MAHLE Management Board and the MAHLE Supervisory Board are informed annually about current developments of the MAHLE compliance structure and activities of the MAHLE compliance organization. The MAHLE Management Board also receives a detailed compliance report. Corporate Internal Audit also communicates the key results of the audits conducted.

The compliance management system is reviewed regularly and developed further if necessary.

## Prevention of fraud, corruption and antitrust law

The compliance risk areas of corruption as part of fraud and antitrust law are managed centrally by the group-wide MAHLE compliance organization as these risk areas are not assigned to particular organizational units.

### Prevention of fraud and corruption

In order to further strengthen the integrity and security of our business activities, the guide Prevention of Corruption was expanded in the 2023 financial year to include existing fraud prevention processes. This results in a more effective implementation of our preventive measures by utilizing common approaches.

Prevention of fraud and corruption is therefore an important topic at MAHLE. The purpose of our Guide on Prevention of Fraud and Corruption and related compliance and corruption training modules is to give employees guidance and support with respect to the most important rules relating to fraud and corruption prevention.

Further provisions with respect to the approval of processes and/or business transactions can be found in our Approval and Signature Guideline. This also defines the dual-control principle and which processes/business transactions need to be approved by which management level. This makes it another tool that helps us to avoid fraud and corruption.

We refer our business partners to our strict anti-fraud and corruption policy, which is part of the Supplier Code of Conduct, and with which all our suppliers have to comply.

### Antitrust law

It is particularly important to follow the antitrust regulations, which safeguard and ensure free and fair competition worldwide. We work proactively to prevent potential violations as it is in our own interests to do so. Our Guide on Antitrust Law and related antitrust training materials provide detailed instructions on how

### Number of employees trained in prevention of corruption and antitrust law in 2023

Region	Total (nominated)	Management Board, Management Committee and executive levels 1 to 3 (training completed)	Other levels (training completed)	Coverage (training completed)
Europe/South Africa	2,181	97	2,028	97%
North America	612	80	519	98%
South America	375	25	339	97%
Asia/Pacific	999	14	971	99%
<b>Total</b>	<b>4,167</b>	<b>216</b>	<b>3,857</b>	<b>98%</b>



to behave in areas sensitive to antitrust law, such as in conduct toward competitors, customers and suppliers, in association meetings and in the context of joint-venture activities.

### Training on prevention of corruption and antitrust law

In order to prevent violations of laws and internal company rules from the outset, we organize regular web-based compliance training sessions that cover the topics of antitrust law and prevention of corruption. The training sessions are mandatory for all members of the MAHLE Management Board and MAHLE Management Committee as well as for executives and employees in risk-exposed areas such as purchasing and sales. Employees also have the option of voluntarily following the training programs. Refresher sessions for the target groups take place every two years. In 2023, a total of 4,073 employees completed the compliance training sessions.

### Compliance@MAHLE

In order to raise awareness, we implemented a web-based 'compliance@MAHLE' training module. The training module is compulsory for all employees worldwide with a MAHLE email account, regardless of seniority. The content of the training includes general aspects of compliance as well as aspects specific to MAHLE. It also provides training on compliance in a wide variety of matters, including occupational health, safety and environmental protection, anti-corruption, antitrust, data protection and export control. The goal is to show how to avoid compliance violations and therefore avert the risk of negative consequences. In 2023, 4,250 employees participated.

### Numbers of employees trained in the module "Compliance@MAHLE" in 2023

Region	Total (nominated)	Coverage (training completed)
Europe/South Africa	2,121	100%
North America	850	100%
South America	463	100%
Asia/Pacific	816	100%
<b>Total</b>	<b>4,250</b>	<b>100%</b>

## Data protection

As we preserve the right to informational self-determination, we must take several legal requirements into account. Firstly, we must be compliant with the European General Data Protection Regulation and the German Federal Data Protection Act as our headquarters are in Germany. We are also gradually improving our data protection system while considering global data protection regulations and setting higher goals for our international plants beyond the local laws, therefore aligning them with the EU GDPR (General Data Protection Regulation) standards.

### How data privacy at MAHLE works

We have built up an internal team of data privacy specialists (Corporate Data Privacy department) who work together with an external data protection officer (Corporate Data Protection Officer). Both entities are highly experienced in the field of data privacy and work together exchanging know-how on different current and upcoming topics.

Our data protection organization contains 27 National Data Protection Coordinators and 94 Data Protection Coordinators worldwide. Each one of them is specially trained in the field of data protection. They function as a first point of contact in the respective countries and connect the employees with Corporate Data Privacy.

Our group-wide Data Protection Management System was created in 2020 and has been constantly improved since then. The global rollout of the Data Protection Management System with local adaptations started on a risk-based approach in 2022 and was continued 2023. This process will be finalized in 2024. We also perform a mandatory, web-based data protection training session for the whole MAHLE Group. We also conducted audits in 2023.

The Corporate Data Privacy department must be informed of any violations of the data protection guidelines. Each case is inspected accordingly. If necessary, the Corporate Data Protection Officer reports a relevant data breach to the appropriate data protection authorities and, if necessary, to the affected data subjects.

