

VISSCHER- CARAVELLE SUSTAINABILITY REPORT 2021



Vicim

Innovative mouldings



VC Group



VANPROTECH



Visscher-Caravelle

Innovative car mats

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INTRODUCTION

ABOUT THIS REPORT

Each year, Visscher-Caravelle publishes a sustainability report that includes all activities on social and environmental responsibility. This is the fourth publication.

Period of reporting

This report includes our social and environmental activities between 1st January 2021 and 31st December 2021.

Reporting scope

This report covers all activities in our headquarters in the Netherlands and our production sites in Poland and Mexico.

Reporting standards

This report was prepared in accordance with the United Nations Global Compact (UNGC) – Communication on Progress (COP) guide.

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CEO MESSAGE

The 2021 Annual sustainability report is our fourth edition with this format. During these years of reporting we took actions, we learned and we improved our measures towards a sustainable model by the hand of positive social impact. From the business perspective, It is not feasible to have a strong, functioning business without taking actions in these areas. Therefore, we continued with several researches, projects and acquisitions that help us to approach to our main goals.

At the beginning of 2021 VC Group acquired the company "Puras". This company works with Seronyl, a 100% recycled material for all-weather mats. Together we combine our expertise to become part of a larger whole of positive change. We expect an increase in sales volumes, of this carpet construction, for end of 2022.

Our efforts continued in our Mexican manufacturing plant where changes have been implemented quickly, but the road is not over. This project had been running for 2 years, seeking to reduce our carbon footprint through local consumption and production, without engaging the quality of our products. Also, we invested in energy-efficiency for our Mexican manufacturing plant, which enables the production of our products in a more sustainable way.

In our production plants we pursue goalsetting and planning for a carbon neutral manufacturing. These measures were implemented in our manufacturing operations and requested from our suppliers. Other efforts included the reduction of waste where numerous projects generated a reduction of 20%.

In addition, we are making changes through trainings & sustainability awareness programs at VC Mexico. In regard of the social impact, our activities seek to cooperate with the local community through activities that are social responsible.

We will keep working to make the world a better place for us and for the future generations. Sustainability and trust will be always the most important values for us. Our goal is that our business can contribute with innovation and solutions to prevent, mitigate and adapt to climate changes and its adverse impacts on the planet and its people.

Tiemen van Dijk

CEO, Visscher-Caravelle



COMPANY OVERVIEW

CORPORATE CORE VALUES

Our core values form the basis of everything we do. We have four core values: operational excellence, global presence, design & innovation, and sustainability. We aim to make a positive impact on our value chain and society.

OPERATIONAL EXCELLENCE

Operational excellence has always been the most important value for us. We have continuously focused on top performance in quality, cost, and delivery.

Continuous improvement, strong cooperation in our supply chain, team cooperation, and lean management are the key drivers of our operational excellence.

GLOBAL PRESENCE

Global presence has successfully supported operational excellence. We have located ourselves in multiple area – from Europe to America and Asia.

This helped us to get closer to our customers in the world. As the end of 2020, we have 5 production sites in 3 countries and sales offices in 5 countries.

DESIGN & INNOVATION

Design gets bigger attention than previous time for future mobility. We are also investigating new design possibilities from customers' design philosophy and industry trends.

We believe design can create a good synergy with sustainability and try to keep finding diverse resources.

SUSTAINABILITY

We acknowledge our role and position in the value chain and the influence that we exert. We believe sustainable products and services should be in harmony with customer needs.

We are committed to the sustainable growth and aim to work with our employees and business partners to generate a positive impact on human, social, and ecological level.

