



2023  
SUSTAINABILITY  
REPORT





# TABLE OF CONTENTS

## 1. Introduction

- Message from Senior Management
- Commitment to sustainability
- Sustainability Report Highlights
- Company Overview
- About this report
- Materiality Assessment
- Progress towards SDG Goals

## 2. Products and Services

- Overview
- Markets
- Corporate strategy

## 3. Environment

- Overview
- Goals and Progress
- Environment metrics summary
- Carbon Neutrality Priorities
- Energy and Emission
- Water and effluents
- Waste

## 4. Social

- Overview
- Goals and Progress
- Litens Team
- Employee benefits
- Diversity and Inclusion
- Community engagement
- Occupational Health and Safety
- Supply chain Responsibility

## 5. Governance

- Overview
- Management
- Transition Risks and Risk Mitigation
- Physical Risks and Risk Mitigation
- Corporate Ethics and Compliance
- Cybersecurity, Privacy, and Data

## 6. GRI Index

## 7. Glossary

## Message from Senior Management

Litens is a global leader in power transmission technologies that improve vehicle efficiency, fuel economy and lower emissions. We are a company founded on innovation and have worked to revolutionize the design and efficiency of modern automotive powertrains. For over 40 years, our commitment to excellence has earned us a reputation for providing reliable, highly engineered solutions to every major global OEM.

We fully embrace the principles of sustainability and are deeply committed to doing our part to protect the environment as a responsible corporate citizen. Our existing products demonstrate this commitment through the fuel saving ability of their design and 100% recyclability at end of service life. We are making significant investments in new technology that will support the energy transition and new world of mobility with innovative new products. In 2023, our progress was accelerated with the creation of our new Global Sustainability Team. With a clear mandate to “Build and maintain a culture of Sustainability” we are proud of the team’s early successes and are excited to watch the momentum grow further. With a laser focus on carbon reduction, waste reduction, effective and efficient inventory management, our path forward is clear in front of us. Having set aggressive reduction targets for Scope 1,2 and 3 for 2030, a strong coordinated team effort will be required.

Litens made several improvements and operational investment in 2023. Most significantly was the acquisition of Industrias Dolz, a supplier of water pumps and system kits in Castellon, Spain. Dolz will expand our product offering into the aftermarket as well as providing sourcing alternatives internally. For 2024 Dolz will contribute to Litens ESG and Sustainability objectives with their own commitments to meet emissions targets. The Global Sustainability team engaged with other team members to create and implement the first round of Sustainability Awareness Training. This included an employee knowledge survey to gauge overall awareness and familiarity with sustainable terms and topics. A very encouraging 75% of employees were willing to contribute to their time towards Sustainability focused projects. Litens Renewable Energy initiatives gained significant traction in 2023. Litens Romania was the first plant to become 100% green energy capable. All other Litens facilities are making significant progress towards 100% green energy by 2030. These efforts have led to significant reductions in energy and carbon intensity.

In 2023, Litens efforts led to a 10% decrease in electricity consumption, scope 1 GHG emissions reduced by 20% and Scope 2 emissions reduced by 22%. In addition, our renewable energy consumption increased by 21.66%. Our CDP (Climate change) rating improved from D to C and CDP (Supplier engagement) rating improved from D to B-. Litens improved our Sustainability Assessment Questionnaire (SAQ) rating for all sites globally and conducted our first sustainability materiality assessment to enhance the transparency of our sustainability report. All manufacturing operations have achieved and maintained registration to ISO 14001, a global environmental management system. We are well on a way to having all of our plants certified under ISO45001 with Litens India certified in 2023.

Overall success in achieving and maintaining a sustainable culture must include all of our partners. Therefore Litens supplier management group worked to improve the annual SAQ5.0 Supplier Sustainability Survey average score. Additional supplemental questionnaires were created specifically targeting the actions being taken at each supplier that will contribute towards our long term goals and objectives. With this new information, the visibility, transparency, and consistency of reporting has much improved throughout Litens supply chain.

Litens embraces the principles of sustainability in how we operate and we want to ensure our operations conserve and protect the environment. Our current products have consistently demonstrated this; our future products will continue this commitment to positively impact the environment.

### **Peter Frey**

Vice President, Sustainability

Litens Automotive Group

### **Paul Robinson**

President and Chief Executive Officer, CEO

Litens Automotive Group



## COMMITMENT TO SUSTAINABILITY

Our commitment to sustainability influences the way we run our business, operate our facilities, and contribute to communities around the globe. We fully embrace the principles of sustainability in our products and how we operate. We strive to conduct business in ways that respect the rights of stakeholders, including employees, customers, and the communities in which we operate. As a result of this pledge, we are committed to being a responsible corporate citizen and have backed our commitment with concrete actions in core areas of sustainability.

**Litens is committed to achieve carbon neutrality  
(Scope 1 and Scope 2) in our global operations by 2030.**

# APPROACH TO SUSTAINABLE VALUE CREATION

**Overall, our approach to sustainable value creation involves:**

Developing, engineering, manufacturing, and delivering innovative product solutions for our customers, which achieve shared goals of reduced weight, lower fuel consumption, recyclability, and reduced carbon emissions.

Optimizing and innovating our manufacturing processes for resource and output efficiency, as well as product quality

Enhancing the energy efficiency of our plants to reduce Scope 1 and 2 greenhouse gas emissions.

Working on a roadmap to secure and transition 100% renewable energy.

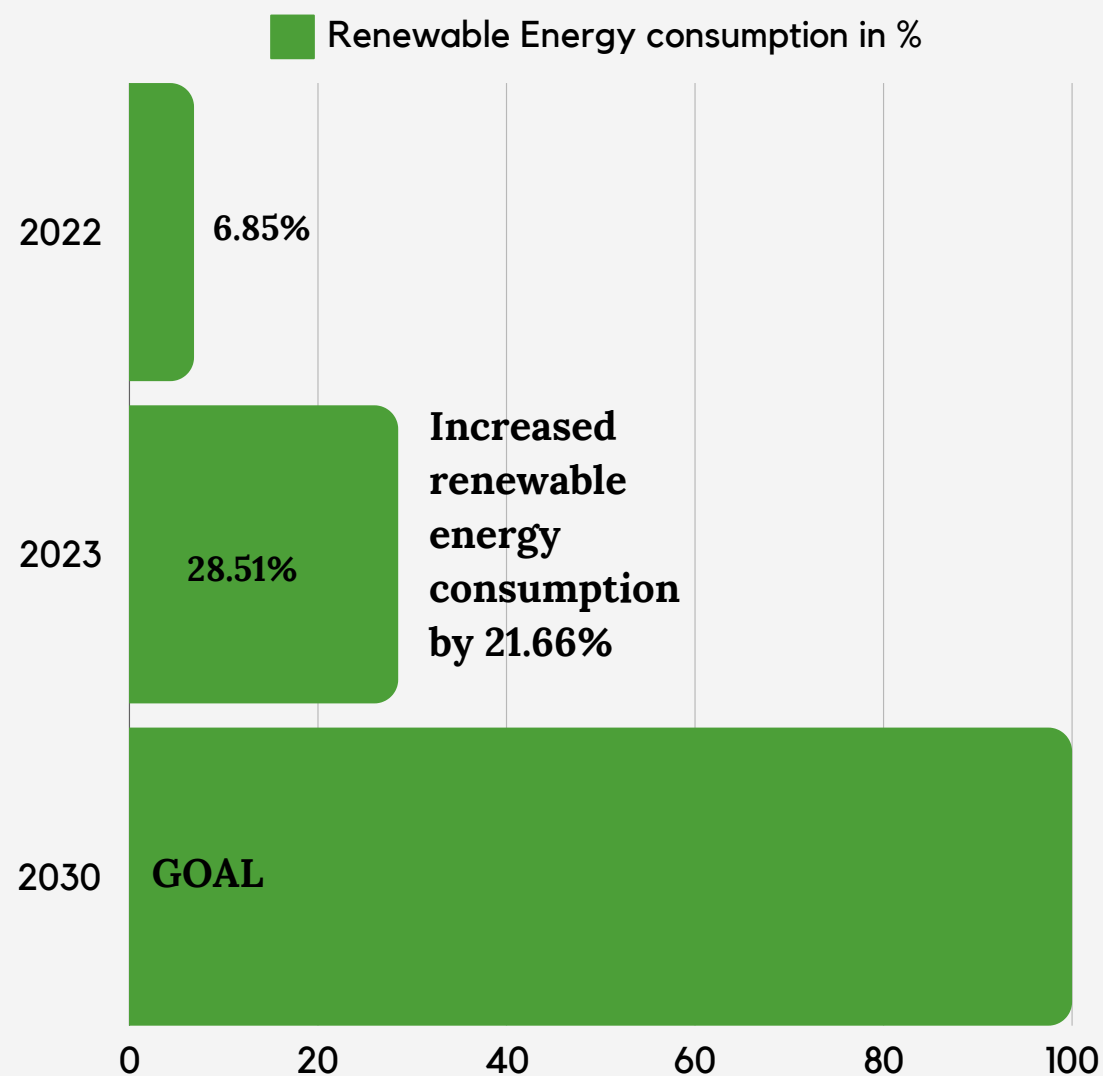
Increase collaboration with our supply chain to centralize reporting while focusing on Scope 3 emissions reduction.

Treating our employees fairly and looking out for their health, safety, and general well-being.

Serving as a good community partner, particularly in the communities in which our employees live and work

# SUSTAINABILITY REPORT HIGHLIGHTS

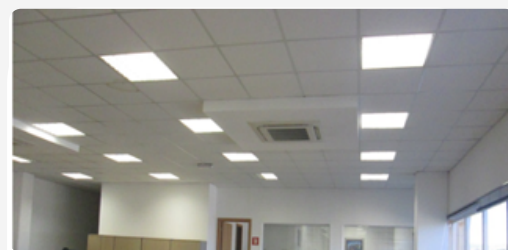
Throughout 2023, we've achieved progress across our sustainability goals as an organization. Our employees, suppliers, and other stakeholders have each played an integral role in helping us to reduce our overall environmental impact. These efforts have yielded positive results in many of measurable objectives.



### Solar panel installations

One of our environmental goals is to transition our global operations to renewable energy by 2030. To achieve this, our global sites launched projects in 2022 to install solar panels on site. Litens Romania achieved 100% renewable electricity in 2023 by completing their solar panel installation. Other Litens locations – India, Germany, China, are making good progress.

→ [Read more on page 27](#)



### Energy reduction Initiatives

To support our corporate goal to achieve carbon neutrality in our operations by 2030, energy assessment was completed for each site and projects such as LED lighting upgrade have been completed in Canada, India, and Brazil. Other Litens locations – Romania, and China are making good progress.

→ [Read more on page 27](#)



### Litens Canada donates 668lbs of food items to local food bank

Litens Canada donated 668lbs of food items to a local food bank dedicated to alleviating food insecurity and hunger.

→ [Read more on page 41](#)

### TISAX Certification

Litens facility in Germany and China are certified to TISAX. Other sites are working towards achieving this certification.

→ [Read more on page 57](#)

### Achieved ISO 45001 Certification

Litens facilities in Canada, Germany, India, Romania, and China are certified.

### Achieved ISO 14001 certificate

All Litens manufacturing facilities are registered to ISO 14001 Standard.

### Achieved ISO 50001- Energy Management Certification

Litens China facility achieved ISO 50001 certification.

### Green Seal Recognition

Litens Brazil received a green seal for sustainability! A recognition that is provided to a select group of companies that prove, through research, that their cycles are conciliatory for the Planet and the life that inhabits it.



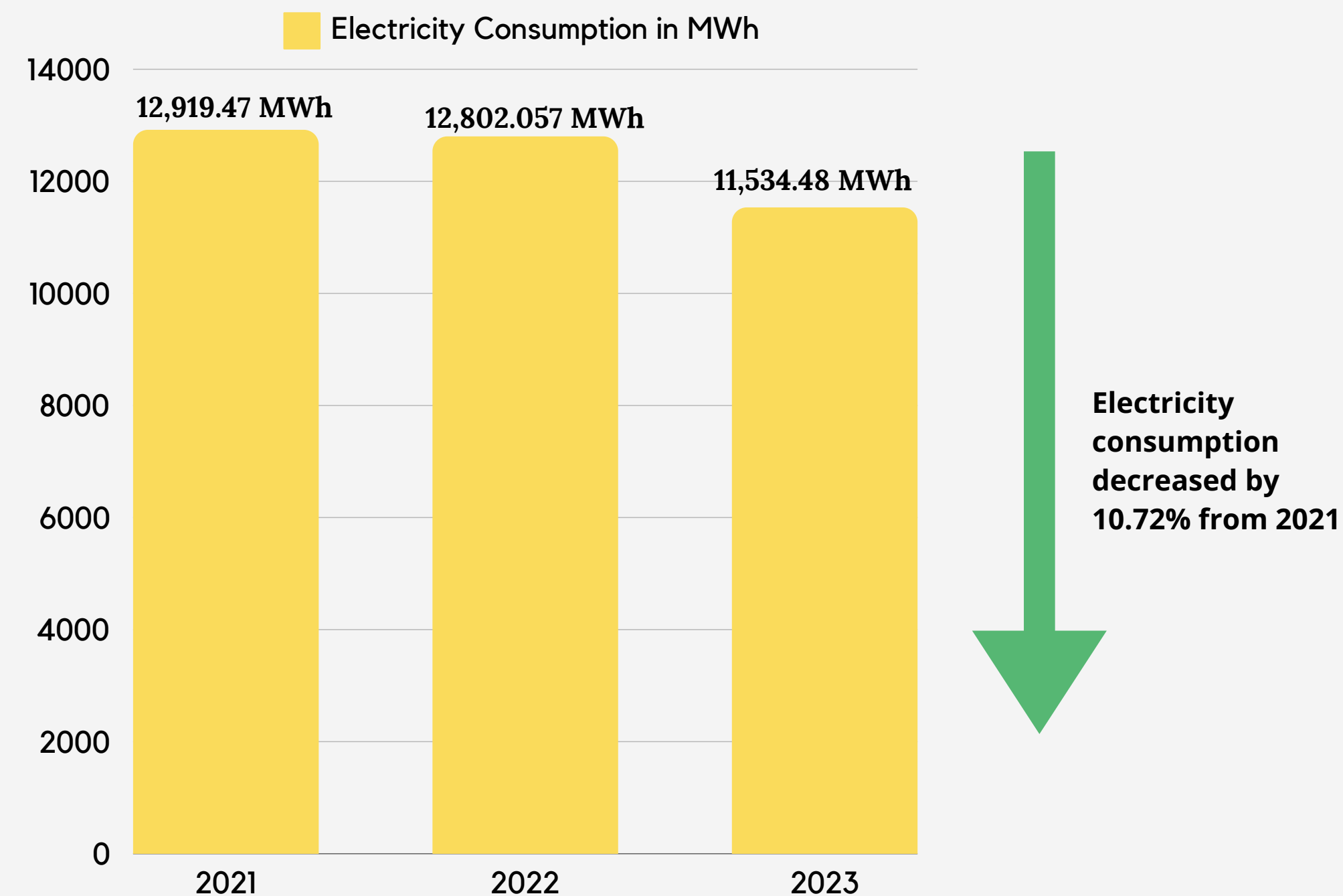
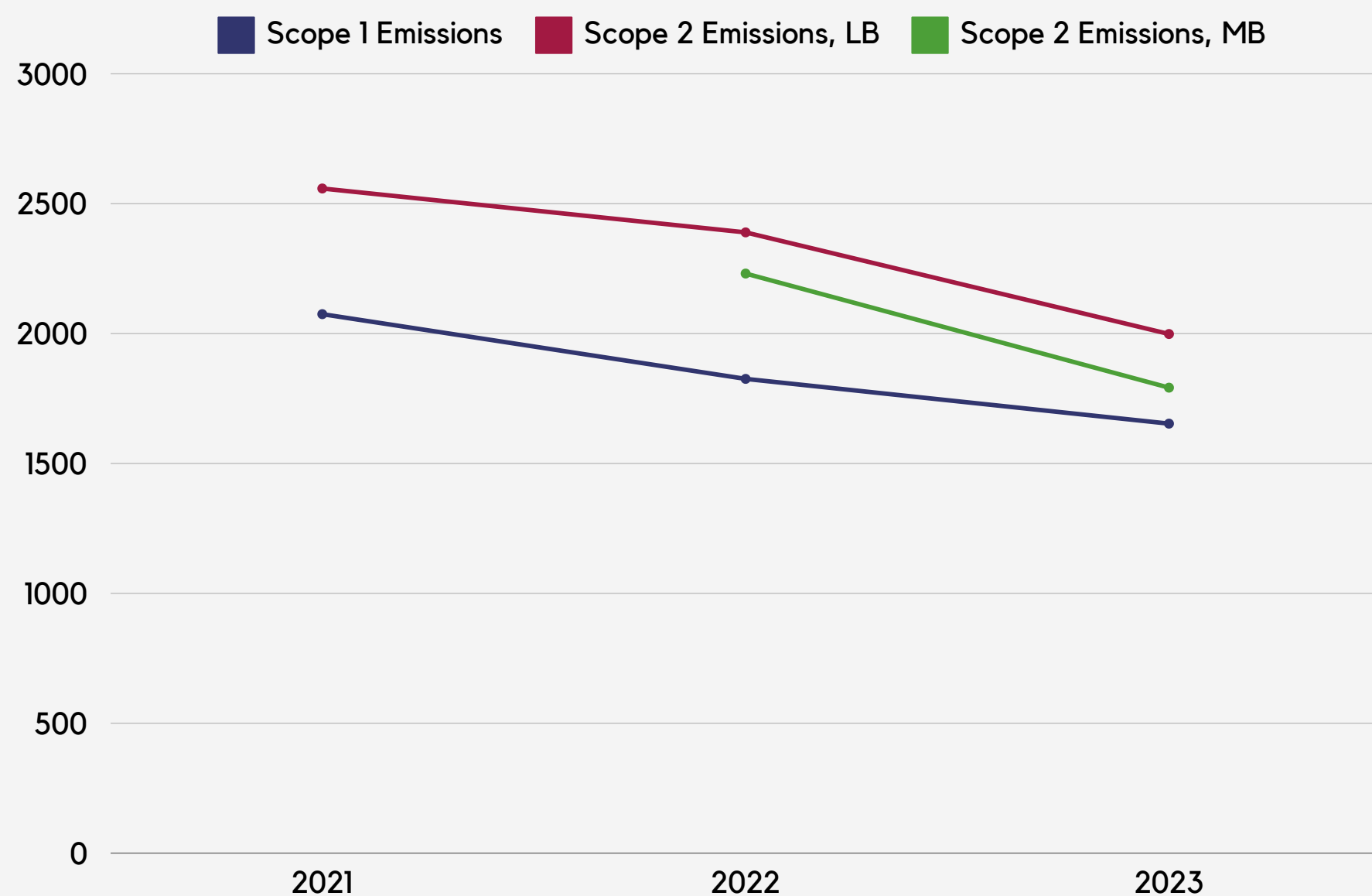
### Litens Brazil donates over 1,700lbs of food for flood-stricken area in the northern coastal region of the state of Sao Paulo

In February, heavy rains led to floods and landslides in Brazil, particularly impacting São Sebastião in the state of São Paulo, causing casualties and leaving areas without essential resources. Litens organized a community effort, collecting over 1,700lbs of food in one week to aid those affected.