# Sustainable Innovations

*As a forward-thinking development partner to the automotive industry, the MAHLE Group offers its customers complete systems from a range of innovative products. For us, sustainability begins in the research and development phase. Our innovative solutions and versatile product portfolio are our contribution to environmental and climate protection. Our innovative strength has been the foundation of our success for 100 years. Even in difficult times, we maintain our level of investment in research and development.*

## At a glance

- **Standardized wireless charging for electric vehicles; MAHLE positioning system selected by SAE International (Society of Automobile Engineers) as the global standard solution for wireless charging**
- **MAHLE expects a significant increase of electric and hybrid vehicles in the future**
- **MAHLE focuses on Electric, Thermal and efficient Internal Combustion Engine solutions**
- **MAHLE established a Global Bio-Mobility Center in Brazil**

## Sustainable mobility

There is no question that the mobility sector has to make its contribution to climate protection, and it is our goal to become carbon neutral by 2040. However, the dynamics in our sector have probably never been as high and the overall global picture of powertrain development as complex as it is today. This applies to passenger cars, but also to the commercial vehicle sector. MAHLE is expecting a significant increase in the variety of drives both in the passenger cars and in the commercial vehicles. In terms of newly produced passenger cars, our MAHLE market scenarios expect the market share of purely electrified vehicles to increase worldwide from just over 10 percent in 2023 to around 55 percent in 2035, despite the continued market growth of vehicles with combustion engines in emerging countries.

The outlook leads to the following market implications for the corporate strategy MAHLE 2030+.

The future of mobility is electric or hybrid for MAHLE. New vehicles will largely be powered by electric drives, regardless of the energy source. System expertise is an essential key to success here. Automotive suppliers are striving for end-to-end system expertise with integrated solutions, which can reduce both complexity and costs. Automobile manufacturers are designing large cross-model vehicle platforms and need strong powertrain suppliers who can take on a larger portion of the value chain. In emerging markets, the market for combustion engine vehicles is expected to continue to grow, especially in India and South America. Hydrogen and alternative fuels are an important supplement when it comes to decarbonizing applications like commercial vehicles or agricultural and construction machinery. Based on the market implications and our vision “We Share Future Mobility” and our mission “Efficiency in Motion”, MAHLE is working on the climate-neutral mobility of tomorrow with the aim of further expanding its position as one of the leading system suppliers in three strategic areas: Electrification, Thermal Management and Internal Combustion Engines. This will contribute to the Sustainable Development Goals (SDGs) “Industry, Innovation and Infrastructure” (SDG 9), “Responsible Consumption and Production” (SDG 12) as well as “Climate Action” (SDG 13).



In the area of Electrification, MAHLE focuses on innovations in the field of electric drive, components for fuel cells and batteries, as well as electric charging and associated solutions that enable e-mobility with maximum efficiency through cutting-edge technology. In this respect, MAHLE is addressing those specific topics that are currently still posing challenges for our customers: cruising range, performance, and fast-charging capability. The areas of application are vehicles of all kinds, including e-bikes, e-scooters, passenger cars, delivery vans, heavy-duty commercial vehicles, and off-road and industrial applications.

The second strategic core area is Thermal Management – i.e. the vehicle's heating and cooling. The aim here is to achieve energy efficiency and cabin comfort for sustainable mobility. MAHLE uses its in-depth expertise in the areas of powertrain, electronics, battery and in the passenger compartment to offer highly efficient and cost-optimized system architectures for all drive types and vehicle classes via a modular system approach.

In addition, MAHLE will continue to be an important competitive market player in combustion engine drives with superior products, lean cost structures, and long-standing relationships built on customer trust. If there is demand for combustion engines on the international markets, we can offer components for highly efficient engines that can also run on e-fuels, hydrogen, or other sustainable fuels. We advocate for competition for innovations and technologies to make the transport of people and goods globally climate neutral.

The entire automotive industry is changing, and the pace of technological transformation has increased. This applies primarily to the advance of electromobility and many of our customers are adjusting their plans accordingly. So are we. We support the transport sector's contribution to climate protection with a technology-neutral view of customers and markets and have developed technologies for all forms of drivetrains.

MAHLE has established a Global Bio-Mobility Center in Jundiaí, Brazil to support development and global rollout of combustion engines with renewable biofuels.

The MAHLE Tech Center in Jundiaí has dedicated resources for testing sustainable fuels. Digitalization is also part of this Tech Center, using simulation to optimize the efficiency of biofuel engines.

## Sustainable innovation

### E-Motor Technology Kit

MAHLE has developed a technology kit for electric motors that contains the benefits of its benchmark technologies. With this toolbox MAHLE can offer customized electrification solutions for any vehicle class, application, or even brand philosophy: the “perfect e-motor.”

It comprises the SCT (Superior Continuous Torque) electric motor and the MCT (MAHLE Contactless Transmitter) technology, which enables contactless transmission of current to the rotor coils in order to generate the required magnetic field without using permanent magnets. While SCT technology reduces the required amount of material for an electric motor by more than 40 percent compared to state-of-the-art cooling technology, MCT is an enabler for rare earth-free electric motors.



