

A scenic landscape featuring rolling green hills under a clear blue sky. Several white wind turbines are positioned across the hills. In the foreground, a white electric car is driving on a paved road that curves through the grassy terrain.

Environmental, Social & Governance

Report 2025



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Introduction

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About this Report

We are pleased to present our annual Sustainability Report. The data within this report relates to wholly owned businesses, including Yanfeng Interiors, Seating and Safety Systems. The report provides a comprehensive overview of Yanfeng's progress in advancing our sustainability activities during the reporting period from January 1 through December 31, 2025.

If you have questions regarding this report, please contact

 sustainability@yanfeng.com

As part of this report, TÜV Rheinland, an independent external assurance provider, issued Limited Assurance on Yanfeng International Automotive Technology Co.'s Corporate Carbon Footprint (CCF) and related greenhouse gas (GHG) emissions for the 2025 reporting period.



Transparency Disclosure

We think that transparency is essential to corporate governance and provides the cornerstone for fostering trust among our employees as well as for key external stakeholders. This becomes especially essential for Yanfeng's sustainable future business ambitions. As a result, we participate in various types of ESG disclosures. We are part of several associations to discuss topics around ESG.

Please see below an overview of our initiatives and associations Yanfeng is part of:

- Carbon Disclosure Project (CDP)
- EcoVadis
- SAQ 5.0
- Science Based Targets initiative (SBTi)
- The Responsible Supply Chain Initiative (RSCI)
- United Nations Global Compact (UNGC)
- The Vehicle Suppliers Association (MEMA)
- The Automotive Industry Action Group (AIAG)
- AIAG China Quality Advisory Committee
- International Automotive Oversight Bureau (IAOB)
- Automotive Industry Association of the Slovak Republic (ZAP)

Message from Our CEO

Dear Reader,

On behalf of the Yanfeng team around the world, I am pleased to present the 2025 Yanfeng Environmental, Social, and Governance (ESG) Report to you.

Throughout 2025, the global Yanfeng team continued to make remarkable progress and remained dedicated to ESG. Sustainability is integrated into all that we do. This commitment is evident in our product design and in our manufacturing process, which takes place in plants that utilize renewable energy and employ sustainable practices.

Yanfeng reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and anti-Corruption. Throughout our ESG report, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

As part of our climate strategy, Yanfeng has set near-term, science-based emissions-reduction targets and is committed to the Science Based Targets initiative (SBTi) for Yanfeng Interior in 2023 and Yanfeng Seating in 2025. The commitments have been verified by SBTi and are fully aligned with the Paris Agreement's 1.5°C pathway.

We were honored to receive an A minus rating from CDP for our Interiors and Seating Division in 2025. Our global sustainability efforts have also been acknowledged by EcoVadis, where Yanfeng received a Gold Medal for the first time.

In 2025, we reached another increase, and more than 49% of our global energy consumption came from green sources. One of the most exciting developments in this transition is the growing contribution of solar power, which reached 4.9% globally.

As part of our commitment to a circular economy, we have placed a strong emphasis on using circular materials and developing low-carbon products for our customers. Our global purchases of recycled plastic resins surged by an impressive 35% compared to 2024. Our Global Head of Sustainability, supported by a robust governance structure, leads our ESG efforts. This approach ensures that we manage our responsibilities effectively and deliver value to our stakeholders.

It's inspiring to see how far our Yanfeng team around the world has come, and I'm eager to see the advancements we'll achieve together by 2027. I appreciate you taking a moment to engage with Yanfeng's vision for sustainability and ESG priorities.

Sincerely,
Zang Chungao
CEO, Yanfeng International

“Sustainability is integrated in all that we do.”

Zang Chungao

CEO, Yanfeng International

About Yanfeng

Yanfeng International Automotive Technology Co. Ltd. (Yanfeng), with our headquarters in Shanghai, China, is a leading automotive supplier. Within our wholly owned global businesses, we develop, manufacture and market automotive interior, seating and passive safety solutions for all major automotive manufacturers in the world.

135



Locations

17



Countries

\$ 17.3B



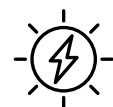
Revenue in 2025

56,000+



Employees

49%



Renewable electricity in use

256,582 t CO₂e


Corporate carbon footprint (Scope 1 & 2)

Core Product Lines of Wholly Owned Businesses



Interiors

- Cockpits & instrument panels
- Door panels
- Floor consoles
- Overhead consoles / trim
- Deco
- Air vents



Seating

- Complete seat
- Mechanisms
- Structures
- Components



Passive Safety

- Steering wheels
- Airbag
- Seat belts
- Restraint systems

Integrated and Innovative Solutions

Yanfeng is one of the only automotive interiors and seating suppliers that can combine and integrate a broad passive safety product portfolio into the vehicle interior. This means, wherever the passenger is seated, Yanfeng is developing advanced, integrated system solutions driving performance, cost-competitive solutions, and a consumer experience that will lead the industry.

Further examples of our integrated, cross-product line innovative solutions are:

Seat X Safety
Interior X Safety
Smart Steering Wheel

Countries of Operation

Yanfeng has research and development centers, manufacturing locations, and front offices around the world, in 17 countries. Our footprint is optimized to support the needs of our customers.



17 Countries

EMEA

- 1 Spain
- 2 Germany
- 3 Italy
- 4 Czech Republic
- 5 Slovakia
- 6 Hungary
- 7 Serbia
- 8 South Africa

AP

- 9 India
- 10 Thailand
- 11 Malaysia
- 12 Indonesia
- 13 China
- 14 Japan

NA

- 15 Canada
- 16 U.S.A.
- 17 Mexico

2025 Awards

Yanfeng received these awards in the areas of people, diversity and the environment:

HR Awards

Top Employer Award in China



Customer Awards

Emerging Business Partner at Mercedes-Benz India

- Yanfeng India was recognized as an Emerging Business Partner at Mercedes-Benz India. Received for our strong collaboration, commitment, and excellence in business program delivery.



Yanfeng was honored with multiple awards in 2025, some of the awards include:

- **SAIC GM** Best Award Recipient
- **Geely** Outstanding Technology Cooperation Award
- **SERES** AITO Mg Industrialization Excellent Production Line
- **Smart** Interior Department Excellent Supplier

Supplier Diversity Awards

Great Lakes Women's Business Council (GLWBC) Outstanding Supplier Development



Industry Awards

2025 Red Dot Design Award



Huayu Award – Intelligent Cabin Category

- **Yanfeng's Hover Series Seats** received the Huayu Award for ForwardThinking Innovation Ecological Product, recognizing innovation within China's intelligent cabin ecosystem.

Society of Plastics Engineers (SPE) Automotive Award

- Yanfeng won **first prize in the Electrical / Optical Parts category** at the SPE Automotive Awards 2025 for its ambient lighting decoration and intelligent control modules.



Automotive Industry Sustaining Power Award

- **Yanfeng Safeunit** was honored for outstanding technological innovation and its contribution to advancing sustainable mobility.



2025 Highlights

In 2025, Yanfeng achieved numerous milestones and accomplishments related to environmental, social, and governance issues. Here are the key highlights:



Net-Zero Emissions Activities

Yanfeng

- **EcoVadis Gold Medal** -- Interiors, Seating, and Safety Systems businesses
- **49%** of global energy consumption uses **green energy**

Yanfeng Interiors

- **A- score** -- CDP Climate Change Disclosure for **the fifth consecutive year**
- **B score** -- CDP Water Intensity Disclosure & CDP Forests Disclosure
- **A score** -- CDP Supplier Engagement Assessment (SEA)

Yanfeng Seating

- Committed to the **Science Based Targets initiative (SBTi)** short-term targets.
- **A- score** -- CDP Climate Change Disclosure
- **A- score** -- CDP Supplier Engagement Assessment (SEA)



Governance & Supplier Chain Transparency

8 internal RSCI auditors

- Covering the **Asia Pacific, Europe, and North America regions** were successfully recertified according to the latest Responsible Supply Chain Initiative (RSCI) manual, and the validity of certificates was extended.



Sustainable Materials

- Global procurement of recycled resins **increased by 35%** in comparison with the previous year 2024.
- **588 metric tons in-house mechanically recycled plastics** were applied in 2025
- material library contains **22 mechanically recycled plastic grades** (in-house and commercial materials)



Talent Development & Recognition

- **656 leaders** participated globally in leader development programs (GLDP, OLDP, PLDP, LiFT)
- Management awarded **9 individual employees** and **96 internal teams** with the highest honor of distinction for the 2025 annual awards.



Health & Safety

- 120 sites**
 - ISO 45001:2018 certified, compliant for **Occupational Health & Safety**
 - ISO 14001:2015 certified, compliant for **Environmental Management Systems**
- 0.08** • Total Incident Case Rate (TIR) met our annual injury target in 2025.
- 14.7%** • Total EHS Preventive Action Rate at a high level also met our annual target in 2025.



Community Involvement & Charitable Giving

- In 2025, Yanfeng employees globally engaged in community and volunteering efforts, in China participating in **30 activities**, support was provided to **27 nonprofit organizations** in North America, and **14 initiatives** carried out across Europe.

Material Topics

In 2023, Yanfeng conducted a Double Materiality Analysis to identify the most significant sustainability topics for our business. This initiative was undertaken in preparation for the upcoming European Corporate Sustainability Reporting Directive (CSRD). In 2025, we continue to take action on the seven material topics identified through this process. To explore material topics such as Climate Change, Resource Use and Circular Economy, Environmental Pollution, Adequate Working Conditions for Our Workforce, Management of Supplier Relationships, Corporate Culture and Business Conduct Policies, and Health and Safety of Our Workforce in more detail, please refer to our ESG report 2025.

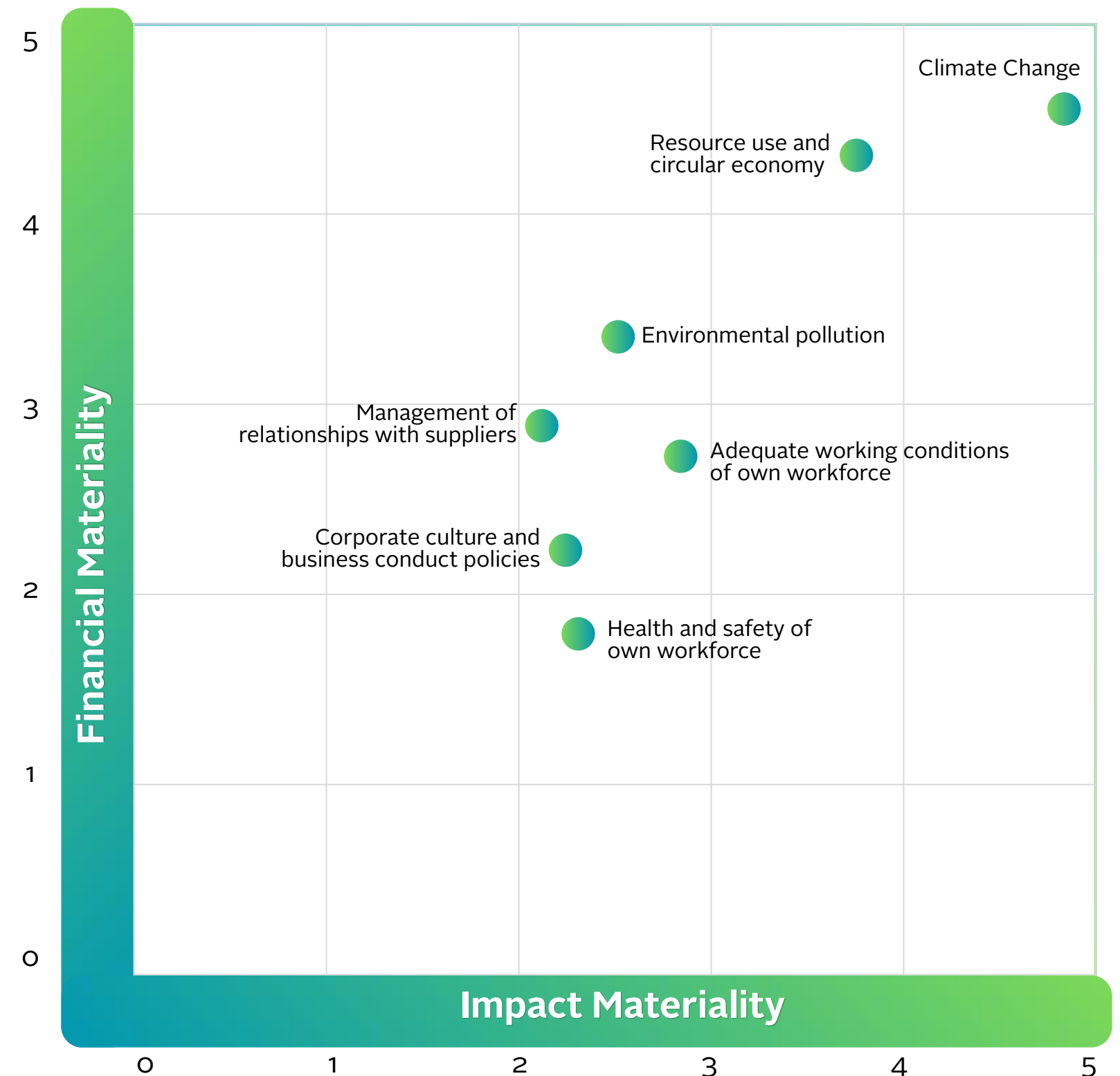
Within our assessment we focused on the following two dimensions:

- What is the potential **negative or positive impact Yanfeng has** in the areas of Environment and Social (Inside-Out Perspective/Impact Materiality)
- What is the potential **negative or positive impact of Environment and Social on Yanfeng** (Outside-In Perspective/Financial Materiality)

The methodology that we used to prioritize our Impact and Financial Materiality included context reviews (e.g., media and document analysis) in addition to various benchmark reviews (competitor and customer benchmarks). We also involved internal and external key stakeholders by conducting expert interviews and an online survey. We engaged a broad range of stakeholders, including customers, suppliers, business partners, science and trade association representatives, consultants, employees, and employee representatives.

For the 2025 report, we used the final seven prioritized material topics as the foundation of our Global Reporting Initiative (GRI) section. These topics relate to our Interiors locations in Europe, Serbia and South Africa (EMEA), and the related GRI disclosures are provided in the appendix of this report.

Double Materiality Matrix





Environmental

- Climate Change
- Interview with Senior Manager Engineering
- Environmental Protection
- The Best Sustainability Practices in Our Plants
- Interview with YFT GM & CTO
- Supplier Engagement
- Resource Use & Circular Economy
- Waste Management

Climate Change

Climate change is a central priority of Yanfeng's sustainability strategy.

We are fully committed to sustainability and ensure that our business operations respect and support environmental protection. This dedication affects every part of our work, from product design and material selection to manufacturing processes, energy and resource conservation, and control measures over waste and pollution.

We aim to achieve net-zero emissions through various strategies, such as carbon management, green manufacturing, renewable energy, and climate risk management. These actions are supported by robust measurement of our Corporate Carbon Footprint and Product Carbon Footprint.

Energy efficiency and renewable energy remain essential pillars of our response to climate change. We continue to improve energy performance across our sites and operate solar panel installations as part of our long-standing commitment to expanding the use of clean electricity.

Through these initiatives, Yanfeng advances steadily toward a lower-carbon, more resilient future while supporting our customers and partners in achieving their sustainability goals.

2025 Achievement



- In 2025, **Yanfeng Interiors** achieved an **A- score in the CDP Climate Change Disclosure 2025** for the fifth consecutive year, demonstrating consistent and transparent climate management.

- **Yanfeng Seating** also reached an **A- score**, showing clear improvement in reducing emissions and managing climate-related risks.



- **Yanfeng Interiors** improved to a **B score in CDP Forests Disclosure** and maintained a **B score in CDP Water Security Disclosure**, demonstrating our commitment to responsible sourcing and strong water stewardship.



- In 2025, **Yanfeng (Interiors, Seating and Safety)** was awarded the **EcoVadis Gold medal** in recognition of its strong performance across key sustainability areas. EcoVadis is a globally recognized provider of trusted business sustainability ratings, evaluating companies across environmental, social, and ethical performance. This prestigious recognition places Yanfeng among the top 5 percent of all companies assessed by EcoVadis in the past twelve months.

[Link to EcoVadis assessment](#)



Our Roadmap to Net-Zero Emissions

Climate change presents significant global risks, and reducing greenhouse gas (GHG) emissions is essential to limiting its most severe impacts. Companies have a crucial role in accelerating decarbonization and contributing to a more stable and sustainable future.

In 2023, Yanfeng Global Automotive Interior Systems committed to the Science Based Targets initiative (SBTi) near-term decarbonization targets, including:

50% reduction in Scope 1 and Scope 2 emissions
from a 2019 base year by 2030

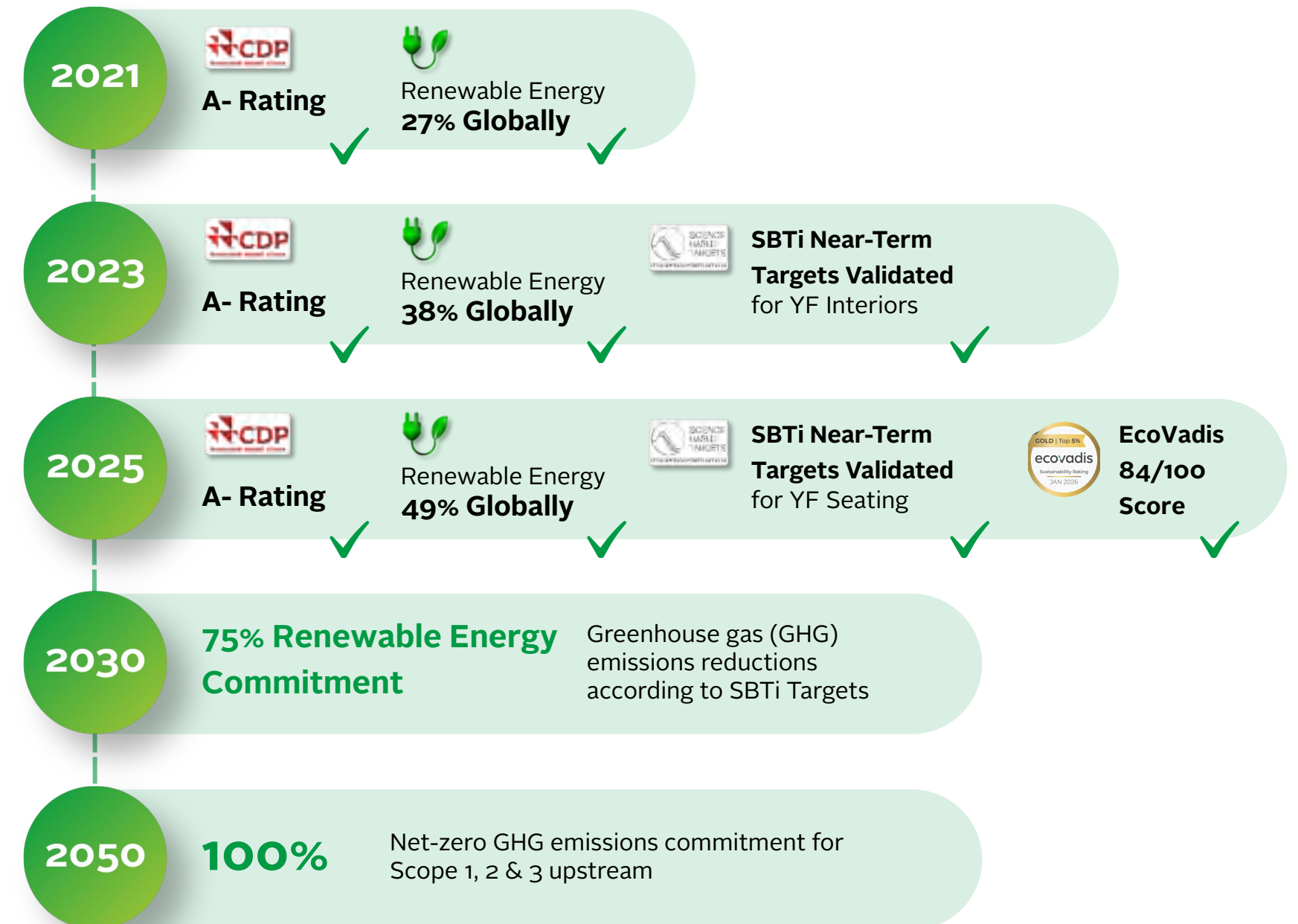
27.5% reduction in Scope 3 emissions
over the same period

In 2025, Yanfeng International Seating Systems committed to SBTi near-term targets as well, aiming for:

49% reduction in absolute Scope 1 and Scope 2 greenhouse gas emissions
by 2030 from a 2024 base year

35% reduction in absolute Scope 3 emissions
by 2034, also from a 2024 base year

Roadmap to Net-Zero Emissions



5th

Consecutive **A- Score**



First time

EcoVadis Gold Medal



Net-Zero Emissions Strategy

We have laid out a multi-dimensional strategy to reach net-zero emissions, incorporating various methods such as carbon management, green manufacturing, renewable energy utilization, and climate risk mitigation. Our commitment to sustainability drives us to implement rigorous carbon management protocols, focusing on quantifying, minimizing, and neutralizing our carbon footprint via process enhancements and innovative solutions.

Central to this effort is the integration of green manufacturing practices, which entail optimizing resource efficiency, minimizing waste, and prioritizing eco-friendly materials in our production processes. This transformation reduces environmental harm and enhances energy efficiency by embracing cleaner manufacturing techniques and equipment compliant with the highest sustainability standards.

Transitioning to renewable energy sources plays a pivotal role in our net-zero pursuit. We are actively shifting our energy portfolio toward solar, wind, hydroelectric, and other renewable energies, thereby lessening dependence on fossil fuels and curbing greenhouse gas emissions from energy generation. Climate risk management is integral to our strategy, as we identify and address potential threats to our operations, supply chains, and infrastructure due to climate change. This involves proactively adapting and fortifying our systems against climatic extremes, diversifying sourcing strategies, and engaging in partnerships supportive of low-carbon economies.

Key Focus Areas to Support our Net-Zero Emissions Strategy

Our comprehensive approach to reaching net-zero emissions demonstrates our enduring commitment to global climate goals and a sustainable future, while ensuring economic resilience and corporate social responsibility.



Carbon Management

- Promote Carbon Emission Tracking System (CETS)
- Enhancement of Data Quality and Governance



Climate & Nature

- Climate Risk and Management



Green Manufacturing

- Pollution and Waste
- Opportunities in Clean Technologies



Renewable Energy

- Self-Built Roof Solar
- Use Green Electricity

Carbon Management

Since 2022, we have been using Yanfeng's Carbon Emissions Tracking System (CETS), which aims to monitor the impact of the actions defined and track the progress of our activities related to sustainability. This approach ensures a consistent and uniform data-collecting process that can be used for both internal monitoring and as a basis for external reporting to organizations such as the Carbon Disclosure Project (CDP). The CETS covers all scopes defined by the GHG Protocol and tracks science-based targets, further emphasizing our commitment to reducing carbon emissions. Additionally, the system is in compliance with third-party audit requirements, providing transparency and accountability for our sustainability efforts.

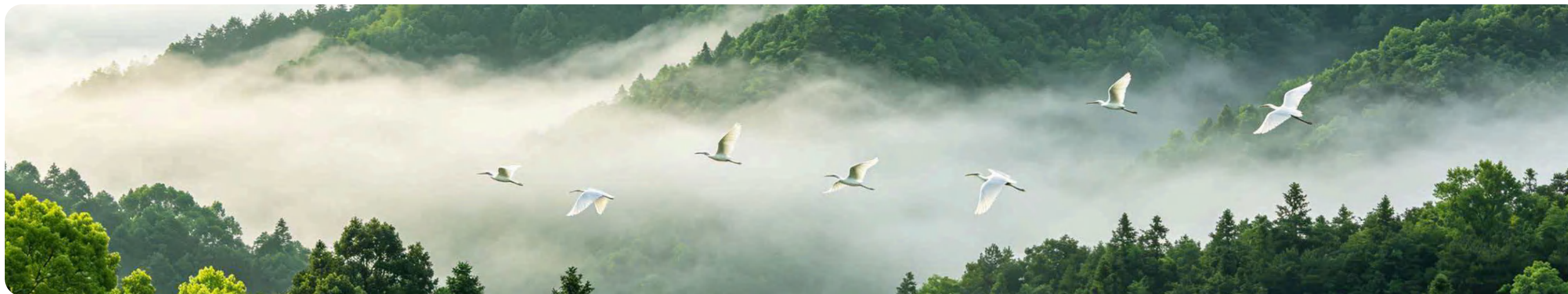
In 2025, the CETS was connected to 135 Yanfeng wholly owned sites around the world. The system links to the carbon emissions factor database that Yanfeng has integrated with the 3,100+ applicable factors out of the 40,000+ global authoritative factors. Through data accumulation, it forms the unique Yanfeng carbon emissions factors as well as collecting data on major raw materials, accessories, and energy sources, which can improve accuracy in the tracing of Corporate Carbon Footprints (CCF).

The CETS provides efficient data support for us to establish a sustainable value chain, promote the whole life cycle emission reduction of upstream and downstream enterprises in the supply chain, and realize cost reduction, efficiency enhancement and scientific emission reduction.

We have been calculating our CCF, including Scope 1, Scope 2, and Scope 3 upstream emissions, yearly on a global scale since 2020. The applied accounting standard for the carbon footprint was the GHG Protocol Corporate Accounting and Reporting Standard. To contribute to the transition to a net-zero emissions economy, we aim to reduce our emissions in line with climate science.



135 Plants around the World
are Connected to CETS



Yanfeng Corporate Carbon Footprint (CCF) for Scopes 1 & 2

The chart below shows the global Scope 1 and Scope 2 CO₂ emissions for Yanfeng (Seating, Safety, and Interiors business) for the calendar year 2025. Analyzing our data in-house provides us the opportunity to exactly define those factors and pain points that need to be improved in the short and medium term to realize our path towards net-zero emissions.

Yanfeng Corporate Carbon Footprint (CCF) for Scopes 1 & 2 CY 2025

Scope According to GHG Protocol	Unit	Interiors	Safety Systems	Seating	Grand Total
Scope 1	t CO ₂ e	34,782	572	8,948	44,302
Scope 2	t CO ₂ e	158,272	6,183	47,825	212,280
Grand Total Scope 1 + Scope 2	t CO ₂ e	193,054	6,755	56,773	256,582

As part of our commitment to sustainability and transparent environmental reporting, we engaged TÜV Rheinland, is an independent external audit firm to conduct assurance and to provide **Limited Assurance on Yanfeng International Automotive Technology Co.'s Corporate Carbon Footprint (CCF) for the 2025 reporting period.**

The external audit focused on verifying the accuracy and reliability of the reported carbon emissions data, as well as the methodologies employed in the calculation of our carbon footprint. Yanfeng appointed independent third-party auditor TÜV Rheinland to conduct limited assurance in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. The engagement criteria were the GHG Protocol: Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Following the completion of the assurance process, the external auditor issued a limited assurance report, affirming that, in all material respects, the reported carbon emissions are accurately presented in accordance with the applicable standards, enhancing the credibility of our environmental disclosures.



Product Carbon Footprint (PCF)

In addition to the Corporate Carbon Footprint, we also focus on measuring and optimizing the Product Carbon Footprint (PCF).

The product PCF is determined mainly by product design and covers the "cradle-to-gate" part of product life cycle. To measure the improvements, we use tools that meet industry standards and are accepted by our customers.

The main tool used for PCF calculation is iPoint using secondary data (from Ecoinvent or GaBi database) and now focusing on reaching primary data directly from the supply chain.

This system is capable of creating highly professional reports, calculating with different evaluation methods, comparing different product concepts, and assessing not only carbon footprint (related to ISO 14067, IPCC-GWP 100y, and others) but other environmental impacts of Yanfeng's products (e.g. evaluating changes in soil/nature by acidification, eutrophication factors, and others).



Corporate Carbon
Footprint Scope 1 & 2

256,582 t CO₂e

Energy

Renewable energy sources such as solar, wind, and hydropower can reduce carbon footprint, save money on energy costs, and promote a sustainable future. Committed to contributing to a more sustainable future, Yanfeng has established a comprehensive energy strategy for decarbonizing via three key methods:



**Green Energy
Purchasing**



**Rooftop and Ground
Solar Projects**



**Carbon Offset
Opportunities**

These methods allow Yanfeng to generate its own clean, renewable energy, reduce reliance on fossil fuels, and lower carbon emissions. By investing in renewable energy, Yanfeng is leading the way to achieve net-zero emissions and balance out its carbon footprint and inspire the industry value chain to follow suit.

As of 2025, more than 49% of our production plants globally use renewable energy, with 4.9% generated from solar power.

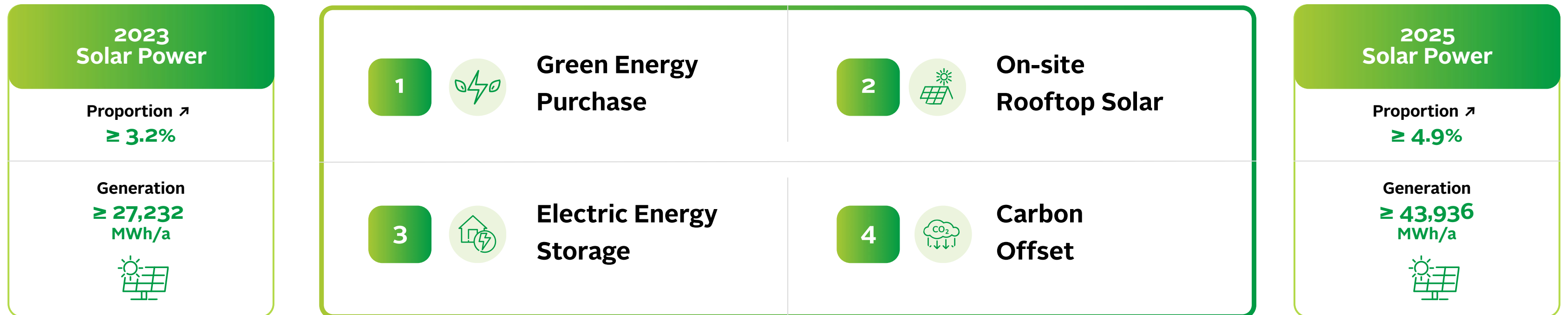


49%

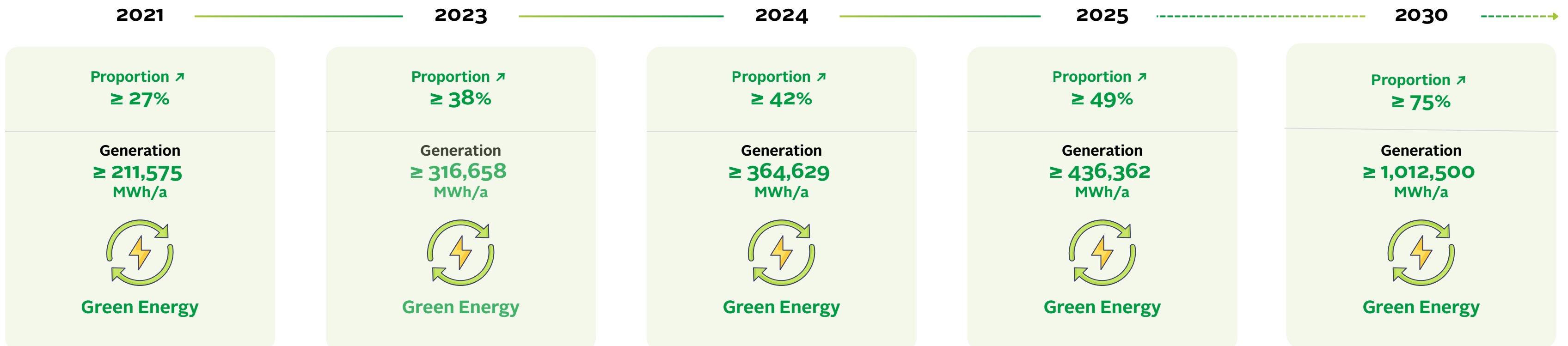
Renewable Electricity
is Used Globally



Roadmap to Renewable Energy at Yanfeng Globally



Green Energy



Decarbonization through Solar Power (2014 - 2025)



Between 2014 and 2025, Yanfeng made continuous progress in expanding on-site renewable energy generation. What began as a small initiative in 2014 has evolved into a structured, multi-year solar development program.



Starting with 1.5 MW of installed capacity, Yanfeng increased solar power generation year after year through solar panel systems. By 2025, solar power generation (cumulative generation) exceeded 43,936 MWh/a per year.



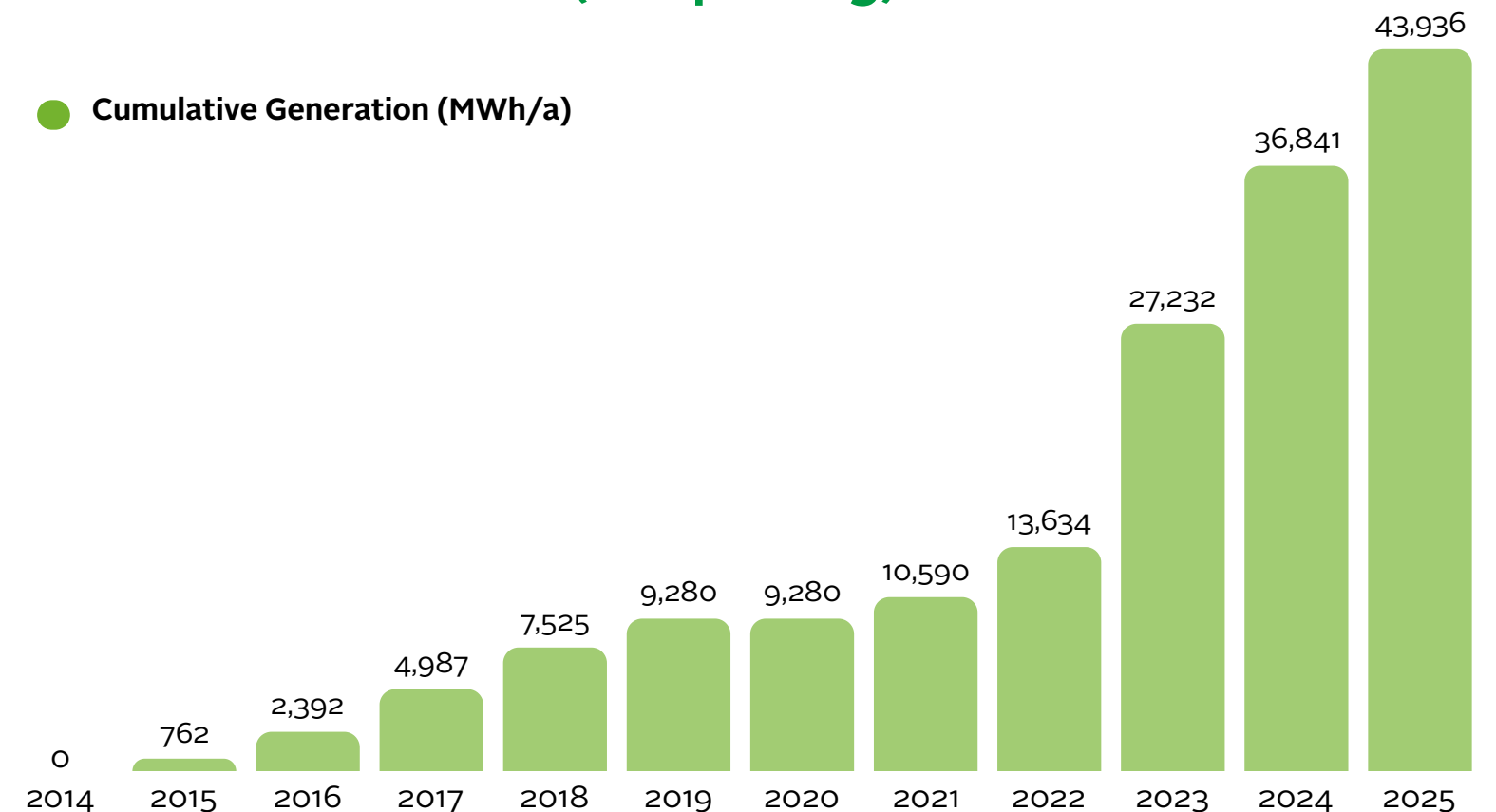
The cumulative annual generation shows how much clean energy our solar systems now produce compared to the early years of the program. This growth reflects the expanding capacity of our solar panel installations and their contribution to reducing reliance on grid electricity. The program also expanded the renewable-energy area across our sites, which is now covering a solar surface of 268,709 m² (equivalent to approximately 38 football (soccer) fields).