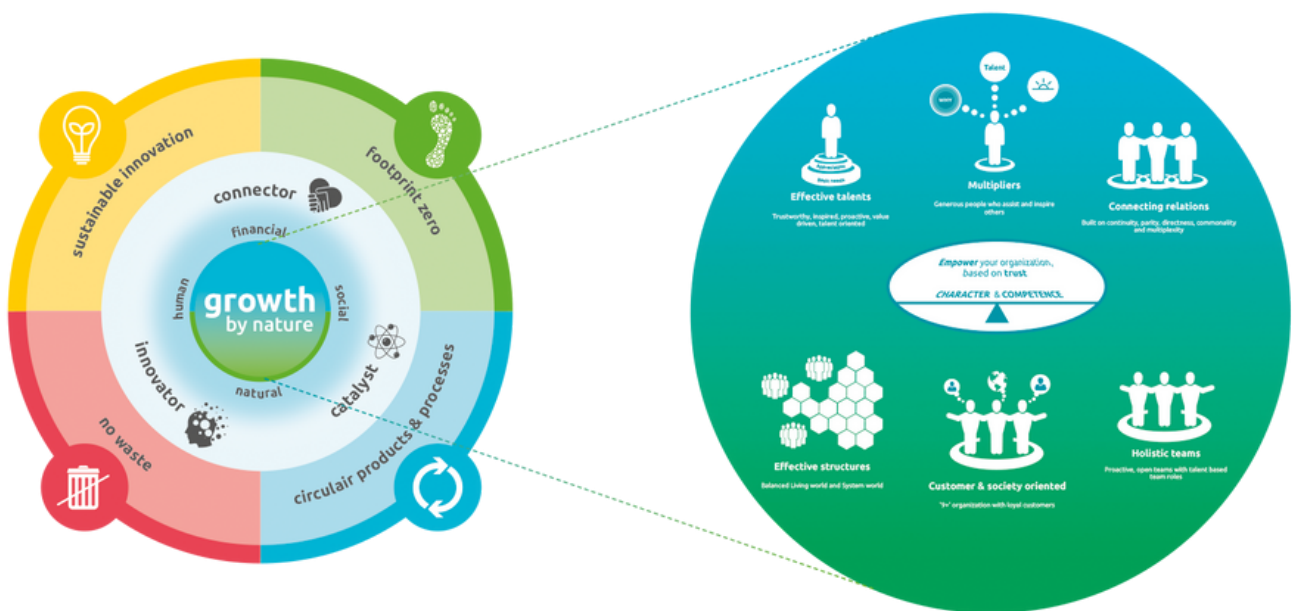
GLOBAL PRESENCE



ORGANISATIONAL VISION

OUR VISION

Visscher-Caravelle has corporate vision “Growth by nature”. It embraces our will to contribute to the greener society and cooperate with employees and social environments. We want to grow based on the harmony of sustainability and our culture of trust.



What we optimally aim for is

Autonomy : Freedom and responsibility in balance

Involvement : Between each other and with the work

Self-development : Developing your talents and identity

These three can be realized only under the “culture of trust”. We believe trust is one of the most powerful motivational and inspirational forces.

This trust consists of character and competence.

Character : People / employees have the right intentions and that these are in line with their own personal values; their integrity.

Competence : People / employees have the capacity (talents, attitudes, skills and knowledge) to do what they should do. They deliver the right results in the right way .

ORGANIZATIONAL VISION

OUR VISION

We base our actions on the following organizational values. It is our goal to make Visscher-Caravelle full of these values and we are working on it every day.

I am honest

- I am open and transparent, without damaging the interest of the company
- I refuse to accept or initiate any form of dishonesty
- I behave in accordance with current code of conduct

I perform

- I understand my profession and realize sustainable results with a professional attitude
- I take the responsibility that comes with the freedom I get
- I strive for joint results and success

I Serve

- I know, respect and appreciate my stakeholders
- I create long-lasting connecting relationships with my stakeholders
- I take my stakeholders interests into account (Take win-win)

Effective talents

To make sure everyone delivers result that match their capacity, we continuously discover, understand, develop and align available and necessary talents, values and drives.



