

GENTHERM

Sustainability Report

2023





01 INTRODUCTION

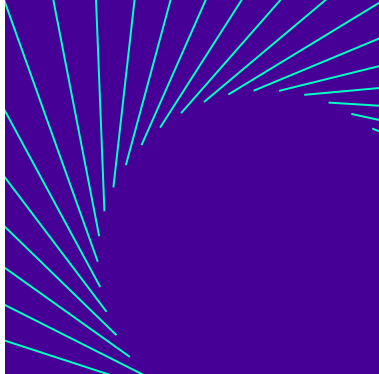
Gentherm's corporate strategy and sustainability focus are intertwined. As we improve on our environmental and efficiency metrics, we also make progress toward our business goals. Industry benchmarks and standards guide our actions, and we work to ensure that our reporting is transparent and complete. Please visit our [ESG website](#) for the most up-to-date data and information.



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A Letter from our CEO



"As we continue on our sustainability journey, and progress toward our environmental goals, I am confident we will remain steadfast in our mission to foster a greener and more sustainable future."



While navigating through this past year, our team delivered record new business wins and revenues as we experienced uncertainty and embraced change amidst a challenging operating environment. We did this while progressing on our goals in the environmental, social and governance (ESG) space, which is at the core of Gentherm's identity.

One of our goals in 2023 was to fully integrate the Alfmeier and Dacheng Medical acquisitions into Gentherm. With this significant milestone complete, we are developing ESG targets that reflect our new footprint, creating a sustainable future for our employees, customers, communities and other stakeholders. We also remain steadfast to our overall goal of a 59% reduction in Scope 1 and Scope 2 emissions by 2035.

Across the world, our teams are advancing ESG efforts at our facilities through sustainability driven improvements such as new solar installations in North Macedonia and Vietnam that reduces carbon emissions while also delivering cost savings.

We continued to design and deliver innovative technologies that help automakers reach their carbon reduction goals. In 2023, Gentherm's ClimateSense® was recognized for the Reuters' Automotive D.R.I.V.E Honour for reducing emissions and was named a finalist for the prestigious 2023 Automotive News PACE Award. We unveiled WellSense™, a software-defined consumer experience that delivers customized in-cabin comfort sensations that promote wellness and well-being. This next evolution of our software-enabled technologies positions the company at the nexus of health, wellness, comfort, and energy efficiency. It also unlocks a new revenue source, further demonstrating what benefits the planet and our customers can strengthen our business.

As we continue on our sustainability journey, and progress toward our environmental goals, I am confident we will remain steadfast in our mission to foster a greener and more sustainable future.

Sincerely,

Phil Eyer
President and Chief Executive Officer



02 ABOUT US

At Gentherm, our global team is focused on delivering on our mission statement: Creating and delivering extraordinary solutions that make meaningful differences in everyday life, by improving health, wellness, comfort and energy efficiency.



Gentherm at a Glance

13

countries

30+

distinct locations

14,000+

employees

450+

patents issued

50+

OEM customers

\$1.5B

revenue in 2023

included on approx.

1,500

vehicle makes and platforms

customers in

100+

different countries



\$2.6 Billion

in new automotive business awards in 2023



57%

female workforce



ZERO

known security breaches



3 MODALITIES

only manufacturer that offers convective, conductive & resistive modalities for patient temperature management



56

patents issued to Gentherm employees in 2023

2023 Highlights

01 SOLAR INSTALLATION



North Macedonia, generating 650,000 KWH per year, approximately 10-12% of the site's annual electricity use; Vietnam expected activation in 2024, generating 1,800,000 KWH per year, approximately 20% of the site's needs.

02 RENEWABLE ENERGY



Six of our locations are running on 100% renewable energy. These locations include: 1 in the U.S., 4 in Germany and 1 in the Czech Republic.

03 AWARDS



Hungary Chamber of Commerce Trusted Employer, Top Employees Institute's Top Employer in Germany and Detroit Free Press' Michigan Top Workplace.

04 TRAINING



500,000+ employee training hours, 38-40 hours average per employee.

05 SCOPE 3 EMISSIONS

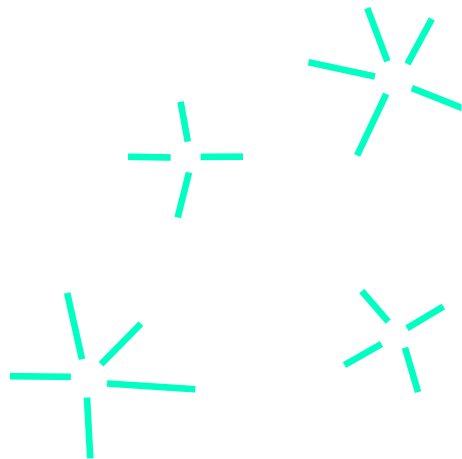


Established sustainability guidance for our suppliers.

06 DIVERSITY REPRESENTATION



3.6% growth of diversity representation (global females and minorities in the U.S.) for our global Director and VP population.





03

SUSTAINABILITY APPROACH

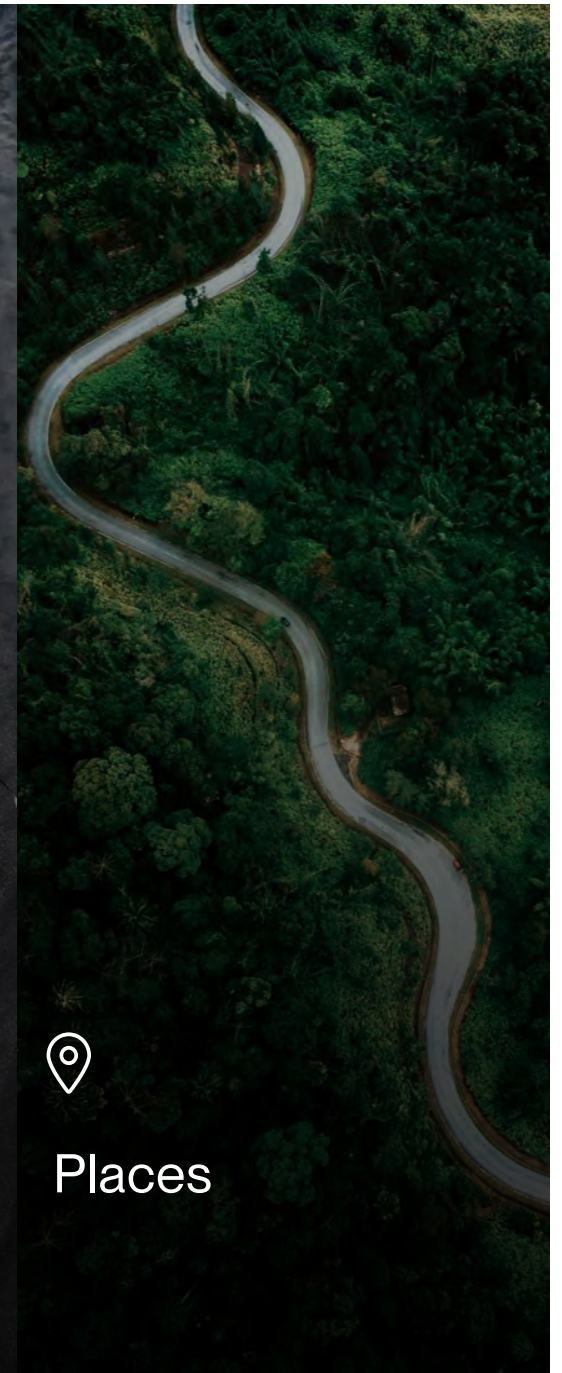
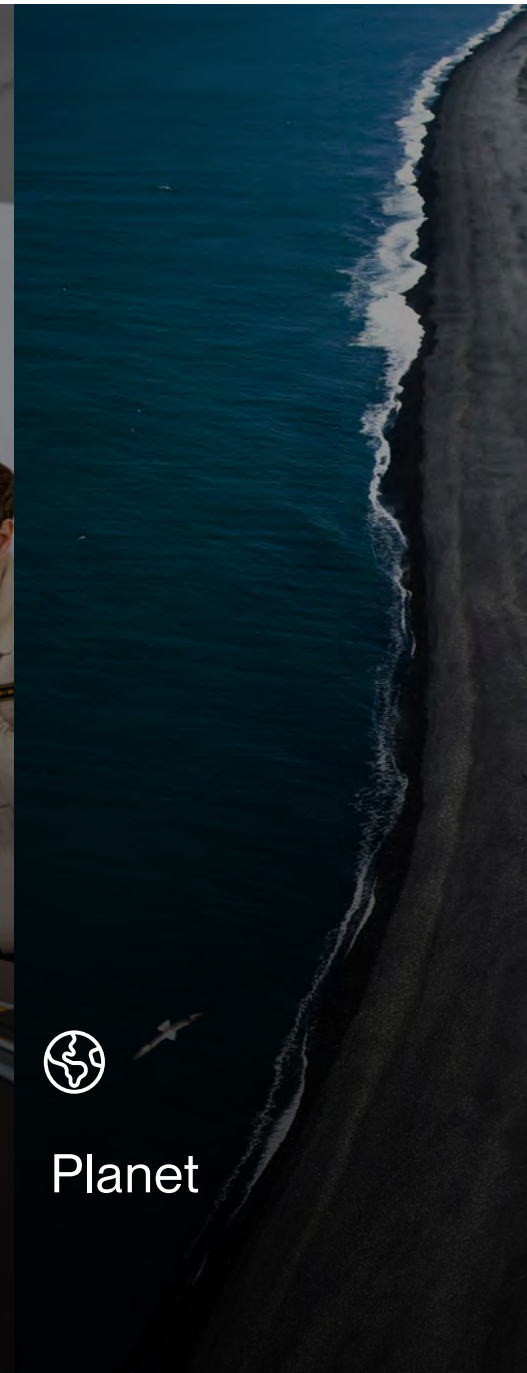
Sustainability is part of Gentherm's culture and embedded in our DNA, from how we treat and train our team to being good corporate citizens within our communities. As we publish our fifth sustainability report, we continue to believe that our efforts help drive success and create long term value.

Sustainability is a dynamic area. We are adding skills to our toolbox and providing information to our stakeholders that helps them better understand our sustainable focus. We are also charting a path that best supports long term objectives aligning with emerging standards such as recently announced U.S. SEC legislation around climate disclosures and the EU CSRD requirements.