→ [Read more on page 41](#)



# SUSTAINABILITY REPORT HIGHLIGHTS



More Data available on page [25](#) →

# COMPANY OVERVIEW

Litens is a privately held business, founded in 1979. Based in Woodbridge, Canada, Litens has a proud history of being an innovative and highly respected company specializing in powertrain system engineering and component supply. Litens has also been at the forefront of global expansion with the establishment of operations and support offices in new markets to better serve our customers. Our history includes numerous achievements, many of which have been recognized through prestigious awards from our customers.

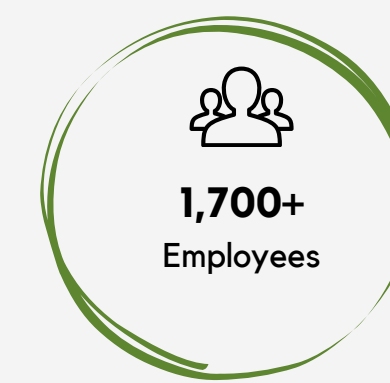
Litens Automotive Partnership designs and manufactures engineered power transmission systems and components. Litens product line includes tensioners, idlers, decoupling devices, water pumps, specialty pulleys and related components.

Litens has been developing technologies that help our OEM customers bring to market vehicles that meet or exceed consumer expectations regarding fuel consumption and greenhouse gas (GHG) emissions. Our contribution in this regard is through:

- Use of advanced and lightweight materials.
- Components and systems with reduced mass using advanced/lightweight materials, innovative multi-material joining.
- Processes, increased use of electronics, and reduced number of parts.
- Solutions to help optimize internal combustion engines' innovative products.

Litens has locations in 14 countries across 4 continents. Development centers, sales offices and manufacturing plants worldwide always provide service to the customer. The head office is in Canada, including two development centers and two production plants. Comparable locations are in Germany, Brazil, China, and India. A licensee is registered in Japan. Sales offices are in the USA, Mexico, England, France, Italy, Korea, and Japan.

LITENS OE (ORIGINAL EQUIPMENT) AFTERMARKET



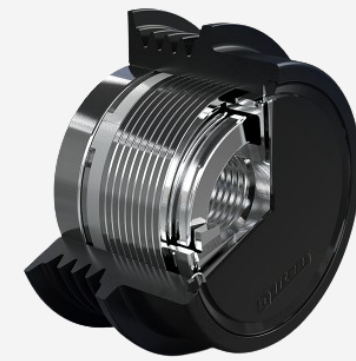


# 45 YEARS OF INNOVATION AND SUCCESS



**Accessory Drive**

**Industry's first accessory drive tensioner** was invented. A spring based device with pivoting arm providing consistent static and dynamic belt tension control to engine Front End Accessory Drives systems.



**OAD**

Litens invented industry's first mechanical alternator decoupler pulley with isolation and overrunning functions. A **game changer** for the automotive industry, Litens' OAD reduces engine vibration and FEAD belt tension requirements, while increasing system durability and improving fuel economy. Litens continues to be the market leader of OADs, selling over 300 million units to date.

**Overrunning Alternator Decoupler**



**BASFiltr**

Litens creates the BASFiltr, a crankshaft pulley isolator for hybrid systems to improve system durability and **reduce belt tension, noise, vibration, and harshness** caused by fast-switch drive systems in hybrid systems.



1979

1983

1988

1994

2000

2007

2010

2015

2018

## Litens Tensioners

### Timing Drive

The first timing belt tensioner was introduced. A fixed structure with a pivoting spring element providing optimized dynamic control, manages engine thermal expansion and improves durability of timing drive systems.



### Omega Tensioner

Rotary MGU mounted type automatic tensioner - Automatic rotary type tensioner, damped outer ring design, enables lowest system tension in comparison to dual tensioner.



### Alpha and V Tensioners

Litens produced and manufactured the Alpha and V Tensioners. Unique two-way tensioners designed for best overall tension to support high power fast-switch hybrid drive systems.



## Hybrid systems

# 45 YEARS OF INNOVATION AND SUCCESS



## eAX Electric Pumps

New technology coolant pump that reduces volume and weight by 50%. The eAX pump creates a platform for distributed coolant flow control.



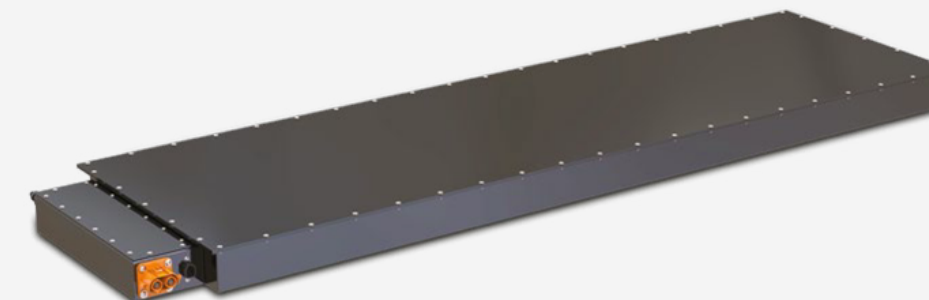
## Mini Hub

Controlled inlet valves that attach to eAX pump, creating system hubs that provide controlled distribution of EV coolant circuits.



## HP Booster

A chiller that extends heat pump function to -40 degree Celsius and eliminates cabin air PTC heater.



## LitensPower Battery Pack

LitensPower Battery pack is safe, sustainable and reduces the total cost of ownership through Reloadable Cell Technology and Immersion Thermal Management. It has been uniquely designed from the cell level to offer customers a user-defined life cycle.



2024

Thermal Management Solutions

Energy System Solutions

Continuing Innovation Towards **EV Technologies**

# ABOUT THIS REPORT

The purpose of this report is to provide transparency to our stakeholders on Litens progress towards our environmental, social, and governance (ESG) goals in 2023. This report is released annually, and it aims to provide our stakeholders with better understanding of how we approach our sustainable development goals and our management of sustainable-related risks.

This sustainability report is written with reference to the principles and disclosures of the Global Reporting Initiative (GRI) standards. For details, please refer to the GRI Content Index (*GRI Content Index*). The GRI provides a framework for organizations to report on the impact and management of Environmental, Social, and Governance (ESG) topics. While this report may not currently provide stakeholders with all the information, we continue to evolve and enhance our disclosure as our collection and validation of the applicable data improves. The metrics disclosed are compiled data for January 1st, 2023, to December 31st, 2023, period unless the fiscal year is specifically identified. The compiled data in this report consist of information from our operations in Brazil, Canada, China, Germany, India, and Romania.

To provide feedback or obtain additional information about this report and Litens ESG efforts, please contact [sustainability@litens.com](mailto:sustainability@litens.com).

## Materiality Assessment

Materiality analysis is employed to identify and evaluate key sustainability issues. In 2023, Litens took a significant step to enhance the transparency of our sustainability report by conducting our first sustainability materiality assessment. The goal was to understand and address the most significant ESG topics identified by Litens' stakeholders.

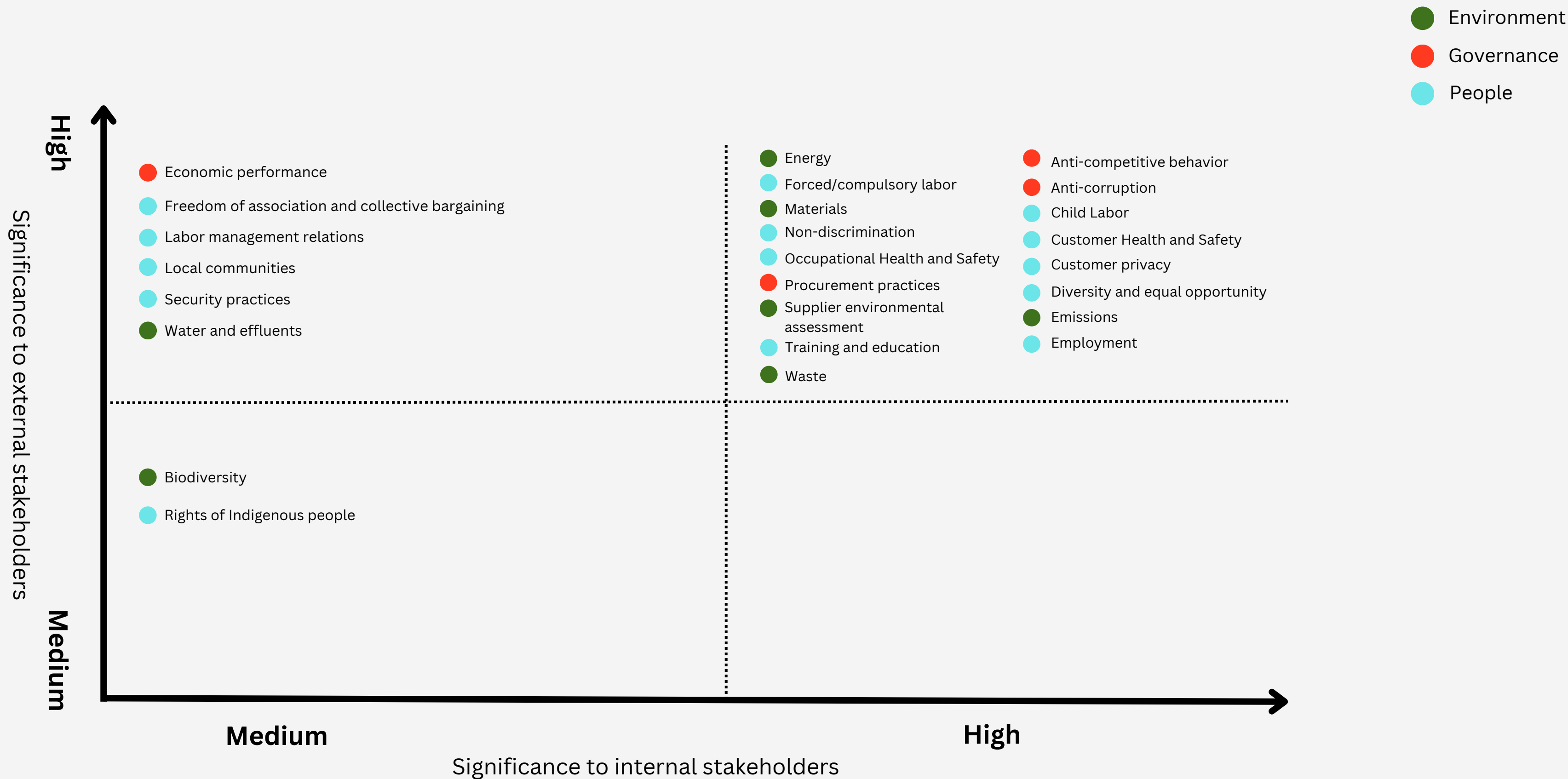
This thorough process involved analyzing two perspectives: internal stakeholders and external stakeholders (our customers and suppliers). For internal and external stakeholders, we conducted a survey and gathered responses from over 40 participants who rated the importance of all applicable GRI material topics based on their impact. For the external rating, geo-political risks, and country-specific sustainability requirement were also taking into consideration.

Based on the results from both perspectives, we identified the following topics as material to Litens.



These material topics classified as material also provide the foundation for the structure of this sustainability report.

# MATERIALITY ASSESSMENT RESULTS



# PROGRESS TOWARDS SDG GOALS

We particularly focused on six United Nations Sustainable Development Goals that most directly relate to our business' functional areas. Examples of Litens' activities and accomplishments with respect to each relevant Development Goal are as follows:



**ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS**

- Litens Code of Conduct and Ethics
- Diversity and inclusion training is required for all Litens employees.
- Litens promotes gender and cultural diversity through our talent acquisition and management process. Currently, 30% of Litens staff are women.



**DECENT WORK AND ECONOMIC GROWTH**

- Partnerships with universities
- Training and professional development
- Internships/Co-op placements
- ISO 45001 Certification



**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACT**

- Development of innovative products for EVs.
- Solar Panel installations at Litens plants in China, Germany, Romania, and India.
- Litens Brazil - car fleet fuel changed from gasoline to ethanol.
- Lighting improvement projects were implemented, resulting in energy and cost savings throughout global operations.

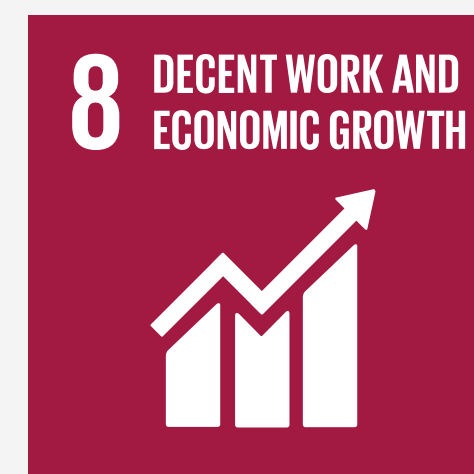
**ENSURING HEALTHY LIVES AND PROMOTING THE WELL-BEING FOR EVERYONE AT ANY AGE**

- Litens wellness initiatives support the ongoing physical and mental health of employees
- ISO 45001 registration - Litens facilities in Canada, Germany, Romania, and China are certified and India achieved certification in 2023, Brazil is planned for 2024.
- Remote work policy
- Since 2018, Litens has donated more than \$300,000 to the Jack Ride charity event to support youth mental health.
- Litens global sites make donations to various charities every year.