Solar power is a core part of Yanfeng's decarbonization strategy. Continued capacity growth positions the company to further reduce emissions and support global climate commitments. Solar panels significantly strengthen our environmental performance and reduce our carbon footprint of Scope 2 emissions.

Cumulative Annual Electricity Generated by Solar Panels (2014 - 2025)

● Cumulative Generation (MWh/a)



Accelerated Progress in 2014 - 2025



31

Solar Power Systems



43.97 MW

Capacity



43,936

Generation

MWh/a



268,709

Solar Surface

m²

Plant Sustainability Best Practices at YF Safety Shanghai



Yanfeng Automotive Safety Systems Co., Ltd.

is in the Pudong New Area of Shanghai, and specializes in the design, development, manufacturing, and sales of automotive safety system products. The plant provides integrated solutions for the design, development, and production of active and passive safety products including airbags, steering wheels, and safety belts.

The plant focuses on three core sustainability priorities: energy structure transformation, environmental protection, and a supportive workplace. In terms of energy, the company actively fulfills its environmental responsibilities by increasing the share of green electricity to reduce carbon emissions during production and the product's carbon footprint.

For environmental protection, operational waste is reused as part of the plant's efforts to minimize environmental pollution. Additionally, a people-oriented approach is followed, fostering a safe, respectful, and supportive work environment that enables employees to realize their potential, create value, and support long-term development.



Energy Efficiency & Renewable Energy

- Waiting time and energy waste are reduced through parallel production on the airbag hot-air drying line.
- Independently develop fast-curing foam materials for steering wheels to improve production efficiency and lower equipment energy consumption.
- Centralized control of office air conditioners was implemented to eliminate unnecessary energy use. Additionally, shared office setups reduce lighting and electricity consumption.

As the company's largest production base, the plant has installed a real-time energy consumption monitoring system, enabling real-time access to key indicators including energy consumption and carbon emissions.

To date, all the company's domestic bases have adopted digital electricity meters. The energy management system has enabled precise zone-level energy monitoring. This initiative has resulted in a significant reduction in energy costs.

Another initiative at many of our plants includes rooftop photovoltaic power generation systems and other green energy sources.



Plant Sustainability Best Practices at YF Safety Shanghai



Circularity & Waste Reduction

By promoting the refined sorting of solid waste, the proportion of recyclable materials has increased. **In 2025, the recycling rate of general industrial solid waste reached 84%, achieving zero landfill waste.**

Through process improvements such as optimizing the gating system and modifying molds to reduce flash, a project to minimize foam scrap waste has effectively reduced hazardous waste generation.

In 2025, the plant separated water-based adhesive-related waste from hazardous waste and classified it as general industrial solid waste through testing, evaluation, and public announcement. This project has reduced transportation costs and achieved annual cost savings.



Social Sustainability, Culture & Inclusion

The company upholds the values of respect and inclusion, implementing a zero-harassment. A non-discrimination policy, ensuring equal pay for equal work, and placing a special focus on women's rights and inclusive development. For employees, competitive remuneration and benefits are provided, recruitment is conducted in compliance with relevant regulations, forced labor is prohibited, and freedom of association and the right to collective bargaining are respected.

Guided by the **C-SPIRIT core values** (our fundamental guide for decision-making, representing Customer focus, People, Striving, Innovation, Respect, Integrity and Teamwork), a people-oriented approach is upheld. This approach focuses on employee growth as well as the protection of legitimate rights and interests.

Green office practices are actively promoted, including paperless work and digital dashboards, to reduce office supplies and improve efficiency.

A strong safety culture is fostered through regular training and awareness campaigns, continuously strengthening employee safety awareness and emergency response capabilities, while integrating care for employees into daily management.

The plant has received **external recognition as the “Best Place to Work – Pudong International Talent Hub Forum”.**

Plant Sustainability Best Practices at YF Interiors Southview



The Yanfeng Interiors Southview plant

located in Holland, Michigan, is part of Yanfeng's North American manufacturing network. The site specializes in the production of automotive interior components, including instrument panels, door panels, center consoles, trim parts, and assembled interior modules.

Sustainability at the Southview plant is driven by practical, results-focused initiatives integrated into everyday operations. The site prioritizes energy efficiency, waste reduction, and circular material use, delivering measurable environmental benefits while supporting efficient and responsible manufacturing. At the same time, a strong focus on employee safety, engagement, and development helps foster a respectful, motivated, and high-performing workforce.



Energy Efficiency

Energy efficiency is addressed through practical LED lighting, motion sensor light switches in parts of office areas, air leak audits, and optimized start-up and shutdown procedures for weekends and holidays to save energy.

The installation of capacitor banks on seven switch gears improved the plant's power factor. Several facility equipment upgrades were implemented during the past year, including energy-efficient heat pumps and roof replacements, supported by a local energy vendor.



Circularity & Waste Reduction

The plant operates a strong recycling program in cooperation with local vendors, covering metal, batteries, PCB boards, and solder waste. Additionally, the plant separates cardboard from general waste.

A notable example of effective hazardous waste reduction is the installation of in-house solvent distillation equipment in paint operations, which enables on-site recovery and reuse of solvent from spent paint purge, significantly reducing hazardous waste sent off-site and overall solvent consumption.

Circularity at the plant is further supported through plastic regrinding, where large components such as door panels and under-seat bins are reprocessed. The regrinded material is then reintroduced into the injection molding process together with virgin material, increasing circular material use while maintaining product quality.

Scrap is minimized through the use of RJG eDart (Electronic Data Acquisition and Real Time Tracking) technology, which monitors plastic melt pressure for every injection cycle across all tools. Further quality is supported by first piece approvals, regular process checks, defined escalation procedures, and standardized part inspections using checking fixtures to prevent defects.

Plant Sustainability Best Practices at YF Interiors Southview



Social Sustainability, Culture & Inclusion

The plant promotes a safe, respectful, and inclusive work environment by embedding EHS performance discussions into daily plant updates, management meetings, and monthly town halls, ensuring safety and wellbeing remain a shared priority.

A strong culture of mutual respect and diversity is actively encouraged across all levels of the organization. The plant benefits from a strong base of female talent, with women contributing across operational, professional, and supervisory roles and supporting overall business performance.

Employee satisfaction and workplace culture are strengthened through service award ceremonies, training and upskilling programs (supported by tuition reimbursement from the State of Michigan), and recognition initiatives (spot bonuses, idea sharing programs and perfect attendance recognition).

Regular employee events, profit sharing programs, year round Care and Share charitable initiatives (culminating in a year-end donation), and other benefits further support employee engagement, teamwork, and a positive workplace culture.



Innovation, Digitalization & Future Plans

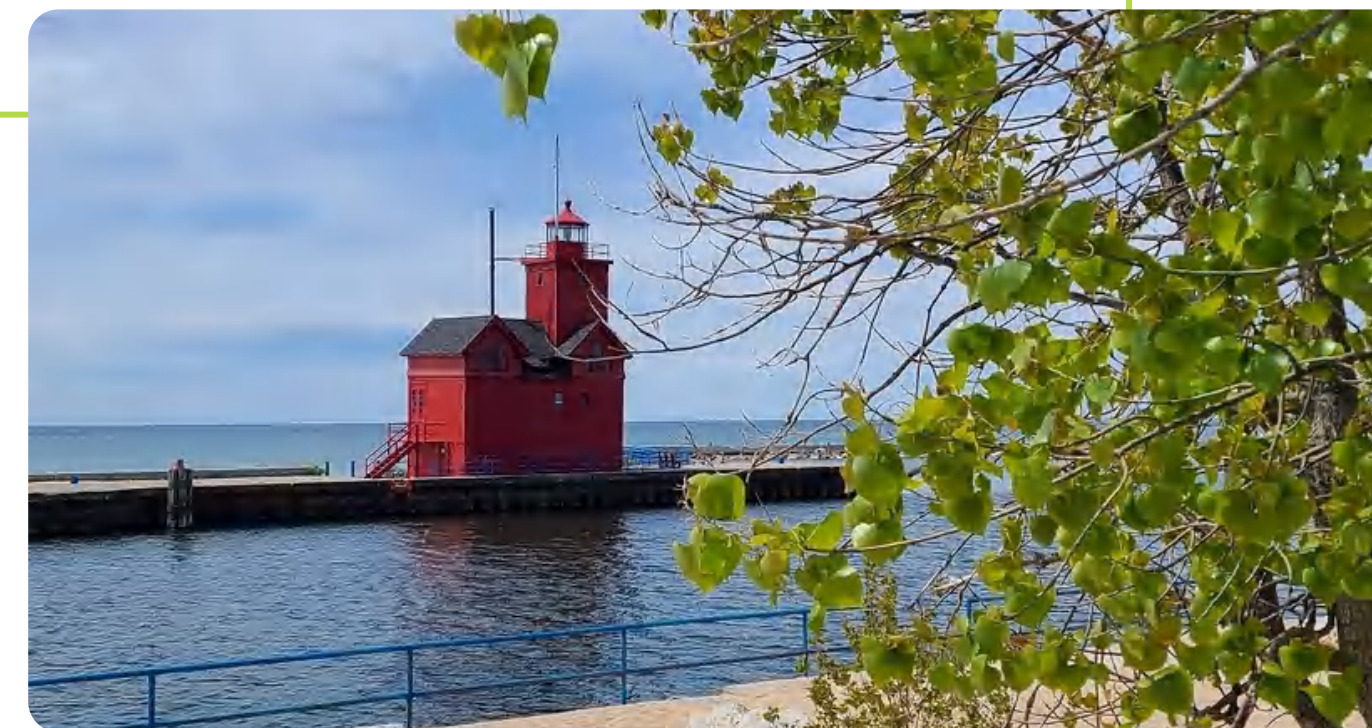
Innovation and digitalization support sustainable and efficient operations through the use of automation technologies, including robotic screw driving, ultrasonic welding, and automated clip placement, which improve process consistency, quality, and resource efficiency.

AI based inspection systems at assembly end-of-line stations enable early defect detection and prevention, helping to reduce rework and material losses.

Looking ahead, planned initiatives such as AGVs (Automated Guided Vehicles) for material handling, expanded AI inspection and robotic packing, and energy efficient lighting upgrades - aim to further enhance operational efficiency, workplace safety, and environmental performance.

\$ 218,000 raised for **16 nonprofits**
in 2025

\$ 27.4 mil since the program's inception



Plant Sustainability Best Practices at YF Interiors Neustadt



Yanfeng Interiors Neustadt

in Bavaria, Germany, is a key production site supplying premium interior components to regional OEMs.

The plant employs about 800 people and spans 53,560 m², combining advanced manufacturing with strong environmental, social, and governance practices. The site integrates advanced manufacturing technologies with strong environmental responsibility, social standards, and robust governance practices embedded in daily operations.



Energy Efficiency & Renewable Energy

The site has nearly completed its transition to LED lighting, reducing electricity use and improving lighting conditions. This led to a lasting reduction in electricity consumption and decreased unnecessary light emissions. A 1.19 MW photovoltaic system generated about 1.16 GWh in 2025 and covers daytime base load, providing around 8% of total energy demand. During daytime operations, the photovoltaic system adequately meets the plant's base load, enhancing energy resilience and minimizing reliance on external energy sources.

Additional savings come from variable-speed vacuum pumps and automated equipment shutdown outside production hours. These systems significantly reduce energy consumption while maintaining stable, reliable process performance. Heating and ventilation run in demand-based modes, lowering energy use, costs, and emissions. Together, these measures demonstrate a structured approach to continuous energy optimization.



Circularity & Waste Reduction

Christian Schie, Senior Professional, EHS, explains that the plant follows a structured circular economy approach. Injection molding scrap is processed on-site and reused where approved, reducing the use of virgin material and supporting closed-loop material flows. Certified partners support responsible waste handling, improving recycling, and lowering disposal costs. Through improved material separation and optimized waste handling processes, overall waste volumes were reduced.

Enhanced wood waste processing reduces transport volumes and CO₂ emissions while improving logistics efficiency. These improvements contribute to more efficient resource management and reinforce the plant's focus on minimizing environmental impact across all operations.

Plant Sustainability Best Practices at YF Interiors Neustadt



Social Sustainability, Culture & Inclusion

The Neustadt plant achieved a full RSCI label with a 100% score and zero deviations, making it the first Yanfeng site to reach this level. The result strengthened customer confidence, improved internal processes, and built pride across the plant. The result underlines the plant's strong governance framework and its commitment to the highest social, ethical, and safety standards.

Oliver Wimmer, HR Manager, states that success depends on consistently living the standards, not just preparing for audits: such results require continuous commitment before, during, and after the audit.

Teams across HR, Safety, Purchasing, and Operations worked together and embedded requirements into daily work. Transparent communication, shared responsibility, and cross-functional collaboration were key success factors. Suppliers were engaged through transparent, collaborative partnerships, where challenges were addressed jointly rather than treated purely as compliance topics. Operations are more transparent, and collaboration across teams has increased. Customers now view Neustadt as a benchmark for responsible operations, strengthening long-term trust and partnerships.

Oliver advises other plants to start early, involve all functions, and treat RSCI as an ongoing responsibility. The site supports this through compliance checks, regular assessments, clear escalation paths, and strong supplier relationships built on open dialogue and continuous interaction.



Future Focus

Looking ahead, the plant plans to connect to a district heating system and introduce demand-based cooling for equipment to further improve efficiency and reduce environmental impact.

Andre Heim, Plant Manager, highlights that the team's consistent focus on environmental protection, social responsibility, and responsible sourcing demonstrates that sustainability at Neustadt is a shared, actively practiced responsibility. Andre is proud of the strong commitment the team has shown. The consistent implementation of our ESG priorities particularly in environmental protection, social responsibility, and responsible sourcing is achieved alongside demanding day-to-day operations.



Neustadt team

(Left to Right)

Christian Schie
Andre Heim
Oliver Wimmer



Resource Use & Circular Economy

To reduce the carbon footprint of our products and operate in alignment with environmental limits, we are committed to embedding sustainability across the entire product lifecycle.

This includes designing products with improved environmental performance, developing lightweight and eco-efficient materials, increasing the use of recycled content, and optimizing logistics and manufacturing processes. Yanfeng supports climate-mitigation efforts and promotes more efficient use of resources in line with our circular-economy ambitions.



Design for Sustainability

Yanfeng incorporates sustainability into its development process to consistently assess and enhance the environmental performance of our products and processes from the initial planning stages to final production. Our Design for Sustainability (DFS) Work Instruction ensures that sustainability principles are integrated across the full product design and development cycle.

To support this approach, the DFS process is organized into three key phases:

1 Advanced Study Phase

2 Program Development Phase

3 Serial Production Phase

By applying this process, we ensure that sustainability is embedded throughout product development, enabling us to meet stakeholder expectations and advance our contribution to a more sustainable future.

Our Sustainable Product Lifecycle



Resource Use & Circular Economy

In-House Materials Development

We have built strong in-house capability in material research and development. The Non-Metal Materials Institute (NMI) focuses on material formulation technology for innovative and sustainable materials, which includes the features of the materials and their corresponding application in our projects.

In 2025, the annual supply of mechanically recycled materials independently developed by NMI has reached 588 metric tons, which were applied in OEM projects of Yanfeng Interior Asia Pacific for our main customers, including a series of PP recycled grades and PC/ABS recycled grades. Meanwhile, NMI has also developed plant fiber reinforced modified PP around the high value-added application of bamboo resources, and is jointly conducting material development, trial production and verification with two of our customers.

Besides mechanical recycled and bio-based materials, **in collaboration with the Chinese Academy of Sciences, SAIC and Nanjing Julong Science & Technology Co., Ltd**, we are undertaking a project of the Shanghai Science and Technology Commission on the research and application of closed-loop technology for automotive polypropylene, aiming to realize the repeated application of automotive materials to automotive parts through processes such as dissolution, extraction, formula design and modification granulation, achieving circular application.

Up to now, the Yanfeng Interior Asia Pacific material library contains 22 mechanically recycled plastic grades. Each of these grades features distinct material properties and has been fully qualified for use in specific automotive applications.

2025 Sustainable Material Developments

Recycled PP Materials



Recycled PC/ABS Materials



PP Reinforced with Plant Fiber



Closed-loop Technology for Automotive Polypropylene



These in-house materials not only lead to product carbon reduction but also offer features, such as good mechanical properties and natural visibility that meet design needs and can be fully integrated with our innovative solutions.

588 metric tons in-house mechanically recycled plastics were applied

Material library contains **22** of mechanically recycled plastic grades (in-house and commercial materials)

Material Circularity & Recycling

Recognizing that natural resources are not unlimited, the expansion of recycling solutions is increasingly important for reducing waste and retaining materials within the value chain.

Improving product recyclability represents a key enabler of circularity, and progress in this area requires coordinated action across the automotive supply chain. To support this objective, Yanfeng has continued to advance a wide range of recycling collaborations with customers, suppliers, and external organizations across all three regions.

The integration of recycled materials remains a central component of Yanfeng's circularity roadmap.

In 2025, the company increased its global procurement of recycled plastic resins to 11.26 million kilograms, reflecting year-over-year growth and ongoing efforts to reduce the environmental impact associated with virgin material use.

Region/Procurement of Recycled Resin in kg	2023	2024	2025
Europe, Middle East, Africa	3,171,545	3,199,476	5,495,735
North America	2,673,742	3,876,138	4,076,414
Asia Pacific	544,700	1,287,750	1,689,641
TOTAL	6,389,987	8,363,364	11,261,790

To advance the use of secondary materials, we cooperate and exchange knowledge with our upstream suppliers to understand all key aspects of waste-material streams, including their origin, modification, and performance control. Through these collaborations, we work to ensure that secondary materials are reliable in source, stable in supply, and able to meet performance standards with minimal fluctuation. In parallel, we engage closely with downstream OEMs to explore and expand the integration of secondary materials into cockpit components and other interior applications, thereby supporting circular-economy objectives throughout the value chain.

Europe remains a global leader in environmental regulation and circular-economy development, providing essential guidance for our long-term innovation agenda. We closely monitor regulatory developments in the region and apply these insights to shape our forward-looking research and material strategies. The European Union has reached a provisional agreement on a new End-of-Life Vehicle (ELV) Regulation, which introduces significantly stricter requirements for recyclability and ELV management, including increased use of plastics recovered directly from end-of-life vehicles. According to the agreement, new vehicles must contain 15% recycled plastic within six years and 25% within ten years, with at least 20% of this content sourced from closed-loop processes using materials recovered directly from ELVs.

To support our circularity objectives, we are actively working upstream and downstream to study how to better recycle secondary materials such as PC, ABS, PC/ABS, PC/PET/PBT, PMMA, and others from ELV vehicles, and are seeking opportunities for physical and chemical recycling through cooperation with external partners.

Physical recycling involves breaking down a product or material into its component parts and utilizing them to make a new product or material. This process is typically used for materials such as glass, metal, and paper, but can also be used for plastics. Chemical recycling, on the other hand, utilizes a chemical process to break down a material into its basic building blocks, which can then be used to make new materials. This method is typically used for plastics, where physical recycling is challenging due to the complex chemical makeup of plastics.

By integrating both approaches across the vehicle life cycle, Yanfeng enhances resource efficiency, increases circular material use, and advances progress toward our sustainability commitments



↑ **35%**

increase in the procurement of recycled resin vs. 2024

Our Product Solutions for the Future

Interior components made from renewable materials continue to play an important role within our product portfolio. Renewable materials have a positive impact on a product's carbon footprint and can provide the required performance while offering a weight advantage compared to standard plastic products. In 2025, we want to highlight the following sustainable products used in our portfolio:

ecoSkin Interior Surface Technology

Presenting ecoSkin, our innovative interior surface solution crafted from recyclable thermoplastic elastomer (TPE), seamlessly applicable to most visible interior surfaces.

Offering a luxurious tactile experience with lifelike textures and customizable multi-color combinations, ecoSkin streamlines manufacturing processes and enhances cost competitiveness, delivering premium aesthetics and sustainability.

Benefits

- Efficient mass-production, ensuring widespread accessibility and cost-effectiveness for automotive manufacturers and consumers.
- Can be tailored to interior designs and individualized preferences, enhancing the overall aesthetic appeal and personalization options for customers.
- Various translucent forms and multi-color striping on a single surface, elevating interior aesthetics while reducing manufacturing complexities and costs.
- Significantly reduced volatile organic compound (VOC) emissions, promoting environmental sustainability, and ensuring healthier cabin air.



Significantly reduced

Volatile Organic Compound
(VOC) Emissions

Our Product Solutions for the Future

ClickRim Modular Steering Wheel

It creatively utilizes a modular concept designed with self-wrapping connectors (2, 3, or 4 segments) that allow the steering wheel to be wrapped automatically.

The steering wheel includes a proprietary self-aligning housing and electrical connection system, as well as a pre-installed HOD and heating module, greatly reducing the overall complexity of the steering wheel product.

The new automated wrapping process supports a wide range of wrapping material options, saving about two-thirds of the traditional production time per steering wheel, significantly improving the efficiency of steering wheel assembly, and reducing CO₂ emissions by 1kg per piece.



Benefits

- Automatic lamination of fabric, leather, imitation leather and other wrapping materials can be used.
- Integration of light, off-hand detection (HOD) and heating functions.
- Highly accurate and reliable self-aligning housings and electrical connection system.
- Simplified automated lamination process with alternative components and surface materials for differentiated needs.
- Easy recycling and reuse of parts for low carbon sustainability.

Reducing CO₂ Emissions by

1kg per piece

Our Product Solutions for the Future

Reco Seat

The development of the Reco Seat is an important milestone in Yanfeng's commitment to a sustainable world. The seat utilizes a number of sustainable materials including PET PU trim, recycled foam, thermoplastic foam, green steel frame, PET lightweight back panel and hybrid cushion. Compared to conventional seating, Reco seat can significantly reduce its carbon footprint by up to 40%.

Benefits

- **PET PU Trim:** 100% recycled thermoplastic material (PET Coke bottles) is used to reduce the carbon footprint by more than 20%, and the surface is translucent while being skin-friendly and soft.
- **Sustainable Foam:** recycled foam and thermoplastic foam are combined to provide better resilience and support than ordinary polyurethane foam. The use of industrial wastewater steam in the foam production and molding process significantly reduces energy consumption and emissions.
- **Green Steel Frame:** by using 100% industrial steel scrap as raw material and green electricity for production, the carbon footprint can be reduced by more than 60%.
- **PET Lightweight Back Panel:** 30% weight reduction using recycled PET material, which is sustainable and shapes more styling possibilities at the same time.
- **Hybrid Cushion:** using high-strength recycled composites instead of metal reduces the carbon footprint by 20% and allows for a wider choice of surface treatment techniques.

Significantly Reduces its
Carbon Footprint by up to
40%



Our Product Solutions for the Future

Speaker Grille made from solvent-based recycled material

Today, significant volumes of mixed plastic waste are generated as post-industrial recycling (PIR) and from end-of-life vehicles (ELV) as post-consumer recycling (PCR). Due to inseparable material combinations, such as glued or coated composite plastics, these waste streams are typically landfilled or incinerated.

By leveraging solvent-based recycling technologies, Yanfeng unlocks new circular economy opportunities for plastics that were previously non-recyclable. Solvent-based recycling is an advanced recycling technology that selectively dissolves polymers to remove additives and contaminants, enabling the recovery of near-virgin quality plastics and supporting closed-loop circularity. This technology enables additional second-life opportunities for mixed PC/ABS plastic waste.

Increases the Share of
Circular Materials

Benefits

- Reduces GHG emissions by diverting mixed plastic waste from incineration and landfill and by lowering the demand for virgin plastic production.
- Increases the share of circular materials by enabling the reuse of plastics that were previously considered non-recyclable.
- Produces recycled polymers with consistent and high material quality, and therefore even enables the use for visible parts and light colors.
- Keeps mixed plastic waste materials that cannot be mechanically separated within the material loop instead of sending it to landfill or incineration.
- Provides an opportunity to recycle mixed plastic waste with relatively low energy consumption compared to chemical recycling technologies.



Sustainable Product Innovations 2025

Natural Fiber – Polypropylene Door Panel Carrier with Visible Natural Fiber

Door panel carrier made from renewable flax/hemp fibers with a customizable top layer, so natural fibers are visible on the surface without compromising aesthetics.

- Door Panels, Instrument Panels
- Carbon footprint reduction

Lightweight Curtain Airbag

Weight reduction of inflator and cushion by optimized part design.

- Airbag
- Light-weight design, carbon footprint reduction

Natural-Fiber-Reinforced Polypropylene Seat Back Panel

Using 50% renewable hemp fibers, which are non-toxic and recyclable.

- Seat back panels
- Carbon footprint reduction

PET - Rear Side Airbag

Carbon footprint reduction by replacing the conventional PA66 fabric with a PET fabric.

- Airbag
- Carbon footprint reduction

ClickRim Steering Wheel

Individual plastic shell segments are clipped onto the steering wheel rim to replace the conventional PUR foaming process.

- Steering Wheel
- Carbon footprint reduction, design for recycling

EcoSkin (TPE Skin)

Made from a recyclable thermoplastic elastomer (TPE), EcoSkin can be applied to most of the visible surfaces of interiors in the cabin.

- Applicable to almost all visible inferior surfaces
- Carbon footprint reduction, design for recycling

Sustainable Comfort Layer

Replacing current PU foam solution with a recyclable thermoplastic Material to reduce carbon footprint.

- Door Panel, Floor Console, Seat Armrest
- Carbon footprint reduction, design for recycling

Instrument Panel Carrier with 40% Recycled Material (Post-Consumer)

Non-visible structural parts with up to 40% recycled material from post-consumer sources.

- Instrument Panel
- Circularity, carbon footprint reduction

Visible Polypropylene Parts with 30% Recycled Material (Post-Consumer)

Visible parts with up to 30% recycled material from post-consumer sources.

- Door Panel, Instrument, Floor Console, Seats
- Circularity, Carbon Footprint Reduction

Speaker Grille Made from solvent-based recycled material

Solvent-based recycling technology creates additional second-life-opportunities for mixed PC/ABS plastic waste.

- Door Panel, Instrument Panel
- Carbon footprint reduction, design for recycling

Logistics & Transportation

Digital transformation has always played an important role in our logistics and transportation.

By promoting the comprehensive digital transformation of Yanfeng's logistics operation, we can realize the full penetration and efficient integration of data, accurately identify risks and opportunities in multiple scenarios, solve logistics business problems, and lead logistics transportation and packaging solutions to a more efficient, smarter, and greener direction.



Intelligent path planning to achieve green mileage optimization

Based on geographic location information of Yanfeng plants and data analysis software, the logistics team built an intelligent path planning model, multi-objective optimization was achieved through dynamic planning, the transportation route mileage was successfully shortened, and ineffective mileage was significantly reduced. Combined with Yanfeng logistics big data, an adaptive route selection mechanism has been established, highly improving the efficiency of route change, reducing the inefficient utilization of logistics vehicles and tools due to emergencies, and achieving CO₂ emission reduction standards.

Transportation Model Innovation for a Low-Carbon Direct Network

The regional transport topology is restructured, upgrading the traditional multi-level distribution system into a full-truck, door-to-door direct-delivery model. High-volume routes are identified through an operations-research optimization model, and two routes with intermediate transfer have been transferred to full-truck load, enabling "single loading, full-distance direct delivery" from origin to destination. This reduces the distribution of links and transit time. Using line-haul analysis reports, in-transit efficiency has been improved and delivery lead time shortened. Meanwhile, load rates have increased, cutting down empty runs and transfer losses.

Packaging asset management revolutionary upgrade

To optimize the packaging management of interior decoration and seats in China area, modular packing boxes have been developed, increasing the volume ratio of single boxes. ZATAG UHF RFID electronic tag system is applied to achieve real-time tracking of packaging assets, reduce the idle rate of packaging, and reduce one-time packaging material procurement costs. At the same time, the packaging information-sharing platform is established to improve the recycling rate.

Structural Transformation of the Intermodal Transport System

A combined "road + rail" transport network is being built, with the first full-truck multimodal transport route set to be launched in 2025. Compared with pure road transport, CO₂ emissions per ton-kilometer will be significantly reduced. Through algorithmic optimization of transfer connections, invalid mileage emissions are reduced, transfer timeliness is improved, and transport costs are lowered by 24%.

Digital scheduling system efficiency jump

The logistics team also promoted logistics companies to use intelligent vehicle and cargo scheduling platforms and connect with the Yanfeng system to achieve dynamic management of vehicle scheduling and intelligent order delivery and improve efficiency. Based on system docking and linkage, intelligent dismantling and merging of waybills are realized, which significantly reduces the empty driving rate of vehicles, increases the effective utilization rate of vehicles, and promotes railway to replace land transportation and reduce logistics carbon emission.

Interview with Peter Haubach



Senior Manager Engineering
Material Specialist Thermoplastic Resins

“ As we continue to advance low-carbon and circular solutions, the expertise behind safe and sustainable material selection becomes increasingly important. To provide insight into this critical area, we spoke with our material safety signoff expert, who shares practical perspectives on sustainable materials, regional differences, and the collaboration needed to enable circularity. ”

Q1. Our carbon footprint is influenced by the material choices we make during the development phase. What are the success factors you would define during this process to successfully implement sustainable materials?

First, we need to understand that material selection is a team effort. The whole project team needs to understand the requirements – internal and external.

The second part involves selecting materials with a low carbon footprint. Polyolefin products, such as polypropylene, have the greatest potential for carbon reduction. Other thermoplastic resins should be gradually replaced with polypropylene resins that possess the required properties. Additionally, the design of the parts must be adjusted to meet the customer requirements.

Finally, the selection of resins with secondary material content is key. The project team must be convinced that the quality of these materials is good enough and stable enough to achieve the requirements. The cost of high-quality materials with post-consumer content (PoC) is still higher than conventional materials, and the reduction potential of reduced product carbon footprint in comparison to prime grades is limited. The advantages are circularity and waste reduction/avoidance.

Q2. How would you define the status of available sustainable materials for our interior products? Do you see differences in different regions?

In Europe, the chemical industry has started early to find solutions for sustainable resins.

On the one hand, a lot of compounders understand the automotive interior business and have developed low-cost pre-consumer grades starting even more than twenty years ago. That was the first step. And it was not too difficult to find partners because of the cost advantage.

The global players of the thermoplastic industry started their challenge by developing high-quality sustainable products close to prime standards and based on pre- and post-consumer sources. These grades are more expensive than the prime, which is difficult to market at the beginning. But with the upcoming pressure for the European Union the interest at the OEM's is growing. Today, the first grades are used even in our programs. And the prices become more attractive. All OEMs request these as new standards.

China's sustainable automotive interior materials are in a rapid transition, driven by dual carbon goals and strong supply chains. Key traits: largescale adoption of PCR (postconsumer recycled) materials, growing biobased content in EVs, and fragmented standards.

In the US, the direction is different. There is declining support from the government to go for sustainability and environmentally friendly solutions. The US emphasizes biobased materials and brand premiums. Global customers require sustainable solutions for the North American region.

Q3. Circular products require a close collaboration between all partners in the supply chain. How does Yanfeng approach this topic? Can you give us some examples?

The most important thing for this topic is intensive communication with all partners: customers, material suppliers, and the internal team members from customer development, purchasing, and engineering. Goals can be different and do not necessarily match. You must find common ground for all partners. The cost of materials is still a significant topic when looking at sustainable materials. That is often contrary to sustainable, high-quality solutions. The partners, especially the customer, need to be convinced of the additional value of sustainability. Other industrial sectors have already recognized this. The automotive industry will have to catch up to achieve the overall goals.

Interview with Ni Jiawen & Patrick Nebout



Chief Technology Officer
Yanfeng Technology

General Manager
Yanfeng Technology

“ In 2025, sustainability clearly transitioned from ambition to execution. Global platforms now expect consistent carbon reduction outcomes across regions, enabled by close collaboration among customers, suppliers, and engineering teams. By embedding sustainability into our development and innovation processes, we are accelerating scalable and compliant solutions worldwide without compromising safety, quality, or performance. ”

Q1. In 2025, we have seen many launches of new electric car platforms globally. How is the integration of sustainable solutions into Yanfeng products, such as Instrument Panels, Door Panels, Seats, and others evolving in 2025?

Ni Jiawen:

In recent years, we have seen an increasing demand from automakers to integrate sustainable materials into their vehicles. Nearly all global projects launched by European customers in 2025 included sustainable materials and solutions.

Our customers do not differentiate between regions; if it is a global platform, the requirement for a reduced product carbon footprint is largely consistent worldwide. This means close collaboration between our customers, raw material suppliers, and engineering teams to identify the right solutions for each region.

In general, we adapted our design approach to increase the amount of recycled material by 35% from 2024.

Interview with Ni Jiawen & Patrick Nebout

Q2. We recognize an increasing interest among Chinese automakers in sustainability. From your perspective, what drives this interest, and do you see a new trend in China?

Ni Jiawen:

The long-term carbon reduction requirements set by Chinese car manufacturers have been adopted and are now very similar to those of their global competitors. The expansion of manufacturing globally, particularly into Europe, further increases the demand for sustainable products.

Another key factor is regulatory change in China related to carbon reduction, which supports the adoption of sustainable solutions in the automotive industry and reinforces our strategic direction.

For some time now, we have been developing sustainable raw materials in China through our Non- Metal Institute to support this transition. We have embedded sustainability into our development and innovation processes, which significantly facilitates implementation.



Q3. Can you highlight the product designs that were implemented during the development phase and are currently found in vehicles today?

Patrick Nebout:

When analyzing our products, we found that the substrates of our Instrument Panels have a significant impact on our carbon footprint due to their weight.

In the past, we have been very careful when integrating recycled materials into products with high safety requirements, such as Instrument Panels. In 2025, we successfully launched an Instrument Panel with 40% recycled content in the substrate without any safety tradeoffs.

Building on this success, we standardized supplier engagement and internal engineering validation gates, to ensure these learnings can be deployed across other product lines.

Q4. How are EU circularity rules (e.g., End-of-Life vehicles (ELV) related expectations) shaping your material roadmap and supplier collaboration model?

Patrick Nebout:

The introduction of new recycled materials supports the ELV Directive by applying a circular approach, which will become mandatory in the coming years. We believe Yanfeng is already well ahead of these requirements, having gained extensive experience with recycled and circular materials globally.

The global platform mindset is a strong enabler: customers expect similar carbon footprint targets regardless of region, so we design once and adapt regionally.

Waste Management

Yanfeng places the highest priority on environmental protection. We have obtained ISO 14001:2015 certification, reflecting our commitment to environmental protection, with 120 locations achieving their ISO 14001:2015 (Environmental Management System) certification by December 2025.



To minimize carbon emissions and alleviate environmental impact, we are proactively implementing waste reduction, reuse, and recycling strategies. Those principles are embedded in all operations, aiming to minimize waste generation amidst efficient processes. Through our management system, we closely monitor, track, and aim to cut down on the volume of waste destined for landfills, scrutinizing waste performance indicators to gauge the efficacy of our waste reduction initiatives, minimize landfill waste, and boost recycling rates. We also actively share and promote waste conservation program success stories internally.



Adhering to the ISO 14001 waste management framework, we also oversee and support our suppliers in their waste reduction efforts. Utilizing our carbon tracking system, we can assess the carbon footprint of waste and mitigate its environmental impact through governance measures. We target waste at the source by refining processes and enhancing resource efficiency, transforming waste into a renewable resource that substitutes for the extraction and production of virgin materials, turning waste into a valuable asset.