### SCT E-Motor

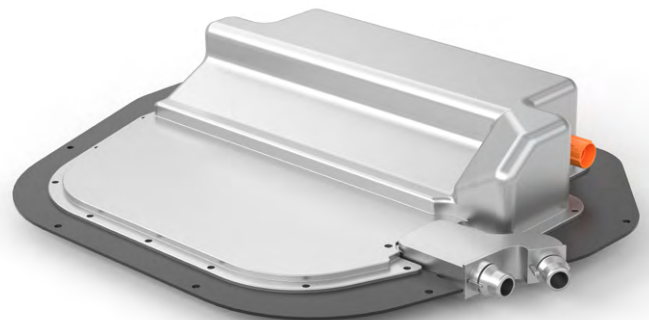
The MAHLE SCT (Superior Continuous Torque) electric motor is a key enabler for zero emissions mobility. The SCT technology reduces the required amount of material for an electric motor by more than 40 percent compared to electric motors as it has state-of-the-art cooling technology and same continuous performance. This makes the SCT technology a sustainable solution for the electrification of future vehicles because it reduces the correlated CO<sub>2</sub> emissions and other environmental impacts over the whole product life cycle while simultaneously reducing cost, weight, and volume. An electric motor with SCT cooling technology can also be designed without rare-earth materials when applied in an Externally Excited Synchronous Machine (EESM).



### Wireless Charging

In order to shape future mobility and intelligent energy infrastructures, MAHLE and Siemens have committed to fostering bi-directional inductive charging of electric vehicles. The contactless power transmission is based on coil systems utilizing resonant coupling with impedance matching networks between the vehicle and ground assembly units. Successful standardization efforts assure compatibility of vehicle and ground assemblies from different manufacturers will be compatible. The full automation of the inductive charging system without physical user interaction increases the average grid availability of vehicles providing energy infrastructure services. MAHLE expects large-scale deployment in public, semi-public and private areas, so wireless charging will become a key technology to utilize the battery capacity of the electric vehicle fleet as an integral part of the energy infrastructure and pave the way for the transition to renewable energies.

MAHLE has developed a positioning system that allows an electric vehicle to be simply, reliably and precisely aligned above the charging coil in the floor. It has been selected by SAE International as the global standard solution for wireless charging. SAE, the US-based, internationally renowned non-profit association for the progress of mobility technologies, therefore closes the last gap in the standardization of inductive charging that has been unfilled for ten years.



## Thermal management

Thermal management – i.e. heating and cooling in the vehicle – is very important in the development of efficient and CO<sub>2</sub>-neutral vehicles. It is complex and very demanding for inverters and transmissions as the number of components in electric vehicles that require cooling is quite high. Accordingly, we also have a relatively high amount of heat in some operating conditions that the cooling system has to absorb. And heat is energy – we have to use it carefully in electric vehicles, otherwise we immediately lose cruising range. The real-world driving range decrease is a significant challenge, especially in low or high outside temperature conditions.

In addition to the demand for efficiency, electric vehicles are challenging because some components, such as the battery, require a very narrow temperature window. Otherwise, the performance and service life will suffer, or there will even be immediate material damage. Incidentally, this also applies to the electric motor and the power electronics.



As a result, the classic cooling system is no longer sufficient. Coupling the battery with the refrigerant circuit of the air conditioning system is necessary, especially during fast charging conditions. It is even more intense in fuel cell vehicles, where thermal management is also becoming a key technology.

We are facing complex and diverse challenges as a result of the transformation to green energies. In a world that is moving ever faster, new approaches, agile working methods and tools for artificial intelligence must be combined with the structures and values of a traditional foundation company. The MAHLE bionic battery cooling plate demonstrates the company's ability to combine innovative engineering with sustainability and affordability.

The battery has ten percent more cooling capacity, 20 percent less pressure loss, and improved temperature distribution, so it is more efficient, more durable, and charges more quickly. The coral-inspired design reduces material usage by 15 percent, therefore cutting CO<sub>2</sub> emissions by 15 percent. The innovation MAHLE showcased at IAA Mobility 2023 signifies a shift in lithium-ion battery cooling.



The latest thermal management modules combining coolant and refrigerant circuits have also been showcased at IAA Mobility. These thermal modules mean less vehicle integration is required as various components are integrated in the pretested module. The integration of the components significantly reduces the losses in the coolant and refrigerant lines and therefore increases efficiency in the thermal management.