People create our success. Our leaders treat employees with respect and provide a safe working environment, career opportunities, development and coaching.

We strive to minimize our environmental impact on the **Planet**, from reducing a vehicle's environmental impact with innovative products to improving our operations through more efficient use of resources and reduced emissions. We also consider what materials go into our products, the impacts of the materials used, and how they are dealt with at the end of their useful life.

Community involvement and support vary across **Places** as we aim to be a positive force in the communities where we operate. Our teams support STEM education and training along with financial support for local charities.





As part of being transparent and communicating with our stakeholders, we report sustainability-related information to:

- CDP Climate Change
- CDP Water Security
- CDP Forests
- Sustainability Accounting Standards Board (SASB)
- Ecovadis and NQC / SAQ
- United Nations Sustainable Development Goals

Leadership

Our Environmental, Social & Governance (ESG) steering committee provides guidance and leadership for our program. This cross-functional team of senior leaders, sustainability program leaders and key contributors from manufacturing, human resources and corporate strategy reviews project activity, sets goals, determines messaging and implements new policies.

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

The Annual Incentive Program for Senior Leadership includes a sustainability-related metric. Additional key leaders and team members within the company also have performance evaluations directly related to sustainability objectives, further driving focus and accelerating achievements.

External Audit

As sustainability programs and reporting mature, using third parties to conduct audits of program effectiveness and data accuracy is growing. Under recently released SEC guidelines, external assurance of climate information will be required in future years.

Though not yet a required process, in 2023 Gentherm decided to be proactive and engaged a well-known outside agency to conduct a thorough review of our sustainability program. It covered our general program and processes, looked at our system and tools used for calculating our environmental data, and reviewed evidence documentation and data-gathering practices.

The results confirmed the solid foundation of our program, how we measure and calculate emissions, and how we disclose information. It also identified growth opportunities that we have incorporated into our program, helping ensure that we are constantly working to get better.

Gentherm always strives to align our program with benchmarks and best practices, as well as plan for future requirements. This outside view of our sustainability efforts confirmed the strength of many components while also providing guidance to further our journey.

Reporting Standards and Transparency

Gentherm has matured its sustainability reporting as our program expands and grows, using industry benchmarks and standards for guidance and direction. In addition to this annual report, we share information and data as it's finalized, using a dedicated [ESG / sustainability](#) section on our website.

Sustainability Partnerships and Programs

As Gentherm continues to progress on our journey, we look to learn more, understand best practices, and forecast next steps. We support this process by forming partnerships and establishing relationships with industry sources and experts.



In 2023, Gentherm engaged Schneider Electric to analyze our locations around the world and identify the most efficient, cost-effective ways to boost renewable energy (RE) usage. Their recommendations strengthened our increased RE usage plan, which is a key driver to lowering our Scope 2 emissions.



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



As part of this industry group since 2022, Gentherm works with other companies in the automotive supply chain to discuss roadblocks and hurdles on the path to sustainability and reduced emissions. By participating in roundtables to tackle issues and develop industry standards, Gentherm is helping create the path toward sustainability for automotive-related companies.



04 TECHNOLOGY

At Gentherm, our products and technologies help us deliver on our mission statement while also supporting our sustainability path. From developing new products, implementing new manufacturing techniques, negotiating products and sales with customers, or sourcing materials, sustainability is a key part of the equation.



Product Carbon Footprint (PCF)

As global industries move toward more sustainable business operations, understanding the carbon impact of companies goes beyond measuring the organizations' emissions. Calculating the product carbon footprint (PCF) of each product provides a more complete picture. These multi-faceted, detailed calculations require understanding the different grades and types of materials used during manufacturing, where those materials are sourced from geographically, where the finished product is shipped, and much more.

The emergence of PCF calculations over the last few years created a demand for companies to create tools and processes to support these complex calculations. While the processes are still being refined, Gentherm added dedicated resources and tools to support this important, customer-required process.

In addition to calculating our products' PCF, our team was able to use their learnings to drive significant improvement in 2023, including:

01

Identifying opportunities to use post-consumer recycled plastics instead of virgin plastic, resulting in reduced GHG emissions.

02

Increasing the percentage of recycled metals and the awareness around requesting recycled metals in our products.

Our PCF process also helped us find tangential improvement opportunities. At two of our major manufacturing sites, our team noticed that every finished good of a particular type was packaged in a plastic bag before being further packaged. The team investigated the process and confirmed that the plastic bag was extraneous. We eliminated the unnecessary packaging and as a result, removed over 55,000 plastic bags per year from our supply chain—providing environmental benefits while also driving cost savings.

“Trends are shifting toward consumers using their vehicles as a third living space, offering an additional revenue opportunity for OEMs to address consumer health and wellness needs. The launch of WellSense is the next evolution of our software enabled technologies that positions the company at the nexus of health, wellness, comfort and energy efficiency.”

PHIL EYLER

President and CEO



Gentherm Automotive

At Gentherm, our products continue to evolve and advance, integrating valve, massage and lumbar components into our already existing product portfolio. By combining these technologies into new and exciting products, we are better able to offer our customers cutting-edge solutions that help us deliver on our mission statement.

Another component of our strategy includes partnering with key technology leaders. By leveraging our expertise in human thermophysiology and physiotherapy, we can address current and future industry preferences.

These products, sourced and engineered under our sustainability guidelines, further demonstrate that what is good for our business can also be good for the planet.

WellSense™

Our newest automotive product is our groundbreaking [WellSense](#) offering. This software-defined consumer experience delivers in-cabin comforts that promote wellness, well-being and alertness. The WellSense software development kit can be combined with additional vehicle features like in-cabin audio, visual and aromatic stimulation to deliver sensations beyond traditional comfort.

WellSense offers a library of scientifically-designed experiences around the following themes:

- **Physical well-being:** Utilizes heating and massage to stimulate muscles, ease muscle tension and relax the mind to support lower back health.
- **Cognitive well-being:** Builds upon previously announced alertness concepts to coordinate thermal and pneumatic technology to provide solutions to help keep a driver alert.
- **Healthy lifestyle:** Helps promote a healthy lifestyle, including pre and post workout solutions for the fitness community and experiences to help target stress management.

ClimateSense®

Gentherm’s microclimate comfort system, ClimateSense, combines state-of-the-art hardware and software to deliver occupant comfort. Focusing on individual passenger comfort also reduces reliance on centrally heating or cooling the vehicle cabin, boosting energy efficiency.

External testing has proven this personalized comfort solution significantly impacts electric vehicle range in cold temperatures and drives energy savings in hot weather.



COLD WEATHER TESTING (-7°C)

over
50% - 69%
energy savings



HOT WEATHER TESTING (25°C with 850w/M2 solar load)

over
34%
energy savings

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

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





Climate Control Seats (CCS®)

Gentherm's CCS seating products include CCS-A (active) and CCS-V (vent). Both product lines leverage patented technologies that improve energy efficiency and reduce vehicle emissions while also providing customers thermal comfort through seating surfaces.

A study conducted by the U.S. Department of Energy's National Renewable Energy Laboratory ([NREL, 2017](#)) confirmed that vehicles using Gentherm's CCS product produce lower CO₂ emissions (per mile driven, under similar conditions) than those without the same CCS equipment.

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

These reductions, measured in grams per mile, can avoid massive quantities of emissions. If every new vehicle sold in the United States (representing around 20% of the global relevant market) included CCS-V seats, we estimate that over 64,000,000 kg of CO₂e* emissions would be avoided per year — around two times the total of Gentherm's Scope 1 and Scope 2 emissions. This theoretical impact is approximately equal to:



The carbon impact from over **12,000** average homes electricity usage for a year



Over **145,000** barrels of oil removed from usage



Over **22,000** tons of waste recycled instead of landfilled



The impact of **18** wind turbines running for a full year

Pneumatic Controlled Seat (PCS™)

Gentherm's automotive seating products are at the forefront of industry trends and innovation. Further building on this leadership, we have expanded our product offerings to include pneumatic comfort solutions to enhance comfort and well-being—even allowing occupants to leave the vehicle feeling better than when the drive started. Our pneumatic solutions include three main lines:

PNEUMATIC LUMBAR SUPPORT

Already proven in millions of vehicles around the world, Gentherm's advanced pneumatic technology elevates seating comfort by offering precise personal settings, allowing occupants to select their ideal configuration. While air cushions comfortably conform to individual back pressure points, our exclusive valve technology ensures rapid, vibration-free response with every adjustment.

PNEUMATIC MASSAGE

Preventing tension and delivering relaxing moments makes seat massage systems one of the most sought-after comfort features. Our engineering and thermophysiology experts seamlessly integrated seat massage systems with advanced thermal comfort features. Up to 14 air chambers controlled by our patented SMA valve technology ensure the best performance with a long-lasting effect and a large-scale massage of the entire back area.

Puls.A™

Gentherm's puls.A uses precision micro air pressure bursts to deliver a soothing, pulsating massage that lets drivers and passengers enjoy deep, personal relaxation on every trip. This award-winning technology is entering OEM production and further accelerates the evolution of the vehicle comfort experience.

*Based on annual global production volumes in relevant markets of 75,000,000 vehicles (50/50 car-truck split), with a 25% use rate and 15,000 miles driven per year

“It’s clear that sustainability is not just a trend, but a fundamental value driving the healthcare industry forward. The demand for environmentally responsible solutions emphasizes the importance of integrating sustainability into our operations and our products. Embracing sustainability isn’t just about meeting market expectations; it’s about shaping a healthier, more responsible future for healthcare worldwide.”

STEVE FLETCHER

Senior Vice President and General Manager, Medical

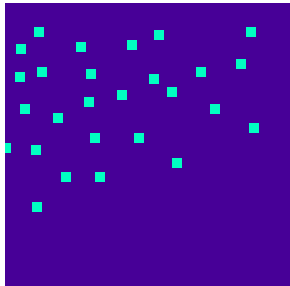


Gentherm Medical

Gentherm Medical is focused on growth, innovation and improving patient outcomes. Our commitment to our mission is unwavering and we are proud to be the only manufacturer offering three modalities of patient temperature management—air, water and resistive technologies.