In 2025, we produced 118,166 tons of industrial waste in total, out of which 7,522 tons were classified as hazardous waste. Through effective measures, we can keep the non-landfill hazardous waste at a level of 98%. The non-landfill solid waste takes up 85% of the total solid waste, which includes plastic, metal, cardboard, electronic, glass, wood, organic, textile, and other areas.



To progressively reduce the rate of landfill waste, we promote innovative methods and projects in operations and share best practices within the group.

Non-hazardous Waste			Hazardous Waste			Total Solid Waste		
Total	Non-landfill	%	Total	Non-landfill	%	Total	Non-landfill	%
110,644	93,513	85%	7,522	7,371	98%	118,166	100,884	85%

Environmental Protection

We are committed to protecting and minimizing our impact on the environment. In addition to the existing legal standards and environmental ISO certifications, internal company rules enforce compliance with other rules that Yanfeng has established. Among other things, such internal company rules and policies are intended to ensure that we deal responsibly with the environment.

Three main examples of our most important sustainability policies:



01 Environmental Policy

We will reduce the negative impact on the environment by developing green products and processes, and build a green production system through continual improvement, to protect the ecological environment. Our commitments are:

- Implement a sustainable development strategy to create sustainable value.
- Fulfill all applicable environmental, legal, or other requirements.
- Encourage the innovation of environmental protection technology and management, continually improve environmental management system and performance from a life-cycle perspective to fulfill the commitment of protecting the environment and striving to exceed the expectations of interested parties.
- Facilitate energy savings and emissions reduction, improving ecological benefits.



02 Water Sustainability Policy

At Yanfeng, we are committed to conserving water resources and promoting sustainable water management practices.

We strive to minimize water consumption in our operations and facilities by implementing water-saving technologies, conducting regular water audits, and promoting water conservation awareness among our employees. By responsibly managing water usage, we aim to reduce our environmental impact and contribute to the conservation of this precious resource.



Environmental Protection



03 Air Pollution Sustainability Policy

Yanfeng is dedicated to reducing air pollution and improving air quality in our communities. We are committed to minimizing emissions from our operations, vehicles, and machinery by investing in clean technologies, adopting eco-friendly practices, and complying with relevant environmental regulations.

Additionally, we promote sustainable transportation options and encourage alternative energy sources to mitigate our carbon footprint and contribute to a cleaner and healthier environment.

To enhance our overall environmental performance, we are constantly increasing the number of global production plants certified according to ISO 14001:2015 (Environmental Management System).

This standard certifies that environmental obligations are managed with consistency and meet legal requirements and waste is reduced as well as providing assurance that environmental impact is being measured.

Here are some examples:



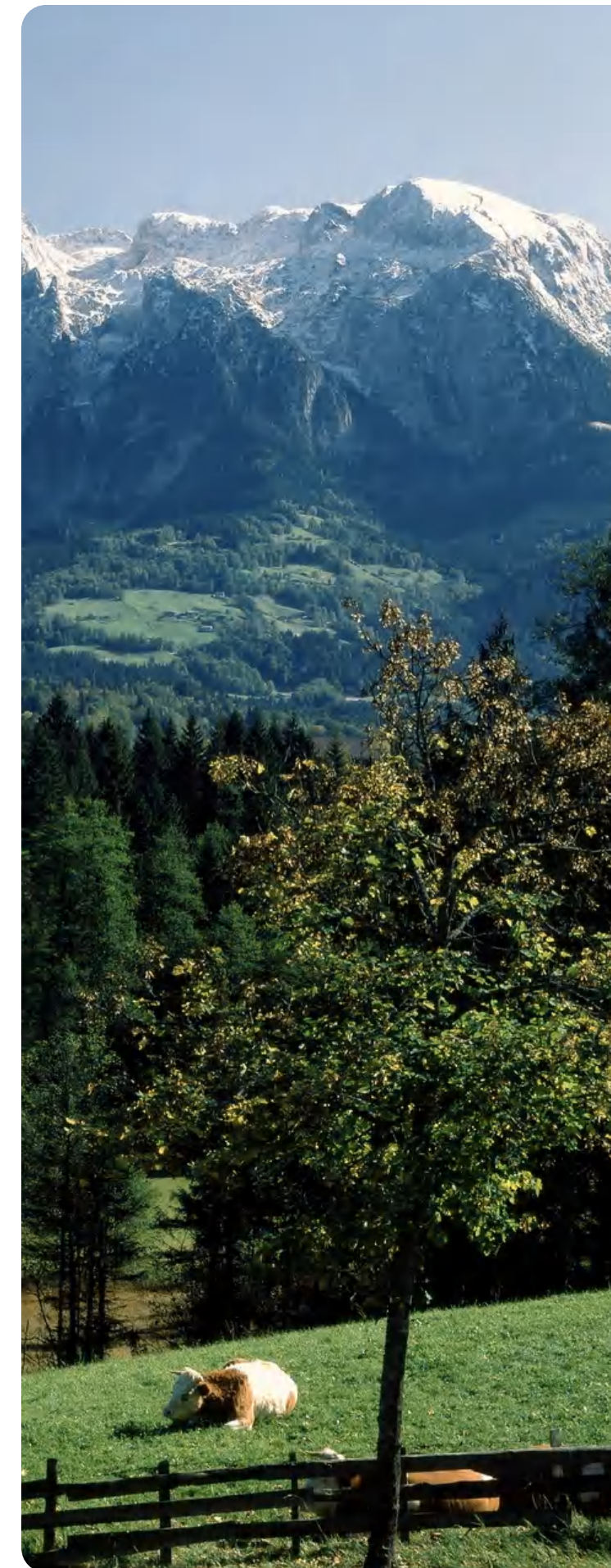
Wastewater, Waste, Local Air Emissions, Noise, and Light Pollution

- We make reasonable efforts to ensure at our locations that wastewater effluents are safe for receiving surface and ground waters. We will prevent the contamination of water and soil, in addition to preventing noise and light pollution. We put preventive precautions in place to ensure the safe and compliant handling, transportation, storage, reuse, recycling, and disposal of all types of solid and liquid wastes. The management of waste is in line with governmental regulations. We are specifically focused on avoiding or minimizing the release of hazardous substances or active ingredients via spills or fugitive emissions to the environment.



Biodiversity, Land Use, and Deforestation

- We protect biodiversity and surrounding ecosystems by preventing deforestation, forest and land conversion, and the degradation of natural habitats. Yanfeng applies responsible sourcing practices for all high-risk forest commodities like palm oil, soy, or other agricultural, or forestry feedstocks and evaluates suppliers to ensure they comply with recognized no-deforestation and sustainable land-use principles. We continuously assess environmental risks in our supply chain and work with partners to minimize impacts on flora, fauna, and local ecosystems.



Supplier Engagement

Sustainability is a key strategy in our drive for the green transformation of our supply chain. It is integrated into the entire procurement process to ensure that products and services are environmentally friendly and socially responsible at the source.

Related to our Partner Code of Conduct, all our new suppliers have to pass the ISO 14001 certification and respect the environment: as a key basis in doing business and to comply with the United Nations Global Compact's Ten Principles for Social Responsibility and Sustainable Development. To monitor our supply chain, we identify suppliers that are having a significant actual or potential negative environmental impact. We use Prewave, a software integrated with Artificial Intelligence (AI) technology that quickly detects, categorizes, and understands risks along our supply chain.

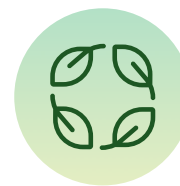
To proactively foster environmental behavior and to create actions to reduce emissions along our supply chain, we have taken the following initiatives:



**Training for
internal employees
and suppliers**



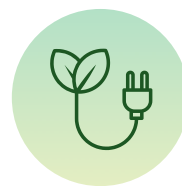
**Circular Material
Development**



**Sustainable Supply
Chain Development**



**NQC Supplier
Assessment**



**Use of
Renewable Energy**



**CDP Supplier
Engagement Assessment**

Training for internal employees and suppliers

Emphasis and investment in the supply chain reflect our commitment to sustainable development and environmental protection. By setting up training on sustainability for our suppliers, we not only improve the overall capability of our supply chain but also promote the common growth and progress of our partners. These trainings raise suppliers' environmental awareness and encourage them to adopt more low-carbon and environmentally friendly production processes.

By sharing visions and experiences, our suppliers are encouraged to take positive actions and jointly contribute to achieving the carbon neutrality goal. This helps build a more stable, efficient, and environmentally friendly supply chain.

In 2025, we continue to utilize our sustainability training for internal employees and suppliers in all 3 regions on following topics:

- Introduction Sustainability
- Circular Economy
- Materials
- Operations
- End of Life
- Recycling
- Life Cycle Assessment

Circular Material development

Yanfeng and our suppliers do continue the development of circular materials for automotive Interior applications. The requirement from the European Union regarding the ELV Directive (End of Life Vehicle) does require a minimum of 5% of circular material coming from recycled material.

Supplier Engagement

Sustainable Supply Chain Development

In 2025 we continue with the Initiative for Sustainable Supply Chain Development in all regions, calling on supplier partners to explore sustainable development paths, formulate the company's carbon reduction goals and specific implementation paths, seek cost-optimized carbon reduction methods, increase the overall competitiveness of the supply chain, and work together to build the world's best automotive parts supply chain.

The initiatives are as follows:

- Formulate and submit a renewable energy plan considering the enterprise situation and the geographical area. We continue to promote the implementation of the plan.
- Carry out corporate and product carbon calculations and actively participate in the collection of Scope 3 primary data from our suppliers and include them into Yanfeng's carbon management software to provide more accurate site data.
- Setting carbon emission targets for suppliers and actively supporting Yanfeng to achieve a 27.5% reduction in Scope 3 carbon emissions by 2030. We have established regular touchpoints with our suppliers to work on activities to reduce supplier carbon emissions.

We have incorporated sustainable procurement into our long-term strategic planning, continuously tracking and evaluating the effectiveness of its implementation, and adjusting and optimizing its procurement policies at the right time to ensure that they are always in line with global sustainable development trends, to achieve a comprehensive green transformation of the supply chain.

NQC Supplier Assessment

In 2025, we completed the roll-out globally the Self-Assessment-Questionnaire (SAQ) from NQC. This initiative is part of an industry-wide long-term strategy and aims to continuously improve the sustainability performance of automotive suppliers. We will improve the sustainability qualification of our supply base, as deficits can be identified and addressed individually.

The questionnaire is site-specific and focuses on the environment, working conditions, and human rights. We use NQC assessment for our strategic supplier base in all 3 regions. The rating is crucial in the sourcing process of new and existing strategic suppliers.

CDP Supplier Engagement Assessment

Yanfeng Interiors has successfully completed the CDP Supplier Engagement Assessment (SEA) for the 2025 disclosure cycle, achieving an A rating and Yanfeng Seating achieved A minus rating. The SEA assesses companies on their performance on governance, targets, Scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.

Use of Renewable Energy

We are committed to improving energy efficiency and reducing greenhouse gas emissions in its value chain using renewable energy sources, and to continuously improving energy performance in the production and delivery of products and services to customers.

Meanwhile, our partners are also expected to take steps to reduce their direct and indirect carbon dioxide emissions, by using green power or secondary or biomaterials. This requirement is also part of the partner selection process.





Social

- Our Workforce
- Health & Safety of Our Workforce
- Community Engagement
- Adequate Working Conditions
- Interview with Vice President EHS
- Interview with Executive Director Procurement
- Training & Education of Our Workforce
- Supply Chain Workforce

Our Workforce

Yanfeng's
Global Workforce

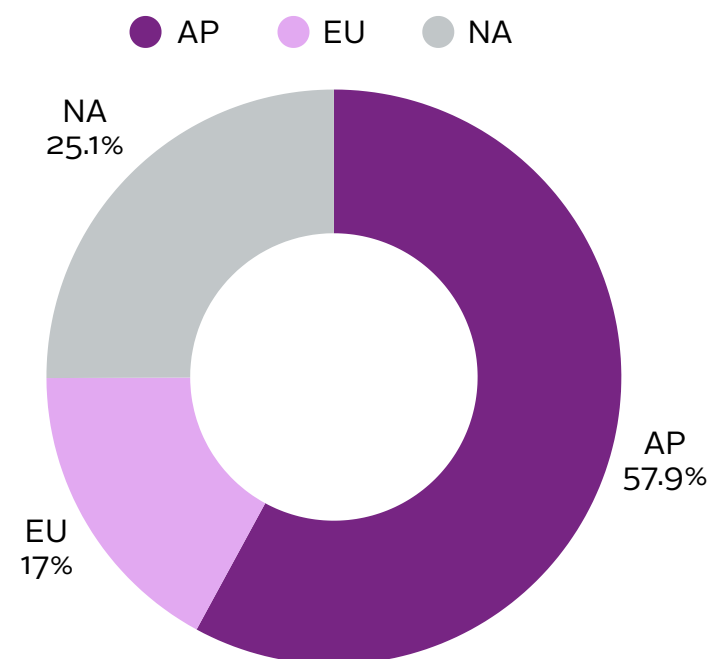
56,000+



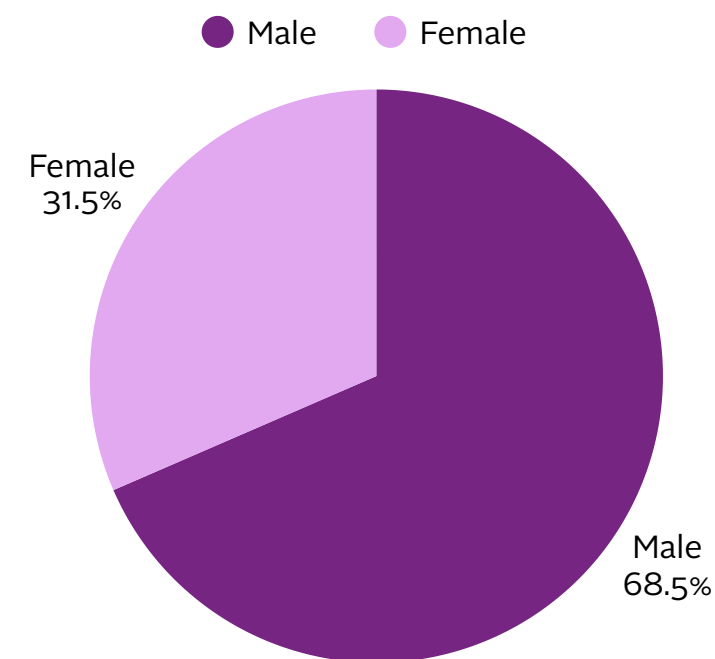
For 2025, our commitment to our workforce remains steadfast. With over 56,000 dedicated employees worldwide, we continue to prioritize their health and safety, outlined in detail in our health and safety chapter. Upholding human rights and ensuring fair working conditions globally remains a cornerstone of our operations, as detailed in our Human Rights and Working Conditions Policy.

As of December 31, 2025, Yanfeng's workforce numbered over 56,000 employees, with a significant presence in the Asia Pacific region.

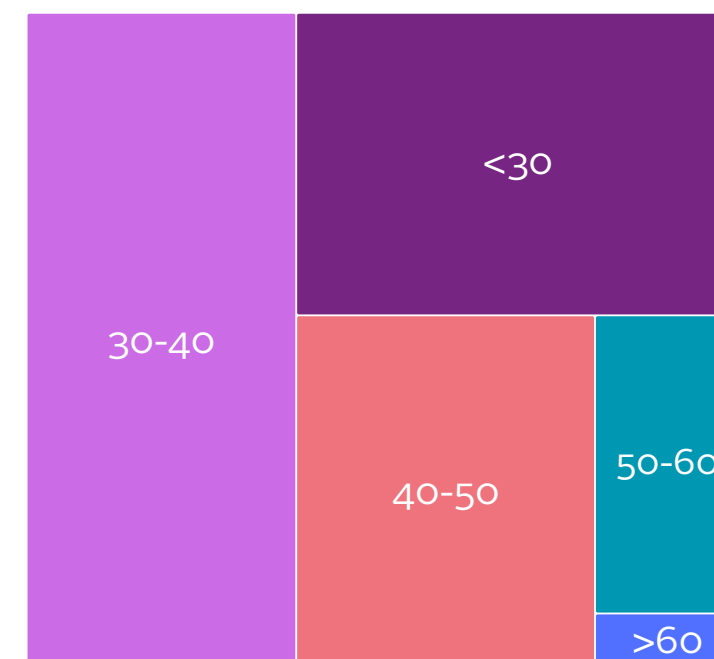
By Region



By Gender



By Age



Adequate Working Conditions

At Yanfeng, we believe that fostering adequate working conditions and cultivating a culture of integrity are integral to our success as a global leader. We prioritize the well-being and dignity of every individual within our workforce and uphold the highest ethical standards across all our operations.

Central to our commitment is our **Human Rights and Working Conditions Policy**, which serves as our guiding framework. This policy outlines our dedication to ensuring fair treatment, safety, and respect for all employees, regardless of their role or location within the organization. It underscores our pledge to uphold fundamental human rights principles in every aspect of our business practices.

 [Link to Human Rights and Working Conditions Policy](#)



Human Rights are Fundamental to Society and Imperative to Business Success

We firmly believe that human rights are not only essential for a just society but also critical to the long-term success and sustainability of our business. By championing human rights, we create an environment where our employees feel valued, empowered, and motivated to contribute their best. This commitment extends beyond our internal operations to encompass our entire value chain, fostering relationships built on trust and mutual respect.



Participant in the United Nations Global Compact

We are committed to upholding the **Ten principles of the United Nations Global Compact**, which cover human rights, labour, environment and anti-corruption efforts. By aligning with these principles, we demonstrate our dedication to responsible corporate citizenship and strive to make a positive impact on the world around us.

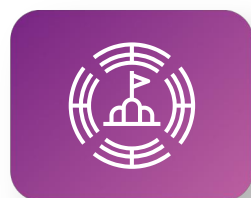
 [Link to Ten principles of the United Nations Global Compact](#)



2025 PARTICIPANT

Our company is committed to upholding the Ten Principles of the **United Nations Global Compact**. Please refer to our **Communication on Progress**.

Adequate Working Conditions



Sustainable Development Goals

Yanfeng's sustainability strategy supports the advancement of the United Nations Sustainable Development Goals (SDGs), through a focus on the environment, our business, and people.

[Link to Sustainable Development Goals \(SDGs\)](#)

SUSTAINABLE DEVELOPMENT GOALS



*The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States

The following summary illustrates how Yanfeng's material ESG topics, identified through the Double Materiality Assessment, are aligned with and support Sustainable Development Goals (SDGs).



Environment

Climate Change

Yanfeng supports **SDG 7 (Affordable and Clean Energy)** and **SDG 13 (Climate Action)** through energy efficiency initiatives, decarbonization measures, the increased use of renewable energy and solar power across operations and with SBTi near-term targets commitments for Yanfeng Interiors and Yanfeng Seating.

Resource Use and Circular Economy

Yanfeng contributes to **SDG 12 (Responsible Consumption and Production)** by optimizing material use, increasing recycled content, reducing total waste, and promoting circular design and production practices.

Environmental Pollution

Yanfeng supports **SDG 6 (Clean Water and Sanitation)** and **SDG 12 (Responsible Consumption and Production)** through responsible wastewater management, emission reduction measures, and initiatives to minimize environmental impacts from operations.

Adequate Working Conditions for Our Workforce

Yanfeng supports **SDG 3 (Good Health and Well-Being)** and **SDG 8 (Decent Work and Economic Growth)** by ensuring occupational health and safety, fair working conditions, and systematic employee protection measures.

Corporate Culture and Business Conduct Policies

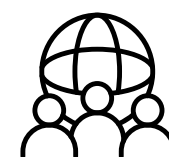
Yanfeng supports **SDG 4 (Quality Education)** and **SDG 5 (Gender Equality)** through employee development, diversity and inclusion initiatives, leadership programs, and engagement activities that foster a strong and inclusive organizational culture.

Management of Supplier Relationships

Yanfeng supports **SDG 17 (Partnerships for the Goals)** by promoting responsible sourcing, integrating sustainability requirements into supplier management, and strengthening collaboration across the value chain. Yanfeng is a member of VDA's Working Group Responsible Supply Chain Initiative (RSCI).

Corporate Culture and Business Conduct Policies

Yanfeng supports **SDG 16 (Peace, Justice and Strong Institutions)** by maintaining high ethical standards, robust compliance frameworks, and transparent business practices.



Social



Governance

Training & Education of Our Workforce



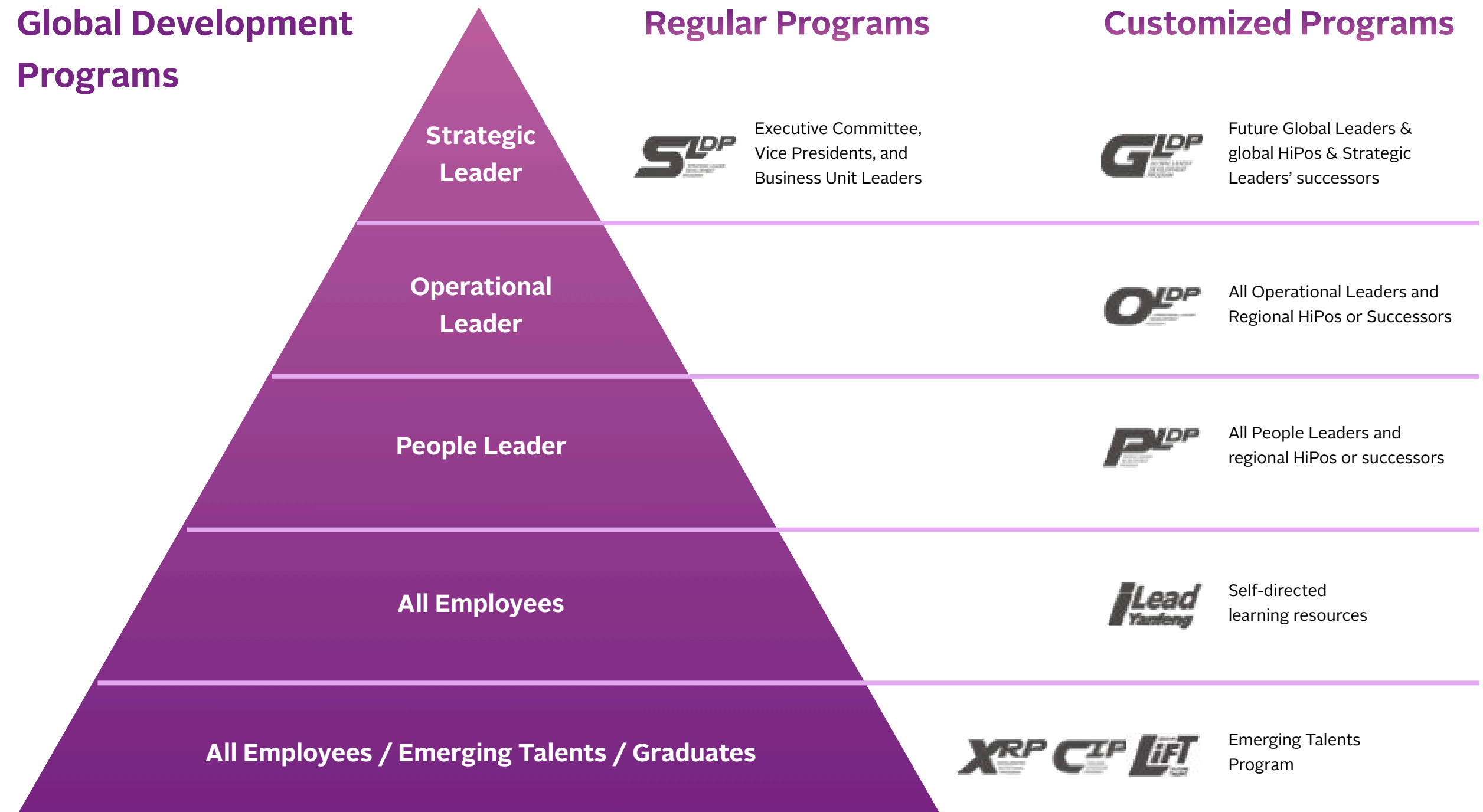
At Yanfeng, we believe in nurturing talent at every level of our organization.

Our Global Development Pyramid encompasses programs tailored to individuals at various stages of their careers, from emerging talent to seasoned leaders.

Global Development Programs

Regular Programs

Customized Programs



Yanfeng Academy

The Yanfeng Academy stands as a cornerstone of our commitment to employee development.

The Yanfeng Academy offers a comprehensive range of learning opportunities, including classroom sessions, online courses, and action learning experiences. It serves as a catalyst for personal and professional growth, with tailored development plans for individuals and groups. **A total of 83% of salaried YF employees globally accessed learning in the Yanfeng Academy in 2025.**

Average Training Hours per Employee

In 2025, Yanfeng salaried employees dedicated themselves to continuous learning, **with an average of 6.3 hours invested in training initiatives.** This figure underscores our workforce's dedication to honing their skills and staying abreast of industry trends and best practices.



83%

Salaried Employees Accessed Learnings in the Yanfeng Academy



6.3h

Average Training Hours per Salaried Employees

Highlights of Other Programs

Building upon the successes of previous years, we continue to enhance our training and education offerings. Our talent development initiatives include:

Yanfeng Young Professional Programs

Our **eXcelerated Rotational Program (XRP)**, **Graduate Development Program (GDP)**, and **Early Career Development Program (EDP)** empower young talent to kick-start their careers by fostering functional expertise and leadership skills.

High Potentials Programs

Our **Operational Leadership Development Program (OLDP)** targets directors and senior executives, providing them with the insights and competencies necessary to drive organizational success.

Established Professional Programs

Initiatives like **Lead in Future Talent (LIFT)** and the **People Leader Development Program (PLDP)** cater to mid-career professionals and newly appointed managers, equipping them with the tools to thrive in their roles.

Strategic Leader Programs

Our **Strategic Leader Development Program (SLDP)** offers quarterly briefings on key topics to senior leadership, providing valuable insights for steering the company's direction. This program is complemented by the **Global Leader Development Program (GLDP)**, designed for high-potential employees. Together, these initiatives emphasize strategic thinking, action learning, and cross-cultural competence, enhancing the leadership capabilities of our directors both regionally and globally.



Empowering People through the Mentoring Program



People development is a core pillar of Yanfeng's social commitment.

In 2025, Yanfeng continues to expand a global internal Mentoring Program, which was launched across Europe, South Africa, North America and Mexico to support employee capability building, leadership development, and cross-regional collaboration. The program represents a strategic investment in employee empowerment and inclusion, supported by structured mentor-mentee matching, standardized learning sessions, and accessible development resources focused on critical leadership and professional skills.

In 2025, the program expanded to **134 mentoring pairs** (90 participants from North America and Mexico, 142 participants from Europe and South Africa), reflecting a **68% year-over-year** increase and demonstrating strong employee engagement and demand for development opportunities. Participant feedback confirms measurable benefits, including improved communication, confidence, strategic thinking, coaching capability, and cross-cultural understanding.

Over two years, the Mentoring Program has delivered consistent development outcomes, strengthened internal talent pipelines, reduced reliance on external development programs, and contributed to a more capable, connected, and engaged workforce — creating both social and business value.

134

Mentoring Pairs Participated
in Mentoring Program



Health & Safety of Our Workforce

Yanfeng places the highest priority on the health and safety of our employees.



We have obtained ISO 45001:2018 certification, reflecting our commitment to occupational health and safety, with 120 locations achieving their ISO 45001:2018 (Occupational Health & Safety Management System) certification by December 2025. Through the adoption of ISO 45001:2018, we have established a comprehensive framework to identify and manage occupational health and safety risks within our organization.



120

locations Certified with
ISO 45001: 2018

(Occupational Health & Safety Management System)

Health & Safety Performance

The health and safety of our employees is the most critical element we focus on and is an important factor in achieving the desired success of our company. We focus on continuous improvement of the health and safety management system and the cultivation to improve the company's performance indicators.

Our commitment to employee safety is reflected in proactive measures such as regular risk assessments, training programs, and the implementation of robust safety protocols. We are implementing lagging and leading indicators to improve employee engagement and a strong safety culture. We also focus on Behavior-Based Safety (BBS) programs.

BBS programs concentrate on identifying and addressing at-risk behaviors in the workplace that may lead to accidents, injuries, or incidents. These programs involve observation and data collection on employee behaviors related to safety, followed by feedback and intervention to encourage safe practices.

BBS programs aim to create a safety culture within an organization by promoting and reinforcing positive safety behaviors among employees. By addressing behavioral aspects of safety, BBS programs can help prevent accidents and improve overall safety performance in the workplace. (Observation and feedback programs, EHS talks, EHS Inspections in Layered Process Audit (LPA) audit system).

By integrating ISO 45001 into our operations, we foster a safe and healthy work environment, ensuring compliance with legal requirements and promoting a sustainable approach to occupational health and safety.



Total Incident Case Rate

0.08

Thanks to the efforts and contributions of all our employees and sites around the world, we met our annual injury reduction targets this year.

	2021	2022	2023	2024	2025 Actual	Threshold / Target
Total Incident Case Rate (TIR)	0.09	0.07	0.10	0.13	0.08	0.20
Lost Time Case Rate (LTR)	0.02	0.02	0.02	0.02	0.02	0.06

Total incident case includes: lost time case, medical treatment case, fire alarm accident, occupational illness and environmental incident.
• TIR = Annual total incident case count x 200,000/annual total employee hours
• LTR = Annual lost time case count x 200,000/annual total employee hours

In addition to tracking the lagging indicators Total Incident Case Rate and Lost Time Case Rate, starting in 2022, we also began tracking the leading indicator. The leading indicator is the Total EHS Prevention Action Rate. The Total EHS Prevention Action Rate is the rate or ratio of preventive actions to accidents or safety-related incidents in a company or organization. A higher rate indicates that the company has taken effective action to prevent environmental, health, and safety risks. It serves as an indicator of the effectiveness of a company's safety management and prevention program.

	2022	2023	2024	2025 Actual
Total EHS Preventive Action Rate	10.01	10.50	16.77	14.70

In 2025, our overall EHS Preventive Action Rate was still at high level reflecting our proactive approach to identifying and mitigating potential workplace risks.

Policies and Training

Our Health and Safety Policy continues to evolve, underscoring our commitment to safe operations. This policy guides our actions and decision-making processes to ensure compliance with regulatory requirements and best practices.

We continuously work on enhancing and improving governance at Yanfeng.

Health and Safety for Subcontractors Policy

- At Yanfeng, the health and safety of all workers, including subcontractors, is our top priority. We are committed to providing a safe and healthy working environment for everyone on our premises by adhering to strict safety protocols, conducting regular inspections, and providing appropriate training and protective equipment. We expect all subcontractors to comply with our health and safety guidelines, prioritize the well-being of their employees, and report any safety concerns or incidents promptly. Together, we can ensure a secure and conducive workplace for all individuals involved in our business activities.
- We actively involve our employees in safety initiatives through regular communication, feedback channels, and active participation in safety improvement projects. We aim to provide a workplace that not only promotes physical well-being but also supports the mental and emotional health of our employees.



9,558

Participants



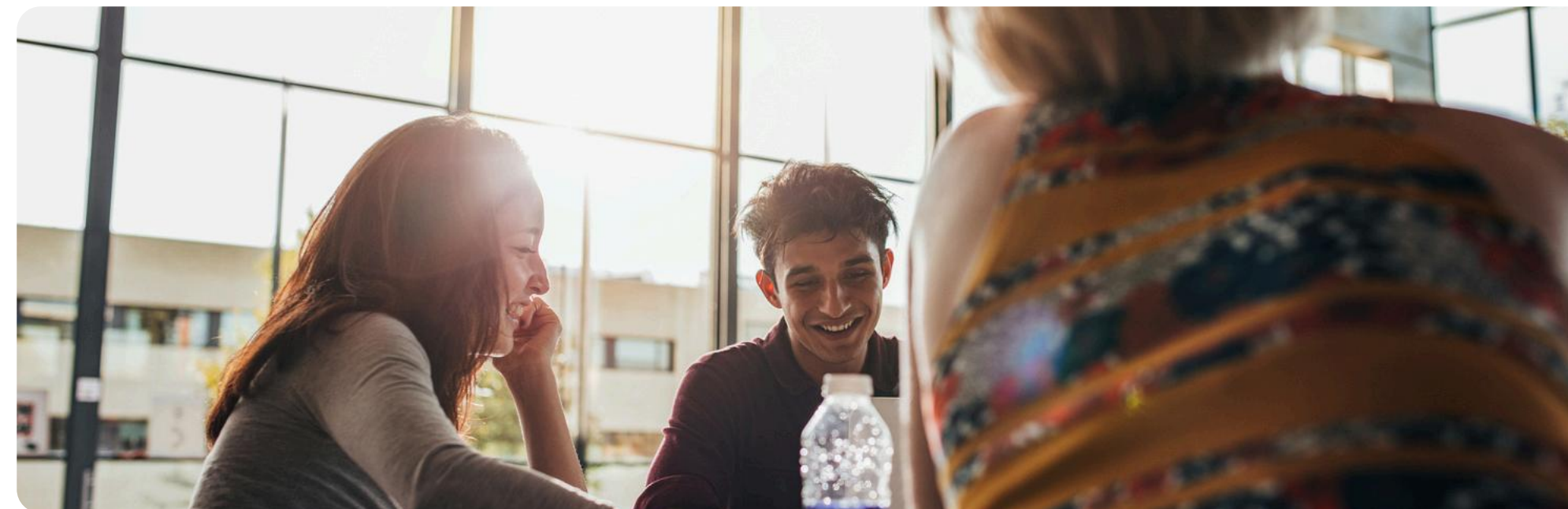
24

Specialized Training Sessions

We expanded our training offerings to include:

In 2025, the company's EHS training adhered to **the principle of “prevention first, risk prioritization, tiered implementation, and full coverage.”** A six-module training system was established. Throughout the year, a total of 24 specialized training sessions were delivered, with 9,558 participants in total.

The training covered key areas including risk prevention, fire safety and emergency response, occupational health, environmental compliance, management capabilities, and supply chain safety, effectively enhancing EHS awareness and professional competence across all employees.