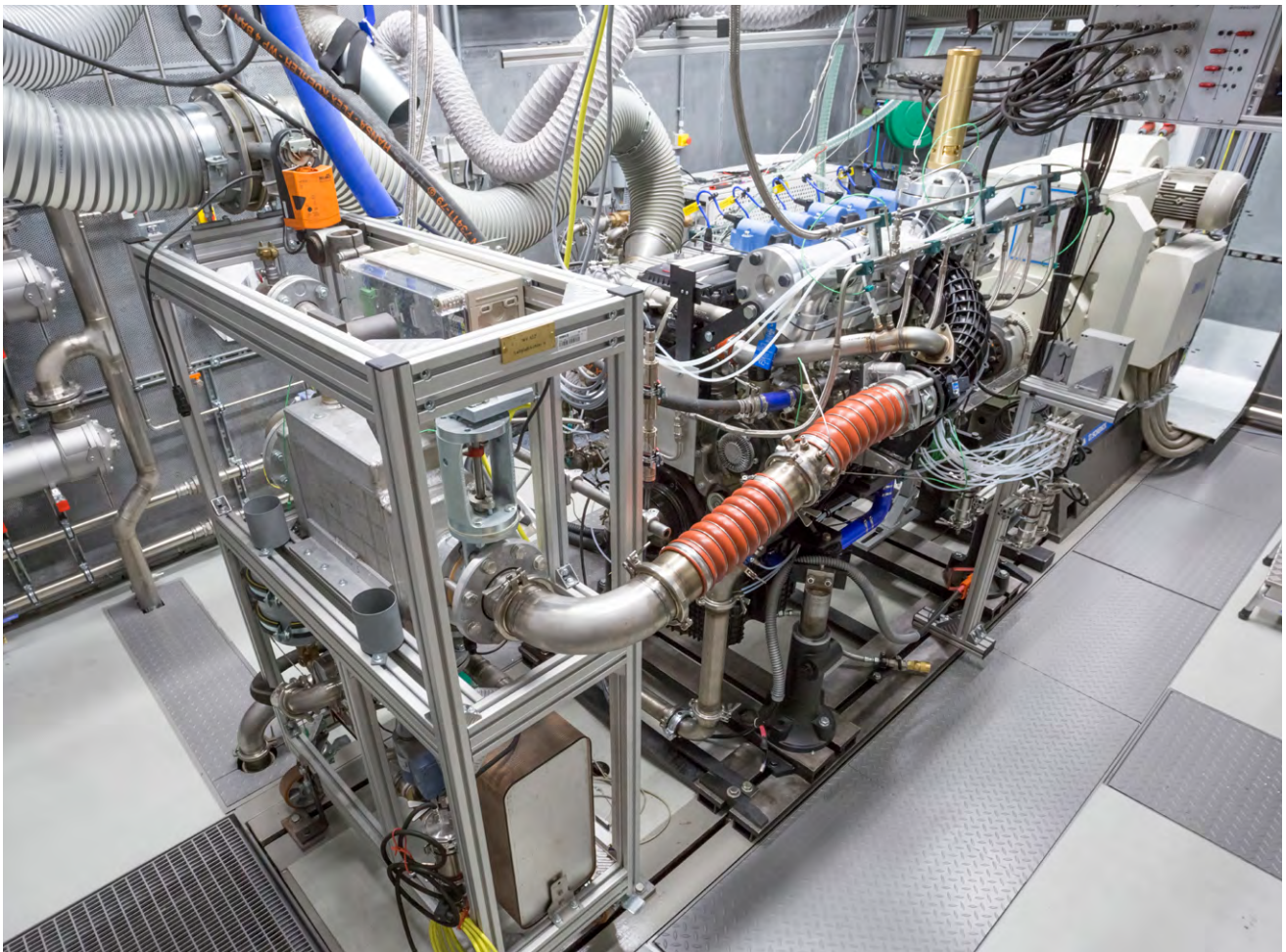
### Hydrogen combustion

In order to achieve the climate protection goals, MAHLE globally exploits the potential of all available powertrain technologies. We are therefore committed to technological diversity as part of our corporate strategy. In addition to e-mobility, including fuel cells and the associated thermal management, e-fuels and hydrogen have the potential to make many heavy-duty and off-highway applications CO<sub>2</sub>-neutral in the short term. MAHLE considers the climate-neutral green combustion engine, which runs on non-fossil fuels such as hydrogen, to be one of the future technologies for a sustainable powertrain mix.

In 2023, MAHLE received a series order from engine manufacturer DEUTZ for the development and supply of components for

hydrogen engines. DEUTZ plans to use these so-called power cell units (PCU), i.e. units consisting of piston, piston ring pack, and piston pin, in hydrogen engine generator sets for the first time from the end of 2024. Further applications in the off-highway sector, such as agricultural and construction machinery, are planned. These new engines can be operated in a climate-neutral manner using hydrogen produced from renewable sources since no CO<sub>2</sub> is emitted when the hydrogen is burned. MAHLE has already been working on engine systems for hydrogen for six years and on other climate-neutral fuels for over 20 years.

Hydrogen engines are ideal for high-load applications with intermittent load steps and are robust in harsh environments with heat, contamination and vibration.



Hydrogen engine on test bench



### Climate-friendly micro mobility

MAHLE SmartBike Systems, headquartered in Palencia, Spain, offers a wide range of innovative solutions for e-bikes, including hub and mid-drive systems. The commitment of MAHLE SmartBike Systems is to create a compact, highly efficient system and components. Our designs are driven by the aim to provide the best value to riders, while striving to minimize environmental impact through minimal use of resources.



### Battery Service Solutions

The group is also working on products for electromobility in the service and spare parts business. Battery diagnosis is essential for maintaining and repairing an electric vehicle – and it also plays an important role in determining the residual value. MAHLE Aftermarket has therefore developed diagnostic and service solutions that allow independent workshops to carry out vehicle and manufacturer-independent battery diagnostics. The E-HEALTH Charge battery diagnostic solution combines charging and diagnosis and provides reliable information about the “health status” of the high-voltage battery.



## Quality and product responsibility | CQ

Our standardized, group-wide management system, which covers the requirements of IATF (The International Automotive Task Force) 16949, has ensured quality for many years. This system is coordinated and controlled by the Corporate Quality department. Management system representatives at the manufacturing and development sites assume the implementation of our MAHLE business processes in their entities. This ensures that all development sites are successfully certified in accordance with ISO 9001 and all production sites in accordance with the additional requirements of the automotive industry in accordance with IATF 16949.