Effective structures

We always look for the right balance between the “living world” and the “system world”, which consists of rules, procedures and systems. We try to keep the system world as small as possible, adjusting it to stay in line with the real world.



Holistic teams

An organization can become strong based on the complementary effect which happens when strength, knowledge and skills are combined, in order to reach a common goal. When relationships are good, things can be arranged quickly and don't make much energy.



Customer & Society-oriented organization

We always try to find new possibilities to add value for our customers. Also, we realize that we are a part of our society. We make use of people and means from our society and we have an influence on our surroundings.



Connecting relationships

An organization can become strong based on the complementary effect which happens when strength, knowledge and skills are combined, in order to reach a common goal.



Multipliers

Leadership starts with yourself. Whether or not you have a position as a leader, your behavior always influences your surroundings. We want others to be successful and we have the intention to make each other better.





VC SUSTAINABILITY VISION

With growing concerns about climate change, sustainability has become a strategic priority in the automotive industry. Being part of our core values, sustainability is significant to our business. Our sustainability goals have four main pillars.



SUSTAINABILITY GOALS

Based on our latest lifecycle analyses (LCA), we found that the biggest challenge for Visscher-Caravelle group is to reduce our carbon footprint. About 80% of our carbon footprint comes from the materials used in our daily operations. Therefore, we prioritize material development, operations and waste management for our main focus areas to transform.

Sustainable innovation

- We aim to develop a recyclable product with a recycling chain together with at least 1 OEM within 5 years.
- We aim to develop a product/solution for fleet owners (mobility services) together with at least 1 fleet owner within 3 years.
- We target to find a sustainable solution for future flooring within 10 years

Carbon footprint zero

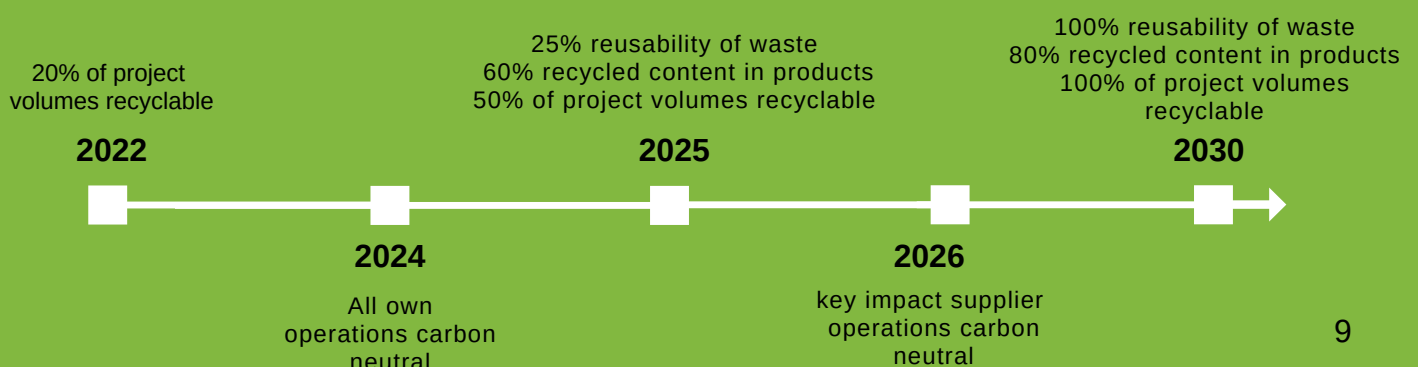
- We aim for all our own operations to be carbon neutral per 2024.
- We aim for operations of our key impact suppliers to be carbon neutral per 2026.

No waste

- We aim to increase the reusability of waste and reach 25% per 2025 and 100% per 2030.
- We aim for a proportional waste reduction of 5% per year.