**AFFORDABLE AND CLEAN ENERGY**

- Solar panels installation at Litens plants in China, Germany, Romania, and India
- Target to achieve carbon neutrality by 2030
- Lighting upgrades



**ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS**

- Waste recycling programs are implemented at all sites.
- Zero waste to landfill target, non-recyclable waste incinerated where available
- Implemented several packaging and logistics initiatives to limit the overall use of materials and to increase transportation efficiency across the supply chain.
- Responsible chemicals management
- Supplier sustainability assessments





PRODUCTS AND SERVICES

# OVERVIEW

Litens has been developing technologies that help our OEM customers bring to market vehicles that meet or exceed consumer expectations regarding fuel consumption and greenhouse gas (GHG) emissions. Our contribution in this regard is through:

- Use of advanced and lightweight materials
- Components and systems with reduced mass through the use of advanced/lightweight materials, innovative multi-material joining
- Processes, increased use of electronics, and reduced number of parts
- Solutions to help optimize internal combustion engines' innovative products



*Litens China celebrates the success of their first functional high-voltage heater.*

# MARKETS

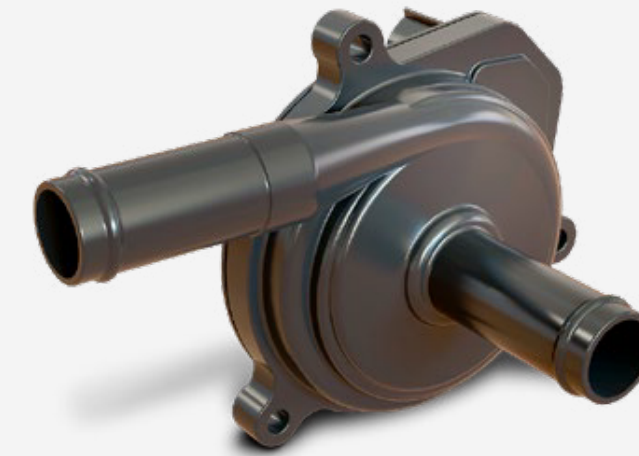
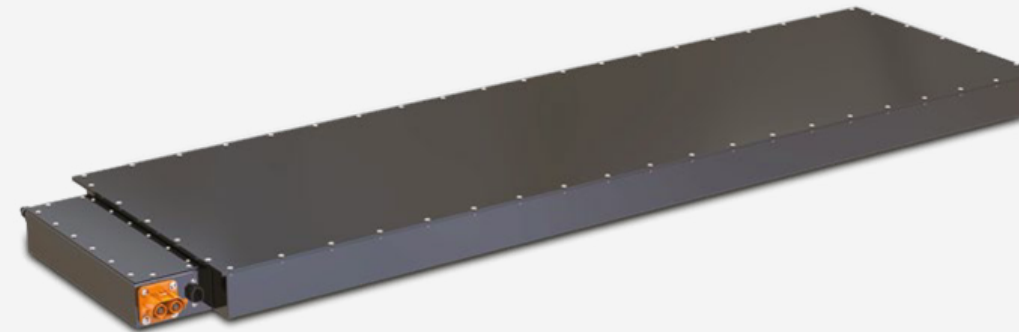
The transition to a low-carbon economy has provided, and is expected to continue to provide, opportunities to enter new product and service markets. Some new products developed to take advantage of this transition include:

## BATTERY PACK

Litens' high-performance battery pack meets the needs of improved recycling and environmental stewardship and leverages our expertise in mechanical and thermal design. Our cutting-edge Litens battery management system is designed to maintain the long-term value of the pack and individual cells.

Our pack design supports easy and safe serviceability at the individual cell level, facilitating long pack life, a lower overall total cost of ownership, better reliability, and ensures value going into second-life applications. Our cloud-based BMS provides battery cell state of health feedback and history at any time.

The pack is a fully integrated plug-and-play solution with immersion cooling and leading-edge safety. Ultrafast charge rates keep downtime low. The packs are stackable and available with vibration isolation systems.



## COMPACT ELECTRIC WATER PUMP

A compact and lightweight electrical water pump with industry-leading power density pump using our unique axial flux technology to achieve high efficiency, low cost, and up to 70% reduction in size and mass vs. other pumps in the same power class. This pump enables high performance from the thermal system and can be integrated seamlessly within FloMatrxHub products.

## SWITCHABLE WATER PUMP™

An electromechanical device that when adapted to traditional water pumps, allows the water pump to be shut off (stationary) during warm-up. This permits the engine to achieve operating temperature faster than other methods resulting in fuel economy, decreased emissions, and added defrosting benefits. This was the first thermal management system and models are designed to suit the application.





### **BELT DRIVE ELECTRIC HYBRIDS**

Where electric motors supplement ICEs, Litens has a strong portfolio to deliver robust, reliable solutions at the lowest possible belt tension reducing energy losses and improving system NVH.

Total belt tension control under all operating conditions is critical to secure the system's lifetime. Litens hybrid belt tensioners offer renowned reliability to control belt tension in either power transmission or generation mode and react instantly to mode changes. Our designs utilize proprietary solutions to minimize wear, resist harsh environments, and prevent noise.

The highest-performance hybrid systems can deliver significant torque from the electric motor to the ICE resulting in maximum benefit to fuel efficiency. High-power applications need to utilize crankshaft torsional isolation to manage the loads on the belt. Litens BASFiltr™ is designed to meet these needs and has an unparalleled reputation in the industry. Using the most advanced computer simulations, Litens can optimize any system configuration.



### **OMEGA TENSIONER**

Rotary MGU mounted type automatic tensioner - Automatic rotary type tensioner, damped outer ring design, enables lowest system tension in comparison to dual tensioner.



### **OVERRUNNING ALTERNATOR DECOUPLER (OAD)<sup>™</sup>**

Using an OAD reduces the overall power to drive the alternator and eliminates resonances that develop in the belt drive at certain speeds. The OAD allows engine manufacturers to extract the lowest possible belt tension and ensures smooth and quiet idle characteristics free of vibration. Fuel economy is measurably improved by the reduction in power and friction losses, making the OAD an attractive solution for optimized modern engines.

Invented by Litens, we remain the global leader in the field. We continue to develop and offer new models to meet the latest improvements in alternator and engine design.



### **AUTOMATIC BELT TENSIONERS**

Litens created the first production belt tensioner which ushered in a new era of engine reliability and significantly improved fuel economy. Since then, the use of auto tensioners is ubiquitous and Litens remains a global leader. We have developed several varieties of pivot-systems and damping technologies that are available to meet the needs of any type of engine or application.

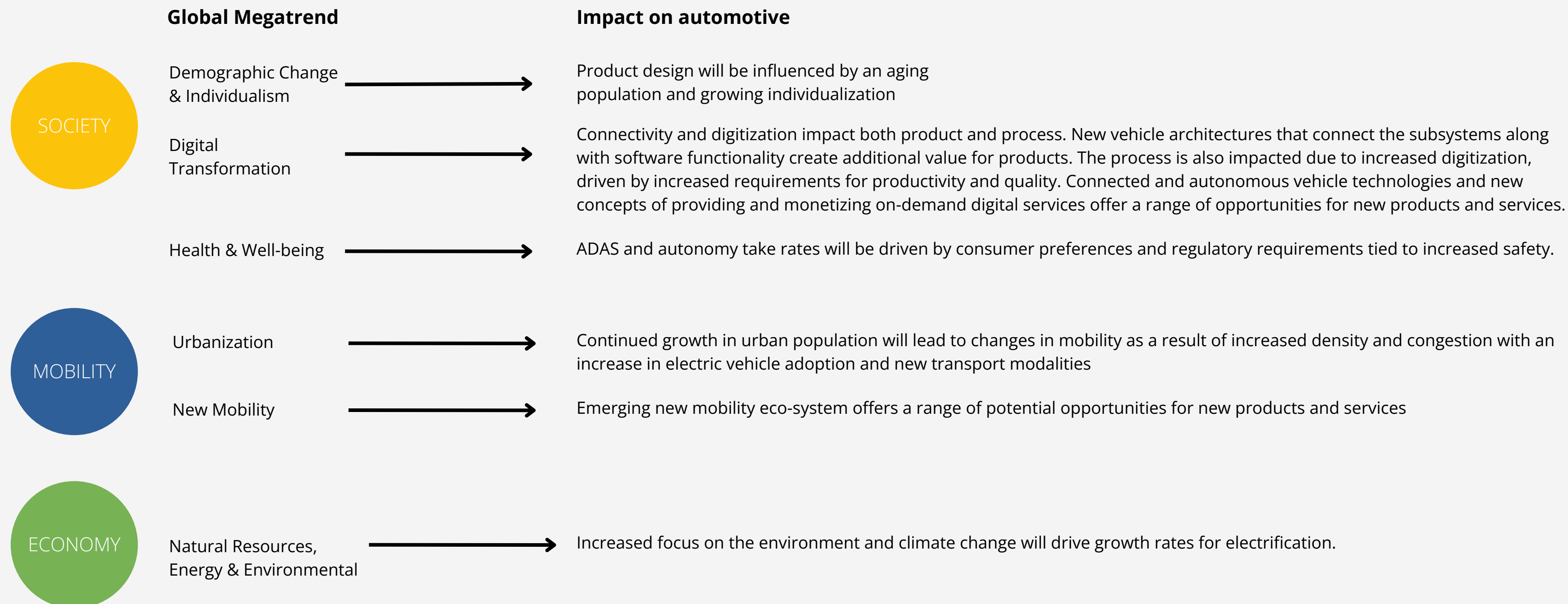


### **ENGINE TIMING SYSTEMS**

Litens is the world leader in engine timing system tensioners available in several types. We also invented SmartSprocket<sup>™</sup>; specially tuned timing sprockets that eliminate synchronous torsional vibration resulting in lower drive torque and better fuel consumption.

# CORPORATE STRATEGY

The automotive industry is being defined by a number of global megatrends that have shaped our long-term strategy, including:



# WE HAVE DEVELOPED OUR CORPORATE STRATEGY TO REALIZE THE OPPORTUNITIES FROM THESE TRENDS

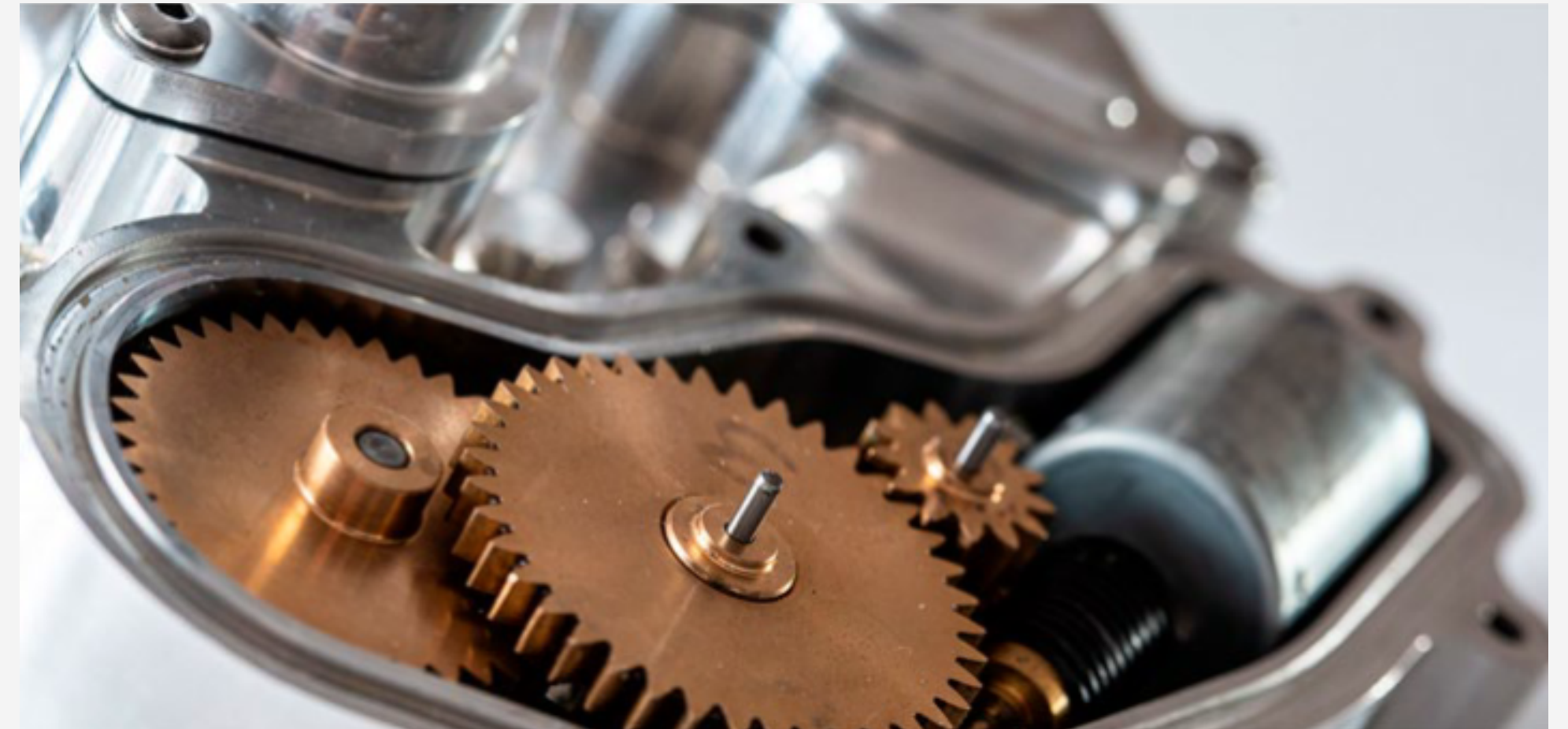
## **Key elements of such strategy include:**

### **Increasing capital deployment toward high-growth areas**

We are developing and introducing new products for fully electrified vehicles and continuing to implement our suite of energy-saving products for hybrid and ICE-based vehicles. We seek to grow our business and capabilities in areas positively impacted by the megatrends.

### **Driving operational excellence**

We are committed to manufacturing excellence. We continue to elevate our approach to manufacturing by implementing “factory of the future” initiatives, including enhanced use of big data and analytics, advanced robotics, additive manufacturing, and augmented reality. The ultimate goal is to achieve greater profitability through further enhanced quality, production efficiency, reduction of floor space, and improved return on investments. Critical elements of our approach to operational excellence include our World Class Manufacturing initiatives. Additionally, our sustainability strategy dovetails with our efforts around operational excellence due to the focus on energy optimization and minimization of waste streams to landfill.



# UNLOCKING NEW BUSINESS MODELS AND MARKETS



Our long-term strategy is well-aligned with climate change-related trends impacting the automotive industry, including vehicle electrification, operational efficiency to minimize manufacturing inputs and waste outputs, as well as the pursuit of new mobility business models. We cannot determine for certain how quickly the market for the declining products in our portfolio may deteriorate, but our ICE technologies appear to have continuing relevance for the next decade. However, we believe that our physical assets, human capital, and know-how related to powertrain solutions can be repurposed as vehicle development plans migrate toward electrified solutions. We currently offer multiple solutions for electric and hybrid technologies, including battery packs, belt drive electric hybrids, thermal management heating systems, and compact electric water pumps. We expect to be able to continue growing our market share in the powertrain market.



ENVIRONMENT

# OVERVIEW

Everyone should experience the benefits of clean resources. Litens recognizes that environmental issues such as climate change are issues of critical importance for humanity. As environmental issues worsen due to the increase of demand for resources, the global community faces a challenge to reduce the amount of waste. To address these challenges, Litens actively adopts initiatives to promote a decarbonized/low-carbon and recycle-oriented operation.



## **Environmental commitment:**

Litens is focused on using energy more efficiently, reducing greenhouse gas emissions, reducing waste and recycling more from all our operations. From water to energy and the sourcing of materials, Litens is committed to achieve carbon neutrality in our global operations by 2030.

## **Environmental compliance:**

Litens is subject to a wide range of environmental laws and regulations relating to emissions, wastewater discharge, waste management, and storage of hazardous substances. Litens maintains a global environmental program consisting of both internal and third-party audits of our facilities for compliance with local regulations and industry best practices. All Litens manufacturing facilities are registered to ISO 14001 standard.

## **Sustainable Development Goals:**

We particularly focus on six United Nations Sustainable Development goals (SDG) that directly relate to our business' functional operations. Examples of Litens' activities and accomplishments with respect to each relevant development goal are outlined on page 13.



