



# VC Automotive Group

*Innovative together*

## SUSTAINABILITY REPORT

# 2022



Visscher-Caravelle

*Innovative car mats*



Vicim

*Innovative mouldings*



VANPROTECH

*innovative car protection parts*

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# INTRODUCTION

## ABOUT THIS REPORT

Our latest Sustainability report is a testament to our commitment to both social and environmental responsibility, driven by a passion to "grow by nature". We enjoy sharing the strides we've taken towards a greener future. This report also highlights our deep-seated commitment to empowering the communities we touch. From adopting innovative, eco-conscious practices to supporting meaningful partnerships. This is the fifth publication of the sustainability report.

### **Period of reporting**

This report includes our social and environmental activities between 1st January 2022 and 31st December 2022.

### **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.



## MESSAGE FROM OUR CEO

*The 2022 sustainability report marks the fifth edition of our yearly reporting. Over these reporting years, we have taken proactive measures, gained insights, and enhanced our practices towards a sustainable business model, emphasizing positive social impact. From a business standpoint, establishing a robust and effective system necessitates active involvement in these areas. We have continued to conduct various research initiatives, undertook projects, and made acquisitions that align with our sustainability objectives.*

*Our commitment persisted at our Mexican manufacturing plant, where swift changes have been implemented in an ongoing project spanning 3 years. The objective is to minimize our carbon footprint by emphasizing local consumption and production without compromising product quality, and environment. Additionally, we invested in enhancing energy efficiency at all our plants, thereby enabling a more sustainable production process.*

*We are actively engaged in goal-setting and planning to achieve carbon-neutral manufacturing. These measures have been implemented not only within our operations but have also been extended to our suppliers.*

*We remain committed to ongoing efforts to create a better world for current and future generations. Sustainability and trust are foundational values for us. Our overarching goal is for our business to pioneer innovation and provide solutions that address, mitigate, and adapt to climate changes and their adverse impacts on the planet and its inhabitants.*

*Tiemen van Dijk*

*CEO, Visscher-Caravelle*



# COMPANY OVERVIEW

## CORE FOCUSES

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

### Operational excellence

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- Top performance (QCD)
- Continuous improvement
- Cooperation
- LEAN management

### Global presence

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- Operations in multiple areas
- Production sites in 3 continents
- Close to our customers
- Sales offices in several countries

### Design and innovation

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- New design developments
- Sustainable resources
- Future mobility
- Industry trends

### Sustainability

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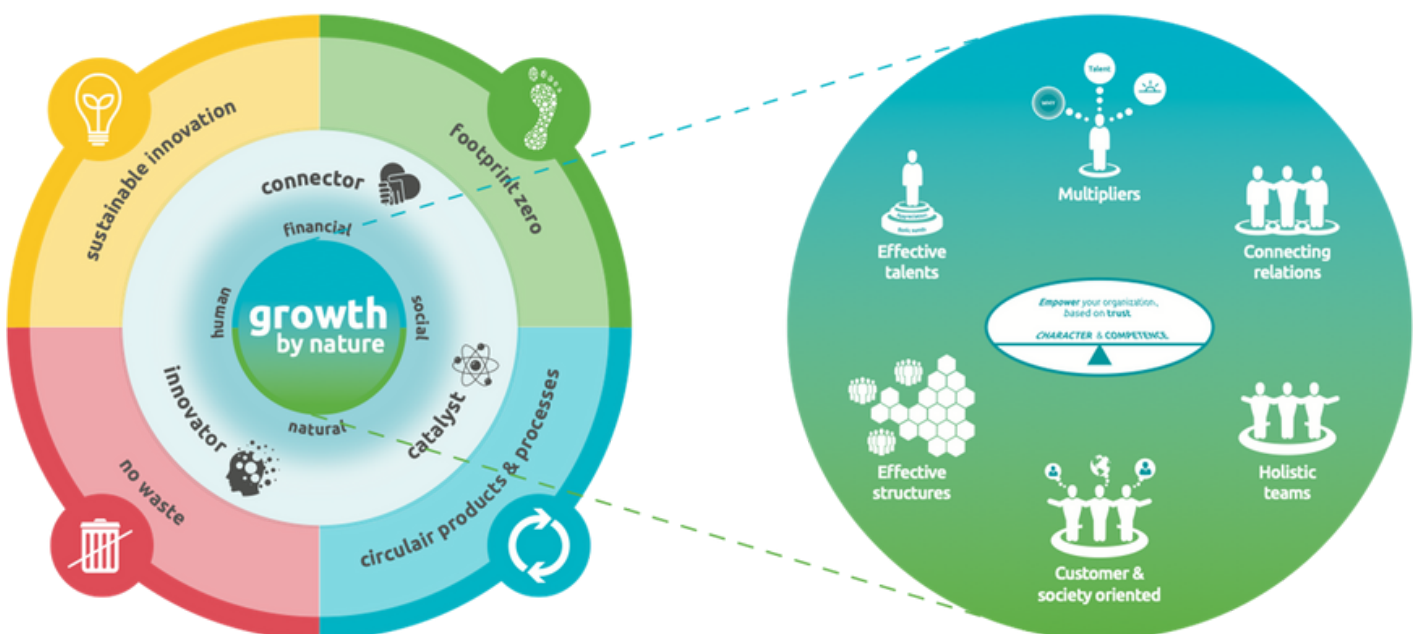
- Circular products and services
- Driven by customer needs
- Sustainable growth
- Future-proof