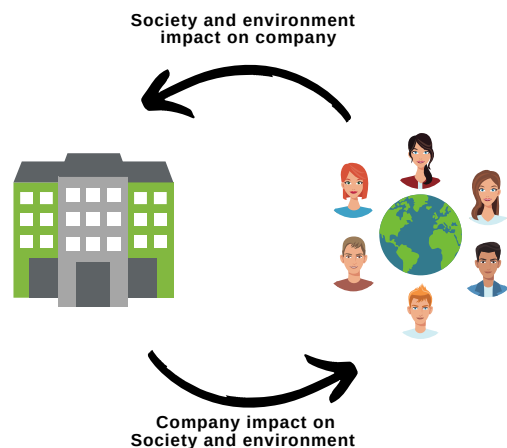
Circular products and services

- We aim for 60% recycled content in our products by 2025 and 80% by 2030.
- We want 20% of our implemented project volumes to be recyclable by 2022, 50% by 2025 and 100% by 2030.



DOUBLE MATERIALITY

As a world-leading car mats company, we feel responsible for the environmental and social impact we can have on the world. In addition, we need to take into account that this impact can be reciprocal. The automotive industry is shifting rapidly towards sustainability. We analyzed both the impact that sustainability issues have on our company and the impact that we have on the environment and people.



Society and environment impact on company

Climate change is a threat to human well-being and planetary health. Climate change will lead to more droughts, heatwaves, higher sea levels and extreme poverty. These global developments will also impact our company. In 2021 we have seen two significant developments that could be understood (at least partly) as effects of environmental issues:

1. Significant increases of energy costs
2. Major disruptions in logistics and cost increase.

To mitigate these we continue our efforts in vertical integration e.g. in Mexico. These result in localization of materials (eliminating transports) and more energy-efficient production technology. We also take into account physical risks from climate change as indirect risks for our company.

However, transitional risks are currently more direct and urgent risks for our company. The market is moving towards more sustainable mobility. Carmakers are accelerating their shift to electrification by bringing a wider range of Electric Vehicles (EV's) on the market in order to meet carbon emission targets. If we would not take part in the movement towards more sustainable business, we risk losing our position on the market. In order to stay relevant and find new opportunities, VC is closely cooperating with several of new mobility players such as Tesla, Rivian and Vinfast.

The legal environment is changing as well, with stricter environmental regulations requiring us to reduce our global carbon footprint and coming up with circular solutions. Moreover, investors are increasingly including sustainability-related criteria. If we would not invest adequately in sustainability, we risk to face external financing problems.

Company impact on Society and environment

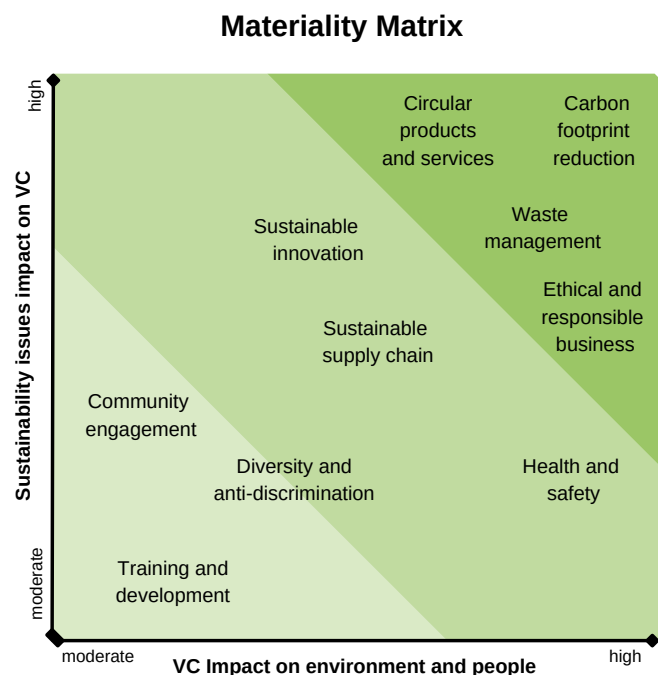
Our company affects the environment and people in a variety of ways. We want to take responsibility for our actions and do our part in securing a sustainable future for all. For Visscher Caravelle keeping good relations with our stake holders is important that is why we identified the following issues or interest from our stakeholders which are covered by our sustainability goals , global code of conduct and supplier sustainability policy .