In today’s healthcare landscape, the integration of sustainability principles has become an increasingly prominent trend. We’re seeing significant demand, particularly from our customers in Europe, for temperature management solutions that prioritize environmental responsibility without compromising patient care standards. Our Astopad® Resistive Patient Warming System, Astoflo® Plus Eco Blood and Fluid Warming System, along with our reusable water blankets, PlastiPad® and Gelli-Roll®, are excellent solutions to meet this demand. These solutions help our customers reduce waste, lower their carbon footprint and conserve resources.





To date, 46 inventors have been inducted into the Gentherm Inventor Hall of Fame.

Inventor Hall of Fame

As our global teams continue to innovate and deliver industry-leading technology, intellectual property (IP) and patents remain key components to Gentherm's success. Recognizing and celebrating our inventors for their patent achievements and contributions to Gentherm's proud history of innovation is important to continue to motivate inventors and encourage others to innovate and protect inventions with patents.

In 2023, Gentherm launched a new inventor reward and recognition program to recognize efforts of our inventors and celebrate their patent achievements. This program includes rewards and recognition for new patent applications, and special acknowledgments for granted patents, including a commemorative plaque.

The program also includes a new Gentherm Inventor Hall of Fame to recognize inventors who achieve patent milestones (ex. 5, 10, and 20 granted patents). The Gentherm Inventor Hall of Fame is prominently displayed at each regional headquarter facility. These special inventors also receive trophies recognizing their induction. To date, 46 inventors have been inducted into the Gentherm Inventor Hall of Fame.



05 PEOPLE

At Gentherm, we recognize that our people are essential to our past success and the key to a strong future. We are committed to treating people the right way at all times. We demand that every employee is treated with respect and dignity. Our leaders provide guidance and direction to our employees, including career development, skill building and support. We work to ensure a safe and healthy working environment for everyone at our sites, whether employee or visitor.

A Letter from our CHRO

Our people and our strong winning culture are the driving forces in delivering the highest quality products and performance for our customers and other stakeholders.

At Gentherm, our mission is to “create and deliver extraordinary solutions that make meaningful differences in everyday life, by improving health, wellness, comfort and energy efficiency.” Our people are the foundation for making this mission come to life every day.

Our human capital strategy is focused on creating the right working environment and the right skill sets to advance our performance culture and support our growth strategy. Our goals are to inspire our people to achieve their aspirations and achieve strong business results. We also strive to promote a safe work environment and a culture that values diversity, equity, inclusion and belonging.

Also embedded in our culture is the commitment to workplace safety, community involvement and sound governance best practices. These values ensure that our employees know they are important to us, and that doing the right thing is part of who we are.

Our employees are also passionate about sustainability and impacting our communities in a positive way. Our team members around the world are constantly generating ideas and suggestions to keep our program moving forward.

Sincerely,



Barb Runyon

Senior Vice President, Chief Human Resources Officer



Key Statistics as of December 31, 2023

WORKFORCE DEMOGRAPHICS

22%
reside in Asia

39%
reside in Europe

39%
reside in North America



APPROXIMATELY

32% of the company's workforce are members of industrial trade unions or works councils and are employed under the terms of various labor agreements.

We have cooperative relationships in our facilities where we operate with unions and workers councils.



44%
of Board members are female and / or diverse

50%
of executive committee members are female and / or diverse



A Listening Culture

Listening to our employees is essential to our success, and we completed our second global employee engagement survey in November 2023. More than 12,500 employees provided feedback for an 89% response rate, approximately 17 points above the industry benchmark.

Other programs that contribute to our listening culture include our "Thermal Checks," where senior leaders meet with local staff to listen to concerns, as well as our New Leader Assimilation process to ensure that new leaders understand the culture we are building.

Key insights include:

A strong intent to stay with the company: We achieved an 86% favorability rating around intent to stay with the Company. That is above the top quartile overall benchmark and the manufacturing benchmark.

We believe our focus on culture is driving a desire to stay with Gentherm, with positive feedback around our workplace culture that encourages respect and positive recognition of differences, making people feel valued.

Significant improvement in satisfaction with manager relationships: The manager relationship category was one of the important categories to see an increase since 2021 (76%). Improved perceptions pertaining to direct line managers / supervisors appear throughout the survey in the performance management, values and change management categories.

We are enabling managers to cascade messages in a way that resonates with teams and individual roles. This also helps employees understand how they contribute to Gentherm's overall success.

Clear understanding of company vision and direction: Employees are reporting that they can see a clear link between their work and Gentherm's objectives (82%) and confidence in the company overall saw an increase versus 2021.

We will continue to communicate broadly about the company's future, both our long-term vision, and how the organization will achieve success.

Talent Development

Our leadership development programs ensure that our leaders have the skills to engage and lead in today’s ever-changing business environment. Over the last five years, we increased our focus on learning and development.

ON DEMAND LEARNING RESOURCES

90% activation and utilization rate	Participate in learning challenges with global colleagues
Topics range from personal productivity to goal setting	Curated content reinforce our winning Culture Behaviors

ACCELERATOR HIGH POTENTIAL PROGRAM

2 nd high potential program	24-month program
19 graduates	Access to CEO, senior executives and expert coaches

CAREER CATALYST FOCUS

Every level of organization	Foundational training and best practices
Dedicated “Week of Careers” to focus on career growth and learning	Addresses feedback from employee engagement survey

Our leadership team is also attentive to our talent strategy around organizational development and succession planning. We conduct enterprise-wide talent reviews with our leadership team and business and functional leaders to ensure we focus on critical roles and succession planning. This connects back to our focus on career development and planning. Quarterly updates have enhanced our progress in 2023.

This year our teams also focused on smoothly transitioning our newly acquired colleagues into the Gentherm core performance management and talent processes.

Training

Gentherm delivered over 500,000 hours of training in 2023, ensuring our employees continue to grow and add to their skill set. Covering topics such as manufacturing processes, safety, quality, ethics and compliance, cybersecurity, personal productivity, leadership, financial acumen and other critical development, this equates to an average of 38-40 hours of training per employee in 2023.



Awards

- 01 Michigan Top Workplaces 2023: Detroit Free Press**
Gentherm was awarded a [Top Workplaces 2023](#) honor by The Detroit Free Press for its Michigan locations. This is the second time Gentherm has received this award.

- 02 Top Employer in Germany**
Our Odelzhausen, Germany site was named the Top Employer in Germany by Top Employees Institute for the tenth consecutive year.

- 03 Trusted Employer Award for Gentherm Hungary**
Gentherm Hungary was recognized by the Chamber of Commerce and Minister in Charge of Prime Minister Office, and honored with the Trusted Employer award.

In addition to recognition and awards related to Gentherm sites, we are also proud of the awards and honors for a few of our senior leaders.



PHIL EYLER

President and Chief Executive Officer

In 2023, Phil was honored to be selected among the “Top 25 Manufacturing Executives” by [Key Executives Magazine](#).



JAYMI WILSON

Senior Vice-President and General Manager, North America Automotive

Jaymi was recognized as a member of the 2023 Class of ‘Powered by Women’ presented by [DBusiness Magazine](#).



HELEN XU

Senior Vice-President and General Manager, Asia Automotive

China Automobile and Parts Magazine recognized Helen as the [“Innovative Person of the Year”](#) award winner for 2023.

Winning Culture Behaviors

Winning Culture Behaviors guide our employees' actions and performance. At each quarterly global town hall meeting, we recognize employees and teams that model these behaviors. A few of our 2023 winners are highlighted below.



CUSTOMER FOCUS

Simon Han and Ray Seo

Korea

The Gentherm Korea team, led by Customer Business Unit leader Ray Seo and Sales Manager Simon Han, worked closely with a local customer to listen to their needs, design a product offering that met their requirements, and won a significant new program. The team faced tough competition but maintained a clear focus on delivering what the customer was looking for and came out on top, helping drive Gentherm's success. The project was also supported by team members JS Lee, PM Manager; Hans Min, Engineering Director; Chris Kim, ABU Manager; and Brian Seo, EBU Manager. Congratulations to the whole team for their hard work and success.



GLOBAL MINDSET

Pneumatic and Global Team

Germany / UK

With the support of a global team that included employees from various sites and areas including thermal comfort, lumbar and massage systems, the Gentherm team, led by Senior Key Account Manager Matthew Chamberlain, was able to provide quotes and meet requests from a global customer—resulting in a breakthrough new business award and demonstrating our strength as a global team. Their hard work and dedication demonstrated the power of working as a global team—showing that operating as One Gentherm is key to our success.



PERFORMANCE & ACCOUNTABILITY

Luffy Liu, Clara Ren, Henry Zhang, Joe Qiao, Mike Gu and others

China

In April 2023, one of our leading customers in China discovered some issues at their production site. They urgently called upon our team to support. The team responded quickly and our Engineering, Program Management and Quality teams arrived onsite within 12 hours, worked with our customers, and identified the solution within 24 hours.

Our task force team from Langfang, Shenzhen and Shanghai implemented fixes for all related vehicles at the customer site as well as all related dealerships in 10 provinces in China within 10 days. Our customer also recognized Gentherm for our fast problem solving and true customer focus mindset.



EMPLOYEE ENGAGEMENT & INCLUSION

Alejandra Lopez, Erika Lopez and Mayra Zambrano

Mexico

A dedicated team of Gentherm employees at our Del Rio, Texas and Acuña, Mexico sites planned and coordinated multiple activities supporting breast cancer awareness. The team sold t-shirts to raise money and increase awareness; raised funds to support local medical treatment for those in need; and organized hair donations for patients. Led by Alejandra Lopez, this team included Erika Lopez and Mayra Zambrano.



Diversity, Equity, Inclusion + Belonging

Our DEI+B mission—embracing diversity inspires innovation—aligns with our corporate mission. To deliver on this mission, our program and leaders focus on three key areas:



COLLABORATE

Engage with our employees and provide a strong employee experience.



CONNECT

Enhance our local communities where we operate.



CULTIVATE

Enrich the capabilities and skills of our employees and acquire diverse talent.

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

In 2023, we delivered Unconscious Bias and our “Elevate the Dialogue” trainings to nearly 80% of our global leaders. This education focused on setting consistent standards, identifying feedback mechanisms to help solve conflicts, and creating a culture and a sense of belonging for all.