## OUR VISION

Visser-Caravelle has a corporate vision of “Growth by nature”. It embraces our ambition to contribute to the greener society and cooperate with employees and society. Our determination of success lies between the harmony of sustainability and our culture of trust:

*‘Empower your organization based on trust’*



The following three principles show what we aim for as a global organization. These principles are all based on trust, which consists of character and competence:

1. **Autonomy:** freedom and responsibility in balance;
2. **Involvement:** with each other and with work;
3. **Self-development:** developing talents and identity.

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

**Competence:** employees have talents, attitudes, skills and knowledge to do their jobs. They deliver results in the right way.





## OUR VALUES

We defined three important organizational values. We acknowledge these values as a guideline for every employee of the company worldwide. To make the values more recognizable they are clarified in the following sentences. In addition, we have defined six focuses that represents our values:

### 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 (think 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.



## OUR VALUES

### Holistic teams

An organization can become strong based on the complementary effect which happens when strength, knowledge and skills are combined, to reach a common goal. When relationships are good, things can be arranged quickly and do not 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, 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.





## OUR SUSTAINABILITY PROGRAM

At VC Automotive Group, we work together to build a sustainable future based on our vision 'Growth by Nature'. Our conviction and experience is that we can learn from nature to develop a growing organization. And with that natural power of growth, we are determined to work with business partners to achieve sustainable growth with a positive impact. Our sustainability goals have four main pillars: Footprint zero, No waste, Circular products and processes, and Sustainable innovation.

The program is launched under the name 'Join the Green Journey', to encourage our employees and external stakeholders to think, do, and act sustainably. It is a message which is spread across all our locations and comes back in the projects that are being implemented.

'Join the Green Journey' brought sustainable outcomes, and contributes to our ambitions of engaging our stakeholders with VC's sustainability journey.

**This journey includes the following topics, but is not limited to:**

- Energy consumption reduction and savings;
- Carpet savings;
- Material savings;
- SMART production processes;
- Recycling of waste;
- Reuse of waste;
- Social campaign to support, help and embrace local communities.

**These initiatives cover our four sustainability pillars:**

1. Sustainable innovation
2. Footprint zero
3. No waste
4. Circular products and processes



## OUR SUSTAINABILITY PROGRAM

There is enormous wealth, beauty, and creativity locked up in nature. We may enjoy this every day and it is up to us to pass on this fragile gift to future generations with love and care. With our vision in mind, the four sustainability pillar come from internationally-known ambitions and goals. We have translated these ambitions and goals into our own four sustainability pillars:

ESG's	SDG's	Join the green journey	
<b>Social</b> 	<b>8</b> Decent work and economic growth 		
<b>Environmental</b>  	<b>9</b> Industry, innovation infrastructure and Governance 		
<b>Environmental</b> 	<b>12</b> Responsible consumption and production 	No waste Circular products and processes Footprint zero	
<b>Environmental</b> 	<b>13</b> Climate action 	No waste Circular products and processes Footprint zero Sustainable innovation	

From the Environmental, Social, and Governance principles, and the United Nations' Sustainable Development Goals, we developed these four sustainability pillars that represents our ambitions. These four pillars are connected to our six principles that represent VC's values.