- Training and development
- Community engagement
- Sustainable innovation
- Diversity and anti-discrimination
- Sustainable supply chain
- Circular products and services
- Health and Safety
- Ethical responsible business
- Carbon footprint reduction

We know that to fulfill the needs of a more sustainable product we need to work together with our key suppliers. Therefore, the acquisition of Puras (company that uses a 100% recycled material for all weather mats) and the expansion.

In the production of VC Mexico (through more recyclable materials and local suppliers) were key actions during 2021 .

With regard to social impact, being an ethical and responsible company is our focus. This includes we have strict labor, human rights and anti-corruption principles (see pages 18 and 21) . Also, we try to have a positive impact in the communities around through our various social impact activities (see pages 19-20).



ACHIEVEMENTS

Carbon footprint zero

Some internal agreements made to reach carbon footprint zero are changes in our car leasing policy in order to achieve a green fleet by 2023. The new policy will be effective by Q2 2022. The greening of our fleet will take some time due to current lease contract periods. Also, in some areas of our operations, zero emissions cars are not possible as there is a lack of proper charging infrastructure. Also, our travel policy was modified to reduce the amount of flights our employees attend. If flying is still necessary, we will fully compensate the related carbon emissions. The new travel policy will be effective by Q2 2022.



We are collaborating with our production plants to develop and implement a carbon footprint reduction program in our operations. It is expected that successful sustainable practices will be adopted in the whole company after this program. In addition, we are currently laying the foundations for an effective sustainable material development and collaboration with our key impact suppliers.

Circular products & processes



During 2021 our efforts to reach circular products and processes lead us to achieve a 24% usage of recycled carpet yarn. Also, at the beginning of this year, Visscher Caravelle acquired the company Puras and worked together in the production of all-weather mats made with Seronyl a 100% recycled material. We are expecting that the production of all-weather mats made with Seronyl increases for 2022. Also, we continue with our innovation efforts towards a wider range of sustainable materials.

No waste

We are researching the reusability of our mainstream materials and several suitable recycling techniques. We are already reusing some of the materials within our production process. Various successful waste saving projects made us reduce our waste by 20% versus base year 2019.



SUSTAINABILITY RISKS

We have set ambitious goals to challenge ourself to become a more sustainable company and to truly act in line with our vision. At the same time, we realize that there is still a lot to learn about carbon neutrality, both for us and for our suppliers. We need to work together in order to bring about real change.

Part of our process of dealing with those risks is through different internal actions. These actions include follow-up of assessments and sustainable policies, and new environmental regulations. We as Visscher-Caravelle will continue to work hard to reach our challenging goals on time.

SUSTAINABILITY STRUCTURE IN THE COMPANY

Vision, goal setting and progress review	Board members
Sustainability Strategic Alignment, Management, Communication and Stakeholder engagement	Responsible board member
Implementation and execution of strategy and targets	Line management responsible
Raising awareness, triggering ideas and involvement in local initiatives	Local ambassadors

SUPPLY CHAIN

VC expects co-operation with suppliers to meet applicable standards and behave consistently with VC's values throughout their supply chain. During 2021 we strengthened our relation with suppliers through meetings to enforce our commitment towards sustainability within our supply chain. As well as exhort our suppliers to follow our Supplier Sustainability Policy. The Supplier Sustainability Policy can be found in our website. This concerns both direct and in-direct supplies. In addition, an SAQ (in testing phase) was shared within our key suppliers to analyze their commitment towards sustainability measures and developments.

