



## Sustainability Report

Iochepe-Maxion 2021

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SUSTAINABILITY report 2021

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## ABOUT THIS REPORT

GRI 102-1, 102-47, 102-54

This report was developed by Iochpe-Maxion and covers the Company’s environmental, social and governance (ESG) structure and performance between January 1, 2021 and December 31, 2021, unless noted otherwise.

In this report, “Iochpe-Maxion”, “we,” “our” or “the Company,” refers to the company globally, while “Maxion Wheels” (“MX”) and “Maxion Structural Components” (“MSC”) refers to the Company’s divisions. **GRI 102-1.**

This report has been prepared in accordance with the GRI Standards: Core option, the Sustainability Accounting Standards Board’s (SASB) material issues for the Auto Parts sector and the United Nations Sustainable Development Goals (SDGs). This report also has its ESG strategy based on the Paris Agreement, in order to help limit global warming. **102-54**

We developed this report in accordance with the GRI Standards: Core option, the Sustainability Accounting Standards Board’s (SASB) material issues for the Auto Parts sector and the United Nations Sustainable Development Goals (SDGs). Additionally, the ESG strategy described within this report is based on the Paris Agreement to help limit global warming. **102-54**

This report also presents terms in line with those used internally at the company. The “White collar” employee is an employee who performs supervisory, administrative, management or technical functions. The “Blue Collar” employees is an employee who performs direct or indirect work on the shop floor.



## Material Topics

The content of this report is defined based on material topics emphasized by the Company and its stakeholders. This report discloses Iochpe-Maxion’s management approach, along with a set of indicators monitored for each material topic.

The Company identified its material topics in 2019 by reviewing internal documents; interviewing senior leadership, Company officers, managers and investors; conducting peer benchmarks; and assessing sector

reports and guidelines (i.e. 2019 Sustainability Development Yearbook, Auto Components; The Sustainable Development Framework: International Council on Mining & Metals (ICMM) Principles; Automated Industry Action Group; The Aluminum Association (USA); and European Aluminum). The Company revised its 2019 materiality results for the 2020 Sustainability Report to include the SASB’s material issues for auto parts sector, the Morgan Stanley Cap-

ital International (MSCI) material topics for the sector, relevant aspects from the Task Force on Climate-Related Financial Disclosure (TCFD), the Disclose Insight Action (CDP), Sustainalytics key topics, other ESG ratings and feedback from investors. Subject matter experts from each division of the Company met to discuss the findings of the materiality assessment. We used the same material topics for this year’s report, shown in Figure 1.

### LIST OF MATERIAL TOPICS GRI 102-47

MATERIAL TOPICS	SCOPE (Description)
<b>HEALTH &amp; SAFETY (H&amp;S)</b>	Occupational health and safety
<b>PRODUCT QUALITY AND SAFETY</b>	Product safety, quality and efficiency Client satisfaction
<b>CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT</b>	Carbon footprint Water Energy Materials, circular economy Waste
<b>ORGANIZATIONAL CULTURE AND PEOPLE MANAGEMENT</b>	Promoting Company culture Talent retention Employee engagement Inclusion and diversity Developing career, training and education Future of work
<b>INNOVATION &amp; DIGITAL TRANSFORMATION</b>	Research and development Digitalization Artificial intelligence New vehicles model Innovative solutions Partnership with other institutions
<b>CORPORATE GOVERNANCE AND ETHICS</b>	Business ethics Integrity and anti-corruption Asset protection and risk management
<b>BUSINESS RESILIENCE</b>	COVID-19 Business continuity Contributions to society

## CEO LETTER

GRI 102-14

As the pandemic continued throughout the year of 2021, we continued to prioritize the health and safety of our employees and their families.

## 2021 was a very challenging year

As the pandemic persisted throughout 2021, we continued to prioritize the health and safety of our employees and their families.

2021 was a very challenging year for the automotive industry, with the impacts and uncertainties of the pandemic still present. We focused our investments on four key elements: employee health and safety; productivity; automation; and maintenance and growth of our plants (especially for projects that started in 2019 and 2020). Overall, the reporting year was positive for Iochpe-Maxion, where our diversified business model (clients, geographies, and portfolio) proved to be effective. We highlight the global performance of the commercial vehicle segment, which helped to mitigate the impacts of the lack of semiconductors in the production of light vehicles. Our achieved results demonstrate the return of operating margins to pre-pandemic levels.

In terms of ESG, 2021 presented significant advances amongst the different topics. We managed to bring greater visibility to ESG elements within the company, improving governance and leadership engagement; we made progress in diversity and inclusion projects; and we set ambitious short- and long-term goals to reduce CO2 emissions linked to our first issuance of bonds in the international market capital.

In 2021, we held our first Iochpe Investor's Day, with

the aim of engaging and addressing sustainability issues. The event represented a milestone for the company, pointing to advances not only in terms of sustainability, but also in terms of external recognition with investors.

We also were included in the B3 Corporate Sustainability Index (ISE) portfolio for 2022. Additionally, we reinforced our commitment to become a carbon neutral supplier by 2040 through ROADMAP ZERO. This transition plan, until neutrality, aligns with the Paris Agreement to limit global temperatures at 1.5°C above pre-industrial levels.

In 2021, we conducted our Engagement Survey - the first survey distributed both globally and completely virtually. We consistently saw employee participation, with extremely positive results even after two years of pandemic and business challenges.

Regarding innovation and new products, we took important steps in the Company's relationship with new and current customers, attracting new business in wheels and structural components divisions.

We excelled in developing innovations together with our customers. MAT (Maxion Advanced Technologies), located in Berlin, saw significant advancements over the year. Through the MAT office, we announced



**Marcos Oliveira**  
President and CEO

a US\$5.5 million investment in AutoTech Ventures, a US-based Venture Capital company. With this investment, we strengthened our connection with startups and innovative mobility initiatives.

Our Company holds a high level of technical knowledge and permanently seeks to provide innovative solutions in the areas we operate. We strive to keep our people creative and engaged to innovate, knowing that this transformation will positively affect the way we work, our employees and our business. We understand that teamwork is very important when it comes to innovative processes, and we value these actions through programs such as the Maxion Team Awards (MTA). Through MTA we recognize our employees regionally and globally for outstanding innovation projects. In line with our digital transformation strategy conducted globally at our units and our commitment to environmental aspects, we received several awards in 2021, which reinforce all these efforts.

We also saw robust global demand for light and commercial vehicles in 2021, which had not been adequately met due to a shortage of inputs, especially semiconductors. This shortage challenged us to look

with more attention at our production process, focusing on cost reduction and productivity growth. These initiatives were leveraged by the continuous drive towards innovation, new technologies and the development of new products, while we implemented a clearer vision of sustainability and improvement targets. I would also like to acknowledge what our plant teams have accomplished during this very dynamic and challenging year. In spite of all the challenges imposed by COVID-19, our teams remained committed to meeting our customer expectations and living our core values while not sacrificing safety and sustainability. We are proud of our teams and applaud their outstanding performance.

Regardless of the industry scenario, our precedent performance reinforces the positive sentiment for 2022: we will remain attentive to market movements and prepared to act in a timely manner. We will continue focusing on our long-term strategic agenda, with digitalization and innovation projects, consistently advancing the efficient use of our production capacity, launching new programs and aligning with environmental, social and governance issues.

We will add value to our products and launch new ones, remaining dedicated to society and environment - thus, actively contributing towards the future of mobility.

## ABOUT IOCHPE- MAXION

GRI 102-2, 102-3, 102-4,  
102-6, 102-7, 102-9

Iochope-Maxion is a global company, leading the world's production of automotive wheels and a leading producer of automotive structural components in the Americas.

Headquartered in the state of São Paulo, Brazil, we employ approximately 17,000 people across our 32 manufacturing plants in the 14 countries in which we operate. As a result of our international reach, we are able to serve our global customers according to their delivery terms, quality standards and competitiveness requirements. GRI 102-2, 102-3, 102-4, 102-7

The Company's operations began with lumbering activity in 1918, as a lumbering company in the State of Rio Grande do Sul, Brazil.

In the 1990s, the Company shifted our focus to the auto parts and railway equipment segments, with the disposal of a major portion of assets and equity interest not linked to these segments. In early 2000, we transferred 50% of our

railway equipment business to Amsted Industries, establishing the joint venture Amsted Maxion.

In January 2008, the Company converted the preferred shares into common shares to enter the Novo Mercado trading segment of B3 (prior BM&F BOVESPA), the São Paulo Stock Exchange.

In August 2009, the Company purchased the wheels business from Arvin-

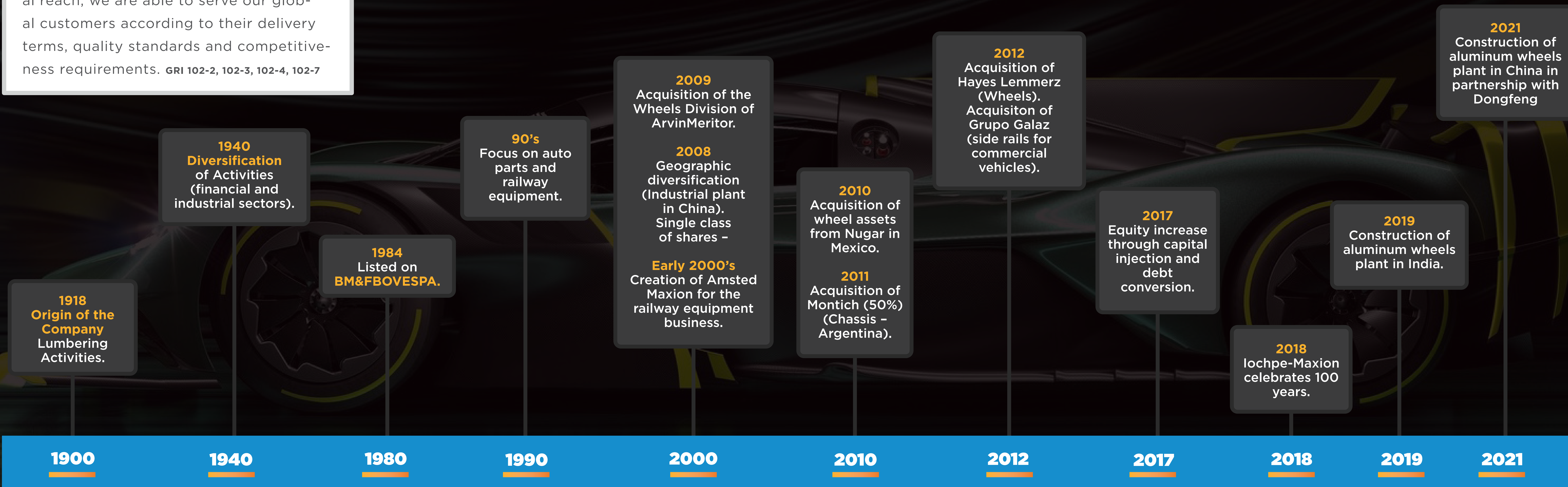
Meritor in Brazil, Mexico and the United States.

In December 2010, the Company purchased assets of the wheels business from Nugar S.A.P.I. de C.V., a Mexican company controlled by the CIE Automotive group, to increase their production capacity in Mexico.

In May 2011, the Company acquired 50% of shares of Montich S.A., an Argentine

manufacturer of side rails and chassis. As part of this acquisition, Montich S.A. changed its name to Maxion Montich S.A. In early 2012, the Company acquired the Galaz Group, a Mexican manufacturer of side rails for commercial vehicles, and Hayes Lemmerz, a global manufacturer of steel wheels for light and commercial vehicles and aluminum automotive wheels for light vehicles.

### Proven track record of growth and resilience



# OUR PRODUCTS AND DIVISIONS

GRI 102-2

The Company's conducts our core business operations through two divisions: Maxon Wheels and Maxon Structural Components. At Maxon Wheels, we produce and sell a wide range of steel wheels for light and commercial vehicles and agricultural machinery, and aluminum wheels for light vehicles. At Maxon Structural Components, we produce side rails, cross members and full frames for commercial vehicles, and structural components for light and commercial vehicles. Additionally, through Amsted Maxon (associated company), we produce railway wheels and castings, industrial castings and freight cars.



CHASSIS FOR COMMERCIAL VEICHLES



# MAXION WHEELS

Our wheels allow millions of vehicles to get rolling, ranging from passenger to commercial to military vehicles. Our involvement begins during the early stages of a vehicle's production, both through the design and development phases. Maxon Wheels prides itself on having:

**24**  
manufacturing plants in

**12**  
countries across the globe

**45.8**  
million wheels produced in 2021

More than

**9,000** EMPLOYEES

A century-long history and strong focus on the future.

An unparalleled portfolio of steel and aluminum wheels.

We produce steel wheels for light vehicles in our plants in Brazil, Mexico, USA, Czech Republic, Germany, Spain, Turkey and India. We produce aluminum wheels for light vehicles in our plants in Brazil, Mexico, Czech Republic, Italy, Turkey, China, Thailand and South Africa. We produce steel wheels for commercial vehicles in our plants in Brazil, Mexico, USA, Germany, Turkey, India and China.

# TOP 10 LIGHT VEHICLE ALUMINUM WHEELS PRODUCER

**1°** COMMERCIAL VEHICLE STEEL WHEELS PRODUCER  
37% global market share ex-China  
43% market share in Americas  
47% market share in Europe

**1°** LIGHT VEHICLE STEEL WHEELS PRODUCER  
24% global market share ex-China  
50% market share in Americas  
36% market share in Europe

**1°** COMMERCIAL VEHICLES SIDE RAILS IN AMERICAS  
60% market share in Americas



# MAXION STRUCTURAL COMPONENTS

We produce structures for light, commercial and agricultural vehicles.

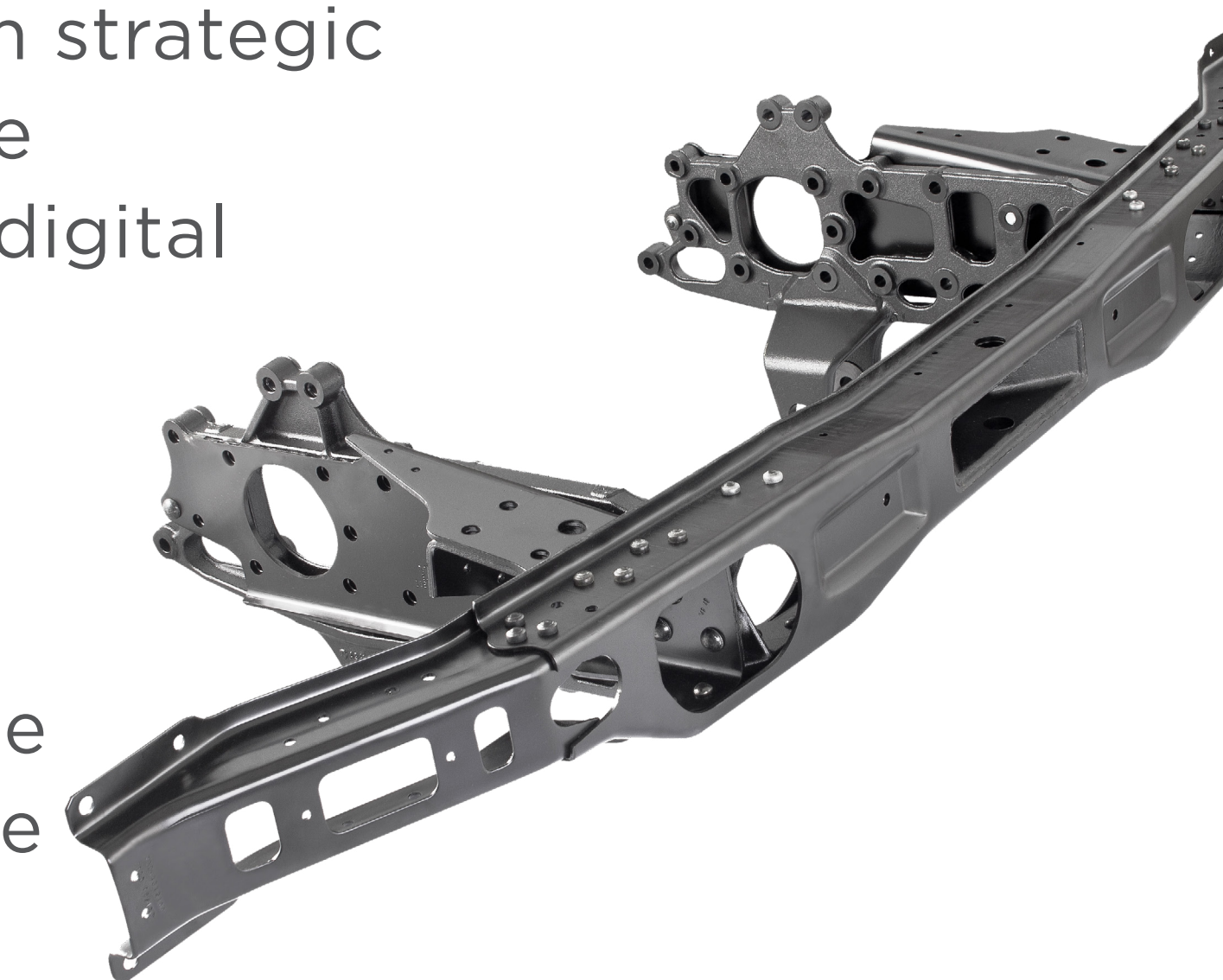
Leading producer of automotive structural components in the Americas;

**10**  
manufacturing plants in 4 countries;

**+1,800**  
side rails produced in 2021

over **7,000** EMPLOYEES

We lead the industry in producing structures for light, commercial and agricultural vehicles in the Americas. We provide innovative solutions, aligned with automotive market trends. We form strategic partnerships, inside and outside the automotive industry, and promote digital transformation that positively impacts our business. Our work adheres to safety procedures, respecting the environment and valuing our people and the communities in areas where we operate.



# OUR GLOBAL FOOTPRINT

GRI 102-4, 102-6

Our business approach focuses on supplying global automakers, while producing and delivering our products locally. We primarily supply the lightweight and commercial vehicles industry. **GRI 102-6** Our products are principally distributed via road transport, with direct delivery to the automaker's assembly plant, tire fitter, or after-market distribution. Certain automakers utilize the milk-run system, by which they maintain responsibility for collecting products directly at Iochpe-Maxion plants. Distribution and logistics are subcontracted by Iochpe-Maxion.

# GEOGRAPHIC PRESENCE

## 32 plants located in 18 countries



- Maxion Wheels
- Maxion Structural Components
- Offices
- MAT
- Amsted



# STRATEGY

We are committed to a strategic plan that seeks balanced growth and financial discipline. The plan is based on 4 pillars:

**Development of our Current Business:** we will continue to concentrate our efforts on our current business and products – “focus on core business.” We believe that the products we manufacture will continue to provide us with excellent growth opportunities.

**Internationalization:** We plan to increase our share in foreign markets, whether through the construction of new industrial plants or the acquisition of companies in the market.

**Development of Synergic Products:** We intend to provide our clients with a greater number of products and services that are synergistic with our current activities. We constantly consider product development that relates to our current portfolio, such as the raw materials and production processes currently in use.

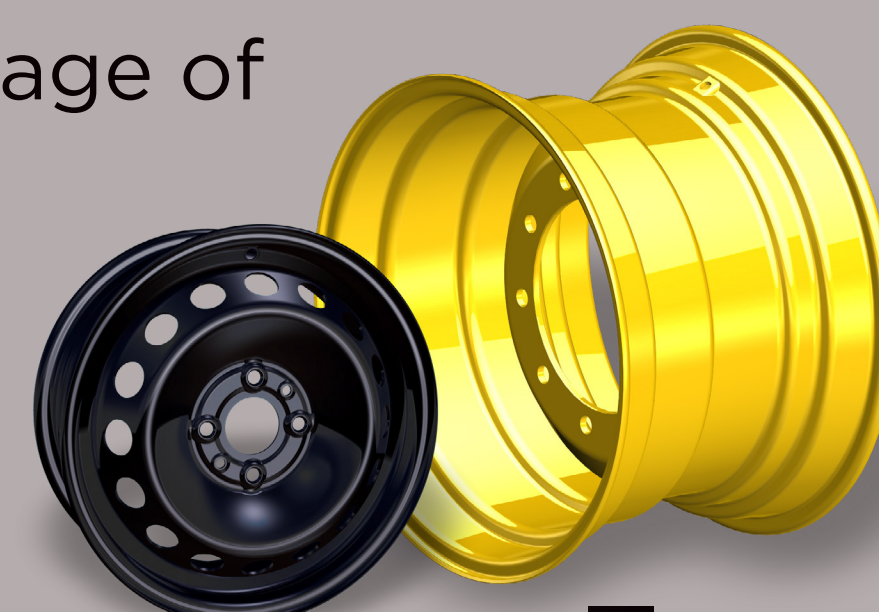
**Innovation and Sustainability:** We continue to pursue, through innovation, the most efficient processes (engineering and manufacturing) and the material composites to apply to our final products. Historically, we have focused on developing lighter wheels and structural components for the improved performance and efficiency of our vehicles.



## OUR STRATEGY,

aligned with industry trends and transformation, positions us as global market leaders. We produce an average of

# 52 Million Wheels



and more than 750 thousand side rails per year\*.

After Covid-19 pandemic the world has revisited the globalization issue and we found that the close presence with the automakers (clients) reinforces our competitive strategic thesis.

OUR LEADING MARKET POSITION ENABLES GROWTH OPPORTUNITIES, CREATES LEVERAGE WITH SUPPLIERS, ALLOWS FOR THE DELIVERY OF HIGH VOLUMES OF CUSTOMIZED PRODUCTS TO CUSTOMERS, AND PROVIDES BENEFITS FROM SCALE PRODUCTION



\*average of last 5 years

## SOLID BUSINESS STRATEGY ALIGNED WITH INDUSTRY TRANSFORMATION

### BUSINESS STRATEGY

Focus on our Core Businesses

Expand Geographic Footprint and Develop New Products Selectively

Continuous focus on operating efficiency and optimization of capital structure, extending debt profile and diversifying our sources of financing

Product innovation, Alignment with Industry Transformation and ESG

### MOBILITY TREND

Electrification and CO2 regulations

Autonomous Vehicles

Share Mobility and Micro Mobility

B2C Digitalization

### INDUSTRY IMPACT

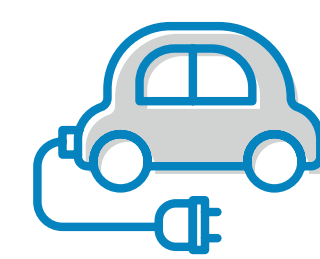
Light weight focus and more efficient manufacturing processes

Data-driven products

Potential increase in the share of steel wheels

More last-mile transport

## IOCHPE-MAXION'S APPROACH TO SUSTAINABILITY



Our business success not only depends on the decisions and actions we take today, but also on the commitments we make to help safeguard our future.

By leading with a focus on innovation, competitiveness and sustainability, we protect the environment, while safeguarding the health and safety of our employees, customers, suppliers and global communities. We strive to build and grow an inclusive culture that encourages, supports and celebrates diversity, and allows us to operate with the highest ethical standards needed to achieve carbon neutrality by 2040.

We have focused on and addressed ESG-related matters for many years. In 2020, we set precedent for annual disclosure of our sustainability report. In 2021, the Company shifted the focus of our ESG management by establishing structured ESG governance, investing efforts in human and financial resources and several ESG initiatives. We also made a formal commitment to reduce CO2 emissions and will continue to increase our efforts towards ESG matters, which remain one of the major strategic focuses of the Company for future years.

The ESG category is now an investment criteria and classification for any project with ESG targets. This categorization will help us to strategically achieve our long-term goal related to the Sustainability-linked financing bond.

# ROADMAP ZERO

is Iochpe-Maxion's strategy to support the decarbonization of mobility. It covers the complete lifecycle of Iochpe-Maxion's products, from the procurement of materials to the design and manufacturing of products.

We are developing processes and procurement strategies that increase usage of secondary, recycled materials, as well as green steel and aluminum produced using clean energy. We are also encouraging our partners and suppliers to make similarly ambitious commitments.

At all Iochpe-Maxion global operations, we focus on increasing green energy sourcing and advancing energy efficiency. The Company is piloting on-site renewable energy generation and prioritizing plants where green electricity is not readily available from the grid.

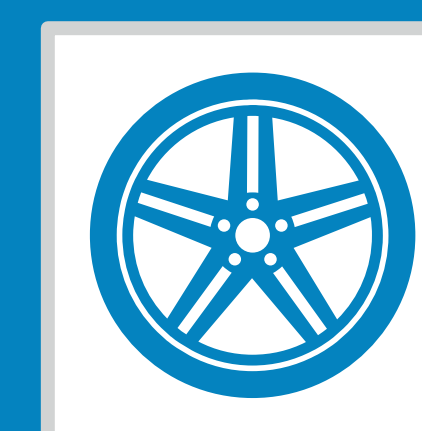
Product design innovations also support advances in zero-carbon e-mobility and sustainable transportation, with lightweight structural components and aerodynamic wheels. This strategy also includes social programs that support the United Nations' Sustainable Development Goals with local social and environmental initiatives.

## LONG TERM GOAL

Reduce GHG emissions intensity by 70% to 0.0001170008 t CO2e/Kg produced or less (Scope 1&2 emissions) by 2030.