Gentherm participated in many outreach events to support inclusive-focused organizations including:

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

Key Leaders also Participate in:

01
Center for Automotive Diversity and Inclusion (CADIA)

02
Executive Leadership Council

03
Inforum events and programs

04
CEO Action for Diversity & Inclusion pledge

Total Rewards

Total Rewards compensation and benefits programs are designed to attract, motivate and retain our employees in the locations where we compete for talent, consistent with employee positions, skill levels, experience, knowledge and geographic location. We align our executives’ and eligible employees’ annual bonus opportunity and long-term equity compensation with our shareholders’ interests by linking earned pay with company financial and stock performance. We have refreshed our overall compensation structure to ensure we are providing contemporary and equitable total rewards across our business.

We also completed a global pay equity study as part of our efforts to ensure fairness with respect to employee pay. The study found minimal pay gaps between groups of employees.



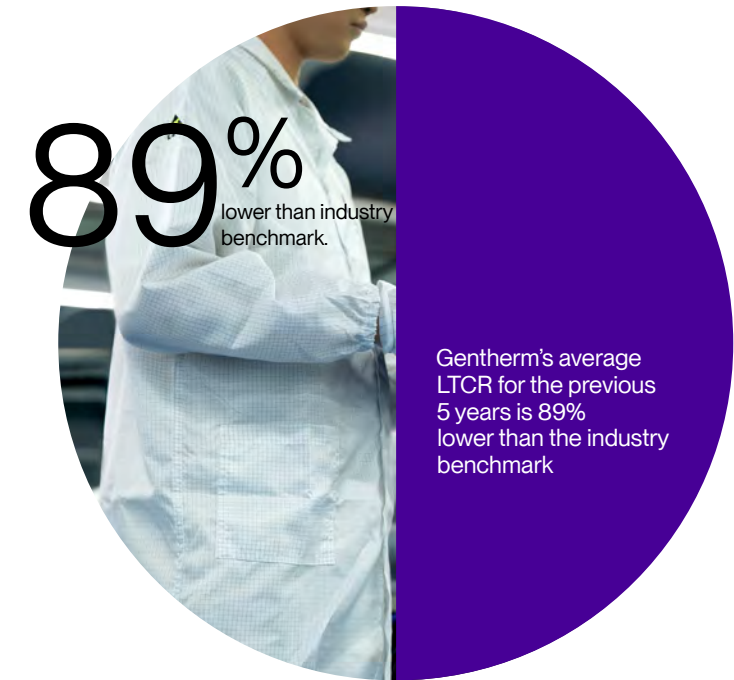
Health and Safety

Across Gentherm, our team is committed to ensuring our employees are given a safe workspace. We constantly work to prevent accidents, diagnose the “why” when accidents do occur, and make improvements to prevent recurrences. Our safety team is guided by the Vision Zero strategy and the Seven Golden Rules:

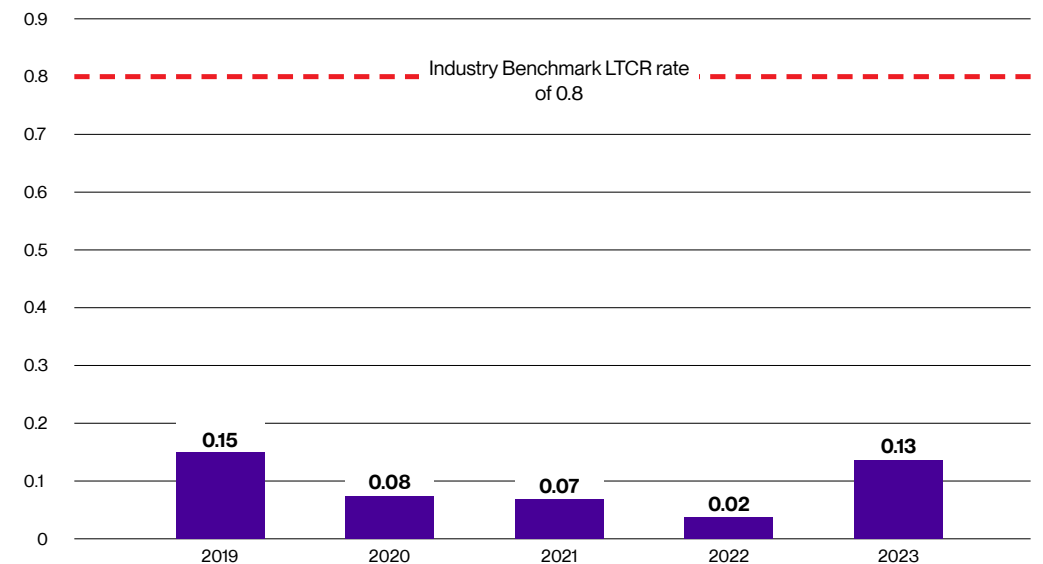
- | | | | |
|---|---|--|---|
| <p>01
Leadership commitment with a top-down approach</p> | <p>02
Identify hazards and risks</p> | <p>03
Set safety and health targets</p> | <p>04
Ensure safety system / standards</p> |
| <p>05
Use safe and healthy technology</p> | <p>06
Improve qualifications</p> | <p>07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

As we adapt to reporting data including our recent acquisitions, our team is actively reviewing all accidents and injuries to ensure that we continue providing a safe environment for our employees and visitors.

Our team also tracks and monitors near-misses and potential safety issues, working to prevent accidents before they happen. An essential part of a robust safety environment is diligence and awareness.



LOST TIME CASE RATE (LTCR)



People Spotlight

USA

NORTHVILLE

Black team members shared stories and inspired employees to be champions for allyship in a DEI Council-hosted discussion panel held during Black History Month.

CINCINNATI

Team members participated in educational workshops, interactive stations in the office, and relaxed within a meditation room known as "Zentherm" to recognize Mental Health Month.

CZECH REPUBLIC

Employee health is a priority, with employees receiving an initial medical examination and support upon hire, including a focus on potential occupational risks. Employees are also provided subsidized access to health clubs, fitness centers and swimming pools, helping to encourage a healthy lifestyle.

VIETNAM

International Women's Day theme was "Embrace Equality." The Women's Network organized a panel with leaders of major organizations in Vietnam to share inspiring stories of overcoming barriers and using creativity to achieve success.

The facility hosted a Family Day Tour for employee's children to showcase Gentherm activities across all departments, teaching the children about their parents' roles and to further inspire creativity.

UKRAINE

Team members wore traditional Ukrainian clothing and celebrated National Embroidery Day, a day that symbolizes the history of Ukraine.

CHINA

SHENZHEN

During Engineers Week, the team invited employee family members for a car design challenge to inspire the next generation of engineering thinking within the community.

MEXICO

CELAYA

The team celebrated Father's Day by providing sweet treats and hiring a band to serenade the fathers on the team.

SOUTH KOREA

The site held an employee workshop for the first time in four years at a botanical garden outside of Seoul, including a BBQ, activities and games.

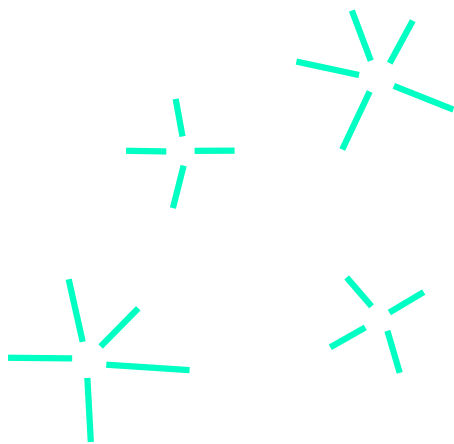
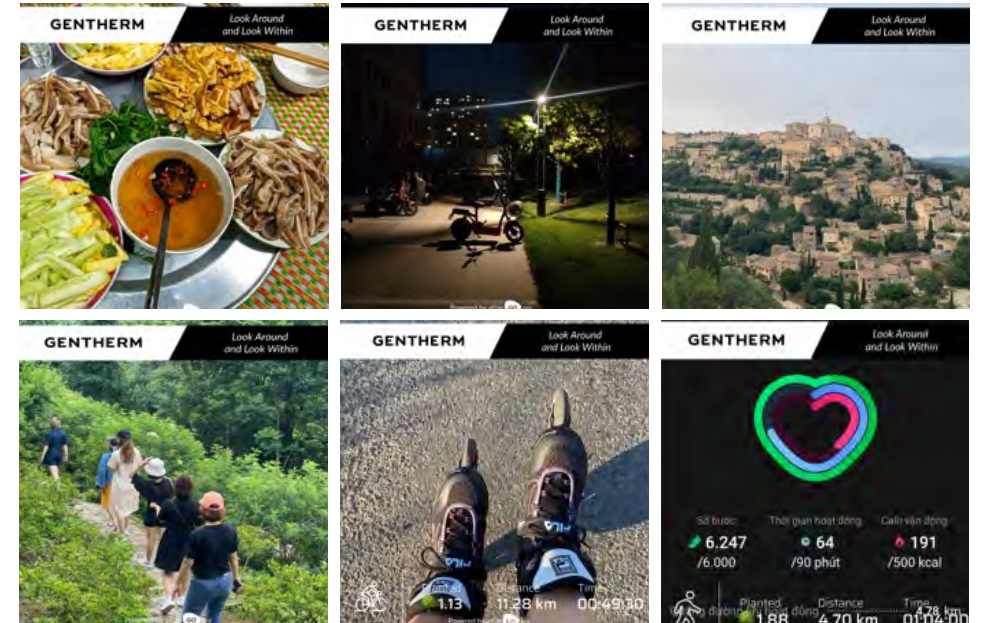
HUNGARY

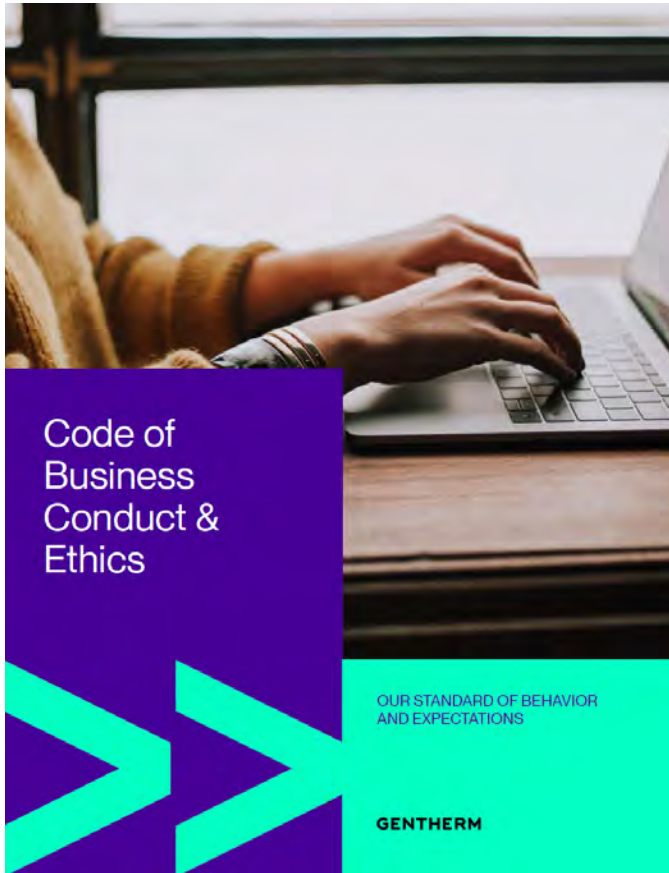
The site provided several programs for a Health Day supporting physical and mental health, including health examinations, yoga, meditation and more.