Our suppliers are expected to understand and act consistently with VC's approach to integrity, responsible sourcing, and supply chain management. VC expects that its suppliers will cascade similar expectations through their own supply chains.



CERTIFICATION

Visscher-Caravelle acquired ISO 14001:2015 certification in the production plant of Mexico. The audit took place in our Mexican facility on July 2021. This certification was previously obtained by the production plant of VC Poland and the offices of VC Netherlands.



LIFE CYCLE ANALYSIS

Every year we conduct LCA (Life Cycle Analysis) based on GHG protocol. The amount of CO₂ emission in 2021 has increased compared to the 2020 LCA. The main changes that increased the CO₂ in 2021 were:

- Increase in production volumes (that lead to increase in materials, waste, energy consumption, etc)
- Increase in business travels.

These factors are related to the corona crisis reduction in volumes from our customers and travel restrictions. Nevertheless, we continue working to reduce our CO₂ footprint through our sustainable goals.

Location	Scope 1	Scope 2	Scope 3
VCNL	1	29	68
VCPL	301	1,317	51,367
Vicim	0	2,079	27,428
VCMex	0	681	35,881
Vanprotech	6	475	1,914
Total (2021)	308	4,581	116,658
Total (2020)	235	3,494	105,992

ELECTRICITY GENERATION FROM SOLAR PANELS

VCNL and VCPL currently generate electricity from the installed solar panels. In the Netherlands, around 61% of electricity usage is covered by electricity from the solar panels in the facility. While in VC Poland the electricity coverage is around 0.40%

For past years, we had positive experiences with solar panels. Therefore, we are investigating the possibility to apply this system to other VC locations.

Location	total electricity (KWh)	Electricity generated from solar panels (kWh)	Proportion of renewable energy (%)
VCNL	303,919	186,810	61.47%
VCPL	2,237,000	8,830	0.40%



IMPLEMENTED ACTIVITIES & OUTCOME

World Environment Day

Protecting and improving the environment is taking care of the our planet health. Our facilities in Mexico made a communication meeting to inform the employees regarding World Environment Day and how we can take care of our planet and the end of the meeting every employees had the opportunity to adopt a tree to plant at home.



Reduce, Reuse and Recycle

Visscher Caravelle Mexico focus on making better practices related to the reduction of waste through the rule of the "3Rs" (Reduce, Reuse and Recycle). The rule is applied by a better management in the consumption of the carpets (that leads to a reduction of waste), reuse and recycle into shoe insoles. In 2021 ,17.5 tons of carpet waste were reused in the manufacture of shoe insoles.

SOCIAL IMPACT

VC HUMAN RIGHTS PRINCIPLES

Visscher-Caravelle respects all laws and regulations related with human rights. Our code of conduct includes our policies that protect human rights in the business activities.

Health and Safety

Visscher-Caravelle expects from its employees no matter where they work or what they do for the company, that they will put safety first. Visscher-Caravelle is continuously working on providing a safe and healthy working environment, to prevent workplace injuries. Employees are expected to behave in a safe and proper manner and to comply with rules on health and safety at work.

Anti-discrimination

Visscher-Caravelle wants to respect the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination. Therefore, employees must not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation. Employees who feel that their workplace does not comply with above principles are encouraged to raise their concerns with the HR department.