### SPECIFIC PROJECTS THAT WILL ALLOW US TO ACHIEVE OUR GOAL:

- >> Use and production of renewable electricity
- >> Infrastructure updates to allow for green gas usage in our facilities
- >> Energy reduction projects
- >> Elimination of production steps



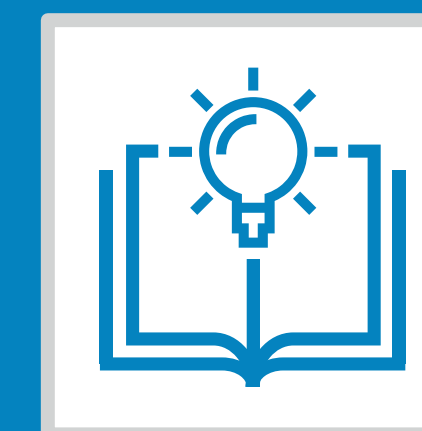
### Products & Production Lines

We are working towards reducing the weight of our parts, making cars more efficient and balancing our processes vs. CO2 and positioning our steel wheels as a less energy intensive project. We have also implemented energy efficiency projects for facilities and equipment. In Iochpe-Maxion, effluent and waste management follows the HSEQ policy and the M2S Management System. Our Environmental Committee (CMA) also monitors waste management and conduct a series of projects related to his theme.



### Supply Chain

We include CO2 emissions as part of supplier selection criteria and assisted our suppliers to develop ESG policies aiming to reduce CO2 emissions.



### Create Social Value

In cooperation with Iochpe Foundation, founded in 1989, we carry out social programs and actions in its sustainability strategy that are developed in order to create a positive social impact for employees, the community and the company itself.

# ESG PILLARS AND COMMITMENTS

## ENVIRONMENTAL VALUE

**WE AIM TO GENERATE ENVIRONMENTAL VALUE THROUGH DIGITAL TRANSFORMATION**

Reduce scrap by 20% improving production efficiency and increasing quality through machine learning (ML) AI algorithms.

Reduce by 30% the consumables utilized in our Waste Water Treatment Station by Using ML algorithms.

**2021+**

Long term objective to reduce by

**70** % the

GHG Emission intensity by 2030.

Become a carbon neutral company until

**2040**

## SOCIAL VALUE

**WE WANT TO CREATE SOCIAL VALUE TO STAKEHOLDERS, THE COMMUNITY AND THE COMPANY ITSELF**

+15 thousand employees.

Partnerships with universities and other educational institutes focused on developing our people.

lochpe Foundation impacting +12.5 thousand people in Brazil and virtually +52 thousand per year.

+ Other Corporate Citizenship initiatives around the world.

**2021+**

Demonstrate our commitment to environmental and social responsibility without compromising our commitment to increase shareholder value.

## GOVERNANCE

**OUR GOAL IS TO CONDUCT BUSINESS AND OPERATIONS WITH TRANSPARENCY, EQUITY AND ACCOUNTABILITY**

We are listed on the B3 Novo Mercado (highest level of governance in the Brazilian stock exchange).

We created our Ethics Committee in 2018 reporting to the Board of Executive Officers.

lochpe-Maxion's Code of Conduct disclosed to 15 countries in nine languages.

Substantially all of our facilities are ISO 14001 certified. Processes are also externally audited, assuring quality.

**2021+**

ISO 45001 Certification for all locations by 2021YE.

# FOCUS ON INNOVATION

By leading with a focus on innovation, competitiveness and sustainability, we protect the environment, while safeguarding the health and safety of our employees, customers, suppliers and global communities. We strive to build and grow an inclusive culture that encourages, supports and celebrates diversity, and allows us to operate with the highest ethical standards needed to achieve carbon neutrality by 2040.

## CONTRIBUTIONS TO SOCIETY

Our sustainability strategy includes social programs and actions that benefit our employees, our communities and the Company itself.

We integrate social responsibility into our daily operations in ways that advance our business and honor our commitments as a responsible corporate citizen. We strive to fulfil these commitments while driving our business forward to ensure long-term success for all stakeholders.

- Health, safety and wellness
- Environment
- Community
- Education
- Diversity and Inclusion



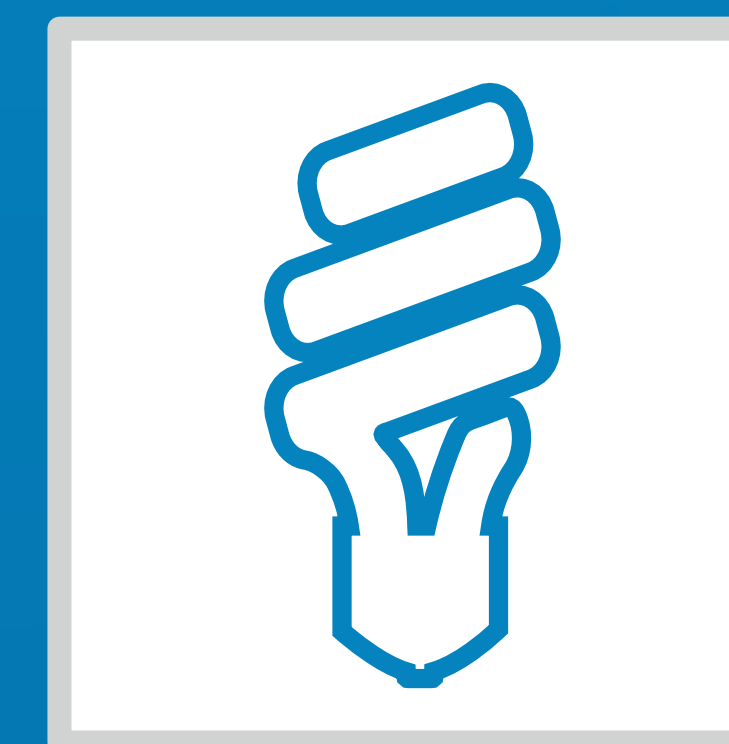
The Company runs several corporate responsibility initiatives, such as supporting and sponsoring local development in the host cities where we have manufacturing plants. These initiatives range from good operating practices to prevent, reduce or mitigate environmental impacts, to those that aim to create social value for the community, promote diversity and encourage volunteering.

## Electricity from renewable sources...

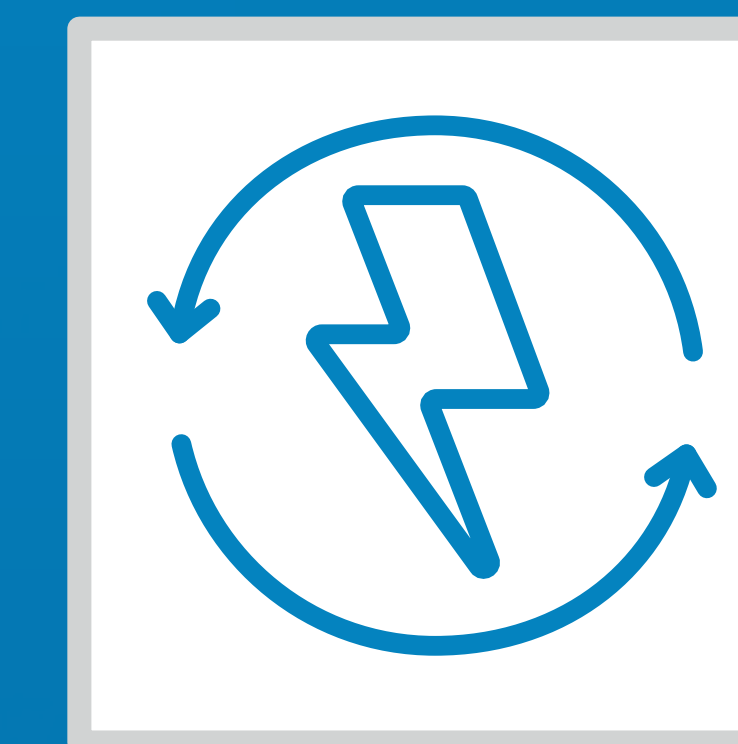
25% of total energy used coming from renewable sources

## ...leading to CO2 reduction, even as electricity consumption increased

Energy reduction projects also reduce CO2 emissions and lower carbon footprint



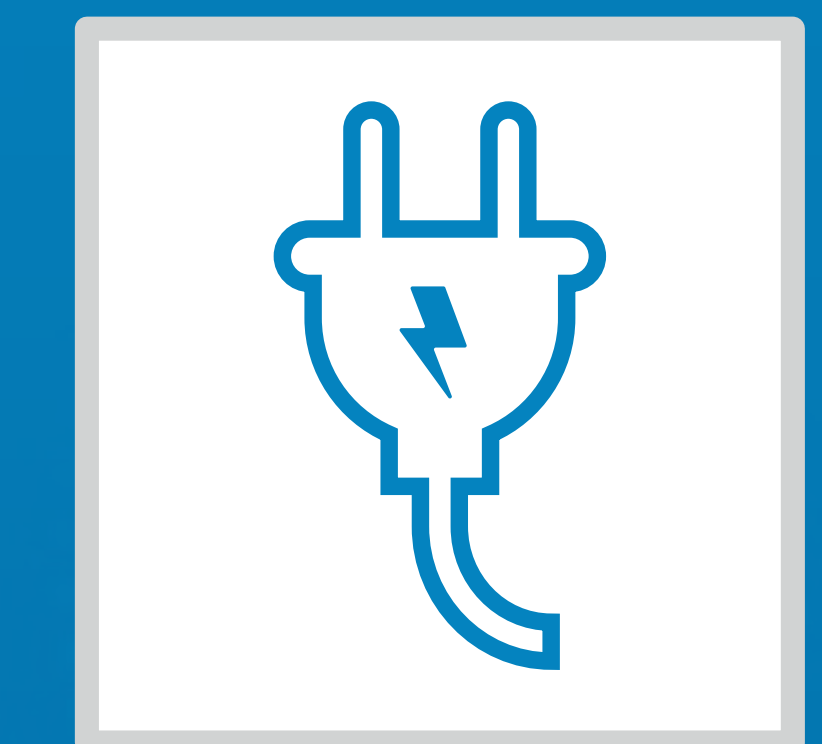
LED lighting



Measure energy consumption per part number



Increase sensors / monitoring utilization



Shutdown machines when not in use

# IN PARTNERSHIP WITH THE IOCHPE FOUNDATION,

we run two education projects in Brazil and Mexico. Formare is a technical training program for socio-economically disadvantaged youth, with 63 units and more than 40 partner companies. In 2021, despite the pandemic, the program received the participation of 4,028 volunteer educators and had more than 1,100 student graduates. Among all former students, 87% were formalized in their first job.



The Art at School Institute (ASI) is the only project in Latin America that promotes continuing development courses to art teachers from public schools. The project's methodology advocates for Brazilian contemporary art through 3 main pillars: art education courses, the Art at School awards (in partnership with UNESCO) and art content development. Facing uncertainty and social distancing in 2020 and 2021, we learned how to approach our audience in different ways through technology and inventiveness. In 2021, 55,904 teachers were impacted by the pandemic, of which 21,283 received certification from the ASI Continuous Professional Development courses. We also

supported The Mantiqueira Filmes Institution, in partnership with ANCINE, the Brazilian Nacional Cinema Agency, to facilitate cultural activities.

In Brazil, our workforce in the Santo André, Limeira, Cruzeiro and Contagem plants promoted social initiatives and contributed monthly donations to various institutions throughout 2021. The workforce in these plants promoted the 'Cruzeiro's Christmas without Hunger Campaign', with 953 basic food baskets donated to local institutions and families in need, and the 'Movement Against Hunger Campaign,' with 15 tons of food given to local communities. Additional local campaigns included the 'Winter Clothing Campaign' and 'Christmas Toys Campaign,' in which winter clothing and toys were donated to vulnerable families.

Our workforce in the Chihuahua and San Luis Potosi plants in Mexico also engaged on social programs focused on health and care. These projects included blood donation, flu shot and health prevention campaigns. To help protect biodiversity and local flora and fauna, our workforce in these locations provided support to forest fire volunteers. In 2021, our Inmatura plant in Mexico held events such as the 'Tree of Dreams' and donated to Casa Hogar Galilea and Casa del Peregrino. We implemented further socio-environmental initiatives, such as donating garbage tanks to the municipality of Castaños and Escobedo Nuevo Leon, and donating gallons of water to the municipality of Arteaga Coahuila for Ecology Brigades to support the fight against forest fires. In western Germany, Maxion provided donations

for flood victims from the heavy rains in July 2021. We also promoted the 'Rhine CleanUp', an initiative where we gathered groups to clean up the Rhine River area from rubbish to reduce the environmental impact from these events.

Our operations in Dello, Italy also worked on social projects, mainly related to health awareness. The operations workforce in this region collaborated with a union and local NPO (Non-Profit Organization) to provide transportation to specialized hospitals for children with cancer. They also contributed to supporting cancer disease awareness through acquiring Christmas baskets and celebrating 'Pink October' and 'November' for breast and prostate cancer awareness. In Turkey, our operations workforce held the 'Water Explorer Project', aimed at providing children with water saving awareness. The project targeted disadvantaged areas at the primary and secondary school level in the provinces of İzmir and Manisa. Presently, more than 100 schools use the water saving techniques taught in this program.

Our workforce in these Turkish regions also worked on social actions related to the United Nations Sustainable Development Goals through the 'Employees Teach Global Goals' program. Maxion's Turkey operations implemented this project, held in collaboration with IMPACT 2030 and the World's Largest Lesson, with the aim of teaching all 17 global goals to employees, their families and children in vulnerable public schools in İzmir & Manisa. Documents in English were translated into Turkish and shared with organizations as open source, while trainings were held in

15 state schools across these regions. Further, Turkish volunteer team projects promoted in 2021 included book donations; marathons; campaigns for preventing natural disasters and supporting disaster victims; campaigns for child diseases awareness (leukemia, childhood cancer, cerebral palsy and autism); campaigns for disability awareness (stuttering and hearing loss); environmental awareness activities (animal protection and water saving); student development and support programs; campaigns for blood donation; and campaigns for diversity and inclusion in regards to supporting women and girls.

Our 2021 philanthropic efforts focused on social support to combat the impact of the COVID-19 pandemic in several plants around the globe. In our Asian plants, we worked on social projects to provide free medical supplies and lunch boxes to COVID-19 positive contract employees and their families. We provided Oxygen Concentrator to Saraburi Hospital in Thailand and donated financial resources to Field Hospital Buildings. We also engaged in COVID-19 awareness in Mexico, with vaccine shot campaigns for all employees. We supported government action by providing supplies such as meals and water on COVID-19 vaccination' campaigns. In Brazil, we donated ventilators and oxygen tanks for COVID-19 patients to Casa de Misericórdia, in Cruzeiro. We understand the influence our engage can have on positively impact the lives of the people that surround us. We believe collective transformation comes through action, and intend to continue to promote these actions in the next years.

## BUSINESS RESILIENCE

GRI 103-1, 103-2, 102-15

As the COVID-19 pandemic continued into 2021, the year posed challenges for the automotive industry.

Our priority in 2021 was to consolidate and better communicate health and safety conditions to our people, giving them the best working environment, while pursuing financial resilience for the business.

We continued to prioritize the health and safety of our employees, their families and our communities, while meeting client expectations. Prioritizing the health and safety of our employees is a value embedded in our highest governance body – the executive board – which initiates all their meetings with Covid-19 updates. This practice also occurs throughout the Company, with the Health, Safety and Environment (HSE) and Human Resources (HR) teams communicating updated pandemic and safety measures, including data, safety resources and support. These safety protocols align with guidelines from authorities in each of the locations where we operate.

At the market level, we see robust global demand for light and commercial vehicles, which has not been adequately met due to a shortage of inputs, particularly semiconductors. The global automotive production of light vehicles (excluding China), according to IHS Consulting, grew by 12.5% in 2021, when compared to the same period in the previous year. The commercial vehicle segment saw the most significant growth in 2021, with a growth in global production (excluding China) of 19.3%, according to LMC Consulting.

Iochope-Maxion experienced a positive year in 2021, with our diversified business model (clients, geographies and portfolio) proving effective. The global performance of the commercial vehicle segment helped to mitigate the impacts of the semiconductor shortage in the production of light vehicles. Our 2021 performance demonstrates the return of operating margins and financial leverage to pre-pandemic levels.

# OUR NET OPERATING REVENUE GREW

# 56.2%

in 2021

a new annual revenue record for the Company. This increase was primarily driven by strong demand, the production of commercial vehicles and the launch of new products. The commercial vehicle segment had a relevant share, above historical levels, in our revenue, reaching 45.3% in 2021. Adjusted EBITDA was R\$ 1,834.8 million, with a margin of 13.4%, an increase of 237.4% compared to the previous year. Without considering the non-recurring effects in the year, mainly the gain related to the exclusion of ICMS from the PIS/Cofins calculation basis, adjusted EBITDA would have been R\$ 1,558.7 million, with a margin of 11.4% in 2021. Nevertheless, we achieved

a favorable result, demonstrating the Company's recovery from pandemic-related impacts in 2020.

Regarding innovation and new products, we took important steps in our relationships with new and current customers, attracting new business in wheels and structural components. In addition to adding to future revenue and profitability, we are developing innovations in conjunction with our customers. We ended 2021 with a reduction in financial leverage, measured by the ratio of net debt to adjusted EBITDA for the last twelve months, from 6.46x in 2020 to 2.34x in 2021.

We continue to make progress in improving the capital structure: (i) we maintained our liquidity position above R\$1.0 billion level; (ii) we performed liability management with the issuance of US\$ 400 million in sustainability-linked bonds and R\$ 320 million (out of a total of R\$ 940 million) from the line with development banks, using these resources in the amortization of short-term debt.

FINANCIAL OVERVIEW

CONSOLIDATED (BRL MILLION)	YEAR		
	2019	2020	2021
NET REVENUE	10,016	8,761	13,688
REVENUE GROWTH	4.2	-12.5	56.2
EBIT <sup>2</sup>	676	-185	1281
% EBIT MARGIN <sup>2</sup>	6.8	(-2.1)	9.4
EBITDA	1,096	372	1841
% EBITDA MARGIN	10.9%	4.2%	13.4%
ADJUSTED <sup>3</sup> EBITDA	1,109	544	1835
% ADJUSTED <sup>3</sup> EBITDA MARGIN	11.1%	6.2%	13.4%
NET INCOME	421	-420	537
NET DEBT	2,415	3,515	4,299
NET DEBT/ADJUSTED <sup>3</sup> EBITDA	2.2X	6.5X	2.3X

3. EBIT is equal to our operating income (loss) before financial income (costs)

4. From 2Q20 on, in addition to EBITDA, we have disclosed Adjusted EBITDA as a measure of our operating performance. Adjusted EBITDA is calculated by adding back restructuring expenses and impairment of assets to EBITDA. Our management believes that Adjusted EBITDA improves the comparability of our results from 2Q20 onwards, with past periods, because it excludes one-off restructuring expenses and impairment of assets resulting from the impact of COVID-19 on our operations.

WE CONTINUE TO PROVIDE

innovative solutions, launch new products and conquer new markets. We promote the leadership values of ownership, empowerment and accountability to promote agile and assertive decision-making to achieve the best results and overall business resilience.



COMPETITIVE ADVANTAGES

We believe that our business model gives us a privileged position to take advantage of the growth possibilities in the segments we operate.



OUR PRIMARY COMPETITIVE ADVANTAGES ARE:

- ▶ **Market Leadership:** we have a significant presence in the automotive segment. We are global market leaders in steel wheel manufacturing for light vehicles and commercial vehicles, as well as in the production of chassis for commercial vehicles in the Americas.
- ▶ **Global Presence:** our international footprint allows us to develop long-term customer and supplier relationships globally.
- ▶ **Production Capacity:** our deep understanding of the automotive sector allows us to meet market demand and customer requirements.
- ▶ **Growth and Financial Discipline:** we carefully analyse all of our investment projects to ensure appropriate financial gains. In the past five years, our net operating revenues and EBITDA growth were supported by the permanent modernization and expansion of our industrial complex, as well as by other investments that enabled our maintenance of low indebtedness levels.
- ▶ **Competitive Production Costs:** we serve our clients with efficiency and competitiveness, resulting from our advanced industrial usage of new materials in wheel and chassis production. Our usage enables us to have competitive production costs in domestic and foreign markets. Additionally, we use modern production techniques and equipment that allows for flexible offerings tailored to each of our clients' diverse production processes, fulfilling their specific demands expeditiously and cost-effectively.
- ▶ **Quality of Products and Processes:** our product quality and processes are certified in Brazil and abroad by renowned government agencies and independent institutions. We are also recognized as certified suppliers by major vehicle makers, contributing to our permanent sales growth in Brazil and abroad.

# INNOVATION AND DIGITAL TRANSFORMATION

GRI 103-2

## OUR TRANSFORMATION JOURNEY IS BASED ON TWO APPROACHES:

- ▶ **Innovation** towards the future of mobility
- ▶ **Digital** transformation to improve the operational process.

## IN 2021, THE INNOVATION TOPICS THAT DROVE NUMEROUS COMPANY ACTIVITIES INCLUDED:

- ▶ **New mobility:** with increased electrification, we are focusing our efforts on actions that better support the development of e-mobility trends. When it comes to electric vehicles (EV), the need for change is driving aerodynamic requirements. As a result, we invested in computer hardware and people skills to develop and deliver aerodynamic wheels. In addition to working on the whole function of EV aerodynamics, which is a strong component for the future e-mobility solutions, our engineers are also focused on better understanding and developing wheels for greater comfort and reduced noise transmission as noise, vibration and harshness (NVH) is getting more important.
- ▶ **Green Wheels:** to further sustainability and reduce our environmental impact, in particular our CO2 emissions, we promoted actions that helped advance our steel wheels. As a result, our steel wheel for light vehicles can achieve up to a 70% reduction in emissions when compared to the emissions impact of aluminum wheels. We are also working on developing new products with the aim of creating greener products to help support the electrification process.
- ▶ **Focusing on new projects:** we believe that new ideas bring innovation. Therefore, we continued to reinforce new projects focused on weight and cost reduction, process improvement, digitalization and data capture.
- ▶ **Advanced materials:** we invested time and resources to better develop materials and maintain awareness market tendencies.
- ▶ **Advanced production processes:** we focused on bringing innovative solutions to advance our production processes. Digitalization of processes is enabling us to walk towards the future of factory market needs. We are working on new processes to help increase productivity, while reducing the CO2 emissions in our production processes.

**INNOVATION** is a pillar for the Company's strategic planning and is embedded in our culture and vision. Our divisions developed their innovation strategies and programs based on understanding of the future of mobility and on each of their specific markets. Each of our divisions created a specific department for innovation, which works closely with the Product Engineering and Advanced Engineering departments. In addition to each division's innovation structure, we created Maxion Advanced Technology (MAT), a group focused on innovation that is independent from the divisions. Both divisions exchange knowledge organically and participate on the Innovation Committee, where they share topics and ideas. As the automotive sector undergoes a major transformation, we are keen to participate in this change and capitalize on new growth opportunities, while remaining relevant to our customers.





# INNOVATION APPROACH WITHIN THE COMPANY

Our overall strategy focuses on an employee-inclusive approach to incorporate a culture of innovation within our organization. To promote this strategy, we have the I-Advocates: a global network team of 40-50 employees around the world who support innovation activities in our plants. The I-Advocates work with our regional coordinators, who are trained to foster these actions. We also promote I-LABs, our Innovation Laboratories, and global forums through which

any employee can participate. We understand the need to build a global network as a multicultural company, with the opportunity to capture innovative ideas from all around the globe. We focus on addressing the differences and needs of each region in which we operate. We have established regular progress reviews with our Business Units leaders to communicate the importance of innovation within the company's agenda.



# COMMITMENTS AND GOALS

We establish commitments within the projects to better monitor the milestones we reach in order to achieve our goalsh. To ensure and stimulate internal advances in product and process innovations and customer engagement, wWe set goals that are are measured through periodically monitored KPIs to ensure and stimulate internal advances in product and process innovations and customer engagement.

**THESE KPIS ARE BASED ON THE COMPANY'S STRATEGIC PILLARS AND INCLUDE:**

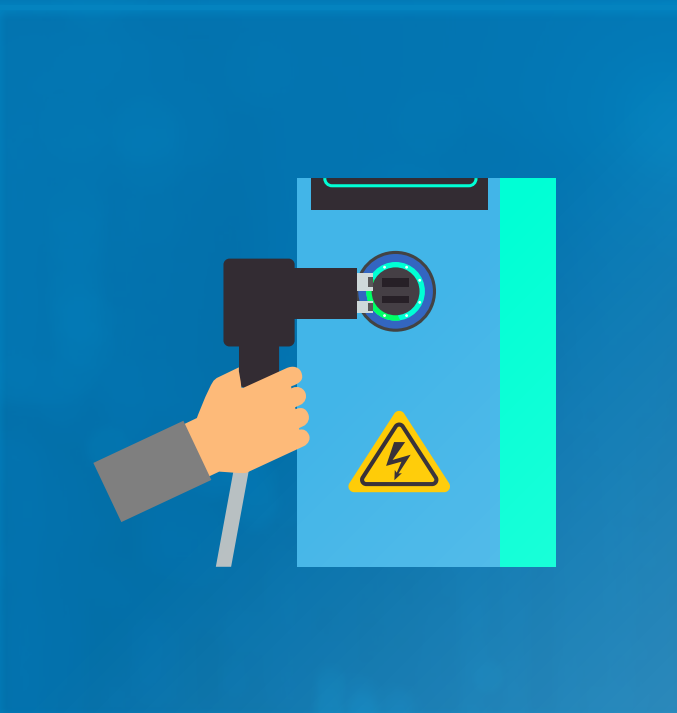
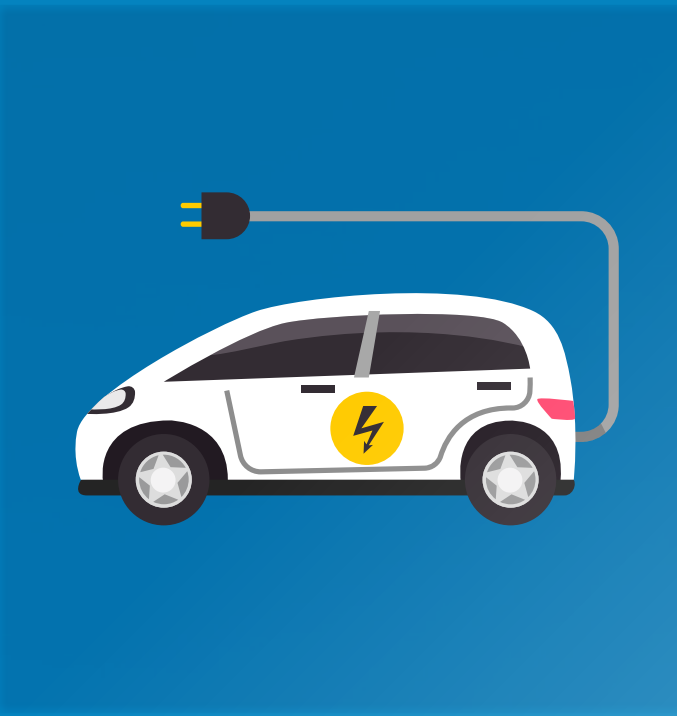
STRATEGY	KPI DESCRIPTION
▶ <b>CODESIGN CAPABILITIES</b>	Active Brazil Concluded Brazil Active North America Concluded North America Awarded Projects
▶ <b>OPEN INNOVATION AND PARTNERSHIPS</b>	Basic Research Projects Pre Competitive Research Projects



# THESE STRATEGIES

are supported by activities that include expanding our Center of Automotive (COA) engagement with customers (e.g., University of applied science), starting new co-design projects with commercial vehicles customers, and engaging in Basic and Pre-Competitive Research Projects leveraged through partnerships.