In June, Gentherm launched a global activity challenge to encourage connections among our global team members, help enhance the well-being of our colleagues and make a difference in our planet and the world we live in.

Through this challenge, team members logged the time or distance spent on well-being activities. Our global team exceeded our company activity goal by 200%, collecting 10,000+ activities logged by over 450 participants.

With the great success of the 2023 program, our team is already reviewing and planning to engage our teams again in 2024.





Ethics and Compliance

A foundational piece of our ethics and compliance program is Gentherm’s Code of Business Conduct and Ethics (“Code of Conduct”). Providing clear expectations and guidance is essential in ensuring our employees align with Gentherm’s values and principles.

We recently published an updated Code of Conduct, expanding on what we expect of our employees’ behavior along with updated direction on dealing with workplace violence, drugs and alcohol, and treatment of people and business partners. It also includes who employees can talk to with questions or concerns, links to supporting policies, and more.

Gentherm will provide training on the Code of Conduct in 2024, making sure our team members around the world review and understand the document and what it means to Gentherm.

Gentherm Ethics Hotline

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

Every reported item is reviewed with key members of senior leadership and investigated as appropriate. They are also carefully monitored and reported to the Audit Committee of the Board of Directors.

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

Annual COI Survey

Gentherm’s annual Conflict of Interest and Business Ethics Survey is another tool used to reinforce the importance of doing business the right way. This web-based survey is delivered to every salaried employee and covers legal compliance, workplace conduct and harassment, insider trading, trade controls and sanctions, anti-bribery and anti-corruption. The survey also includes a link to the new Code of Conduct with a requirement to review the document, reinforcing the document’s importance.

All survey results are reviewed by our compliance team, and any potential issues or concerns are investigated and reported to appropriate leadership.

Compliance Training

Gentherm partnered with a web-based compliance training partner as part of our continued commitment to compliance. In 2023, our program delivered almost 6,500 training and education modules covering corruption prevention, effective import and export compliance, and awareness about our Code of Conduct and conflicts of interest.

Cybersecurity / IT Training

Cybersecurity is a key focus for our leadership team. Our Board of Directors and Audit Committee continues to provide guidance to support our efforts in data security and privacy, internal controls, risk mitigation, preparedness and incident response plans, and related cybersecurity insurance coverage.

Gentherm made a significant investment in a market-leading cloud service which scores our security posture based on standard criteria in key areas. This provides the opportunity to continue improving our security status.

We also ensure our employees stay current on how best to keep our data safe. In 2023, our employees completed over 6,200 training sessions covering cybersecurity awareness, phishing tactics and other vital topics.

In 2023, new SEC cybersecurity reporting requirements went into effect. To ensure our compliance, policies and procedures for incident response, risk management, roles and responsibilities, and disclosure management were reviewed and revised in accordance with regulations.



Human Rights

Gentherm works to ensure that all people are treated with dignity and respect, nothing less is tolerated. We take a strong stance against harassment and discrimination, and clearly state that in our Code of Business Conduct and Ethics. We also maintain a Global Human Rights Policy ([here](#)), expanding on our practices and position on forced labor, safe working conditions, harassment, child labor and other labor practices. In 2023 we updated our policy to reflect best practices and align with the United Nation Universal Declaration of Human Rights and other key outside standards. Our policy now clearly states we expect suppliers to align with the principles covered, that we support the rights of indigenous peoples, and more.

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

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



06 PLANET

Companies across the automotive supply chain are taking deliberate steps to reduce their environmental impact and Gentherm is no exception. As a manufacturing company, we believe we have a responsibility to use our resources as efficiently as possible.

We are working to ensure that our progress meets or exceeds the needs of our customers and aligns with the values of our stakeholders. We measure progress against our own targets, peers and benchmarks, and against global standards and targets.

Sustainability Overview

Gentherm was proud to announce our first ever long-term carbon reduction goal last year: reduce our Scope 1 and Scope 2 emissions by 59% by 2035. While we now report environmental data with our recent significant acquisitions included, our overall carbon reduction target remains unchanged. As we sharpen our knowledge and make progress toward that goal, we continue identifying opportunities to meet this target in ways that align with our business needs.

We will continue to use 2021 as our baseline year for reporting GHG emissions.

SCOPE 3 ACTION PLANS



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

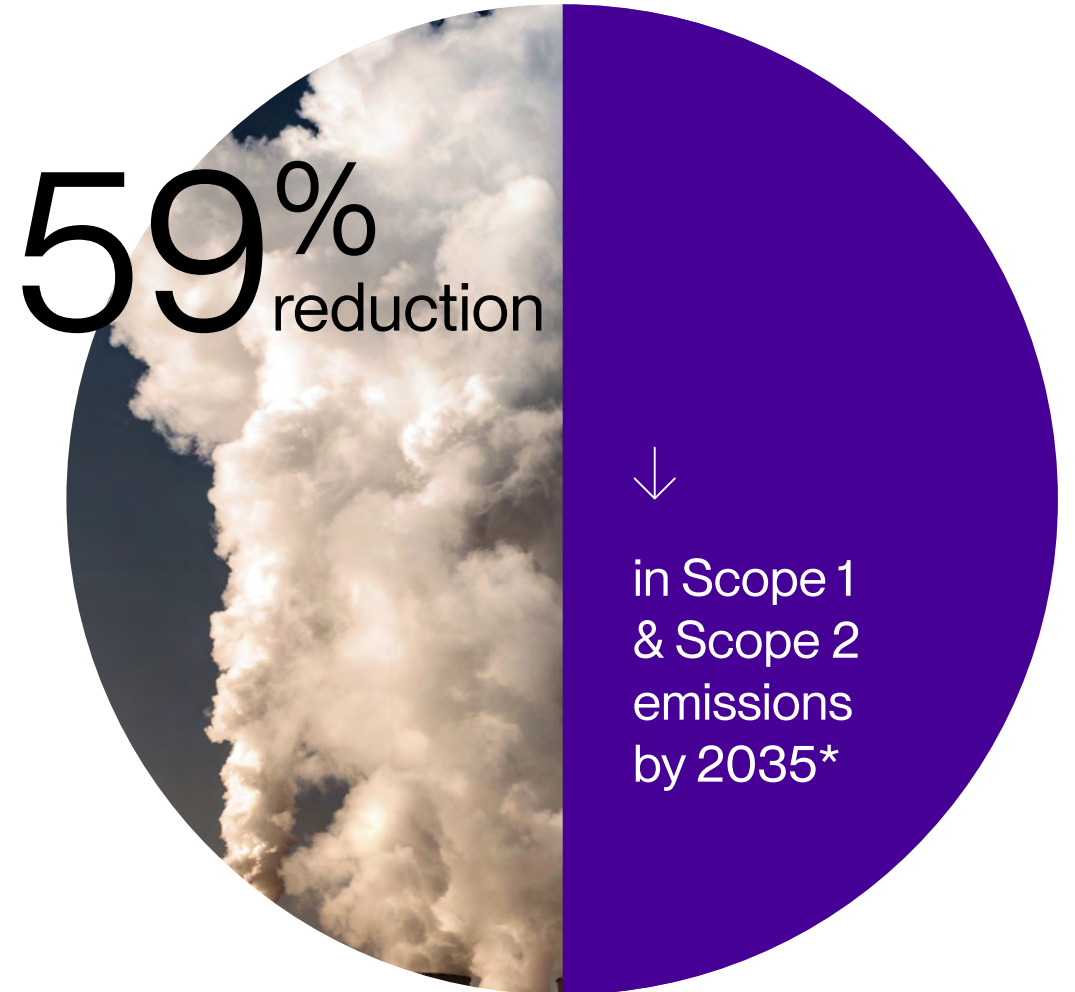


Introduce guidance and requirements to measure and report emissions data, and to develop their own emissions targets



Implement vendor sustainability tracking / measurements

GENTHERM CARBON REDUCTION GOAL



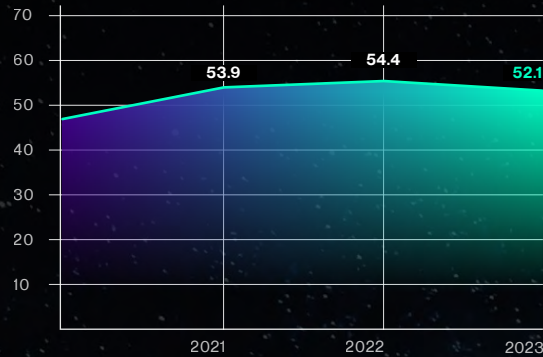
*Measured vs. 2021 base year. Goal developed to align with SBTi guidance and Scope 1 and 2 targets for reductions by 2035.