Policies and Training

o1 Risk Prevention & Incident Management



4

Sessions

471

Participants

Key topics

- 8D incident analysis methodology, EHS high-risk problem-solving process, hazardous work management, change management process application

o2 Fire Safety & Emergency Response



5

Sessions

4,649

Participants

Key topics

- Supplier fire protection system audit key points, fire protection facility inspection essentials, RTO safety equipment training, generator configuration and emergency response, foaming safety standards (raw material feeding & batching)

o3 Occupational Health & Personal Protective Equipment



5

Sessions

377

Participants

Key topics

- Workshop noise hazard control, on-site chemical cabinet management essentials, chemical warehouse management, summer heatstroke prevention and first aid training, occupational health toolkits and AI integration applications

o4 Environmental Management & Compliance Operations



3

Sessions

340

Participants

Key topics

- Pollutant discharge permit management essentials, outdoor environmental monitoring management essentials

o5 Management Capability & Targeted Improvement



3

Sessions

2,445

Participants

Key topics

- Logistics manager EHS capability and awareness enhancement, team leader EHS capability enhancement

o6 Supply Chain & Operational Safety



4

Sessions

1,276

Participants

Key topics

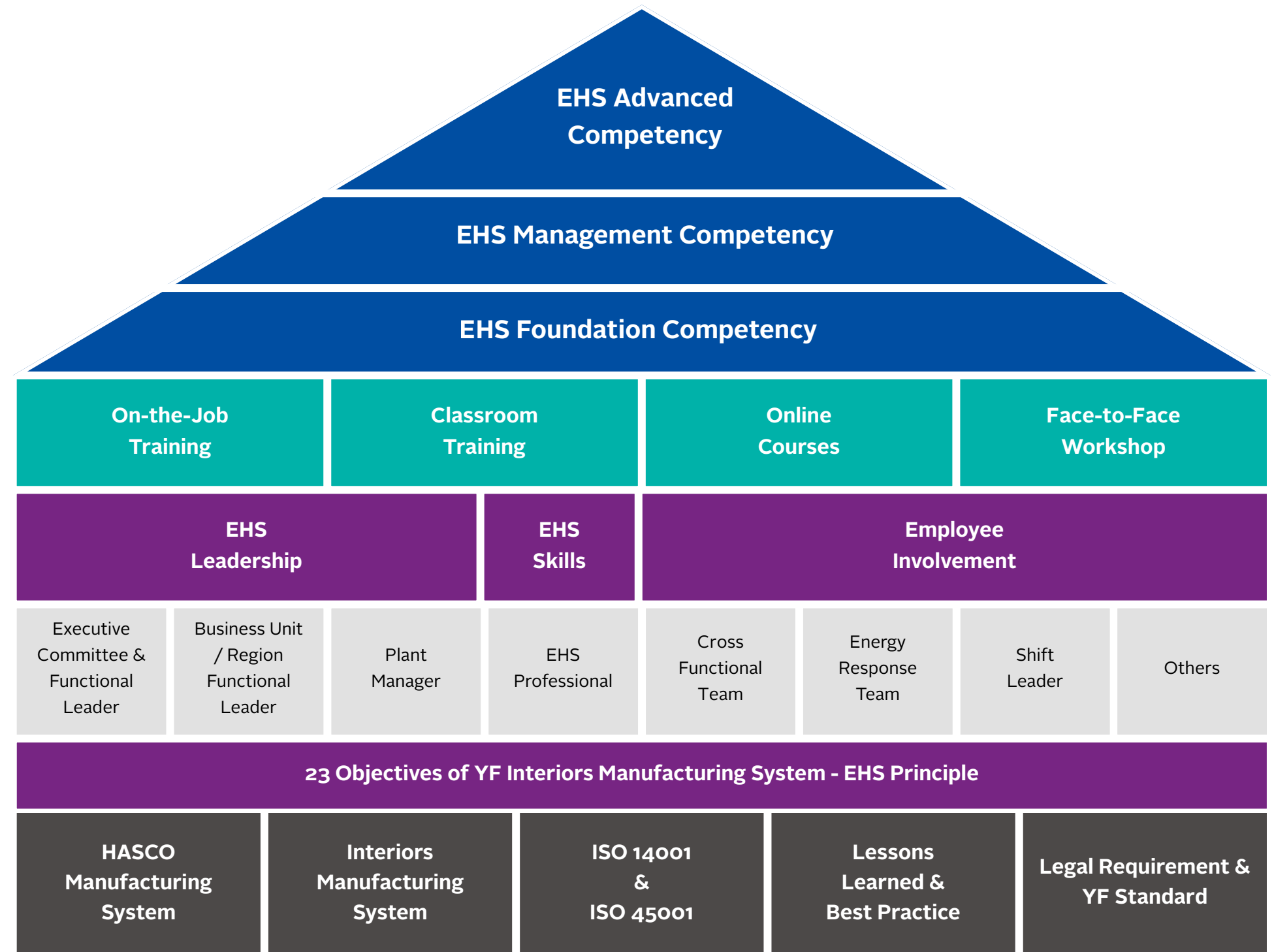
- Confined space safety management, LOTO (lockout/tagout) safety management, electrical safety management, forklift operator authorization training, fall protection management, supply chain EHS management

Policies and Training

Our regional and global EHS training programs remain robust and tailored to the specific needs of our diverse workforce.

These programs cover a range of topics, including personal protective equipment, confined spaces, workplace inspections, and global safety principles. Each year, our regional EHS teams lead the design and implementation of these training programs, incorporating new courses and updating existing content to address emerging risks and challenges. With a strong emphasis on continuous improvement, our training initiatives are regularly evaluated through feedback surveys, performance metrics, and real-world incident data. This ensures that our programs not only meet regulatory requirements but also foster a culture of safety and environmental responsibility across all levels of the organization.

In addition to in-person sessions, we have expanded our digital learning platforms to provide flexible, accessible, and interactive training options. This allows employees to engage with content at their own pace, reinforcing knowledge and promoting long-term retention. By leveraging technology and local expertise, we are better equipped to support our global teams and ensure that everyone has the tools they need to work safely and sustainably.



Interview with Zhang Lu

“ We adopt a progressive strategy of ‘improve efficiency first, then switch to green energy, and offset last,’ making energy efficiency the foundation of our zero-carbon roadmap. ”

Q1. Mr. Zhang, from your perspective, how does your team influence daily plant operations to improve safe and healthy performance, and which actions or practices best show this impact in daily work?

In my view, our EHS organization is far more than a department that sets standards and audits compliance—it is a strategic business partner to plant operations. Our core objective is to put the company’s EHS policy into practice and embed two cultural commitments into daily work: “Think safe, act safe, be safe” and “One Yanfeng, One Blue Planet.”

In day to day operations, we ask plants to look beyond the headline goal of “zero accidents” and focus on the behaviors and management practices that prevent incidents. Through near miss reporting and the global launch of EHS responsibility zones, people no longer wait passively; they actively reduce potential risks in their areas of responsibility. This is supported by a globally unified EHS management standard, the Yanfeng International Management System (YFIMS) – EHS Principles, combined with a strong focus on safety culture.

Our efforts also focus on creating strong safety moments by engaging employees year-round through Safety Month, World Environment Day, and rotating monthly safety themes. We’ve replaced dry documents with engaging short videos on multimedia channels to reach employees in their fragmented mobile moments. By turning employees into “safety stars” who share their own site improvements, we create a sense of participation that top-down communication cannot match.

The greatest impact of our team comes from building capability across the workforce, managing leading indicators, strengthening safety culture, and replicating best practices.

Q2. How energy efficiency takes shape in daily operations, which initiatives best reflect progress so far, and how do employees support continuous improvement?

As Yanfeng moves toward a zero carbon future, energy management has evolved from a back office support function into a frontline strategy that drives operational decisions and daily behaviors.

We adopt a progressive strategy of “improve efficiency first, then switch to green energy, and offset last,” making energy efficiency the foundation of our zero-carbon roadmap. We believe that only by embedding energy efficiency into every investment, every process, and every employee’s work habits can the net-zero goal be transformed into concrete, continuously improving daily metrics.

We have deployed a Carbon Emission Tracking System across our worldwide operations, providing real-time visibility into energy performance and abnormal fluctuations. Energy efficiency is no longer a vague initiative, but a concrete metric tracked daily and reviewed regularly.

The most representative example is the “Energy Hunt” diagnostic activity: energy experts go deep into the workshops, identify hidden waste in each process, and work with plant teams to develop improvement plans.

The annual “Energy Saving Pioneer” award encourages frontline employees to extend their innovative energy saving methods to other sites, creating a cycle of “discover in one place, improve across the board.” In this way, employees shift from passive compliance to proactively seeking energy saving opportunities.



Vice President
EHS & Energy Management

Supply Chain Workforce

As a leading global automotive supplier, Yanfeng recognizes the significant responsibility we hold within a complex, multinational supply chain. Long-term business success is only possible when our own operations — and those of our contractual partners, direct suppliers, and indirect suppliers — respect human rights and comply with applicable environmental and social regulations.

We acknowledge the importance of identifying and mitigating risks related to labor rights, working conditions, and human rights violations in our upstream value chain. Ensuring ethical practices is not only a moral obligation but also essential to maintaining supply chain resilience, OEM trust, and the sustainability of our business.

As an active member of the Responsible Supply Chain Initiative (RSCI), we apply rigorous due-diligence processes, structured assessments, and transparent reporting mechanisms to ensure that suppliers uphold our expectations for responsible and ethical behavior.

- All 8 of our internal RSCI auditors (Lead and Co-auditors) across Asia-Pacific, Europe, and North America were successfully recertified in 2025 according to the latest RSCI Manual, extending the validity of their certifications and maintaining the global consistency of our supply chain assessment approach.



8

Internal RSCI Auditors

(Lead and Co-auditors) across Asia-Pacific, Europe, and North America auditors



Enhanced Supply Chain Workforce & Partner Code of Conduct Compliance

At Yanfeng, we recognize that ethical performance within our supply chain is essential to safeguarding human rights, protecting workers, and fulfilling customer expectations. Our **Business Partner Code of Conduct** defines mandatory requirements for ethical behavior, labor practices, non-discrimination, safe working conditions, and environmental stewardship. It serves as a binding foundation for responsible collaboration throughout our supply network.

We expect all business partners to acknowledge, adopt, and actively implement the principles of the Code of Conduct within their daily operations, including subcontracted and indirect workforces.

Looking Ahead

In 2025 and beyond, Yanfeng remains committed to enhancing its due-diligence practices, strengthening supplier assessments, and deepening engagement with partners to promote responsible working conditions throughout the value chain.

We will continue integrating ESG-related criteria into sourcing decisions, expanding indirect-supplier oversight, and embedding the Business Partner Code of Conduct principles across all procurement regions.

For more details, please visit our website for **the full Business Partner Code of Conduct summary**.

 [Link to Business Partner Code of Conduct summary](#)



Ensuring Rigorous Compliance

We maintain a robust, multi-layered compliance framework that incorporates preventive, monitoring, and corrective measures:

Integration into Standard Scope of Work (SSOW)

- The Business Partner Code of Conduct is formally embedded in our SSOW documentation, ensuring that expectations regarding human rights, labor practices, ethics, and environmental responsibility are communicated from the very beginning of the supplier relationship.

Power QMS Integration

- Our **Power Quality Management System (PQMS)** serves as the central platform to track, document, and manage supplier compliance. During 2025, we extended our onboarding and compliance requirements to include not only all **direct but also our indirect suppliers**, improving transparency and strengthening controls across the entire value chain.

Mandatory Acknowledgement and Performance Evaluation

- Suppliers must formally acknowledge the Business Partner Code of Conduct as part of their qualifications. Compliance performance is continuously evaluated through the **Supplier Scorecard**, creating a clear link between ethical behavior and sourcing decisions.

Supplier Scorecard Integration

- The Scorecard provides a data-driven overview of supplier performance, including compliance with social, environmental, and human rights criteria. Ethical performance influences supplier standings and contributes to sourcing recommendations and long-term partnership decisions.

Regular Supplier Assessments

- We conduct targeted supplier assessments focusing on labor rights, working conditions, working-hour practices, freedom of association, and human rights due-diligence alignment. These assessments are guided by RSCI criteria, recognized industry standards, and customer expectations. Through these assessments, we identify potential risks, define corrective actions with suppliers, and monitor progress until full closure, supporting continuous improvement across the supply chain.

Whistleblower Mechanism

- The Yanfeng Complaints Procedure, described in the Governance section of this report, provides a confidential channel for reporting suspected violations of human rights or environmental standards. This mechanism is accessible to internal and external stakeholders and supports early detection of risk cases.

Supplier Diversity

In 2025, Yanfeng maintained its commitment to supplier diversity, particularly in North America. We spent \$135 million with third-party certified diverse-owned suppliers in North America, which reflects 12% of our YFAI NA procurement spend.

Our CEO-signed corporate policy and our diverse supplier development plan highlight our ongoing commitment. We continue to integrate diverse-owned suppliers into our strategic sourcing and have robust tracking, reporting, and goal-setting mechanisms in place. Our Supplier Diversity second-tier program remains a key initiative, encouraging primary suppliers to engage with certified, diverse-owned businesses and report spending every quarter.

Yanfeng's engagement in 2025 with supplier development councils and organizations continues to be active, including roles with the National Minority Supplier Development Council (NMSDC), Michigan Minority Supplier Development Council (MMSDC)*, Women's Business Enterprise National Council (WBENC), Great Lakes Women's Business Council (GLWBC), WEConnect International, National Veteran Business Development Council (NVBDC), Michigan Hispanic Chamber of Commerce* (MHCC) and Asian Pacific American Chamber of Commerce (APACC).

*Note: A Yanfeng representative holds a board seat in marked organizations.

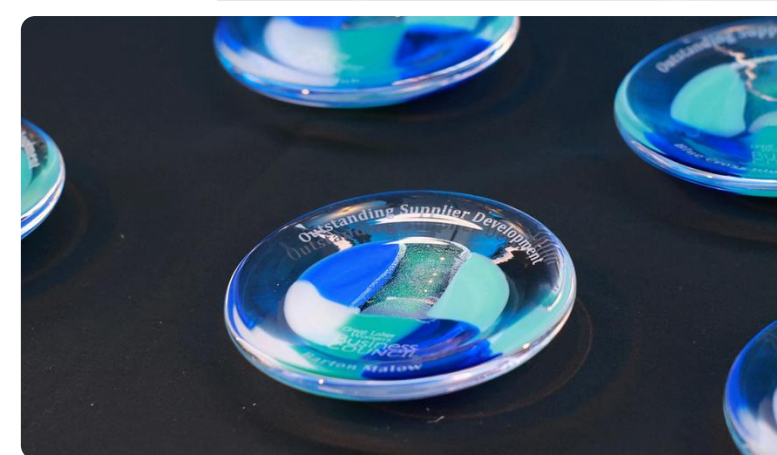


12%

of our total procurement spend in NA for interiors is with certified minority / women / veteran-owned suppliers

Supplier Diversity Awards

In September 2025, Yanfeng received an award for Outstanding Supplier Development at the Great Lakes Women's Business Council Annual Conference.



Devin Frosheiser (center) received the award on behalf of Yanfeng Supplier Diversity

Broad-Based Black Economic Empowerment (BBBEE)

Yanfeng remains committed to promoting broad-based black economic empowerment (BBBEE) in South Africa, where we have established operations.

BBBEE is a critical component of our business strategy, reflecting our dedication to creating inclusive growth and opportunities in the communities where we operate.

In 2025, for applied financial reporting year 2024, we achieved a BBBEE score of 55.07%, reflecting our ongoing efforts to drive transformation and empowerment. This score serves as an indicator of our progress in areas such as ownership, management control, skills development, enterprise and supplier development, and socio-economic development. The evaluation for financial reporting year 2025 had not yet been completed at the time this report was finalized.

BBBEE Score

 **55.07%**



We participate in annual BBBEE assessments to evaluate performance and identify opportunities for continuous improvement, with initiatives focused on:

01 Ownership

- Increasing black ownership and participation in our company through various empowerment schemes.

02 Skills Development

- Investing in training and development programs to enhance the skills and capabilities of our black employees.

03 Enterprise and Supplier Development

- Supporting black-owned businesses through procurement and supply chain initiatives.

04 Socio-Economic Development

- Contributing to community upliftment projects and initiatives that benefit black communities.

We remain committed to continuously strengthening our BBBEE performance by implementing targeted initiatives and programs that support transformation, empower our workforce, and create sustainable value for stakeholders in South Africa.



Community Engagement

At Yanfeng, we honor our social, environmental, and economic responsibilities. We believe that it is our responsibility to take care of, add value to, and give back to the communities in which we live and work.

Good corporate citizenship matters to Yanfeng. It represents everything our company stands for – respect, integrity, teamwork and putting people first. By giving back to local communities across the globe, our employees are living the company's values.

Every community project contributes not only to building strong relationships between our staff and non-profit organizations but also to building our reputation and inspiring trust in our brand wherever we live, work and travel.

Volunteering in China

In 2025, Yanfeng colleagues in China organized **30 public welfare and volunteer activities** spanning rural revitalization, environmental protection, education, children's care, and community services, engaging **more than 600 employees** nationwide.



Rural Revitalization

Yanfeng has **supported Dede Village since 2018** by improving local industries, infrastructure, education, and sports resources, especially through long-term donations to the primary school, to help children in underprivileged areas grow stronger and thrive.



Educational Support

Yanfeng carried out public welfare educational support activities at Xiuxi Town Primary School in Huaihua, Hunan, and Hugou Primary School in Bengbu, Anhui. Yanfeng donated **32 computers, 120 sets of clothing, over 380 books, and more than 150 toys**, contributing to rural education.



Million Tree Planting

Six volunteers joined Yanfeng's Million Tree Project team in Ganqika Town for their eighth annual tree-planting effort, bringing the total to **17,000 saplings** planted across a 200mu public welfare forest to help strengthen ecological barriers and combat desertification.



"Wheatear Boxes" in the Community

In the 2025 "Wheatear Boxes in the Community" campaign, **108 employees** filled boxes with school supplies and blessings that were delivered to children at the start of the new semester, bringing care and encouragement to left-behind children in local communities.



30

Public Welfare & Volunteer Activities



600+

Employees

Community Engagement

Volunteering in Europe

Across Europe, employees demonstrated a strong commitment to community support through a wide range of charitable initiatives, volunteer activities, and locally driven programs.



Neustadt, Germany

In Neustadt, teams continued supporting local organizations through hands-on volunteering and financial donations, including maintaining on-site beehives and donating surplus honey to the Neustädter Tafel as well as contributing to the Freiwillige Feuerwehr Neustadt. Employees also participated in regular blood donations and regional charity runs in May and on New Year's Eve 2025 to support the Bayerische Multiple Sklerose Stiftung.



Planá nad Lužnicí, Czech Republic

Employees in Planá nad Lužnicí supported several community-focused events throughout the year, including a family sports event where the team provided sports-themed promotional gifts to participating families. They also volunteered at a charity concert by collecting donations and supported a children's Christmas afternoon by helping organize and run the festive event.



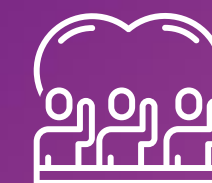
Žatec, Czech Republic

The Žatec plant continued its tradition of charitable baking events in 2025, with employees raising funds for Good Angel during Vision Week and supporting the "Chances for a dignified old age" project through a Halloween-themed bake sale. The annual Wish-Fulfillment Christmas Tree initiative united colleagues to support families from the Asylum House for Families in Most, fulfilling all 40 submitted wishes.



Trenčín, Bratislava & Námestovo, Slovakia

Through the Yes for Help Program, Yanfeng's non-profit organization in Slovakia received €15,657.47 over the past three years to support initiatives including school team-building in Zvolen, a charity event to fund a wheelchair through Kolieskovo, shelter services for abused mothers and children in Rabča, and new school desks for students in Trenčín. These contributions supported education, social services, and inclusion for vulnerable individuals and families across local communities.



14

Community and Volunteering Initiatives Carried out in Europe



Community Engagement

Volunteering in North America

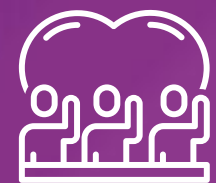
Across North America, employees from multiple departments volunteered in their local communities in 2025, supporting **13 nonprofits** through activities such as meal packing and nonprofit assistance while strengthening team connections. The Young Professionals Network played a key role in organizing and coordinating volunteer opportunities throughout the year.



Care & Share Program

– raising \$125,000 for Michigan based non-profits

Since its founding in 1984, Yanfeng's Care & Share Program has grown from an employee-led charitable effort into a long-standing community initiative, raising **more than \$27.4 million to support over 90 organizations**. The program empowers employees to nominate causes they care about and directs donations, payroll contributions, and company matching funds to organizations addressing issues such as substance abuse, homelessness, child abuse, domestic violence, poverty, and the environment. In 2025, **16 organizations** were selected for the Care & Share program.



27

Non-profit organizations supported across North America through employee volunteering activities and its Care & Share Program.



Interview with Manuel Fernandez Gonzalez



“Real impact happens when business success and community success grow together.”

Executive Director Procurement
North America

Q1. How does our involvement with organizations like Michigan Minority Supplier Development Council and Great Lakes Women's Business Council create lasting impact in the communities where we operate?

Our commitment to supplier diversity goes far beyond business transactions. It is about helping build stronger, more inclusive local economies. In North America, through our partnerships with the Michigan Minority Supplier Development Council and Great Lakes Women's Business Council, we support the growth of small business by expanding access, opportunity, and long-term relationships.

Serving on the Boards of both organizations allows me to contribute beyond my day-to-day role and stay closely connected to the needs of the business communities we serve. When small businesses grow, they create jobs, reinvest locally, and inspire future entrepreneurs. That ripple effect is how meaningful, lasting community impact is created.

Q2. Why is community volunteering such an important part of our culture, and how does it benefit both our employees and the communities around us?

Volunteering reflects who we are as an organization. Our teams are deeply committed to giving back in the communities where we live and work, with a strong focus on initiatives that support children and families facing food insecurity and other everyday challenges.

These efforts make a real difference for local organizations while strengthening Yanfeng's culture. When employees come together to serve others, it builds pride, teamwork, and morale. It reminds us that success is not measured only by business performance, but also by how we support those around us.

Community engagement also brings our values to life externally and reinforces our reputation as a company that cares, listens, and acts with purpose.



Governance

- Corporate Culture & Business Conduct
- Policies & Practices
- Sustainability Governance Structure
- Procurement Practices
- Interview with Global Head of Sustainability
- Supply Chain Monitoring & Auditing

Corporate Culture & Business Conduct



Code of Conduct

Our global operations are guided by our Code of Conduct, which underscores ethical behavior and compliance. Available in fourteen languages on our website, it defines 15 key principles that shape the way we conduct business. These principles apply universally to all employees, contract workers, and business partners of Yanfeng around the world. Serving as the cornerstone of our Compliance Management System, the Code supports a comprehensive risk management framework inspired by best practices from leading global companies. To ensure consistent adherence to these standards, the Compliance Management System is fully embedded within the Yanfeng International Operating System (YFIOS), integrating ethics and compliance into the core of our everyday operations.

The 15 Principles of the Code of Conduct are:

1. We obey the laws and regulations wherever we conduct business.
2. We safeguard the health and safety of our employees.
3. We are committed to provide safe, high-quality goods and services.
4. We always act in Yanfeng's best interest.
5. We use Yanfeng's assets and resources honorably and only for Yanfeng's business.
6. We do not tolerate corruption anywhere in our business.
7. We believe in fair and open competition and will not engage in unethical behavior to obtain business.
8. We ensure our records are accurate, complete, and appropriately maintained and our internal controls sound.
9. We communicate accurately with our shareholders and the public.
10. We do not engage in insider trading or self-dealing.
11. We comply with international trade laws.
12. We protect Yanfeng's confidential information and respect that of our customers and business partners.
13. We protect the privacy of our employees.
14. We take responsibility for the environment by making sure that we follow environmental laws and regulations everywhere we conduct business.
15. We value diversity and equal treatment in our workplace.



14

Languages

Corporate Culture & Business Conduct



Anti-Competitive Behavior

Fair and open competition is a cornerstone of our business philosophy, and we firmly reject any unethical practices aimed at gaining an unfair advantage.

Yanfeng strictly adheres to antitrust and competition laws in every country and region where we operate. We maintain fair relationships with competitors and collaborate with business partners and customers based on trust and mutual respect. Our commitment to open and fair competition is unwavering, as we believe it is key to delivering exceptional value to our customers without engaging in anti-competitive behavior.

We have a zero-tolerance policy for illegal agreements or actions that restrict competition. This includes no coordination with competitors on pricing, product development, or market strategies, nor any involvement in bid rigging or artificial limitations on production or sales.

To ensure compliance, Yanfeng equips employees with clear guidelines and training to help them recognize and avoid potential competition law risks. Given the complexity of these laws, we actively encourage employees to seek advice from our legal or compliance teams whenever they have questions or need clarification.

Corporate Culture & Business Conduct

Anti-Corruption

Maintaining honesty, fairness, and openness in all business activities is fundamental to securing a sustainable future for our company and the communities we engage with. These principles are non-negotiable: Combating corruption, ensuring ethical practices, and prioritizing transparency are not just ideals; they are responsibilities that strengthen trust and uphold our commitment to doing what is right. By embedding integrity into every action, we aim to cultivate a workplace where excellence and ethical behavior go hand in hand.

A cornerstone of this effort is our focus on employee development. Through 22 dedicated learning academies including the Legal and Compliance Academy. We equip teams with critical knowledge on compliance rules, charitable giving, gift policies, entertainment guidelines, and core components of the U.S. Foreign Corrupt Practices Act (FCPA). Empowering employees with this expertise ensures we consistently deliver value to stakeholders while meeting the highest professional standards.

To reinforce a safe and inclusive workplace, we provide extensive training covering cybersecurity, safety procedures, anti-discrimination practices, and our Code of Conduct. We rolled out 235 new courses both online. In 2025, we added a 2003 instructor-led to our learning system. These resources align with Yanfeng's emphasis on continuous growth, ensuring every employee understands their role in maintaining a respectful and collaborative environment.



Central to our strategy is the Compliance Program, which balances risk management with sustainable progress. This includes mechanisms to identify, address, and prevent potential issues. To further promote accountability, we launched **EthicsPoint - Yanfeng**, a confidential integrity helpline accessible to all employees. This platform allows anonymous reporting of concerns or questions, complementing our Code of Conduct and underscoring our pledge to transparency. By integrating these tools, we foster a culture where ethical decision-making and collective responsibility drive long-term success.


[Link to EthicsPoint - Yanfeng](#)

Anti-Retaliation Policy

We are committed to the principle that there will be no retaliation against those who report possible misconduct in good faith.



22
 Different Learning
 Academies

In 2025, we added



2,003
 Instructor-led
 Courses



235
 Web-based
 Courses

Sustainability Governance Structure

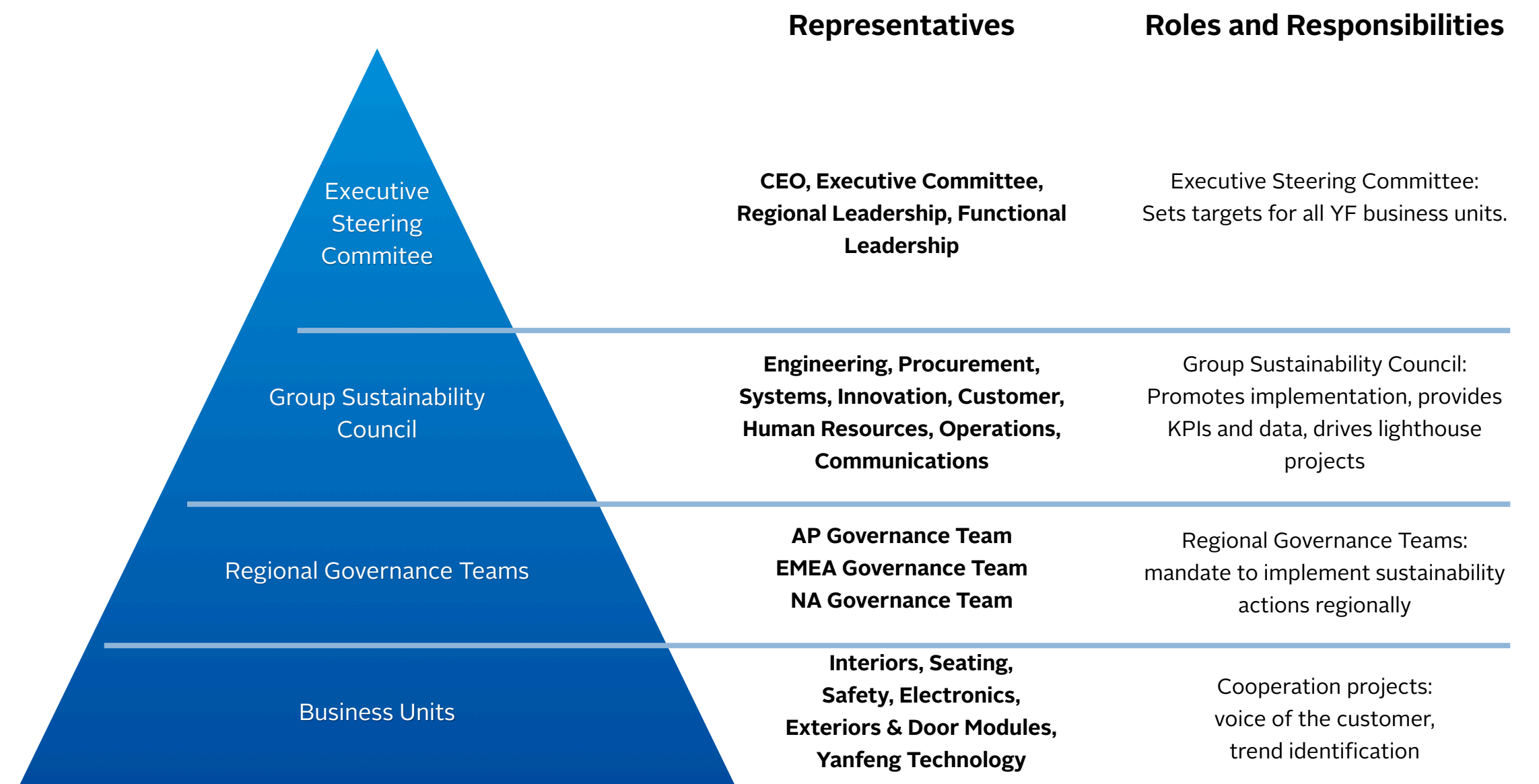
Yanfeng has developed a governance structure that aims to ensure the company meets its sustainability commitments, satisfies customer expectations, and works towards achieving net-zero emissions in the future. Yanfeng's vision focuses on becoming the leading supplier of sustainable solutions and smart cabins in the automotive industry.

To achieve this, Yanfeng has established a governance structure that includes the Group Sustainability Initiative Executive Steering Committee and the Group Sustainability Council. The Executive Steering Committee is responsible for supervising the company's strategy and setting targets and commitments. It is comprised of Yanfeng's CEO, Executive Committee, and regional and functional leaders. The Group Sustainability Council oversees the company's sustainability commitments and targets, provides KPIs, and drives projects globally.

The Council is chaired by the Global Head of Sustainability and has members from all regions, representing wholly owned business units – Interiors, Seating and Safety. The members of the council are represented by engineering, global tech sales, human resources, health & safety and environment, innovation, operations, procurement and marketing and communications. This working group focuses on topics such as the net-zero emissions roadmap, customer requirements and audits, processes, and policies, ESG reporting, supply chain initiatives, and sustainability training. This governance structure helps to standardize decision-making across the globe. On a regional level, the Regional Governance Teams are responsible for implementing sustainability actions. The individual business units cooperate on projects, align customer and regulatory requirements, and identify sustainability trends.



Sustainability Governance Model



Sustainability Governance Structure



Yanfeng attends ESG China · Innovation Annual Conference

In 2025, **Wang Tao, Vice President of Procurement** at Yanfeng and a member of the Sustainability Executive Steering Committee and the Group of Sustainability Council, was invited to attend and deliver a keynote speech at the Innovation Annual Conference where the first **Environmental, Social, and Governance (ESG) International Exposition** was held in Beijing, China.

With the theme "Full-chain innovation leads, green transformation shapes the future", the conference aimed to inspire ESG innovation initiatives among Chinese companies and promote the development of the ESG system with Chinese characteristics. Participants included representatives from national ministries and regulatory authorities, central state-owned companies, academic institutions, professional organizations, as well as leading companies in such fields as internet, manufacturing, and finance.

In his speech, Wang Tao shared Yanfeng's sustainable development strategy and innovative practices in supply chain low-carbon transformation and circular economy, fully demonstrating Yanfeng's firm commitment to promoting sustainable development across the entire industrial chain and the progress achieved.

Looking ahead, Wang Tao emphasized that Yanfeng will deeply integrate ESG concepts into every aspect of its development and strengthen collaboration with partners in the field of sustainable development. **"The supply chain is the core battlefield for Yanfeng to implement the ESG strategy.** Through close partner collaboration, we are transforming the requirements for low-carbonization and circularization into specific actions, jointly contributing to the green transformation of the automotive industry and moving towards a zero-emission future."



In 2025, Yanfeng participated in **the First ESG International Exposition held in China.**

Interview with Gunnar Büchter



**Executive Director,
Global Head of Sustainability**

“ 2025 was a year of implementation and recognizing the progress towards our strategy, which we defined a couple of years ago. ”

Q1. Yanfeng defined an ambitious strategy for ESG until 2030. What are the three most important topics in sustainability you believe Yanfeng moved the needle in 2025, and why?

2025 was a year of implementation and recognizing the progress towards our strategy, which we defined a couple of years ago. **We worked intensively with our customers to define products that have been launched with a reduced Carbon Footprint in 2025.** That helps us to reduce our Carbon Footprint in the long run. After the roll-out of the global Carbon Emission Tracking System (CETS) in 2022, we have improved data quality and increased awareness of our Carbon Footprint, and added Primary Data from our supply base. Meanwhile, we created a solid baseline with a good amount of part-level information for our Carbon Emission Reduction Program to achieve the SBTi Targets in 2030. To increase transparency across our global supply base, our due diligence process is fully embedded within our procurement department. With the completion of the launch of the NQC platform, our sustainability evaluation for strategic suppliers, we have closed the last part of our sustainable procurement strategy with our supply base.

Q2. The regulatory landscape in Europe regarding sustainability has been updated, with many requirements added in 2025. How does Yanfeng approach the topics of Circularity and Recycling as required in the new ELV Regulation?

We have already been focusing on recycling and circularity for years and have seen good progress in this area. **The key success factors are close collaboration with the customer and alignment between procurement and materials development.** When these 3 partners are working hand in hand, the implementation of recycled circular materials works well. On the other hand, we are working with our partners to understand how complex material combinations can be recovered using specialized recycling technologies. This gives us ideas for future sustainable product design and also helps us establish more circular loops within our supply chain. With our partners in the recycling industry, we build knowledge within our company to influence factors such as sorting, manufacturing, and design to enable circularity.

Q3. What are the next steps you would like to implement in sustainability? Do we see use cases in digitalization for sustainability to increase efficiency in reporting and collaboration?

We have started exploring digitalization tools to help us connect our data to the various disclosure reports we have to deliver. We see improvements in data quality, efficiency, and effectiveness, and will further develop applications both in disclosure and carbon reporting. A significant amount of data is used in a structured way to answer regulatory and customer requirements. This pool of data will help make the right decisions for the future.

Policies & Practices

Yanfeng International Operating System (YF IOS) was established in 2020 with the strategy of “One Yanfeng”, which will serve as a strong guarantee for Yanfeng’s globalization. YF IOS is the core process of the company’s business, clearly defines business strategy, strategy rollout, operation management and continuous improvement.

Yanfeng IOS Policy: We are committed to delivering best-in-class products globally to our customers through manufacturing and service excellence.

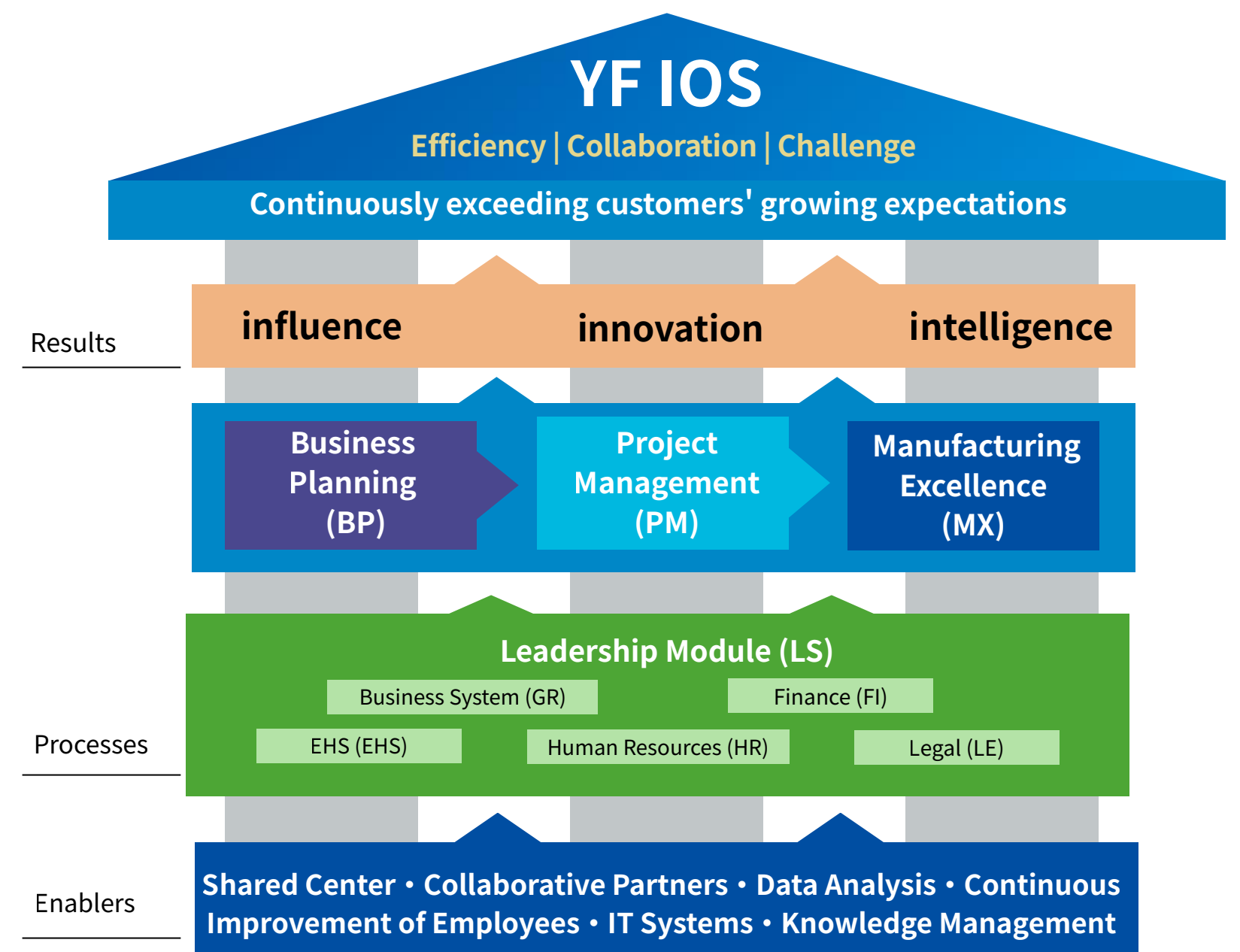
YF IOS core processes contain Business Planning, Program Management, Manufacturing Excellence and Leadership, it covers key areas of focus such as human resources, finance, legal, environmental, health and safety, as well as compliance policies such as anticorruption, bribery, fraud, money laundering, and rules for gifts and entertainment.