# GOALS AND PROGRESS

## Goal

Achieve Carbon Neutrality in manufacturing operations by 2030 (scope 1 & 2)



### Highlight

Scope 1 emission reduced by 20% from 2021  
Scope 2 Location-based emission reduced by 22% from 2021  
Scope 2 Market-based emission reduced by 25% from 2022

## Goal

Improve CDP rating to A



### Highlight

In 2023, CDP (Climate Change) rating improved from D to C and CDP (Supplier engagement) rating improved from D to B-

## Goal

Transit our global operations to 100% renewable electricity by 2030



### Highlight

Litens Romania using 100% renewable electricity

### Key

-  In progress
-  Not achieved
-  Achieved



# ENVIRONMENT METRICS SUMMARY

	Metric	Unit of measure	2023	2022	2021	% of change from 2021
<b>Emissions</b>	Scope 1 and scope 2 emissions	Metric Tons (t) CO2e	1,653.29 t (Scope 1)/ 1,998.34 t (Scope 2 Location-based)/ 1,791.77 t (Scope 2 Market-based)	1,825.57 t (Scope 1)/ 2,389.53 t (Scope 2 Location-based)/ 2,231.07 (Scope 2 Market-based)	2,074.77 t (Scope 1)/ 2,558.49 t (Scope 2)	▼ 20.31% (Scope 1) ▼ 21.89% (Scope 2 Location-based)
			Aggregate amount of energy consumed	Gigajoules (GJ) / MegaWatt hours (MWh)	70,427.16 GJ/ 19,563.10 MWh	76,196.12 GJ/ 21,165.59 MWh
<b>Energy Management</b>	Total Electricity consumed (MWh)	MegaWatt hours (MWh)	11,534.48 MWh	12,802.05 MWh	12,919.47 MWh	▼ 10.72%
	% of energy consumed that is renewable energy	Percentage (%)	28.51%	6.85%	-	
	Energy intensity	Megawatt hours (MWh)/Sales (CDNm)	16.64 MWh/CDNm	23.92 MWh/CDNm	24.01 MWh/CDNm	▼ 30.82%
	Annual water withdrawal	Megalitres (ML)	*37.95 ML	32.46 ML	26.87 ML	▲ 41.24%
<b>Waste management</b>	Aggregate amount of waste generated from manufacturing operations	Metric Tons (t)	2,520.85 t	2,467.64 t	2,511 t	▲ 0.39%
	% of waste generated that was recycled	Percentage (%)	87.58%	88.48%	-	
	% of waste directed to landfill	Percentage (%)	3.35%	3.21%	-	
	% waste directed to incinerator	Percentage (%)	3.97%	12.69%	-	

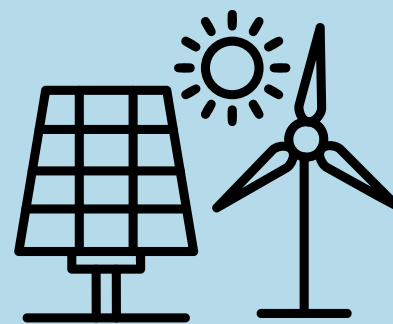
Note: "-" Indicates data is not available for this time period.

"\*" Increase due to temporary spike in water consumption due to equipment malfunction.

# CARBON NEUTRALITY PRIORITIES

Our Energy optimization activities are described in further detail in this section of the sustainability report.

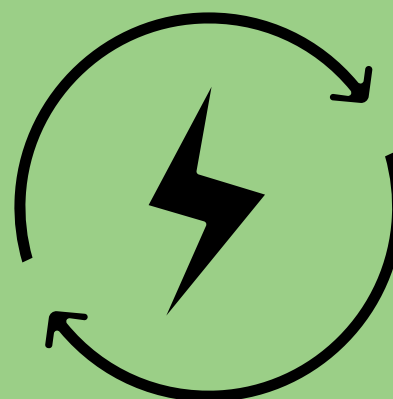
But How?



## ENERGY OPTIMIZATION

Energy reduction initiatives

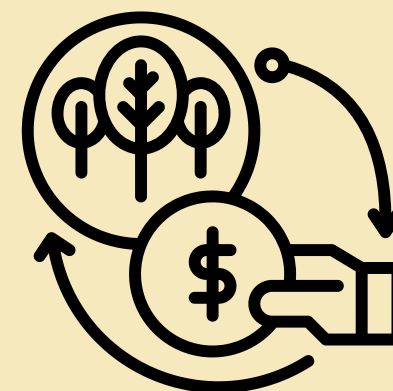
Scope 1+2



## RENEWABLE ENERGY

A regional portfolio approach to renewable energy including power purchase agreements (PPAs), renewable energy certificates (RECs) and self-generation.

Scope 2



## CARBON OFFSET

Purchase of clean carbon offsets as a last resort to address scope 1 emissions that cannot be displaced.

Scope 1

# ENERGY AND EMISSIONS

Everyone should experience the benefits of clean resources. Litens recognizes that environmental issues such as climate change are issues of critical importance for humanity. As environmental issues worsen due to the increase of demand for resources, the global community faces a challenge to reduce the amount of waste. To address these challenges, Litens actively adopts initiatives to promote a decarbonized/low-carbon and recycle-oriented operation.

Litens is committed to enhancing energy efficiency across our global operations. We are actively transitioning to renewable energy sources and diligently working to reduce greenhouse gas emissions (GHG). As part of our broader sustainability and operational efficiency initiatives, we place a strong emphasis on optimizing energy usage, which not only contributes to our environmental goals but may also yield significant cost savings.

We aim to be carbon neutral (scope 1 & 2) in all our operations by 2030. Energy efficiency/reduction initiatives in our operations represent a key aspect of our efforts to meet such goals.

Our primary objective is to boost energy efficiency, measured by energy consumption relative to sales, with the goal of, at the very least, slowing the rate of increase in energy consumption.

**100% of Litens  
Romania electricity  
consumption is from  
renewable sources**

## Our energy and emission reduction strategy



Installation of LED lighting in all global sites



Installation of solar panels in Romania, India, Germany, and China.



Installation of Smart thermostats to reduce electricity, and natural gas consumption



Purchase of renewable energy certificates

# ENERGY AND EMISSIONS

Through these concentrated efforts, Litens is actively driving positive change in our energy consumption patterns, reinforcing our commitment to sustainability, and contributing to a greener, more efficient future. To ensure our efforts are reducing electricity consumption, Litens has been tracking global consumption annually. Energy consumed can be converted to CO2 emissions based on regional conversion factors. To help us and our stakeholders better assess trends related to the emissions we generate, we track energy intensity based on total sales. These intensities metrics assist us in determining whether we are becoming more efficient by normalizing emissions per dollar of sales.

Litens uses the GHG protocol, a comprehensive global standardized framework to develop an annual GHG emission inventory. Scope 1 sources include stationary combustion (such as burning natural gas for energy) as well as owned mobile sources. Scope 2 emissions include consumption of purchased electricity from all sites and it is reported using the \*market/location\* based approach. Where renewable electricity is purchased, an emission factor of zero is assumed.

Scope 3, category 1 emissions from purchased goods and services, are being collected from suppliers and are expected to be available in the near future.

The data for total scope 1 and 2 emissions with intensity metrics are set out below.

	Metric	Unit of measure	2023	2022	2021
<b>Emissions</b>	Scope 1 and scope 2 emissions	Metric Tons (t) CO2e	1,653.29 t (Scope 1)/ 1,998.34 t (Scope 2 Location-based)/ 1,672.40 (Scope 2 Market-based)	1,825.57 t (Scope 1)/ 2,389.53 t (Scope 2 Location-based)/ 2,231.07 (Scope 2 Market-based)	2,074.77 t (Scope 1)/ 2,558.49 t (Scope 2)
<b>Energy Management</b>	Aggregate amount of energy consumed	Gigajoules (GJ) / MegaWatt hours (MWh)	70,427.16 GJ/ 19,563.10 MWh	76,196.12 GJ/ 21,165.59 MWh	80,200.01GJ/22,277.78 MWh
	Total Electricity consumed (MWh)	MegaWatt hours (MWh)	11,534.48 MWh	12,802.05 MWh	12,919.47 MWh
	% of energy consumed that is renewable energy	Percentage (%)	28.51%	6.85%	-
	Energy intensity	Megawatt hours (MWh)/Sales (CDNm)	16.64 MWh/CDNm	23.92 MWh/CDNm	24.01 MWh/CDNm

**Note:** “-” indicates data is not available for this time period

# WATER AND EFFLUENTS

At Litens, we are committed to improving the efficient use of natural resources and recognize the significance of conserving water resources in a sustainable manner. In addition to our focus on minimizing energy consumption, another resource we are dedicated to conserving is water. While Litens is not a significant water user, achieving water reductions is expected to result in cost savings, potentially offsetting (in whole or in part) any increase in rates charged by applicable water utilities.

Water is not a significant aspect of our assembly operations and is mainly used for human consumption/hygiene at our facilities. All of Litens' water withdrawal come from only two sources: municipal water, and groundwater. Our facilities in Brazil, Romania and India use groundwater, while our facilities in Canada, China, and Germany use municipal water. Although, our operation does not consume a substantial amount of water, the only metric currently being collected across our facilities is our water usage.

All our facilities monitor water withdrawals through water bills and invoices to ensure water usage is minimized, or at the very least, that the rate of increase is slowed.

	Metric	Unit of measure	2023	2022	2021
<b>Water Management</b>	Annual water withdrawal	Megalitres (ML)	*37.95 ML	32.46 ML	26.87 ML

**Note:** "\*" Increase due to temporary spike in water consumption due to equipment malfunction.

## Our water usage reduction strategy



Installation of low flush toilets



Reducing sprinkler water usage



Installing taps with sensors

# WASTE

At Litens, we are committed to ensuring sustainable consumption and production patterns. We acknowledge the importance of preserving resources and we aspire to achieve zero waste to landfill.

Waste reduction and scrap elimination are important concerns in our manufacturing activities, including as part of our efforts to achieve World Class Manufacturing objectives in our facilities globally. All facilities focus on the complete diversion of non-recyclable waste from landfill, and the waste is sent to incineration where available.

Reducing waste has a dual benefit. Not only does it reduce our impact on the planet, but it also optimizes efficiency in our resource-intensive industry. In 2023, we set a goal across our facilities to achieve a waste recycling rate of 93% and achieve a total waste reduction of 2%. This goal was measured by consistent monthly tracking of waste metrics in all facilities. Majority of Litens waste is generated from production process, when coupling materials sourced from our suppliers. By tracking waste metrics across our facilities, we have implemented actions that will support our zero waste to landfill goal.

	Metric	Unit of measure	2023	2022	2021
<b>Waste management</b>	Aggregate amount of waste generated from manufacturing operations	Metric Tons (t)	2,520.85 t	2,467.64 t	2,511 t
	% of waste generated that was recycled	Percentage (%)	87.58%	88.48%	-
	% of waste directed to landfill	Percentage (%)	3.35%	3.21%	-
	% waste directed to incinerator	Percentage (%)	3.97%	12.69%	-

## Our waste reduction strategy



Packaging improvement to limit the overall use of materials



Waste recycling programs at all sites



Waste audits



SOCIAL

# OVERVIEW

Litens is committed to cultivating a workplace that is not only safe and healthy but also free from discrimination, harassment, intimidation, and hostility of any nature. Upholding the principle of equal employment opportunity, we embrace diversity and inclusivity, valuing everyone's unique background. Our dedication extends beyond our workplace – we aim to drive innovation and sustainable growth, actively support our workforce and local communities, and ensure that everything we manufacture, or have manufactured on our behalf, is produced in compliance with the law and with unwavering respect for human rights.



## **We prioritize health and safety:**

We are committed to delivering the highest level of safety, health and wellbeing to our customers, employees, and the communities where we live, work, and serve.

## **We are dedicated to creating a culture of inclusion:**

At Litens we prioritize a safe, and respectful environment that welcomes and supports talent from every background and community. It's embedded in our culture.

## **Sustainable Development Goals:**

We particularly focus on six United Nations Sustainable Development goals (SDG) that directly relate to our business' functional operations. Examples of Litens' activities and accomplishments with respect to each relevant development goal are outlined on page 13.





# GOALS AND PROGRESS



### Highlight

Focus on employee education; community engagement, and sustainability communications. Litens sustainability logo was created.



### Highlight

LAI achieved ISO 45001 certification in 2023, LASA is planned for 2024.

### Key

-  In progress
-  Not achieved
-  Achieved

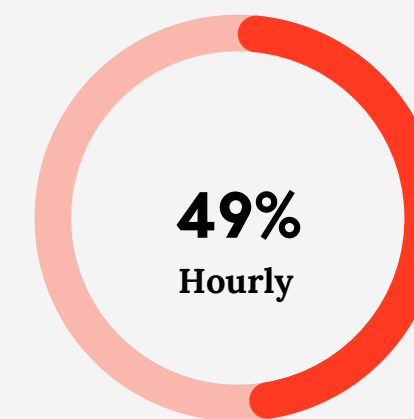
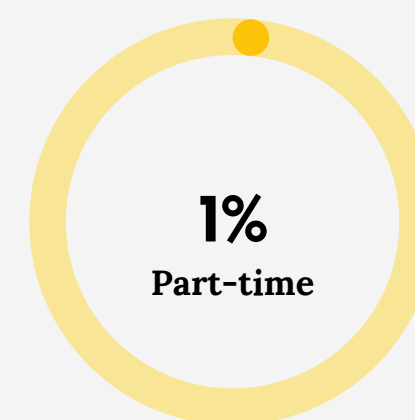
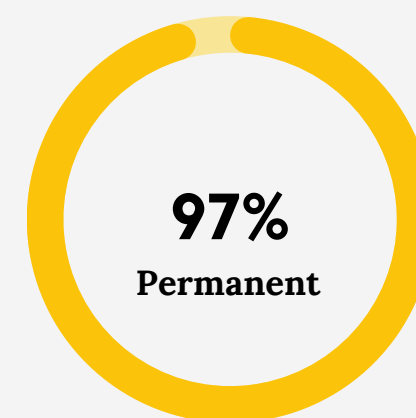
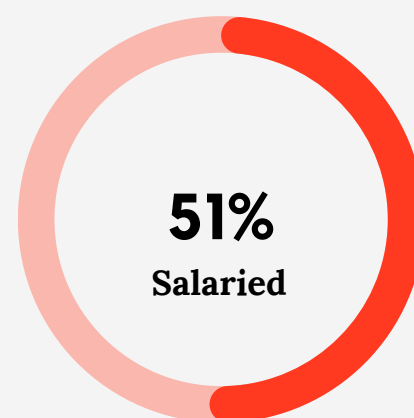
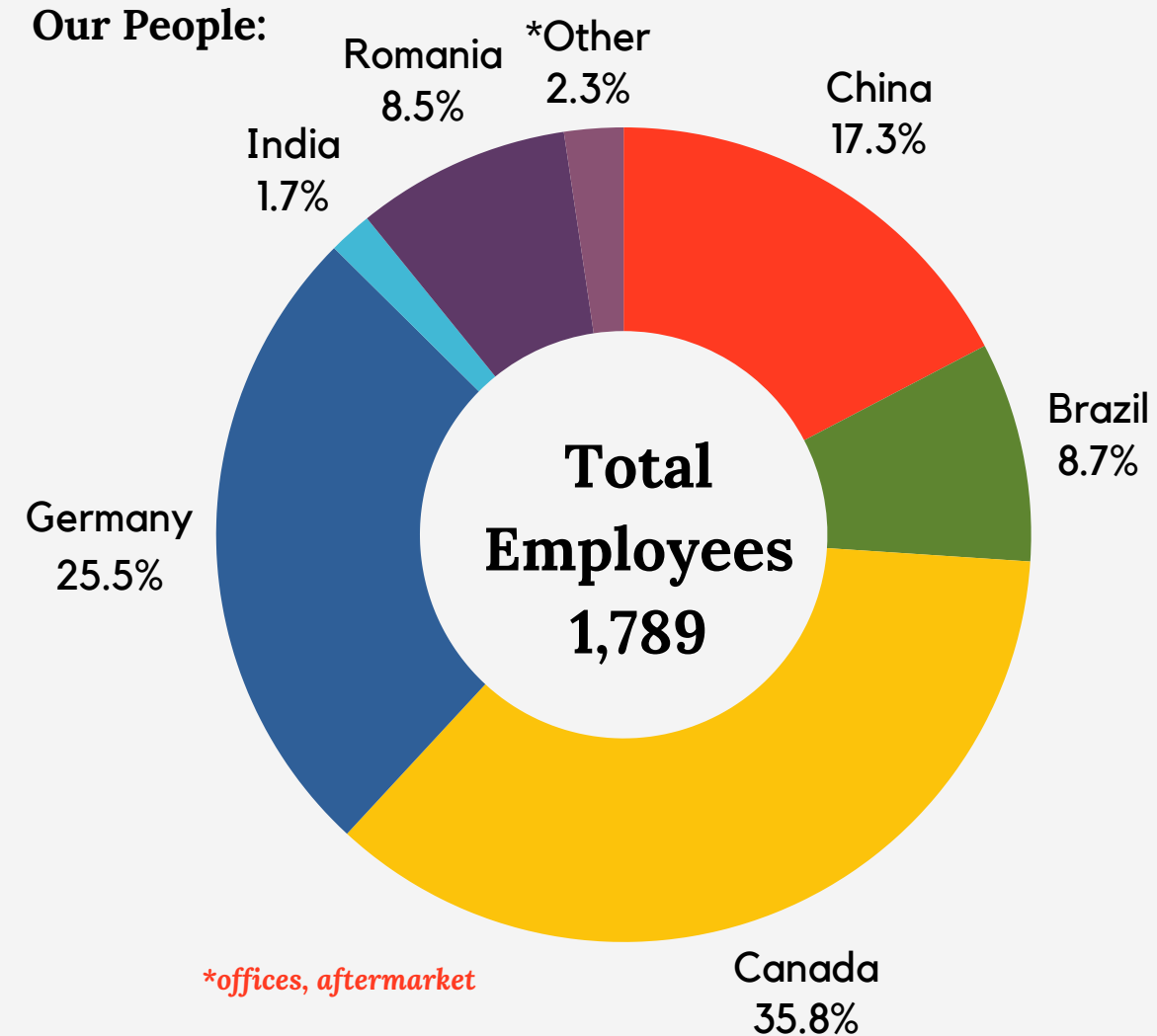
# LITENS TEAM

Our culture is built on teamwork and inclusivity. We're always looking for self-starters whose unique perspective and creative vision can help us continue to evolve in this fast paced and ever-changing industry. We are committed to an operating philosophy based on fairness and concern for people. This philosophy is part of our code of conduct and ethics policy, promoting a culture which employees and management share the responsibility to help ensure our success.