In addition, ambitious quality targets are an element of our annual corporate planning. We define these targets top-down, substantiate them bottom-up and then consolidate them globally across the operating units. Our group-wide reporting of relevant quality data ensures that accurate information on the quality performance of all units is available at all times.

Malfunctions can have serious consequences in the case of safety-related components for automobiles. We therefore assume responsibility for the safety of our products throughout their planned life cycle by defining their function description for customers.

We reduce risks in series production through quality assurance measures and monitor conformity with our specifications through audits. Identified weaknesses and errors are systematically analyzed and consistently eliminated. If a product recall becomes necessary despite all these precautions, MAHLE works in close coordination with its customers and the relevant supervisory authorities. An ad hoc reporting chain is used to inform the business unit's management and the MAHLE Management Board.

As a result of our activities, we were able to stabilize the number of customer complaints in the Automotive division on the same level as previous year. We were able to improve the PPM rate of non-conforming parts by 30 percent in 2023 compared to the previous year. Our customers once again acknowledged the quality of our products and services as we received more than 50 awards in the 2023 business year.

# Sustainable Finance

*The finance sector changes rapidly and acknowledges ESG (Environment, Social, Governance) aspects more and more in its investment decisions. Finance is crucial for ambitious sustainability targets like the Paris Agreement, the transition to a circular economy and the transformation of the transportation sector. At the same time, new requirements like the EU taxonomy delegated acts impose additional reporting requirements. MAHLE aims to become a proactive participant in the evolving market segment of sustainable finance.*

## At a glance

- **MAHLE is working on the accessibility for participation in the evolving sustainable finance market**
- **MAHLE adapts financial reporting processes to be future proof for European Taxonomy regulations**

One of the most recent topics of the MAHLE sustainability strategy is Sustainable Finance. MAHLE worked on the further development of standards and rules for sustainable finance.

MAHLE plans to invest in projects that have a positive impact on the environment and thus, help to achieve the goals of the Paris Agreement as well as the UN SDGs. MAHLE aims to adapt its financing strategy suitable to its mission by the issuance of sustainable finance instruments. MAHLE wants to diversify its investor base and broaden it with existing investors. The ambition of MAHLE is the usage of finance instruments which:

- finance and/or refinance projects that comply with the MAHLE core businesses and Sustainability Strategy, and
- are linked to the achievement of specific sustainability goals.

In addition to that, MAHLE continued to prepare for the EU taxonomy regulation which will oblige the company to report on the share of turnover, capital and operational expenditure linked to sustainable economic activities from 2025 onwards. Apart from intensive monitoring of the political process and participation in industry working groups, MAHLE focuses to adapt internal reporting processes to fully meet the sustainable finance requirement of internal and external stakeholders as well as the EU taxonomy.

# The MAHLE FOUNDATION

*Our company founders, Hermann and Dr. Ernst MAHLE, associated their commercial success with social responsibility at an early stage. In 1964, they established the MAHLE FOUNDATION.*

*This nonprofit foundation holds 99.9 percent of the shares in the MAHLE Group but has no voting rights, as a matter of principle. The foundation uses the annual dividend from the group's net income for the year to support social projects. This arrangement guarantees the group's independence and ensures that the majority of the profit generated can be reinvested in the company.*



In line with the objectives stated in its Articles of Association, the foundation is particularly involved in **health and nursing care, agriculture and food, education and upbringing, as well as art and culture**. It provides start-up financing but also supports a number of more long-term projects. One of its core projects has always been the construction and ongoing sponsorship of the Filderklinik (Filder hospital) in Filderstadt-Bonlanden near Stuttgart/Germany.

**The MAHLE FOUNDATION also supports around 150 projects and initiatives throughout the world every year. The initiatives are described in detail in the MAHLE FOUNDATION's Annual Report.**



<https://www.mahle-stiftung.de/en/downloads/>

# PwC Auditor's Report

## Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

To MAHLE GmbH, Stuttgart

We have performed a limited assurance engagement on the 2023 Sustainability Report of MAHLE GmbH, Stuttgart (hereinafter the "Company") for the period from 1 January to 31 December 2023 (hereinafter the "Report").

### Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria").

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

### Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP")

as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis - IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

### Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from 1 January to 31 December 2023 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Assessment of the process for conducting the materiality analysis in accordance with the GRI criteria
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Inspection of processes for collecting, controlling, analyzing and aggregating selected data at specific sites of the Company on a sample basis, incl.
  - Physical site visit at Shanghai and Yingkou, China
  - Virtual site visits and document reviews at Mnichovo Hradiste, Czech Republic; St. Michael ob Bleiburg, Austria; Ramos Arizpe, Mexico; Timisoara, Romania; Rottweil, Germany; Krotoszyn, Poland; Tsuruoka, Japan and Morristown, USA
- Analytical evaluation of selected disclosures in the Report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the group management report
- Evaluation of the presentation of the Report
- Evaluation of CO<sub>2</sub> compensation certificates exclusively with regard to their existence, but not with regard to their impact

### Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes

us to believe that the disclosures in the Company's Report for the period from 1 January to 31 December 2023 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

### Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Frankfurt am Main, 18 March 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke

ppa. Thomas Groth

Wirtschaftsprüfer  
[German public auditor]