## OUR SUSTAINABILITY GOALS

The following list shows an overview of the sustainability goals that are linked to the four sustainability pillars:

### Sustainable innovation

- We aim to develop a recyclable product with a recycling chain together with at least one OEM within 5 years;
- We aim to develop a product solution for fleet owners together with at least one fleet owner within 3 years;
- We target to find sustainable solutions for future flooring within 10 years.

### Carbon footprint zero

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

### No Waste

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

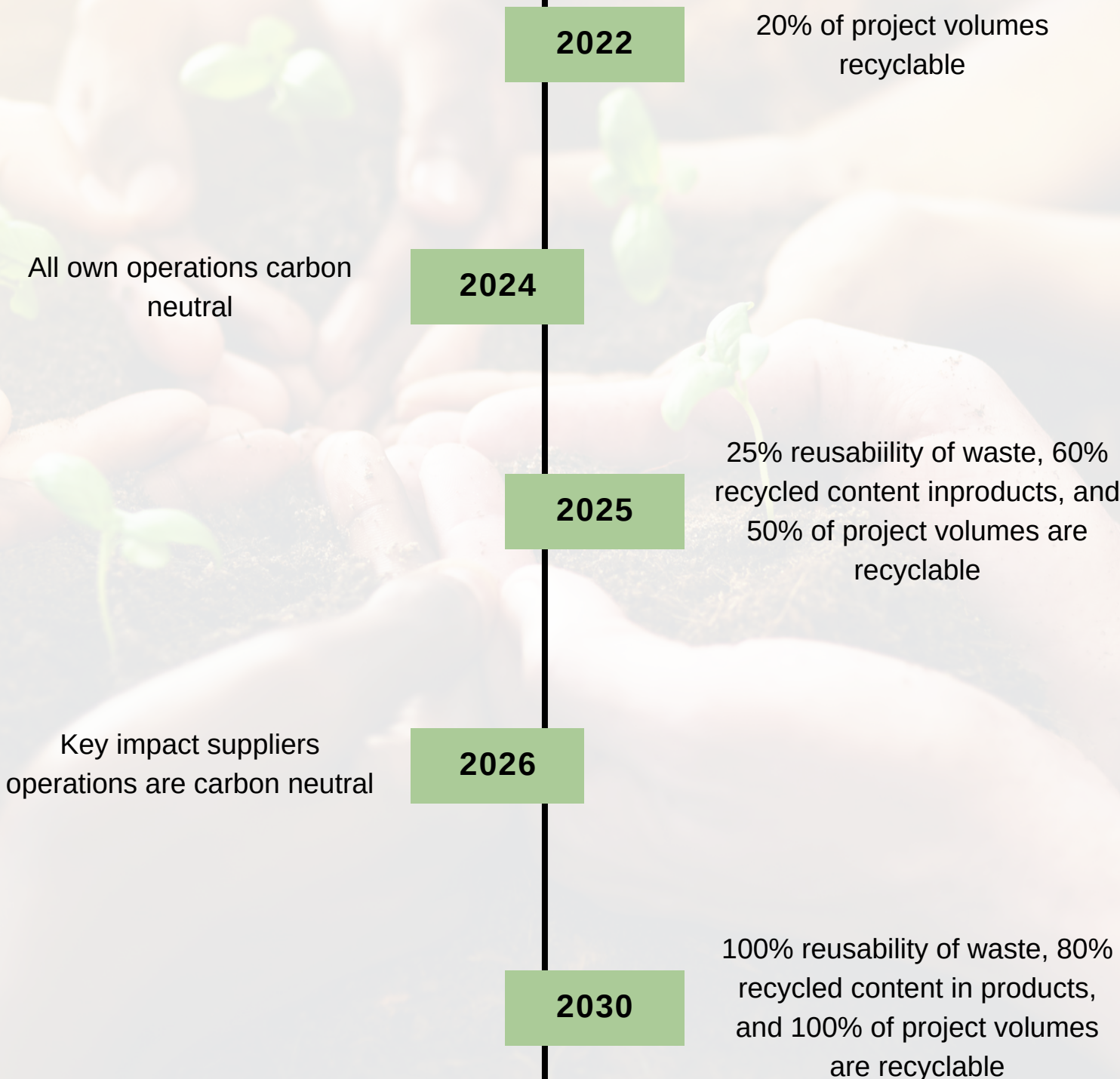
### Circular products and processes

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



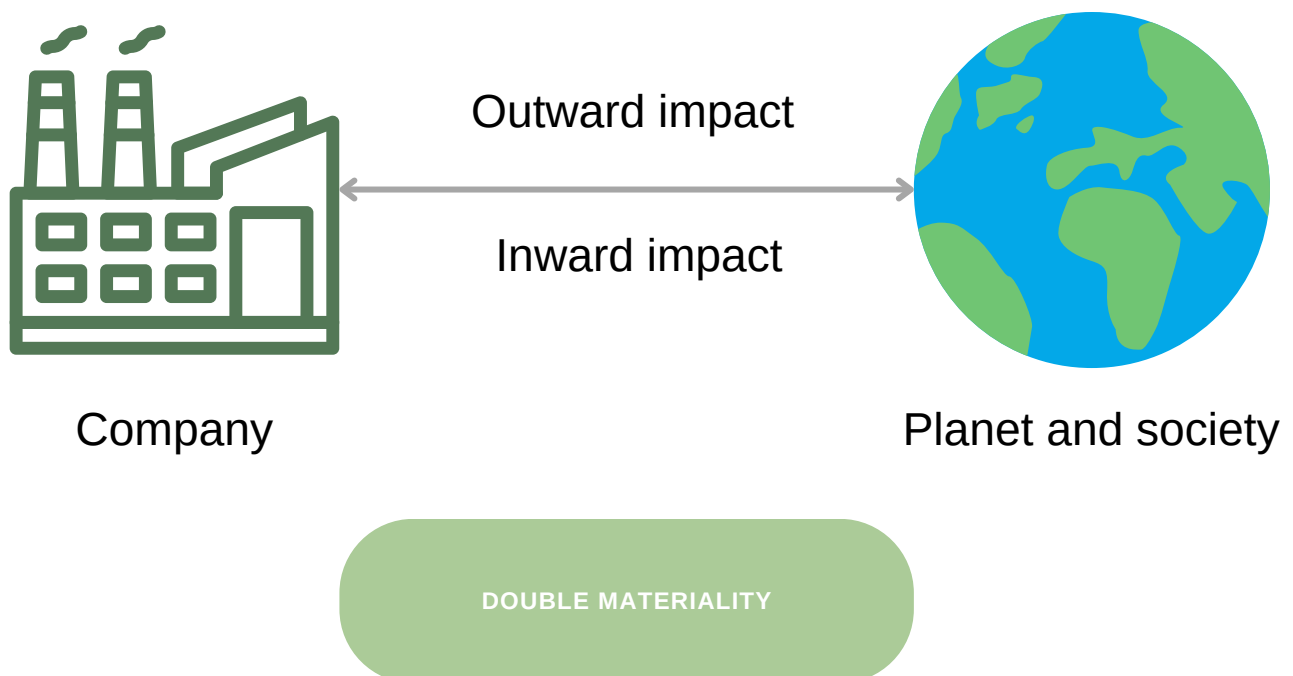


# SUSTAINABILITY TIMELINE



## DOUBLE MATERIALITY

As VC Automotive Group, we take responsibility for the social and environmental impact we have globally. We are taking into account that this impact might have a reciprocal effect. This automotive sector is moving in the direction of sustainability developments. We examined the effect that sustainability concerns have on our business, as well as the effects we have on the society and environment.



Double materiality assessment that goes to ways: from company to the environment and society, and from the environment and society to the company



## DOUBLE MATERIALITY

### Society and environmental impact on VC Automotive Group

Climate change poses a risk to both the health of the planet and the well-being of humanity. It is anticipated to result in increased occurrences of droughts, heatwaves, elevated sea levels, and heightened levels of poverty. These worldwide changes will also have implication for our company. In 2022, we observed again two noteworthy events that can, at least in part, be attributed to environmental issues:

1. Increases of energy costs
2. Disruptions in transport and increases of costs

To address these challenges, we persisted in our initiatives for vertical integration, particularly in Mexico. This involves localizing the sourcing of materials to reduce transportation needs, and adopting more energy-efficient production processes. We have optimised these principles in the past year even more. Additionally, we consider the physical risks associated with climate change as indirect threats to our business.