Anti-harrassment

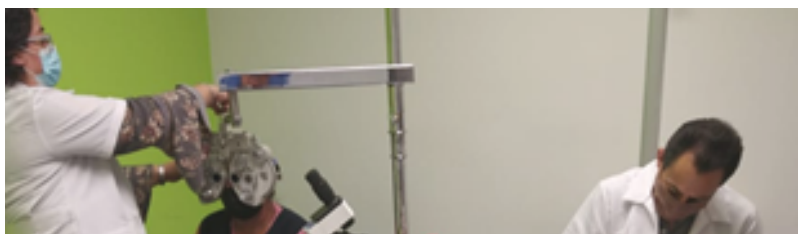
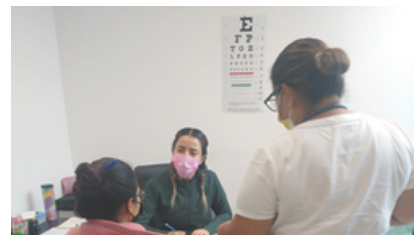
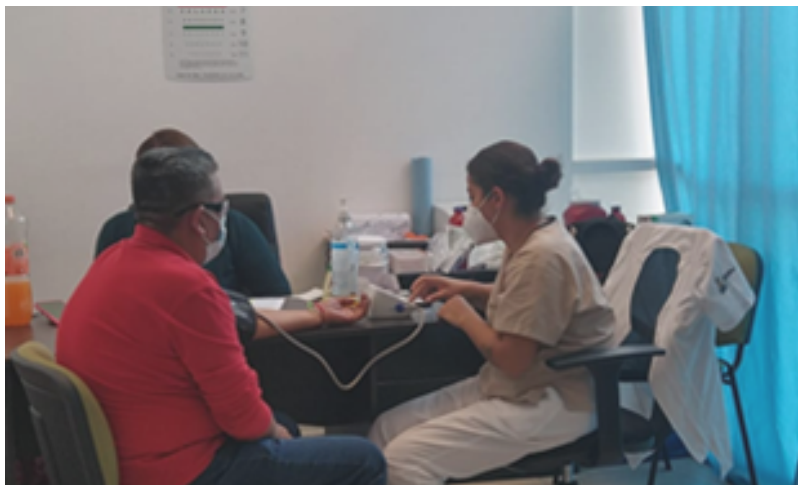
Visscher-Caravelle seeks to provide a work environment that is free from harassment of any kind and/or any other offensive or disrespectful conduct. Visscher-Caravelle complies with all country and local laws prohibiting harassment. Harassment includes unwelcome verbal, visual, physical or other conduct of any kind that creates an intimidating, offensive or hostile work environment.

IMPLEMENTED ACTIVITIES & OUTCOME

Health and Safety Week

Campaign for the preservation of Health and promotion of the culture of Safety Education. Visscher-Caravelle Mexico dedicated a week of trainings and activities focused on promoting health, personal well-being and the promotion of an industrial safety culture of all our employees in order to provide elements of self-care in comprehensive health.

- Vaccinate our workers against influenza and tetanus
- Papanicolaou application to our female population
- Delivery of contraceptive methods
- Oral health promotion
- Visual health promotion
- Nutrition promotion



25 anniversary VCPL

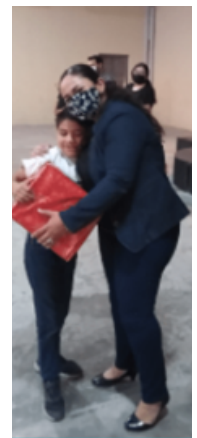


In July 2021, 25 years of VCPL were celebrated in a special event where employees with 20 years of work within the company were recognized for their performance and the quality of their work. Also, during this event there were different social activities for the employees to enjoy related to events and commissions for employees were carried out.

Fundraising

At VC, part of our vision is to build good relationships within the societies where we work. This is why each year we support various foundations through activities inside VC that are carried out to collect money to be donated. Some of the foundations to which we made donations during 2021 are:

- VCNL: fundraising for the ALS foundation through various campaigns
- Vicim: fundraising WOŚP a foundation
- Vicim: fundraiser for the Single Mother House in Toruń
- VCMEx: Ministerios Pan de Vida fundraising
- Vanprotech: Gifts for children staying in hospital during the Christmas time.



VC LABOR PRINCIPLES

Employees are one of the most important parts in Visscher-Caravelle. Working environment must be safe and our employees must get good opportunities for personal development.