All established targets and their progress are evaluated and reviewed annually with the aim of engaging current and potential customers; promoting innovative image and brand, both externally and internally; enabling new revenue streams generation; and anticipating and taking part in a changing market.



## MAXION ADVANCED TECHNOLOGIES

# MAT

MAT is a Company strategic innovation initiative designed to think beyond today, connecting our current business with the future of mobility. The initiative, created independently from the Company's two divisions, was launched in 2019 with a team based in Berlin. The MAT team looks for new adjacent and disruptive business opportunities related to automobiles and future mobility innovations. In 2021, MAT focused efforts primarily on bringing prominent and emerging European technology trends to the Americas, with a focus on sustainability and new mobility. Our MAT team is prepared to identify new emerging market trends, especially when it comes identifying sector challenges for which the Company can provide solutions. Additionally, our MAT team identifies new challenges, investment opportunities and potential partnerships that could help us drive innovation within our processes.

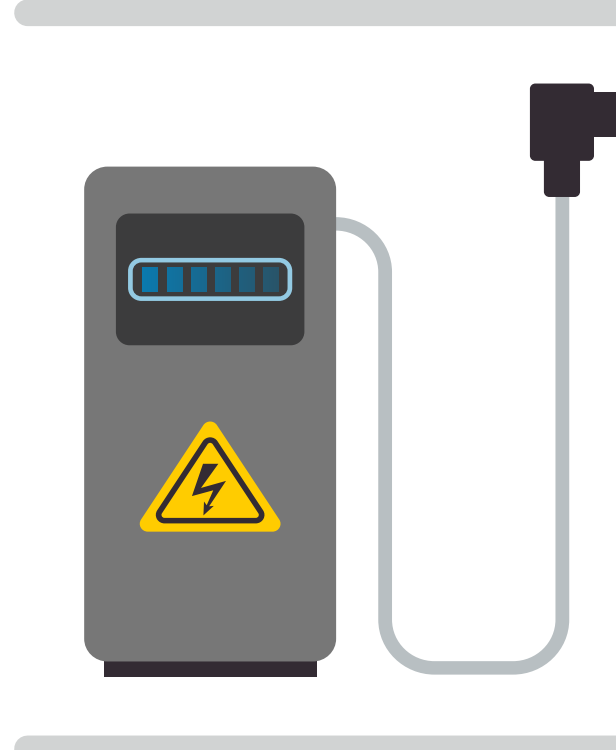


# MAT IS CONNECTED

to relevant mobility stakeholders pursuing a global outreach, who form the Innovation Ecosystem Partnerships. The team commits to collaborating with new players, such as start-ups, established companies and academia, to bring innovative insights and emerging technologies to our processes. In 2021, the MAT team built numerous connections with relevant stakeholders, leading to expansion plans for the Corporate Venturing team's activities and initiatives to additional countries in which we operate.

# MAT

<b>ADVANCED MATERIALS</b>	Lightweight, fiber reinforced wheels Hybrid aluminum-fiber systems High Strength steel Advanced Press Hardening
<b>STYLING</b>	Hybrid forging Flexible wheel Foil application Multi color apps
<b>COST EFFECTIVENESS</b>	Ring to disc Flow forming technology Additive manufacturing
<b>CONNECTIVITY AND DRIVER SECURITY</b>	Smart wheels Sensor technologies and energy harvesting



# MAXION STRUCTURAL COMPONENTS

The Maxion Structural Components Innovation and Advanced Engineering Area, created in 2019, resulted from the need to evolve design capability to help automaker costumers develop parts that were lighter, but still manufacturable. In this scenario, Structural Components identified the need to develop its capability on innovative design and engineering processes, not only to support the costumers, but also to guarantee competitiveness and evolve production processes of the Company. Since these changes began to drive the paths of innovation, we have experienced exponential growth.

**Maxion Structural Components** focuses on building a technological portfolio that attracts customers, builds trust, and delivers solutions that are technically and financially viable. In 2021, we created the position of global director for Innovation and Strategy to help us achieve higher results in innovation.

Main lines of innovation in the past year were:

- ▶ **Governmental funding** > We take advantage of co-founded projects that use government financial incentives to foster research and development (R&D), in partnership with other organizations.
- ▶ **Co-design** > We work with clients to co-develop structured design. These projects are based on partnerships with costumers to help promote innovation for our product design. This collaboration also provides us with a competitive advantage to supply the co-developed component and enhance our knowledge in simulation applications and new materials and electrical vehicles applications, such as the battery cradle for commercial vehicles. The co-design practices, already successful in Brazil, were expanded to North America in 2021 and included collaborations with both traditional and new players, such as startups. Projects in 2021 focused primarily on e-mobility.
- ▶ **Open innovation and partnership** > We understand the importance and the power of collaborating with expert players. In 2021, we focused on increasing our collaborations with suppliers, customers, start-ups, universities and research centers to develop innovative solutions to their challenges and help shape the future of mobility.
- ▶ **Increasing Functionality** > A prominent new line of work for Maxion Structural Components is closely linked to finding and developing ways to add functionality to our structural components. We signed partnerships with start-ups and Universities in Europe to carry out research on developing technologies with disruptive potential.

# MAT

## ACADEMIA

- ▶ Cooperation
- ▶ New Materials / Digital Technologies

## VCs

- ▶ DeadIFlow investment
- ▶ Mobility startup landscape

## INNOVATION PLATAFORMS

- ▶ New insights trends
- ▶ Mobility providers
- ▶ Access to deadflow

## STARTUPS

- ▶ Collaboration opportunities
- ▶ New Materials / Digital Technologies

## CORPORATATES

- ▶ Partnership opportunities
- ▶ Industry insights
- ▶ New Materials / Digital Technologies

## MAT CONNECETD THROUGH RELEVANT MOBILITY STAKEHOLDERS & PURSUING A GLOBAL OUTREACH

In 2021, we retained 100% of the partnerships signed in previous years and signed more than ten new collaborations, either with potential customers (OEMs and new mobility start-ups, mainly in the USA) or with suppliers and start-ups (mainly in Germany with the Cornet consortium, in addition to Slovakia and Iceland).

We launched the Carbon-Fibre project, in collaboration with the IPT (Technical Research Institute) and Embrapii. This research project provides a comprehensive exchange of knowledge and experience between more than thirteen companies around the world. In Brazil, it is

led by Maxion and IPT, with the support from toolmakers, start-ups and an OEM. In Germany, the project is supported by the Fraunhofer Institute IPK in Berlin, together with the Composites Association and other companies.

Additionally, we also increased our Structural Simulation Analysis capacity and capability, evolving crash-test simulation, especially for EV components. We saw an increase and evolvement in our innovation program, which focuses on the use of alternative materials for weight reduction, in response to our CO2 emission reduction targets.

# MAXION WHEELS

Maxion Wheels promotes an innovative culture. Our strategic pillars to foster innovation inside and outside our Company include cost, design, weight, functionality, digitalization and sustainability. In 2021, we focused our efforts on activities related to key projects that we identified as relevant to the market, the company, the costumers and the environment. We invested resources into projects that demonstrated a high potential of success.



## IN THE PAST YEAR,

we continued to deliver the cost-competitive wheels to our growing customer base by focusing on continuing process improvement, increasing efficiency performance, and delivering world-class service. We also focused our efforts on promoting sustainable ideas around the wheel production process to reduce our environmental impact. We worked intensively on the new generation of wheels:

- **Steel Wheels: lighter, bigger, and with more functionality.**
- **Aluminium Wheels: higher productivity and energy reduction following our Roadmap Zero for CO2 reduction.**

Our innovation processes focus on the generation of new opportunities. In 2021, our Advanced Engineering Team targeted their efforts on supporting the development of advanced simulations on supercomputers to design wheels for high and complex specifications. This focus gave Maxion a competitive advantage, winning orders in China through advanced Engineering Solutions.

Additionally, 2021 was a year of engaging on a broad portfolio of partnerships, seeking a diverse range of partners for new projects. We collaborate with relevant institutes, start-ups, universities and other multinational corporations to build a powerful open innovation network through which we can partner on early-stage ideas that have the potential to impact the future of mobility. We understand that these interactions can provide great insight exchanges that help create innovation in our way of thinking and production. As a multicultural company, we emphasize involvement with different companies around the world.



## LIGHTENING UP THE FUTURE

In order to promote sustainable practices, while automating and evolving the production processes, we strive to bring innovative and manufactural products that guarantee quality, safety and usefulness to our customers. Since the mid-90s, we have consistently offered our customers the industry's lightest commercial vehicle steel wheel in the market. We believe low-carbon steel wheels can play a vital role in the shift to zero-carbon mobility, as the most cost-effective and environmentally friendly wheel option. With six times lower CO2 production as compared to conventional aluminium wheels for light vehicles, steel wheels offer significant additional sustainability benefits.

We continue to support automakers, while allocating efforts to incorporate the concept of Net Zero into our processes. We strive to increase our expertise on sustainable materials, their life cycles and other related possibilities. In 2017, we launched the industry's lightest mass-produced steel wheel. Weighing only 34 kg, our GEN34 22, 5" x 9.0" steel wheel is a real game-changer - through sophisticated design and refined manufacturing techniques, this wheel weighs significantly less than its predecessors did, without sacrificing reliability or durability. We aim to continue this innovation, in all regions, with safe and robust wheels that weigh less than 30 kilograms.

### E-MOBILITY

As a leading wheel supplier for electric vehicle (EV) programs and new mobility fleets around the world, the Company offers a variety of sustainable wheel options made with greener materials, less energy and more efficient designs and processes. Our environmentally conscious options help support the automotive industry's transition towards carbon neutrality.

New types of chassis structures are emerging with the continued expansion in vehicle electrification. The market indicates that customers will tend to demand more materials with Net Zero-developed design. In 2021, we experienced great progress in e-mobility, working on a full portfolio around E-Vehicles. Key areas include noise reduction, aerodynamics, weight reduction, emissions reduction and NVH.

## WE BELIEVE

that the next generation of wheels for light commercial electric vehicles will likely become standard for all customers, reflecting the need for a cost-effective, production-ready, and standardized original equipment drop center steel wheel. We started a project in 2021, focusing on noise reduction of EVs and collaborating with MAT and partners from Germany. We expect to launch the prototype in Q3 of 2022.

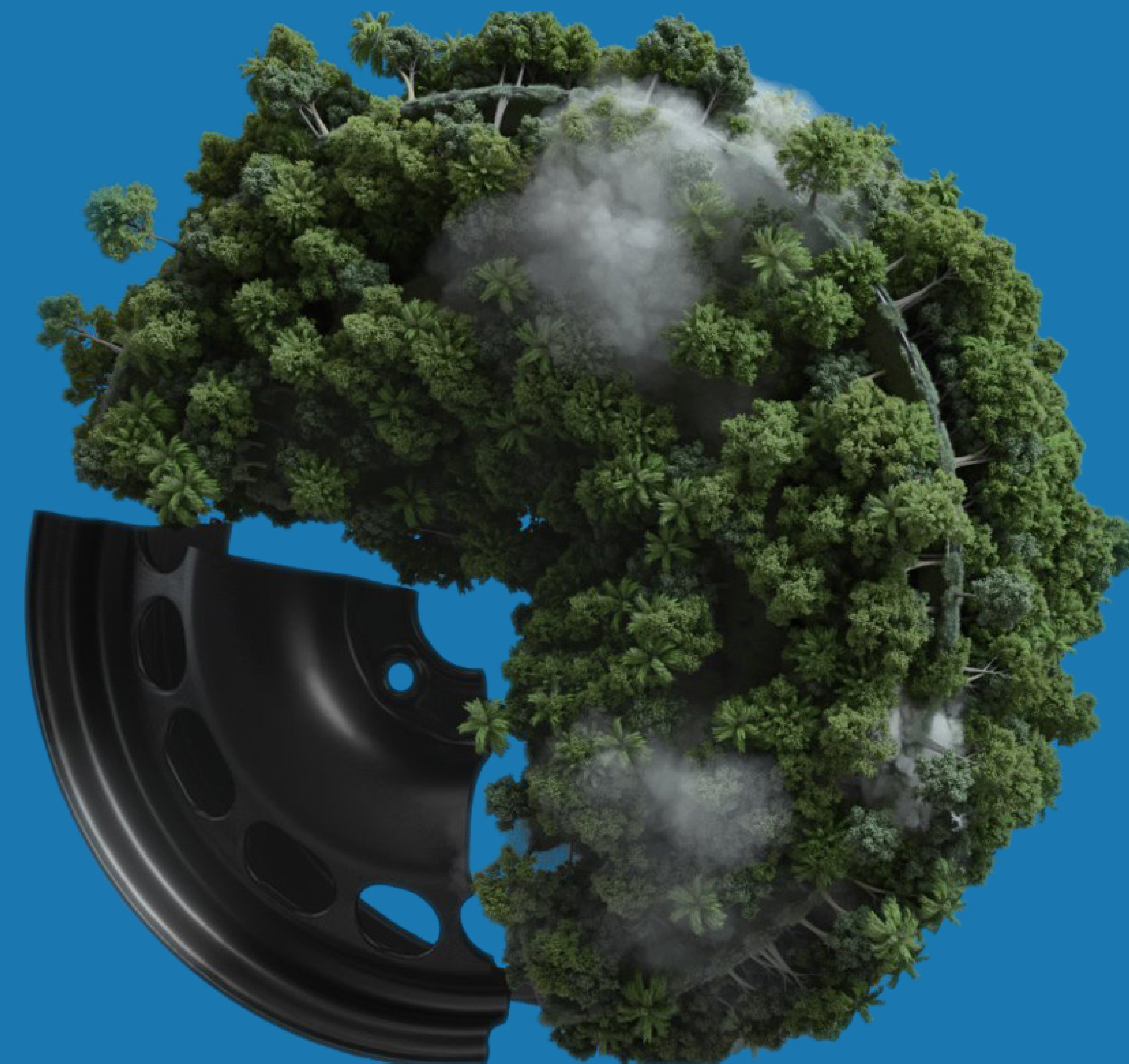
Also, in 2021, Maxion Wheels and long-distance driver Rainer Zietlow, along with the Challenge4 team, successfully set a new Guinness World Record for driving to the highest altitude in the all-electric VW ID.4 GTX. Equipped with Maxion's robust, lightweight and sustainable steel wheels, the team drove to the top of Bolivia's Uturuncu volcano, 5,816 meters above sea level, breaking the previous record set in 2020 by approximately 45 meters of altitude. Maxion Wheels actively supported the high-altitude challenge from its onset, underlining our commitment to sustainability and reducing CO2 emissions. A visual story about the journey is now on our website, <https://www.maxionwheels.com/vw-id4-gtx-guinness-world-record> with a social media series over the coming weeks driving traffic to the web page.

As mentioned above, we collaborate with several start-ups to insert electric modes into our wheels. The Acorus Technology is a partnership between Michelin and Maxion Wheels, keeping drivers and passengers safe by absorbing and dramatically reducing the impact and vibrations from potholes or road hazards. In addition to improving ride comfort and lowering road-noise levels, ACORUS eliminates costly tire and wheel damage. ACORUS is also reducing the environmental impact of our operations by reducing the number of damaged tires sent to the landfill. The patented new technology, which is compatible with all passenger tires on the market, minimizes the barrier to autonomous driving by providing a mechanical solution for potholes - you can drive right through it, rather than navigate around it. The project is still ongoing, with the development of the Helice Tire Wheel System: a product that focuses on an electric and sustainable world of tomorrow.

Additionally, our RRT Technology is still generating competitive advantage. Reduced Rim Technology (RRT) is a proven and proprietary light weighting optimization process that removes structurally unnecessary material from wheels, without compromising the robustness or functionality of the wheel.

# INNOVATION AND ENVIRONMENTAL IMPACT

We strive to implement environmental value in our products. As such, we always assess the sustainability impact of our new ideas and make decisions based on research and data analysis. To evaluate the environmental impacts linked to the development of new processes and products, we enlist the support of the ESG Committee. Our innovation team can rely on the guidance of our ESG team, who provides support on sustainability awareness. The ESG team also helps evaluate raw material suppliers, especially in regards to their CO2 emissions. In 2021, we reinforced our portfolio of projects aiming to develop new approaches to reducing our environmental impact.



## INNOVATION AND CUSTOMERS

We strive to maintain a trusting and close relationship with our customers. To better understand and address customer expectations and needs, we promote frequent day-to-day meetings to collect feedback, organically supporting our relationship with our clients.

To attract and engage customers, we promoted TechDays in 2021. These virtual events served to align customer expectations and attract, engage and generate business. We held 11 virtual meetings last year, through which we were able to collect feedback, align projects and foster discussions that brought relevant insights to achieve desired solutions. We have already planned four TechDays for 2022, with the support of our Marketing team, to continue engagement with our clients.

## AWARDS

**OPEX: 1st place Jaw (Turkey)**

**NWT (Natural working team)  
Production: 1st place Jaw (Turkey)**

**NWT Support and Admin: 1st place –  
San Luis Potosí (Mexico)**

# A CULTURAL SHIFT

Digital Transformation is already a priority for our organization. We understand that agility and effectiveness are essential to becoming a leader in the Digital Era. We seek to keep our eyes on the future and strive to work in an accelerated manner to get there.

Our Company is already moving towards the automation of processes, with a focus on generating more autonomy and improving customer experiences. We strive to build a well-defined digital strategy, while holding a culture of innovation aligned with the objectives of our business. Our leaders and employees understand the importance of being aware of technology trends, always thinking about how they can generate more value for the business and stakeholders and improve the consumer experience. Our Digital Transformation strategy enhances the use of technologies for optimization, management improvement and decision-making, especially in order to create greater value.

IoChpe-Maxion's Digital Transformation (DT) is an internally-driven program focused on adopting and implementing digital tools and technologies for the improvement of our operational processes, our financial results, our competitive edge and our client service. We achieve these improvements through a culture of speed, agility and flexibility, as well as through a network of regional and local DT Champions from our different functions and operations businesses. In 2021, we were evaluated by the ICTd (Cesar Index of Digital Transformation), with a high score of 86% for digital maturity.

In terms of innovation in Digital Transformation, we advanced research for the development of sensorized presses in 2021. To meet the Company's goal of reducing unexpected machine failures and driving significant improvements, this technology was built with the premise of sending data to generate predictive maintenance models, making it possible to forecast when equipment maintenance is needed. This structural model may be applied and scaled to other presses in the plants, which will increase the availability of equipment and our consequent production capacity. Our management understands the importance of increasing the Digital Transformation within our Company,

and put effort towards increasing team availability for DT, improving savings tracking, streamlining project progress report lines, shortening feedback distance to leadership, increasing DT recognition, and more. We also understand that collaboration is key to achieving our business goals. Stakeholder feedback drives the revision of our DT Organization to connect and push our cultural shift. We strive every day to better-connect our departments, our plants and our data.

## ► IN 2021, WE UPDATED OUR MEETING STRUCTURE.

With the learnings of the past 3 years, the DT Steering Committee agreed to perform small, focused changes to improve its efficiency. Our meeting structure will be driven by our teams' learnings and will focus on achievements and challenges faced on our projects.

## DIGITAL TRANSFORMATION ROLES

As part of our digital transformation strategy, we established specific roles to help spread our digital transformation goals. Employees in these roles facilitate the digital transformation culture within our organization. The Digital Transformation (DT) Champion is the main driver for the digital transformation culture in our company. DT Champions can be from any plant or function, as long as they engage with digital ideas, process innovation, leadership or technical projects. Some potential DT Champion candidates includes maintenance managers, plant floor automation engineers, and functional experts. DT Champions must be eager to promote digital and innovative solutions, as well to collaborate with different colleagues from the DTO. They are employees engaged with advancing digital ideas, process innovation, leadership or technical projects. They are enthusiastic about DT and coordinate discussions among their global peers through weekly meetings. They are responsible for sharing their plant or function's digital learnings within the DTO, and vice versa. They coordinate with OPEX on the savings calculation, and help HR identify other DT talents and set up training programs. As a result of our work with digital transformation, we received several awards, some of them are:

- **Engineering and Production Technology: Maxion Uses Industry 4.0 Tools to Reduce Manufacturing Cycle Time and Scrap**
- **Operational Excellence: Maxion Improves Fallout with Track and Trace Digitalization System**
- **Sustainability and the Circular Economy: Maxion Wheels Reduces Carbon Footprint with Online Utilities Monitoring**
- **The Digital Twin Grant with FINEP initiative which helps also on productivity and reducing cycle times**
- **Monolith AI and King's College in London for the use of Artificial Intelligence in Engineering Simulations EMEA with the London Kings College**



## CORPORATE GOVERNANCE AND ETHICS

GRI 102-5, 102-16, 102-18, 102-22, 102-23, 102-24, 102-26, 102-28, 102-30, 102-31, 102-35

Iochope-Maxion is listed in the B3 Novo Mercado (São Paulo Stock Exchange), which requires companies to meet best practices for corporate governance. For further information on B3 please visit:

[http://www.b3.com.br/pt\\_br/produtos-e-servicos/solucoes-para-emissores/segmentos-de-listagem/novo-mercado](http://www.b3.com.br/pt_br/produtos-e-servicos/solucoes-para-emissores/segmentos-de-listagem/novo-mercado)

## COMPANY'S OWNERSHIP

GRI 102-5

SHAREHOLDER	NUMBER OF SHARES (ON)	%
IOSCHPE FAMILY	22,572,091	14.68%
ALASKA INVESTIMENTOS LTDA*	17,150,962	11.16%
BB GESTÃO DE RECURSOS	14,524,736	9.45%
WPA PARTICIPAÇÕES E INVESTIMENTOS	11,077,847	7.21%
OTHERS	88,393,965	58%
<b>TOTAL IOCHPE-MAXION</b>	<b>153,719,601</b>	<b>100%</b>

The Company has a valid Voting Agreement, which was signed on October 28, 2013, between Iochope family members. To access the voting agreement, click here (Portuguese only).  
\*Shareholding held by investment funds and or portfolios under common discretionary management.

# THE COMPANY

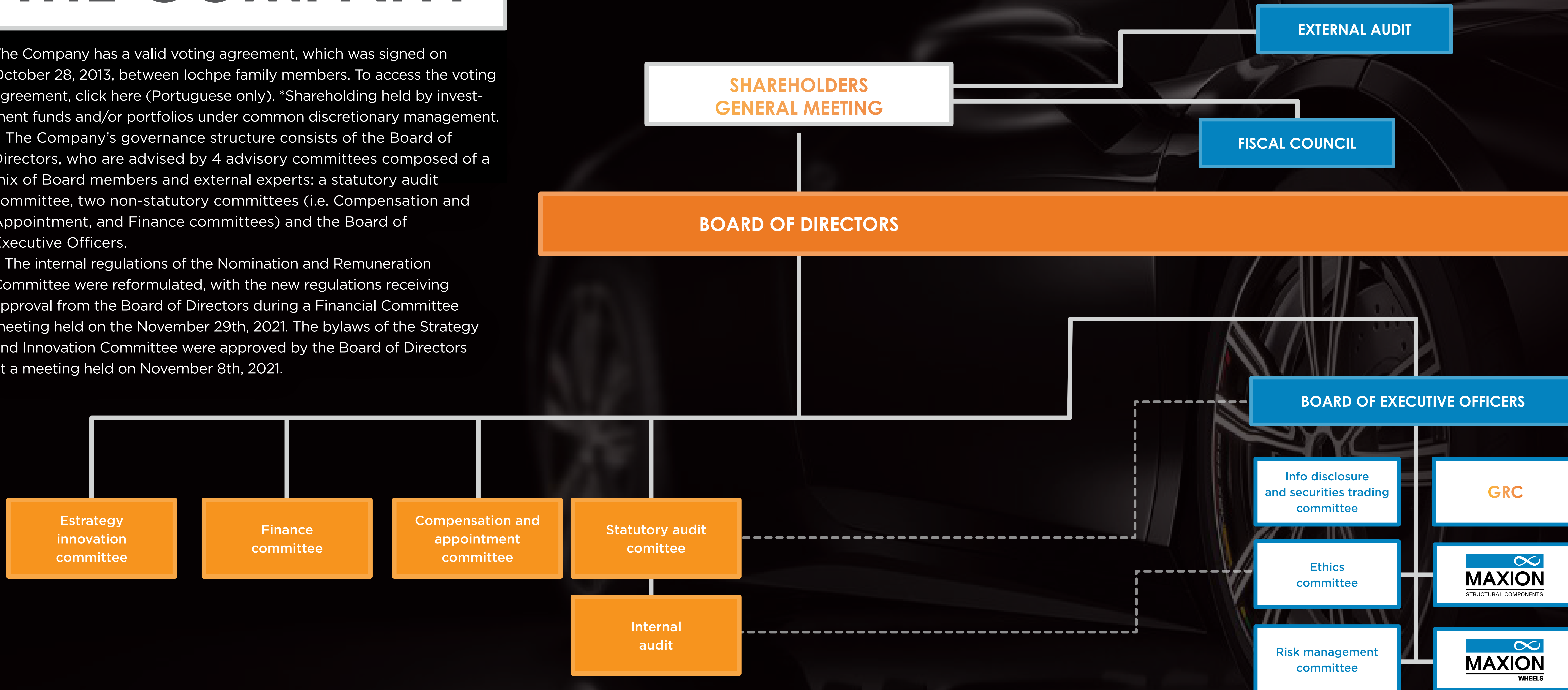
The Company has a valid voting agreement, which was signed on October 28, 2013, between Iochpe family members. To access the voting agreement, click here (Portuguese only). \*Shareholding held by investment funds and/or portfolios under common discretionary management.