Nevertheless, the immediate and direct risks facing our company are currently transitional in nature. The market trend is increasingly advancing towards sustainable mobility. Car manufacturers are hastening their transition to electric vehicles to comply with different sustainability targets, among others, reducing greenhouse gas emissions. We are moving together with them, as it is a large opportunity to accelerate towards a more sustainable and safe future, in which we collectively reduce greenhouse gas emissions. We are therefore increasing our developments and deliverables of sustainable products.

The legal environment is evolving as well, introducing more stringent environmental regulations that necessitate a reduction in our worldwide carbon footprint and the implementation of sustainable product solutions.

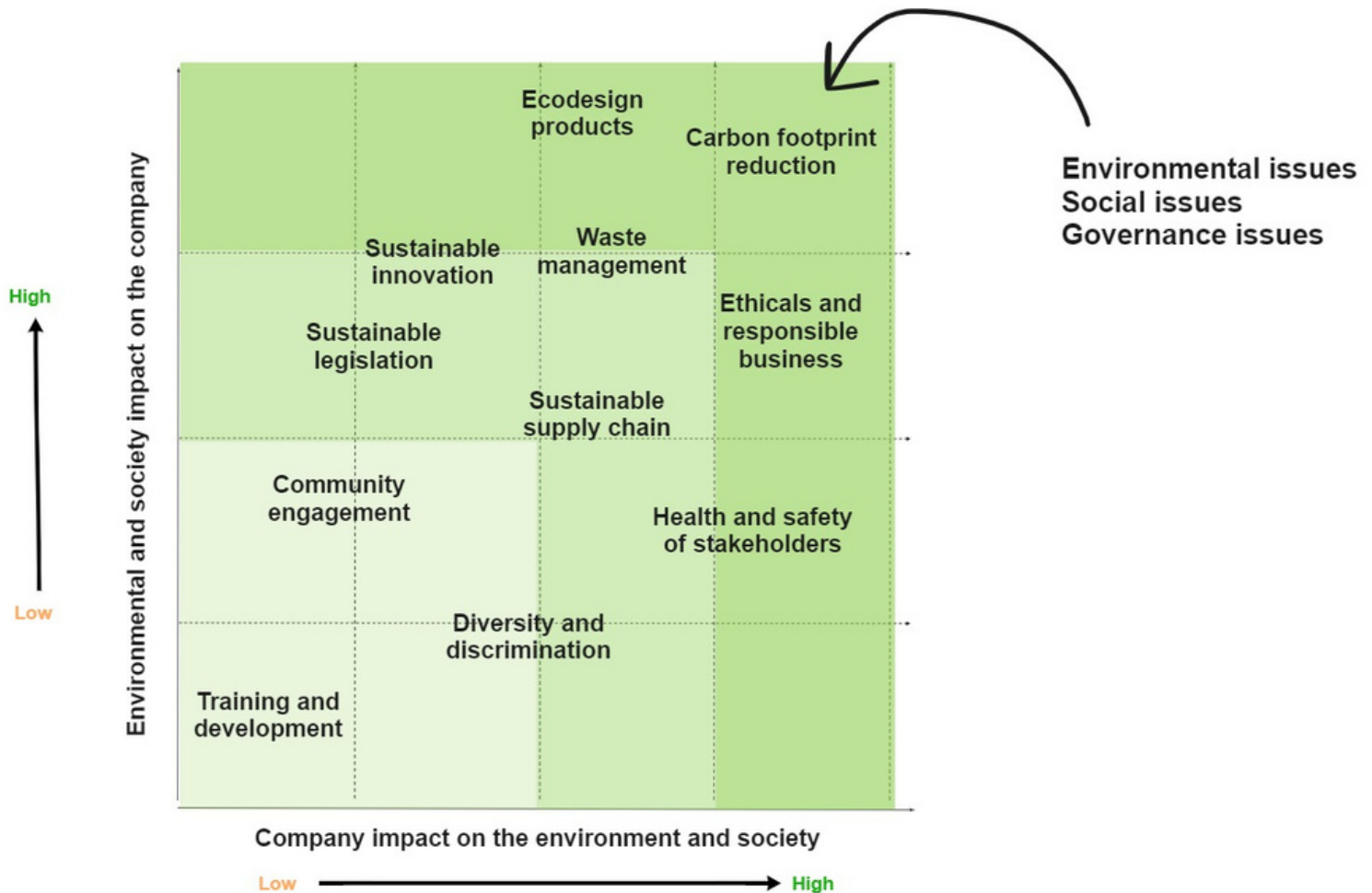
### Company impact on society and environment