Forced labor and human trafficking

Visscher-Caravelle prohibits the use of all forms of forced labor, including indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking. Visscher-Caravelle does not tolerate if anyone representing the company is involved or connected to one of these abuses.

Child labor

Visscher-Caravelle prohibits the hiring of individuals that are under 18 years of age for positions in which hazardous work is required. Visscher-Caravelle does not tolerate if anyone representing the company is involved or connected to this abuse.

Freedom of association and collective bargaining

Visscher-Caravelle respects the employees' right to join, or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, Visscher-Caravelle commits to establishing a constructive dialogue with their freely chosen representatives. The company is committed to bargaining in good faith with such representatives.

LABOR IMPLEMENTED ACTIVITIES & OUTCOME

Employees satisfaction Index

There is always something to improve and our employees are the most indicated ones to point those opportunity areas. We hear our employees' opinions throughout employees satisfaction survey where we collect our employees suggestions and needs in order to develop measures and action plans to promote a suitable place to work.

There are different surveys conducted on a yearly basis. Currently we gather the participation rate In 2021. We are working to centralize the survey to have a better understanding of our employees satisfaction rate.

Location	participation rate %
VCNL	n/a
VCPL	n/a
VCMex	53%
Vicim	60.8%
Vanprotech	n/a

Training and education

Training and education are essential for employee satisfaction and performance. We provide our employees training and education to develop themselves and reach to their full potential. For example, 22 people in VC Poland had English lessons.

	Total number of people trained	Total hours of training
VCNL	0	0
VCPL	54	500
VC Mex	396	4967.5
Vicim	35	488
Vanprotech	34	88

Child labor and discrimination of employment

We are committed to respecting human rights and labor laws. We never allow forced and child labor. Also, we avoid any discriminative factors in employment.

Total number of employees 2021			Number of employees at Management level 2021		
	Men	Women		Men	Women
VCNL	35	29	VCNL	11	2
VCPL	281	568	VCPL	5	2
VC Mex	177	224	VC Mex	6	4
Vicim	118	105	Vicim	5	3
Vanprotech	51	13	Vanprotech	4	3

Total number in average range in 2021					
	18 - 25 years	26 - 35 years	36 -45 years	46 - 55 years	56 - 67 years
VCNL	3	14	29	14	
VCPL	106	231	225	209	78
VC Mex	91	139	110	52	9
Vicim	39	82	56	33	8
Vanprotech	17	21	15	8	2

Integration

Vanprotech made a integration with all the employees with different sport activities and competition. The main focus of the activities was for employees to learn from others and develop new skills. During this integration event attendees enjoyed a barbecue and had some time to creating bonds.



Perfect Attendance Recognition

VMex recognized employees with perfect attendance to express appreciation, motivate employees, and reinforce the desired to go to work in the company. This recognition was also to encourage employees in the workplace and highlight their good performance.



VC ANTI-CORRUPTION PRINCIPLES

For Visscher-Caravelle, doing business in an honest and respectful way is a key condition and the only way of doing business. This is not limited into a certain country or customer, but includes all situations where Visscher-Caravelle is involved. Our Global Code of Conduct shows our principles.

Anti-corruption

Visscher-Caravelle doesn't want to be involved in any way of corruption. The company expects from its employees that doing business should never being influenced by corruption. Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited.

Anti-bribery

Visscher-Caravelle expects that its employees comply with all anti-bribery laws. Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private.

Political activities

It is prohibited that employees from Visscher-Caravelle are using company resources for personal political activities. The company expects from its employees that they will not use company funds or resources, or receive company reimbursement, for personal political activities, including contributions to political candidates or parties. Employees should avoid even the appearance of doing so. When employees decide to contribute their own time and money to any political or community activity are entirely personal and voluntary.

VC GRIEVANCE MECHANISM

In 2018, we formulated our own grievance mechanism to address all legal and non-legal grievance related to employees, organization, and workplaces. All grievances will be addressed by the below mechanism.