In 2025, To support company’s strategy, YF IOS process will focus on efficiency based on end-to-end process analysis, including process improvement, efficiency and effectiveness target, knowledge management, AI tool implementation and so on to improve the process efficiency. Meanwhile, customer and laws/legal requirements are also managed systematically to ensure that YF IOS complies with these requirements.

To ensure compliance with YF IOS processes, an annual audit is conducted both internally and by an external certification body. Our YF IOS system meets the management system requirements such as IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 27000 etc., as well as related laws and legal requirements.

Our International Operating System

Creating a Winning Culture: *The YF Global Way*



269

releases or modified
included in YF IOS

Policies & Practices



Ethics Point

Our organization places great importance on trust and responsibility. Through our compliance program, we strive to detect and prevent risks while fostering sustainable growth. To uphold our Code of Conduct, we provide a helpline – Ethics Point, accessible to all employees for asking questions or reporting potential violations. This helpline is open to everyone, allowing anonymous reports of any suspected breaches of our Code of Conduct via the Ethics Point website, which is available in multiple languages.

[Link to EthicsPoint - Yanfeng](#)



Cyber Security and Data Privacy

Protecting employees' personal data is a top priority, and we strictly comply with all applicable data protection and privacy laws. Our regional compliance representatives monitor local regulations and adapt policies and processes as needed.

All processing activities and assets involving personal information are assessed using our Data Privacy Management Tool (OneTrust), with data security treated as a core element of the assessment. We have defined rules for Yanfeng employees and external service providers for handling personal information, which are described in the corresponding Yanfeng International Operating System (IOS) work instruction documents. Within the YF IOS, multiple process documents dealing with information security management, awareness, training, and reporting. Our global security team continually conducts cybersecurity event alerting and monitoring.

We consistently deliver mandatory cybersecurity awareness training as part of the Yanfeng Information Security Standards Training program. The training is assigned to employees at onboarding and is required annually to account for changing cybersecurity threats. Throughout the year, frequent phishing awareness tests are conducted using a simulation program. Additionally, employees who did not pass a simulation phishing test must also complete Yanfeng Phishing Awareness Training.



91%

salaried employees completed
Information Security trainings
(Information Security training and Cybersecurity training)

100%

sites valid certification
IOS / IEC 27001:2022
(Information Security Management System)

We also provide targeted security training programs, including Yanfeng Business Email Compromise (BEC) and Fraud Awareness Training for finance and purchasing functions, as well as Yanfeng Operational Technology (OT) Security Standards Training for plant-level employees. In addition, we deliver a comprehensive information security training program to raise employee awareness of best practices and emerging threats.

Training completion metrics are reviewed regionally in quarterly security and IT meetings.

As part of our Artificial Intelligence (AI) Enablement Journey, in 2025 we launched a mandatory AI training assigned to all employees in Europe and South Africa in our Learning Management System (LMS) to deepen our understanding of responsible AI practices, ethical innovation and data protection. This training is a key step in empowering our teams to engage with AI responsibly and ethically.

AI Training

launched for employees in Europe and South Africa

Procurement Practices



Partner Code of Conduct



Any suspected violations to our Code of Conduct can be reported anonymously via our Ethics Point website, which is available in multiple languages



In China



Other Nations

Yanfeng has established a global **Business Partner Code of Conduct** that sets the mandatory ethical, social, environmental, and compliance standards expected from all suppliers, contractors, and business partners. This Code applies to both direct and indirect suppliers across all regions and is publicly accessible on our corporate website.

Our Business Partner Code of Conduct defines minimum requirements in key areas such as business integrity, anti-corruption, human rights and fair labor conditions, occupational health and safety, environmental protection, responsible use of resources, and compliance with all applicable laws and regulations. Formal acknowledgement of this Code of Conduct is part of the supplier onboarding and qualification process and is an integral component of our procurement governance. We encourage our partners to go beyond mere compliance and embrace business values and practices that resonate with the UN Global Compact's Ten Principles for environmental and social responsibility, as well as Sustainable Development Goals, extending this commitment across our entire supply chain.

Yanfeng places a high value on environmental stewardship and the well-being of the communities where we operate, reflecting this dedication in our products, services, and manufacturing processes.

To ensure accountability and transparency, our partners must adhere to all applicable government regulations related to manufacturing and sales, including system certification and local laws.

Failure to comply may result in restrictions on future business opportunities.

Looking ahead, we are committed to continuously strengthening our supply chain practices, prioritizing the health and safety of employees, environmental protection, responsible management of toxic and hazardous substances, fair trade, and encouraging and supporting suppliers in achieving ISO 14001 and ISO 45001 certifications, all within a framework of strong governance and oversight.

Yanfeng provides a confidential, multilingual Integrity Helpline, available via the EthicsPoint platform, which allows internal and external stakeholders to report concerns related to potential Business Partner Code of Conduct violations, human rights impacts, or environmental and legal non-compliance. Reports can be submitted anonymously and are reviewed under established governance procedures to ensure appropriate investigation and follow-up.

In cases of non-compliance, Yanfeng requires corrective actions, increase monitoring activities, or apply restrictions on future business. This approach ensures transparency, accountability, and continuous improvement across our supply chain.



[Link to Business Partner Code of Conduct](#)

Procurement Practices



Procurement Sustainability Policy

We can only be successful in the long term if the impact of our business activities as well as those of our contractual partners, direct and indirect suppliers, are following human rights and environmental regulations.

Therefore, Yanfeng integrated sustainability priorities into the day-to-day procurement process as a key strategy in our drive for the green transformation of our supply chain, to ensure that our products and services are environmentally friendly and socially responsible at the source.

To strengthen our sustainability commitments from the procurement we have in place a Procurement Sustainability Policy which applies to Yanfeng's employees involved in the procurement process.



Our Commitment to Sustainable Procurement

We are dedicated to minimizing the environmental impact of our purchasing decisions by prioritizing sustainable, energy-efficient, and recyclable products and services.

We ensure our suppliers uphold fair labor practices, respect human rights, and positively contribute to their communities.



Integrating Sustainability into Procurement

Yanfeng integrates sustainability into its procurement through:

- **Clear Communication:** Maintaining open dialogue with suppliers on sourcing and sustainability.
- **Prioritizing Resource Efficiency:** Selecting goods and services that reduce waste, minimize their carbon footprints.
- **Environmental Management:** Favoring suppliers with robust environmental management systems.
- **Labor and Human Rights:** Partnering with suppliers who uphold ethical labor practices and human rights.
- **Social Responsibility:** Supporting suppliers who promote social responsibility.
- **Sustainable Innovation:** Collaborating with suppliers to develop eco-friendly products and services.
- **Compliance Monitoring:** Regularly assessing procurement activities to ensure policy adherence.
- **Goal Setting:** Improving procurement practices through measurable sustainability targets.
- **Training and Education:** Equipping employees with the knowledge to implement this policy effectively.
- **Supplier Support:** Offering guidance to suppliers to enhance their sustainability performance.
- **Sustainability Assessment:** Regularly evaluate supplier sustainability.

This policy will be reviewed annually and revised as necessary to ensure its effectiveness and alignment with our sustainability objectives. Yanfeng trained employees from the procurement team on Labor and Human rights & Environmental issues in the supply chain in 2025.

Supply Chain Monitoring & Auditing



Building a Sustainable Supply Chain, Together

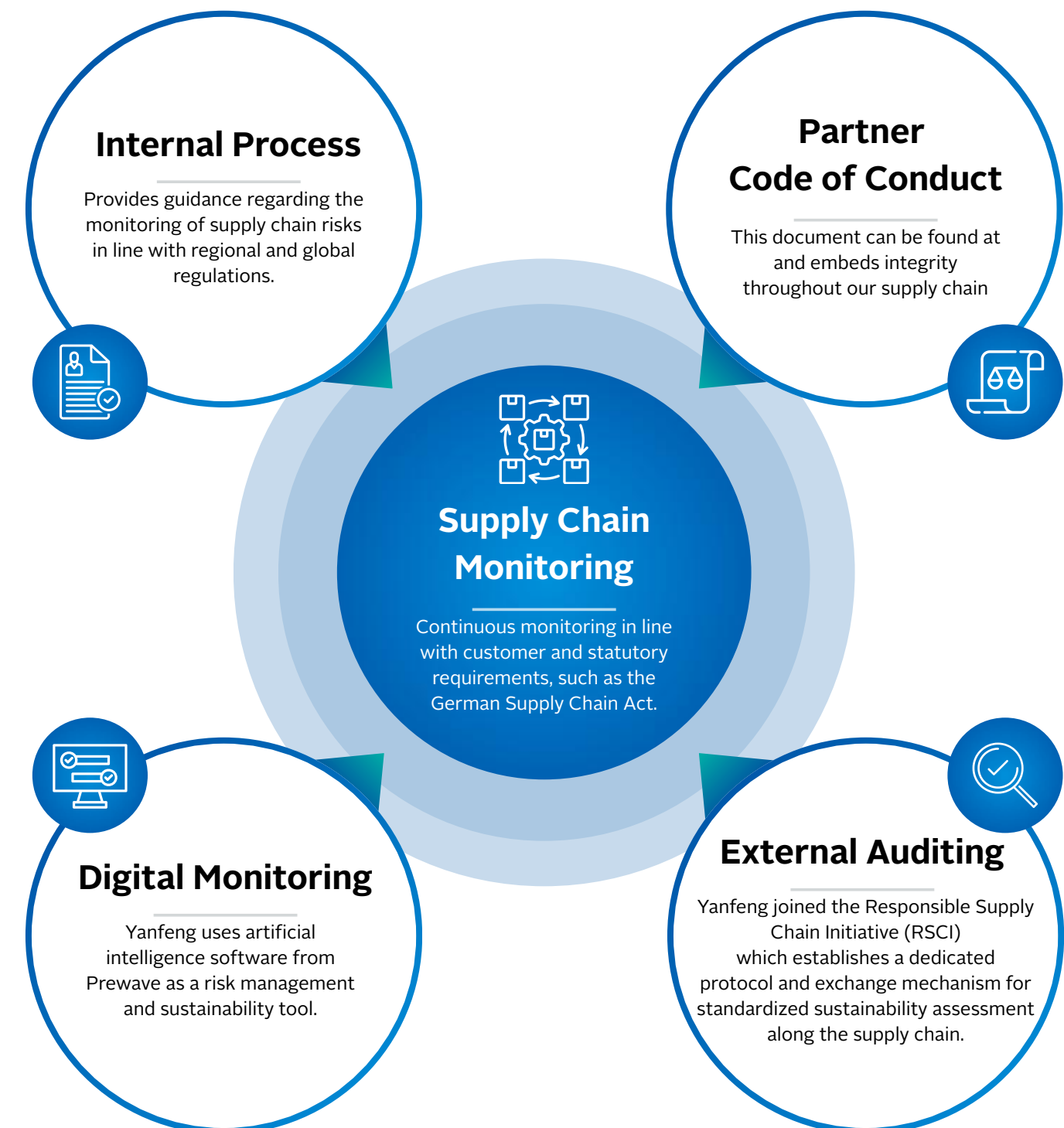
Building a responsible and sustainable supply chain requires transparency, clear expectations, and continuous monitoring. As regulatory requirements such as the German Supply Chain Due Diligence Act continue to evolve, Yanfeng is committed to strengthening its due-diligence processes and ensuring that human rights, environmental responsibility, and ethical business conduct are upheld throughout our value chain.

To support this commitment, Yanfeng has established a structured four-pillar framework to enhance supply chain due diligence and manage risks effectively.

- Internal Process
- Partner Code of Conduct
- Digital Monitoring
- External Auditing

This integrated approach enables us to identify, assess, and address potential risks proactively, contributing to a supply chain that is resilient, transparent, and aligned with our sustainability objectives.

Yanfeng's Comprehensive Supply Chain Due Diligence Framework



Supply Chain **Monitoring & Auditing**



Monitoring

Transparency and early risk detection are key elements of responsible supply chain management. Yanfeng utilizes a digital monitoring system powered by **Prewave's AI-driven technology**, which analyzes publicly available data and social media content in more than 150 countries and 50 languages.

This tool provides real-time insights into potential concerns such as environmental issues, business integrity risks, corruption, or human rights-related incidents. Early detection allows us to evaluate and respond to emerging risks effectively.

In addition to digital monitoring, Yanfeng conducts country- and industry-specific risk analyses and requests supplier self-assessments when required. This combined approach supports continuous oversight, helps ensure compliance with regulatory expectations, and strengthens the integrity of our global supplier network.



250,000+

Prewave's AI-based platform monitors
Suppliers Worldwide

823

Monitor Key Suppliers

Supply Chain Monitoring & Auditing



Auditing

Auditing plays a central role in Yanfeng's supply chain due-diligence system. Through a structured and risk-based approach, we assess supplier compliance with human rights, labor standards, environmental expectations, and responsible business conduct. Our objective is to ensure that suppliers not only meet regulatory and customer requirements but also demonstrate continuous improvement in social and environmental performance.

Yanfeng has been an active member of the **Responsible Supply Chain Initiative (RSCI)** since 2022. Through this participation, we benefit from standardized assessment processes, shared audit results, and an industry-wide recognition mechanism that helps reduce redundant audits. This collaborative approach enhances transparency across the value chain and supports suppliers in meeting growing regulatory and customer expectations.

In 2025, Yanfeng conducted 7 in-depth assessments at high-risk suppliers using the **Responsible Supply Chain Initiative (RSCI)** methodology. RSCI provides a harmonized assessment standard for the automotive industry and supports compliance with due-diligence obligations, including the German Supply Chain Due Diligence Act. Each assessment includes management interviews, site inspections, document reviews, and worker interviews carried out by qualified auditors.

Worker interviews are a key component of every RSCI on-site assessment. These confidential discussions with employees help verify actual working conditions, labor-rights practices, working hours, remuneration processes, and occupational health and safety measures. Interviews are conducted with a representative sample of the workforce and provide direct insights that complement documentation reviews and management statements. This strengthens the reliability and credibility of the assessment and helps identify potential risks that might otherwise remain undetected.

Following the assessment, Yanfeng collaborates with suppliers to develop **Corrective Action Plans (CAPs)** where necessary. Progress is monitored through follow-up checks to ensure that improvements are implemented effectively and sustainably. In addition to social compliance audits, Yanfeng performs broader sustainability risk assessments through standardized questionnaires and internal evaluation procedures to identify potential environmental, ethical, or governance-related risks.

RSCI assessments remain an important element of our due-diligence framework, promoting consistent auditing practices and supporting continuous supplier development. We believe in a future where sustainability is woven into the fabric of our industry, and we're proud to be leading the charge.

RSCI Assessment Process



8



Certified Yanfeng RSCI auditors

across Asia Pacific, Europe, and North America were successfully recertified in 2025 according to the latest RSCI Manual, and the validity of their certifications was extended.



Appendix

- [About This Report](#)
- [Statement of the Management](#)
- [GRI Content Index](#)
- [GRI Report 2025](#)

About this Report

This report details our sustainability performance for the period from January 1, 2025, to December 31, 2025. This GRI report is for the consolidated group of legal entities in EMEA Interiors. The report is prepared in accordance with the Global Reporting Initiative (GRI) standards, specifically for our wholly owned locations in the EU member states. The publication of this report is planned for July 2026.

This reporting standard is aimed to enhance transparency and prepare for upcoming legislation in Europe, such as the European Corporate Sustainability Reporting Directive (CSRD). To this end, we conducted our first double materiality analysis in 2023 as a baseline, which identified seven material topics for Yanfeng. This report focuses on these prioritized material topics.

For 2025, our global ESG report and the related GRI appendix are not intended to be externally assured. However, the Corporate Carbon Footprint report will be externally assured with limited assurance for all owned entities in scope, covering Scopes 1, 2, and 3, by TÜV Rheinland in accordance with International Standard on Assurance Engagements ISAE 3410.

For questions related to this report, please contact



sustainability@yanfeng.com



Statement of the Management

As Yanfeng, we are deeply committed to integrating sustainability into every facet of our operations, recognizing its critical importance for our long-term success and positive impact on the economy, environment, and people. Our sustainability strategy is firmly aligned with the United Nations Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. This commitment is embedded within our organizational structure, guided by our global Sustainability Council and the Sustainability Executive Steering Committee, which steers our strategy and monitors progress.

In our pursuit of environmental stewardship, we have established a robust carbon reduction strategy with targets confirmed by the Science Based Targets initiative (SBTi), aligning with the 1.5°C trajectory of the Paris Agreement. We have achieved the use of 100% clean electricity in our European plants and continue to expand our photovoltaic systems at various plant sites. Our efforts in carbon emission reporting, which covers Scope 1, Scope 2, and partial Scope 3 emissions, have consistently earned us an A minus score from the Carbon Disclosure Project (CDP) in 2021, 2022, 2023, 2024 and 2025. We actively manage our energy consumption, with a focus on reducing energy intensity, and utilize our Energy Management Capitalize System (EnMS) to monitor and optimize energy use across our facilities. Furthermore, our approach to resource use and circular economy includes an internal strategy to increase the implementation of recycled raw materials and foster strategic partnerships for new material development. All our European locations are certified according to ISO 14001, and we aim to recycle more than 80% of our waste, tracking all relevant data through our EHSIS software.

Our social responsibility is centered on fostering adequate working conditions and training for our employees. The employee life cycle, from recruiting and onboarding to learning and development and exit processes, is governed by internal standards and work instructions within our YF IOS system, ensuring transparency and fairness. We provide comprehensive benefits, including health, insurance, and mobility benefits, to all eligible employees. **We prioritize the health and safety of our workforce through our Yanfeng International Operating System Policy and Code of Conduct, implementing ISO 45001, providing extensive training, conducting health check-ups, and ensuring the provision of protective equipment.** Our commitment to human rights is enshrined in our Code of Conduct and Partner Code of Conduct, referencing international instruments such as the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We conduct due diligence and apply the precautionary principle to identify and mitigate potential negative impacts, giving particular attention to vulnerable groups and ensuring a non-retaliation policy.

In managing our supply chain, we implement a risk-based analysis process and monitor our complete supply base for potential negative impacts. Our Partner Code of Conduct outlines our requirements for suppliers, including adherence to human rights and environmental standards. We comply with the German Act on Corporate Due Diligence Obligations in Supply Chains. Our governance framework includes a robust risk management system and anti-corruption policies, with compulsory training for management and a clear process for compliance investigations. We are dedicated to continuous improvement across all these areas, engaging with both internal and external stakeholders through our No Surprise Communication process to ensure effective management of our impacts and progress towards our sustainability goals.



GRI Content Index

Statement of use

Yanfeng International Automotive Technology Hungary Kft. has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

Not applicable
(no GRI Sector Standard for the automotive sector)

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-1 ORGANIZATIONAL DETAILS	a. Report its legal name.	Yanfeng International Automotive Technology Hungary Kft. (EU)		111
	b. Report its nature of ownership and legal form.	Yanfeng International Automotive Technology Hungary Kft. is a private company, 100% owned by Yanfeng International Automotive Technology Hungary Co. Ltd. All Yanfeng companies under European Community law are virtually consolidated and reported under this entity in the GRI report.		
	c. Report the location of its headquarters.	The headquarters of the reporting group is located in Neuss, Jagenbergstrasse 1, Germany.		
	d. Report its countries of operation.	Czech Republic, Germany, Hungary, Italy, Luxembourg, Slovak Republic, Spain, Serbia and South Africa.		

GRI Content Index

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-2 ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING	a. List all entities included in sustainability reporting.	Yanfeng Hungary Kft., YF Czechia s.r.o., YF Italy S.r.l., YF Spain S.L., YF Germany s.r.o. & Co. KG, YF Europe S.a.r.l. & Co. KG, YF Slovakia s.r.o., YF Luxembourg S.a r.l., YF Serbia d.o.o. Kragujevac and YF South Africa (PTY) LTD.		111
	b. Differences between financial and sustainability reporting entities.	The included list of legal entities is consolidated, and a financial reporting in the same group is conducted. All legal entities are 100% owned, so no minority interests need to be considered.		
	c. Approach used for consolidating the information.	The approach for reporting to this standard and for material topics is identical across these entities. All entities are 100% owned.		
2-3 REPORTING PERIOD, FREQUENCY AND CONTACT POINT	a. Reporting period and frequency.	January 1, 2025 to December 31, 2025. Identical to individual financial reportings of legal entities.		
	b. Publication date.	July 2026.		
	c. Contact point.	sustainability@yanfeng.com		
2-4 RESTATEMENTS OF INFORMATION	a. Report restatements of information.	Restatement from 2023 (first GRI report for consolidated group). Added Serbia and South Africa for the business unit Interiors to align with financial reporting.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-5 EXTERNAL ASSURANCE	a. Policy and practice for seeking external assurance.	For 2025, no external assurance for GRI report. However, the Corporate Carbon Footprint report is assured with limited assurance for all owned entities in scope by TUV Rheinland for Scopes 1, 2, and 3.		112
	b. Assurance details.	Limited assurance per ISAE 3410, issued by the IAASB. Subject: Carbon reporting related Scopes 1, 2, and 3. Provider: TUV Rheinland, an independent international company without equity interest from Yanfeng.		
2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS	a. Sector, products, services, and markets served.	Yanfeng is active exclusively in the automotive industry, with its product portfolio being 100% based in this sector.		
	b. Supply chain description.	Supply chain includes suppliers in all regions, required to adhere to Partner Code of Conduct. Procurement selects suppliers based on specific environmental, social, and sustainability criteria. Supplier manual and Partner CoC are mandatory throughout the supply chain.		
	c. Downstream entities.	All production plants function as tier 1 suppliers to automotive manufacturers or internal tier 1 to Yanfeng plants.		
	d. Significant changes.	Added Serbia and South Africa for the business unit Interiors to align with financial reporting.		
2-7 EMPLOYEES	a. Total number and breakdown by gender and region.	Total: 9,852 employees. Female: 4,280. Male: 5,572. By region: Czech Republic 839, Germany 924, Hungary 1,266, Italy 834, Luxembourg 10, Slovak Republic 1,359, Spain 294, Serbia 2,417, Germany Europe HQ 521.		
	b. Permanent and temporary employees by gender.	Permanent: 8,798. Temporary: 1,054.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-8 WORKERS WHO ARE NOT EMPLOYEES	a. Total number of workers who are not employees.	892 (headcount) - Agency/Leased workers whose work is controlled by Yanfeng International Automotive Technology Hungary Kft.		113
2-9 GOVERNANCE STRUCTURE AND COMPOSITION	a. Governance structure.	Highest governance body: CEO of Yanfeng International. Main functions reporting to the CEO include Finance, Operations, Customer Business Units, HR, Quality, Product Business Units, Environment, Health & Safety, and the Executive Sustainability Steering Committee.		
	b. Committees responsible for sustainability.	Sustainability Executive Steering Committee includes the CEO, Executive Committee members, and regional and functional leadership. Responsible for decision-making on and overseeing the management of impacts.		
	c. Composition details.		Omitted - Confidentiality constraints. Private company; governance composition details are commercially sensitive.	
2-10 NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY	a. Nomination and selection processes.	The CEO of Yanfeng International is nominated by Huayu Automotive Systems Shanghai Co., Ltd (HASCO), which is the 100% shareholder of Yanfeng International.		
	b. Criteria used for nominating and selecting members.		Omitted - Confidentiality constraints.	

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GRI 2 GENERAL DISCLOSURES 2021				
2-11 CHAIR OF THE HIGHEST GOVERNANCE BODY	a. Whether the chair is also a senior executive.	The CEO serves as the chair and is also a senior executive, heading both the Executive Committee and the Sustainability Executive Steering Committee. Responsible for sustainability issues, setting objectives, monitoring progress, and making strategic decisions.		114
	b. Conflicts of interest prevention.	YF IOS includes processes for identifying and resolving serious concerns, with escalation to the highest management level. The system ensures collection and consideration of customer requirements and systematic registration of relevant laws and directives.		
2-12 ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS	a. Role in setting purpose, values, and strategy.	The Executive Committee approves the company's strategy, goals, and key initiatives every three years, with an annual review. This oversight explicitly includes sustainability topics. The CEO reviewed and approved the Double Materiality Analysis results in 2023.		
	b. Role in overseeing due diligence.	The Global Head of Sustainability reports to the Sustainability Executive Steering Committee at least once a year to keep the highest governance body informed.	Partially omitted - Confidentiality constraints. Details on due diligence oversight processes not fully available.	
2-13 DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS	a. Senior executive and delegation details.	Global Head of Sustainability appointed in 2022. Responsible for defining ESG strategy, setting overall goals, and conducting regular meetings with internal stakeholders and departments to track progress on targets. Reports to the Sustainability Executive Steering Committee at least once a year.		

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GRI 2 GENERAL DISCLOSURES 2021				
2-14 ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING	a. Role in reviewing and approving reported information.	The CEO of Yanfeng International is responsible for reviewing and approving the organization's sustainability reporting, including the Double Materiality Analysis results and the ESG report.		115
2-15 CONFLICTS OF INTEREST	a. Processes for preventing and mitigating conflicts of interest.	Processes are embedded within the YF IOS, describing identification and resolution of serious concerns, including escalation to the highest management level. Completeness of legal items ensured by a systematic register of relevant laws and directives.		
	b. Disclosures on cross-board membership, cross-shareholding, controlling shareholders, related parties.	Omitted as not applicable.	Not applicable.	
2-16 COMMUNICATION OF CRITICAL CONCERNS	a. Process for communicating critical concerns.	Defined by YF IOS Problem Solving Procedure (YF-LSGR-PR-05). Outlines methodology for identifying problems, analyzing risks, escalating issues, and documenting processes. Escalation defined up to the CEO of Yanfeng International.		
	b. Total number and nature of critical concerns.		Omitted - Confidentiality constraints.	
2-17 COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY	a. Measures taken to advance collective knowledge.	CEO and Executive Committee are members of the Sustainability Executive Steering Committee. The Global Head of Sustainability reports a minimum of once a year to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-18 EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY	a. Evaluation processes.		Omitted - Confidentiality constraints. Evaluation data is commercially sensitive.	116
2-19 REMUNERATION POLICIES	a. Remuneration policies.	Information is available.	Partially omitted - Confidentiality constraints. Individual compensation information is not disclosed.	
2-20 PROCESS TO DETERMINE REMUNERATION	a. Process for designing remuneration policies.	For CBA employees: negotiation with social partners. For non-CBA: handled by HR/C&B with market benchmarks, approved at regional level. HASCO audits the process. External remuneration consultants and independently sourced data used (100% independent of Yanfeng).		
	b. Results of votes of stakeholders.	Not applicable.		
2-21 ANNUAL TOTAL COMPENSATION RATIO	a. Ratio and contextual information.		Omitted - Confidentiality constraints. Individual compensation data not disclosed.	
2-22 STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY	a. Statement from the highest governance body.	A statement can be found in the 'Message from our CEO' at the beginning of the ESG Report 2025 and in the 'Statement of the Management' section of this report.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-23 POLICY COMMITMENTS	a. Policy commitments for responsible business conduct.	Primarily outlined in Yanfeng's Code of Conduct and Partner Code of Conduct. Also membership in the UN Global Compact's ten principles and 17 SDGs. Code of Conduct provides ways to report concerns including the Integrity Helpline (Whistleblowing Hotline). Non-retaliation policy maintained. Precautionary principle applied through risk identification mechanisms.		117
	b. Human rights commitments.	Code of Conduct covers equal treatment, non-retaliation, safe and healthy work environment, privacy, right to inform, and environmental law. Partner Code of Conduct references the Universal Declaration of Human Rights, ILO Declaration, Rio Declaration, and the UN Convention Against Corruption.		
	c. Links to policy commitments.	Publicly available: Code of Conduct and Partner Code of Conduct at yanfeng.com. Assigned by the CEO. Last reviewed in 2025.		
	d. Communication of policy commitments.	Communicated through Yanfeng official/dedicated websites, Internal SharePoint pages, newsletters, internal trainings, formal or informal meetings, and contractual agreements.		

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GRI 2 GENERAL DISCLOSURES 2021				
2-24 EMBEDDING POLICY COMMITMENTS	a. Embedding into organizational strategies and procedures.	Responsibility allocated through compliance policies, Code of Conduct, and Global Head of Sustainability. Strategy department integrates ESG into investment decisions. Procurement selects on ESG criteria. Precautionary principle applied through risk identification mechanisms across environment, H&S, procurement, data privacy, and Supply Chain Act.		118
	b. Implementation through business relationships.	Partner Code of Conduct mandatory throughout supplier chain. T&C require ISO 14001 and ISO 45001 certification. Compliance with German Act on Corporate Due Diligence Obligations in Supply Chains. Participation in RSCI.		
	c. Training on implementing commitments.	Regular, mandatory compliance courses on e-learning platforms covering Code of Conduct, antitrust, and anti-corruption. Conducted at least once a year. Additional training via internal e-trainings (multiple languages) and external training.		
2-25 PROCESSES TO REMEDiate NEGATIVE IMPACTS	a. Commitments and processes.	An anonymous reporting and investigation system has been established globally, including a specific compliance investigation and remediation process. Each case is directed to the Legal Department for escalation determination.	Partially omitted - Confidentiality constraints.	

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-26 MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS	a. Mechanisms for seeking advice.	YFI IOS documents guide the formation of a compliance working group comprising compliance officers from business units and functional departments, providing compliance advice to employees.		119
	b. Mechanisms for raising concerns.	Global anonymous reporting and investigation system. Integrity Helpline (Whistleblowing Hotline) and confidential discussions with Legal/Compliance department. Anonymous reporting via Yanfeng Ethics Point websites. Non-retaliation policy maintained. Effectiveness tracked through number of cases reported.		
2-27 COMPLIANCE WITH LAWS AND REGULATIONS	a. Instances of non-compliance.	Zero instances of non-compliance in 2025. Zero fines incurred. Zero non-monetary sanctions incurred.		
2-28 MEMBERSHIP ASSOCIATIONS	a. Industry associations and memberships.	UN Global Compact (UNGC); VDA's Working Group Responsible Supply Chain Initiative (RSCI); Chinese Chamber of Commerce in Germany (CHKD); Sustainable Procurement Pledge (SPP); Automotive Industry Association of the Slovak Republic (ZAP).		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 2 GENERAL DISCLOSURES 2021				
2-29 APPROACH TO STAKEHOLDER ENGAGEMENT	a. Stakeholder groups and engagement approaches.	Shareholders (business alignment, audits, joint management reviews); Customers (information exchange, roadshows, joint workshops, RSCI/RBA audits); Consumers (consumer research and car clinics); Suppliers (strategy exchange, supplier days, audits, joint development); Governments (compliance with regulations, GRI preparation); Employees (knowledge creation, sustainability training, iCARE program).		120
	a. Percentage of employees covered by CBA.	88.75% of all employees within Yanfeng Europe entities are covered by collective bargaining agreements.		
2-30 COLLECTIVE BARGAINING AGREEMENTS	b. Working conditions for employees not covered.	For employees not covered by CBA, working conditions are determined based on external benchmarks, which may include external collective bargaining agreements, to ensure comparable working conditions.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 3 MATERIAL TOPICS 2021				
3-1 PROCESS TO DETERMINE MATERIAL TOPICS	a. Process to determine material topics.	Analysis phase: comprehensive list of potential material sustainability topics aligned with ESRS topics. Collection phase: benchmark analysis (customers/competitors), context analysis (MSCI/SASB ratings, media, expert assessment). Financial materiality: expert evaluation of risks and opportunities by likelihood and magnitude. Impact materiality: positive and negative impacts evaluated by severity and probability. Eight stakeholder interviews across value chain. Online survey. Final workshop presenting double materiality assessment outcomes.		121
	b. Stakeholders and experts whose views informed the process.	Customers, suppliers, employees, and external experts from diverse fields including science, politics, business, and society.		
3-2 LIST OF MATERIAL TOPICS	a. List of material topics.	Climate change; Resource use and circular economy; Environmental pollution; Adequate working conditions and training of own employees; Management of supplier relations; Health and safety of own workforce; Corporate culture and business conduct principles.		
	b. Changes compared to previous reporting period.	No changes to the list of material topics compared to 2023 when the materiality assessment was conducted.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 302 ENERGY 2016 - Material Topic: Climate Change / Energy				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Scope 1 and 2 emissions represent less than 6% of Corporate Carbon Footprint in 2025. Annual energy reduction goals with energy intensity target of 2.5%. Four-category strategy: reducing current process energy, PV self-generation, reducing energy for new products/processes, shifting Scope 1 to Scope 2. Energy Management Capitalize System (EnMS) implemented. German plants Neustadt and Luneburg ISO 50001 certified.		126
302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION	a. Energy consumption within the organization.	Total energy consumption: 157,020,494 kWh. Non-renewable fuel consumption: 52,442,032 kWh (Stationary combustion Scope 1.1: 43,956,392 kWh; Mobile combustion Scope 1.2: 8,485,640 kWh). Stationary breakdown: Natural gas 42,809,783 kWh, diesel 749,842 kWh, fuel oil 172,519 kWh, biodiesel blend 224,247 kWh. Electricity (Scope 2.1): 104,578,462 kWh. Heating, cooling, and steam are not purchased from external sources.		127
302-2 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION	a. Energy consumption outside of the organization.	Not applicable: Products are intermediate products for the automotive industry and have no material energy consumption during the use phase. Energy consumption of vehicles depends on engine type selected by customers and driving pattern of end user, both unknown to Yanfeng.	Not applicable.	
302-3 ENERGY INTENSITY	a. Energy intensity.	Energy intensity ratio calculated by dividing absolute energy consumption by net sales. Considers energy consumption solely within the organization. All types of energy (gas, liquid fuels, electricity) included.	Omitted - Confidentiality constraints. Specific ratio value not disclosed.	

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 302 ENERGY 2016 - Material Topic: Climate Change / Energy				
302-4 REDUCTION OF ENERGY CONSUMPTION	a. Reduction of energy consumption.	11,263 MWh of electrical energy savings achieved in 2025 through optimization of utilities, revised production patterns, energy-efficient equipment (compressors, LED, inverter ACs), compressed air leakage mitigation, and employee awareness initiatives. Annual reduction goal for energy intensity: 2.5%. EnMS implementation completed in Plana, Kragujevac; ongoing in Namestovo, Rocca.		128
302-5 REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	a. Reductions in energy requirements of products and services.	Not applicable: Intermediate products for the automotive industry with no material energy consumption during the use phase.	Not applicable.	