We're able to drive change because of the talented individuals and teams that we work with. Supporting them means setting each one of them up for success. To do so, we have purposefully fostered a supportive and agile workplace. This culture yields positive results by helping everyone feel appreciated and motivated, which in turn ensures we're able to bring value to our clients and build a more sustainable future.



## Our People:

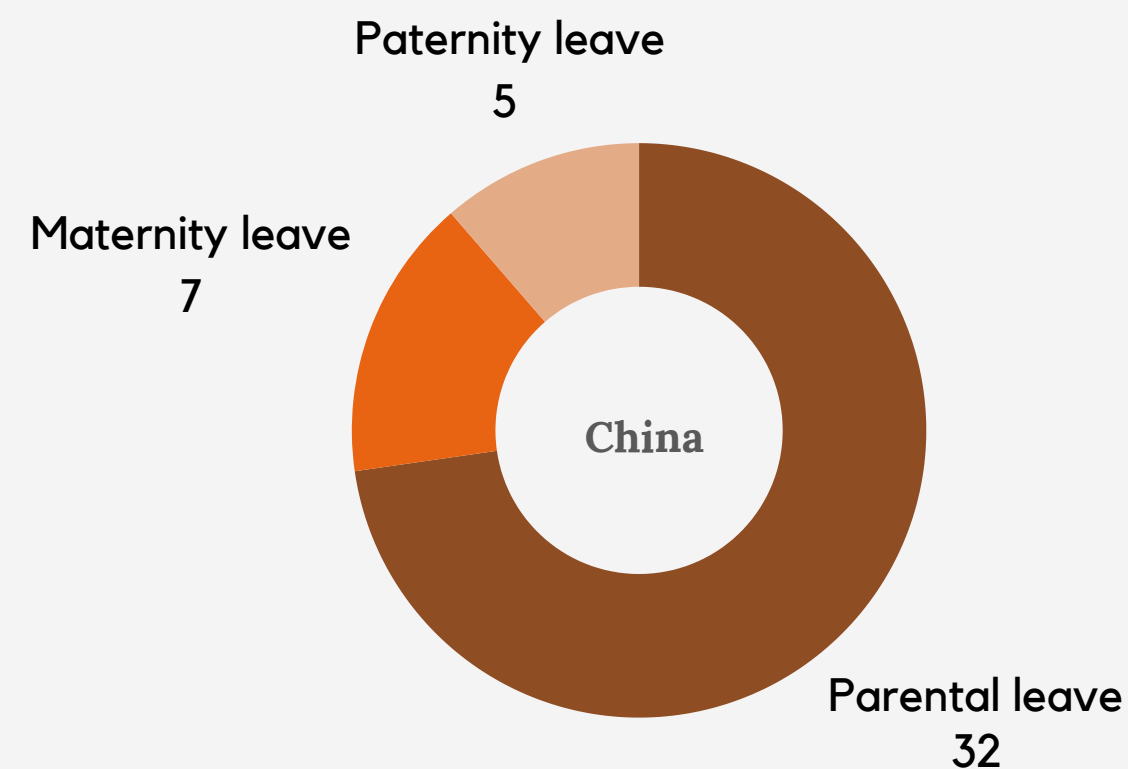
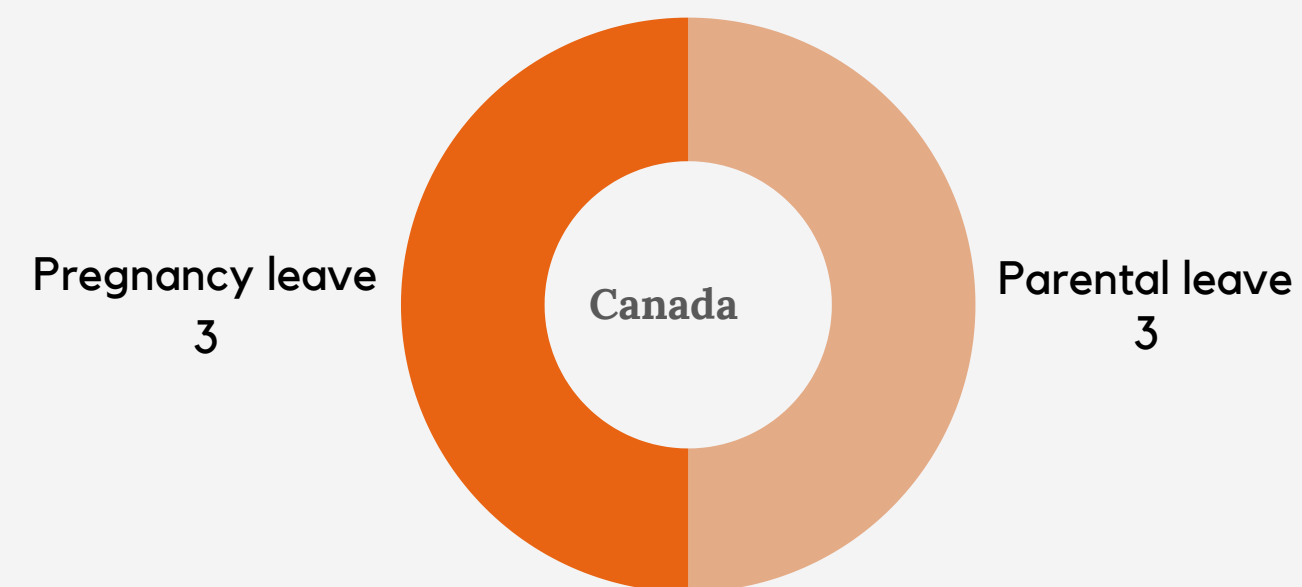


## Employee benefits

Litens understands that today's workforce values work-life balance and we are committed to meeting our employees' needs while balancing the needs of the business. To achieve this, we offer a variety of unique benefits for eligible full-time employees including:

- Hybrid work system - allows all eligible full-time employees to access this benefit if their role has been determined to be suitable for working remotely. Currently, this arrangement applies to Canada only.
- Employee & Family Assistance Program (EFAP).
- Health benefits program - Medical and dental plan
- Maternity and Parental Leave.
- Support system for family responsibility Leave
- Retirement savings program
- Employee purchase programs and discounts

Through these active policies and systems in place, we believe it will significantly enhance the quality of life of our workforce, reinforcing our dedication to meet our employees' needs by creating a work environment that enables work-life balance and supports and assists employees with their post-retirement plan.



## Fairness and Concern for employees

Adopted policies codify our existing practices consistent with our culture and provide a framework for our commitment to fundamental human rights and internationally accepted labour rights. In particular, the policies set out key commitments regarding:

- Maintaining respectful work environments where our employees feel safe and welcome, with opportunities for personal and professional growth.
- Refusing to tolerate harassment of any kind, including physical, sexual, psychological, or verbal abuse.
- Treating and compensating employees without discrimination based on race, nationality, social origin, colour, sex, religion, gender identity, disability, sexual orientation, or any other ground protected by applicable law in the way we treat, promote, or compensate employees.
- Condemning child labour.
- Rejecting forced or compulsory labour.
- Maintaining safe and healthy workplaces.
- Providing employees with appropriate rest and leisure time; and
- Respecting the right of employees to associate freely and to bargain where permitted by local laws and regulations.

## Respecting employee rights

We are committed to providing working conditions and standards that promote dignified and respectful treatment of all our employees globally, which are set out in our “Code of Conduct and Ethics” policy (“code”). Our policy also articulates that we respect the rights of workers to associate freely and have the freedom of choice to decide whether they wish to be represented by labour unions or workers’ councils following applicable laws.



### Our commitment to Litens Employees

“We are committed to an operating philosophy based on fairness and concern for people.”

This philosophy is part of our “code of conduct and ethics” policy, promoting a culture in which employees and management share the responsibility to help ensure our success.

**Our code of conduct and ethics set out this philosophy through the following principles:**

**Fair treatment**

We offer equal opportunities based on an individual's qualifications and performance, free from discrimination or favoritism.



**Competitive wage and benefits**

We provide our employees with information that enables them to compare their total compensation, including wages and benefits, with those earned by employees of direct competitors and local companies with which we compete for labour. If total compensation is not competitive, it will be adjusted.



**Job security**

We are committed to working together with our employees to help protect their job security, including through job counselling, training, and employee assistance programs to our employees.



**Communication and information**

We keep our employees informed on company and industry developments through regular employee meetings between management and employees, continuous improvement meetings, and various publications and videos. We also conduct employee opinion surveys to help ensure employee involvement and feedback.



**Open door policy and action response line**

Should any of our employees have a complaint or feel the previous principles are not being met, we encourage them to use our open-door policy and contact our confidential and anonymous employee response line to register their complaints. We are committed to investigating and resolving all concerns or complaints received through the action response line and must report the outcome of all submissions to our senior management team. The action response line serves as a confidential and anonymous whistleblower forum for employees and other stakeholders that are overseen by our legal counsel. Complaints and responses are audited to ensure action response line is meeting expectations in the released policies.



**Employee equity and profit participation**

We believe that our employees should share in our financial success. Accordingly, 10% of our qualifying annual pre-tax profits before profit sharing are shared among participating employees in the form of cash and equity, helping to create an "owner's mindset" among employees and aligning them with shareholders.



**A safe and healthy workplace**

We strive to provide our employees with a working environment that is safe and healthful.



## Leadership development/talent management

We have implemented, and continue to enhance, our Leadership Development System to help identify, train, and develop future leaders with the skills and expertise needed to manage a complex, global business. We have also based our talent management strategy on our current business objectives and strategy and our understanding of the transformation taking place in the automotive industry. Given that an effective workforce requires to be lean and digitally adept, we focus on building such a workforce through attraction and recruitment, professional development, succession planning, promoting diversity and inclusion, and preserving our Fair Enterprise culture.

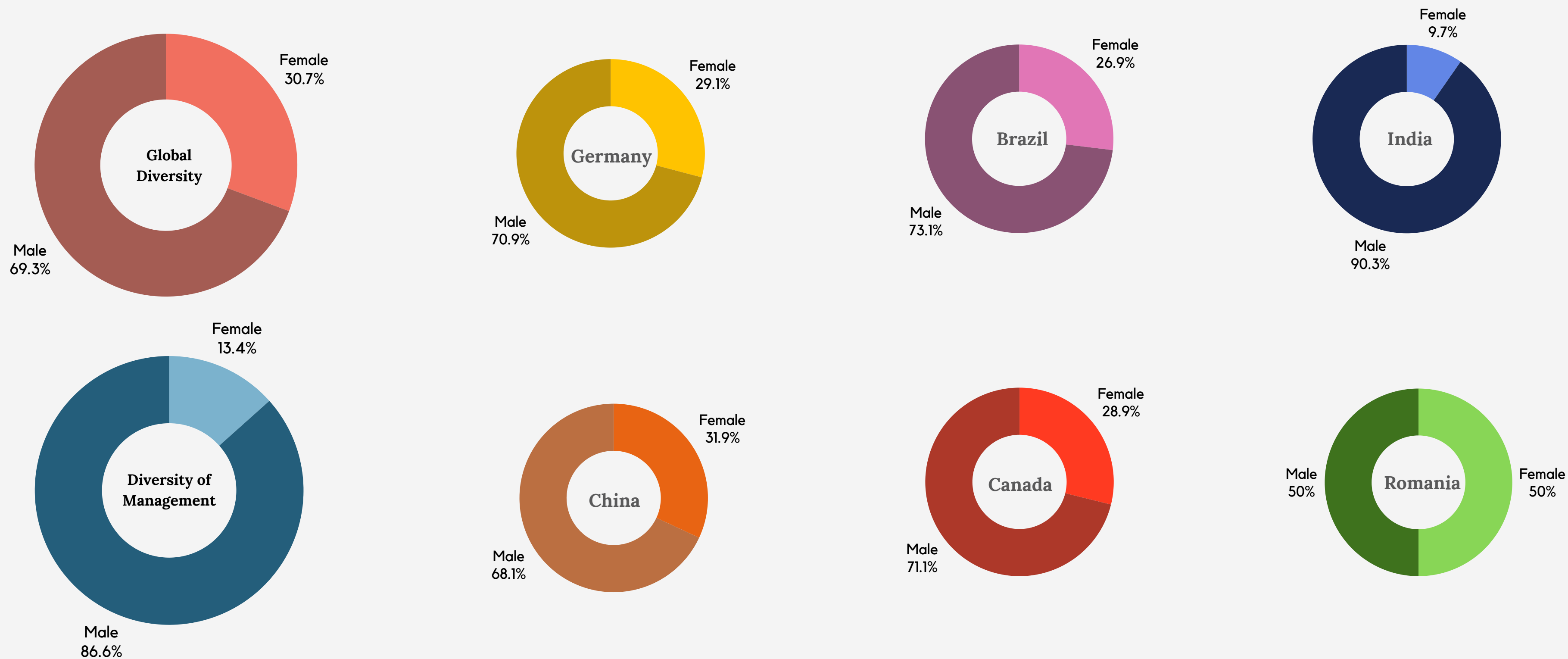
## Diversity and Inclusion

Our commitment to diversity and inclusion aligns with our values and is embedded in our culture. We strive to create an open and inclusive work environment enabling us to attract people from various backgrounds providing us with diverse perspectives and capabilities. We believe in the principles of fair treatment, diversity, and inclusion, which we reinforce through regular communications, employee meetings, and training at Litens. Any employee who believes that we are not living up to any of the principles, including the principle of fair treatment, can use our 'Open Door Process', which encourages employees to speak with anyone who can be of assistance without fear of retaliation as well as raise their concerns through the Action Response Line. We abide by all applicable labour and employment laws, including those prohibiting discrimination and harassment and those providing for reasonable accommodation of differences. We are committed to providing equal employment and career advancement opportunities for everyone, without discrimination based on sex, race, ethnic background, religion, disability, or any other personal characteristics protected by law.



## Gender diversity

We promote and embed gender and cultural diversity through our talent acquisition and management processes. On a global basis, 30.7% of the employees in our operations are women. We recognize that gender diversity is a crucial aspect of our commitment to fairness, and we will continue to foster an environment that improves gender representation in the coming days.



# CONTRIBUTING TO THE COMMUNITIES IN WHICH WE OPERATE

## **Commitment to communities and society:**

Litens recognizes the importance of giving back to society. We have a long history of supporting many global social and charitable causes, primarily in the communities around the world where our employees live and work. Most of our donations and sponsorships focus on:

- Employee and Community Health and Wellness
- Technical and Vocational Training/Education
- Calamity Stricken Regions
- Culture
- Youth Sports

We encourage and support our employees who devote their time, energy, and passion to making positive contributions at their workplace and communities through direct giving, special events, fundraising, and volunteer work. To further support and enhance employee fundraising efforts, we maintain a Matching Program, which matches donations by Litens employees to qualified, non-profit initiatives up to specified amounts. Since the beginning of the program, Litens has matched the funds raised by our employees and have donated to numerous projects globally.

## **The charities that Litens donated to in 2023 are:**

- Jack.org - supporting youth mental health
- Canadian Red Cross - Ukraine Humanitarian Crisis
- Operations Veteran Program
- Herizon House (a shelter for abused women and their children)
- Suzhou SIP Mother Tang's Charity Center for poor/disabled children
- NSS (National Skill Services) - training unemployed youth from rural communities across India
- Brazilian society of Research and Assistance for Craniofacial Rehabilitation
- German Red Cross: Project Emergency Aid Ukraine
- German Bone Marrow Donor File = DKMS
- Educatia La Sat - underprivileged children from rural areas
- ECO Club Timisoara - reforestation projects
- ECOSTUFF Romania - environment protection and sustainability projects
- Asociatia CODRU Festival - reforestation projects
- Asociatia Clubul Sportiv Rally DJV - community support projects
- Rotary International - PERFORMANTA IN SATUL BANATEAN - education for underprivileged children
- Hospital Sobrapar - a hospital institution that performs surgeries and rehabilitation of people with craniofacial deformities resulting from the most diverse causes.
- Fundação Síndrome de Down
- Casa da Criança Parálitica



# COMMUNITY ENGAGEMENT



## Litens plants trees with Tree Canada

Litens along with many other Canadians across the country joined at various sites to plant trees in their communities. Litens participated in the Tree Planting Campaign organized by Tree Canada, a non-profit organization dedicated to planting and nurturing trees in rural and urban environments, in every province across Canada. Since 1992 Tree Canada has planted over 84 million with the support of sponsors and planters like Litens. A total of 17 employees participated and together planted over 24 trees.