ELECTRICITY USAGE²

2023 TOTAL: **76,529** MWH

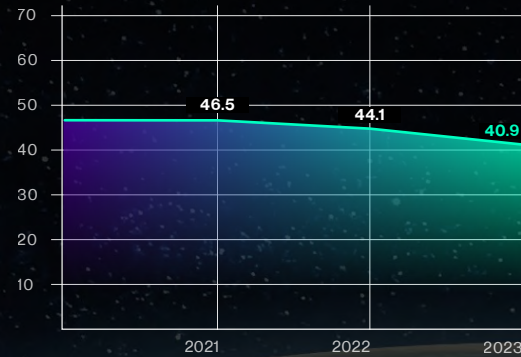
MWH PER \$MIL REVENUE

↓ **3.4%**
Since 2021



MWH NON-RENEWABLE SOURCES (MWH / \$MIL REV)

↓ **12.1%**
Since 2021



SOLID WASTE

2023 TOTAL: **10,570** MT

PERCENTAGE OF WASTE SENT TO LANDFILL

↓ **5.4%**
Since 2021

2021 | **24.6%**
2022 | **24.5%**
2023 | **23.3%**



RENEWABLE SOURCES

PERCENTAGE OF MWH FROM RENEWABLE SOURCES

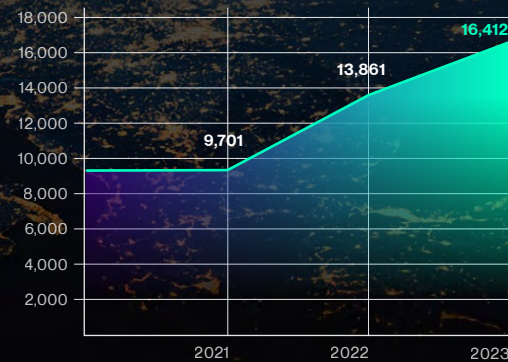
↑ **56.5%**
Since 2021

2021 | **13.7%**
2022 | **18.9%**
2023 | **21.4%**



TOTAL OF MWH FROM RENEWABLE SOURCES

↑ **69.2%**
Since 2021

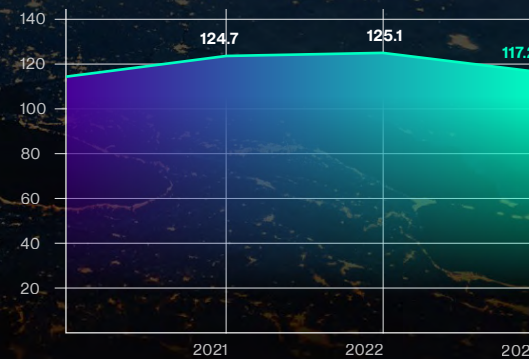


WATER USAGE¹

2023 TOTAL **172,247** M³

TOTAL WATER USAGE (M³ / \$MIL REV)

↓ **6.0%**
Since 2021

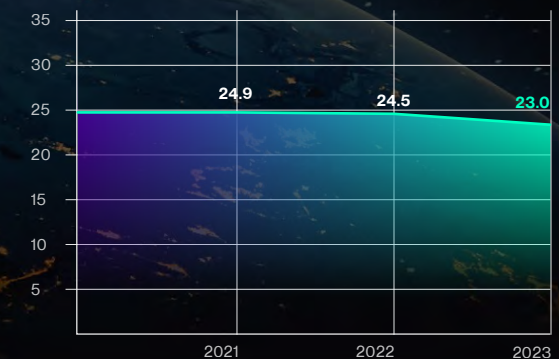


SCOPE 1 & 2 EMISSIONS³

2023 TOTAL **33,825** MT CO₂e

TOTAL SCOPE 1 & 2 (MT CO₂e / \$MIL REV)

↓ **7.7%**
Since 2021



1. All water usage is provided by local municipal services, including being withdrawn from local sources per municipal services standard practices. Other than amounts recycled for landscaping / irrigation (as noted on page 30 and in Appendix), discharged water volumes are equal to total water usage volumes.

2. Of Gentherm's total MWH reported, approximately 555 MWH (0.7% of total) were generated at on-site solar installations, with the remaining balance being purchased from local municipal sources (i.e. local power grid).

3. We calculate our Scope 1 GHG emissions based on local direct use of resources such as natural gas and heating oil. We calculate our Scope 2 GHG emissions based on purchased power such as electricity and steam. See Appendix for more details on emissions data. Scope 1 and Scope 2 emissions are calculated using the latest emissions factors, including the latest updates issued by the U.S. EPA for 2023 and prior years.

Targets

In 2020, Gentherm established seven-year environmental targets for electricity usage, waste to recycling, hazardous waste and water usage. After meeting these targets several years early, we are evaluating what new targets to set as we strive for continuous improvement. Acquiring and fully integrating two companies also affected our decision to retire already-met targets and pivot to new ones that address our growth and improved understanding of key environmental metrics.

Renewable Energy and Energy Audits

In early 2023, our North Macedonia site completed and activated our first large-scale solar power installation. Covering over 2,400 square meters on the facility's roof, it generates approximately 650,000 KWH per year, representing approximately 10-12% of the site's total annual electricity usage. This installation helps increase our renewable energy use, drives down our carbon emissions, and delivers a strong business case with an operational payback that meets or exceeds internal financial targets.

Our site in Vietnam also began construction of its on-site solar power installation in 2023 with activation expected in the first quarter of 2024. It covers approximately 13,000 square meters and generates approximately 1,800,000 KWH per year, forecasting to deliver over 20% of the site's total needs. Like the North Macedonia facility, the installation contributes to increased renewable energy use and corresponding decreases in Scope 2 GHG emissions.

Combined, these two solar power installations can generate approximately 2,250,000 KWH per year. That's equivalent to the total electricity usage for over 180 average homes in a full year. It also equates to almost 1,000 MT reduction in CO₂e per year; over 100,000 gallons of gasoline being burned; or 1,000,000 pounds of coal burned. These two facilities are leading the way as Gentherm works to expand our use of renewable energy and improve our carbon footprint.

Another major effort in 2023 was engaging outside energy firms to conduct energy audits at two of our major manufacturing sites, North Macedonia and Langfang, China. These audits identified meaningful improvements, with forecasted energy and cost savings. In addition to driving energy efficiency, the forecasted financial savings from just six months of implementation are expected to exceed the cost of the energy audit—and provide benefits in perpetuity. In 2024, our sustainability team will leverage the learnings to drive additional best practices at all Gentherm locations, maximizing the audit findings to help drive improvements.

Next Steps

Scope 2 emissions represent approximately 92% of Gentherm's Scope 1 + 2 emissions, indicating that increasing renewable energy is our primary lever for impacting emissions. In 2023 we conducted a detailed Renewable Energy Opportunity Assessment (REOA) with an outside advisor. This process identified specific paths and opportunities for each location to help to drive RE numbers up, and hence drive Scope 2 down.

Over the coming years, Gentherm plans to act on the most efficient and cost-effective methods for meeting our long-term carbon goals which may include on-site generation, leveraging the use of Energy Attribute Certificates (EAC) or other methods to ensure we deliver on our carbon reduction commitment.



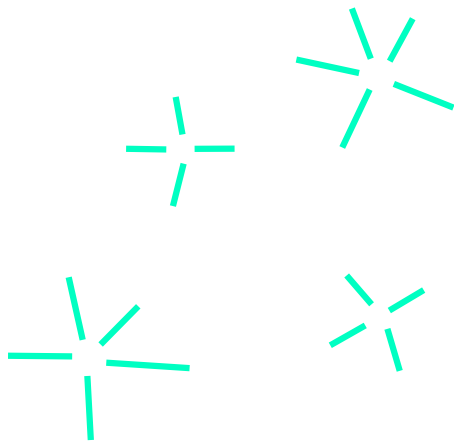
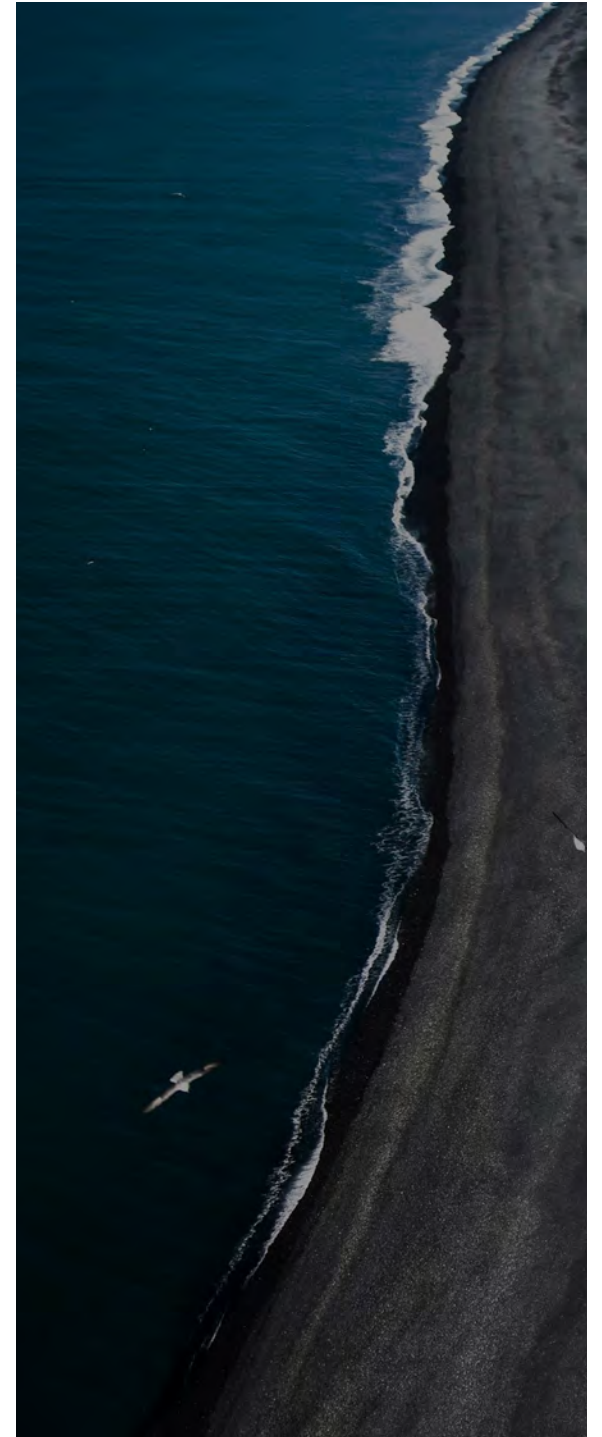
Planet Spotlight

Celaya Mexico – Award and Water Recycling

At our site in Celaya, Mexico, the local EHS team, led by senior manager Hector Camarillo and EHS engineer Fabiola Rodriguez, was honored with the Laboral Merit prize from the Guanajuato state. This award recognizes the team's efforts around sustainability and continuous improvement. They implemented projects and programs driving their sustainability forward, all while aligning with our business processes.