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GRI 305 EMISSIONS 2016 - Material Topic: Climate Change				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Carbon reduction strategy aligned with 1.5C Paris Agreement trajectory, confirmed by SBTi. 100% clean electricity achieved in European plants. Photovoltaic systems expanded in Germany, Slovakia, and South Africa. CDP score: A- in 2021, 2022, 2023, 2024, and 2025. Corporate Carbon Footprint externally assured by TUV Rheinland under ISAE 3410 for Scopes 1, 2, and 3.		129
305-1 DIRECT (SCOPE 1) GHG EMISSIONS	a. Direct (scope 1) ghg emissions.	Gross Scope 1 emissions: 11,274 t CO ₂ eq. Breakdown: Stationary combustion 8,125 t CO ₂ eq, mobile combustion 1,912 t CO ₂ eq, process emissions 69 t CO ₂ eq, fugitive emissions (HFC/PFC) 1,168 t CO ₂ eq. Main emissions represented by CO ₂ . Biogenic CO ₂ not applicable. No base year defined for reporting group. Sources: UK-DEFRA and EU-AIB emission factors. Consolidation: operational control.		130
305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	a. Energy indirect (scope 2) ghg emissions.	Location-based Scope 2: 27,642 t CO ₂ eq. Market-based Scope 2: 180 t CO ₂ eq. 100% of electricity sourced from clean energy in European plants. Sources: UK-DEFRA and EU-AIB for location-based; supplier-specific data for market-based. Consolidation: operational control.		
305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS	a. Other indirect (scope 3) ghg emissions.	Scope 3 emissions omitted from 2025 report. Categories calculated: 3.1-3.7, 3.9, 3.10, 3.12, 3.15. Base year: 2019 (YFAI EMEA). Emission factors: EU-ADEME, UK-DEFRA, EU-AIB, DIN EN 16528, Ecoinvent. CETS tool developed with PwC. Reported on gross basis without carbon credits or offsets.	Omitted – Confidentiality constraints.	131

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 305 EMISSIONS 2016 - Material Topic: Climate Change				
305-4 GHG EMISSIONS INTENSITY	a. Ghg emissions intensity.	Denominator: business revenue. Includes Scope 1, 2, and 3 GHG emissions.	Omitted - Confidentiality constraints.	132
305-5 REDUCTION OF GHG EMISSIONS	a. Reduction of ghg emissions.	Total Scope 1+2 reduction: 21% in 2025 vs 2024. Initiatives: 100% clean electricity in European plants, PV expansion, EnMS, fleet electrification, optimized logistics, Life Cycle Assessment in standard development process. En-IMS system completed in Namestovo, Plana, Zatec, Valencia; ongoing in Kragujevac and Rocca. ISO 50001 certified at Neustadt and Luneburg.		
305-6 EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	a. Emissions of ozone-depleting substances (ods).	Not applicable for Yanfeng for the reporting year 2025.	Not applicable.	
305-7 NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS	a. Nox, sox, and other significant air emissions.	Yanfeng operates with permits for processes at each site, as mandated by local authorities. All operations currently meeting defined limits, none requiring permanent monitoring.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 301 MATERIALS 2016 - Material Topic: Resource Use and Circular Economy / Materials				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Risk-based analysis process to monitor complete supply base. Partner Code of Conduct addresses Human Rights and Environmental requirements. Committed to UN Global Compact SDGs with fulfillment roadmap. RSCI audit approach in place. Internal strategy to increase use of recycled raw materials. Strategic partnerships with raw material suppliers for sustainable material development.		125
301-1 MATERIALS USED BY WEIGHT OR VOLUME	a. Materials used by weight or volume.	Total renewable raw materials (resins): 5,496 t. Total non-renewable materials: 23,707 t. Packaging materials excluded from this reporting year. Renewable raw materials contain up to 100% recycled content, supporting upcoming EU ELV Directive requirements.		
301-2 RECYCLED INPUT MATERIALS USED	a. Recycled input materials used.	18.24% recycled input materials used to manufacture primary products and services, specifically for plastic resin (main material group).		
301-3 RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS	a. Reclaimed products and their packaging materials.	Not applicable.	Not applicable.	

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 306 WASTE 2020 - Material Topic: Resource Use and Circular Economy				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Environmental management system aimed at reducing waste, minimizing pollution, conserving resources. All European locations certified ISO 14001. Internal recycling target of >80%. EHSIS software for tracking waste data. Waste reduction goals tracked through Balanced Score Card.		133
306-1 WASTE GENERATION AND SIGNIFICANT WASTE- RELATED IMPACTS	a. Waste generation and significant waste-related impacts.	All waste data tracked in EHSIS. In 2025 (Hungary): Hazardous waste generated: 56.5 t. Non-hazardous waste diverted from landfill: 1,020.94 t, including 21.41 t wood waste and 0.93 t electronic waste.	Partially - Information unavailable. Full upstream/downstream impact description not available at this time.	134
306-2 MANAGEMENT OF SIGNIFICANT WASTE- RELATED IMPACTS	a. Management of significant waste-related impacts.	ISO 14001 and ISO 45001 certified at all European locations. YFMS EHS Pillar Tool (23 objectives, 420+ questions) for internal audit and self-assessment. Waste reduction targets and recycling goals set annually. KPI: >80% recycling rate.		
306-3 WASTE GENERATED	a. Waste generated.	Waste generation tracked and categorized by ISO 14001 management system. Data compiled using EHSIS software with standard matrix for waste categorization and landfill/non-landfill splitting. No significant spills reported.		
306-4 WASTE DIVERTED FROM DISPOSAL	a. Waste diverted from disposal.	Total diverted: 9,578.74 t (hazardous: 305.35 t; non-hazardous: 9,273.39 t). Non-hazardous breakdown: Metal 271.09 t, electronic 4.59 t, glass 2.11 t, mixed organic 4.4 t, cardboard/paper 2,276.17 t, wood 1,233.64 t, mixed municipal solid waste 1,249.72 t.		135
306-5 WASTE DIRECTED TO DISPOSAL	a. Waste directed to disposal.	Total to disposal: 448 tons (hazardous: 53 t to landfilling; non-hazardous: 395 t to landfilling). All data collected in EHSIS.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 - Material Topic: Management of Supplier Relations				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Risk-based analysis process for monitoring supply base. Yanfeng Supplier Standard Manual communicates requirements. Partner Code of Conduct mandatory. T&C require ISO 14001, ISO 45001, IATF16949. Conflict Minerals reporting policy. Tools: Partner CoC, Power QMS, SSOW, Prewave (AI-based risk monitoring), NQC platform.		136
308-1 NEW SUPPLIERS SCREENED USING ENVIRONMENTAL CRITERIA	a. New suppliers screened using environmental criteria.	100% of new strategic suppliers were screened using environmental criteria in 2025.		
308-2 NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	a. Negative environmental impacts in the supply chain and actions taken.	100% of strategic suppliers assessed. 823 suppliers screened via Prewave; 1,167 in Power QMS. Zero significant actual or potential negative environmental impacts identified. 0% improvements needed; 0 relationships terminated.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 204 PROCUREMENT PRACTICES 2016 - Material Topic: Management of Supplier Relations				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Material topics related to management of supplier relations are summarized for GRI-204, GRI-308 and GRI-414.		122
204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS	a. Proportion of spending on local suppliers.	85% of procurement budget spent on suppliers local to operations. Definition of 'local' in the EU is the European Region. All production sites considered significant, aiming to source as close as possible to each production site if economically sensible.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 414 SUPPLIER SOCIAL ASSESSMENT 2016 - Material Topic: Management of Supplier Relations				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Risk-based analysis to regularly monitor entire supply base. Committed to UN Global Compact SDGs with fulfillment roadmap. RSCI audit approach. Yanfeng Supplier Standard Manual, Partner Code of Conduct. T&C require ISO 14001, ISO 45001, IATF16949. NQC platform implemented. No Surprise Communication process for stakeholder engagement.		147
414-1 NEW SUPPLIERS SCREENED USING SOCIAL CRITERIA	a. New suppliers screened using social criteria.	100% of new strategic suppliers screened using social criteria in 2025. Tools: Yanfeng Partner Code of Conduct, Power QMS, SSOW, AI-based software (Prewave) for risk monitoring, RSCI assessment.		
414-2 NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	a. Negative social impacts in the supply chain and actions taken.	100% of strategic suppliers assessed for social impacts. 823 via Prewave; 1,167 in Power QMS. Zero significant actual or potential negative social impacts identified. 0% improvements needed; 0 relationships terminated.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 401 EMPLOYMENT 2016 - Material Topic: Adequate Working Conditions and Training				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	HR operates under YF IOS internal standards and work instructions governing Employee Life Cycle (recruiting, hiring, onboarding, learning, development, exit). Processes designed to comply with legal regulations. Transparency and fairness regularly audited internally and by customers. Hiring monitored with multi-layered approval. Various employee benefits including health, insurance, and mobility.		137
401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER	a. New employee hires and employee turnover.	Total new hires: 1,283 (13.02% hire rate based on 9,852 headcount). Regional breakdown: Germany-HQ 10, South Africa 308, Czech Republic 144, Spain 13, Italy 0, Germany 80, Hungary 136, Serbia 467, Slovakia 125, Luxembourg 0. Total turnover: 1,737 (17.6%). Regional: Serbia 818, Germany 186, Slovakia 191, Hungary 193, Czech Republic 184, South Africa 148, Spain 15, Italy 2, Luxembourg 0.	Partially - Information unavailable. Breakdown by age group and gender not available at this time.	138
401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES	a. Benefits provided to full-time employees.	Legally no differences between full-time and part-time employees. Most benefits covered by statutory social/health systems. Additional support in some countries (e.g., special accident insurance). Temporary labor agency agreements cover all legally required benefits.		
401-3 PARENTAL LEAVE	a. Parental leave.	Entitled to parental leave: 9,852 (M: 5,572; F: 4,280). Took parental leave: 186 (M: 34; F: 152). Returned to work after parental leave: 156 (M: 33; F: 123).		

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GRI 402 LABOR/MANAGEMENT RELATIONS 2016 - Material Topic: Adequate Working Conditions				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Labor Relation Management guideline published in YF IOS. Collaborative approach with social partners including local workers' councils and national tariff partners.	Partially - Information unavailable. Specific details on negative impacts (3-3-b), actions (3-3-d), tracking (3-3-e), and stakeholder engagement (3-3-f) not available at this time.	139
402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES	a. Minimum notice periods regarding operational changes.	Czech Republic: 2 months (restructuring), 14 days (shift/vacation). Germany: no minimum, 'in due time'. Hungary: 96 hours. Italy: 10-25 days. Luxembourg: 'sufficiently early'. Slovakia: negotiate beforehand, 15 days for 30+ employee reductions. Spain: 15 days. CBA coverage: Total 8,799. Serbia 2,405; Germany plants 905; Italy 814; Slovakia 888; Hungary 1,266; Czech Republic 839; South Africa 1,388; Spain 294; Europe HQ o; Luxembourg o.		140

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018 - Material Topic: Health and Safety of Own Workforce				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Comprehensive approach focusing on preventing work-related injuries and ill health, fostering strong safety culture. YF IOS Policy and Code of Conduct include H&S commitments. ISO 45001 implemented at all EMEA locations. YFMS EHS Pillar Tool (23 objectives, 420+ questions) for internal audit. Behavior-Based Safety (BBS) programs. Leading and lagging indicators used.	Partially - Information unavailable. Details on involvement with negative impacts (3-3-b) and tracking effectiveness (3-3-e) not fully available.	141
403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	a. Occupational health and safety management system.	Based on ISO 45001. All locations in EMEA certified according to ISO 14001 and ISO 45001. Covers prevention of injuries and risk controls during new project phases, systematic risk identification, and continuous improvement.		142
403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION	a. Hazard identification, risk assessment, and incident investigation.	YFMS EHS Pillar Tool for routine and non-routine hazard identification. BBS programs for at-risk behavior identification through observation, data collection, feedback, and intervention. 8D methodology applied for incident investigation and root cause analysis.		
403-3 OCCUPATIONAL HEALTH SERVICES	a. Occupational health services.	Internal audit system and YFMS EHS pillar tool with 23 objectives and 420+ questions. Quality ensured through self-assessment and second-party audits verifying compliance with ISO norms, legal requirements, and internal requirements.		
403-4 WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OH&S	a. Worker participation, consultation, and communication on oh&s.	Active employee involvement through regular communication, feedback channels, and participation in safety improvement projects. Focus on both physical well-being and mental/emotional health.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018 - Material Topic: Health and Safety of Own Workforce				
403-5 WORKER TRAINING ON OH&S	a. Worker training on oh&s.	All employees receive training. Training needs assessed by analyzing competency gaps. Formal and informal options including instructor-led, self-directed, eLearning, on-the-job training. Yanfeng Learning platform offers 4,300+ courses and 226 learning journeys. Yanfeng Academy: 15 Functional, 1 Leadership, 6 Universal Academies.		143
403-6 PROMOTION OF WORKER HEALTH	a. Promotion of worker health.	Company aims to provide a workplace promoting physical, mental, and emotional health.	Partially - Information unavailable. Specific voluntary health promotion programs not detailed at this time.	
403-7 PREVENTION AND MITIGATION OF OH&S IMPACTS LINKED BY BUSINESS RELATIONSHIPS	a. Prevention and mitigation of oh&s impacts linked by business relationships.	ISO 14001 implemented. Internal system for scanning suppliers/business partners on quality, logistics, CoC adherence, ISO 14001/45001. Screening influences supplier scoring. NQC platform being implemented. No Surprise Communication process covers Safety, Environment, HR.		
403-8 WORKERS COVERED BY AN OH&S MANAGEMENT SYSTEM	a. Workers covered by an oh&s management system.	All EMEA locations certified ISO 45001. No distinction between employees and non-employee workers regarding H&S. YFMS EHS Pillar Tool used for internal audits.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018 - Material Topic: Health and Safety of Own Workforce				
403-9 WORK-RELATED INJURIES	a. Work-related injuries.	Employees: Zero fatalities (rate: 0). Zero high-consequence injuries (rate: 0). Recordable injuries: 8 (TIR: 0.12). Hours worked: 12,571,863. Main type: sharp tool. Non-employees: Zero fatalities, zero injuries. Hours: 374,722. Overall TIR EU: 0.12. LTR EU: 0.09. Rates based on 200,000 hours worked. No workers excluded.		144
403-10 WORK-RELATED ILL HEALTH	a. Work-related ill health.	Employees: Zero fatalities, zero cases of recordable work-related ill health. Non-employees: Zero fatalities, zero cases. Work-related hazards posing risk of ill health: not applicable. Data compiled using ISO 14001, ISO 45001, and EHSIS software.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 404 TRAINING AND EDUCATION 2016 - Material Topic: Adequate Working Conditions and Training				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	L&D process supports defined business needs through partnership between HR/L&D team and functional leaders. Training needs from strategic objectives, job requirements, skill assessments, development goals, workforce planning. Yanfeng Academy: 15 Functional, 1 Leadership, 6 Universal Academies. Yanfeng Learning platform: 5,150+ courses, 232 learning journeys.		145
404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	a. Average hours of training per year per employee.	Overall average (EMEA): 11.9 hours. By gender: Male 10.8 hours; Female 9.6 hours. By employee category: Salaried 14.6 hours; Indirect 12.9 hours; Direct 3.4 hours.		146
404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE	a. Programs for upgrading employee skills and transition assistance.	Yanfeng Academy (15 Functional, 1 Leadership, 6 Universal Academies). Core tools: competency models, skills assessments, annual training plans (KPI). Leadership Academy for all levels. Yanfeng Learning: 5,150+ courses, 232 learning journeys. Transition assistance programs for continued employability and career endings: not available.	Partially - Information unavailable. Transition assistance not available.	
404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	a. Percentage of employees receiving regular performance and career development reviews.	All salaried employees (100%), regardless of gender or employee category, receive a regular performance and development review.		

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 205 ANTI-CORRUPTION 2016 - Material Topic: Corporate Culture and Business Conduct Principles				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Anti-corruption policy outlined in paragraph 6 of Code of Conduct and paragraph 6.1 of Partner Code of Conduct. 100% of operations (19) assessed for corruption risks; no significant risks identified. Compulsory anti-corruption training for managers and above. 100% of governance body members, employees, and business partners received communication. 100% training coverage.		123
205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION	a. Operations assessed for risks related to corruption.	100% of operations (all 19 subsidiaries) assessed through ongoing compliance evaluations.		
205-2 COMMUNICATION AND TRAINING ABOUT ANTI- CORRUPTION POLICIES AND PROCEDURES	a. Communication and training about anti-corruption policies and procedures.	100% of governance body members, employees, and business partners communicated. Code of Conduct and Partner Code of Conduct accessible via yanfeng.com. 100% of governance body members and employees trained. Mandatory annual e-learning.		
205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	a. Confirmed incidents of corruption and actions taken.		Omitted - Confidentiality constraints.	

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GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
GRI 206 ANTI-COMPETITIVE BEHAVIOR 2016 - Material Topic: Corporate Culture and Business Conduct Principles				
3-3 MANAGEMENT OF MATERIAL TOPICS	a-e. Management approach.	Anti-competitive policy outlined in paragraph 7 of Code of Conduct and paragraph 6 of Partner Code of Conduct. No negative impacts or cases in 2025. Compulsory training for all employees. Compliance Investigation and Remediation Standard for investigation and remediation. Effectiveness tracked via number of cases reported.		124
206-1 LEGAL ACTIONS FOR ANTI- COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES	a. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	No legal actions reported during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.		

GRI Content Index

GRI Standard	Disclosure Title and Data Points	Details and Omissions	Omission Reason	Page
NON-MATERIAL TOPICS (Excluded per Double Materiality Assessment 2023)				
GRI 201	Economic Performance 2016	Not material		
GRI 202	Market Presence 2016	Not material		
GRI 203	Indirect Economic Impacts 2016	Not material		
GRI 207	Tax 2019	Not material		
GRI 303	Water and Effluents 2018	Not material		
GRI 304	Biodiversity 2016	Not material		
GRI 405	Diversity and Equal Opportunity 2016	Not material		
GRI 406	Non-discrimination 2016	Not material		
GRI 407	Freedom of Association and Collective Bargaining 2016	Not material		
GRI 408	Child Labor 2016	Not material		
GRI 409	Forced or Compulsory Labor 2016	Not material		
GRI 410	Security Practices 2016	Not material		
GRI 411	Rights of Indigenous Peoples 2016	Not material		
GRI 413	Local Communities 2016	Not material		
GRI 415	Public Policy 2016	Not material		
GRI 416	Customer Health and Safety 2016	Not material		
GRI 417	Marketing and Labeling 2016	Not material		
GRI 418	Customer Privacy 2016	Not material		

GRI 2: General Disclosure

2-1 Organizational details

Our legal name is Yanfeng International Automotive Technology Hungary Kft. (EU).

Yanfeng International Automotive Technology Hungary Kft. is a private company, 100% owned by Yanfeng International Automotive Technology Hungary Co. Ltd. All Yanfeng companies under European Community law are virtually consolidated and reported under this entity in the GRI report.

The headquarters of the reporting group is located in Neuss, Jagenbergstrasse 1, Germany.

We operate in the Czech Republic, Germany, Hungary, Italy, Luxembourg, Slovak Republic, Spain, Serbia and South Africa.

2-2 Entities included in the organization's sustainability reporting

Our sustainability reporting includes the following entities: Yanfeng Hungary Kft., Yanfeng International Automotive Technology Czechia s.r.o., Yanfeng International Automotive Technology Italy S.r.l., Yanfeng International Automotive Technology Spain, S.L., Yanfeng International Automotive Technology Germany s.r.o. & Co. KG, Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG, Yanfeng International Automotive Technology Slovakia s.r.o., Yanfeng International Automotive Technology Luxembourg S.à r.l., Yanfeng International Automotive Technology Serbia d.o.o. Kragujevac and Yanfeng International Automotive Technology South Africa (PTY) LTD.

The included list of legal entities is consolidated, and financial reporting in the same group is conducted. All legal entities are 100% owned, so no minority interests need to be considered.

The approach for reporting to this standard and for material topics is identical across these entities. All entities are 100% owned.

2-3 Reporting period, frequency and contact point

Our sustainability reporting period is from January 1st, 2025, until December 31st, 2025. This reporting period is identical to that of our individual financial reporting of legal entities. The publication of this report is planned for July 2026.

For any questions related to this report, please contact sustainability@yanfeng.com.

2-4 Restatements of information

There is a restatement of information from previous reporting period in 2023, as this was the first GRI report for the consolidated group of legal entities. We added the countries of Serbia and South Africa for the business unit Interiors as this aligns to our financial reporting.

GRI 2: General Disclosure

2-5 External assurance

For 2025, Yanfeng does not intend to have its global ESG report and the related GRI appendix externally assured. However, the Corporate Carbon Footprint report will be assured with limited assurance for all owned entities in scope by an external assurance company for Scopes 1, 2, and 3. The scope of entities reporting to GRI is a subset of that assurance.

The Corporate Carbon Footprint Report has been externally assured. Yanfeng has commissioned an auditing firm to carry out an independent audit of selected emissions, and we report for the Interiors and Seating business unit the emissions to the Carbon Disclosure Project (CDP).

The assurance obtained is limited assurance for selected areas/units disclosed in the corporate carbon footprint report. This was conducted in accordance with International Standard on Assurance Engagements ISAE 3410, issued by the IAASB. The subject of the assurance is the Carbon reporting related Scopes 1, 2, and 3. The assurance provider is TÜV Rheinland, an independent international company without equity interest from Yanfeng.

2-6 Activities, value chain and other business relationships

Yanfeng is active exclusively in the automotive industry, with its product portfolio being 100% based in this sector. Further details on our activities, products, services, and markets served can be found in the "About Yanfeng" chapter of ESG report.

Our supply chain includes suppliers located in all regions, who are considered key partners and a strategically important resource. We depend on their competitive, high-quality products and services. All suppliers are required to adhere to the ethical and legal principles outlined in our Partner Code of Conduct, which is available on our official website. The procurement department selects suppliers based on specific environmental, social, and sustainability requirements defined in our supplier acceptance criteria. The supplier manual and Partner Code of Conduct are mandatory throughout the supply chain, and regular monitoring is conducted to ensure compliance. Engagement with suppliers includes strategy exchange, process compliance, and innovation, facilitated through activities such as supplier days, audits, and joint development projects.

Downstream from our operations, all production plants included in this report function as tier 1 suppliers to automotive manufacturers or internal tier 1 to our plants. We engage with our customers through information exchange, technical and commercial reviews, and ensuring process compliance, utilizing methods such as roadshows, joint workshops, project meetings, and RSCI/RBA audits.

Other relevant business relationships are not applicable for this reporting period.

We added the countries of Serbia and South Africa for the business unit Interiors as this aligns to our financial reporting.

2-7 Employees

In the reporting year 2025, Yanfeng International Automotive Technology Hungary Kft. had a total of 9,852 employees.

The breakdown by gender shows 4,280 female employees and 5,572 male employees.

By region, the employee distribution is as follows: Czech Republic with 839 employees, Germany with 924 employees, Hungary with 1,266 employees, Italy with 834 employees, Luxembourg with 10 employees, Slovak Republic with 1,359 employees, Spain with 294 employees, Serbia with 2,417 employees, and Germany – Europe HQ with 521 employees.

The workforce is comprised of 8,798 permanent employees and 1,054 temporary employees.

Furthermore, 9,753 employees are full-time, while 99 employees work part-time.

Information regarding non-guaranteed hours employees is 0.

The numbers presented are in headcount to ensure comparability across all categories. The data is compiled as end-of-the-month data for each number, as well as a year average for each row. Due to the nature of our production business, significant fluctuation is always visible toward the summer and holiday periods as our customers (OEMs) and suppliers go into shutdown during these times. We follow this approach and reduce our headcount accordingly by ending agency/temporary labor relationships before these periods.

GRI 2: General Disclosure

2-8 Workers who are not employees

In 2025, the total number of workers who are not employees (Agency/Leased) whose work is controlled by Yanfeng International Automotive Technology Hungary Kft. was 892 Head Count.

2-9 Governance structure and composition

The highest governance body for our reporting group of entities is the CEO of Yanfeng International. Main functions reporting to the CEO include Finance, Operations, Customer Business Units, Human Resources, Quality, Product Business Units, Environment, Health & Safety, and the Executive Sustainability Steering Committee.

The committees of the highest governance body responsible for decision-making and overseeing the management of the organization's impacts on the economy, environment, and people are detailed in the "Sustainability Governance Structure" chapter.

The CEO chairs the Yanfeng Executive Committee. The Sustainability Executive Steering Committee includes the CEO, Executive Committee members, and regional and functional leadership.

Information regarding the independence, tenure of members, number of other significant positions and commitments, gender, under-represented social groups, competencies relevant to the organization's impacts, and stakeholder representation for the highest governance body and its committees is omitted due to confidentiality.

2-10 Nomination and selection of the highest governance body

The CEO of Yanfeng International is nominated by Huayu Automotive Systems Shanghai Co., Ltd (HASCO), which is the 100% shareholder of Yanfeng International. Regarding the criteria used for nominating and selecting members of the highest governance body, information on the views of stakeholders, diversity, independence, and competencies relevant to the organization's impacts is omitted due to confidentiality.

GRI 2: General Disclosure

2-11 Chair of the highest governance body

The CEO of Yanfeng International serves as the chair of the highest governance body and is also a senior executive, heading both the Executive Committee and the Sustainability Executive Steering Committee. In this dual role, the CEO is responsible for the company's sustainability issues, setting objectives, monitoring progress, and making strategic decisions related to sustainability. To prevent and mitigate conflicts of interest, Yanfeng International Operating System (YF IOS) includes processes for identifying and resolving serious concerns, with escalation to the highest management level. The system also ensures the collection and consideration of customer requirements and the systematic registration of relevant laws and directives to guarantee legal compliance.

2-12 Role of the highest governance body in overseeing the management of impacts

The Executive Committee, led by the CEO, serves as the highest governance body and is responsible for approving the company's strategy, goals, and key initiatives every three years, with an annual review of their status. This oversight explicitly includes sustainability topics. The CEO of Yanfeng International is the highest governance body for the reporting entities and chairs both the Yanfeng Executive Committee and the Sustainability Executive Steering Committee.

The Sustainability Executive Steering Committee, which includes the CEO, Executive Committee members, and regional and functional leadership, is responsible for setting sustainability objectives and monitoring progress. The CEO, along with this committee, makes strategic decisions regarding sustainability. In 2023, the highest governance body, specifically the CEO of Yanfeng International, reviewed and approved the results of the Double Materiality Analysis used to define material topics. The ESG report is also subject to the CEO's review and approval. The Global Head of Sustainability reports to the Sustainability Executive Steering Committee at least once a year to keep the highest governance body informed.

However, information regarding the highest governance body's role in overseeing due diligence and other processes to identify and manage impacts on the economy, environment, and people, including engagement with stakeholders, how outcomes are considered, and the frequency of review, is not available at this time due to confidentiality.

2-13 Delegation of responsibility for managing impacts

Our company has appointed a Global Head of Sustainability in 2022. This role is responsible for defining the ESG strategy, setting overall goals for the entire organization, and conducting regular meetings with internal stakeholders and departments to track progress on targets. The Global Head of Sustainability reports to the Sustainability Executive Steering Committee at least once a year.

For further details on the delegation of responsibility to other employees for managing impacts, please refer to the "Sustainability Governance Structure" chapter.

GRI 2: General Disclosure

2-14 Role of the highest governance body in sustainability reporting

The highest governance body at Yanfeng, the CEO of Yanfeng International, is responsible for reviewing and approving the organization's sustainability reporting. This includes the results of the Double Materiality Analysis conducted in 2023, which defined the material topics for Yanfeng. The ESG report itself is also subject to review and approval by the CEO.

2-15 Conflicts of interest

Our processes for preventing and mitigating conflicts of interest are embedded within our Yanfeng International Operating System (YF IOS). These processes describe the identification and resolution of serious concerns, including escalation to the highest management level. To avoid concerns, the collection and consideration of customer requirements are defined as part of our development system. The completeness of legal items to be considered is ensured by systematic register of relevant laws and directives, which is also part of our management system. Regarding disclosures to stakeholders concerning cross-board membership, cross-shareholding with suppliers and other stakeholders, the existence of controlling shareholders, and related parties, these are omitted as not applicable.

2-16 Communication of critical concerns

The communication and escalation of critical concerns at Yanfeng are defined by the Yanfeng International Operating System (YF IOS) Problem Solving Procedure (YF-LSGR-PR-05). This procedure outlines the methodology and requirements for identifying problems, analyzing risks, escalating issues, executing problem solutions, preventing recurrence, and documenting these processes. The procedure also specifies escalation rules and timing, with escalation defined by the CEO of Yanfeng International. The total number and nature of critical concerns communicated to the highest governance body during the reporting period are omitted due to confidentiality.

2-17 Collective knowledge of the highest governance body

The CEO and Executive Committee are members of the Sustainability Executive Steering Committee. The global Head of Sustainability, who is also part of the Sustainability Executive Steering Committee, reports out a minimum of once a year to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.

GRI 2: General Disclosure

2-18 Evaluation of the performance of the highest governance body

Omitted due to confidentiality.

2-19 Remuneration policies

This information is available. We will not disclose individual information concerning all means of compensation, whatsoever. This includes data which will lead to comparability with certain individuals.

2-20 Process to determine remuneration

For employees covered by Collective Bargaining Agreements (CBA), the process of remuneration design is based on negotiation with social partners. For employees not covered by CBA, the remuneration design process is handled by HR Business Partner/Local HR and Compensation & Benefits (C&B), taking market benchmarks into consideration and approved at a regional level. The C&B vision, mission, and guiding principles are defined by Yanfeng. Our shareholder, HASCO, audits the process of the remuneration policy, evaluation, and the results. Yanfeng involves external remuneration consultants or incorporates externally sourced data in our remuneration design process, and this data is 100% independent of Yanfeng and its committees/entities. Results of votes of stakeholders on remuneration policies and proposals are not applicable.

2-21 Annual total compensation ratio

This information is available. We will not disclose individual information concerning all means of compensation, whatsoever. This includes data which will lead to comparability with certain individuals.

2-22 Statement on sustainable development strategy

A statement from the highest governance body or most senior executive of the organization regarding the relevance of sustainable development and the strategy for contributing to it can be found in the "Message from our CEO" at the beginning of the ESG Report 2025. This information is available. We will not disclose individual information concerning all means of compensation, whatsoever. This includes data which will lead to comparability with certain individuals.

GRI 2: General Disclosure

2-23 Policy commitments

Our policy commitments for responsible business conduct are primarily outlined in Yanfeng's Code of Conduct and Partner Code of Conduct. We also rely on our membership in the UN Global Compact's ten principles and the 17 Sustainable Development Goals. To ensure responsible business conduct and meet due diligence requirements, our Code of Conduct provides various ways to report concerns, such as through the Integrity Helpline (Whistleblowing Hotline) or confidential discussions with the Legal or Compliance department or the Committee of Disciplinary Inspections (in China). We explicitly adopt a non-retaliation policy and maintain required records accurately. The Partner Code of Conduct stipulates due diligence commitments for our partners, expecting them to establish competent bodies for Compliance/Business Ethics and ensure their suppliers and subcontractors also comply with these standards. We apply the precautionary principle by defining mechanisms to identify risks and take precautionary actions to reduce negative effects across various company areas, including environment, health and safety, product safety, procurement, information security, human resources, data privacy, laws and regulations, and the Supply Chain Act. Regular risk analysis reports are generated with risk levels and precautionary actions, and owners track and follow up on their status. We have also implemented ESG risk management, covering environment, climate, and society, involving the supply chain.

Regarding human rights, our Code of Conduct specifically covers equal treatment, a policy of non-retaliation, a safe and healthy work environment, privacy, the right to inform, and environmental law. The Partner Code of Conduct references the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, aiming to cover all internationally recognized human rights as far as possible. It particularly highlights the Right to Health and Safety in the Workplace, Right to Privacy and Personal Data Protection, Right to Freedom of Association, Right to collective bargaining, Rights of Local Communities (including minorities and indigenous people), Women's rights, Non-retaliation Policy, prohibition of unfair and unequal Treatment in Employment, prohibition of child labor and forced labor and slavery, Right to Adequate Remuneration, Environment Protection, and Protection of Natural Resources. Both documents stipulate essential human rights principles.

We give particular attention to employees, customers, shareholders, and the public as stakeholders in our Code of Conduct. For business relations, the Partner Code of Conduct focuses on service providers, suppliers of goods, consultants, independent contractors, and other partners. Regarding at-risk or vulnerable groups, child labor, young employees, forced labor, indigenous people (local communities), and women are specifically mentioned.

Link to our policy commitments are publicly available: for Yanfeng's Code of Conduct at: [**Code of Conduct brochure 2025 English.pdf**](#)
[**yfi_partner_code_of_conduct_yf-lsle-fr-02-00-01_-20250502.pdf**](#)

The Code of Conduct is assigned by our CEO. The Partner Code of Conduct is YF IOS document approved by the VP Legal and the Business Systems Department, which is the unit that approves policy commitments. These last reviews of Code of Conduct and Partner code of conduct was in 2025.

The Partner Code of Conduct applies to all of the organization's activities and business relationships equally. The Code of Conduct applies to everyone at Yanfeng, including the Board of Directors, company officers, employees, agents, business partners, and contract workers, with no exceptions.

These policy commitments (Code of Conduct and Partner Code of Conduct) are primarily communicated through the Yanfeng official/dedicated websites and Yanfeng Internal SharePoint pages. Additional communication and dissemination channels include newsletters, internal trainings, formal or informal meetings, and contractual agreements.

GRI 2: General Disclosure

2-24 Embedding policy commitments

We embed our policy commitments for responsible business conduct, including human rights, through a structured approach across all organizational levels and business relationships. Responsibility is allocated through adherence to compliance policies and a Code of Conduct for employees, with an emphasis on diversity in training. A Global Head of Sustainability, defines the ESG strategy, sets overall goals, and conducts regular meetings with internal stakeholders. The sustainability department drives sustainability targets and coordinates functional departments, while the Strategy department integrates environmental, social, and sustainability requirements into investment decisions. The CEO and Executive Committee, as members of the Sustainability Executive Steering Committee, receive reports from the Global Head of Sustainability at least once a year, and the CEO of Yanfeng International reviews and approves material topics and the ESG report.

Our commitments are integrated into organizational strategies, operational policies, and procedures by defining management principles for business relationships. The Strategy department incorporates environment, social, and sustainability requirements into investment management procedures. The procurement department selects suppliers based on environment, social, and sustainability criteria defined in our supplier acceptance criteria. We apply the precautionary principle through mechanisms to identify and assess risks across various areas, including environment, health and safety, product safety, procurement, information security, human resources, data privacy, laws and regulations, and the Supply Chain Act. Regular risk analysis reports are produced, and ESG risk management is implemented, involving the supplier chain. Our Code of Conduct provides mechanisms for reporting concerns, such as the Integrity Helpline, and maintains a non-retaliation policy.

We implement our commitments with and through business relationships by making our Partner Code of Conduct mandatory throughout the supplier chain, requiring suppliers to assign it to their own supply chain. The procurement department selects suppliers only after they meet acceptance requirements, including environmental, social, and sustainability criteria. The Supplier Manual and The Partner Code of Conduct are mandatory for suppliers, and regular monitoring is conducted. The Partner Code of Conduct explicitly stipulates due diligence commitments for partners, expecting them to establish a due diligence process for their suppliers and subcontractors. Our Supplier Standard Manual communicates these requirements, and the Supply Chain Act and Supplier Sustainability – Work Instruction addresses human rights and environmental regulations. Our Terms and Conditions of Purchase (T&C) require ISO 14001 and ISO 45001 certification from suppliers. We are ensuring compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains and participation in the RSCI.