## Litens Canada donates 668lbs of food items to local Food bank

Litens kicked off December with a heartfelt initiative to support those in need during the special time of the year. All 668lbs of food items donated went to the Food Bank of York Region, a non-profit organization dedicated to alleviating food insecurity and hunger.



## Litens Brazil donates over 1,700lbs of food for flood-stricken area in the northern coastal region of the state of Sao Paulo

In February, Brazil faced a period of heavy rains resulting in the death and disappearance of many people, caused by floods and landslides. One of the most affected areas was the northern coastal region of the state of São Paulo, especially São Sebastião, where an index of 627 mm was recorded in 24 hours, twice the forecast for the month.

Around 50 houses collapsed and were washed away due to heavy rains, the affected areas were left without basic resources such as food, water, electricity and personal hygiene items, the state government recorded the deaths of at least 23 children and 41 adults in São Sebastião and Ubatuba.

Litens organized a collective effort to help and collected more than 800 kilos of food in one week.

# COMMUNITY ENGAGEMENT

17 Februarie 2023  
Ziua Faptelor Bune

Am livrat copiilor de care se ocupă Asociația Educația la Sat, la Coșteiu, gustări dulci.



## Litens Romania delivers sweet snacks

Through the association Education in the village, Litens Romania delivered sweet snacks for the children from the Costeiu village.



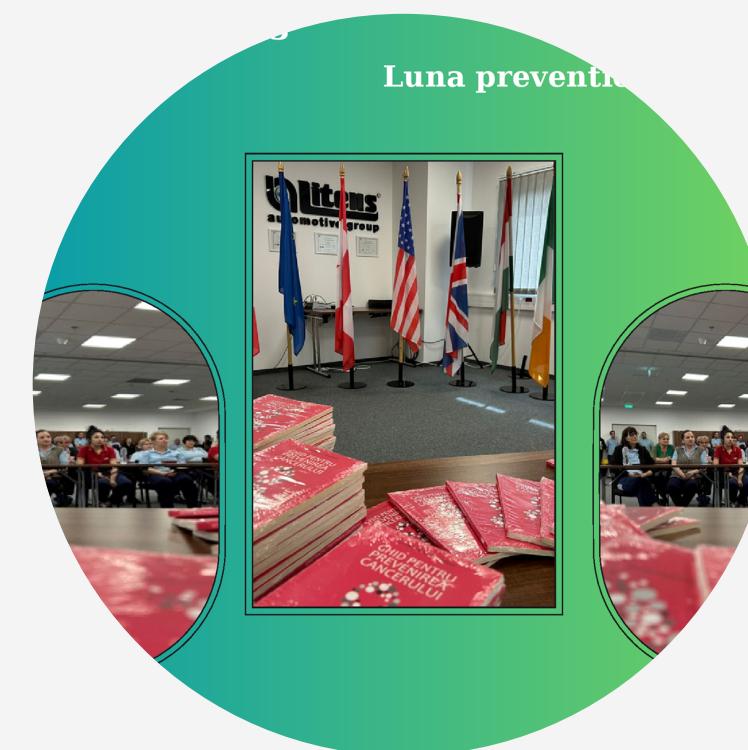
## We breathe green

Tree planting project at Litens Romania with all employees.



## Make It! Recycle it!

Litens Romania Participation in the competition for boats made of recycled materials, Make It! Recycle It!



Cancer prevention month at Litens Romania.

# UNIVERSITY ENGAGEMENT



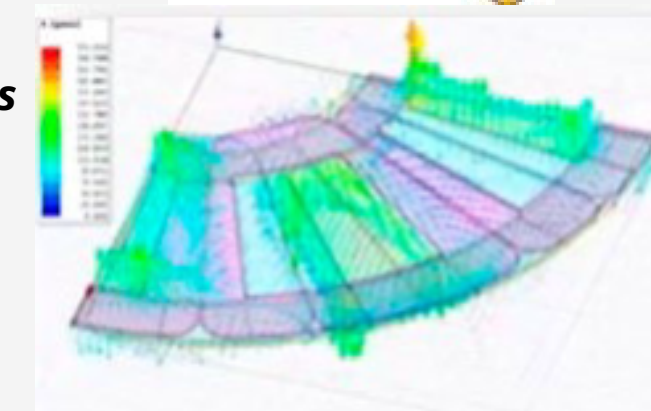
**EV Battery Management (BMS)**



**Hydrogen Fuel Cell EV**



**Axial Flux Electric Motors**



**Isothermal Battery Cell Testing**



# OCCUPATIONAL HEALTH AND SAFETY

Litens is committed to work with our employees and business partners to create and maintain a safe and healthy working environment and to minimize the impact of its operations on the environment while meeting or exceeding the industry standards and regulations in all jurisdictions in which we perform business activities.

## Health and safety standards and compliance

Our commitment to providing a safe and healthful work environments is fulfilled through a regular program of health and safety audits and inspections of our global facilities. These audits and inspections cover health, safety, industrial hygiene, industrial ergonomics, and emergency preparedness policies and action plans. Audits are designed to address documentation requirements, while inspections assess physical hazards. Audits and inspections are conducted on-site and followed by a report requiring the facility to develop an action plan to address deficiencies or best practices. The action plans are reviewed by the site's senior management. The compliance program incorporates international and regional standards, including ISO 45001, Canadian Standards Association (CSA), American National Standards Institute (ANSI), Conformance Europeenne (CE), as well as country-specific standards. Audits and inspections are conducted by specialists with knowledge of corporate requirements and country-specific requirements and country-specific requirements. Legislative changes, accident trends, and changes to industry standards are incorporated into the program as part of the annual review of the program. Litens' global sites have implemented a health and safety management system conforming to the ISO 45001 standard.

The key elements of the program are detailed below:



### Audits & Inspection

Litens maintains a global health and safety program consisting of both internal and third-party audits of our facilities for compliance with local regulations and industry best practices.



### Risk Assessment & Action Plan

The recommendations contained in the audit report are prioritized based on the level of risk, and the facility is required to develop a corrective action plan to address the identified risk.



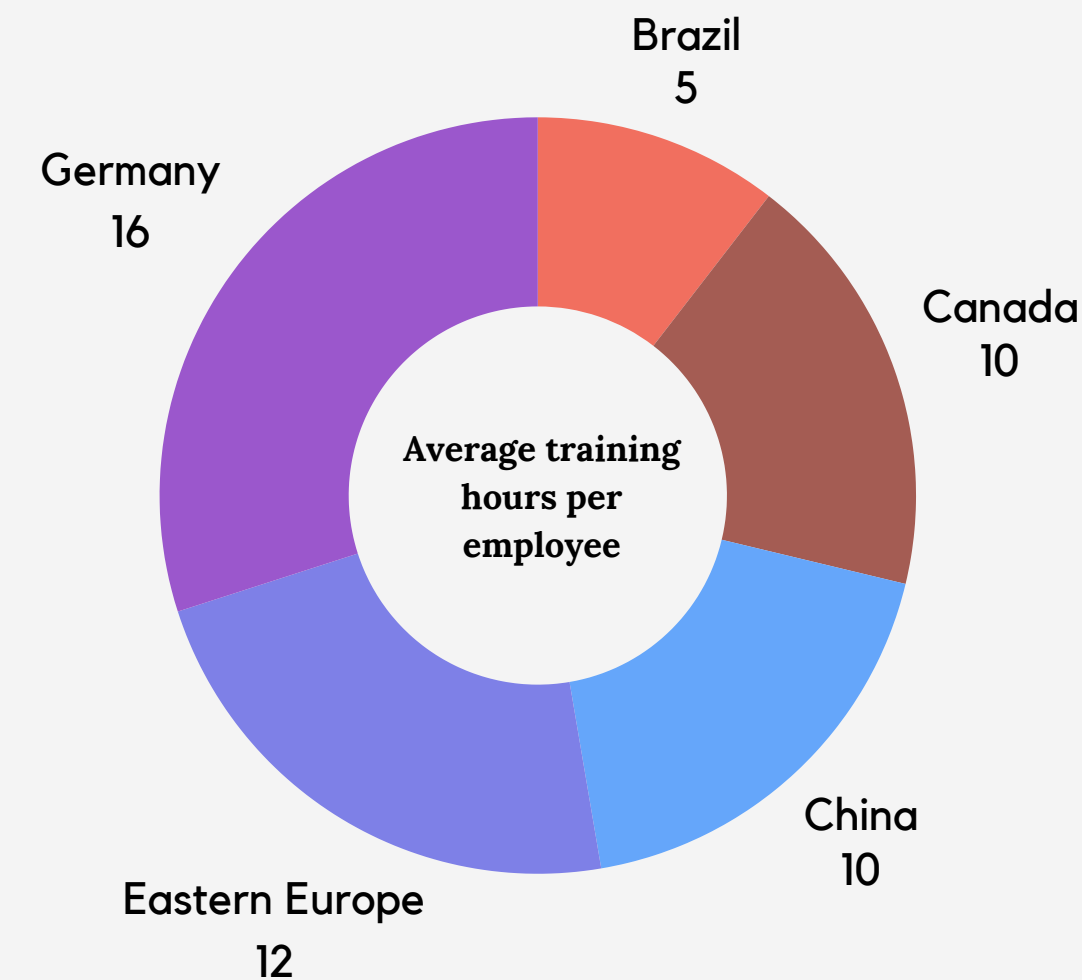
### Oversight, performance tracking & reporting

Litens Health, Safety and Environmental Advisors provide ongoing assistance to the facility personnel in resolving action plan items and reviewing action items submitted for closure. Audit/inspection findings are also communicated to the site management to enhance oversight and commitment to resolving action items. When action item is not resolved promptly, an escalation process is in place.

# OCCUPATIONAL HEALTH AND SAFETY

We are committed to providing a safe and healthful workplace for all our employees. This commitment is fulfilled through a regular program of health and safety audits and inspections of our global facilities. In connection with our health and safety program, we track the frequency and severity of workplace accidents and conduct post-accident reviews to develop action plans to reduce/eliminate similar accidents in the future.

Description		2023	2022	2021
Accident frequency rate	1.0 = 1 injury/illness per 100 employees working 40 hours/week, 50 weeks/year	1.16	0.32	1.45
Accident severity rate	10.0 = 10 lost workdays/100 employees working 40 hours/week, 50 weeks/year	6.87	4.26	19.94



# SUPPLY CHAIN RESPONSIBILITY

At Litens, we acknowledge that we might be involved with negative environmental impacts not only through our own activities but also because of our business relationship with other parties. It is our responsibility, to ensure all due diligence is taken to prevent and mitigate such negative environmental impacts in our supply chain.

## Supplier Code of Conduct

We have introduced and continue to update our supplier code of Conduct and Ethics (“Supplier Code”), which outlines the principles we apply internally at Litens as well as expectations we have for every company that supplies goods or services to Litens, with respect to key human rights, environmental, social and compliance standards among other things such as:

- Ethical business conduct, such as compliance with antitrust/competition, anti corruption/bribery, export control laws, conflict minerals reporting, avoidance and reporting of conflicts of interest, and protection of intellectual property and confidential information.
- Employee rights, including those rights set out in our employee’s charter, global working conditions, and global labour standards policy.
- Environmental responsibility and compliance.

The Supplier Code forms an integral part of our overall contractual relationship with our suppliers. We expect the standards set out in the Supplier Code to be met by our suppliers, even in jurisdictions where meeting such standards may not be considered part of the usual business culture, and a failure to do so can result in the termination by Litens of the supply relationship. The full text of our Supplier Code is available on our website ([www.litens.com](http://www.litens.com)).

## Global working condition in our supply chain

We expect that our supply chain will adhere to our Supplier Code, which prohibits the use of child, underage, slave, or forced labour. Our Global Working Conditions are an integral part of our supplier package that emphasizes the importance of maintaining global working conditions and standards that result in dignified and respectful treatment of all employees within all our global operating locations and those of our supply chain. A failure by any of our suppliers to comply with its terms can result in the termination by Litens of the supply relationship.

We continue to support and participate in industry efforts to develop common standards relating to business ethics, environmental standards, working conditions, and employee rights. We will continue to engage with our suppliers to raise awareness of the importance of sustainability in our supply chain.

# SUPPLY CHAIN MANAGEMENT

## General

Our supply chain management group focuses on several elements that we believe are integral to world-class supply chains management, such as key performance indicators (KPIs), specific roles and responsibilities, processes and standards, training, and risk management. The global KPIs Litens uses focus on purchasing savings, supplier ratings, supplier quality measurements, and supplier diversity. We also maintain a strong financial and commercial risk management process focused on supplier quality and financial risk. We use cross-functional sourcing teams to help ensure compliance with our internal standards when we place new business within our supply base. To promote awareness of the key elements of our supply chain risk management program, including the requirements in our Suppliers Code, we provide a training program on an ongoing basis to internal purchasing employees.

## Enhancing transparency into our supply chain

In order to enhance transparency into our supply chain and work towards a more sustainable supply chain, we have made several enhancements to our supply chain management program: We require our suppliers to respond to self-assessment questionnaires through NQC, a third-party supply chain management organization who will be responsible for data collection and analysis via their Supplier Assurance platform. The self-assessment questionnaires (currently SAQ 5.0) are a standard automotive industry sustainability questionnaire developed by global OEMs. The SAQ requires information, including documentation, relating to several topics, including, among other things: sustainability management; working conditions and human rights; health and safety; business ethics; environmental compliance; supplier management; and responsible sourcing of raw materials.

We continue to monitor and ensure compliance with emerging supply chain regulations, including Forced Labour in Canadian Supply Chains Act; U.S. Uyghur Forced Labour Prevention Act, and the E.U. Corporate Sustainability Due Diligence Directive that would mandate supply chain due diligence relating to human rights and environmental matters.

## Supplier reviews

We use supplier scorecards to provide ongoing monitoring and assessment of suppliers. Among other criteria, our supplier scorecard tracks whether suppliers have certain industry-recognized environmental certifications, such as ISO 14001.

## Supplier diversity

To support the supplier diversity efforts, we participate and provide our minority and women-owned business spending numbers to our customers as required. Our supplier diversity policies are in accordance with regional and global legal boundaries.

## Conflict minerals reporting

Consistent with the approach taken by our customers, suppliers, and other fellow members of the Automotive Industry Action Group concerning “conflict minerals”, we are engaged in an annual process of determining whether any products we make or buy contain such “conflict minerals”. We continue to engage with our suppliers to increase awareness and accuracy of “conflict minerals” reporting requirements.

No suppliers were terminated in 2023 due to violating working conditions or human rights.



GOVERNANCE



# MANAGEMENT

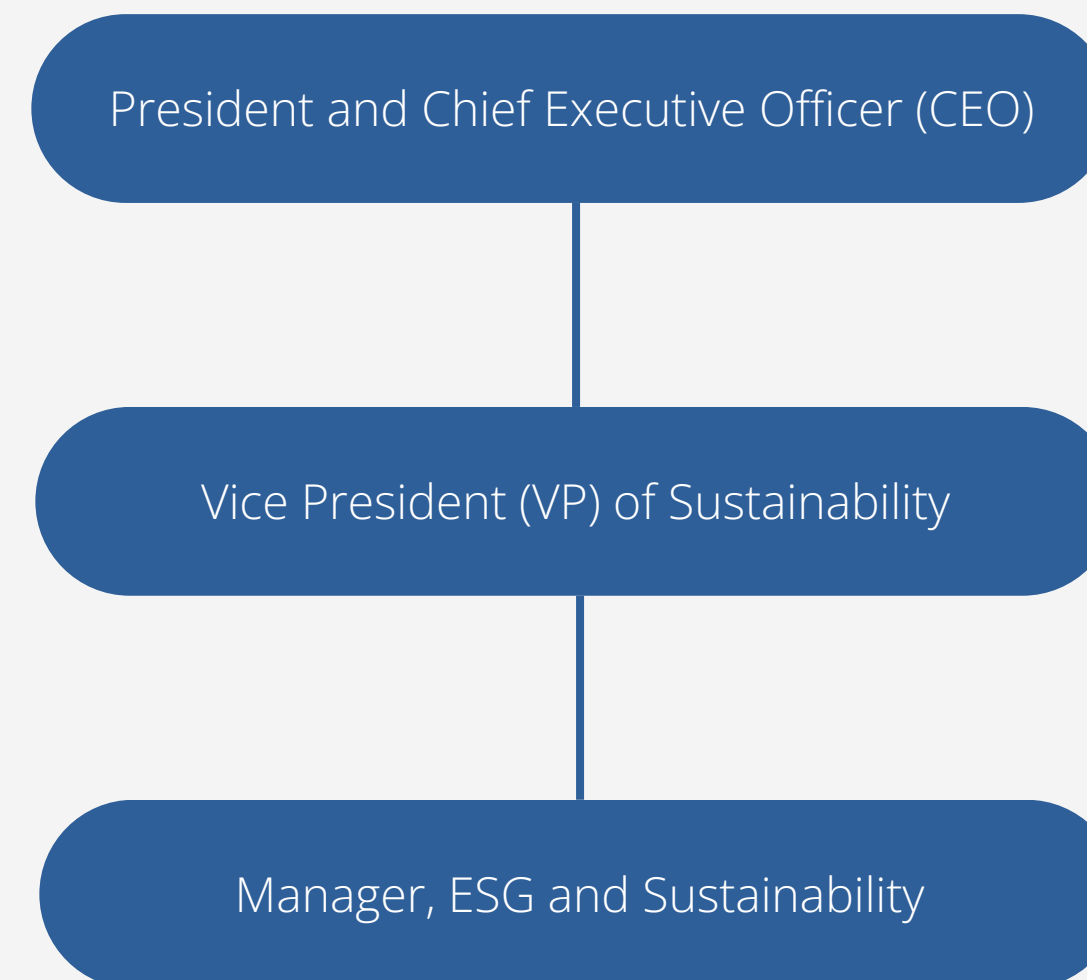
## Structure and composition

As the highest-ranking executive within the company, the President, and Chief Executive Officer (CEO) of Litens is the highest decision-making individual and holds a pivotal role in overseeing sustainability management and climate-related concerns. These responsibilities are integral to the CEO/president's role, encompassing leadership and guidance for senior management and the sustainability team regarding Litens' sustainability initiatives and strategies. The sustainability team consists of key members including:

- Executive Vice President and Chief Operating Officer
- Vice President of Sustainability
- Manager, ESG and Sustainability

Sustainability is seamlessly woven into the CEO's responsibilities, extending to talent acquisition, customer relations, and investment management. To accommodate the CEO's multifaceted sustainability duties, Litens has established the Global Sustainability Department, specifically dedicated to addressing climate-related issues and the development of ESG (Environmental, Social, and Governance) initiatives. The ESG and Sustainability Manager, in turn, reports to the Vice President of Sustainability, playing a critical role in crafting sustainable practice and fostering awareness across all of Litens' sites.