# SDG Index

## UN Sustainable Development Goals relevant to the MAHLE Group

SDG	Goals	2023 Status	Page
	<ul style="list-style-type: none"> <li>■ Certify all production plants in accordance with ISO 45001 by 2024</li> <li>■ Further reduce the LTIR accident rate, goal for 2024: 2.8 accidents/million working hours</li> </ul>	<ul style="list-style-type: none"> <li>■ ISO 45001: 123 locations certified</li> <li>■ LTIR accident rate 2023: 2.8</li> </ul>	36-38
	<ul style="list-style-type: none"> <li>■ New targets for proportion of women were set: By 2025, 25% in the Supervisory Board By 2027, 29% in the Management Board By 2030, 13% on first executive level and 18% on second executive level</li> </ul>	<ul style="list-style-type: none"> <li>■ Target of 20% representation of women in Supervisory Board met</li> <li>■ 8.4% on first executive level and 11.1% on second executive level were reached in 2023</li> <li>■ Global diversity and inclusion commitment</li> </ul>	34-35
	<ul style="list-style-type: none"> <li>■ Equal pay guarantee</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Identify locations with water risks</li> </ul>	<ul style="list-style-type: none"> <li>■ 21 locations with water risks identified</li> <li>■ Improved water reporting to the CDP Water, Rating B</li> </ul>	25
	<ul style="list-style-type: none"> <li>■ Operate our own PV systems</li> <li>■ Increase energy efficiency by 2% every year</li> </ul>	<ul style="list-style-type: none"> <li>■ Energy consumption as measured against sales: 248 MWh, YoY: -3%</li> <li>■ 29 locations with certified energy management system, eleven in accordance with ISO 50001 and 18 in accordance with EMAS</li> <li>■ PV installation in Izmir, Turkiye became operational</li> <li>■ 100% use of renewable electricity in Germany and Austria</li> <li>■ Reduction of Scope 1 &amp; 2 emissions by 43% compared to 2019</li> </ul>	16-21
	<ul style="list-style-type: none"> <li>■ Ensure high-quality working conditions</li> </ul>	<ul style="list-style-type: none"> <li>■ Communication with employee representation bodies</li> <li>■ Conform with statutory regulations and offer supplementary benefits at many locations</li> <li>■ MAHLE Business Code</li> <li>■ MAHLE Principles on Social Responsibility released in 2022</li> </ul>	26-35, 42
	<ul style="list-style-type: none"> <li>■ Contribute to sustainable mobility</li> </ul>	<ul style="list-style-type: none"> <li>■ Affirmed strategic focus on Electrification, Thermal Management and highly efficient Internal Combustion Engines</li> </ul>	48-53
	<ul style="list-style-type: none"> <li>■ Assess environmental impacts of products</li> <li>■ Increase the share of recycled content</li> </ul>	<ul style="list-style-type: none"> <li>■ New LCA methodology externally approved</li> <li>■ 5.3% recycling content of resins</li> <li>■ Waste as measured against sales: 14 tons/€1 million</li> <li>■ 145 locations certified in accordance with ISO 14001</li> </ul>	22-24
	<ul style="list-style-type: none"> <li>■ Become CO<sub>2</sub> neutral by 2040 (Scope 1 &amp; 2)</li> <li>■ Reduce Scope 1 &amp; 2 emissions by 49% by 2030</li> <li>■ Reduce Scope 3 emissions Cat. 01 &amp; Cat. 11 by 28% by 2030</li> </ul>	<ul style="list-style-type: none"> <li>■ Report carbon emissions to the CDP, Rating B</li> <li>■ Scope 1 and 2 emissions as measured against sales: 62 kt/EUR million sales (-18% YoY)</li> <li>■ German locations set CO<sub>2</sub>e neutral</li> <li>■ Near-term climate targets 2030 validated by Science Based Targets initiative</li> </ul>	16-18, 48-53

SDGs chosen based on analyses of customer requirements and the MAHLE Materiality Matrix.



# GRI Content Index

All major, relevant sustainability topics are organized by means of an integrated management approach for the purpose of identifying and avoiding risks. The components of the approach, including policies, goals, responsibilities, resources and feedback

mechanisms, are regularly internally reviewed to ensure their effectiveness. Modifications and optimizations are made in line with current requirements. If there is an additional approach for a specific topic, this is explicitly stated in the applicable chapter.

GRI Standard	Disclosure	Page	Omissions/explanations
<b>GRI 2: General information 2021</b>	2-1: Organizational details	06-11	
	2-2: Entities included in the organization's sustainability reporting	06-11, AR 23	See MAHLE Annual Report 2023
	2-3: Reporting period, frequency and contact point	67	The MAHLE Sustainability Report is published annually.
	2-4: Restatements of information	n/a	No restatements were necessary.
	2-5: External assurance	56-57	The Sustainability Report 2023 has been externally assured by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. A limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) was performed.
	2-6: Activities, value chain, and other business relationships	06-11, 39-41	
	2-7: Employees	10-11, 26, 27, 31	
	2-8: Workers who are not employees	30-32	
	2-9: Governance structure and composition	06-09, 43-47	<b>a.</b> The MAHLE Group <b>b.</b> Sustainability Management <b>c.</b> See Annual Report 2023
	2-10: Nomination and selection of the highest governance body	AR 23	See Annual Report 2023
	2-11: Chair of the highest governance body	12	
	2-12: Role of the highest governance body in overseeing the management of impacts	12	<b>c.</b> At least annual review