Training on implementing these commitments is provided through regular, mandatory compliance courses uploaded on e-learning platforms, covering topics such as the employee Code of Conduct, antitrust, and anti-corruption. This training is aimed at global employees and is conducted at least once a year, with additional training provided via internal e-training (in multiple languages), procedure release auto-reading tasks, and external training. The Code of Conduct and The Partner Code of Conduct are communicated through our official websites, Internal SharePoint pages, newsletters, internal training, formal or informal meetings, and contractual agreements. Our learning and development process supports defined business needs, with training needs identified from strategic objectives, job requirements, skill assessments, development goals, new responsibilities, and workforce planning, followed by a comprehensive training needs analysis.

2-25 Processes to remediate negative impacts

Details regarding our commitments to provide for or cooperate in the remediation of negative impacts, our approach to identify and address grievances, other remediation processes, stakeholder involvement in grievance mechanism design, and tracking the effectiveness of these mechanisms are omitted due to confidentiality. However, we have established an anonymous reporting and investigation system globally, which includes a specific compliance investigation and remediation process. For issues related to anti-competitive behavior and anti-corruption, our internal Compliance Investigation and Remediation Standard guides the investigation and remediation of potential negative impacts arising from employee non-compliance. Each compliance investigation case is directed to the Legal Department, which determines if escalation to the Vice President of Internal Audit and Risk Control and/or General Counsel is required.

GRI 2: General Disclosure

2-26 Mechanisms for seeking advice and raising concerns

Yanfeng has established mechanisms for individuals to seek advice and raise concerns regarding responsible business conduct. To seek advice on implementing policies and practices, Yanfeng International Operating System (YFI IOS) documents guide the formation of a compliance working group. This group, comprising compliance officers from business units and functional departments, organizes and assists business departments with compliance training and provides compliance advice to employees, among other responsibilities. For raising concerns about the organization's business conduct, Yanfeng has implemented a global anonymous reporting and investigation system allowing any employee of Yanfeng group as well as third party to report compliance-related issues. This system includes a specific compliance investigation and remediation process. Further details on how to report a complaint are available on both the public and internal website of Yanfeng.

Yanfeng's Code of Conduct and Partner Code of Conduct also stipulate due diligence commitments and provide various ways to report concerns for irresponsible business conduct, including through the Integrity Helpline (Whistle blowing Hotline) or confidential discussions with the Legal or Compliance department or the Committee of Disciplinary Inspections (in China). Employees can report anonymously via the Yanfeng Ethics Point websites (<https://chinahelpline.yanfeng.com/#> for China; <https://yanfeng.ethicspoint.com> for other nations) and through a list of country-specific phone numbers for the Integrity Helpline. The company explicitly adopts a policy of non-retaliation and maintains accurate records. The effectiveness of these mechanisms is tracked through the number of competition law-related and corruption-related cases reported via the compliance investigation system/whistle blower hotline. After each case is resolved, relevant internal policies are reviewed and revised if necessary, and training is updated.

2-27 Compliance with laws and regulations

Our compliance investigation system did not receive any cases related to non-compliance with laws and regulations in 2025. Consequently, there were zero instances for which fines were incurred and zero instances for which non-monetary sanctions were incurred during the reporting period. Similarly, no fines for instances of non-compliance with laws and regulations were paid in the current or previous reporting periods. As there were no significant instances of non-compliance, there is no further description required for such instances or how they were determined.

2-28 Membership associations

Yanfeng participates in a significant role in the following associations in Europe:

- UN Global Compact (UNGC)
- VDA's Working Group Responsible Supply Chain Initiative (RSCI)
- Chinese Chamber of Commerce in Germany (CHKD)
- Sustainable Procurement Pledge (SPP)
- Automotive Industry Association of the Slovak Republic (ZAP)

GRI 2: General Disclosure

2-29 Approach to stakeholder engagement

Yanfeng engages with various stakeholder groups, including shareholders, employees, customers, consumers, suppliers, and governments. These stakeholders are identified as integral to the company's operations and impact. Yanfeng employs multiple approaches for engagement with each group. For shareholders, engagement focuses on business alignment and process compliance, achieved through approval processes, audits, and joint management reviews. Customer engagement aims for information exchange, technical and commercial reviews, and process compliance, facilitated by roadshows, joint workshops, project meetings, and RSCI/RBA audits. Consumer engagement is centered on understanding consumer trends through consumer research and car clinics. With suppliers, the purpose of engagement includes strategy exchange, process compliance, and innovation, which is carried out through supplier days, supplier audits, and joint development projects. Engagement with governments is primarily for compliance with regulations, achieved by following mandatory regulations and voluntarily preparing for future processes like GRI. Employee engagement focuses on knowledge creation and sustainability training and information meetings, supported by community engagement activities and programs such as iCARE.

2-30 Collective bargaining agreements

88,75% of all employees within Yanfeng Europe entities are covered by collective bargaining agreements. For employees not covered by these agreements, the company determines working conditions based on external benchmarks, which may include external collective bargaining agreements, to ensure comparable working conditions.

GRI 3: Material Topics Disclosures

3-1 Process to determine material topics

Our process for determining material topics began with an analysis phase, where a comprehensive list of potential material sustainability topics, already aligned with ESRS topics, was compiled. This was followed by a collection phase that included a benchmark analysis of customers and competitors, and a context analysis incorporating sector materiality ratings (MSCI and SASB), media analysis, document scrutiny, and an expert assessment by an external consultant. For financial materiality, the expert evaluation gauged our sustainability-related risks and opportunities based on their projected likelihood and magnitude. For impact materiality, both positive and negative impacts, categorized as actual or potential, were evaluated based on the severity of their effects (scale, scope, and remediability) and the probability of occurrence. The findings from these analyses were discussed in an interactive workshop, leading to a shortlist of potential material topics.

The second part of the collection phase involved conducting eight interviews with stakeholders across our value chain, including suppliers, customers, and employees. An online survey was also administered to both stakeholders and experts from diverse fields such as science, politics, business, and society.

Stakeholders were queried on both financial and impact materiality aspects, while experts focused exclusively on impact materiality. All results from the benchmark and context analysis, interviews, and the online survey were then integrated in the compose phase to generate the final list of material topics.

The process concluded with a formal review to address any potential gaps and enhance the quality of the results. A final workshop was held to present the outcomes of the double materiality assessment, showcasing the materiality matrix which included the calculated company-specific impact and financial materiality of each shortlisted topic. This workshop also involved discussions on appropriate materiality thresholds for defining which topics are considered material for reporting.

The stakeholders and experts whose views informed this process included customers, suppliers, employees, and external experts.

3-2 List of material topics

Our material topics include: Climate change, Resource use and circular economy, Environmental pollution, Adequate working conditions and training of own employees, Management of supplier relations, Health and safety of own workforce, and Corporate culture and business conduct principles.

There have been no changes to the list of material topics compared to reporting period 2023 when the materiality assessment was conducted.

GRI Topic Standard Disclosures

GRI 204: Procurement Practices

Material Topic: Procurement Practices (GRI 204, 3-3)

Material topics related to management of supplier relations are summarized for GRI-204, GRI-308 and GRI-414.

204-1 Proportion of spending on local suppliers

In 2025, the percentage of our procurement budget used for significant locations of operation that is spent on suppliers local to that operation is 85%. Our definition of 'local' in the EU is the European Region. Yanfeng considers all production sites to be significant and aims to source as close as possible to each production site, if it makes sense economically.

GRI Topic Standard Disclosures

GRI 205: Anti-corruption

Material Topic: Anti-corruption (GRI 205, 3-3)

Yanfeng's approach to managing anti-corruption is integrated into its corporate culture and business conduct principles. In 2025, no actual or potential negative impacts related to anti-corruption were identified, as there were no reported cases. Similarly, the company was not involved in any negative impacts through its activities or business relationships in 2025.

The company's anti-corruption policy is clearly outlined in paragraph 6 of Yanfeng's Code of Conduct and paragraph 6.1 of Yanfeng Partner Code of Conduct. All operations, totaling 19, were assessed for corruption risks, with 100% coverage, and no significant risks were identified.

Actions taken to prevent or mitigate potential negative impacts include compulsory anti-corruption training for managers and above. The Compliance Investigation and Remediation Standard (internal document YF-LSLE-ST-01-18) provides guidance for investigating and remedying potential negative impacts from employee non-compliance. Each compliance investigation case is handled by the Legal Department, which determines if escalation to the Vice President of Internal Audit and Risk Control and/or General Counsel is necessary.

Communication of anti-corruption policies and procedures reached 100% of governance body members, employees, and business partners. The Yanfeng Partner Code of Conduct and Yanfeng Code of Conduct are communicated to all employees and are publicly available on the Yanfeng.com website. All business partners have access to these policies. Additionally, 100% of governance body members and employees received anti-corruption training.

The effectiveness of these actions is tracked through processes outlined in the Compliance Investigation and Remediation Standard, which guides employees on raising anti-corruption concerns. Indicators used to evaluate progress include the number of corruption-related cases reported via the compliance investigation system/whistleblower hotline. After each case is resolved, relevant internal policies (Code of Conduct/Partner Code of Conduct) are reviewed and revised if needed, and anti-corruption training is updated if new cases arise. Following investigations, the Legal Department proposes remediation measures to the Executive Committee, and impacted Functional Leaders ensure their implementation.

In 2025, there were zero confirmed incidents of corruption, zero employees dismissed or disciplined for corruption, zero contracts terminated or not renewed due to corruption violations, and zero public legal cases regarding corruption against the organization or its employees.

205-1 Operations assessed for risks related to corruption

Yanfeng assesses 100% of its operations for risks related to corruption, encompassing all 19 subsidiaries. These assessments are part of ongoing compliance evaluations that specifically include anti-corruption topics.

205-2 Communication and training about anti-corruption policies

Yanfeng has communicated its anti-corruption policies and procedures to 100% of its governance body members, employees, and business partners. The Yanfeng Partner Code of Conduct and Yanfeng Code of Conduct are communicated to all employees and are accessible to all business partners via the Yanfeng.com website. Additionally, 100% of governance body members and employees have received training on anti-corruption. Compliance training courses, including anti-corruption topics, are regularly provided online via e-learning and are mandatory for all global employees at least once a year.

205-3 Confirmed incidents of corruption and actions taken

Omitted due to confidentiality.

GRI Topic Standard Disclosures

GRI 206: Anti-competitive Behavior

Material Topic: Anti-competitive Behavior (GRI 206, 3-3)

Regarding anti-competitive behavior, Yanfeng reported no negative impacts or cases in 2025. Our anti-competitive policy is clearly outlined in paragraph 7 of the Yanfeng Code of Conduct and paragraph 6 of the Yanfeng Partner Code of Conduct. To prevent or mitigate potential negative impacts, we provide compulsory training to all employees on anti-competitive topics. The Compliance Investigation and Remediation Standard guides the investigation and remediation of any potential negative impact from employee non-compliance. Each compliance investigation case is handled by the Legal Department, which determines if escalation to the Vice President of Internal Audit and Risk Control and/or General Counsel is necessary. The Compliance Investigation and Remediation Standard also provides guidance for employees to raise concerns about anti-competitive behavior. We track the effectiveness of our actions using the number of competition law-related cases reported through our compliance investigation system/whistleblower hotline. Following the resolution of any corruption-related case, the relevant internal policies (Code of Conduct/Partner Code of Conduct) are reviewed and revised if needed, and anti-competitive training is updated if new cases arise. After each investigation, the Legal Department proposes remediation measures to the Executive Committee, and the impacted Functional Leader(s) are responsible for ensuring their implementation.

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

No legal actions were reported during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which Yanfeng has been identified as a participant. Consequently, the main outcomes of completed legal actions are not applicable.

GRI Topic Standard Disclosures

GRI 301: Materials

Material Topic: Materials (GRI 301, 3-3)

In 2025, our company manages the material topic of Materials, focusing on Resource Use and Circular Economy. We have implemented a risk-based analysis process to monitor our complete supply base for potential negative impacts on a regular basis. Our Partner Code of Conduct addresses Human Rights and Environmental requirements, and we are committed to the UN Global Compact's Sustainable Development Goals, with a roadmap for their fulfillment. The Responsible Supply Chain Initiative (RSCI) audit approach is also in place to prevent potential negative impacts aligned with our sustainability goals.

Regarding our involvement with negative impacts, we have established an early warning risk management system with our suppliers. Daily screening and tracking are conducted to identify potential risks in our supply base. Our policies and commitments include an internal strategy to increase the use of recycled raw materials to reduce our CO₂ footprint. We maintain strategic partnerships with raw material suppliers to develop new and more sustainable materials. Raw material selection is a collaborative effort with our customers and vehicle manufacturers, guided by various criteria, with a shared objective to continuously reduce our CO₂ footprint and enhance the use of recycled materials.

To prevent or mitigate potential negative impacts, our management approach provides a narrative explanation of how we manage this material topic, its associated impacts, and stakeholder expectations. We continuously monitor our supply base for negative impacts and adhere to our Partner Code of Conduct, which covers Human Rights and Environmental requirements. Our commitment to the UN Sustainable Development Goals is supported by an implemented roadmap, and the RSCI audit approach helps us avoid potential negative impacts.

Yanfeng has trained employees to conduct RSCI audits. Audit results are followed up by the supplier development team and are communicated to the commodity teams. Significant negative audit results do lead to special improvement plan. If progress is not according to requirement suppliers might be taken out of the bidder's list.

Stakeholder engagement informs our actions and assesses their effectiveness through a No Surprise Communication process, which involves all internal and external stakeholders. This process, detailed in YF IOS, covers safety, environment, HR, and other business processes, monitoring root causes, corrective actions, implementation dates, and the closure of open topics.

301-1 Materials used by weight or volume

In the 2025 reporting period, we purchased a total amount of 5,496 t of renewable raw materials in the category resins. The total amount of non renewable materials used to produce our primary products across the organization was 23,707 t.

Packaging materials are excluded from this reporting year. Our renewable raw materials contain up to 100% recycled content and will help us to achieve the requirements of the upcoming ELV Directive of the EU.

301-2 Recycled input materials used

In the reporting year 2025, the percentage of recycled input materials used to manufacture our primary products and services is 18.24%.

This percentage specifically applies to plastic resin, which constitutes our main material group.

301-3 Reclaimed products and their packaging materials

The percentage of reclaimed products and their packaging materials for each product category is not applicable. Similarly, the method for collecting data for this disclosure is also not applicable.

GRI Topic Standard Disclosures

GRI 302: Energy

Material Topic: Energy (GRI 302, 3-3)

Energy consumption has both negative and positive impacts on our economy and the environment. The negative impacts primarily stem from Scope 1 and 2 emissions, which contribute to climate change and represent less than 6% of our Corporate Carbon Footprint in 2025, with the majority originating from Scope 1 combustion. Energy consumption also directly influences production costs. Conversely, energy is fundamental to our manufacturing processes, enabling the production of goods and the conversion of raw materials, thereby generating economic benefits. Our efforts in energy reduction yield both environmental and economic advantages.

Our involvement with these negative impacts is primarily through our own operational activities. Electricity is predominantly utilized in our plant manufacturing processes. The majority of our Scope 1 emissions are attributed to stationary combustion for heating plant locations, while mobile combustion accounts for 17% of our combined Scope 1 and 2 carbon emissions in 2025 for YFAI EMEA.

We are committed to energy savings, supported by annual reduction goals. Energy consumption targets and actuals are measured in absolute values, converted into the heating value of standard coal, and as intensity values relative to productivity. Actual consumption figures are reviewed monthly and reported to management to compare against established targets. Both the definition of performance indicators and the review process are formally defined within our management system.

Our strategy for energy reduction focuses on four key categories to prevent or mitigate potential negative impacts. These include reducing energy consumption in current processes, generating our own electricity through photovoltaic systems, reducing energy consumption for new products and processes, and shifting energy demand from Scope 1 to Scope 2 to reduce emissions (including developing surface technology alternatives for slush skin technology that uses natural gas for process heating).

The effectiveness of our actions is tracked through processes integrated into our continuous improvement initiatives and management system. The Energy Management Standard outlines the core elements of our Energy Management System (EnMS), and the Energy Hunt Program Standard defines practices and tools for reducing energy use and waste, improving resource efficiency, and meeting business unit and corporate sustainability goals. We have implemented an IT solution, the Energy Management Capitalize System (EnMS), to enhance our overview of consumption related to equipment and responsible electrical energy use per produced volume. This system is implemented in several plants, allows for transparent monitoring of energy consumption during production, identification of deviations from targets, and definition of countermeasures. Our German plants in Neustadt and Lueneburg are also ISO 50001 certified.

Our annual reduction goals for energy savings include a target for energy intensity reduction. Energy consumption is measured in absolute values and intensity values related to productivity, with net sales used as the denominator for the energy intensity ratio. This ratio includes all types of energy used within our plants, such as gas, liquid fuels, and electricity. Monthly data collection and review are part of our operations review and are tracked in our global Balanced Score Card.

In 2025, our energy reduction projects have resulted in significant electrical energy savings. For example, in the previous reporting period, we completed several energy reduction projects, which led to a reduction of more than 11 MWh of electrical energy, exceeding the target. The implementation of the Energy Management Capitalize System (EnMS) is a direct result of lessons learned regarding the need for improved monitoring and transparency of energy consumption. This system allows for better identification of deviations and definition of countermeasures, leading to continuous improvement in our energy management.

Employee engagement is a key element in improving energy reduction. We offer dedicated training for all employees to enable their participation in these efforts, which informs both the actions taken and their effectiveness.

GRI Topic Standard Disclosures

GRI 302: Energy

302-1 Energy consumption within the organization

In 2025, Yanfeng International Automotive Technology Hungary Kft. consumed a total of 157,020,494 kWh of energy within the organization. A large share of the consumed energy was non-renewable fuels.

The total non-renewable fuel consumption was 52,442,032 kWh, encompassing both stationary combustion (Scope 1.1) 43,956,392 kWh and mobile combustion (Scope 1.2) 8,485,640 kWh.

Stationary combustion (Scope 1.1) includes 42,809,783 kWh of natural gas, 749,842 kWh of diesel, 172,519 kWh of fuel oil, and 224,247 kWh of diesel (average biofuel blend).

The total Electricity consumption (Scope 2.1) within the organization was 104,578,462 kWh. Heating, cooling, and steam are not purchased from external sources.

Our energy consumption data is collected and reviewed monthly as part of our operations review and centrally managed in our Carbon Emissions Tracking System (CETS).

302-2 Energy consumption outside of the organization

Not applicable: Our products are intermediate products for the automotive industry and have no material energy consumption on its own during the use phase. The energy consumption of vehicles is dependent on engine type selected by our customers the vehicle manufactures and driving pattern of end user. Both are unknown to Yanfeng.

302-3 Energy intensity

Our energy intensity ratio for 2025 is calculated by dividing our absolute energy consumption by our net sales. This ratio considers energy consumption solely within our organization, as energy consumption outside the organization is not applicable to our operations.

The organization-specific metric used as the denominator for this ratio is net sales. We consider all types of energy used in our plants, including gas, liquid fuels, and electricity. Energy from heating, cooling, or steam purchased from outside is not considered.

The concrete value for the energy intensity ratio for 2025 is omitted due to confidentiality.

GRI Topic Standard Disclosures

GRI 302: Energy

302-4 Reduction of energy consumption

Our energy reduction efforts are supported by an ongoing monthly measuring process, where energy consumption is compared with net sales and targets. This provides a continuous overview of our energy performance. Monthly data are integrated into Yanfeng's Balanced Score Card and are reviewed at both entity and regional levels as part of management reviews.

The Energy Management Standard defines the core elements of our Energy Management System (EnMS), ensuring an environmentally friendly, sustainable, and efficient organization. The Energy Hunt Program Standard outlines improvement practices and tools to reduce energy use and waste, improve resource efficiency, and meet business unit and corporate sustainability goals. We implemented an IT solution for monitoring energy consumption in several plants. During 2025 was finished implementation in Planá and Kragujevac, Serbia. On-going is in Namestovo, Slovakia. By end of 2025 start implementation project in Rocca, IT. This system allows for transparent monitoring, identification of deviations from targets, and definition of countermeasures. Additionally, our German plants in Neustadt and Lueneburg are certified according to ISO 50001. Employee engagement is a key element for improving energy reduction, and we offer dedicated trainings to all employees to enable this.

All reported reductions in energy consumption for the reporting year 2025 result from planned energy conservation and efficiency initiatives implemented within our operations.

Energy reductions are primarily based on direct measurements of electricity consumption, compared against defined targets.

302-5 Reductions in energy requirements of products and services

Not applicable: Our products are intermediate products for the automotive industry and have no material energy consumption on its own during the use phase. The energy consumption of vehicles is dependent of engine type selected by our customers the vehicle manufacturers and driving pattern of end user. Both are unknown for Yanfeng.

GRI Topic Standard Disclosures

GRI 305: Emissions

Material Topic: Emissions (GRI 305, 3-3)

Yanfeng recognizes that greenhouse gas emissions resulting from human activities are a scientifically proven root cause of climate change. As a company with a product portfolio 100% based in the automotive industry, we identify the need for emission reduction across our complete value chain to decelerate these negative environmental impacts.

In the reporting year 2025, our total direct greenhouse gas emissions (Scope 1) for the holding group amounted to 11,274 t CO₂eq. We are involved with these impacts primarily through our manufacturing activities and the energy required to convert raw materials into finished goods, as well as through our business relationships with vehicle manufacturers who are also aiming to reduce carbon emissions in road traffic.

Our commitment to managing emissions is anchored in a sustainability strategy that supports the United Nations Sustainable Development Goals (SDGs) and our membership in the UN Global Compact. Governance is managed through the global Sustainability Council and the Sustainability Executive Steering Committee, which centralize and coordinate initiatives across regional levels. Yanfeng's carbon reduction strategy has defined targets for Scopes 1, 2, and 3 that are in line with the 1.5°C trajectory of the Paris Agreement, and these targets are confirmed by the Science Based Targets initiative (SBTi).

To mitigate potential negative impacts, we focus on three key areas: optimizing raw material selection by increasing recycled content, securing clean energy for our plants, and optimizing logistics. We have already achieved the use of 100% clean electricity in our European plants and continue to expand our self-produced energy capacity through photovoltaic installations at various sites.

In 2025, our Scope 1 emissions breakdown included 8,125 t CO₂eq from stationary combustion, 1,912 t CO₂eq from mobile combustion, 69 t CO₂eq from industrial processes, and 1,168 t CO₂eq from fugitive emissions such as refrigerants.

Energy indirect (Scope 2) emissions for the reporting period 2025 were 169 t CO₂eq.

The effectiveness of our actions is tracked through the Carbon Emission Tracking System (CETS), which collects activity data and calculates emissions based on the Greenhouse Gas Protocol. This system allows us to monitor progress toward our net-zero goals and evaluate the impact of specific reduction initiatives. We also report our performance to the Carbon Disclosure Project (CDP), where we have maintained a strong environmental focus, previously resulting in a score of A minus. Stakeholder engagement is integrated into this process through our "No Surprise Communication" system, which involves internal and external stakeholders in monitoring root causes and corrective actions for environmental topics.

GRI Topic Standard Disclosures

GRI 305: Emissions

305-1 Direct (Scope 1) GHG emissions

In 2025, our gross direct (Scope 1) GHG emissions for Yanfeng International Automotive Technology Hungary Kft. totaled to 11,274 t CO₂eq. . The main emissions are represented by CO₂, with HFCs and PFCs considered for fugitive emissions only.

Biogenic CO₂ emissions are not applicable to our reporting. We have not defined a base year for our reporting group.

We utilize UK-DEFRA and EU-AIB as sources for emission factors for Scope 1. For emissions related to refrigerants, we apply Global Warming Potential (GWP) rates based on IPCC AR5. Emissions from process foaming are calculated based on chemical reactions.

Our consolidation approach for emissions is operational control.

The calculation of emissions for Scopes 1 is primarily based on measuring consumed energy, particularly for stationary combustion, mobile combustion. Fugitive emissions and emissions from fire suppressant gas are calculated based on refill volumes, while special process emissions for foaming are determined by chemical reaction.

Yanfeng has developed a Carbon Emission Tracking System, used identically across all global sites to collect activity data and calculate emissions. Our emissions reporting adheres to the Greenhouse Gas Protocol methodology.

The breakdown of our direct (Scope 1) GHG emissions by source type for 2025 is as follows: stationary combustion emissions amounted to 8,125 t CO₂eq, mobile combustion emissions were 1,912 t CO₂eq, process emissions were 69 t CO₂eq, and HFC and PFC emissions were 1,168 t CO₂eq.

305-2 Energy indirect (Scope 2) GHG emissions

Our gross location-based energy indirect (Scope 2) GHG emissions for the reporting year 2025 were for Yanfeng International Automotive Technology Hungary Kft. 27,642 t CO₂eq.

Regarding gross market-based energy indirect (Scope 2) GHG emissions for Yanfeng International Automotive Technology Hungary Kft. were 180 t CO₂eq.

The gases included in the calculation are CO₂e based on emissions factors.

We are using UK-DEFRA and EU-AIB as sources of emission factors for location-based Scope 2 emissions, while supplier-specific data is utilized for market-based emissions.

Operational control is consistently applied as the consolidation approach for emissions.

Yanfeng has developed a Carbon Emission Tracking System, used identically across all global sites to collect activity data and calculate emissions. Our emissions reporting adheres to the Greenhouse Gas Protocol methodology.

GRI Topic Standard Disclosures

GRI 305: Emissions

305-3 Other indirect (Scope 3) GHG emissions

For the reporting year 2025 we omitted our gross other indirect (Scope 3) GHG emissions from this report. Regarding the gases included in the calculation, we calculate CO₂e based on used emissions factors.

Biogenic CO₂ emissions are not applicable to our Scope 3 GHG emissions.

The other indirect (Scope 3) GHG emissions categories and activities included in the calculation for 2025 are:

3.1 Purchased goods and services	3.7 Employee Commuting
3.2 Capital Goods	3.9 Downstream Transportation
3.3 Fuel and energy related activities	3.10 Processing of sold products
3.4 Upstream Transportation and distribution	3.12 Scrap Disposal of Sold Products
3.5 Waste Disposal	3.15 Investments
3.6 Business Travel	

A base year for the calculation of Scope 3 GHG emissions is defined as 2019 for our reporting group (YFAI EMEA).

For Scope 3 emissions, we utilize emission factors from EU-ADEME, UK-DEFRA, EU-AIB, DIN EN 16528, and Eco invent. The majority of our Scope 3 calculations are based on the average-data method, with some utilizing a spend-based method. Our objective is to minimize the use of spend-based methods and integrate supplier-specific emission factors wherever possible. The reference to the Global Warming Potential (GWP) source used for the development of these emission factors is.

We utilize a Carbon Emission Tracking System (CETS), developed in partnership with PwC, to collect activity data and calculate emissions. This tool is applied identically across all our global sites, ensuring consistent methodology. The emissions are reported based on the methodology of the Greenhouse Gas Protocol and cover Scope 1, Scope 2, and Scope 3 upstream and partial Scope 3 downstream.

No greenhouse gas (GHG) trades are included in or excluded from the calculation of gross other indirect (Scope 3) GHG emissions. Scope 3 emissions are reported on a gross basis, without the use of carbon credits, offsets, allowances, or other GHG trading mechanisms.

For all Scope 3 greenhouse gas emissions disclosed, emission factors and Global Warming Potential (GWP) rates are applied consistently across all relevant data categories within the reporting boundary.

Emission factors are sourced from recognized and reputable databases, updated in our CETS system. Where multiple data sources are available, the same emission factor set is used consistently for comparable activities to ensure year-to-year and category comparability.

GWP rates based on a 100-year timeframe from IPCC Assessment Reports are used, because the databases applied (UK-DEFRA, EU-ADEME, DIN EN standards and Ecoinvent, with AIB relying on IPCC-based upstream data) explicitly adopt IPCC 100-year GWP values for CO₂-equivalent calculations.

Scope 3 emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. Methodologies are selected based on data availability and accuracy, prioritizing activity-based (average-data) methods and using spend-based methods only where activity data are not available, with a continuous improvement approach toward supplier-specific data.

GRI Topic Standard Disclosures

GRI 305: Emissions

305-4 GHG emissions intensity

Our GHG emissions intensity ratio is calculated using business revenue as the organization-specific metric (denominator).

The intensity ratio includes direct (Scope 1), energy indirect (Scope 2), and other indirect (Scope 3) greenhouse gas emissions.

We calculate CO₂e based on selected emissions factor databases. For fugitive emissions, other GHGs are calculated and transformed into CO₂e.

The GHG emissions intensity ratio for the organization is omitted due to confidentiality.

305-5 Reduction of GHG emissions

We implement various initiatives to prevent and mitigate potential negative impacts related to carbon emissions. These include increasing the use of recycled materials and developing new, more sustainable materials through our material institute and partnerships. We have achieved the use of 100% clean electricity in our European plants. Furthermore, we continue to expand our self-produced energy capacity through photovoltaic systems. We also drive projects to substitute combustion processes, such as utilizing waste heat from production, and are transitioning our car fleet into full electric vehicles. Optimized logistic processes and the development of new products with reduced carbon footprints, incorporating Life Cycle Assessment (LCA) into our standard development process, are also key areas of focus.

Our energy reduction efforts are based on four principle categories: reducing energy consumption for current processes, self-producing electricity, reducing energy consumption for new products and processes, and shifting energy demand from Scope 1 to Scope 2. In 2025 couple of energy reduction projects were completed, resulting in a reduction of 11 263 MWh of electrical energy. The following plants Namestovo, Plana, Zatec, Valencia in the EMEA region have completed the installation and application of the Energy Management System (En-IMS system). Additionally, two other plants in Kragujevac and Rocca are currently undergoing installation and commissioning, with the expectation that the commissioning and application processes will be completed in 2026. Our German plants in Neustadt and Lueneburg are certified according to ISO 50001. Employee engagement and dedicated training are crucial for improving energy reduction.

The total reduction of Scope 1 and Scope 2 emissions was 21% in 2025 for YFAI EMEA sites.

The base year for Scope 1 and Scope 2 reductions is 2024. We compared GHG data in reporting year 2025 with previous year 2024.

305-6 Emissions of ozone-depleting substances (ODS)

For the reporting year 2025, the disclosure on Emissions of Ozone-Depleting Substances (ODS) is not applicable for Yanfeng.

305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Regarding nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions, Yanfeng operates with permits for processes at each site, as mandated by local authorities. All operations are currently meeting the defined limits, and none of these emissions require permanent monitoring.

GRI Topic Standard Disclosures

GRI 306: Waste

Material Topic: Waste (GRI 306, 3-3)

Yanfeng manages waste as a material topic, recognizing its significant environmental impact. Our approach involves identifying, prioritizing, and addressing the environmental impact of our activities, products, and services through our established environmental management system. This system aims to reduce waste, minimize pollution, conserve resources, and continuously improve our environmental performance, contributing to the long-term well-being of our organization and the communities in which we operate.

Regarding the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, our management system helps to identify and address these. We are tracking with continuous improvement department several waste project which had direct impact to cost savings and also increasing our recycling rate. Our involvement with negative impacts stems from our activities, particularly waste generation, emissions, and resource consumption. The ISO 14001 system requires us to identify and assess these environmental aspects to understand our environmental footprint and prioritize areas for improvement.

To further elaborate on whether we are causing or contributing to negative impacts through our activities or if impacts are directly linked to our operations, products, or services by our business relationships, and to describe these activities or business relationships.

Our policies and commitments regarding waste are underpinned by our ISO 14001 certification, which all our locations in Europe maintain. This internationally recognized environmental management system standard provides the framework for our sustainable environmental management practices. Through ISO 14001, we have established robust procedures and protocols to reduce waste, minimize pollution, conserve resources, and continuously improve our environmental performance. We are committed to complying with applicable environmental regulations and enhancing our environmental performance.

We manage waste through a structured approach that includes monitoring waste management in several steps. These steps involve detailing the types of waste produced (e.g., solid, hazardous, electronics, wastewater, emissions), identifying the sources of waste within our processes (e.g., manufacturing, packaging, transportation, energy consumption), quantifying the amount and assessing the composition of waste, and evaluating the environmental, social, and economic consequences of waste-related impacts. Our mitigation measures include strategies, initiatives, and programs focused on waste prevention, reuse, recycling, composting, waste-to-energy technologies, and sustainable supply chain practices. We also engage relevant stakeholders, including employees, customers, suppliers, regulatory agencies, local communities, and non-governmental organizations, to promote transparency, accountability, and collaboration in our waste management efforts.

Actions taken to prevent or mitigate potential negative impacts include waste prevention, reuse, recycling, composting, waste-to-energy technologies, and sustainable supply chain practices.

To provide further examples of actions taken to prevent or mitigate potential negative impacts, such as adaptation/modification measures, facility upgrading, training, red-flag systems, approaches for systemic negative impacts, how the precautionary principle is applied, and how leverage is used to motivate business relationships.

We track the effectiveness of our actions through our EHSIS (Environmental Health Safety Information System), where all waste data is collected. This system serves as a measurement tool for our waste management performance.

To provide further details on the processes used to track the effectiveness of actions, such as internal or external auditing or verification, impact assessments, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking,

Our primary goal for waste management is to recycle more than 80% of our waste.

GRI Topic Standard Disclosures

GRI 306: Waste

306-1 Waste generation and significant waste-related impacts

For the organization's significant actual and potential waste-related impacts, a description of the inputs, activities, and outputs that lead or could lead to these impacts, whether related to waste generated in our own activities or upstream/downstream in our value chain, is not available at this time. However, we track all waste data in our Environmental Health Safety Information System (EHSIS).

In 2023, our total waste generated was 9,613 tons. Of this, 9,165 tons were diverted from disposal. This included 408 tons of hazardous waste routed to thermal recycling, 5,085 tons of non-hazardous waste recycled, and 3,672 tons of non-hazardous waste used for energy recovery.

We monitor our waste management by detailing the types and sources of waste, quantifying the amount and assessing the quality of waste, evaluating environmental, social, and economic impacts, and implementing mitigation measures such as waste prevention, reuse, and recycling. Our key performance indicator (KPI) is to recycle more than 80% of our waste. All our European locations are certified according to ISO 14001 and ISO 45001 norms, which helps us identify and address environmental impacts, reduce waste, minimize pollution, and conserve resources.

306-2 Management of significant waste related impacts

Our company manages significant waste-related impacts through a comprehensive environmental management system. All locations in Europe are certified according to ISO 14001 and ISO 45001 norms. We utilize the internal audit and development tool, Yanfeng Manufacturing System (YFMS), which includes an EHS section with 23 objectives and over 420 questions. This system, along with ISO 14001, helps us identify, prioritize, and address environmental impacts, including waste, by establishing procedures and protocols to reduce waste, minimize pollution, conserve resources, and continuously improve environmental performance.

Our waste management monitoring steps include detailing the different types and sources of waste, quantifying the amount of waste produced, assessing its composition and characteristics, and evaluating its environmental, social, and economic consequences. We implement mitigation measures such as waste prevention, reuse, recycling, composting, waste-to-energy technologies, and sustainable supply chain practices. Stakeholder engagement is also a key part of our waste management efforts. We have set a Key Performance Indicator (KPI) to recycle more than 80% of our waste.

All waste data, including waste generated, is tracked in our Environmental Health Safety Information System (EHSIS) software. This system allows for the collection and monitoring of waste-related data. As part of legal compliance audit, ISO 14001 TUV audits and revisions from relevant local authorities also control all relevant permits for handling with waste (waste company) and right handling with waste according to relevant law.

306-3 Waste generated and significant waste-related impacts

Yanfeng manages its waste-related impacts through an environmental management system certified according to ISO 14001. We utilize the Yanfeng Manufacturing System (YFIMS) and the Environmental Health Safety Information System (EHSIS) to ensure compliance with legal and internal requirements. This systematic approach allows us to identify, prioritize, and address the environmental impacts of our activities, focusing on waste reduction and resource conservation.

In the reporting year 2025, waste generation at our Hungary operations is tracked and categorized to monitor our environmental footprint. The total weight of hazardous waste generated was 56.5 t. Non-hazardous waste diverted from landfill amounted to 1,020.94 t. Specific waste streams included 21.41 t of wood waste and 0.93 t of electronic waste.

All waste data is compiled and tracked using our EHSIS software, which provides a standard matrix for waste categorization and splitting between landfill and non-landfill disposal. This system ensures data consistency across our operations and supports our goal to continuously improve waste management performance. It should be noted that Yanfeng utilizes internal definitions for waste categorization that may differ from standard GRI classifications.