Our business has diverse impacts on the environment and society, and we acknowledge and take responsibility for these effects. Our commitment is to contribute to a sustainable future. Maintaining positive relationships with our stakeholders is crucial for VC Automotive Group. Therefore, we have identified topics and interests expressed by our stakeholders, which are included into our sustainability goals, global code of conduct and supplier code of conduct.





## DOUBLE MATERIALITY



Double materiality results of VC Automotive Group

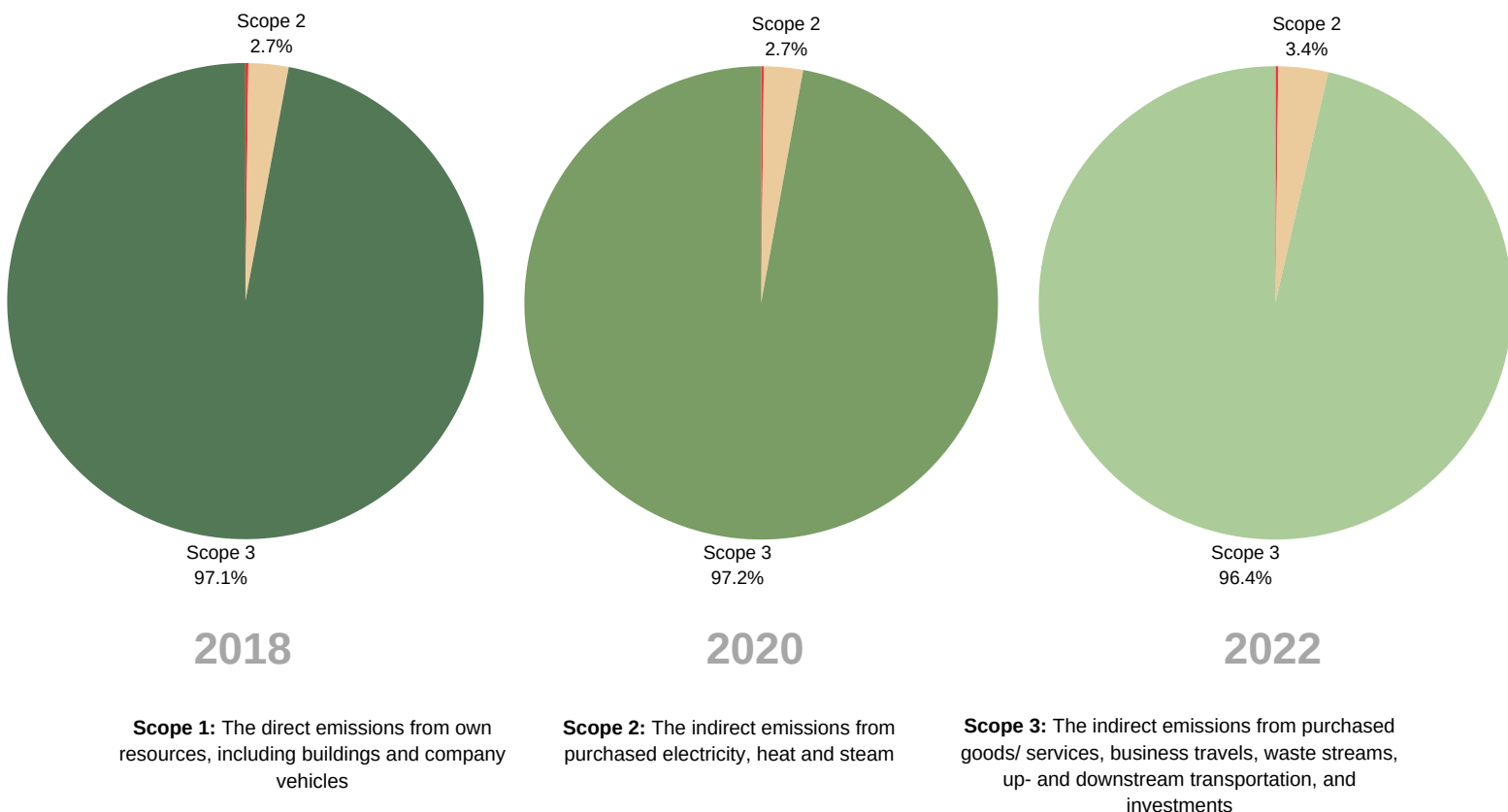
The material aspects as shown in this matrix are divided into having a 'low' or 'high' impact. To fulfil the needs of our environment and society, and to lower our negative impact, we are determined to create, and increase meaningful relationships within our supply chain and with stakeholders.