The Company's governance structure consists of the Board of Directors, who are advised by 4 advisory committees composed of a mix of Board members and external experts: a statutory audit committee, two non-statutory committees (i.e. Compensation and Appointment, and Finance committees) and the Board of Executive Officers.

The internal regulations of the Nomination and Remuneration Committee were reformulated, with the new regulations receiving approval from the Board of Directors during a Financial Committee meeting held on the November 29th, 2021. The bylaws of the Strategy and Innovation Committee were approved by the Board of Directors at a meeting held on November 8th, 2021.

# GOVERNANCE STRUCTURE

GRI 102-18



# THE COMPANY

The Board of Directors is composed of nine members, all male, five of whom are independent. Members are elected for a period of two years and may be re-elected. The positions of Chairman of the Board of Directors and Company CEO cannot be held by the same person, unless one of the positions is vacant, as per Novo Mercado regulations. [GRI 102-18, 102-22, 102-23](#)

The Company's statute foresees that the chairman of the Board of Directors submits Director nominees for approval by the Ordinary General Assembly every two years. Our Board composition reflects our efforts to integrate people with different profiles and experiences, regardless of gender. The Company has increasingly integrated consideration for diversity into the decision-making process. However, we still have some long-term steps to take for women to be included in high governance (board). [GRI 102-24](#)

In 2021, the Board of Directors attended 11 regular meetings, monthly, and 23 additional meetings.

Variable compensation is applicable for management positions and above, with the integration of sustainability-related matters into variable compensation in 2022. [GRI 102-35](#)

NAME	ELECTION DATE	POSITION HELD
DAN IOSCHPE	04/23/2021	CHAIRMAN OF THE BOARD OF DIRECTORS
NILDEMAR SECCHES	04/23/2021	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS INDEPENDENT MEMBER
ALEXANDRE GONÇALVES SILVA	04/23/2021	FULL INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS
GUSTAVO BERG IOSCHPE	04/23/2021	FULL MEMBER OF THE BOARD OF DIRECTORS
HENRIQUE BREDDA	04/23/2021	FULL MEMBER OF THE BOARD OF DIRECTORS
IBOTY BROCHMANN IOSCHPE	04/23/2021	FULL INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS
ISRAEL VAINBOIM	04/23/2021	FULL INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS
MAURO LITWIN IOCHPE	04/23/2021	FULL MEMBER OF THE BOARD OF DIRECTORS
SERGIO LUIZ SILVA SCHWARTZ	04/23/2021	FULL INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

For more information on the composition of the Board of Directors, visit <https://www.iochpe.com.br/en/governance/board-of-directors-committees-and-executive-board/>. The Board of Directors is advised by:

## COMPENSATION AND APPOINTMENT COMMITTEE:

A non-statutory panel that advises the Board of Directors on topics related to compensation and appointment. Examples of these topics include: executive remuneration, including short-term variable remuneration and long-term incentives. The Company's talent management process; executive succession plans; and appointment of the main executive position.

▶ **Finance Committee:** A non-statutory panel that advises the Board of Directors on topics related to short-term investment policies, capital structure and debt profile or dividend payments. The committee also monitors the covenants, tax structuring, issuance, buyback or redemption of debt securities or securities, financing of new businesses, mergers, spin-offs or acquisitions.

▶ **Statutory Audit Committee:** A permanent panel that directly advises the Board, with independent budget and autonomy to conduct and define consultations, assessments and investigations within its scope of work, including identification and contracting of independent specialists. The duties of this committee include:

▶ **Comment** on the appointment and dismissal of independent auditors to carry out the independent due diligence, audits, or related services

▶ **Oversee** the work of appointed independent auditors, and assess their independence and quality of the services provided

▶ **Monitor** the quality and integrity of the Company's internal controls, quarterly information, internal and financial statements, amongst other things

▶ **Assess** and monitor the Company's risk exposure; they may also request detailed information about related policies and procedures

▶ **In conjunction** with management and the internal audit department, assess and monitor the adequacy of related-party transactions carried out by the Company and respective supporting documents.

▶ **Strategy and innovation Committee:** A non-statutory panel that advises the Board of Directors on the strategic direction of the Company and its divisions. The committee also provides recommendations on new investment opportunities and potential new business, follows up on initiatives related to research and technological innovation, and monitors the activities of Maxion Advanced Technology (MAT).

▶ **Internal Audit:** The Department of Internal Audit is in charge of monitoring, evaluating, and implementing the recommendations for internal controls and internal policies and procedures, through periodical independent audits on the effectiveness and efficacy of internal controls

▶ **Fiscal Council:** This council holds a non-permanent status and was implemented during 2020 following a request expressed by the shareholders during the Ordinary General Assembly. The Fiscal Council consists of three members and their alternates.

# THE BOARD OF EXECUTIVE OFFICERS

is composed of three members:

NAME	ELECTION DATE	POSITION HELD
MARCOS S. OLIVEIRA	04/27/2021	CHIEF EXECUTIVE OFFICER
ELCIO MITSUSHIRO ITO	04/27/2021	CHIEF FINANCIAL AND INVESTOR RELATIONS OFFICER
PAULO MARCIO ALMADA DOS SANTOS	04/27/2021	DIRECTOR

The Board of Executive Officers is advised by the Disclosure and Securities Trading Committee, Ethics Committee and Risk Management Committee.

## BOARD AND EXECUTIVE ASSESSMENT 102-28

Every two years, we assess the Board of Directors, the Committees and the individual members' performance, according to methodology and criteria adopted by the market. In 2021, members of the Board were evaluated by an external independent consulting firm; such evaluation included self-assessments, external assessments and assessments of quantitative data. The results are used to inform recommendations on how to improve the work of the Board, specifically related to corporate governance. The CEO's performance is evaluated annually by the Compensation and Appointment Committee and the Board of Directors, and biennially by an external consulting firm. This assessment includes financial and non-financial KPIs. The annual review process is also applied to other directors, whose bonuses are determined by their annual performance. This process is in accordance with the Company's long-term incentive plan.

### SOURCE:

Pratique ou Explique: Análise Quantitativa dos Informes das Companhias Abertas Brasileiras (2021), prepared by IBGC, EY and TozziniFreire Advogados, available at:



<https://conhecimento.ibgc.org.br>

## BEST PRACTICES

Our Corporate Governance Practices showed consistent evolution through the years. Qualitative analysis of Iochpe-Maxion performance based on the 54 recommended practices of the report on the Brazilian Code of Corporate Governance - Listed Companies\* indicates that Iochpe-Maxion have over 80% full adoption. Novo Mercado and Ibovespa index listed companies have average adoption rate of 67.9% and 76.9%.

## ETHICS AND INTEGRITY

GRI 102-17, 103-1, 103-2, 205-2, 205-3, SASB TR-AP-520A.1

Our commitment to operating in an ethical, upright and transparent way in all activities related to Iochpe-Maxion, by means of our employees, directors, officers, service providers and suppliers, has been a key element in our business strategy and the development of our business since the company was founded. This commitment has remained a key element since the Company's founding and was integrated during the development of our business and business strategy.

For Iochpe-Maxion, compliance means knowing, understanding and enforcing the laws and regulations that govern our business globally. Compliance also means adhering to our Code of Conduct and our internal regulations and procedures. These codes, regulations and procedures ensure that our reputation and assets are preserved and promote good relationships with our key stakeholders. The ethical commitment and standards of conduct are presented in our Code of Conduct, and we do not tolerate any violation or misconduct of these standards.

Our Ethics Committee, created in 2018, answers to the Board of Executive Officers. The committee meets every two months or whenever needed. The management approach for ethics is embedded in corporate management levels up to the Director and passed through higher levels for monitoring.

Thus, the Compliance program and all relevant topics are reported during Board meetings. For instance, although corruption or monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations never occurred, if it had been found, it would have been reported to the highest governance body.

GRI 205-3, SASB TR-AP-520A.1

To ensure compliance with legislation, internal regulations, external regulations and standards, best practices and ethical principles, the Company relies on:

- ▶ **A Code of Conduct**
- ▶ **A whistleblower hotline**
- ▶ **An ethics and anticorruption policy that addresses contributions, donations and issues related to preventing and detecting crimes**
- ▶ **Securities Trading and Information Disclosure policy**
- ▶ **Structured Governance, Risk and Compliance (GRC) area**
- ▶ **Structured internal audit area (first and second line of defense)**
- ▶ **Annual trainings for Code of Conduct and ethics and anticorruption policy**

# CODE OF CONDUCT

The Code of Conduct is inspired and aligned to our mission, vision & values (People Chapter page 50) – still constantly evolving towards better standards.

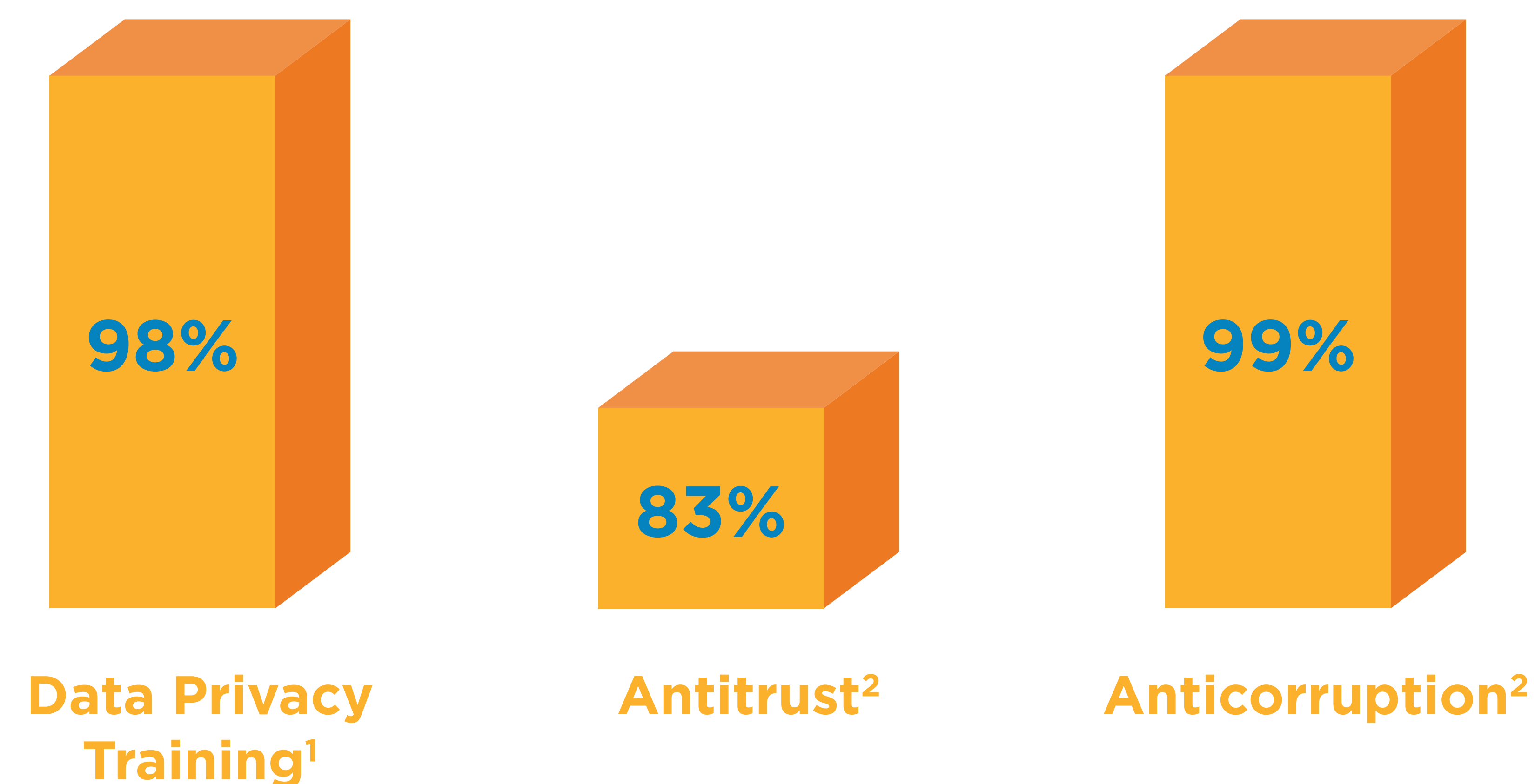
In 2021 the Code we included a client's labor clause which was considered important to be incorporated. Our Code of Conduct also aims to promote socially responsible activities for the Company. The Code supports productivity, supplying quality products and providing good services, while complying with applicable laws and regulations, avoiding waste and respecting the environment, cultural values, human rights and social organization of the communities in which we operate. It presents a set of principles and guidelines that, along with the Ethics Policy & Anticorruption and ethics related procedures comprises the following items, among others:

- ▶ **Combating corruption and bribery**
- ▶ **Prevention of money laundering**
- ▶ **Confidentiality and data security**
- ▶ **Information technology resources and privacy**
- ▶ **Conflict of interest**
- ▶ **Complaints and hotline**
- ▶ **Non retaliation**
- ▶ **Disciplinary measures**
- ▶ **Suppliers and service providers**
- ▶ **Customers**
- ▶ **Social and environmental responsibility**
- ▶ **Working environment (including human rights, non discrimination nor prejudice, abuse neither harassment of any kind)**
- ▶ **Employees and members of management (including slave, forced, compulsory and child labor).**

**IN 2021, 95% OF  
OUR EMPLOYEES  
COMPLETED TRAININGS  
ABOUT COMPLIANCE.**

▶ **TRAININGS ON OUR CODE** of Conduct are conducted annually and target all Company employees. 100% of our employees received Code of Conduct trainings in 2021, as well as in 2020 and 2019. In 2021, we adapted the content and format of the trainings to white (online) and blue (in person) collars to tailor communication to the nature of their jobs. The latest training was conducted in November 2021. **GRI 205-2.** We implemented new trainings on anticorruption, focusing on white collars, and antitrust trainings, targeting C-Level and sale professionals. We also achieved an increase in the overall number of trained employees in IT Security. In 2021, 97% of all computers' users received this training, compared to 2020, where the attendance for this training was only 81%. In 2019, we first targeted this training to white collar employees, with an attendance of 91%. Due to the General Data Protection Regulation (GDPR), in 2021, the Data Privacy training applied to all white collars and extended to blue collars in the EU for the first time.

## 2021 PERCENTAGE OF TRAINED EMPLOYEES



<sup>1</sup>Category: All white collars globally and all blue collars in the European region

<sup>2</sup>Category: All executives (C-Levels) and sales professionals

<sup>3</sup>Category: All White collars

# 100% OF EMPLOYEES

trained on the Code of Conduct Ethics and Anti-Bribery & Corruption and related policies.

We ensure that 100% of Suppliers and Clients are aligned with our Ethic commitments and behaviors lochpe-Maxion's Code of Conduct and Ethics Hotline channel are regularly communicated to employees, supports the principles and values which have guided us throughout our history. The Complaints can be made by any person, through telephone, e-mail or the reporting channel website, available 24/7, in 11 languages to suppliers, customers and other third parties.

The information reported through this hotline is independently managed by the Internal Audit Department, which assessed and categorized regarding its validity and by category. When proved the validity, all manifestations have predetermined areas for treatment and action plan, in general the Audit team with the responsible area for that subject.

The protection of the whistleblower is guaranteed by being independent managed, through anonymous complaints and prohibition of retaliation against the whistleblower presented in the code of Conduct. Moreover, in case of disagreement there it is possible to reopen the complaint even when the case is finished. The Internal Audit Department is tasked with ensuring caller anonymity and confidentiality. Issues can be raised via our website, telephone **(+55 11 5508 3817)** or e-mail **(ethics@iochpe.com.br)**.

## COMPLAINTS RECEIVED AND TREATED GRI 103-2

	2019	2020	2021
TOTAL COMPLAINTS RECEIVED	43	81	113
% COMPLAINTS TREATED	100%	100%	100%

In 2021, 24 complaints were considered valid and 22 were partially valid. While 62 complaints were assessed and considered invalid and 5 complaints were not applicable. If the complaints are considered valid, the possible actions taken are notification to the leadership, warning, reinforcement in trainings, etc. In 2020, 23 complaints were assessed and considered valid while in 2019, 13 complaints were assessed and considered valid. This demonstrates that our compliance program communication is increasing and evolving over the years.

## RISK MANAGEMENT

GRI 102-30, 102-31, 102-33, 103-2

We are constantly improving internal controls and monitoring, as well as assessing risks that might impact our business through many fronts. lochpe-Maxion's Corporate Risk Management practices follow the "COSO Enterprise Risk Management - Integrated Framework" methodology and are adapted to reflect the operational characteristics and specifics of our business.

**The Corporate Risk Management Policy**, reviewed in 2019, oversees the management of operational, financial, strategic and compliance risks. It was implemented using a risk matrix that includes the main corporate risks, based on the risk severity and likelihood to impact the business. The risk matrix is validated twice a year by the Statutory Audit Committee and the Board of Directors, and changes are made as needed.

**The reviewed** matrix in 2021 indicated several new

risks due to the COVID-19 pandemic and new market scenario. As result of the new home office policy, Cybersecurity for white collars and talent attraction for blue collars are relevant emerging risks to the company, which are under our priority action plans.

**The Governance, Risks and Compliance Department** supports process mapping, risks and controls identification, action plan development, implementation and monitoring and leads the Risk Management and Compliance programs (including Data Privacy legislations in the countries that we operate - e.g. GDPR, LGPD, etc.). The department's responsibilities are also to improve processes to identify opportunities and support other teams and departments to optimize their activities.

**The Executive Board**, which oversees management, has been working with the

operations teams to monitor, report and course-correct forecasted future issues from non-compliance with internal and external regulations.

**The Company's** risk management also follows the guidelines of the Board of Directors, who review the risks during Board meetings, twice a year, to ensure that the main corporate risks are covered and monitored. **GRI 102-30, 102-31**  
**The Internal** Audit Department is based on a risk approach in order to set the internal Audit Plan. It takes into account 9 different factors, among them financial and market representativeness, results from the previous audit. Through internal independent audits it monitors, evaluates and provides recommendations on internal controls, policies and procedures. The department reports constantly to the Statutory Audit Committee.

# PRODUCT QUALITY AND SAFETY

GRI 103-2, 403-1, 416-1, 416-2, SASB TR-AP-250A.1

**Making wheels and vehicle components is challenging work. Our goal remains the same: producing the world's best wheels and structural components, aimed at the safety of drivers and passengers. Throughout 2021, we also continued our efforts to reduce our environmental impact and improve our operational performance.**



We are an automotive sector company that serves the global market with innovative solutions in structural components and wheels for vehicles. We aim to be a leader in our segment, seeking the best practices in the development of our activities, processes, products and services. We aim to meet customers and stakeholders' expectations in a healthy, safe and sustainable way.

When it comes to Quality Management, we put efforts to standardize both divisions, respecting each region and production process' singularities. We promote discussions through forums, working groups and committees to align related topics. We strive to standardize the maximum number of both division's goals, objectives and metrics, while trying to develop all the processes in a common way. Both divisions put effort in improving operational efficiency and excellence. To help this process, both division management systems include:

- ▶ **People management**
- ▶ **Employee health and safety**
- ▶ **Environmental impacts of the production process, e.g. water and effluent, greenhouse gas emission, materials and waste**
- ▶ **Quality of products to guarantee user and vehicle operation safety**
- ▶ **Innovation**
- ▶ **Client satisfaction**
- ▶ **Supply chain**
- ▶ **Cost reduction**

## ▶ MAXION STRUCTURAL COMPONENTS' QUALITY SYSTEM



MSC has the Maxion Quality System (MQS), an integrated management system that aims to coordinate and guide all product development activities according to our customers' technical requirements, our Company's quality standards, and the internationally required automotive standards.

Our main goal is to consolidate this system with criteria and requirements that can be recognized as a MSC Quality brand. We aim to, through this new brand and all the involved standardizations, make Maxion Quality System (MQS) easily comprehensible and replicable when necessary. In the case of occurrence or non-conformity with the management system and opportunities of improvement, the process follows the following phases: Planning, Execution, Verification and Action.

Structural Components developed a unified Global HSEQ Policy which is widely applicable to all its plants and will be communicated in early 2022. The Policy development included several meetings, the participation of HSEQ quality and senior management representatives from all sites and benchmarking. The policy is in compliance with several HSEQ requirements, internal and client standards and legislation. Additionally, it is aligned with supplier necessities and stakeholder interests. The environmental policy is applicable to all our employees and available to government entities, the community, customers, suppliers and service providers.

We comply with the global mandatory standard for the auto parts segment, the IATF 16949.

The Health, Safety and Environmental standards can vary depending on the regions where we operate, with different management systems in each country and culture. In Brazil, ISO certifications are mandatory, especially ISO 45001 - Occupational Health and Safety Management System. [GRI 403-1](#)

The President and the Board are primarily responsible for product safety and quality, integrity and partners, environmental preservation and information security, and laboratory skills. The Quality Director is a representative of management. The Board of Directors is responsible for the management, maintenance and improvement of the integrated system, including IATF 16949, ISO 14001 and ISO45001. This responsibility is shared with the Process Owners. They evaluate when to implement adjustments to test alignment with requirements, policies and best practices.



- ▶ **90% of MSC plants** are certified in IATF 16949 (Quality Certification), with the exception of our plant in Uruguay. The certification process is included in our 2022 Roadmap;
- ▶ **80% of MSC plants** are certified in ISO14001 (Environmental Certification);
- ▶ **10% of MSC plants** are certified in ISO45001 Occupational Health & Safety Certification. The other plants in the Americas plan to receive certification in 2022 and 2023;
- ▶ **90% of the plants** have the ISO 9001 certification, with the exception of our plant in Uruguay, which plans to receive certification in 2022.

There are different quality systems for each MSC plant, but the best practices among MSC's sites have been the current target for the standardization activities regarding the MQS.

IN 2021, WE DEVELOPED A STRATEGY PLAN TO:

- ▶ **Define** the necessary (obligatory) certifications for all MSC plants.
- ▶ **Implement a standardization process** (involving Key Processes, Quality Manual, Procedures and KPIs) throughout the MSC plants, based on the concepts of a Quality System.
- ▶ **Implement an MSC Assessment process in other MSC plants and key suppliers**, in order to identify conformance (to standards and requirements) gaps and take corrective and preventive actions accordingly.

In 2021, we accomplished many of the actions planned within our MSC Quality System Roadmap, including:

- ▶ **Complete Action Plan ISO45001 Inmagusa/Contagem, and ISO14001 at Resende and Montich (P3).**

- ▶ **Revalidate Manual, Procedures and KPIs (standardizations).**
- ▶ **Leadership Meetings.**
- ▶ **Complete 100% of MQS standardizations in Brazil.**
- ▶ **Updating MQS Assessment (Suppliers).**
- ▶ **Standardization of Infrastructure (e.g.: management software related Quality Tools (SAP).**
- ▶ **MQS standards with focus on Inorganic and Organic Growth.**
- ▶ **Support Internal Control Audits;**
- ▶ **Support ESG's demands.**

Our operations are monitored by key performance indicators (KPIs) that cover HSE and quality aspects, some of which are disclosed in this report. Our indicators are dynamic and we manage them to keep up with the market. We monitor them periodically, with the help of the HSE Team. Many of our KPIs are linked to goals established by the automakers.

Once we reach the end of the year, we revise the plan for our KPIs and set new goals that align with milestones achieved during the past year and with market tendencies. It can be challenging to consolidate KPIs and their related processes as a multiregional and multicultural company. In this sense, we strive to conduct due diligences with the aim of better understanding our plants, our regions and our systems to standardize our metrics, with respect to geographic differences. We have been creating a spelling book that contains process maps of all areas, with the aim of making it effective and easier to unify our plants. Some of our main indicators monitored include: market share, percentage of client requests on ESG topics, PPM (number of defective pieces in parts per million), Scarp and RFQ (that measures deadline attendance and cost competitiveness).