The Vice President (VP) of Sustainability at Litens bears the vital responsibility of formulating and implementing corporate sustainability objectives, which include addressing climate-related concerns. Supported by the corporate sustainability team, the VP is engaged in the identification and analysis of significant "megatrends" that impact the automotive industry. These encompass substantial opportunities and risks, including those stemming from climate-related factors. The VP addresses these considerations during the annual business planning meeting, while site senior managers are tasked with assessing opportunities and risks relevant to their respective facilities in a parallel session of the same meeting. This structured approach ensures that sustainability remains a focal point of Litens' strategic and operational endeavors.



# TRANSITION RISKS AND RISK MITIGATION

## Regulatory Policy actions

Applicable near-term policy actions related to climate change generally fall into one of the following categories, each of which may have an indirect effect on Litens:

### Average Fleet Emissions or Fuel Efficiency Regulations:

Governments in key auto-producing regions have set challenging average vehicle fleet emissions or fuel efficiency targets that OEMs must meet, including the European Union, China, Brazil, India, and the U.S.. We regularly monitor changes in regulation relating to emissions and fuel efficiency as part of our strategic planning processes:

### China:

In China, effective July 1, 2021, stringent China VI emissions regulations addressing particulate emissions were implemented, which could affect consumer demand for vehicles or powertrain options for vehicles that do not meet the new emissions standard.

### Brazil:

Effective January 1, 2022, the PROCONVE L-7 standards were implemented. More stringent L-8 standards will be introduced starting on January 1, 2025. The stringency of L-8 standards is scheduled to increase with time, and they will be fully phased in for light passenger vehicles by January 1, 2029, and for light commercial vehicles by January 1, 2031.

### India:

With the implementation of CAFE II norms in April 2022, the limit for CO2 emissions were reduced from 130 g/km to 113 g/km. In addition to CAFE norms, BS6 Stage II norms came into effect on April 1, 2023 requiring OEMs to upgrade both hardware and software on the cars to meet the more stringent emission standards.

### European Union:

E.U. regulations generally require OEMs to have achieved E.U. fleetwide average emissions of 95g CO2/km from 2021 through to 2024, which corresponds to 4.1 litres/100 km of gas or 3.6 litres/100 km of diesel. Vehicle manufacturers with an average fleet economy in excess of the target must pay an excess emissions penalty for each vehicle registered within the E.U. The 2021 average emissions level forms the baseline for a further 15% fleet-wide average emissions reduction from 2025 onwards; and 37.5% from 2030 onwards. In addition, in March 2023, the E.U. approved its "Fit for 55" legislation to aggressively increase such targets to a 55% reduction by 2030 and a 100% reduction by 2035 (as discussed below). Penalties levied on non-compliant OEMs may be passed on to vehicle-buying consumers, which could impact demand for such vehicles and thus demand for Litens products supplied for such programs. Additionally, E.U. regulations contain incentives aimed at promoting the development of Zero- and low-emission vehicles ("ZLEVs"). The CO2 emissions targets applying to any particular OEM will be relaxed if its share of ZLEVs registered within the E.U. in any year exceeds 25% from 2025 to 2029; however, such incentives will be eliminated under the Fit for 55 legislation from 2030 onwards.



## United States :

In the U.S., the current administration issued an executive order with a non-binding target of 50% of all new vehicles sold in 2030 to be zero-emission vehicles, including battery electric, plug-in hybrid electric, or fuel cell electric vehicles. Subsequently, the U.S. Environmental Protection Agency (EPA) finalized new vehicle emissions standards for passenger cars and light-duty trucks with model years 2023-2026, which increase in stringency through that period and would result in a fleetwide average fuel economy of approximately 40 mpg in 2026. More stringent emissions standards for model years 2027-2030 are expected to be introduced by the EPA in the near term. In addition, the U.S. National Highway Traffic Safety Administration (NHTSA) issued new corporate Average Fuel Economy (CAFE) standards – regulating how far vehicles must travel on a gallon of fuel. The new CAFE standards for passenger cars and light trucks manufactured in model years 2024-2026 would increase fuel efficiency requirements by 8% annually (compared to 1.5% annually under previous standards) for model years 2024-2026 and increase the estimated fleetwide average fuel economy by 12 miles per gallon for the model year 2026 vehicles, relative to the model year 2021.

The tightening of emissions standards in the European Union, China, Brazil, India, and the U.S. intends to promote the transition to ZLEVs. OEMs have been spending significant sums in R&D to meet the higher regulatory standards. Although the production of ZLEVs is accelerating due to regulatory requirements, to the extent that ZLEVs do not sell at the levels expected, production volumes may need to be reduced. Lower than forecast production poses a risk to our ability to recover pre-production expenses amortized in the piece-price of our product, as discussed above.

### Phase-Out of New ICE Vehicles:

In addition to more stringent fleet emissions and fuel efficiency standards, the number of national and subnational jurisdictions committing to, or accelerating existing commitments to, phase-out of the sale or registration of new ICE engines is growing. As part of its Fit for 55 legislation, the E.U. will require 100% reduction in CO2 emissions by 2035 effectively banning the sale of new gasoline and diesel fueled vehicles in the E.U. member countries by that date, with an interim reduction of 55% by 2030.

The United Kingdom has accelerated its plans to phase-out ICE passenger cars and vans, with all vehicles required to have a significant zero emissions capability (e.g., plug-in and full hybrids) from 2030 and be 100% zero emissions from 2035.

In North America, Canada has accelerated its mandatory phase out of ICE and diesel-powered vehicles through a new regulation that requires all new sales of vehicles and light-duty trucks to be zero emissions by 2035; with interim targets requiring 20% ZEVs from 2026 and rising each year until reaching the 100% target in 2035. Companies offering vehicles for sale in Canada will be required to offer a growing percentage of their fleet as ZEVs starting in 2026 and increasing to 100 per cent by 2035.

In the U.S., the State of California, California Air Resources Board (CARB) adopted the Advanced Clean Cars II proposal in 2022. The proposal bans ICE-powered vehicles by 2035, and has progressive targets for ZLEVs in the intervening years. 15 other U.S. States and the District of Columbia have existing laws that require state emissions policies to mirror those of California (Connecticut; Colorado; Delaware; Maine; Maryland; Massachusetts; New Jersey; New Mexico; New York; Oregon; Pennsylvania; Rhode Island; Vermont; Virginia; and Washington). Massachusetts, New York, Oregon, Washington and Vermont have formally declared the phase-out of new ICE vehicle sales from 2035.

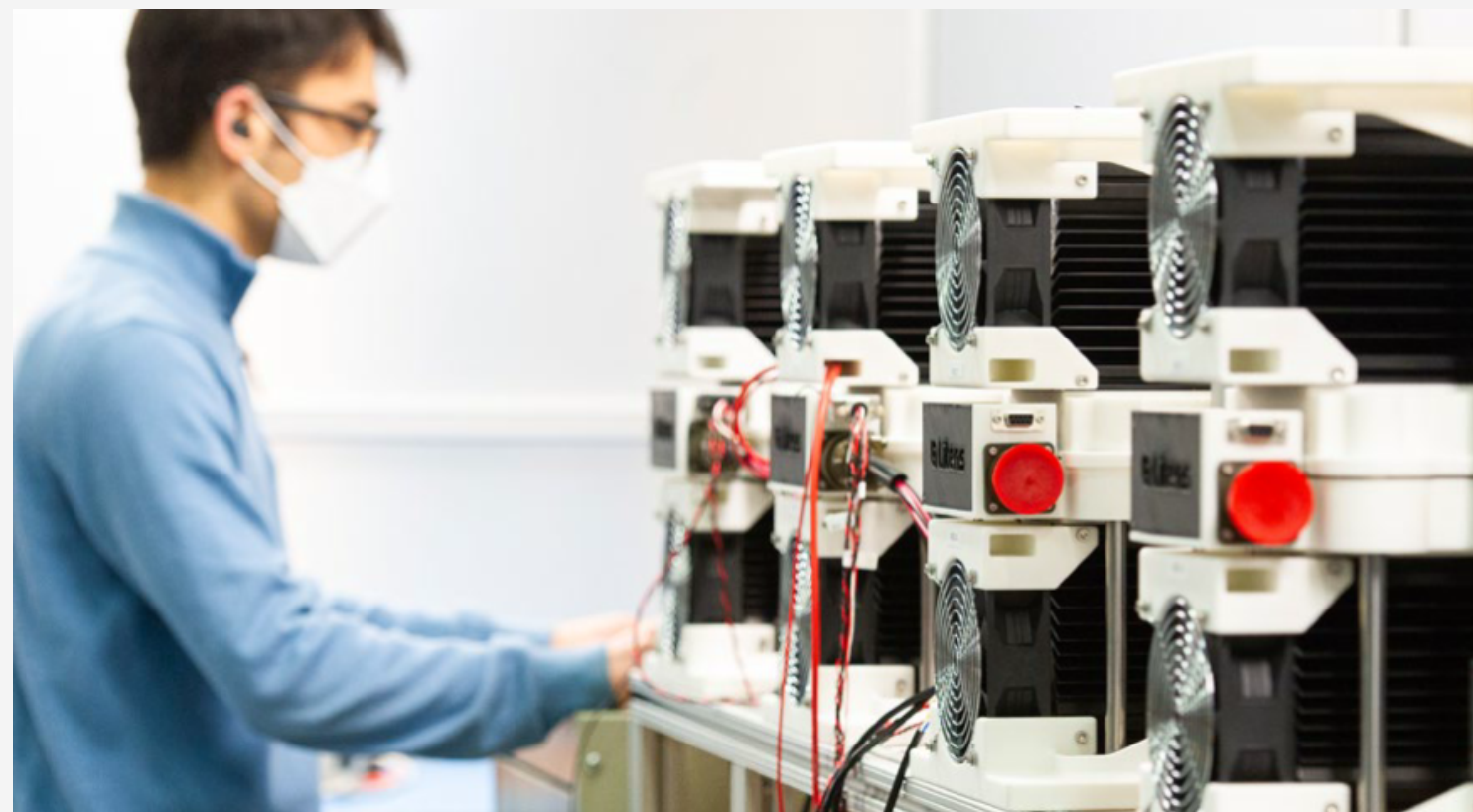
Given the long lead times for vehicle development, such proposals and emerging regulation are expected to increasingly impact OEM and automotive supplier product planning and development this decade, and have led to several OEMs establishing EV targets for specific brands or their complete vehicle offerings.

### Vehicle restrictions in congested urban centers:

Municipal governments in a number of cities around the world have introduced restrictions on personal-use vehicles in congested urban centers, to reduce CO2 emissions and improve urban air quality. Examples of restrictions include car-free zones, toll charges, and use restrictions by the license plate. Continued expansion of such initiatives could reduce the demand for personal-use vehicles, which could affect our profitability. We attempt to mitigate applicable policy risks relating to climate change-related regulation in a number of ways, including:

- Monitoring and evaluating global regulatory developments
- Early-stage interaction with our OEM customers to understand their product priorities and regulatory compliance requirements
- In-house R&D, combined with investment strategies in technological start-ups
- Strategic planning processes

In terms of direct policy actions affecting our operations, we anticipate continued strengthening of environmental regulations related to industrial emissions and discharge of pollutants to air, water, and ground.



### Customer-driven policy actions:

A number of our OEM customers have set carbon-neutrality targets and are challenging Tier 1 Suppliers to support such targets. In some cases, we are asked to quote the supply of future programs based on 100% renewable energy use for production. Although we expect to meet or exceed our customers' expectations, the inability to do so within the time frames expected could result in the loss of some future business.

### Climate-related litigation:

We do not believe that climate-change-related litigation represents a significant legal risk for us. However, if OEMs are adversely impacted by climate change litigation, there is a possibility that Tier 1 automotive suppliers like Litens could face additional pricing pressure.

### Technology:

In the case of drivetrain products, we view the know-how gained from our drivetrain expertise as being critical to our ability to deliver innovative electrified solutions that meet our customers' needs. In addition to continuing to offer a range of mechanical and electrified drivetrain products, we aim to mitigate technology transition risks through:

- Increased in-house R&D
- Targeted acquisitions
- Early customer engagement
- Increased university engagement



### Market:

Some of the risks impacting the market for our products in the transition to a lower carbon economy are described above under “Regulatory Policy Actions” and “Technology”. Additionally, there are potential risks to the demand for personal mobility vehicles and our products from technology-driven shared mobility solutions such as ride-hailing and ridesharing. To date, such shared mobility solutions have not had a material impact on the demand for new vehicles, and no such adverse effect is expected in the near- to medium-term. In any event, our strategy related to new mobility seeks to mitigate risks to our business and realize opportunities based on the breadth of capabilities we can offer to new mobility customers.

Additionally, in order to enhance our understanding of potential shifts in consumer behavior, we conduct our analysis of various factors that are expected to drive future personal and shared mobility trends, including through:

- Monitoring and analysis of the social, digital, demographic, regulatory, industry, geopolitical, and other trends which may create demand for and drive the development of new automotive and mobility technologies
- Review of academic research
- Collection and screening of ideas submitted through innovation programs
- Early-stage interaction with our OEM customers and new mobility market entrants to understand their product priorities

## Reputation:

Since light vehicles are global GHG emission contributors, Tier 1 suppliers like Litens may face reputational risks from participation in the automotive industry. Examples of such risk types include the potential loss of business from sustainability-focused customers and challenges attracting talent. A number of our OEM customers are embedding sustainability criteria in their sourcing decisions and could reduce purchases from us if they perceive Litens to lag other suppliers concerning sustainability. In addition, millennials and other workforce components want to work in companies they perceive as sustainable, making it difficult for companies to attract such talent if the company is perceived to be lagging in sustainability. However, OEMs and Tier 1 suppliers have been proactively adapting to climate change and transitioning to a low-carbon economy, as evidenced by the significant spending on R&D and technological innovation to reduce CO2 emissions, specifically through electrification and powertrain efficiency, as well as the setting of carbon neutrality targets in their operations.

At the same time, particular OEMs may be viewed as more or less sustainable based on their sustainability strategies and commitment to transitioning to a low-carbon economy. Equally, particular vehicle models or even entire vehicle segments may be perceived to be more or less sustainable. As a supplier to all major OEMs, we do not anticipate any consequences to our reputation that we may supply to any particular OEM, vehicle, or vehicle segment. In any event, we believe that our R&D and technological innovation, which is focused on light weighting, improved fuel economy and lower emissions, together with our sustainability strategy, including our carbon neutrality commitments, serve to mitigate potential reputational risks.

As the entire industry's carbon-neutrality efforts increase, the price of low-carbon steel and aluminum may increase in the near and medium terms until the supply of low-carbon products is sufficient to meet growing demand. In the near and medium term, the increasing production of ZLEVs may also strain supplies of the rare earth minerals and other metals required for vehicle battery systems, which we do not supply, including nickel, cobalt, and lithium used in EV batteries, copper for EV charging infrastructure and rare earth metals for EV motor magnets. However, such supply constraints could help spur the development of alternative battery technologies or low-carbon fuels and promote technological breakthroughs that could facilitate market penetration of hydrogen fuel cells or other technologies.