GRI Standard	Disclosure	Page	Omissions/explanations
	2-13: Delegation of responsibility for managing impacts	12	
	2-14: Role of the highest governance body in sustainability reporting	12	
	2-15: Conflicts of interest	AR 23	See Annual Report 2023
	2-16: Communication of critical concerns	12, 43-47	
	2-17: Collective knowledge of the highest governance body	12	
	2-18: Evaluation of the performance of the highest governance body	AR 23	See Annual Report 2023
	2-19: Remuneration policies	n/a	Not disclosed for confidentiality reasons.
	2-20: Process to determine remuneration	n/a	Not disclosed for confidentiality reasons.
	2-21: Annual total compensation ratio	n/a	Not disclosed for confidentiality reasons.
	2-22: Statement on sustainable development strategy	04-05	
	2-23: Policy commitments	04-05, 14, 15, 39, 46	
	2-24: Embedding policy commitments	04-05, 14, 15, 39, 46	
	2-25: Processes to remediate negative impacts	12-14, 44-49	
	2-26: Mechanisms for seeking advice and raising concerns	12-14, 44-49	
	2-27: Compliance with laws and regulations	43-47	No more details disclosed for confidentiality reasons.
	2-28: Membership associations	04-05, 14, 39	
	2-29: Approach to stakeholder engagement	12-15	
	2-30: Collective bargaining agreements	31-32	
	3-1: Process to determine material topics	13	
	3-2: List of material topics	13	

# Topic-specific standards

GRI Standard	Disclosure	Page	Omissions/explanations
<b>Procurement Practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 39-42	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	n/a	<b>a., b., c.</b> Not applicable: In the automotive industry, we comply with global standards, which means we must use global supply markets to ensure constant product quality and supply.
<b>Anticorruption</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 13-47	
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	n/a	<b>a.</b> Confidentiality constraints: numbers of operations assessed for corruption are not published for reasons of confidentiality.
	205-2 Communication and training about anticorruption policies and procedures	43-47	Only absolute figures are given. <b>a., b., d. and e.</b> Further explanation: training modules are mandatory for members of the Management Board, members of the MAHLE Management Committee and for executives and employees in risk-exposed areas. <b>c.</b> We inform all our suppliers about the binding MAHLE Supplier Code of Conduct. The Supplier Code of Conduct and the MAHLE Business Code are also published online and are available for all business partners and the public.
<b>Anticompetitive Behavior</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 44-46	
GRI 206: Anticompetitive Behavior	206-1 Legal actions for anticompetitive behavior, antitrust, and monopoly practices	n/a	<b>a., b.</b> Confidentiality constraints: numbers of such legal actions are not published for reasons of confidentiality. AR 2023
<b>Materials</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 22-23	
GRI 301: Materials 2016	301-2 Recycled input materials used	23	
<b>Energy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 20-21	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20	<b>a.</b> From table: 'other' sources includes propane, LPG, diesel, gasoline, and district heat/steam. <b>c. ii./iii.</b> Information unavailable: proportion of heating vs. cooling <b>d.</b> Not applicable to our business <b>f.</b> We adhere to the GHG Protocol <b>g.</b> DEFRA 2021, IPCC 2006, IEA 2022
	302-3 Energy intensity	20	<b>b.</b> The denominator is sales <b>d.</b> Within the organization
	302-4 Reduction of energy consumption	20	<b>c.</b> Base year is 2019 <b>d.</b> Calculation methods as per GHG Protocol

GRI Standard	Disclosure	Page	Omissions/explanations
<b>Water and Effluents</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 25	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	n/a	<b>a.</b> Information unavailable: our locations are responsible for their compliance with local prescribed and legal requirements. We do not have a global minimum standard set for the quality of effluent discharge.
	303-3 Water withdrawal	25	<b>a. iii.</b> Not applicable. We do not source sea-water. <b>c.</b> Information unavailable: we do not yet aggregate data by freshwater/other water. <b>d.</b> Geothermal water is not included.
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 17-19	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	18	<b>b.</b> All types of greenhouse gases included <b>c.</b> Not applicable to our industry <b>e.</b> Emission factors are site-specific and CO <sub>2</sub> e equivalents are based on the DEFRA 2021 and IEA 2022. GWP rates correspond to IPCC Fifth Assessment Report. <b>f.</b> Operational control
	305-2 Energy indirect (Scope 2) GHG emissions	18	<b>e.</b> Emission factors are site-specific and CO <sub>2</sub> e equivalents are based on the DEFRA 2021 and IEA 2022. GWP rates correspond to IPCC Fifth Assessment Report.
	305-3 Other indirect (Scope 3) GHG emissions	19	
	305-4 GHG emissions intensity	18	<b>b.</b> The denominator is sales <b>c.</b> Scope 1 and Scope 2 included <b>d.</b> All types of greenhouse gases included, given as CO <sub>2</sub> equivalents
	305-6 Emissions of ozone-depleting substances (ODS)	n/a	Information unavailable: we do not yet aggregate information on air pollutants, such as NO <sub>x</sub> (nitrogen oxides), SO <sub>x</sub> (sulfur oxides), or ODS (ozone-depleting substances), across the group.
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	n/a	