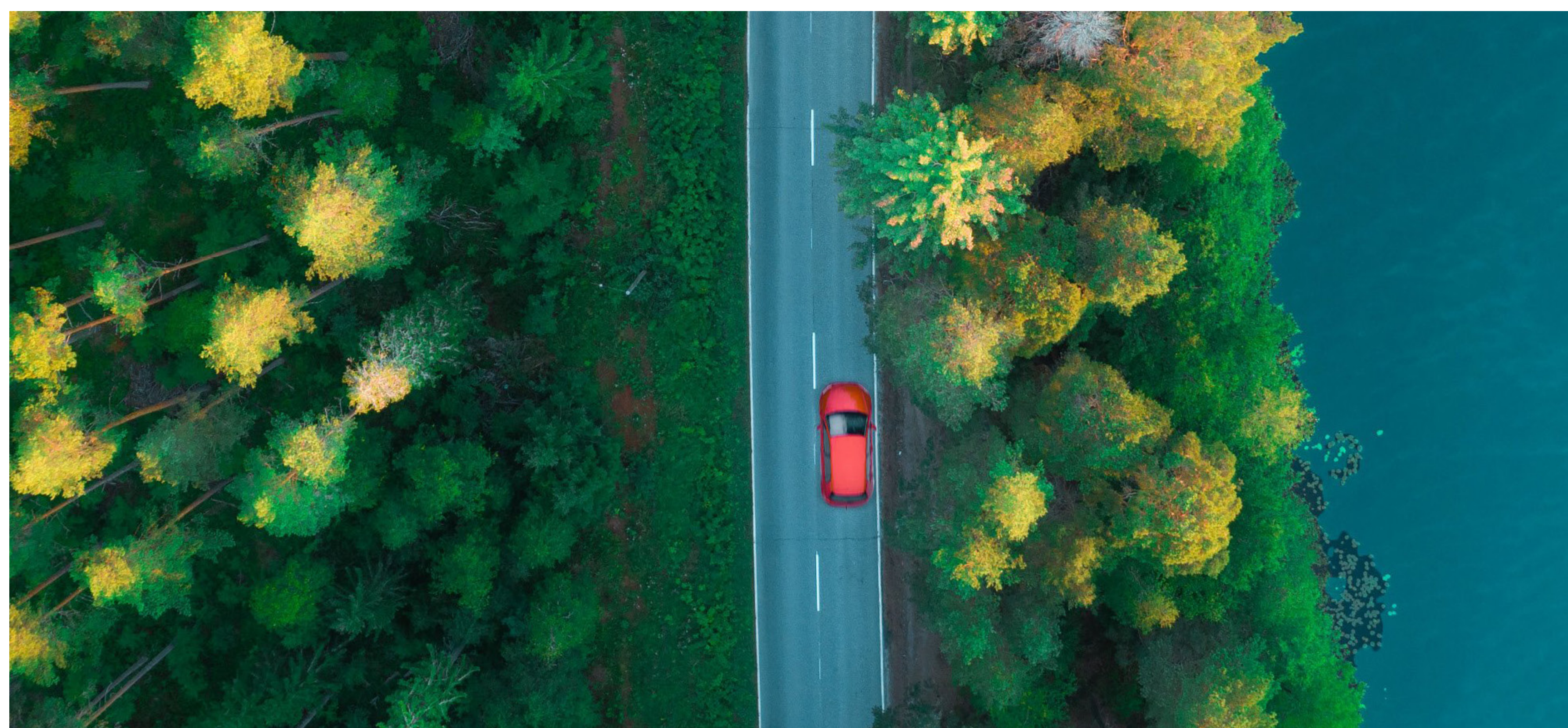




# IN ORDER TO KEEP

improving our management systems and quality processes, we hold periodical meetings with the areas in our plants to elaborate strategic planning and deploy needed improvements. We also promote business reviews, leadership meetings held two or three times a year to align the company's strategy and perspective. Our division also holds and participates on events that help promote our products, facilitate alignments and bring us closer to our clients, such as the TechDays and Webinars with business partners. Additionally, we administer various trainings on our Integrated Policy topics. We also hold constant testing on products and processes, putting effort towards improving them each day.

We highlight the development of our Integrated Policy in 2021. The Policy addresses Health, Safety, Quality and Environmental topics in an integrated way. Also, in order to build the Policy more in line with our division's reality, we not only addressed company internal topics, but also took into consideration community and client perspectives. Our HSEQ Policy was developed for all of our employees. It was disclosed and communicated through all of our available channels.



# OUR POLICY STATES THAT WE MUST

- ▶ Work with safety and quality; promoting well-being; building a culture in which employees, contractors, third parties and other interested parties promote active care for each other, with conscious use of natural resources; developing people's excellence; establishing a structure of objectives and goals; and promoting the continuous improvement of the management system.
- ▶ Ensure correct compliance with current legislation, normative references and other applicable requirements.
- ▶ Provide adequate communication to involve, consult and promote the participation of employees in the different levels of decisions related to development-planning-implementation-performance evaluation and continuous improvement.
- ▶ Identify, manage and control risks, considering context analysis and strategic planning.
- ▶ Identify, assess, control, minimize or eliminate hazards and reduce the risks and potential causes of harm, involving Employees - Contractors - Stakeholders.
- ▶ Identify, evaluate, control, minimize or eliminate existing aspects to prevent environmental impacts, aiming at sustainable and climate change appropriate development, through specific commitments, and practicing pollution prevention and protection.

## ▶ MAXION WHEELS' MANAGEMENT SYSTEM

Maxion Wheels evaluates the potential or actual environmental impacts of its activities, processes, products or services, aiming at preventing pollution of the environment. We ensure compliance with current legislation, applicable environmental standards and internal procedures through our Environmental Management System. The Company is fully committed to continuous improvement of its implemented Management System. We are considerably improving the data management software solutions on the Impact System to make sure all sustainability-related data is tracked in one system and has audit tracing.

For us, wheels are a safety component. Maxion Wheels has an Integrated Management System to comply with all Customer and Internal Requirements for Quality, Environment and Health & Safety. The scope of the global Maxion Management System (M2S) includes:



- ▶ **Health and Safety (ISO 45001)**
- ▶ **Energy (ISO 5001)**
- ▶ **Sustainability (ISO 14001)**
- ▶ **ESG**
- ▶ **Site Security**

We hold external and internal audits on a regular basis. The audits against the Management System occur at least once per year in every plant. Cross audits and audits carried by the audit team occur bi-weekly, weekly and monthly to make sure all standards, legal topics and customer requirements are met.

- 100% of MX plants are certified in ISO 14001, except the new Pune Aluminum plant which will be certified by July 2022;
- 88% of MX plants were certified in ISO 45001 by the end of 2021;
- 13% of MX plants are certified in ISO 50001.

## WE MANAGE OUR AREA THROUGH TWO DIFFERENT FRONT LINES: OPEX AND QUALITY.

### GOQ GLOBAL STANDARD DIGITAL FRAMEWORK



OPEX is about monitoring operational excellence and continuous improvement, by which we can make the plants more operationally stable. The OPEX Framework is used to assess and prioritize projects for operational improvement by understanding the cost structure. We use the Virtual Plant Model (VPM), a comprehensive simulation tool to identify opportunities in operation. We also count on the help of the Project Portfolio System (PPS), monitored by the Natural Working Team (NWT), a group of employees who perform related or complementary tasks working together as a cooperative unit, and OPEX teams to focus on cost reductions projects. As a result, we define KPI indicators that are integrated into Policy Deployment (PD), to monitor and share project performance, results and best practices. We quantify our costs and determine productivity through the KPIs monitoring that points us to how much we are saving or spending. This process is standardized with M2S, which consists of global integrated business and operational process standards to create value for our stakeholders. The M2S closes gaps between targets and current business performance, while complying with IATF 16949, ISO 14001 and ISO 45001. We recognize the teams for the results with the MTA process, an annual recognition of best projects through Maxion Team Award at three different levels: Plant, Regional and Global levels.

We also strive to improve our Quality Management System daily. Quality 4.0 is a comprehensive and consistent QMS System, based on Competiveness, Compliance and Cooperation.

## Quality Vision - Quality on industry 4.0

**Quality 4.0 is not about Technology in the Quality Area, it is about how technology improves culture, collaboration, competency and leadership.**

**It is the digital transformation of management systems, compliance and competitiveness.**



**Quality 4.0 doesn't replace traditional quality methods, but rather builds and improves upon them.**

**Need to use this framework to understand the current state and identify what changes are needed to move to the future state.**

We implement actions to support the quality of our processes, such as the Customer and Supplier Quality evaluations and product testing, with the aim of guaranteeing the quality and safety of our products. In 2021, we continued to develop our certification processes by plant. In 2022, we intend to implement a global certification process.

We understand the importance of monitoring indicators in order to help us improve our quality management processes. KPI indicators are integrated into Policy Deployment, used to monitor plant monthly performance. Some of our monitored and reported KPIs include: PPM (O&M), Internal PPM, PD Metrics and further indicators related to sustainability.

In 2021, Maxion Wheels invested in the development of digitalization projects and equipment testings. The conformance testings consist of product validations that are conducted during development and series production.

Operational Excellence Framework is the engine to drive productivity and standardization across Maxion plants.

We also continued to promote projects in partnership with MAT and recognized employee's actions through our MTA Team Awards, an annual recognition of best projects at the plant, regional and global levels. The MTA Team Awards aim to facilitate the innovation and exchange of best practices around the globe.

### ▶ OUR KEY FOCUS IN HSEQ ARE:

- Prevent illness and injuries
- Improve customer satisfaction
- Protect the Environment
- Comply with all applicable legal and regulatory requirements
- Continually improve the effectiveness of our management system
- Develop the best people

Besides our Health, Safety, Environmental and Quality Policy, we also develop and manage procedures to support our management system. These procedures include:

- Integrated Management System Manual
- Health and Safety Procedures, such as Safety and Sustainability Reporting Procedure, Waste Management Procedure, Machine Safety Standards, Environmental Procedures, Sustainability Data Quality and Greenhouse Gas Emission factor
- Product Safety Procedure
- Quality Procedures, such as Control of Documented information procedure, Internal audit procedure, Corrective and Preventive Action procedure, Control of non-conforming Product Procedure, Warranty Management Procedure
- Human Resources Procedures such as the Training procedure

In addition, all plants follow the APQP - Advanced Product Quality Planning - process for the design, development, production, delivery and service for all products, which focuses on defect prevention and process variation reduction.

All Maxion Wheels plants are certified based on international standards, such as IATF 16949 / ISO 9001 for Quality, ISO 14001 for Environment and ISO 45001 for Occupational Health and Safety.

Our approach to employee health and safety is described in Chapter 8 of this Report - Organization Culture and People Management. Our process to mitigate environmental impacts are described in Chapter 9 - Climate Change and Environmental Footprint.

## CUSTOMER SATISFACTION

When it comes to the automotive sector, we understand the importance of relationship management. We are committed to relentlessly improving customer satisfaction, developing the best people, reducing variation, pursuing compliance and continually improving the overall effectiveness of our management system.

In 2021, we aligned with market requirements and tendencies. We focused on guaranteeing our customer product deliveries, especially considering the lack of materials such as semiconductors, caused by the pandemic logistics and business' consequences.

Our management system design continues to meet customer expectations, from co-designing products and solutions, to identifying opportunities to improve the technical performance of the project design. For us, it is important to establish and maintain a close relationship with the customers, since we develop co-design projects that are personalized to their needs. We promote constant contact through day-to-day meetings and forums.

We continued to promote Business Reviews with our leadership and our clients, to discuss solutions, needs and action plans. These meetings are held a few times a year and are important to align on expectations and stipulate strategies. We also highlight the increasing demand for ESG-related products. In this sense, we have focused on producing structures and wheels that are more in line with our client ESG goals, objectives and policies, such as lighter structures, greener wheels and greener engines.

In spite of the difficulties of 2021 and the inability to schedule face-to-face gatherings, Structural Components took all of its clients' meetings as an opportunity to improve and build strong relationships with the client. We held at least one meeting to align expectations with our main customers.

As our customers are not only in direct contact with our technical team, but also with our commercial team, we make sure our sales employees are always aware of our innovative products, so they can provide the best solutions to our customer's

needs. Our clients have their own indicators and, in this scenario, we incorporate them in our quality system, so we can properly respond their demands and exceed their expectations. These KPIs are varied and constant, and include for example, delivery quality and delivery time.

We also continued establishing partnerships with startups, providing them the structure and skills they need, in order to collaborate and develop successful projects. Our focus has been on the evolution of electrical wheels in the USA and the design of products reinforced with plastic fibers.

We collaborate closely with our customers, and in some cases we work directly in their plants, in order to better understand their production processes and offer the best solutions to their needs. Some of our costumers apply trainings to their suppliers and in this sense, Iochpe attends and participates in these trainings to comply with all the client's standards and procedures.

Besides our customers indicators, we also assess Customer Satisfaction through regular sur-

veys and internally measured KPIs, such as the PPM score and number of recalls issued - which we achieved the score of zero on in 2021 [SASB TR-AP-250A.1](#). We also monitor satisfaction through achieving various goals we set. In addition, we can assess our performance by OEM questionnaires that also have a mechanism tool to make complaints, if needed. In 2021, Maxion Wheels established alternative approaches to working with new automotive OEMs, especially when it comes to electrification. We find importance in effectively managing precious Maxion resources to address new OEM opportunities that will add the value of image, prestige and employer engagement. The selection criteria to evaluate New OEMs include: organization in place to support ramp-up; finances secured or venture funding raised; building / machines in place and more. Our new OEM Feedback Program allows us to make regular interactions and provides us honest feedback from this new customer segment. In this sense, we can confirm Maxion Wheels' value proposition as a customer-centric expert producing the highest quality wheels.

## WHEELS DIVISION'S

established key elements to compose the Customer CSR Questionnaires. The key elements include:

- ▶ Environmental
- ▶ Human Rights
- ▶ Sustainability
- ▶ Compliance & Ethics
- ▶ Diversity
- ▶ Health & Safety
- ▶ Community
- ▶ Supply Chain

Further ways to help us measure our client satisfaction includes nominations and awards. We are humbled to have received many awards and recognitions from our customers in 2021, such as the Supplier Performance Award, from Honda and Supplier Quality Excellence Award, from General Motors (for Maxion Wheels) and Masters of Quality, from Mercedes Benz and Best supplier of the year / Best delivery / Best in technology and innovation, from Iveco (for Maxion Structural Components).

## CUSTOMER HEALTH AND SAFETY

[GRI 416-1 416-2](#)

We understand the importance of our product safety as our core value and strive to guarantee 100% of our client's welfare. Compliance is a number one priority within our agenda and we do not allow safety risks when it comes to our products. Consumer safety is a fundamental pillar of our management system.

Our processes go through periodical internal and external audits, according to IATF 16949 and further standards we are certified on. To stay on track, we constantly test products and processes and put effort towards improve them each day. At Maxion Wheels, we continue to invest in simulators.

At Maxion Structural Components, 100% of product and service categories that could affect consumer health and safety continue to be assessed for improvement and evolvement. We continue to improve project designs developed with our customers, identifying gaps that could jeopardize vehicle safety.

There were no product recalls in 2021 and, historically, the Company has never been responsible for a product recall due to production process failures. [SASB TR-AP-250A.1](#)

The organization has not identified any non-compliance with regulations and/or voluntary codes regarding our products. [GRI 416-2](#)

# SUPPLY CHAIN

For us, suppliers are an integral part of our production processes and active participants in the processes of improving quality and competitiveness standards. We recognize that our suppliers play a vital role in the success of our business. We are committed to reducing cost, variation and waste within our operations and as an extension of our enterprise, our suppliers have a significant impact on our results. Our team of skilled professionals is dedicated to satisfying our customers with competitive, quality products at the highest standards, delivered consistently with reliable, professional service. We expect our suppliers to demonstrate the same level of commitment and diligence, as we strive collectively towards operational excellence.

We continuously interact with correlated areas, such as the Environmental, Health and Safety, Legal Compliance and Risks teams, mainly through our Executive and Tactical Committees. Maxion Wheels and Maxion Structural Components are currently working together to unify their operation processes and service guidelines for product development. They are creating a unified network of key suppliers to ensure all demands for operational efficiency are met and all risks are controlled. This also ensures that all agreements with suppliers, in both unit operations, address terms and conditions of best management practices for ESG issues.

## MAXION WHEELS' SUPPLY CHAIN MANAGEMENT

We expect each of our suppliers to act with fairness, integrity, honesty, and transparency, and within the bounds of all applicable local laws, statutes and regulations, in all aspects of their business. Our Global Manual for Supplier Requirements highlight important standards that are consistent with Iochpe's values. This document addresses the general standards and requirements applicable to all MX suppliers of both direct raw materials and product related outsourced services. All of our direct materials suppliers are request-

ed to adhere to the Global Manual's general Terms and Conditions, as well as comply with the quality standards and requirements stated in it.

The goal of our Supplier Development and Quality Assurance program is to drive continuous improvement and productivity efficiency within the supply chain and to foster positive working relationships that build the foundation for long term, mutually rewarding partnerships.

Maxion-Wheels monitors the performance and evaluates evaluate prod-

uct quality, delivery and service. The information and data gathered from the performance measurement process helps to guide business sourcing decisions, as well as develop continuous improvement initiatives within the supply base. In addition, all Maxion-Wheels suppliers are expected to maintain mandatory certifications that produces defect free parts through detection, prevention and continuous improvement activities. The automotive industry has adopted ISO 9001 and IATF 16949 as the minimum qual-

ity certification standard for suppliers. We highlight that we also have a supplier performance measurement system, in which we monitor our suppliers through stipulated metrics, essentially divided into four categories: Quality and Logistics (with monthly evaluations), and Technical and Commercial (with yearly evaluations). Our suppliers must analyse their environmental aspects and impacts, looking for the impact reduction in the environment. Considered aspects are include:

- ▶ **Environmental Management System Internal and External Audits;**
- ▶ **Governmental Organism Inspection;**
- ▶ **Changes in the Process or Products;**
- ▶ **Acquisition or change of equipment and lay-out;**
- ▶ **Change of applicable regulations;**
- ▶ **Internal and External Communication;**
- ▶ **Environmental Accidents.**

We count on the help of the SupplyOn: an online system that assists the management of supplier performance and ensures online transparency on the availability of defined standards, e.g. IATF16949 certificates, ISO 14001 certificates. SupplyOn has been fully deployed to all level one suppliers across EMEA and Asia Regions and it is to be

rolled out in America. It includes competent customer support, 24 hours a day in nine languages, and both customers and suppliers can work on the same interface, which supports and improves collaboration for a better and mutual understanding. We also perform local audits on suppliers and business partners whose

activities have social and environmental impacts.

We pay special attention to all areas necessary for the fair and safe working environment and conditions for all people in the supply chain, such as compliance with local regulations of working hours, prohibition of child labour and modern slavery,

fair wages and benefits, harassment and non-discrimination and freedom of association. Also, we request that the sustainability and ESG requirements communicated within our Global Manual are escalated to their own suppliers to ensure that these principles are respected throughout the entire supply chain.

## WE ARE MANAGING THE RISKS OF OUR SUPPLY BASE ACROSS ALL REGIONS.

The following measures are in place that contribute to the risk management system:

- ▶ **Early warning newsletter reports for defined suppliers**
- ▶ **Financial rating checks in using published information from Allianz Trade, Dun & Bradstreet**
- ▶ **Supplier acceptance and compliance with our Global Manual for Supplier Requirements**
- ▶ **Supplier Performance Evaluation standard applied to major direct material suppliers across the globe**
- ▶ **Regular internal cross functional risk evaluation reviews**
- ▶ **Logistics data transparency by Blockchain, with our pilot project**

Maxion Wheels has partnered with a Leading Global Service Provider, since the end 2020, on a “Blockchain Solution” supporting and focusing on transportation visibility. The initial scope has been defined at complex supply chain solutions where road, sea and warehousing activities are involved. Two pilot manufacturing sites in Turkey Aluminum Wheels as well as Jantas Truck Wheels plants are currently integrated. Roll-out took place in Q3 2021 and showed an improved customer satisfaction at involved customers. This allows MX to integrate internal or external partners wherever needed into their blockchain environment. After successfully finishing our tests, a further roll-out onto other sites is being targeted.

# MAXION STRUCTURAL COMPONENTS' SUPPLY CHAIN MANAGEMENT

Maxion Structural Components carries a Supplier Performance Assessment (SPA) to help monitor their supplier performances. This Assessment is the result of Logistics, Quality and Supplier performance indicators that are periodically evaluated. MSC is extremely committed to sourcing its materials in a way that does not support or contribute to armed conflicts or human rights violations. Our suppliers must comply with all legislations, rules, governmental decisions and further applicable national regula-

tions, including anti-corruption, anti-bribery and licenses of protection of personal data. It is also required that our suppliers must register their materials, components or products within the IMDS Global System (International Material Data System). When it comes to Structural Components' Supply Chain management, we make sure our Code of Conduct addresses the strict prohibition of child and forced labour, or discrimination and physical or psychological abuse of any kind. In 2021, all of Structural Com-



ponents' new suppliers were approved regarding their compliance evaluations.

We apply trainings to every new supplier, such as the Third Party Integration, that addresses our Code of Conduct and HSE procedures. We also apply other non-sustainability related trainings to our suppliers, such as Invoice Webinars. Our Suppliers' development process, described in our Supply Chain Manual is divided in two steps: i) approval and homologation of the company; ii) approval and

homologation of its products and services. As part of the evaluation and development processes, we carry audits for our suppliers, as well as technical visits in their production units, when needed. We also count on the support of policies and procedures that help us address our supplier management processes, such as the Supplier Performance Evaluation Criteria and Supplier Approval. For 2022, we intend to launch our Sustainable Purchasing Policy, which is now being developed.

# CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT

GRI 102-22, 102-30, 102-31, 103-2, 302-1, 303-3, 305-1, 305-2, 305-4, 305-5

We want to see a thriving economy that works for people and the planet in the long term, so we must act urgently to prevent dangerous climate change and environmental damage. Our action begins by being aware of our own impact so that investors, companies and markets make the right choices now.

In 2021, we focused on structuring our ESG strategy. We used to have local management in the plants and now we are working towards a global unified management. In the near future (2022-2026) we aim to promote a replicable management for the ESG topics that consider the business' expansion plan. To accomplish this, we took consistent steps over both divisions in terms of governance, mapping risks, structuring targets and roadmap rollout to build a solid foundation while delivering consistent results.

Our main goal is to create a safe and sustainable working environment while adding value to the business and its stakeholders. In the reporting year, our Sustainability focus relied on:

- **Maintaining excellent safety results and strive for zero incident rate**
- **Creating and executing a sustainability vision.**
- **Implementing targets to reduce CO2 emissions and better understand what it takes to be a carbon neutral company**
- **Demonstrating our commitment to environmental and social responsibility to our stakeholders**
- **Strengthening our culture of trust, openness and diversity, striving for continued excellence in safety and sustainability**
- **Managing our business through global standards and systems, coupled with professional local execution**

## ESG GOVERNANCE

GRI 102-22, 102-29, 102-30, 102-31

The first major step was to structure a Global Environmental Governance – the Global Risk Management, Health, Safety and Environmental, overseen by the Safety and Sustainability Committee, which meets quarterly. Led by the Global leader in Director seat, there is involvement of high level seats – the Holding CEO, CFO, the CEOs of both divisions, including the legal departments and the safety and sustainability departments. The main purpose is to communicate highlights, to update the leadership, to set priorities and to establish action plans in alignment with both divisions.

Main tasks of the Safety and Sustainability Committee include:

- **Track development and impact to company strategy;**
- **Track Investor, Customer and other business needs in regards of ESG;**
- **Keep up with legal and business requirements compliance;**
- **Discuss status of projects;**
- **Monitor KPIs;**
- **Keep up with status of initiatives;**
- **Align global Standardization;**
- **Discuss next steps.**

The executive Committee meetings' of the both divisions take place quarterly.

- Iochpe Maxion Safety and Sustainability Committee - Participants
- CEO Iochpe Maxion
- CFO Iochpe Maxion
- CEO Maxion Wheels
- CEO Maxion Structural Components
- VP HR Maxion Wheels
- Head of HR Maxion Structural Components
- Head of Legal Iochpe Maxion
- Legal Counsel Maxion Wheels
- Corporate Safety and Sustainability Director Maxion Wheels
- Corporate HSE Manager Structural Components

**Overall, in 2021, forums and Committees were created to maintain HSE issues with (i) closer management to high level seats, strategy, performance and high level decisions (ii) solutions, project development, management systems, legal requirements and strategy rollout at management level (iii) structure KPIs. The company also hired ESG two peer specialists (with same attributions and agendas) for Structural Components' and Wheels division, who are constantly exchanging relevant information.**



# RISK MAPPING

GRI 403-3, 403-2

In order to support our risk mapping processes, we apply the Maxion Risk Assessment method (MRA) [GRI 403-3](#). This method consists of a complete process that address steps from the risk factors' identification to the development of action plans in order to respectively address them. [GRI 403-2](#)

We are continuously improving our Operational Risks Mapping (i.e. developing new heatmaps) by identifying new risks and categories. As a result of the pandemic in the second year in a row, Maxion identified a new set of risks and integrated them into the management approach. Besides climate change, we also assessed significant risk for water management and waste to landfill so we are following up closely on the specific programs with monthly reports to higher management.

The Environmental management risks program monitored continuously the risks in all the plants regarding licenses and critical items such as water, waste and legal requirements.

Also, by assessing the risk analysis and environmental impacts, the Division is working on standardizing processes and creating a responsibility and consequences matrix. This enables the restricting of the environment team due to its necessities, promoted transversal activities through the teams within the plants and to set clearer targets.