Being an ethical and responsible business is in addition our core focus. This includes having a strict labor, human rights and anti-corruption principles. We strive to create a positive impact within our supply chain as well as in local communities through various social initiatives.



## LIFE CYCLE ANALYSIS

We conduct yearly life cycle analysis to identify where our largest emissions come from. The calculations are done divided by scope 1, 2 and 3 emissions and across all plants. The following results show the consumption of the plants, and the related CO<sub>2</sub>-emissions from scope 1, 2 and 3:



As can be seen in the graphs above, our LCA analysis cover scope 1, 2, and 3 emissions. Scope 1 is all our gas usage from our production facilities, scope 2 our electricity usage, and scope 3 all our materials, transport, and waste streams.

Our largest impact lies within scope 3, which is about the materials we purchase and use in our products, as well as the indirect transportation. We are identifying the key reduction opportunities based on the figures above. It is already decreased compared to the years 2018 and 2020. This, due to the increase number of recycled content in our materials. In addition, scope 2 is increased because of the decrease in scope 1, which is all about our gas usage.



## ACHIEVEMENTS, EXAMPLES

We conduct yearly life cycle analysis to identify where our largest emissions come from. The calculations are done divided by scope 1, 2 and 3 emissions and across all plants. The following results show the consumption of the plants, and the related CO<sub>2</sub>-emissions from scope 1, 2 and 3:

### Carbon footprint zero

Several projects are started that contribute towards our footprint zero targets. These projects include the initiatives needed to achieve carbon-neutrality at the production plants, sales offices, and supply chain. In addition, carbon emissions that we cannot prevent, due to necessary travels get yearly compensated.

### No Waste

We are reducing waste from the production by more efficient processes, and increase the reusability of our waste. In our plants in Poland and Mexico, the waste is reduced with approximately 14% compared to 2020.

### Circular products and processes

We are increasing the percentage of recycled content in our car mats rapidly. With the acquisition of Puras and the project running about Seronyl, we will be able to add 60% recycled materials in our product by 2025.

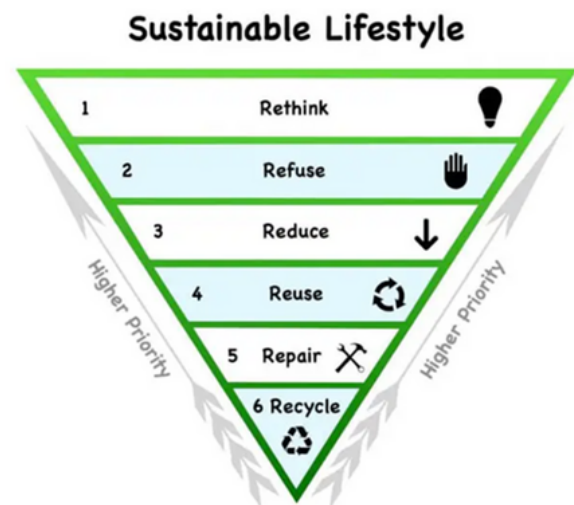


## ACHIEVEMENTS, EXAMPLES

Our manufacturing operations conduct different projects that contribute towards the achievement of our four sustainability pillars: Carbon footprint zero, No waste, Circular products and processes, and Sustainable innovation:

Our plants in Poland initiate projects while having in mind how a certain project or small change will contribute towards the R-ladder. Sustainable development contributes towards more awareness among employees, which eventually leads to more efficient, smart, healthy and peaceful work environment. Some examples are:

- **Waste management;**
- **Recycling of cardboard, wood, and plastic;**
- **Energy savings policy;**
- **Energy usage measurements on machines.**



Another great examples is making sustainability visual among employees. There are various awareness projects implemented in this year to help people to get engaged with sustainability and its importance.