GRI Topic Standard Disclosures

GRI 306: Waste

306-4 Waste diverted from disposal

In 2025, Yanfeng International Automotive Technology Hungary Kft. diverted a total of 9578.74 t of waste from disposal. This total includes 305.35 t of hazardous waste and 9273.39 t of non-hazardous waste.

The composition of non-hazardous waste diverted from disposal for Yanfeng International Automotive Technology Hungary Kft. in 2025 is as follows: metal waste amounted to 271.09 t, electronic waste to 4.59 t, glass waste to 2.11 t, mixed organic waste to 4.4 t, cardboard/paper waste to 2276.17 t, wood waste to 1233.64 t, and mixed municipal solid waste to 1249.72 t. Other non-hazardous waste categories are not specified at this time.

All waste data are collected in our EHSIS (Environmental Health and Safety Information System). There are standard matrices for each category of waste and landfill and non-landfill splitting. Our company has a different definition than GRI for certain waste categories.

306-5 Waste directed to disposal

In 2025, the total weight of waste directed to disposal amounted to 448 tons. This total comprised 53 tons of hazardous waste and 395 tons of non-hazardous waste.

Of the hazardous waste directed to disposal in 2025, a total of 53 tons was sent to landfilling. For non-hazardous waste directed to disposal in 2025, 395 tons was directed to landfilling.

All waste data for 2025 is collected and tracked within our Environmental Health and Safety Information System (EHSIS). This system utilizes standard matrices for each waste category, distinguishing between landfill and non-landfill splitting. It is important to note that our company's definition of waste may differ from the GRI definition.

GRI 306: Effluents and Waste 2016

306-3 Significant Spills

No significant spills were reported in the organization's.

Yanfeng maintains robust environmental management systems ISO 14001, preventive controls, and emergency response procedures to minimize spill risks and ensure compliance with all applicable environmental regulations and internal corporate standards.

GRI Topic Standard Disclosures

GRI 308: Supplier Environmental Assessment

Material Topic: Supplier Environmental Assessment (GRI 308, 3-3)

Yanfeng manages supplier environmental assessment through a comprehensive approach that includes risk analysis, policy implementation, and continuous monitoring. We implement a risk-based analysis process to regularly monitor our entire supply base for potential negative environmental impacts. Our commitment is further demonstrated by our participation in the UN Global Compact and the implementation of the Responsible Supply Chain Initiative (RSCI) audit approach to prevent negative impacts based on our sustainability goals.

We are validating smelter information and assessing supplychain risks. We also complywith the GermanAct on Corporate Due Diligence Obligations in Supply Chains and are part of the RSCI.

Our policies and commitments are documented in YF IOS (Yanfeng internalglobal operating system)and include:

- The YanfengSupplier Standard Manual,which communicates our requirements to suppliers, including adherence to our Partner Code of Conduct.
- The Partner Code of Conduct, which outlines our commitment to integrity and compliance.
- The SupplyChain Act and Supplier Sustainability – Work Instruction, addressing human rights and environmental regulations.
- Terms and Conditions of Purchase (T&C), requiring suppliers to be certified by ISO14001, ISO 45001, and IATF16949.
- A Conflict Minerals reporting process.

To prevent and mitigate potential negative impacts, we utilize our own systemfor supplier/business partnerscanning. This systemevaluates suppliers basedon quality, logistics performance, adherence to Yanfeng's Code of Conduct, ISO 14001, ISO 45001, and our sustainability screening within the Power QMS system, which directly influences supplier scoring. We are using also NQC platform to evaluate our strategic suppliers. The effectiveness of these actions is tracked using the aforementioned systems. Furthermore, our "No Surprise Communication process" involves all internal and external stakeholders, covering Safety, Environment, HR, and other business processes, and monitors root causes, corrective actions, implementation dates, and topic closure.

In 2025, 100% of new suppliers were screened using environmental criteria, and 100% of our strategic suppliers were assessed for environmental impacts. We identified zero suppliers as having significant actual and potential negative environmental impacts, and consequently, 0% of suppliers needed improvements agreed upon or relationships terminated due to such impacts.

308-1 New suppliers that were screenedusing environmental criteria

100% of new strategic suppliers were screened using environmental criteria.

308-2 Negative environmental impacts in the supply chain and actions taken

We assess 100% of our strategic suppliers for environmental impacts. In 2025, zero suppliers were identified as having significant actual and potential negative environmental impacts in the supply chain. Consequently, 0% of identified suppliers had improvements agreed upon or relationships terminated as a result of these assessments. Additionally, 100% of new strategic suppliers were screened using environmental criteria. Our approach to managing supplier relations includes a risk-based analysis process to monitor the complete supply base for negative impacts regularly. We have implemented a Partner Code of Conduct to address human rights and environmental requirements and are committed to the UN Global Compact and its Sustainable Development Goals. We also utilize the Responsible Supply Chain Initiative (RSCI) audit approach to prevent potential negative impacts. Furthermore, we have an internal system for supplier/business partner scanning, which evaluates suppliers based on our Code of Conduct, ISO 14001 and our sustainability screening as part of our Power QMS system. This screening directly influences the final scoring of suppliers. We are also working with the platform NQC and our strategic suppliers.

GRI Topic Standard Disclosures

GRI 401: Employment

Material Topic: Employment (GRI 401, 3-3)

Our approach to managing employment in 2025 is consistently applied across all office locations and plants. All critical stages of the Employee Life Cycle, encompassing recruiting, hiring, onboarding, employee learning and development, and the exit process, are governed by internal standards and work instructions within our YF IOS system. These standards and activities are meticulously aligned with the legal regulations of the countries in which we operate, reflecting our firm commitment to obeying all legal regulations to protect both the company and its employees.

To ensure transparency and fairness, these processes are subject to annual internal audits by Yanfeng and our customers, thereby maintaining sustainable business practices. The hiring process, in particular, is closely monitored to prevent any discrimination or lack of transparency, requiring a multi-layered approval process and review by HR in collaboration with hiring managers and department leads. Employment contracts are developed with external legal consultants to ensure compliance with local legal regulations, and all offers adhere to internal guidelines regarding employee levels and remuneration packages. New hires receive universal onboarding materials and courses, supplemented by departmental and hiring manager training to facilitate their integration. We provide a range of benefits to our employees, including health, insurance, and mobility benefits, which are generally accessible to all Yanfeng employees, some partially, according to their work contracts. The exit process includes audited exit interviews, through which we seek to understand the reasons for an employee's departure and identify areas for improving the employee experience. All these activities are designed to foster an enjoyable Employee Experience while maintaining a profitable edge in the industry.

Our policies and commitments regarding employment are integrated within our overall management approach, as detailed in the description of our Employee Life Cycle processes. These include internal standards and work instructions from our YF IOS system, adherence to legal regulations in all operating countries, and the development of employment contracts in cooperation with external legal consultants to ensure compliance.

Actions taken to manage employment and its related impacts are comprehensively outlined within our Employee Life Cycle management approach. These actions encompass structured recruiting and hiring processes, thorough onboarding, continuous employee learning and development, and a systematic exit process. We conduct annual internal audits to ensure transparency and fairness, particularly in hiring, which involves a multi-layered approval process and review by HR and management. Furthermore, we provide a range of employee benefits, including health, insurance, and mobility benefits, and conduct exit interviews to gather feedback for continuous improvement of the employee experience.

The effectiveness of our employment management actions is tracked through annual internal audits, which are conducted to ensure the transparency of our processes and maintain sustainable business practices.

Affected stakeholders are involved in the management of employment through audited exit interviews. These interviews are conducted when an employee voluntarily leaves the company, providing an opportunity to understand their reasons for departure and to identify areas where we, as an employer, can enhance the employee experience.

GRI Topic Standard Disclosures

GRI 401: Employment

401-1 New employee hires and employee turnover

Yanfeng's Human Resources department, across both office locations and plants, operates under internal standards and work instructions from our YF IOS system, ensuring consistency in the Employee Life Cycle. This includes processes for recruiting, hiring, onboarding, employee learning and development, and exit procedures. All activities are designed to comply with legal regulations in the countries of operation, protecting both the company and its employees.

Transparency and fairness in these processes are regularly audited internally and by customers.

The hiring process, in particular, is closely monitored to prevent discrimination and ensure transparency, involving a multi-layered approval process with HR, hiring managers, and department leads. Employment contracts are developed in cooperation with external legal consultants to ensure compliance with local regulations. New hires receive universal onboarding materials and courses, supplemented by departmental training. Yanfeng provides various benefits to its employees, including health, insurance, and mobility benefits, which are accessible to all employees, some partially, according to their work contracts. The exit process includes exit interviews to understand reasons for departure and identify areas for improving the employee experience. All efforts are aimed at creating an enjoyable Employee Experience while maintaining a competitive edge in the industry.

In 2025, the total number of new employee hires across the holding was 1,283. The overall rate of new employee hires for 2025 was approximately 13.02%, based on a total employee headcount of 9,852. A breakdown of new employee hires by age group and gender for 2025 is not available at this time.

New employee hires by region for 2025 include: 10 in Germany – Europe HQ, 308 in South Africa, 144 in Czech Republic, 13 in Spain, 0 in Italy, 80 in Germany, 136 in Hungary, 467 in Serbia, 125 in Slovakia, and 0 in Luxembourg.

The total number and rate of employee turnover for 2025, along with breakdowns by age group and gender, are not available at this time. The total number of employee turnover in 2025 was 1,737, representing a turnover rate of 17.6%. Regional employee turnover for 2025 includes: 818 in Serbia, 186 in Germany, 191 in Slovakia, 193 in Hungary, 184 in Czech Republic, 148 in South Africa, 15 in Spain, 2 in Italy, and 0 in Luxembourg.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Legally we will have no differences between Full-time and Part-time employees. Most of the mentioned benefits are covered by the statutory social/health systems. In some countries additional support is available, for example we do have special accident insurance. Agreements with temporary labor agencies cover all benefits which are required by law in the respective country.

401-3 Parental leave

In the reporting year 2025, the total number of employees at Yanfeng International Automotive Technology Hungary Kft. entitled to parental leave was 9,852 headcount. This comprised 5,572 male employees and 4,280 female employees.

The total number of employees who took parental leave in 2025 was 186 headcount, consisting of 34 male employees and 152 female employees.

The total number of employees that returned to work in the reporting period after parental leave ended was 156 headcount, with 33 male employees and 123 female employees

GRI Topic Standard Disclosures

GRI 402: Labor/Management Relations

Material Topic: Labor/ Management Relations (GRI 402, 3-3)

Labor management and labor relations are consistently significant topics for Yanfeng, particularly in locations with employee representation. We strive to foster a collaborative and amicable working atmosphere with our social partners, including local workers' councils and national tariff partners. This approach is governed by our "Labor Relation Management" guideline, which is published in our YF IOS. The collaboration with the local workers representation institutions can only work when they are based on trust and good communication. Regular meetings are held to ensure that. Especially in difficult economic circumstances it is imperative that HR and the worker representatives as well as unions work together to find the balance between worker welfare, competitiveness and profitability across Yanfeng locations.

Our policies and commitments regarding labor/management relations are detailed in the "Labor Relation Management" guideline, which is accessible through our YF IOS system.

Regarding our involvement with negative impacts through activities or business relationships, we are currently unable to provide specific details on whether the organization is involved with negative impacts through its activities or business relationships, and to describe the activities or business relationships, as required by GRI 402-3-3-b.

Actions taken to manage labor/management relations and related impacts, including actions to prevent or mitigate potential negative impacts, address actual negative impacts, and manage actual and potential positive impacts, are not available at this time, as required by GRI 402-3-3-d.

The processes used to track the effectiveness of these actions, including goals, targets, indicators, and the overall effectiveness, are not available at this time, as required by GRI 402-3-3-e.

Information on how engagement with stakeholders has informed our actions and their effectiveness is not available at this time, as required by GRI 402-3-3-f.

For significant operational changes that could substantially affect employees, we adhere to national legislative regulations regarding minimum notice periods. These periods can vary depending on the specific circumstances of the changes. For instance, in the Czech Republic, the notice period is 2 months for restructuring and 14 days for changes in shift models or vacation scheduling. In Germany, the law stipulates notice "in due time." Hungary requires 96 hours' notice before significant changes, while Italy's notice period ranges from 10 to 25 days. Luxembourg requires notice "sufficiently early." In Slovakia, negotiations between the employer and employee representatives must occur beforehand, with a 15-day notice for reductions of 30 or more employees. Spain mandates a 15-day notice for all social partners and governmental authorities.

Where collective bargaining agreements are in place, the notice period and provisions for consultation and negotiation are specified in these agreements or follow national regulations. For example, in Italy, notice periods are aligned with social partners, typically starting from 10 days. For the Czech Republic, Germany (plants), Hungary, Slovakia (Plant), and Spain, the notice periods are as outlined above.

In 2025, the number of employees covered by Collective Bargaining Agreements (CBAs) across our operations is as follows: Yanfeng International Automotive Technology Serbia d.o.o. Kragujevac: 2405; Yanfeng International Automotive Technology Germany s.r.o. & Co. KG: 905; Yanfeng International Automotive Technology Italy S.r.l.: 814; Yanfeng International Automotive Technology Slovakia s.r.o.: 888; Yanfeng Hungary (Operations): 1266; Yanfeng International Automotive Technology Czechia s.r.o.: 839; Yanfeng International Automotive Technology South Africa (PTY) LTD: 1388; Yanfeng International Automotive Technology Spain, S.L.: 294; Yanfeng International Automotive Technology Europe S.a.r.l. & Co. KG: 0; Yanfeng International Automotive Technology Luxembourg S.à r.l.: 0. The total number of employees covered by CBAs across the holding is 8799.

GRI Topic Standard Disclosures

GRI 402: Labor/Management Relations

402-1 Minimum notice periods regarding operational changes

We follow the regulations as stipulated by national legislature. As significant operational changes are very individual in their circumstances the notice periods can vary from case to case. If any specific time period is given here, it can only be used as an example in case of small significant changes.

Czech Republic: 2 months if related to restructuring, 14 days if related to change of shift model or order of vacation taking.

Germany: No minimum number “... in due time ...” as stipulated by law. Hungary: 96 hours before significant changes.

Italy: 10–25 days depending on the case.

Luxembourg: No minimum number “... sufficiently early ...” as stipulated by law.

Slovakia: “... must be negotiated beforehand between employer and employee representatives ...”, also in case of reductions of 30+ employees 15 days before.

Spain: 15 days for all social partners and governmental authorities.

GRI Topic Standard Disclosures

GRI 403: Occupational Health and Safety

Material Topic: Occupational Health and Safety (GRI 403, 3-3)

Our approach to managing Occupational Health and Safety (GRI 403, 3-3) is comprehensive, focusing on preventing work-related injuries and ill health, and fostering a strong safety culture.

Regarding actual and potential impacts (3-3-a), our Yanfeng International Operating System Policy and Code of Conduct include commitments to health and -safety. We are committed to creating a safe and healthy workplace, continuously improving our occupational health and safety management systems and performance, and preventing all work-related injuries and ill health. We ensure compliance with all applicable legal and other requirements related to OH&S hazards at each location. Our focus includes preventing injuries and controlling risks during the early phases of new projects, systematically identifying risks, enhancing the effectiveness of risk control, and reducing OH&S risks through continuous and forward-looking measures. We also prioritize enhancing leadership engagement, facilitating worker consultation and participation, improving employee safety awareness, and building a robust safety culture.

Information regarding our involvement with negative impacts through activities or business relationships, and how this has informed actions taken or their effectiveness (3-3-b), is not available at this time.

Our policies and commitments (3-3-c) are detailed in the Yanfeng International Operating System Policy and our Code of Conduct. We have implemented ISO 45001, an internationally recognized occupational health and safety management system standard, which provides a comprehensive framework for identifying and managing OH&S risks. All our locations in EMEA are certified according to ISO 45001.

Actions taken to manage the topic and related impacts (3-3-d) include:

I. Actions to prevent or mitigate potential negative impacts: We implement and consistently practice ISO 45001. Specific actions include training all employees, conducting health and safety risk assessments, providing health check-ups for all employees, establishing specific procedures for handling chemicals or hazardous substances, performing regular inspections to ensure equipment safety, and providing protective equipment to all impacted employees. We utilize the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool, an internal audit and self-assessment tool, to ensure compliance with ISO norms, legal requirements, and Yanfeng standards. Additionally, we implement Behavior-Based Safety (BBS) programs that identify and address at-risk behaviors through observation, data collection, feedback, and intervention to promote safe practices. We actively involve our employees in safety initiatives through regular communication, feedback channels, and participation in safety improvement projects.

II. Actions to address actual negative impacts, including actions to provide for or cooperate in their remediation: Information on actions taken to address actual negative impacts, including remediation, is not available at this time.

III. Actions to manage actual and potential positive impacts: Our aim is to provide a workplace that promotes both the physical well-being and the mental and emotional health of our employees.

Regarding tracking the effectiveness of actions taken (3-3-e), while specific details on the processes, goals, targets, and lessons learned are not available at this time, we do use leading and lagging indicators to improve employee engagement and foster a strong safety culture. The self-assessment and secondary audits of the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool are tracked annually. Data for work-related ill health is compiled using ISO 14001, ISO 45001, and the EHS software EHSIS.

In line with ISO 45001 requirements, Yanfeng systematically integrates worker involvement into the identification of hazards, assessment of risks and opportunities, and the definition of preventive and corrective measures. Employees and worker representatives participate through safety committees, regular meetings, trainings, risk assessments, incident reporting, and continuous improvement activities.

Furthermore, Yanfeng considers the expectations of internal and external interested parties, such as employees, contractors, site management, and regulatory authorities, OEM's, Unions etc... within its Occupational Health and Safety management system. This structured engagement supports effective risk and opportunity management, strengthens compliance with legal and other requirements, and contributes to the ongoing effectiveness and improvement of the safety management system.

GRI Topic Standard Disclosures

GRI 403: Occupational Health and Safety

403-1 Occupational health and safety management system

We have implemented an occupational health and safety management system based on legal requirements and the internationally recognized ISO 45001 standard. Our commitment to employee safety and well-being is reflected in our Yanfeng International Operating System Policy and Code of Conduct. This system aims to create a safe and healthy workplace, continually improve occupational health and safety management systems and performance, and prevent all work-related injuries and ill health. We fulfill all applicable legal and other requirements regarding Occupational Health and Safety (OH&S) hazards at each location.

The scope of our occupational health and safety management system covers all locations in EMEA, which are certified according to ISO 14001 and ISO 45001. We focus on the prevention of injuries and risk controls during the early phase of new projects, systematically identifying risks, and improving the effectiveness of risk control through continuous and forward-looking measures. Actions taken to manage occupational health and safety include training for all employees, health and safety risk assessments, health check-ups, specific procedures for handling chemicals or hazardous substances, regular equipment inspections, and the provision of protective equipment to all impacted employees. We also enhance leadership engagement and promote worker consultation and participation to build a strong safety culture.

403-2 Hazard identification, risk assessment, and incident investigation

We utilize the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool, an internal audit and self-assessment instrument, to identify work-related hazards and assess risks on both routine and non-routine bases. This tool ensures adherence to ISO norms, legal requirements, and our internal standards, with annual tracking of self-assessments and secondary audits. Additionally, our Behavior-Based Safety (BBS) programs are designed to identify and address at-risk behaviors that could lead to accidents or incidents. These programs involve observation, data collection on employee behaviors, followed by feedback and intervention to promote safe practices and foster a strong safety culture. Through the BBS Program, we conduct feedback programs and EHS talks. Our Yanfeng International Operating System Policy and Code of Conduct underscore our commitment to health and safety. To ensure the quality of these processes, the YFMS EHS Pillar Tool and BBS programs are continuously monitored and improved through feedback and intervention. For reporting work-related hazards and hazardous situations, employees can utilize feedback programs and EHS talks within the BBS Program. Furthermore, we provide various channels to report concerns regarding irresponsible business conduct, including the Integrity Helpline (Whistleblowing Hotline) and confidential discussions with the Legal or Compliance department or the Committee of Disciplinary Inspections.

403-3 Occupational health services

Our occupational health services contribute to the identification and elimination of hazards and the minimization of risks through the use of an internal audit system and the Yanfeng Manufacturing System (YFMS) EHS pillar tool. This tool comprises 23 objectives and over 420 questions. We ensure the quality of these services through a system of self-assessment and second-party audits, which verify compliance with all ISO norms, legal requirements, and internal Yanfeng requirements.

403-4 Worker participation, consultation, and communication on occupational health and safety

We actively involve our employees in safety initiatives through regular communication, feedback channels, and active participation in safety improvement projects. Our aim is to provide a workplace that not only promotes physical well-being but also supports the mental and emotional health of our employees.

GRI Topic Standard Disclosures

GRI 403: Occupational Health and Safety

403-5 Worker training on occupational health and safety

Our commitment to employee safety is demonstrated through proactive measures such as regular risk assessments, training programs, and the implementation of robust safety protocols. We utilize leading and lagging indicators to enhance employee engagement and foster a strong safety culture.

Training needs are assessed by analyzing gaps in competencies, knowledge, and skills through interviews, focus groups, and assessments. Requirements stem from strategic and business objectives, job descriptions, and identified gaps against required knowledge and competencies, including those related to organizational knowledge, operating system requirements, customer requirements, Yanfeng Quality Policy Objectives, Quality Management System requirements, product design, product quality, product safety, and statistical concepts. Development goals from performance management processes, new job responsibilities, and workforce planning also inform training needs.

Training solutions are designed and delivered by HR representatives, L&D teams, and functional leaders. They define clear and measurable objectives for knowledge, skills, performance, and business results. Training methods include formal and informal options such as instructor-led, self-directed, eLearning, on-the-job training, and action learning. All employees receive training with annual individual and group training plans developed. Our digital learning platform, Yanfeng Learning, offers over 4,300 courses and 226 learning journeys. The Yanfeng Academy, comprising 15 Functional Academies, 1 Leadership Academy, and 6 Universal Academies, provides technical, business skills, and leadership training for all team members and leadership levels.

The effectiveness of training is evaluated upon completion by comparing results to objectives. This evaluation may include learner satisfaction feedback, checks for understanding, performance evaluations, and monitoring of KPIs or other business results. Continuous improvement of learning solutions is initiated based on these evaluation results.

403-6 Promotion of worker health

Our company aims to provide a workplace that promotes physical well-being and supports the mental and emotional health of our employees. Details regarding specific voluntary health promotion services and programs offered to workers to address major non-work-related health risks are not available at this time.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Our organization is committed to sustainable environmental management practices and has implemented ISO 14001, the internationally recognized environmental management system standard. Through the implementation of ISO 14001, we have established robust procedures and protocols to identify and address the environmental impact of our activities, products, and services. Additionally, we have developed our own system for scanning suppliers/business partners, evaluating them not only on quality and logistics performance but also in relation to Yanfeng's Code of Conduct, ISO 14001, and ISO 45001. This screening and fulfillment of requirements directly influences the final scoring of our suppliers. Further steps include the ongoing implementation and onboarding of NQC. We also have a No Surprise Communication process to involve all internal and external stakeholders, covering Safety, Environment, HR, and other business processes. This process monitors root causes, corrective actions, implementation dates, and the closure of open topics.

403-8 Workers covered by an occupational health and safety management system

Yanfeng has implemented an occupational health and safety management system based on the internationally recognized ISO 45001 standard. The company does not draw a distinction between employees and workers who are not employees regarding health and safety. For Yanfeng The internal audits utilize the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool, which includes self-assessments and second-part audits to ensure compliance with ISO norms, legal requirements, and internal Yanfeng requirements. All locations in EMEA, including Yanfeng , are certified according to ISO 45001,ISO 14001 indicating coverage by an externally audited and certified system.

GRI Topic Standard Disclosures

GRI 403: Occupational Health and Safety

403-9 Work-related injuries

Our commitment to occupational health and safety ensures a safe working environment for all our employees and workers whose work and/or workplace is controlled by the organization.

For all employees in 2025, we recorded Zero fatalities as a result of work-related injury, resulting in a rate of 0. There were also zero high-consequence work-related injuries (excluding fatalities), leading to a rate of 0. The number of recordable work-related injuries for employees was 8, with a corresponding Total Incident case rate 0.12. The total number of hours worked by employees was 12 571 863 hours. The main types of work-related injury for employees are work with sharp tools.

For workers who are not employees but whose work and/or workplace is controlled by the organization, we reported zero fatalities and zero high-consequence work-related injuries (excluding fatalities), both resulting in a rate of 0. There were also zero recordable work-related injuries, with a rate of 0. No injuries were reported for this worker category, therefore, no main types of work-related injury are applicable. The total number of hours worked by these workers was 374 722 hours.

In 2025, the rates for work-related injuries have been calculated based on 200,000 hours worked. No workers were excluded from this disclosure. The data compilation relies on ISO 14001 and ISO 45001 standards, utilizing the EHS software EHSIS (Environmental Health Safety Information System).

We identify work-related hazards and assess risks on a routine and non-routine basis through the Yanfeng Manufacturing System (YFMS) EHS Pillar Tool, an internal audit and self-assessment tool. This system ensures compliance with ISO norms, legal requirements, and internal Yanfeng standards, with annual self-assessments and secondary audits. Additionally, Behavior-Based Safety (BBS) programs are implemented to identify and address at-risk behaviors, promoting a strong safety culture through observation, data collection, feedback, and intervention.

Work-related hazards and high-consequence injury prevention.

The company systematically identifies and assesses work-related hazards with a focus on risks that could result in high-consequence injuries. Any incident, near miss, or unsafe condition with the potential for serious harm is subject to a structured investigation process using the 8D methodology.

The 8D approach is applied to determine root causes, define and implement corrective and preventive actions, and verify their effectiveness. Lessons learned from investigations are communicated across relevant operations to prevent recurrence and to continuously improve hazard control measures, work procedures, and employee training.

To eliminate other work-related hazards and minimize risks, we implement and consistently practice ISO 45001. Our proactive measures include regular risk assessments, comprehensive training programs for all employees, health check-ups, specific procedures for handling chemicals or hazardous substances, regular inspections to ensure equipment safety, and the provision of protective equipment to all impacted employees. We also utilize the Yanfeng Manufacturing System (YFMS) EHS pillar, which includes 23 objectives and over 420 questions, along with self-assessment and second-party audits to ensure adherence to ISO norms, legal requirements, and internal Yanfeng standards.

In 2025, our overall Total Incident Case Rate (TIR) for EU was 0.12, and the Lost Time Case Rate (LTR) for EU was 0.09.

403-10 Work-related ill health

For all employees, Yanfeng reported zero fatalities as a result of work-related ill health, zero cases of recordable work-related ill health, and zero main types of work-related ill health. Similarly, for all workers who are not employees but whose work and/or workplace is controlled by the organization, there were zero fatalities, zero cases of recordable work-related ill health, and zero main types of work-related ill health. The company stated that work-related hazards that pose a risk of ill health were not applicable as no such cases occurred. No workers were excluded from this disclosure. The data was compiled using ISO 14001 and ISO 45001 standards, and the EHS software EHSIS (Environmental Health Safety Information System).

GRI Topic Standard Disclosures

GRI 404: Training and Education

Material Topic: Training and Education (GRI 404, 3-3)

Our learning and development process for employees supports defined business needs and is based on a close partnership between the HR/Learning & Development (L&D) team and functional leaders. Training and education requirements stem from several sources, including strategic and business objectives, job requirements, gaps identified in skills assessments, development goals from performance management, new or modified job responsibilities, and needs from workforce planning or new plant launches. We conduct a training need analysis to determine appropriate solutions. The functional leader, in consultation with HR representatives/partners, the L&D Team, and designated functional representatives, assesses current performance, identifies root causes of performance gaps, and initiates training needs analysis. If learning and development is the appropriate solution, specific gaps in knowledge, skills, and competencies are identified.

The HR representative/partner/L&D team determines the delivery methods, which can be formal or informal, such as instructor-led, self-directed, eLearning, or on-the-job training. They also analyze solution cost and timing to ensure return on investment. Upon approval, learning solutions are scheduled and deployed, including communication, identifying qualified trainers, assigning training, and ensuring adequate tools and facilities.

Employees are responsible for attending and completing assigned training programs, applying learning, and managing their career path development. After completion, the effectiveness of solutions is assessed by comparing results to objectives, using methods like learner satisfaction feedback, checks for understanding, performance evaluations, and monitoring KPIs or business results. Continuous improvement of learning solutions is initiated based on evaluation results, and additional actions are identified and executed as needed. For individual employees, managers and employees agree on individual development goals, which are documented in the appropriate HR system.

Corporate L&D collects and analyzes annual learning needs across business units, regions, and functions to identify, consolidate, align, and support enterprise-wide L&D needs. Annual training plans at all levels consider needs related to leadership, management, business skills, functional skills, technical skills, and organizational knowledge.

Yanfeng Academy, consisting of 15 Functional Academies, 1 Leadership Academy, and 6 Universal Academies, provides technical, business skills, and leadership training. Core tools include leadership and functional competency models, skills assessments, and annual individual and group training plans, with execution being a Key Performance Indicator (KPI). The Leadership Academy offers programming for all leadership levels and high-potential talent, providing self-directed leadership and business skills development through a library of courses.

Employees have access to the digital learning platform, Yanfeng Learning, which offers over 5,150 courses and 232 learning journeys. All direct employees (100%), regardless of gender or employee category, receive a regular performance and development review.

In 2025, the average hours of training per employee (EMEA) were 11.9 hours, with males averaging 10.8 hours and females 9.6 hours. By employee category, salaried employees received 14.6 hours, indirect employees 12.9 hours, and direct employees 3.4 hours. Transition assistance programs for continued employability and career endings are not available.

GRI Topic Standard Disclosures

GRI 404: Training and Education

404-1 Average hours of training per year per employee

In 2025, the average hours of training per year per employee is 11.9 hours (EMEA). Broken down by gender, male employees received 10.8 hours, and female employees received 9.6 hours. By employee category, salaried employees received 14.6 hours, indirect employees received 12.9 hours, and direct employees received 3.4 hours.

404-2 Programs for upgrading employee skills and transition assistance programs

Our programs for upgrading employee skills are primarily managed by the Yanfeng Academy, which includes 15 Functional Academies (e.g., Quality, Program Management, Engineering), 1 Leadership Academy, and 6 Universal Academies (e.g., Information Security, Legal/Compliance). These academies offer technical, business skills, and leadership training for our team members. Our core tools and processes involve leadership and functional competency models, skills assessments, and annual individual and group training plans, which are a Key Performance Indicator (KPI). The Leadership Academy provides programming for all levels of leadership, from early career talent to managers, directors, and plant managers, including programs for high-potential talent. All salaried employees have access to a full library of self-directed leadership and business skills courses. Additionally, our team members can access the digital learning platform, Yanfeng Learning, which features over 5150 courses and 232 learning journeys. Transition assistance programs to facilitate continued employability and manage career endings resulting from retirement or termination of employment are not available.

404-3 Percentage of employees receiving regular performance and career development reviews

All salaried employees (100%), regardless of gender or employee category, receive a regular performance and development review.

GRI Topic Standard Disclosures

GRI 414: Supplier Social Assessment

Material Topic: Supplier Social Assessment (GRI 414, 3-3)

Yanfeng manages the material topic of Supplier Social Assessment through a comprehensive approach that includes risk analysis, policy implementation, and continuous monitoring. Our company employs a risk-based analysis process to regularly monitor the entire supply base for potential negative impacts. We are committed to the UN Global Compact and its Sustainable Development Goals, with a clear roadmap for their fulfillment. Additionally, we utilize the Responsible Supply Chain Initiative (RSCI) audit approach to proactively prevent negative impacts.

Our policies and commitments regarding supplier social assessment are documented in various controlled documents within YF IOS. These include the Yanfeng Supplier Standard Manual, which communicates our requirements to suppliers, including adherence to our Partner Code of Conduct. The Partner Code of Conduct itself outlines our commitment to integrity, compliance, and stakeholder satisfaction. We also have a Supply Chain Act and Supplier Sustainability – Work Instruction to address human rights and environmental regulations. Our Terms and Conditions of Purchase (T&C) require suppliers to be certified by ISO 14001, ISO 45001, and IATF16949. Furthermore, we have a Conflict Minerals reporting policy that defines the steps for managing conflict minerals.

In 2025, 100% of our strategic new suppliers were screened using social criteria. The tools employed for this screening include the Yanfeng Partner Code of Conduct, Power QMS, SSOW, and AI-based software from Prewave for risk monitoring. For existing strategic suppliers, 100% were assessed for social impacts, with 823 suppliers screened via Prewave software and 1167 through Power QMS. As a result of these assessments, zero significant actual or potential negative social impacts were identified in our supply chain in 2025. Consequently, no improvements needed to be agreed upon with suppliers due to negative social impacts, and no relationships were terminated for this reason.

We track the effectiveness of our actions using our internal systems for supplier/business partner scanning, which evaluate suppliers based on quality, logistics performance, adherence to Yanfeng's Partner Code of Conduct, ISO 14001, ISO 45001, and our sustainability screening within the Power QMS system. This screening directly influences supplier scoring. We also implemented the NQC platform for our suppliers. Our engagement with stakeholders is facilitated through a "No Surprise Communication process," which involves both internal and external stakeholders across Safety, Environment, HR, and other business processes. This process monitors root causes, corrective actions, implementation dates, and the closure of open topics.

414-1 New suppliers that were screened using social criteria

100% of new strategic suppliers were screened using social criteria in 2025. The tools utilized for this screening include the Yanfeng Code of Conduct, Power QMS, SSOW, and AI-based software for risk monitoring by Prewave and the RSCI assessment.

414-2 Negative social impacts in the supply chain and actions taken

We assessed 100% of our strategic suppliers for social impacts. Out of 823 suppliers screened via Prewave software and 1167 in Power QMS, zero suppliers were identified as having significant actual or potential negative social impacts. Consequently, 0% of suppliers identified with negative social impacts had improvements agreed upon or relationships terminated as a result of assessment.

Conclusions GRI Report 2025

Yanfeng continues to advance its sustainability strategy in 2025, anchored in the United Nations Sustainable Development Goals (SDGs) and our ongoing commitment as a member of the UN Global Compact (UNGC). Our sustainability governance is integrated into the organizational structure through the Global Sustainability Council and the Sustainability Executive Steering Committee. These bodies centralize and coordinate initiatives across regional levels, ensuring that strategic decisions are effectively implemented by regional managers and functional leaders in areas such as purchasing, R&D, operations, and human resources.

In the reporting year 2025, we remain dedicated to our carbon reduction strategy, which is aligned with the 1.5°C trajectory of the Paris Agreement and confirmed by the Science Based Targets initiative (SBTi). We have successfully maintained the use of 100% clean electricity across our European plants.

To further reduce dependency on external energy suppliers, we continue to expand our self-produced electricity capabilities. Following the expansion of photovoltaic systems in Germany, Slovakia and South Africa. These efforts are supported by our Energy Management Capitalize System (EnMS), an IT solution implemented to provide transparent monitoring of energy consumption and identify deviations from efficiency targets.

Our social responsibility focuses on maintaining a safe and healthy work environment and fostering employee development. All locations in the EMEA region have successfully passed ISO 14001 and ISO 45001 audits, reflecting our commitment to rigorous environmental and occupational health and safety standards. In 2025, our Total Incident Case Rate (TIR) was 0.12, which is well below our goal of 0.26. The Lost Time Case Rate (LTR) reached 0.09, meeting our established target, while the Severity Rate (SR) was recorded at 3.07.

We continue to invest in our workforce through the Yanfeng Academy, which provides technical, business, and leadership training via a digital platform featuring over 4,300 courses. In 2025, our Total Headcount stands 9857 employees with 88.75% of employees in Europe covered by Collective bargaining agreements. To ensure ethical conduct throughout our value chain, we enforce a Partner Code of Conduct and utilize the Responsible Supply Chain Initiative (RSCI) audit approach to monitor and mitigate potential negative impacts in our supply base.



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Yanfeng International Automotive Technology Co., Ltd.

669 Kang An Road

201315, Shanghai, China

sustainability@yanfeng.com

www.yanfeng.com