Members of Divisional Leadership (Business Unit Presidents, Financial (CFO), etc.), along with members of our Board of Directors, are involved with our corporate safety and sustainability. They assess substantive risks in the regions where we operate, including evaluating suppliers and stages in the value chain as it pertains to climate and water security-related risks. After the identification of substantive risks, opportunities are identified and plans are enacted to reduce the likelihood or scale of impact of these risks.



## ACTION, NOT WORDS

*There is an investment plan for HSE (2021 to 2026) in line with the company's strategic planning, which contains all initiatives and improvements. In 2021, BRL 10.5 million was invested in HSE.*

*Our environment strategy comprises a set of structured initiatives and considers continuous improvement using PDCA cycle per program the OPEXQ and M2S to assure the environment strategy is translated into our lochpe Maxion way of motion.*



### GLOBAL FRAMEWORK ON TARGETS

Our global framework on targets is set in accordance to the annual risk assessment process, translated to global programs and annually adjusted. Long-term targets are set on a corporate level and broken down for plants and employees. The Management System assessments should have 75% adherence for all the plants. The Sustainability Program includes personal targets on HSE starting from CEO to management level. Thus, environmental issues were personal targets on meeting reductions on emissions, water and waste to landfill. Once a year the Company holds workshops with the functional leads of region, Sustainability team, Plants management, safety functions and sales, among others, to develop strategy in alignment.

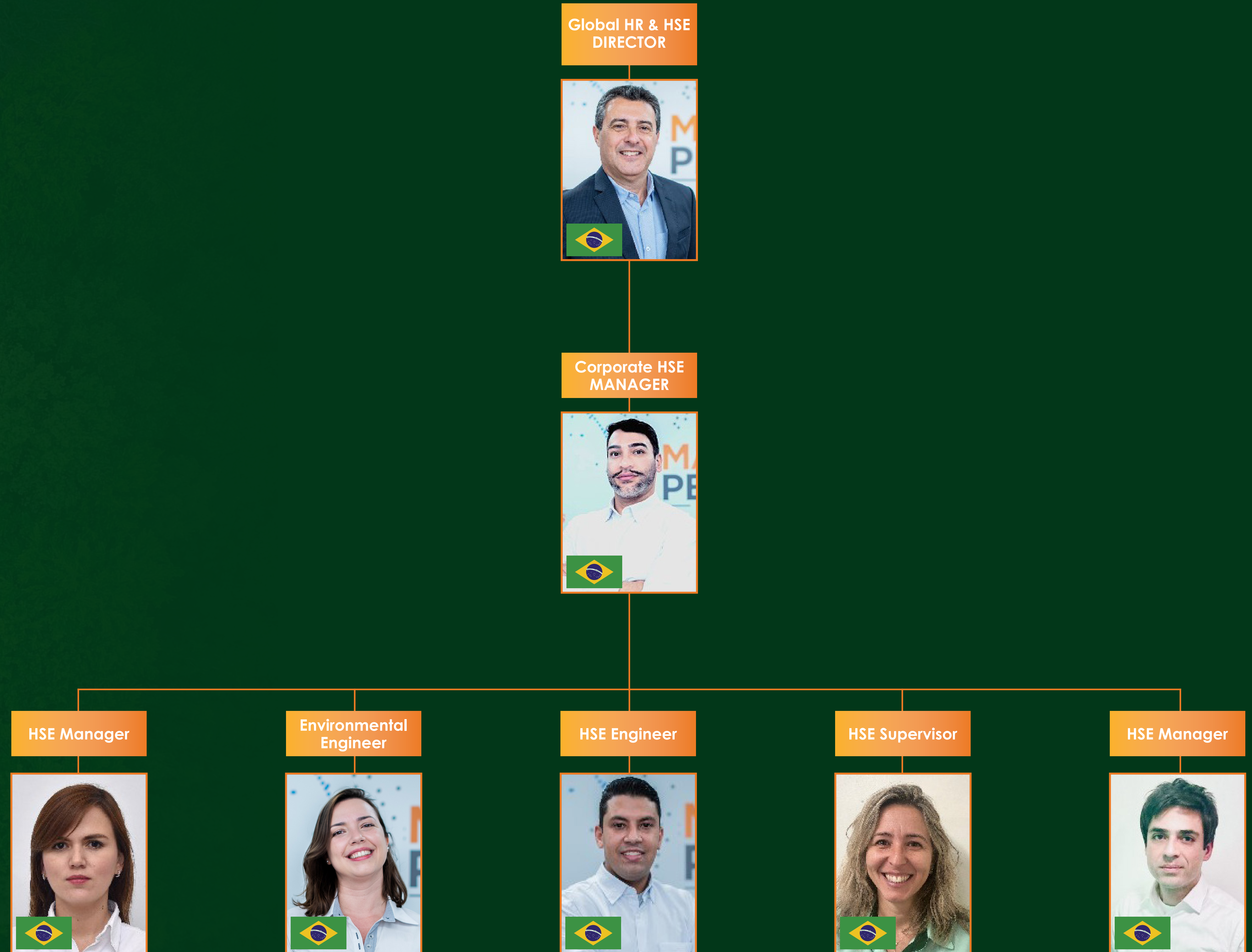
For instance, the environment impact reduction Program monitors projects in the plants in order to define its impacts and give inputs for prioritization. Additionally, we initiated the Global indicators, metrics and Communication Program to align the KPIs and the sustainability strategy.

### TRAINING AND COMMUNICATING

We strive to spread our commitment to sustainability among our employees, directors, officers, suppliers and customers, as well as to the community at large. We promote trainings to all our employees and encourage our suppliers to act in an environmentally conscious manner. At least one HSE training is held for 100% of employees at all levels. Externally, we held Investor Day in December 2021 to align and disclose our strategy to all stakeholders.

Our overall trainings' plan include [GRI 403-5](#)

- Emergency Planning;**
- HSE Flash Reporting;**
- Communication and Coaching;**
- Legal, Business and Customer Requirements;**
- Operational Controls, Risk Assessment and Management;**
- Safety and Sustainability Culture.**



# CLIMATE CHANGE

GRI 305-1, 305-2, 305-4, 305-5

Our Corporate Sustainability Strategy involves setting ambitious targets and carrying out a set of projects and initiatives on many fronts: operations, products, supply chain, innovation and support processes, which will drive the company to achieve carbon neutrality.

We set a 30% greenhouse gas reduction target by 2025, with respect to the 2019 baseline. Iochpe-Maxion Corporate Sustainability Strategy counts for a CO2 reduction of 70% in Scope 1 and 2 emissions by 2030, with respect to the 2019 baseline.

Furthermore the company is striving to become a CO2 neutral company by 2040. Internal Safety and Sustainability targets are annually approved by the Leadership team and communicated by the Corporate Safety and Sustainability Organization.

Our Safety and Sustainability target-setting includes environmental target values in terms of, for example, reduction targets for energy and water consumption, CO2 emissions and waste generation.

All locations must contribute to the Safety and Sustainability targets by implementing their local Safety and Sustainability programs. They may develop other local targets based on their relevant equipment and activities.

The projects that will contribute to achieving our objectives are:

- ▶ **Increase use of renewable energy through renewable energy certificates**
- ▶ **Reduce energy consumption**
- ▶ **Infrastructure updates to the use of green gas in our facilities**
- ▶ **Increase in number of sensors and monitoring throughout the production process**
- ▶ **Continue innovating and evolving with the automotive market**

In 2019, the monitoring scope for most plant's emissions prioritized those resulting from the Company's activities and operations. In 2020, we measured and calculated 100% of Iochpe-Maxion's CO2 footprint (scope 1, scope 2 and material categories for scope 3 emissions, including the emissions of suppliers, logistics and all supporting parties.) In order to improve our scope 3 assessments with more reliable data we are working on supplier engagement and contacting them one-on-one to raise their data.

All the KPIs are measured by absolute data and intensity, to improve the management approach and standardize quality within both divisions.

## OUR EMISSION

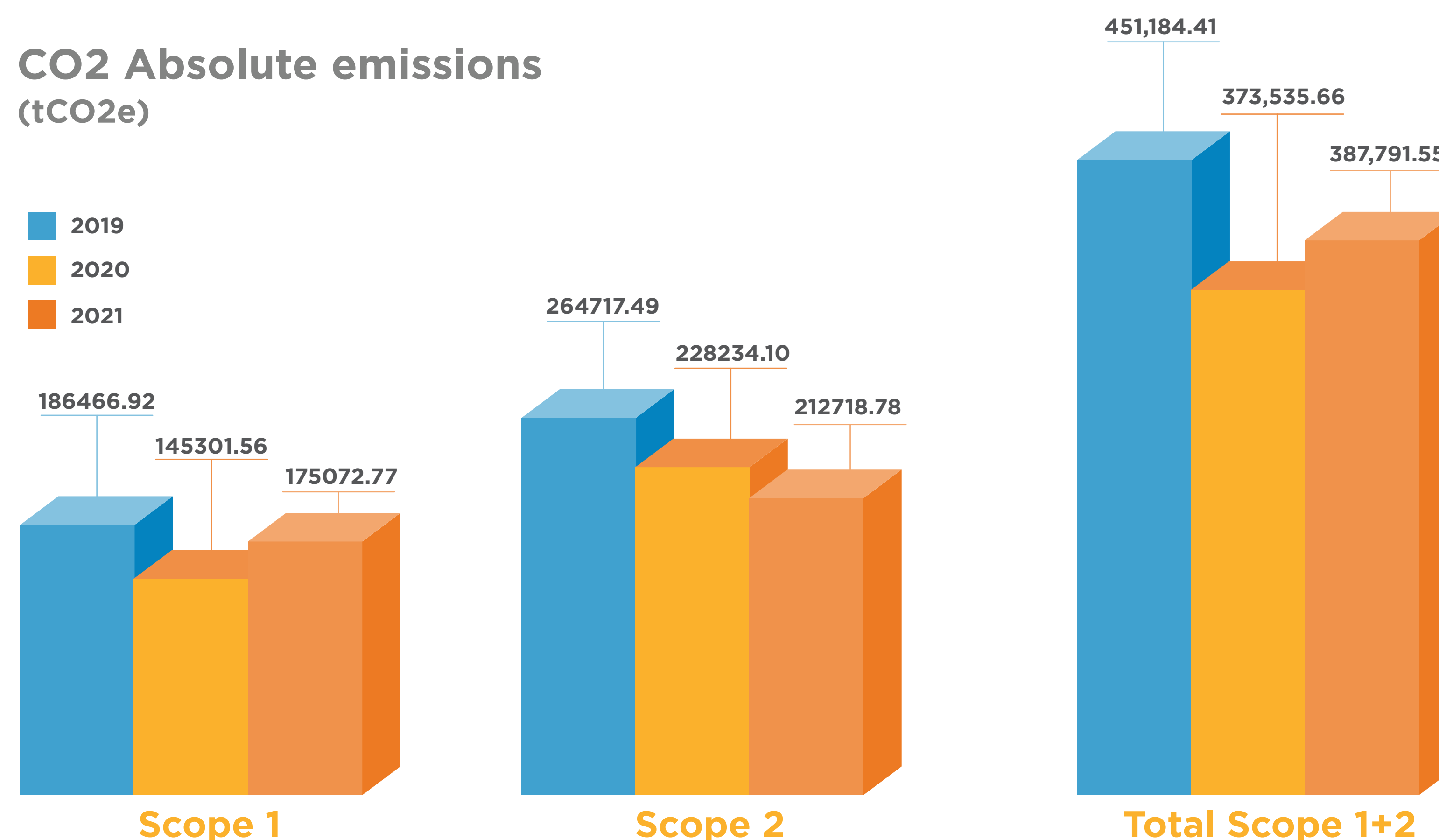
Our emission numbers are a direct reflection of our operational production. In this context, since we are not working in our maximum operational capacity due to pandemic outcomes, we noted a decrease in these numbers. Nevertheless, we are permanently seeking to reduce emissions and comply with the long-term targets.



## Greenhouse gas emissions (scopes 1 and scope 2)

GRI 305-1, 305-2

### CO2 Absolute emissions (tCO2e)

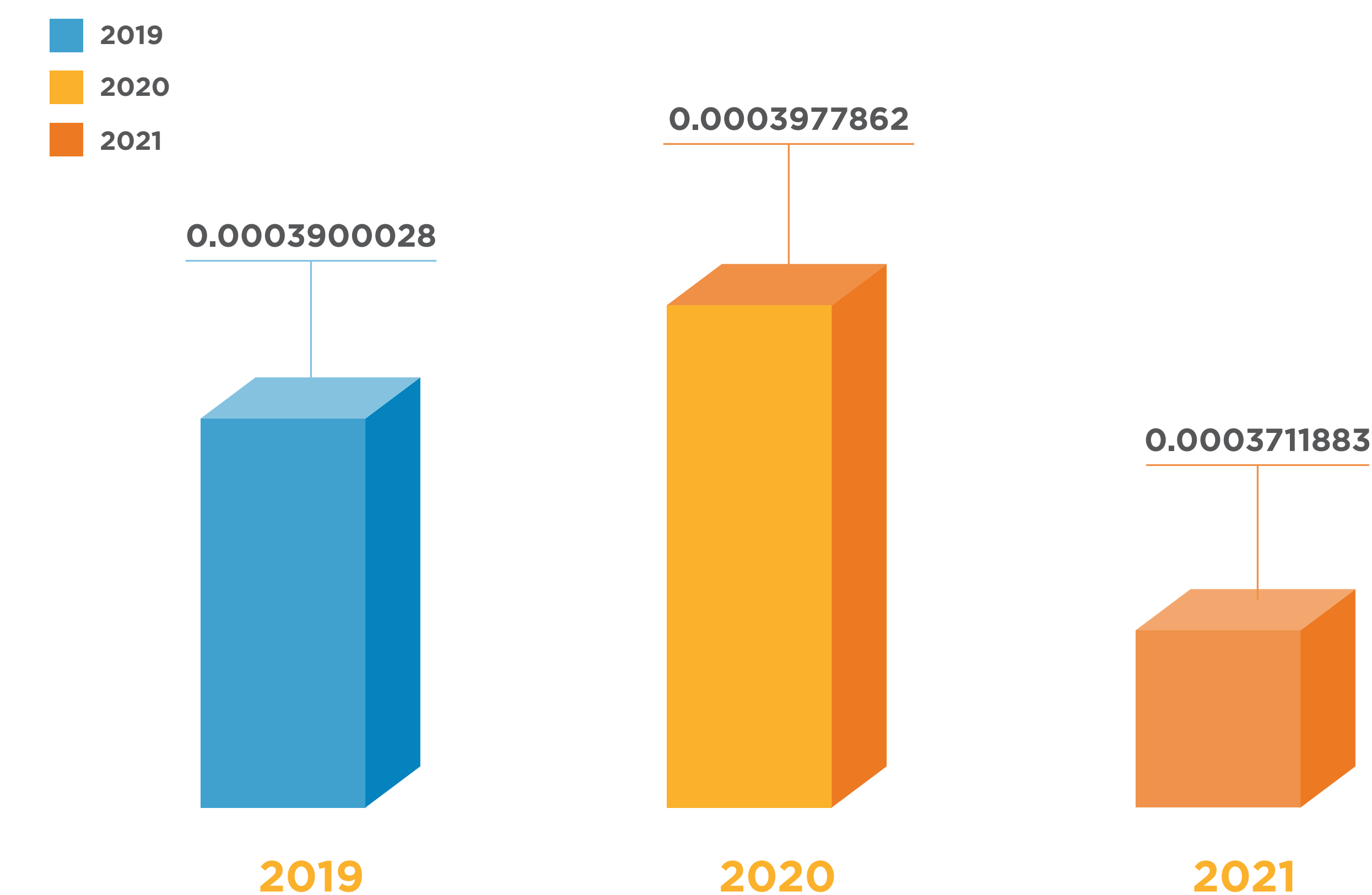


The base year is 2019, the same assessed for Sustainability Linked Bond.

<sup>1</sup> Scope 3 includes purchased goods and services from our supply chain, upstream and downstream transport, waste generated in operations, business travel and commuting.

## CO2 Intensity Emissions (tCO2e/kg produced)

GRI 305-4



The base year is 2019, the same assessed for Sustainability Linked Bond.

# OUR EMISSIONS

management practices comply with the legislation in each country where our operations are located. This certification is for meeting the highest quality and environmental standards, as well as our plants having specific targets.

We will continue to put all of our knowledge and ingenuity into the development of wheels and components that reduce the skid marks on our planet.

In 2021 we received a B- on the Carbon Disclosure Project (CDP) Climate Change assessment. We also presented significant advantage in comparison to the Metal Products Manufacturing Sector average performance (score C-).

In 2021, we carried our Life Cycle Assessment of wheel production, including carbon footprint indicator. This LCA study of automotive wheel production, conducted in accordance with ISO 14040 and ISO 14044, was developed with an aim to analyze the production system of wheels made of steel and aluminum within a life cycle perspective. The main output of this study is the calculation of a set of environmental indicators including car-

bon footprint. This data set is intended to serve Maxion Wheel Company for its communication with customers primarily from the automotive industry. Maxion Wheels have 17% of its products with Life Cycle Assessment (LCA). The first phase of our LCA validates the main factors contributing to raw material carbon footprint: energy consumed and country/ region electricity emissions factors. This shows the importance of implementing en-

ergy consumption reduction projects and we are now continuing to spread this assessment more globally.

## VEHICLES IMPACT ON CLIMATE CHANGE

The CO2 emissions of today's traffic and transportation negatively impact our environment in many ways – we are fully aware of that fact. As a result, one of our core values is to conduct ourselves ethically, to utilize our

resources efficiently and to act responsibly towards both the community and the environment. Reducing vehicle weight and fuel consumption are two ways to mitigate the impact of vehicle transportation on climate change and to comply with the legal requirements. Therefore, the critical challenge for manufacturers is to find the right balance between weight reduction and cost, while retaining or improving vehicle

and component performance. Much attention has been placed on reducing the weight of truck vehicle components in pursuit of fuel efficiency and payload. Considering the wheel is one of the heavier components of a vehicle, reducing its weight can significantly contribute to both fuel economy and payload. When faced with the challenge of reducing CO2 emissions, we don't take this task lightly.

## EMISSIONS GHG REDUCTION GRI 305-5

- ▶ **Emission intensity reduced 4,8% vs. 2019 baseline**
- ▶ **Emission intensity reduced 6.7% vs. 2020**
- ▶ **Focus on procurement and generation of renewable electricity;**
- ▶ **Executing pilot projects on reduction or substitution of natural gas;**
- ▶ **8 plants are using renewable electricity certificates.**
- ▶ **Further reduction of CO2 is essential to ensure competitiveness;**
- ▶ **Objectives are aligned with our 2025, 2030 and 2040 goals.**

## ▶ OUR LIGHTWEIGHT EVOLUTION

For more than **20 years**, we have been at the forefront of weight optimization for steel trucks, as an enabler of **improved fuel efficiency** and decreased CO2 emissions. Since 1997, we have lowered the weight of our steel wheels by 7 kg, from 41 kg to 34 kg. This reduction is in large part due to the ongoing Research & Development programs funded by our company, to target **cost-efficient weight reduction**.

## ▶ A PROVEN TECHNOLOGY FOR LIGHTWEIGHT ALUMINUM WHEELS

In **2007**, we developed the Reduced Rim Technology (RRT). One way we've worked to reduce the mass and weight of our products is through a reduced rim thickness initiative for our wheel products. This initiative reduces the thickness of the rim, which has reduced the mass of the overall product for the end user. This reduction equates to an increase in fuel efficiency for the automobiles our wheels are used on. RRT enables us to produce the most cost-competitive lightweight aluminum wheel on the market. Since 2007, we have delivered almost 5 million RRT wheels to our customers, ranging from affordable to mid-class to premium brands.



## ▶ STEEL, MADE EVEN LIGHTER

In **2016**, we launched the industry's lightest mass-produced commercial vehicle steel wheel at 34 kg. Since then, our customers have acknowledged the GEN34 wheel as the most cost-competitive and **lightweight solution**, with more than one million wheels now on the road. Currently, we are running two **advanced engineering** development programs producing a 30 kg steel wheel concept and an ultra-light commercial vehicle steel **wheel concept**.

## ▶ STEEL WHEELS, COST-EFFECTIVE WEIGHT SAVINGS THAT LOOK GREAT TOO

We recently **re-invented** the **VersaStyle® wheel**, which was originally launched in 2007, by using improved techniques and advanced equipment. The new VersaStyle® wheel is an even more cost-competitive challenger for the pricier aluminum wheel – and it is up to 8% lighter than a cast aluminum wheel, therefore directly impacting a vehicle's fuel efficiency. Iochpe-Maxion's plants follow practices and processes driven by operational efficiency. The **efficiency** gain has targets for both performance and reduction in the consumption of energy and water, emissions, and waste and effluent.

## EMISSION REDUCTION THROUGH INNOVATIVE DESIGN



Whether it's increasing the range of electric passenger and commercial vehicles or the ever-growing need for fuel-efficient lightweight components: our thorough understanding of industry dynamics and future trends inspires us to tackle the challenges that lie ahead on the path to tomorrow.

- ▶ From lighter weight off-the-shelf designs, to advanced concepts that minimize drag and rolling resistance, to cost-optimized solutions with the more progressive styling buyers crave: we create more value for e-vehicles.
- ▶ By focusing solutions on materials and process technologies already proven in mass production, we are able to manage costs more effectively. As a result, automakers increasingly engage with our global design and engineering teams to optimize wheel designs ahead of the design-freeze, identifying the best possible balance of cost, weight, styling and performance.
- ▶ Through weight reduction and engineering solutions, we offer flexibility to our customers, which can opt for higher fuel efficiency, increased payload or autonomy range.
- ▶ Those options further benefits the environment, ultimately reducing emissions and increasing EV adoption.
- ▶ MSC is already supplying components to EV in Americas, such as battery hacks, suspensions axles and subframes, for Electric Trucks, Buses and Light commercial Vehicles.
- ▶ Solutions portfolio can adapt different customers' needs to the most suitable material (Steel, Stainless Steel, Aluminum, Carbon Fiber).



Our energy strategy focuses primarily on reducing our consumption with a sustainability focus. Therefore, we focus on buying from renewable sources and, if necessary, we obtain energy certificates, such as I-RECs.

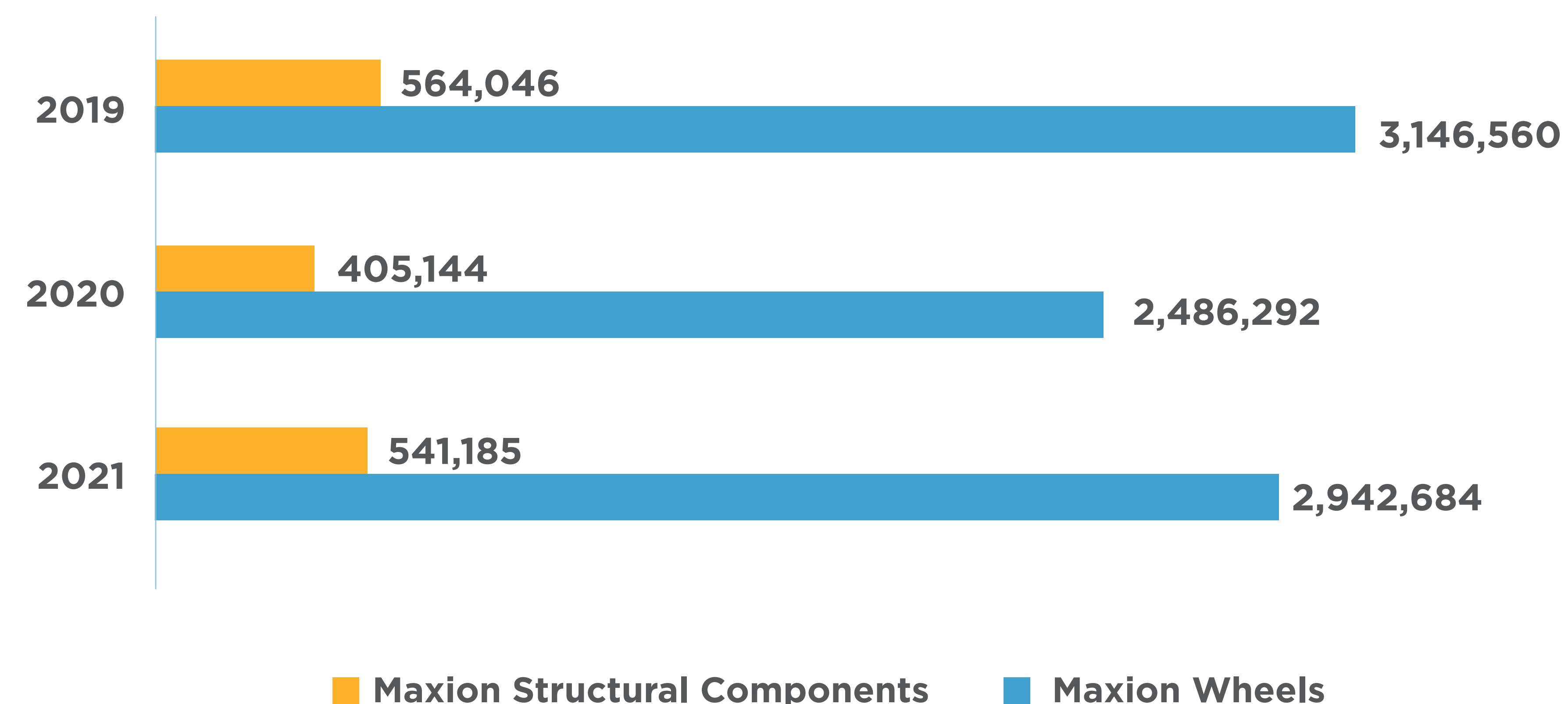
### THE MAIN PROJECTS ON ENERGY IN 2021 WERE HELD REGARDING MONITORING, REDUCTION, AND EFFICIENCY AND ENERGY SOURCES:

- ▶ Maxion Wheels launched global solar power adoption initiative in 2021 to reduce emissions. The Solar Roof Project installed in the light vehicle aluminum wheels plant in Saraburi, Thailand, serves as a pilot for renewable energy processes including cost savings and emission reduction. Currently, we are expanding solar energy projects to further sites we operate around the globe.
- ▶ In 2021, we continued developing the Green Electricity Spots project to integrate all electricity meters. This enabled the sharing of electricity costs, by identifying the consumption of each stage of the production process, a procedure performed by software.
- ▶ The Automatic Electrical Circuit Shutdown is a project for Electric Energy consumption reduction. This project is being used for the Inmagusa Slitter line, when the equipment is not in use it automatically de-energizes with substantial elimination of energy consumption of approximately 6 hours a day and reduction of 300KWh per day.