# PHYSICAL RISKS AND RISK MITIGATION

With the increased frequency and severity of extreme weather events associated with climate change, including floods, windstorms, wildfires, tornados, tsunamis, hailstorms, and other natural weather hazards, we face the risk that such an event could cause significant damage to one or more of our facilities or those of our customers and sub-suppliers. While our primary concern in an acute climate event affecting one of our facilities would be the safety and well-being of our employees, property damage and business interruption would represent the primary financial risk.

An acute climate event that significantly damages one of our facilities could disrupt our production and prevent us from supplying products to our customers. Such an event could lead to us incurring several costs, many of which may be unrecoverable, including:

- Costs related to the physical repair of any damage to our facility
- Costs related to premium freight or re-sourcing of supply
- Penalties or business interruption claims by our customers
- Loss of future business and reputational damage
- Higher insurance costs going forward

Extreme climate events could also disrupt supply chains for the industry over the near, medium, and long term. Such events can cause shortages of critical materials, which in turn drives prices higher. We maintain a global property risk control program to support our efforts to mitigate risks to our employees' safety, physical property risks, and potential for business interruption due to extreme weather events, including hurricanes, tornadoes, flooding, and earthquakes. The program, which includes risk engineering with support from a third-party property risk engineering consulting firm, includes the following elements to promote the physical resiliency of our facilities and minimize the risk of disruption to our operations:

- Periodic facility inspections
- Facility construction design review and recommendations
- Training and education

# CORPORATE ETHICS AND COMPLIANCE

## **Supplier Code of Conduct and ethics:**

Team to CEO and management are committed to conducting international business legally and ethically. Our President/Chief Executive Officer and Management have communicated and consistently reinforced our unequivocal compliance expectations through all levels of our organization. Our supplier code of conduct, which applies equally to all our directors, managers, and employees, articulates our compliance-oriented values and our expectations. It also establishes our standards of conduct in many specific areas, including:

- Employment practices and employee rights
- Respect for human rights
- Compliance with the law, generally
- Conducting business with integrity, fairness, and respect
- Fair dealing, including the prohibition on giving or receiving bribes
- Accurate financial reporting standards of conduct for senior financial officers
- Prohibition on insider trading and derivative monetization transactions
- Timely public disclosure of material information
- Compliance with antitrust and competition laws
- Environmental responsibility
- Occupational health and safety
- Management of conflicts of interest
- Protection of employees' confidential information
- Compliance with our corporate policies

## **Ethics and legal compliance program:**

To help our employees understand the values, standards, and principles underlying our supplier code of conduct, we developed specialized compliance training modules targeting. These modules select functional audiences and high-risk regions. In addition to providing training on legal compliance and ethics topics, these specialized programs are designed to be interactive and incorporate real-life scenarios and exercises, which we believe amplifies our compliance expectations and resonates more powerfully with participants.

## **Litens Action Response Line:**

We maintain a confidential and anonymous action response line, which is overseen by our Legal Counsel. The response line is available for employees and other stakeholders, such as customers and suppliers, to make submissions by phone or online at any time, and submissions are received and tracked. Reports to the response line are reviewed, and an investigation is conducted when appropriate. Our social audits also review these investigations to ensure consistency of discipline.

The supplier code of conduct is available on our website ([www.litens.com](http://www.litens.com)) and posted on our employee intranet in various languages. The supplier code of conduct is reviewed regularly, and our senior management must approve proposed amendments. We have also supplemented the requirements of the supplier code of conduct by adopting policies in key areas.



# CYBERSECURITY, PRIVACY, AND DATA

## Enterprise Cybersecurity:

We are committed to ensuring that we fulfill the cybersecurity requirements of our customers. In addition, we ensure that we comply with all emerging governmental rules and regulations regarding cybersecurity or privacy regulations, such as The General Data Protection Regulation (GDPR), which directly affects cybersecurity requirements. Our selection process for third-party (e.g., Cloud-based) services includes a due diligence approach that ensures that such services are evaluated and aligned with our overall approach to cybersecurity.

Litens has committed itself to becoming TISAX certified across our global operations by 2024. VDA TISAX® is a standard for information security in the automotive industry. It was developed by the German Association of the Automotive Industry (VDA). In 2023, Litens sites in Germany and China were certified to TISAX. Other sites are also working towards achieving the certification. TISAX implementation will benefit Litens by improving our information security systems and creating a safer business environment. It will also help us comply with GDPR (EU Data Protection Regulations).



## Privacy:

Litens is committed to preserving the privacy of our stakeholders by following applicable laws. Our Code articulates our approach to the privacy of our employees and the protection of their personal information. We only collect, use, and disclose personal information for legitimate business or employment purposes or required by law or with an individual's consent. In addition, like any other asset, confidential information, which includes trade secrets and proprietary information, is a valuable part of our business, and we aim to safeguard it.

# GRI CONTENT INDEX 2023

<b>Statement of use</b>	Litens Automotive Partnership has reported the information cited in this GRI content index for the period of January 1st, 2023, to December 31st, 2023, with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page Number
<b>GRI 2: General Disclosures 2021</b>		
The organization and its reporting practices	2-1: Organizational details	8-10
	2-2: Entities included in the organization's sustainability reporting	8, 11
	2-3: Reporting period, frequency and contact point	11
	2-4: Restatements of information	No material restatements. This report marks the first time Litens is reporting with reference to the GRI standard.
	2-5: External assurance	Litens achieves external assurance for its GHG emissions inventory data. Litens does not obtain assurance for its entire sustainability report at this time.
Activities and workers	2-6: Activities, value chain and other business relationships	8-10, 15-18, 20, 46-47
	2-7: Employees	34-35
	2-8: Workers who are not employees	34-35
Governance	2-9: Governance structure and composition	49
	2-10: Nomination and selection of the highest governance body	Not applicable
	2-11: Chair of the highest governance body	49
	2-12: Role of the highest governance body in overseeing the management of impacts	49

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
<b>GRI 2: General Disclosures 2021</b>		
Governance	2-13: Delegation of responsibility for managing impacts	49
	2-14: Role of the highest governance body in sustainability reporting	49
	2-15: Conflicts of interest	Information unavailable
	2-16: Communication of critical concerns	Information unavailable
	2-17: Collective knowledge of the highest governance body	Information unavailable
	2-18: Evaluation of the performance of the highest governance body	Information unavailable
	2-19: Remuneration policies	Information unavailable
	2-20: Process to determine remuneration	Information unavailable
	2-21: Annual total compensation ratio	Information unavailable
Strategy, policies, and practices	2-22: Statements on sustainable development strategy	4,13
	2-23: Policy commitments	4, 24, 33-34, 36, 38, 39, 56-57
	2-24: Embedding policy commitments	24, 27-30, 36, 38, 39, 56 -57
	2-25: Process to remediate negative impacts	Information unavailable
	2-26: Mechanisms for seeking advice and raising concerns	37
	2-27: Compliance with laws and regulations	Not applicable: No non-compliance was issued during the reporting period

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
<b>GRI 2: General Disclosures 2021</b>		
Strategy, policies, and practices	2-28: Membership associations	40, 43
Stakeholder engagement	2-29: Approach to stakeholder engagement	11, 37
	2-30: Collective bargaining agreement	Information unavailable
<b>GRI 3: Material Topics 2021</b>		
Disclosure on material topics	3-1: Process to determine material topics	11-12
	3-2: List of material topics	11-12
	3-3: Management of material topics	11, 27, 30, 33-34, 36, 37, 39, 44, 46, 56, 57
<b>GRI 201: Economic Performance 2021</b>		
Topic disclosures	201-1: Direct economic value generated and distributed	Information unavailable
	201-2: Financial implications and other risks and opportunities due to climate change	52, 55
	201-3: Defined benefit plan obligations and other retirement plans	35
	201-4: Financial assistance received from government	Information unavailable: Data not available at this time
<b>GRI 202: Market Presence 2016</b>		
Topic disclosures	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	Information unavailable: Not tracking at this time
	202-2: Proportion of senior management hired from local community	Information unavailable: Not tracking at this time

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
<b>GRI 204: Procurement Practices 2016</b>		
Topic disclosures	204-1: Proportion of spending on local suppliers	Information unavailable
<b>GRI 205: Anti-corruption 2016</b>		
Topic disclosures	205-1: Operations assessed for risks related to corruption	Information unavailable: Not tracking at this time
	205-2: Communication and training about anti-corruption policies and procedures	46-47
	205-3: Confirmed incidents of corruption and actions taken	No incidents of corruption was reported in the reporting period
<b>GRI 206: Anti-competitive Behaviour 2016</b>		
Topic disclosures	206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Please refer to Litens Code of Conduct available on our website
<b>GRI 302: Energy 2016</b>		
Topic disclosures	302-1: Energy consumption within the organization	25
	302-2: Energy consumption outside of the organization	Information unavailable: Data not available at this time
	302-3: Energy intensity	25
	302-4: Reduction of energy consumption	25, 27-28
	302-5: Reductions in energy requirements of products and services	Information unavailable: Data not available at this time
<b>GRI 303: Water and Effluents 2018</b>		
Topic management disclosures	303-1: Interactions with water as a shared resource	29

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
Topic management disclosures	303-2: Management of water discharge-related impacts	29
Topic disclosures	303-3: Water withdrawal	25, 29
	303-4: Water discharge	Information unavailable: Data not available at this time
	303-5: Water consumption	Information unavailable: Data not available at this time
<b>GRI 305: Emissions 2016</b>		
Topic disclosures	305-1: Direct (scope 1) GHG emissions	25, 28
	305-2: Energy indirect (scope 2) GHG emissions	25, 28
	305-3: Other indirect (scope 3) GHG emissions	Information unavailable: Data not available at this time
	305-4: GHG emissions intensity	25, 28
	305-5: Reduction of GHG emissions	25
	305-6: Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
<b>GRI 306: Waste 2020</b>		
Topic management disclosures	306-1: Waste generation and significant waste-related impacts	25, 30
	306-2: Management of significant waste-related impacts	30
Topic disclosures	306-3: Waste generated	25, 30

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
Topic disclosures	306-4: Waste diverted from disposal	25, 30
	306-5: Waste directed to disposal	25, 30
<b>GRI 308: Supplier Environmental Assessment</b>		
Topic disclosures	308-1: New suppliers that were screened using environmental criteria	46-47
	308-2: Negative environmental impacts in the supply chain and actions taken	Information unavailable: Data not available at this time
<b>GRI 401: Employment 2016</b>		
Topic disclosures	401-1: New employee hires and employee turnover	34
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	35
	401-3: Parental leave	35: Information available for Canada and China only
<b>GRI 403: Occupational Health and Safety 2018</b>		
Topic management disclosures	403-1: Occupational health and safety management system	44-45
	403-2: Hazard identification, risk assessment, and incident investigation	44-45
	403-3: Occupational health services	37, 44-45
	403-4: Worker participation, consultation, and communication on occupational health and safety	37, 44-45
	403-5: Worker training on occupational health and safety	45
	403-6: Promotion of worker health	37, 44-45

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
Topic disclosures	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44-45
Topic disclosures	403-8: Workers covered by an occupational health and safety management system	44-45
	403-9: Work-related injuries	45
	403-10: Work-related ill health	45
<b>GRI 404: Training and Education 2016</b>		
Topic disclosures	404-1: Average hours of training per year per employee	45
	404-2: Programs for upgrading employee skills and transition assistance program	34-36, 38
	404-3: Percentage of employees receiving regular performance and career development reviews	Information unavailable: Not tracking at this time
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
Topic disclosures	405-1: Diversity of governance bodies and employees	39
	405-2: Ratio of basic salary and remuneration of women to men	Information unavailable: Not tracking at this time
<b>GRI 406: Non-discrimination 2016</b>		
Topic disclosure	406-1: Incidents of discrimination and corrective actions taken	No incident of discrimination reported in the reporting period
<b>GRI 407: Freedom of Association and Collective bargaining 2016</b>		
Topic disclosure	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Please refer to Litens Code of Conduct available on our website



# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
<b>GRI 408: Child Labor 2016</b>		
Topic disclosure	408-1: Operations and suppliers at significant risk for incidents of child labor	46-47
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
Topic disclosure	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	46-47
<b>GRI 410: Security Practices 2016</b>		
Topic disclosure	410-1: Security personnel trained in human rights policies or procedures	Not applicable
<b>GRI 411: Rights and Indigenous Peoples 2016</b>		
Topic disclosure	411-1: Incidents of violations involving rights of indigenous peoples	No incident of violation involving rights of indigenous people reported in the reporting period
<b>GRI 413: Local Communities 2016</b>		
Topic disclosure	413-1: Operations with local community engagement, impact assessments, and development programs	41-43, 46-47
	413-2: Operations with significant actual and potential negative impacts on local communities	46-47
<b>GRI 414: Supplier Social Assessment 2016</b>		
Topic disclosure	414-1: New suppliers that were screened using social criteria	46-47
	414-2: Negative social impacts in the supply chain and actions taken	46-47

# GRI CONTENT INDEX 2023

GRI Standard	Disclosure	Page Number
<b>GRI 416: Customer Health and Safety 2016</b>		
Topic disclosure	416-1: Assessment of the health and safety impacts of product and service categories	15-21
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Information unavailable: Not tracking at this time
<b>GRI 418: Customer Privacy 2016</b>		
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable

# GLOSSARY

## A

### **Anti-competitive behavior**

action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition.

### **Anti-trust and monopoly practice**

action of the organization that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition.

## B

### **Base year**

Historical datum (such as year) against which a measurement is tracked over time.

### **Baseline**

Starting point used for comparisons.

## C

### **Collective bargaining**

All negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.

### **Conflict of interest**

Situation where an individual is confronted with choosing between the requirements of their function in the organization and their other personal or professional interests or responsibilities.

### **Corruption**

'Abuse of entrusted power for private gain', which can be instigated by individuals or organizations.

### **Customer privacy**

Right of the customer to privacy and personal refuge.

## D

### **Direct (Scope 1) GHG emissions**

Greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization. Ex. CO2 emissions from fuel consumption

### **Discrimination**

Act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit.

## E

### **Effluent**

Treated or untreated wastewater that is discharged.

### **Energy indirect (Scope 2) GHG emissions**

Greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization.

### **Energy reduction**

Amount of energy no longer used or needed to carry out the same processes or tasks.

# GLOSSARY

## F

### **Forced or compulsory labor**

All work and service that is required from any person under the threat of any penalty and for which the said person has not offered herself or himself voluntarily.

### **Freedom of association**

Right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity.

### **Freshwater**

Water with concentration of total dissolved solids equal to or below 1,000 mg/L.

## G

### **Global warming potential (GWP)**

Value describing the radiative forcing impact of one unit of a given greenhouse gas (GHG) relative to one unit of CO<sub>2</sub> over a given period of time.

### **Governance body**

Formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

### **Greenhouse Gas (GHG)**

Gas that contributes to the greenhouse effect by absorbing infrared radiation.

### **Groundwater**

Water that is being held in, and that can be recovered from, an underground formation.

## H

### **Hazardous waste**

Waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation.

### **Human rights**

Rights inherent to all human beings, which include, at a minimum, the rights set out in the *United Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*.

## I

### **Impact**

Effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development.

## M

### **Material topics**

Topics that represent the organization's most significant impact on the economy, environment, and people, including impacts on their human rights.

## N

### **Non-renewable energy source**

Energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes.

# GLOSSARY

## N

### **Non-renewable material**

Resource that does not renew in short time periods.

## O

### **Occupational health and safety management system**

Set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives.

### **Other indirect (Scope 3) GHG emissions**

Indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions.

### **Ozone-depleting substance (ODS)**

Substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer.

## P

### **Parental leave**

Leave granted to men and women employees on the grounds of the birth of a child.

### **Produced water**

Water that enters the organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization.

## R

### **Recycling**

Reprocessing of products or components of products that have become waste, to make new materials.

### **Reduction of greenhouse gas (GHG) emissions**

Decrease in greenhouse gas (GHG) emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions.

### **Remuneration**

Basic salary plus additional amounts paid to a worker.

### **Renewable energy source**

Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes.

### **Renewable material**

material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation.

### **Reporting period**

Specific time period covered by the reported information.

## S

### **Scope of GHG emissions**

Classification of the operational boundaries where greenhouse gas (GHG) emissions occur.

# GLOSSARY

## S

### **Senior executive**

High-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body.

### **Severity (of an impact)**

The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm).

### **Stakeholder**

individual or group that has an interest that is affected or could be affected by the organization's activities.

### **Standard benefit**

Benefit typically offered to the majority of full-time employees.

### **Supplier screening**

Formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier.

### **Supply chain**

Range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services.

### **Sustainable development/sustainability**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs

## W

### **Waste**

Anything that the holder discards, intends to discard, or is required to discard.

### **Water consumption**

Sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period.

### **Water discharge**

Sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period.

### **Water withdrawal**

Sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.