GRI Standard	Disclosure	Page	Omissions/explanations
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 23-24	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	n/a	<b>a. i., ii.</b> Information unavailable: we are in the process of improving our waste management approach.
	306-2 Management of significant waste-related impacts	24	<b>b.</b> Our plants adhere to local waste regulations and manage waste in accordance with general ISO 14001 requirements. <b>c.</b> Waste data is managed in our central HSE database.
	306-3 Waste generated	24	
<b>Supplier Environmental Assessment</b>			
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	13, 39-40	Our processes require an environmental assessment of all new suppliers and a comprehensive database is under development.
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 39-40	
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 26-35	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	29-30	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35	We are in the process of creating a group-wide database to collect further information on some of these benefits. <b>a. i.–iii.</b> Information unavailable: some locations offer sick leave and accident insurance, but this is decided on a local level. <b>a. iv.</b> See 401-3 <b>a. v.</b> Information unavailable: we offer supplementary benefits at many locations, such as a company-funded pension scheme in Germany. <b>a. vi.</b> There is no employee stock ownership plan at MAHLE.
	401-3 Parental leave	n/a	<b>a.</b> Information unavailable: in alignment with legal requirements. <b>b.–e.</b> Information unavailable: we are in the process of creating a group-wide database. Information is currently available for Germany only.
<b>Labor-Management Relations</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 26-35	
GRI 402: Labor-Management Relations 2016	402-1 Minimum notice periods regarding operational changes	n/a	Information unavailable

GRI Standard	Disclosure	Page	Omissions/explanations
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 36-38	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	36	
	403-2 Hazard identification, risk assessment and incident investigation	36-38	<p><b>b.</b> Further explanation: the processes for workers to report hazards is location-specific and according to the management system. Workers can report any violations via the Integrity Platform, which ensures confidentiality and anonymity.</p> <p><b>c.</b> Information unavailable: an answer on a global level cannot be given, but the regions and individual locations may have such policies.</p>
	403-4 Worker participation, consultation and communication on occupational health and safety	36-38	<p><b>a.</b> Further explanation: locations have implemented local processes for worker participation and consultation.</p> <p><b>b.</b> Information unavailable: we do have safety committees (see chapter 'Working at MAHLE') but more detailed descriptions are not available due to disparities between locations.</p>
	403-5 Worker training on occupational health and safety	37	
	403-6 Promotion of worker health	37	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36-38	In the event that our business partners are directly or indirectly affected by the impact of an incident, we tell them at the earliest opportunity.
	403-9 Work-related injuries	37-38	<p><b>a. i., ii.</b> Confidentiality constraints: numbers and rates of fatalities and high-consequence injuries are not published for reasons of confidentiality.</p> <p><b>a. iv.</b> Information unavailable: types of injury are not yet documented in a standardized form. We are working on a centralized method of data acquisition.</p> <p><b>b. i.-v.</b> Information unavailable: data not yet recorded</p> <p><b>c. i.-ii.</b> Confidentiality constraints: work-related hazards are not published for reasons of confidentiality.</p> <p><b>e.</b> Rates have been calculated based on 1,000,000 hours worked.</p> <p><b>f.</b> Information unavailable: data not yet recorded</p>



GRI Standard	Disclosure	Page	Omissions/explanations
<b>Training and Education</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 32	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	32	Information not available
	404-2 Programs for upgrading employee skills and transition assistance programs	32	<b>b.</b> We offer our employees numerous transition assistance programs, such as for going into retirement.
	404-3 Percentage of employees receiving regular performance and career development reviews	32	<b>a.</b> Information unavailable: our system does not yet allow for a breakdown of total employees who received a performance and career review by gender or employee category. It is only possible to do so by location. In the future, performance reviews will be mapped on a different system that will allow a more detailed breakdown of evaluation criteria.
<b>Diversity and Equal Opportunity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 33-35	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33-35	
<b>Nondiscrimination</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 26, 33-35	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	n/a	<b>a.</b> Confidentiality constraints: numbers of reported incidents are not published for reasons of confidentiality. <b>b.</b> Confidentiality constraints: details of reported incidents are not published for reasons of confidentiality. <b>i.–iv.</b> In accordance with the provisions of the MAHLE Group Compliance Organization Guideline, all incidents of discrimination are assessed and corrective actions are taken from appropriate bodies.
<b>Freedom of Association and Collective Bargaining</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 31	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	31	Information unavailable: no breakdown by operations, suppliers and countries is available.

GRI Standard	Disclosure	Page	Omissions/explanations
<b>Child Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 40, 42	
GRI 408: Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	40	Risk assessment data shows no significant risk.
<b>Forced or Compulsory Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 40, 42	
GRI 409: Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	40	Risk assessment data shows no significant risk.
<b>Supplier Social Assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 39-40	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	39-40	Our processes require a social assessment of all new suppliers. More detailed information unavailable as a comprehensive database is under development.
	414-2 Negative social impacts in the supply chain and actions taken	n/a	Information unavailable.
<b>Customer Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13	
	416-1 Assessment of the health and safety impacts of product and service categories	n/a	Information not available
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	n/a	Information not available
<b>Mobility</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 48-53	

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