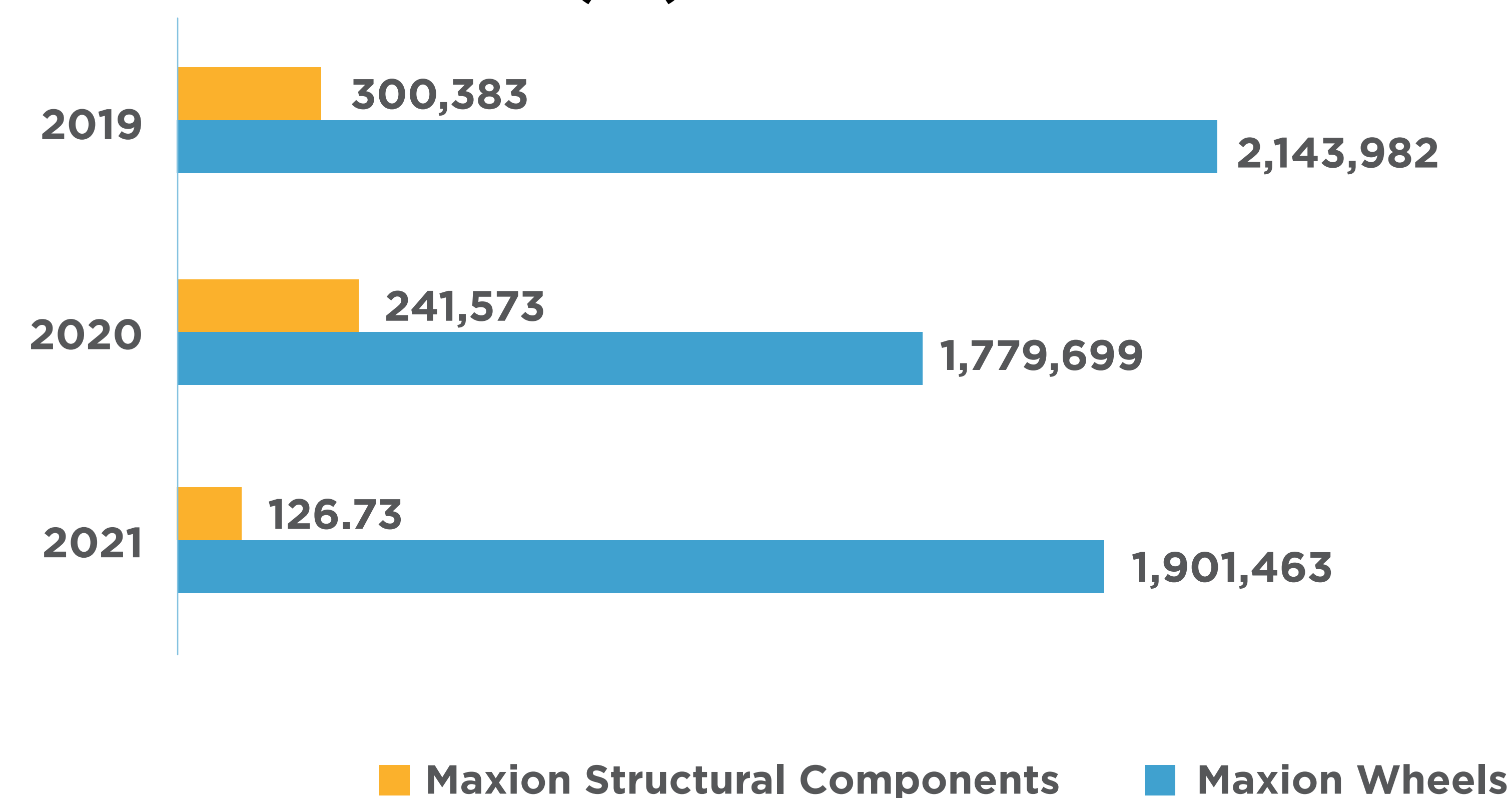
# ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Total fuel consumption within the organization from non-renewable sources and including fuel types used.(GJ)

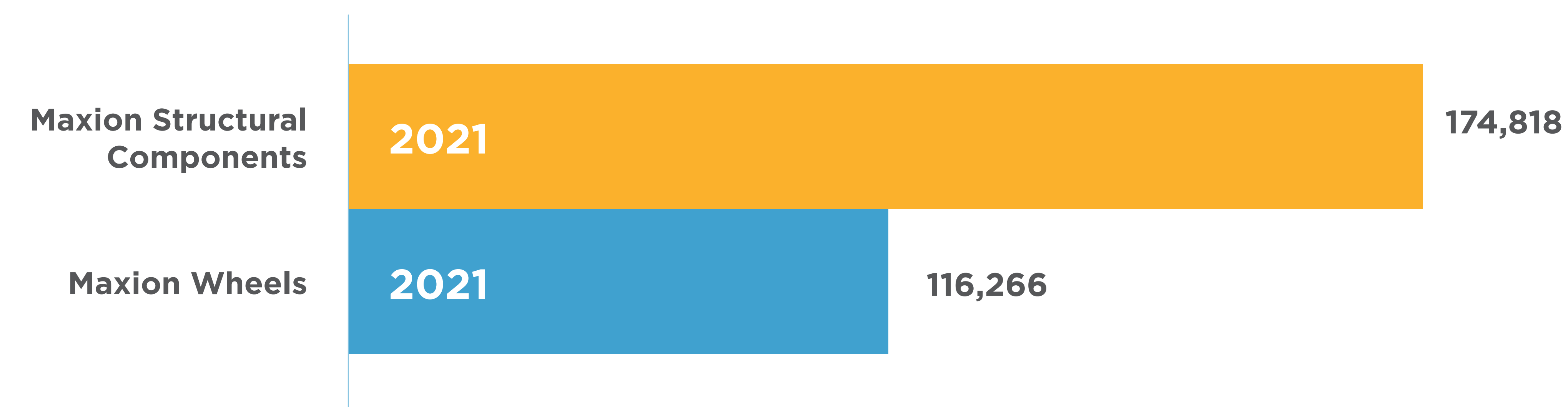
## Total fuel consumption within the organization Natural Gas (GJ)



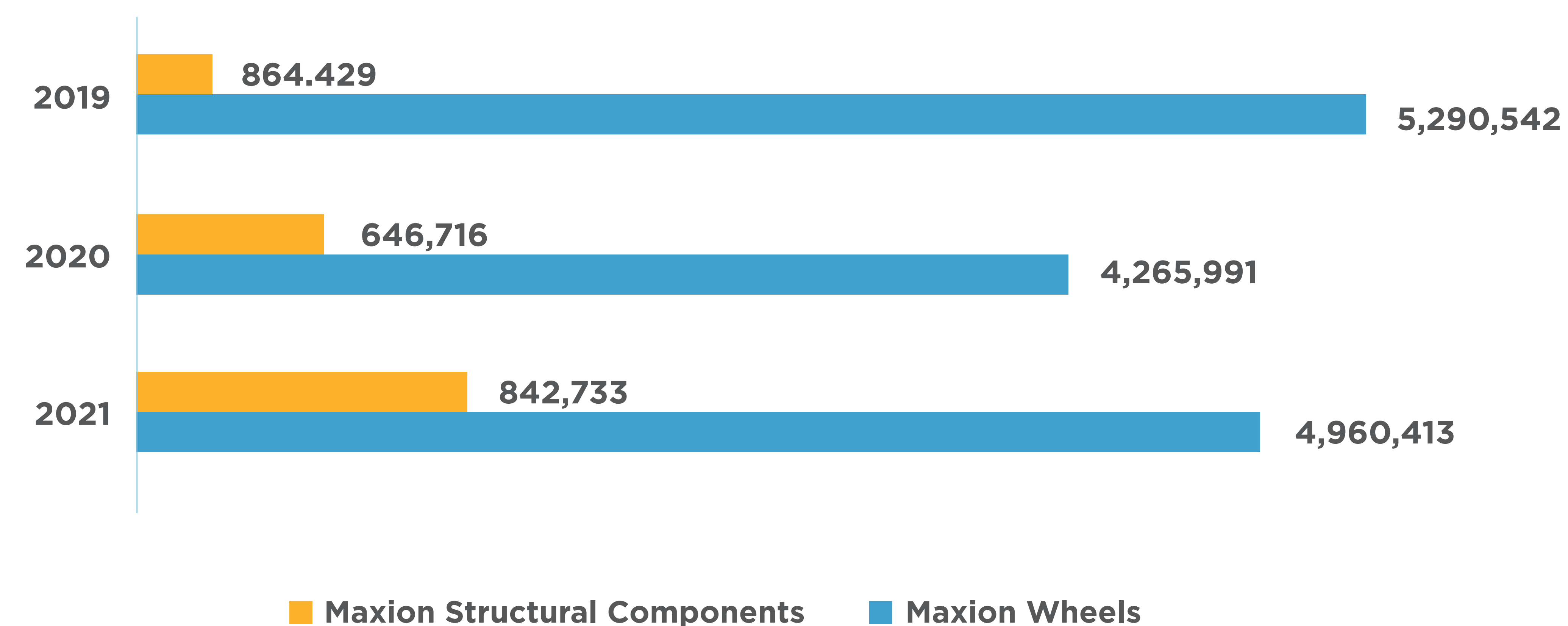
## Total fuel consumption within the organization from non-renewable unclassified sources (GJ)



## Total fuel consumption within the organization Renewable (GJ)



## Total fuel consumption within the organization (GJ)



Renewable power is utilized in many of our locations, but at this point we have limited assurance of the related to market-based emission factors. Therefore, we are not reporting renewable energy consumption for 2019 and 2020. We plan to expand the locations with market-based emission factors in the future and can expect to report electrical consumption following that market based method for the applicable locations in 2021 and beyond.

# MATERIALS AND WASTE

GRI 301-1, GRI 306-5

Materials and waste are managed either by supply chain experts or the procurement department. We prioritize materials and a circular economy by buying large amounts of metal for our auto parts and optimizing logistics activities – especially for aluminum, which has a relevant role in sustainability. Our strategy today is to continue assessing greener materials, while guaranteeing quality and customer payback.

Maxion Wheels' operations manage materials in accordance with European REACH Legislation and legislation from other regions with similar normative scopes. The management practices also comply with the Conflict Mineral Regulation, a regulatory standard that is mandatory from 2021 onwards across the European Union. Based on the requirements of this legislation, Maxion Wheels prepares a Conflict Mineral Report used in the supplier management process. This process ensures respect for human rights and prohibits forced labor, amongst other good practices in the supply chain (regulated internally by the Supplier Manual). This process is conducted by the safety and sustainability department. In Maxion Structural Components' operations, materials are managed by the procurement department and coordinated by the plant's Environmental Committee. This committee aims to create the smallest environmental impact possible by reducing consumption of products; reusing materials in other manufacturing processes; reusing or returning packaging to its original destination; reducing waste sent to landfills; and correctly disposing of materials.

There are three commodity-driven work streams in place, including steel and aluminum. The purchasing Governance relies on the (i) NDA (non-disclosure agreement), which is the starting process for selecting suppliers which they sign and there's relevant sustainability content (ii) the Global Manual (Global Standards on Quality) reviewed in 2021 with a section for sustainability which all level one suppliers must sign it and (iii) Supplier Performance Evaluation, a Measurement System with sustainability aspects considered (iv) procedures. We are working towards a Policy by benchmarking and gathering the main global supplier standards aligned to the company values maintaining in compliance with legislation and our clients' standards.

Greener Aluminum is on sight. We have specialists focused on assessing potential green suppliers (using recycled aluminum) and currently we are creating connections and in testing suppliers so that we are ready as soon as our clients demand this sustainable material on the products we sell. This is undergoing in EU, but we are also testing secondary aluminum in Brazil and Mexico.

Aluminum is greener mainly when there is a ratio of recycled aluminum instead of standard Alluminum (ratio 1 to 5). Also it can consider the renewable source of energy to its production especially to Standard aluminum, buying locally so decreases logistics and other initiatives. There's still a work in progress and lot of effort in terms of assessing how green the materials are and how greener the suppliers can be. After

assessing it we plan to define 'green' and develop KPIs. Our role now is to push suppliers to be greener, proactively assess new initiatives and to act accordingly to customer requests, being well prepared for when the market demands to use greener materials in large scale.

IN THE GLOBAL MANUAL SIGNED BY THE SUPPLIERS THERE IS A STATEMENT

- ▶ **The efficient use of energy and materials;**
- ▶ **The minimization of greenhouse gas emissions and other waste;**
- ▶ **The air quality and minimizing possible sources of pollution;**
- ▶ **The responsible water management and effort to reduce water consumption;**
- ▶ **The safe, environmentally-friendly disposal of residual waste;**
- ▶ **The use of renewable resources;**

There are several activities in place, and main actions at different stages, for waste management plan, on-line platform for monitoring, reuse and recycling and destination.

Maxion Wheels supports the End-of-Life Vehicle Initiative implemented by the European Union and required by major original equipment vehicle manufacturers (OEM). The data to support this initiative is provided through the IMDS (International Material Data System). Further information on this initiative and regarding banned and restricted substances and product life cycle can be obtained on the following IMDS Websites at



[http://www.mdsystem.com/html/en/home\\_en.htm](http://www.mdsystem.com/html/en/home_en.htm) and <http://www.gadsl.org>

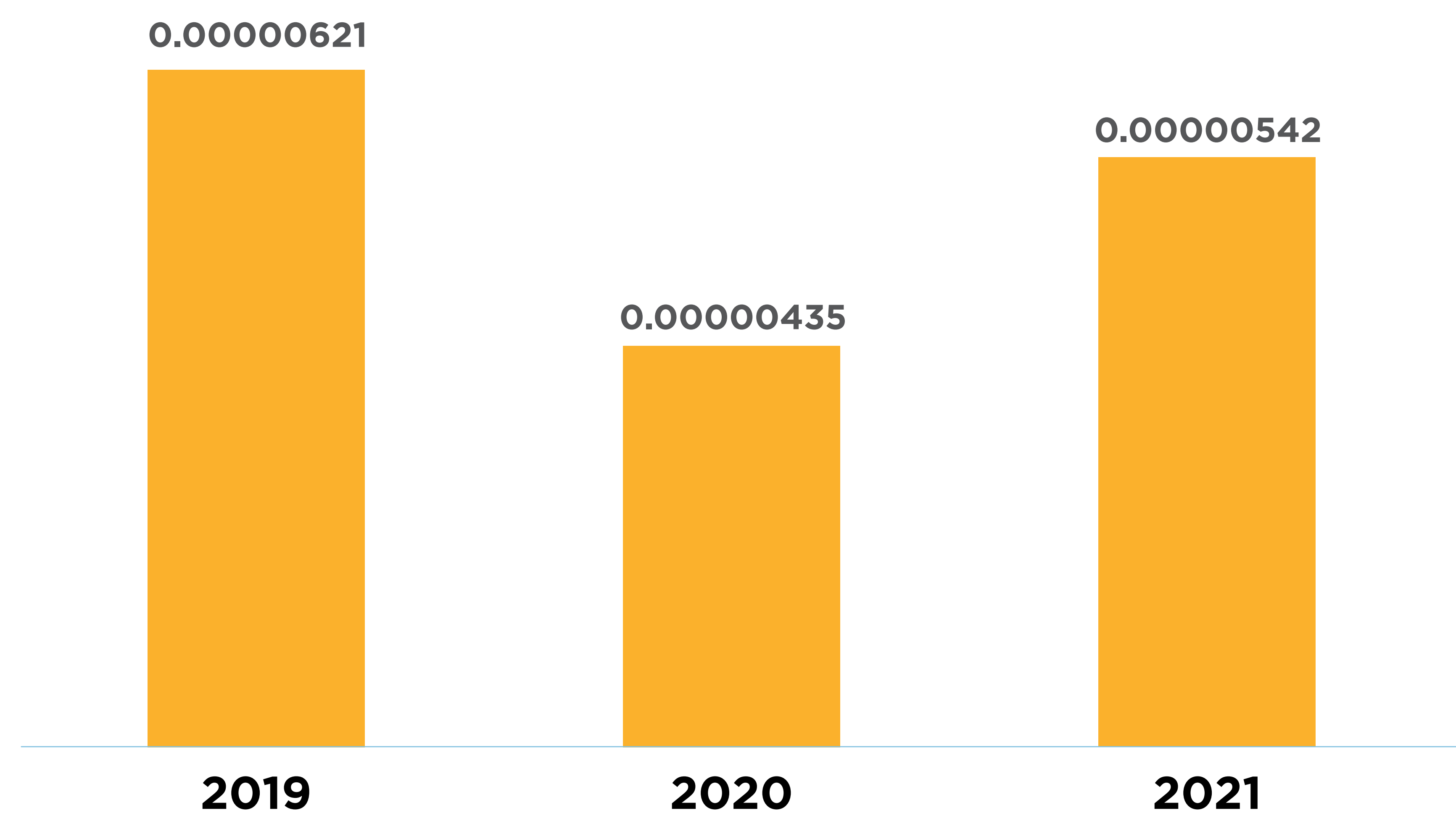
It is important to mention that in the LCA Study, packaging and waste management play a marginal role in the results of almost of the impact categories evaluated. Nonetheless, we strive to continue generating less waste and guaranteeing the right destination.

The effluent and waste management topics follow the HSEQ policy and the M2S Management System. The processes are regularly assessed for compliance with health and safety requirements, internally by the M2S Management System, and audited externally under ISO 14001.

Waste data is monitored regularly by the PD metric system. The main indicator managed is the volume of waste sent to landfills, with all of Maxion Wheels' plants having waste generation targets.

## IoChpe-Maxion non-hazardous waste to landfill (tons/kg produced)

GRI 306-5, SASB TR-AP



**Increase in landfill waste at total IMSA level;  
At MX, correction of kg produced data offset the anticipated reduction.**

In 2021, we implemented a Waste Reduction Project in the commercial vehicle steel wheels plant in Pune, India. The project consisted of the installation of latest and most energy efficient paint technology reducing landfill waste and improving indoor air quality. Switching from conventional air paint spray guns to state-of-the-art electrostatic guns almost eliminated all airborne paint booth mist, and relevantly reduced paint sludge waste - 50% reduction in yearly paint sludge to landfill.

We also highlight that in 2021, Structural Components developed its Sustainability Governance strategy and structure, in which the Supply Chain area plays an important part. To help address this responsibility, MSC is developing a Global Procedure for Sustainable Procurement.

All products supplied to MSC must be produced with materials that meet the requirements related to safety aspects, restricted chemical substances, environment, electrical and electromagnetic, according to the regulations and legislation in Brazil and countries of destination. Our suppliers play an important part when it comes to legislation, once they are responsible for knowing and applying the existing environmental regulations relating to its products and processes. Maxion Structural Components' operations also manage materials in accordance with European REACH Legislation, and others such as the GADSL, the Global Automotive Declarable Substance List, and the Conflict Mineral regulation.





# WATER AND EFFLUENTS

GRI 303-3

Maxion Wheels' water consumption is monitored monthly by the PD metric system. All facilities track and monitor the total volume of water withdrawn by source. Facilities monitor this metric anywhere from daily to monthly, depending on location and need for this information. In all cases, this water withdrawal is monitored through direct flow meters. This is primarily driven by internal water consumption goals.

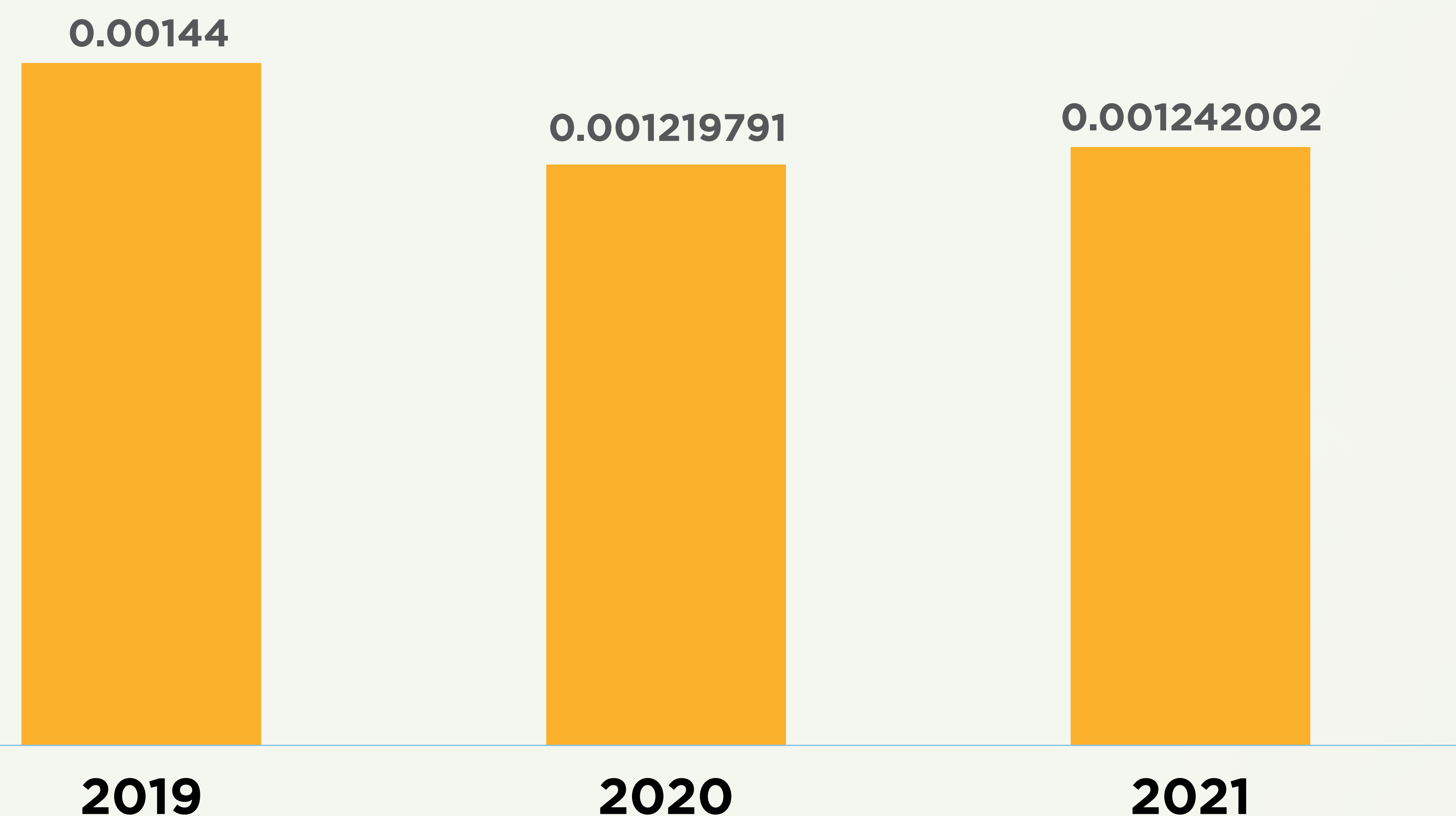
78% of our locations monitor water quality from water withdrawn. Water quality is checked and evaluated against parameters (i.e. PH, conductivity, solids, bacteria, etc.) at least once a day - depending on the process.



Some years ago Maxion Wheels implemented a Water Reuse project in the light vehicle steel and aluminum wheels plant in Limeira, Brazil. The project exceeds industry standards with a reverse osmosis waste-water treatment system that removes and treats effluents. Clean water is reused for improved environmental and social impact and plant efficiencies. The treatment system returns 70% of water to the plant for reuse. The remaining 30% of water is certified for external use such as in construction and street cleaning. In this process, sediments are burned and used as fertilizer. We are honored to disclose that in 2021 we received awards for our water reuse: The AEA Award, for Reuse Water; The Sindipeças Award, for External Reuse Water and the FIESP Award, for Water Conservation and Reuse. Wheels division also implemented an Effluent Treatment Project, in the commercial vehicle and off-road steel wheels and structural components plant in Cruzeiro, Brazil. The project consists of applying digital technology to reduce harmful effluents from reaching valuable natural resources. Machine learning algorithms identified and suggested alternative operating patterns to reduce harmful start-stop treatment operations and optimize consumption of chemical reagents. For this implementation, we were awarded with the Mercedes-Benz Environmental Responsibility Award.

- ▶ Slight increase in overall water consumption;
- ▶ Increase mainly driven by pandemic measures, additional process steps, and correction of kg produced data;
- ▶ Reduction targets will be set for all plants in 2022.

Iochope-Maxion Water used (m<sup>3</sup>/kg produced)



In 2021, we scored a B in the CDP Water Security questionnaire. This was a very important achievement showcasing our coordinated action on water issues, scoring A on business impacts and water related opportunities. The Metal Products Manufacturing Sector average score was a B- for the same year.