Another major environmental success at the Celaya site is on-site water recycling. Effectively 100% of all water consumed at the location is recycled and used in the local industrial park complex. This water recycling includes almost 11,000 cubic meters per year (over 2.9 million gallons).

This represents over 6% of Gentherm's global water usage!



Planet Spotlight Continued



ENERGY SAVINGS

CHINA | LANGFANG

Two significant site modernizations in 2023 resulted in major energy savings. The first big upgrade was installing new air conditioning units, saving approximately 28,500 kWh per year. Our most impactful improvement was replacing two air compressors, saving over 64,000 kWh of electricity. The combined energy savings is roughly equivalent to the annual electricity usage of 44 households in China.

HUNGARY

Over the course of 2023, the team at Pilisszentiván replaced 436 incandescent bulbs with LEDs. Not only will this reduce electricity consumption by over 100,000 kWh each year, but it will also save the company thousands of euros in electricity bills annually.

NORTH MACEDONIA

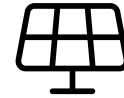
The team took key actions to align with and keep the site's ISO 50001 certification. New measuring devices were placed on machines and systems that are the facility's primary energy consumers, enabling improved tracking and leading to a 3% energy savings over the prior year.

GERMANY | STUTTGART

Servers are one of modern society's major energy consumers. They generate a lot of heat, and server rooms must be kept at an appropriate temperature to ensure they run properly. The team at our Stuttgart facility engaged in a small project that let them adjust their server room's temperature, leading to reduced electricity usage and a lower energy bill.

GERMANY | ODELZHAUSEN

At our site in Odelzhausen, Germany outside of Munich, the sustainability team took multiple steps to improve energy efficiency based on the results of a recent energy audit. They replaced incandescent bulbs with more energy efficient LEDs, installed motion sense lighting in many rooms and areas, and installed a timer on the air conditioning system, all steps to reduce on-site electricity consumption.



RESOURCE CONSERVATION

GLOBAL

In 2023, Gentherm Operations and Sustainability teams studied the lighting at every key Gentherm building to identify cost and energy savings related to converting traditional lighting to energy efficient LEDs.

Of the key sites reviewed, almost 70% were effectively 100% LEDs, with another 15% of sites in the process of converting. The remaining sites were supported by operations leadership to begin or accelerate their efforts including funds and resources to complete the LED conversion.

We forecast that soon all key Gentherm locations will effectively be 100% LED lighting based.

MEXICO | ACUÑA

Our Acuña site implemented a unique initiative to use the water condensation from air conditioning units from both Plant 1 and Plant 2 for toilets and washing the floor. Water use has been reduced across both plants by almost 1,700 cubic meters each year, equivalent to the annual usage of approximately 17 typical households in Mexico.

SOUTH KOREA

Our sustainability leaders in South Korea took steps to further ingrain the spirit of energy conservation across the local team by introducing an energy saving campaign in July focusing on electricity and water, soliciting employee ideas on how to use both more efficiently.

VIETNAM

The sustainability team in Vietnam implemented an energy conservation method across Gentherm's global sites, using a solar installation to heat water in the company's on-site canteen. It's anticipated to save 14,200 kWh annually, which is roughly equivalent to the total annual electricity consumption for 15 households in Vietnam.



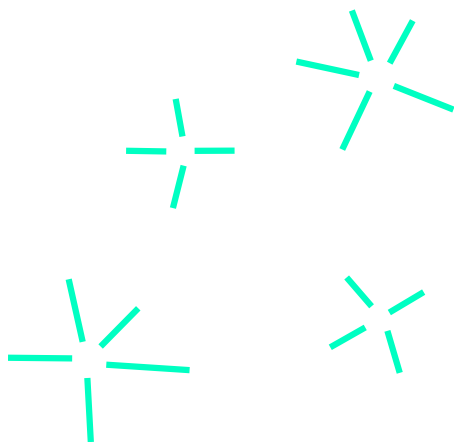
WASTE REDUCTION

JAPAN

In looking for ways to reduce waste, the team in Japan realized that significant amounts of paper were being wasted but had the potential to be reused, depending on the circumstance. With that in mind, they implemented a plan to reuse paper with blank sides, reducing waste for another sustainability win.

SOUTH KOREA

At our sites in South Korea the team took the initiative to cut waste wherever and however it could, so the decision was made to eliminate paper cups and instead utilize reusable cups and mugs, reducing waste while boosting sustainability.





07 PLACES

Places encompasses what we do outside of our buildings and products. It's how we work to become a company people are proud to have in their community, and how we support the places where we work and live.

Places Spotlight



USA

The global housing non-profit Habitat for Humanity received a helping hand from Genterm in the spring of 2023. The company donated \$1,000 to the organization and several Genterm employees volunteered their time to support a local build over the course of two days.



VIETNAM

The 2023 Longbien Marathon, held in October in Hanoi, is the largest annual marathon in Vietnam. The 54 Genterm employees who competed in the race are an inspiration to both their colleagues in Vietnam as well as the rest of our global team.



GERMANY

Genterm's Odelzhausen facility hosted a Girls' Day event, a tradition across Germany for over 20 years. It's a special day for teenage girls to explore future career opportunities, particularly in fields like IT and technology. It was energizing and inspirational for both the girls and adults.



NORTH MACEDONIA

Genterm's site in Prilep, North Macedonia was recognized with a CSR award from the Coordinating Body for Corporate Social Responsibility and the Ministry of Economy. Criteria includes relations with employees; ethical governance; market relations with suppliers, consumers, or customers; environmental protection; and community involvement.



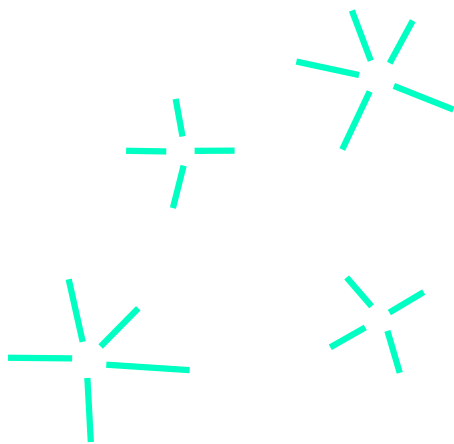
MEXICO

In October, Hurricane Otis hit Mexico, battering the Mexican state of Guerrero and causing significant damage across the region. Genterm employees at the Monterrey site took quick action, collecting food and other supplies that were then donated to affected families and individuals.



CHINA

In November, Genterm celebrated two decades of its presence in Langfang, China. The anniversary was marked by a visit from our CFO Matteo Anversa who was joined by local government officials, customer and supplier representatives and partners.



Places Spotlight Continued

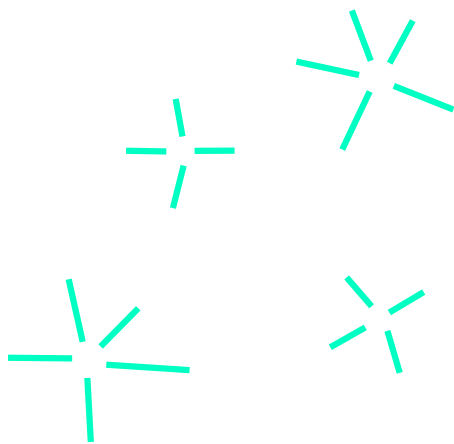


USA

Many of Gentherm’s Indian employees joined together at a local park for a picnic, nicknamed the “Desi Picnic,” where they shared stories and laughs, enjoying each other’s company and fostering a broader sense of community.

Over the course of 2023, Gentherm employees supported a wide array of local causes and programs—providing financial support and donations of needed goods or equipment, as well as organizing volunteer opportunities and events.

This includes the Treuchtlingen, Germany fire department, the Amyotrophic Lateral Sclerosis (ALS a.k.a. Lou Gehrig’s disease) support group in Malta, a children’s football club in Hungary, and a school supplies drive in the Cincinnati area. These are a sample of many important causes supported by Gentherm employees in their home communities all around the world.





08

STAKEHOLDERS & SUPPLY CHAIN

Sustainability goes beyond what we do at our locations and our buildings. As part of the automotive and medical business, we are part of the global supply chain. Our actions have impacts both upstream at vendors and suppliers, as well as downstream at our customers—even for the average consumer purchasing a new car or person seeking medical attention. Our goal is to work with companies that align with our principles and values and help drive progress within those partnerships.



Customers are asking for more product sustainability. Our team quickly adapted by creating processes and building our skillset around Product Carbon Footprint (PCF). These methods require understanding the carbon impact of each step in the supply chain, from transporting components and finished goods to using our products in vehicles or in a health-care setting. These new processes also help us better understand the carbon impact of the raw materials used in production. Our teams are identifying opportunities to use recycled plastics instead of virgin plastics and to increase the percent of recycled copper and aluminum in our products, all done in a manner that is cost neutral or even a cost savings.

For suppliers, our team provides guidance through our Supplier Code of Conduct and our Supplier Requirements Manual, both available [here](#). In 2023, Gentherm added new details and direction to our supplier materials as a major, foundational step toward decreasing our Scope 3 emissions. We are driving our suppliers to engage in meaningful climate action, including measuring and disclosing emissions, increasing renewable energy use, and setting targets for reducing greenhouse gas emissions. By making clear what we expect from our suppliers, we can measure and evaluate their performance against these standards.

Another key component to drive progress within our supply chain is our supplier audit program. In 2023 Gentherm conducted over 100 supplier audits, reviewing project management, production process analysis, customer care / satisfaction, and more. These audits help our suppliers better meet the needs of Gentherm and ensure suppliers align with our principles, including aligning with conflict mineral sourcing and human rights.

Supplier diversity is also an area of focus for the Gentherm team. Our purchasing team tracks and monitors our minority supplier spend, looking at the number of suppliers, the total spend, and the spend as a share of total material expenditures.



09 GOVERNANCE

Our executive leadership team, including our CEO and Board of Directors, hold each other and the entire organization to the highest level of ethical and governance standards. Full compliance with our Code of Business Conduct and Ethics, our corporate governance policies, all applicable laws, and our Winning Culture Behaviors is required.

“Gentherm’s strong corporate governance is an essential component of our success. It is the foundation for our sustainability program—and for the company overall.”