Visualized way of how to identify large energy consuming machines and reminding people to turn off lights when it is not needed.



# SOCIAL

## LABOR AND HUMAN RIGHTS PRINCIPLES

VC Automotive Group respects all laws and regulations related to labor and human rights principles. Our code of conduct includes our policies that protect human rights in business activities. Our code of conduct covers the following topics:

1. The relationship with our colleagues
2. The relationship with the company
3. The relationship with the market
4. The relationships with the government and the law
5. The relationship between society and the environment

Our employees are working within our organization based on trust. From this starting point, we do not tolerate any form of:

### Health and safety risks

We expect from our employees, no matter where they work or what they do, to put their safety first. We are continuously working on providing a safe and healthy work 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.

### Discrimination

VC Automotive Group respects 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 based on origin, nationality, religion, race, gender, age, or sexual orientation. Employees who feel that their workplace does not comply with the above principles are encouraged to raise their concerns with the HR department.

### Harassment

VC Automotive Group seeks to provide a work environment that is free from harassment of any kind and/ or any other offensive or disrespectful conduct. Our organization 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. Employees should never act in a harassing manner or otherwise cause colleagues to feel uncomfortable in their work environment. It is important to remember that harassment, sexual or otherwise, is determined by actions and how they impact others, regardless of intentions. If someone is subject of discrimination or harassment, they need report it to the HR department.



## ANTI-CORRUPTION PRINCIPLES

For our organization, doing business in an honest and respectful way is key and the only way of doing transparently business. This is not limited into certain countries and customers, but includes all situations where VC Automotive Group is involved. Our Global Code of Conduct shows the principles.

### Anti-corruption

VC Automotive Group is not involved in any way of corruption. The company expects from its employees that doing business should never be influenced by corruption. Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited.

### Anti-bribery

VC Automotive Group expects that its employees comply with all anti-bribery laws. Employees must never, directly or thorough intermediaries, offer or promise any personal or improper financial or other advantages to btain or retain a business or other advantage from a third party, whether public or private.

### Political activities

It is prohibited that employees from VC Automotive Group 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 comapny reimbursement, for personal political benefits. 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 entrely personal and voluntary.





## ACHIEVEMENTS, EXAMPLES

Our employees are our greatest asset, since we believe in 'Growth by Nature', giving employees the freedom to their responsibilities based on trust. It is our priority and responsibility to provide them a safe, healthy, peaceful, and great working environment, where there is no violence, discrimination, harassment and other unethical practices. There are examples within this sub-chapter to show a glimpse of what we do together with our employees, and for our local communities



All our teams operate based on trust, and in an incredibly motivated and proactive manner.

A social activity for children in our sales office in The Netherlands, we we have celebrated Sinterklaas, a Dutch celebration before Christmas where it is all about connecting with each other and giving presents to children.



## ACHIEVEMENTS, EXAMPLES



Our production facility in Mexico supported schools by supplying children their needs for an enjoyable, full of knowledge school year.



## GRIEVANCE MECHANISM

The grievance policy outlines guidelines to voice the concerns of employees and stakeholders and gives transparency on how grievances will be managed by VC Automotive Group. The grievance mechanism consists of 7 processes.

Step	Description
Recieve grievance	The company confidant received the grievance face to face, via phone or email from the reporter and will send the reporter a confirmation message of the report within 3 working days
Record	The company confidant will record all formal grievances in the grievance register
Screen	The company confidant will screen the grievance depending on the level of severity to determine how the grievance will be approached
Acknowledge	The company confidant will inform the reporter on how the process will continue. Appointments will be made about the way of communication
Investigate	The company confidant is respoinsible for investigating the grievance. Inofrmation gathered during the investigation will be analysed and will assist in determining how the grievance is handled and what steps need to be taken to resolve the grievance. The reporter will receive an assessment of the report within 3 months.
Act	After the investigation, the company confidant will use the findings to create an action plan outlining the steps to be taken to resolve the grievance. Once all actions have been completed, the reporter will be informed officially via their preferred method of contact.
Close out	After verifying the outcome with the reporter, the company confidant will close the grievance and delete all data if no longer needed to comply with the regulations





# VC Automotive Group

*Innovative together*

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**Visscher-Caravelle**

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