WAYNE KAUFFMAN

Senior Vice President, General Counsel and Secretary



Proper leadership and guidance help build and maintain our strong sustainability program. The Nominating and Corporate Governance Committee provides strategic guidance, sets objectives and monitors performance. The Committee also reviews the Company’s corporate disclosures on sustainability, and promotes achievement of objectives by ensuring, in cooperation with the Compensation and Talent Committee, compensation plans for executive officers and key employees are linked to the Company’s sustainability and social responsibility strategy. The Committee’s responsibilities are formally outlined in the official charter ([here](#)). For more information on our corporate governance structure and practices, refer to our annual Proxy Statement, or visit the Governance section of Gentherm.com ([here](#)).

Clear policies to help guide behavior and actions are also vital to our sustainability program and overall governance structure. We published an all-new Code of Business Conduct and Ethics, adding new and expanded guidance to help our employees better understand what we expect of them. Our new Code of Conduct is available [here](#).





10

PLANS AND COMMITMENTS

01

We will continue to make progress toward our long-term carbon goal, including increased use of RE, leveraging energy audits to improve energy efficiency and driving progress in our supply base.

02

We will work with our customers to reduce our product carbon footprint by extending our use of recycled materials in our products, and improve our tools for supporting our life cycle analysis and PCF reporting to customers.

03

Our Sustainability and Operations teams will work to drive further improvements in our water usage, waste recycling and hazardous material use and disposal.

APPENDIX

Safety Definitions

- Lost Time Case Rate (LTCR): Measured according to standard OSHA methodology.
- No data around on-site, work-related fatalities is recorded or reported in this report as Gentherm has not recorded an on-site, work-related fatality in our 20+ year history. This data is inclusive of Gentherm direct employees as well as contract employees.
- Gentherm's reported LTCR data is inclusive of both Gentherm employees as well as contractors working for Gentherm, site visitors, and anyone else on-site at our location.
- Our commitment to safety considers contract employees with the same lens we view all other employees. As a result, we do not subdivide our safety data between different categories, as we believe our data should reflect our total workplace safety results.

Political Donations

- Political donations: Gentherm does not donate to or allow the use of company funds to specifically support political purposes. In accordance with our internal Delegation of Authority policy, all charitable donations or similar activities must be approved by the Chief Executive Officer, and in agreement with the Chief Financial Officer, the Chief Human Resources Officer, and General Counsel.
- As a global business, we align with trade associations and organizations related to our business which may, at their own discretion and under their own leadership, participate in the political process, including working to influence decisions that could benefit our company, our industry and related business.
- Gentherm is a member of the Automotive Industry Action Group (AIAG), Original Equipment Suppliers Association (OESA), Human Resources Professionals Association (HRPA) and other similar industry groups. Our association with these industry groups generally include standard membership fees, with annual fees of approximately \$50,000 total.

Fleet Vehicles

- Gentherm does not maintain a traditional vehicle fleet. We do, however, maintain a small number of company-owned vehicles designated for sporadic, non-specific employee use ("pool vehicles"). While this number may fluctuate based on expiring leases and other criteria, we estimate the average number is approximately 45 vehicles, operated at an average of 10,000 miles or less per year. Based on average CO₂ emissions for a vehicle, the total output would represent a de minimus amount to our total GHG emissions and is therefore excluded from our detailed GHG tracking process. Gentherm's processes also do not include emissions related to personal vehicles that may be bought / leased using company provided auto allowances as part an individual employee's compensation.

Material and Chemical Management

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

Hazardous Waste Disposal Methods

- Hazardous waste disposal methods: In 2023, Gentherm's hazardous waste was approximately 0.7% of all solid waste generated (71.7 metric tons). Gentherm's hazardous waste types vary by location but are generally comprised of waste oil and related products used in lubrication and equipment maintenance, activated carbon scrap, scrap glues and adhesives, and non-production related items such as light bulbs and non-industrial batteries. Our methods of disposal vary from region to region in accordance with applicable laws and regulations and are based on substance, but may include incineration, physical-chemical treatment, or other appropriate disposal methods. Disposal methods may include engaging services from appropriately qualified and licensed third-party service providers in the local region.

Water Stressed Locations / Employee Status

- While Gentherm has global operations, none are located in countries defined as "Extremely High Water Stress" (as defined by World Resources Institute [here](#)).
- Gentherm does have significant operations in Mexico, which is classified as "High Water Stress." Water usage in our Mexico locations totaled 41,460 cubic meters, representing approximately 24% of Gentherm's global usage. As noted previously, Gentherm undertakes water recycling efforts at two of our Mexico location, with approximately 12,500 cubic meters of water recycled in 2023. This represents 7.4% of Gentherm's global water usage, and 30% of our water usage in Mexico.

Energy Efficient Investments / Capital Expenditures

- As cited previously, in 2023, Gentherm undertook numerous projects designed to increase energy efficiency, and to generate clean electricity on-site. These projects include the previously mentioned solar installations, a new high-efficiency air conditioning unit at a manufacturing site, updated lighting in numerous locations (transitioning to LED fixtures), installation of waste-heat recovery systems, and upgrading air compressor equipment. In total, these investments totaled approximately \$1.3 million.

ISO-14001 Status

- In 2023, approximately 93% of all Gentherm employees worked at sites that were ISO-14001 certified. This includes 100% employees at our automotive manufacturing sites.

ISO-50001 Status

- In 2023, approximately 18% of all Gentherm employees worked at sites that were ISO-50001 certified.

ISO-45001 Status

- In 2023, approximately 53% of all Gentherm employees worked at sites that were ISO-45001 certified.

ISO-37001 Status

- In 2023, Gentherm did not have any locations that were ISO-37001 certified.

Appendix Data

Key Environmental Metrics by Region (2023)	North America	Europe	Asia	Total
Electricity Usage / Source				
Total KWH Used	31,300,470	19,878,916	25,349,988	76,529,374
Total KWH from Non-Renewable Sources	28,990,976	5,776,651	25,349,988	60,117,615
Total KWH from Renewable Sources	2,309,494	14,102,265	-	16,411,759
Percent of Total KWH Used	40.9%	26.0%	33.1%	100.0%
Percent of KWH from Non-Renewable Sources	92.6%	29.1%	100.0%	78.6%
Percent of KWH from Renewable Sources	7.4%	70.9%	0.0%	21.4%
Total Energy Usage / Source				
Total GJ Used	121,269	88,922	97,648	307,838
Total GJ from Renewable Sources	8,314	50,768	-	59,082
Total GJ from Non-Renewable Sources	112,954	38,154	97,648	248,756
Percent of Total GJ Used	39.4%	28.9%	31.7%	100.0%
Percent of GJ from Renewable Sources	6.9%	57.1%	0.0%	19.2%
Percent of GJ from Non-Renewable Sources	93.1%	42.9%	100.0%	80.8%
Solid Waste Source / Disposal				
MT Waste to Landfills	1,356,132	1,208,107	96,750	2,660,988
MT Waste to Recycling	1,629,234	872,937	1,722,755	4,224,925
MT Waste to Incinerators	1,309,285	490,270	1,812,697	3,612,252
MT Waste - Hazardous	24,637	27,252	19,787	71,676
Total MT Waste	4,319,288	2,598,565	3,651,989	10,569,842
Percent Waste to Landfills	31.4%	46.5%	2.6%	25.2%
Percent Waste to Recycling	37.7%	33.6%	47.2%	40.0%
Percent Waste to Incinerators	30.3%	18.9%	49.6%	34.2%
Percent Waste - Hazardous	0.6%	1.0%	0.5%	0.7%
Percent Total Waste	40.9%	24.6%	34.6%	100.0%
Water Usage				
Total Water Usage (Cubic Meters)	53,569	45,419	73,259	172,247
Percent Water Usage	31.1%	26.4%	42.5%	100.0%
Greenhouse Gas Emissions				
Scope 1 & 2 (MT CO2e)	12,930	3,723	17,172	33,825
Percent of Total Scope 1 & 2 (MT CO2e)	38.2%	11.0%	50.8%	100.0%

Appendix Chart - Historical Data

Key Environmental Metric History	2021	2022	2023
Electricity Usage / Source			
Total KWH Used	70,778,806	73,519,864	76,529,374
Total KWH from Renewable Sources	9,701,261	13,860,922	16,411,759
Percent of KWH from Renewable Sources	13.7%	18.9%	21.4%
Solid Waste Source / Disposal			
MT Waste to Landfills	2,245	2,420	2,661
MT Waste to Recycling	4,358	4,484	4,225
MT Waste to Incinerators	2,433	2,887	3,612
MT Waste - Hazardous	79	73	72
Total MT Waste	9,116	9,865	10,570
Water Usage			
Total Water Usage (Cubic Meters)	163,678	169,217	172,247
Greenhouse Gas Emissions			
Total Scope 1 & 2 (MT CO2e)	32,726	33,085	33,825

Forward Looking Statements and Disclosures

This report contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent our goals, beliefs, plans and expectations about our prospects for the future and other future events such as: the Company’s future sustainability efforts, activities, initiatives and goals; consumer trends in the industries in which the Company conducts business; the Company’s future products and product development; and the Company’s engagement and training efforts with its employees.

The forward-looking statements included in this document, including our targets and goals, are made as of the date hereof or as of the date specified and are based on management’s reasonable expectations and beliefs. Such statements are subject to a number of assumptions, risks, uncertainties and other factors, many of which are difficult to predict and generally beyond our control, which could cause actual results or performance to differ materially from that described in or indicated by the forward-looking statements. Such risks and uncertainties include the risks noted in reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2023, as well as additional factors we may describe from time to time in other filings with the U.S. Securities and Exchange Commission. In addition, with reasonable frequency, we have entered into business combinations, acquisitions, divestitures, strategic investments and other significant transactions. Such forward-looking statements do not include the potential impact of any such transactions that may be completed after the date hereof, each of which may present material risks to our business and financial results. Except as required by law, we expressly disclaim any obligation or undertaking to update any forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

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

Unless otherwise indicated, references to “Gentherm”, “the Company”, “we”, “our” and “us” in this report refer to Gentherm Incorporated and its consolidated subsidiaries. The content of this report generally covers subject matter for the 2023 calendar year unless otherwise noted and is limited to operations owned and/or operated by Gentherm. For some performance indicators, prior year data is provided to allow for annual comparisons.

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