Facilities track and monitor total volume of water discharged - by destination, with most only discharging to one destination. This is primarily driven by internal water consumption goals, but some locations have restrictions on water discharge volumes within their permit(s) or through local regulation. 100% of our facilities reported monitoring of discharges by destination type. Water discharge volumes are monitored with direct reading instruments to track and show the quantity. This is completed for every discharge that happens more than once in a 24-hour period.

The wastewater treatment plant can handle all of the operation's wastewater, including domestic waste and industrial wastewater. Some plants also have an oil treatment station, which refines all of the oil collected at the plant for reuse. The wastewater reduction target for 2021 was not achieved due to increased sanitary demands.

# ORGANIZATION CULTURE AND PEOPLE MANAGEMENT

GRI 102-8, 102-16, 103-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 404-2, 405-1

Our priority over the last few years remains on developing our people and preparing for future expansion. In 2020, most companies made adjustments to continue operating during the COVID-19 pandemic. Throughout 2021, our company continued to experience challenges and changes due to the pandemic, which presented an internal opportunity to design a new structure. We focused on evolving a new model of work within our company, transforming it into a tool for people's development. Our Company focused on finding the best solution for each division and region in which we operate, taking into consideration their structure, culture, number of plants and number of employees.

We continued to prioritize the implementation of actions that guaranteed the health and safety of our company, the environment, our people and their families. We developed our Health Protocol and implemented a strong internal

and external communication strategy to keep our people informed. In addition to keeping our employees engaged, well-informed and involved, we needed to make sure that we continued operating as a good supplier. We managed to adjust work schedules to align with our client needs and keep our business operating in the best circumstances, guaranteeing a healthy work environment for our employees.

Furthermore, ESG remained at the forefront of the Company's agenda throughout the year. Our company experienced an intense learning phase to structure related matters in the company in the best ways. We engaged on social community initiatives in North America, Mexico, Asia, Turkey and other regions we operate. We also strongly focused on Diversity and Inclusion and how we could manage to accelerate and develop the processes related to this topic, by increasing and promoting our D&I Programs.



**We remain** committed to the future by implementing new programs and projects, while continuing to look for opportunities to improve our employee experience. In 2021...

**We had** great engagement results.

**We redefined** our competencies set to better align them with our reality.

**We improved** our E-learning platforms.

**We evolved** the communication structure with our employees.

**We increased** social responsibility activities within the company.

In 2019, we began our efforts to disseminate our Mission, Vision and Values company-wide by translating them to all the languages from countries where we operate. We promote annual refresh trainings on our Mission, Vision and Values and keep our usual and constant trainings on other matters that correlate to these statements. We are committed to living these statements in our day-to-day work, through actions that inspire our people, keep them healthy, and stimulate their creativity towards innovation. As a global company, we maintain a powerful and unique culture. Our culture is shaped by the many geographic areas we represent, as well as the mergers and acquisitions we have been through. Our strong mission and values drive our culture towards unity, where we all work towards the same goals.

## WE BELIEVE IN OUR VISION

We strive to be a global leader and to grow in a sustainable manner, through innovation and inspiring our people to take part in shaping the automotive world with us.

## WE BELIEVE IN OUR VALUES

We conduct ourselves ethically and are socially and environmentally responsible.

We develop trust, empower and respect our people and drive our results through commitment, ownership mentality, continuous improvement and teamwork.

We utilize our resources efficiently and achieve the highest levels of customer satisfaction.

We foster innovation and unleash the creativity of all our people.

## WE BELIEVE IN OUR MISSION

We want to provide components and automotive systems in a profitable manner, while improving the competitiveness of our customer's products globally. We do this through continued innovation, process improvement and exceptional people.

# COMPANY PURPOSE AND EMPLOYEE ENGAGEMENT

GRI 404-2

To keep our people engaged with the company's purpose in 2021, especially with the challenges from the pandemic, we had to make sure they felt safe and confident about their health. We continued to provide our people with all the resources and supplies they needed to feel safe, such as COVID-19 tests, masks and thermometers. We spared no efforts to protect the safety of our people and their families.

We also improved our communication approach by promoting actions that kept our employees well-informed on COVID-19 updates, especially on the importance of vaccination. We closely monitored the vaccination rate within our employees throughout the year. Despite being a manufacture company, 15% of our sites in 2021 had a remote or hybrid working structure. We developed a Hybrid Work Policy to better define this new model of work.

People management is embedded into our Company's culture and management system. To better understand our peoples' needs and aspirations, we promote our Engagement Survey cycles. We monitor our employee engagement every two years. However, due to the COVID-19, we were unable to conduct our engagement survey in 2020, postponing the survey to 2021. In 2021, 85% of our employees participated in the Engagement Survey process, a mark that indicates the highest level of participation since we began to promote this initiative within the company. Additionally, we released a 100% online global survey for the first time, equal for both divisions, to make this process more unified. As a result, we had more satisfactory outcome: 78% favourability (in all dimensions) with 86% engagement, when compared to the global industries market we are 20% above. We plan to implement action plans, based on the results of this survey, in 2022.

In previous years we launched the MyTalent platform, an integrated global talent management system for people development. MyTalent addresses and monitors career aspirations, targets, goals and assessments for each employee's performance against the company's global competencies. We also use MyTalent for recruiting, onboarding, compensation and promotion processes. This allows for the standardization of criteria for the management of positions and salaries for all units around the world. In 2021, we better-structured the use of the platform, especially in regards to our training processes. We upgraded and intensified the E-Learning functionality, with the aim of improving our training tools and prompting this practice in the company. We also started implementing the Employee Central Process, which consolidates payrolls in all of the countries where we operate. All white-collar employees are integrated within the platform. For 2022, we intend to extend Platform access to all our employees, adding the integration of blue collars. Our main goal is to make engagement and development processes easier and more enjoyable to all our people.

## IOCHPE-MAXION'S EMPLOYEE VALUE PROPOSITION

**We are a multicultural company that grew from the result of the combination mergers of a diverse range of organizations, behaviours and traditions. We work on initiatives in order to develop our behaviours so that they are consolidated and inclusive with of all cultures, in an organic, respectful and fluid process. In our day-to-day work, we implement actions to promote our Value Proposition with the aim of living the proposed behaviours through our ordinary actions. Iochpe-Maxion's employee value proposition is made up of six behaviors that showcase our strengths and differentiate us from our competition:**

**THESE COMPETENCIES WILL BE IN THE 2022 EMPLOYEE'S ASSESSMENTS AND WE PLAN TO REVIEW THEM IN APPROXIMATELY 5 YEARS.**

**We have a voice:** We believe in the power of our people and the power their voices carry. We challenge and empower one another to engage, contribute and make a difference – whether as an individual or as part of a team. This approach is supported by a high-performing culture that fosters relationships and drives us to strive for continuous improvement to reach outstanding results. Quite simply, it is the reason we succeed.

**We drive our own careers:** The global environment of Maxion Wheels creates opportunities for career advancement and personal growth. We reward self-motivation and give support and encouragement to fuel that progress. We include an experiential approach to people development, with a robust structure and process that includes training and mentoring. This is to ensure that talent is recognized and what continues to differentiate Maxion Wheels as the employer of choice.

**We innovate:** The automotive industry is changing rapidly and our wheels are an integral part of this. We believe that innovation is key to better the world, and we continue to increase our emphasis on being a leader in creativity and technology. Innovation is exciting and challenging, and through connections with our global colleagues and external partners, we develop breakthrough ideas and turn them into reality. This focus delivers value to our company, our customers and ourselves.

**We work as one:** We are a global community, bringing together a broad and diverse range of viewpoints. This means that lean and efficient teams are working with a deep level of shared knowledge and experience to solve problems for our customers. Our people are inclusive and collaborative. Teamwork is the engine of our growth.

**We take ownership:** We are all leaders in some aspect, whether our role is focused on process excellence, people leadership, or business management. Our value is the initiative we bring to the company, welcomed in an environment where we take personal responsibility. There is an open invitation to make an impact in any area, and at any level. This is a dynamic culture that promotes leadership qualities and develops leaders.

**We live our values:** Our values reflect who we are and what we stand for. Being a part of the Maxion Wheels family means dedication to results, while maintaining a commitment to integrity, fairness, and respect for our people and our planet. It is with a sense of pride that we aspire to have the impact of our values reach the communities where we work and live.



**MAXION  
PEOPLE MATTER**

# COMPETENCY FRAMEWORK

In 2021, we reviewed our Global Set of Competencies with the aim of better adapting them to the new reality of the company and the market. We intend to prepare the company and our people for the future. This change in our Competency resulted from a discussion at the senior level of leadership with other executives of the organization, and through an external consultancy that provided the company the support it needed throughout this change. The Competency implementation promoted important advances in many programs within the organization, especially the ones related to employee and leadership development, further aligning them with the Organization's reality:

- ▶ **A behavior standard for all Maxion employees**
- ▶ **Manage, measure and improve the contribution and performance of all employees**
- ▶ **Reinforce our Values and drive us towards a common global culture**
- ▶ **Successful individual performance enables us to achieve our collective business goals**
- ▶ **Clarity on what is important to execute business plans**
- ▶ **Keep performance on track**

## IOCHPE'S TALENT ACQUISITION AND ATTRACTION

We believe that every employee is responsible for driving their own development. In 2021, we updated the Performance Review Cycle to better comply with our new set of Global Competencies. The Reviews are carried out through the MyTalent Platform and consist of an annual cycle, where at the beginning of the year, our employees define goals to support their constant development. At the end of the cycle, we provide a performance classification to each of our employees based on their achievements throughout the year. In 2021, we had a significant increase in the number of employees classified as 'High-Potential' and

'Development'.

The development plan is a partnership: a joint effort between the employees and their manager. We also believe that Performance Reviews are about providing employees with clear direction to enable them to positively contribute to the success of the business. The process includes meetings with line managers for feedbacks, career discussions and development planning. We believe this interaction is essential for success and allows employees to achieve superior levels of performance.

All employees classified as white-collar (employees who perform supervisory, administrative, management or technical functions) have

a global performance review. Blue-Collar employees (employees who perform direct or indirect work on the shop floor) have performance reviews that are defined and managed locally by each plant, when applicable. We intend to increase the overall percentage of blue collar/blue-collar employees who participate on Performance Reviews and Development Plans in near future. In 2021, we expanded the number of Blue Collar/blue-collar employees that participated in this cycle.

For talent acquisition and attraction planning, we aim to make Iochpe-Maxion a known and desired company for the best students, from good universities in areas where we operate. As the pandemic continued during the year of 2021, we had

to find effective ways to attract new talents to our company. We maintained our previous strategy, which consisted in a set of initiatives: showcasing our company at universities, giving in-person lectures and conducting webinars with Maxion leaders; participating in university social networks; hosting student visit programs at our units; and creating innovation partnerships, but now adapted to a virtual reality. In this sense, we had to be creative and find ways to engage actions through social media. We promoted a series of webinars and participated in on-line fairs, which made it possible for us to continue to publicize job opportunities and therefore, attract competent new talents. We highlight that.

Additionally, our attraction strategy through social media in 2021 showed a relevant impact on D&I and Disability opportunities.

For us, employee engagement involves making prospective talent's have a positive experience with the company motivating, and in turn generating engagement. We believe that the future of work is strictly correlated to the an employee's ability of to working from home. In 2021, we continued to better-structure the home-office way of work in order to meet people's need for isolation. Last year, we also developed a Policy that directs and structures the hybrid way of work in our plants. The aim of this policy was to It was shaped with aim of maintaining people engaged main-

tain engagement and better prepared for this new structure. In current days, we understand the importance of prioritizing the needs of our employees, and because of that, we recently created a Policy that allows exceptions whenever it is needed. As further actions Furthermore, we also continue to:

- ▶ **Promote flexible working hours in some locations we operate;**
- ▶ **Evaluate our compensation process, promote position levelling and compare values to the market in order to maintain fair remuneration;**
- ▶ **Promote periodical HR and Managers reunions with employees to keep on track and understand what is important and valuable for them.**

### ETHICS & SUSTAINABILITY 1

Leading by example while applying ethical standards to our decisions & Actions and finding ways to positively affect the global or local environment, community, and society

### BUSINESS & CUSTOMER FOCUS 2

Applying knowledge of business and industry practices, as well as Maxion's strategies, process and ways of working

### INNOVATION & TRANSFORMATION 3

The drive to improve, think ahead and innovate. Ability to bring new ideas, alternatives & possibilities to reality

### DECISION MAKING 4

Ability to analyze information and to make responsible, difficult decisions

### LEADING SELF LEADING OTHERS LEADING THE BUSINESS



### 5 COMMUNICATION

Ability to effectively interact with others across range of business and personal situations

### 6 RESILIENCE & ADAPTABILITY

Ability to manage through challenging situations and adapt to do things differently

### 7 ACHIEVING RESULTS

Achieving desired results through goal setting, planning and execution

### 8 COACHING & DEVELOPING

Challenge & empower others to engage, contribute, grow & make a difference

### 9 COLLABORATION & TEAMWORK

Ability to develop networks and build alliances, collaborating across boundaries to achieve common goal

## IOCHPE-MAXION ENGAGEMENT AND TRAINEE PROGRAMS

In order to keep attracting, developing and retaining young talent, we promote student programs in partnership with technical schools. We hire young talent to work both in the administrative and shop floor operations, with opportunity to develop professional and technical skills through coaching from our leaders, learning about our processes and participating in our work teams.

We also promote our Trainee Program. The program is based on a two-year development cycle, and began in 2021 with the hiring of eight professionals. The program aims to improve the succession and growth structures of the company, as well as of promote professional development for young talents. We first implemented the Trainee Program in the Cruzeiro and Contagem plants, in Brazil, and in the Castanhos plant, in Mexico. There is another education project in Mexico called Dual System Program in partnership with Universidad Tecnologica de Monterey. The main objective is enable new talents and develop their skill for the plants need, through the program the students alternate between classes and practical experience, two weeks each.

Diversity is a fundamental focus of the program. In 2020, Iochpe conducted a targeted recruitment for the Trainee Program, focusing on diversity. The process counted on the participation of 5,505 candidates, of which 412 declared themselves as Black. In 2021, 45 of these candidates reached the assessment stage and 8 trainees were hired, of which 50% are women and 25% are black. The first cycle, which took place in 2021, focused on the participant's learning and development process, through leadership coaching and job rotation among administrative and operational areas. As this cycle ends, a new round will begin in 2023.



## DIVERSITY AND INCLUSION

Our people make us who we are, and we aim to make our company a place where all employees receive the professional support they need to succeed. We create an environment where no one will be discriminated against based on their race, age, ethnicity, gender and gender identity, sexual orientation, religion, and physical and/or cognitive disabilities. Diversity and inclusion are not just words, they are proven performance drivers and part of our core values. Launched in 2021, Unique and United is the foundation of our business and is critical to our future success. Local D&I Committees prove effective at engaging employees by organizing Unique and United activities at the grassroots level.

## 100% EMPLOYEES

exposed to D&I due to strong Leader to local alignment, implementation of Policies, Training, and Communications

- ▶ 85% employees trained in D&I
- ▶ 100% of locations have some level of organized D&I activity
- ▶ More than 180 local actions executed in 2021

## SOCIAL ACTIVITIES RANKED

as the most frequent type of D&I action in local plans:

- ▶ International observances to communicate with one voice
- ▶ International Women's Day (March 8)
- ▶ Pride Month (June)
- ▶ International Day of Persons with Disabilities (December 3)
- ▶ Living our values was promoted far and wide through local social campaigns

## WE PUT EFFORTS TO INTENSIFY INCLUSION AND DIVERSITY ACTIONS

into our organizational culture as a priority matter. To support this initiative, we monitored D&I KPIs more closely, while increasing efforts to understand the best way to work with related topics with our employees.

In 2021, we implemented the D&I Policy, which states we are committed to cultivating, fostering and preserving a D&I working culture to and by all employees. Our employees are required to attend and complete annual diversity awareness training to enhance their knowledge to fulfil their responsibility to uphold D&I at the company. Our commitment to D&I is shown through actions such as attracting and developing a diverse talent base, monitoring the initiatives in progress, continuous engagement, developing knowledge about the topic and providing a safe environment for communicating concerns.

We created the Affinity Group in MSC division, an initiative implemented to promote discussions around D&I topics, where any and every employee can participate. Today, the plants have five Affinity Groups.

We also acted on LGBTQIA+ actions in 2021, such as the Sexual Orientation Survey carried out in Brazil. Out of 3,000 employees, more than 1,200 responded to the survey. The development of this research was important to bring awareness to the topic and created a space to continue advancing actions in 2022. In the past year, we also developed a communication video to promote diversity and inclusion awareness within our people.

Gender Equality was also a priority theme in

2021. We understand the importance of prioritizing gender matters on our recruitment and selection processes, in order to increase equity in our culture and make our work environment a more inclusive and just place. In 2021, we were able to see employed more women in our business. As an example of that, half of the 2021 Trainee team is composed of female talents. We are focused on providing fair opportunities to our people, allowing diversity to take shape along with competence. Other actions included:

- ▶ **IM Fem Program: a program implemented for female leadership development, providing women support to achieve leadership roles.**
- ▶ **Focus on hiring more woman on the shop floor.**
- ▶ **Efforts to promote more women to leadership positions, such as supervisors and coordinators.**
- ▶ **Mentoring initiatives.**

Our people are committed to expanding our knowledge on this agenda each day. We are committed to keep working on raising people's awareness on D&I through our daily actions.

## INNOVATION, SUSTAINABILITY AND OUR PEOPLE

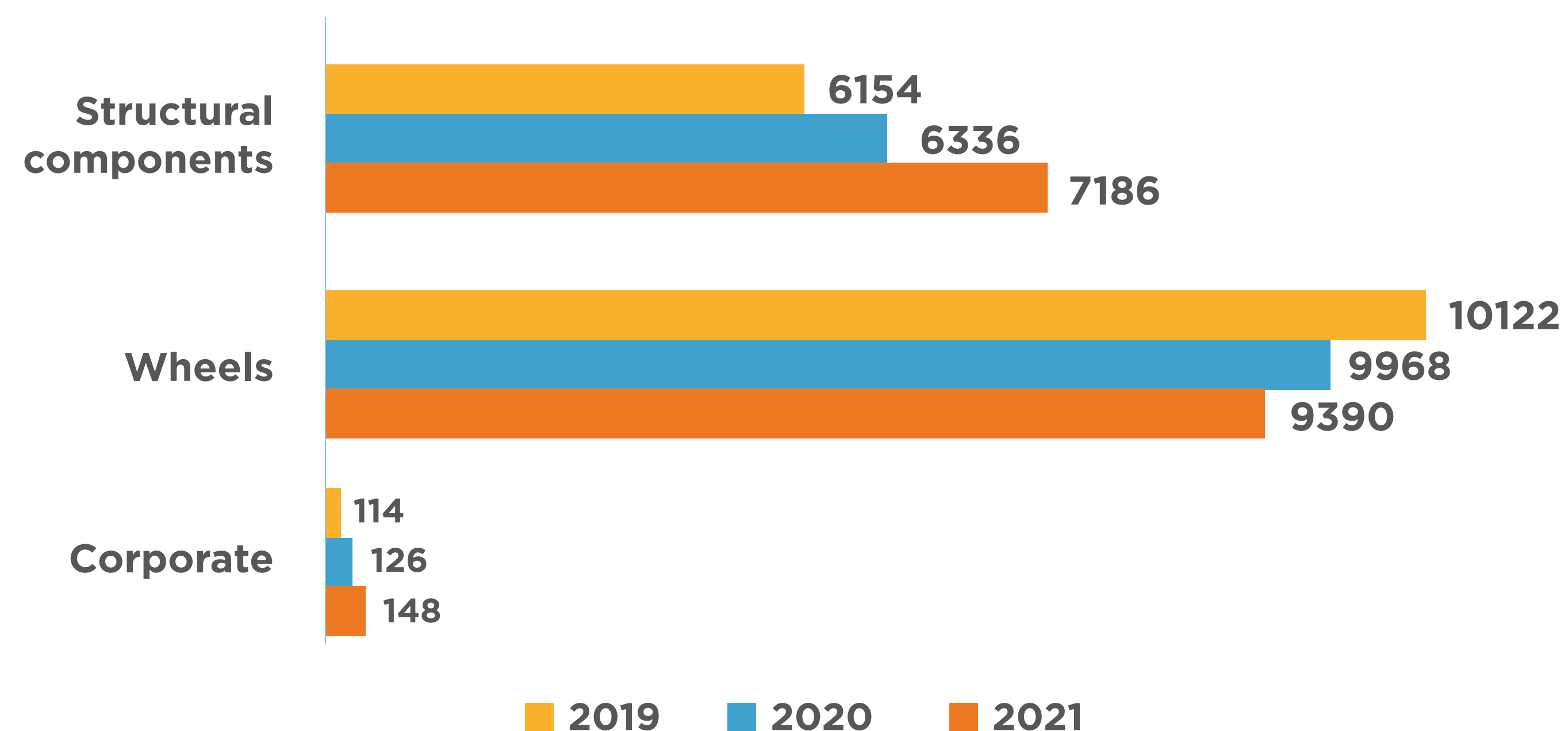
In 2021, we put many efforts to evolve our Innovation strategy and initiatives. This process developed with a major focus on Sustainability. In this scenario, we need engaged people to support this journey. We are committed to stimulating our employees' creativity to comply with the sustainability and innovation goals we have set. We are committed to encouraging our people towards breakthrough ideas to drive new mind-sets and competencies, especially when it comes to new materials, new processes, digital transformation and reduction of environmental impacts. Our leadership is strongly committed to strengthening innovation and ESG matters in our culture, what makes it easier to roll out and engage these themes within our people.



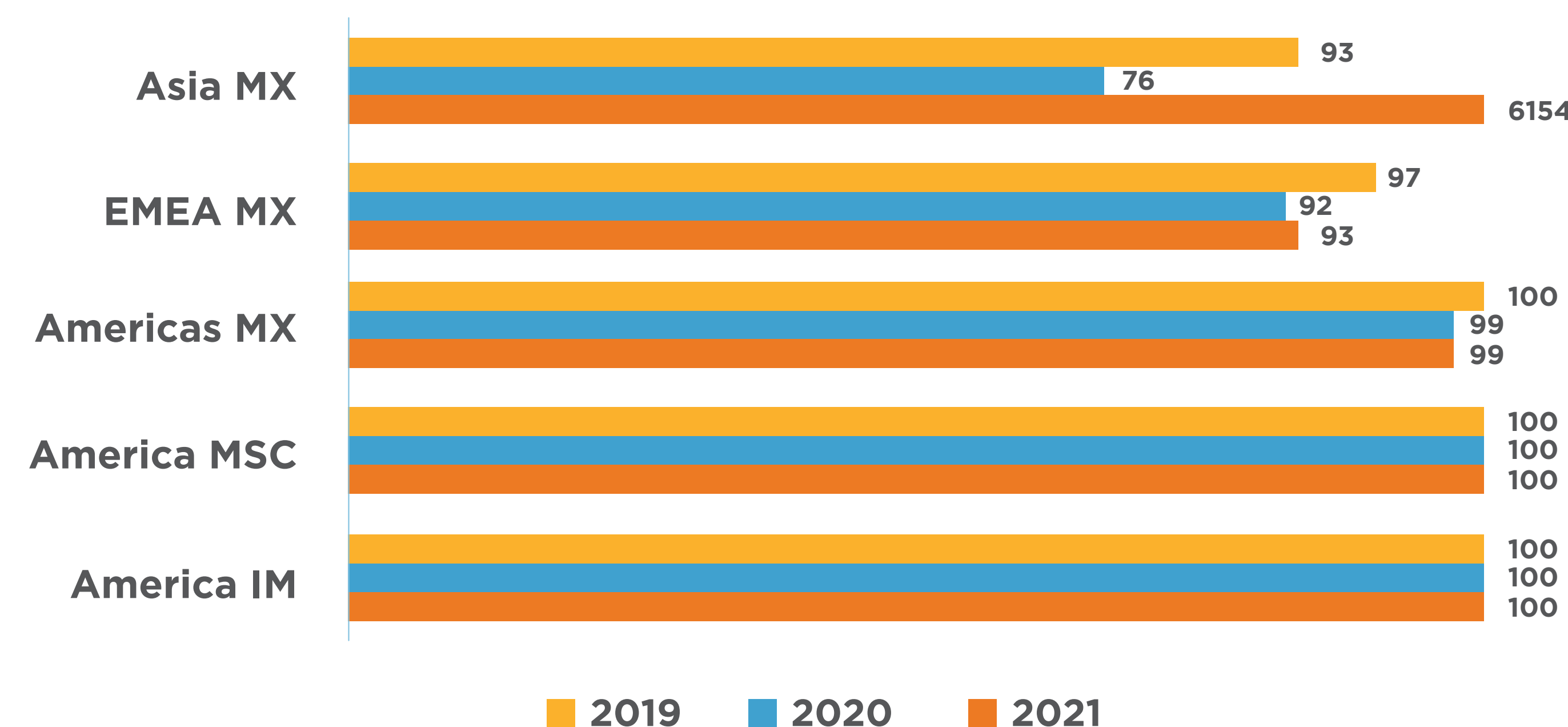
## COMMITTEES AND FORUMS FOR OUR PEOPLE

The HR Team counts on the help of several teams to help engage our people development initiatives. Some of them include: the Global D&I Committee, Global ESG Committee, Innovation Committee and the Ethics Committee. We also promote monthly meetings between the divisions for alignment and discussions on our Cultural Organizational global processes and Plant Management meetings to share opportunities and experiences.

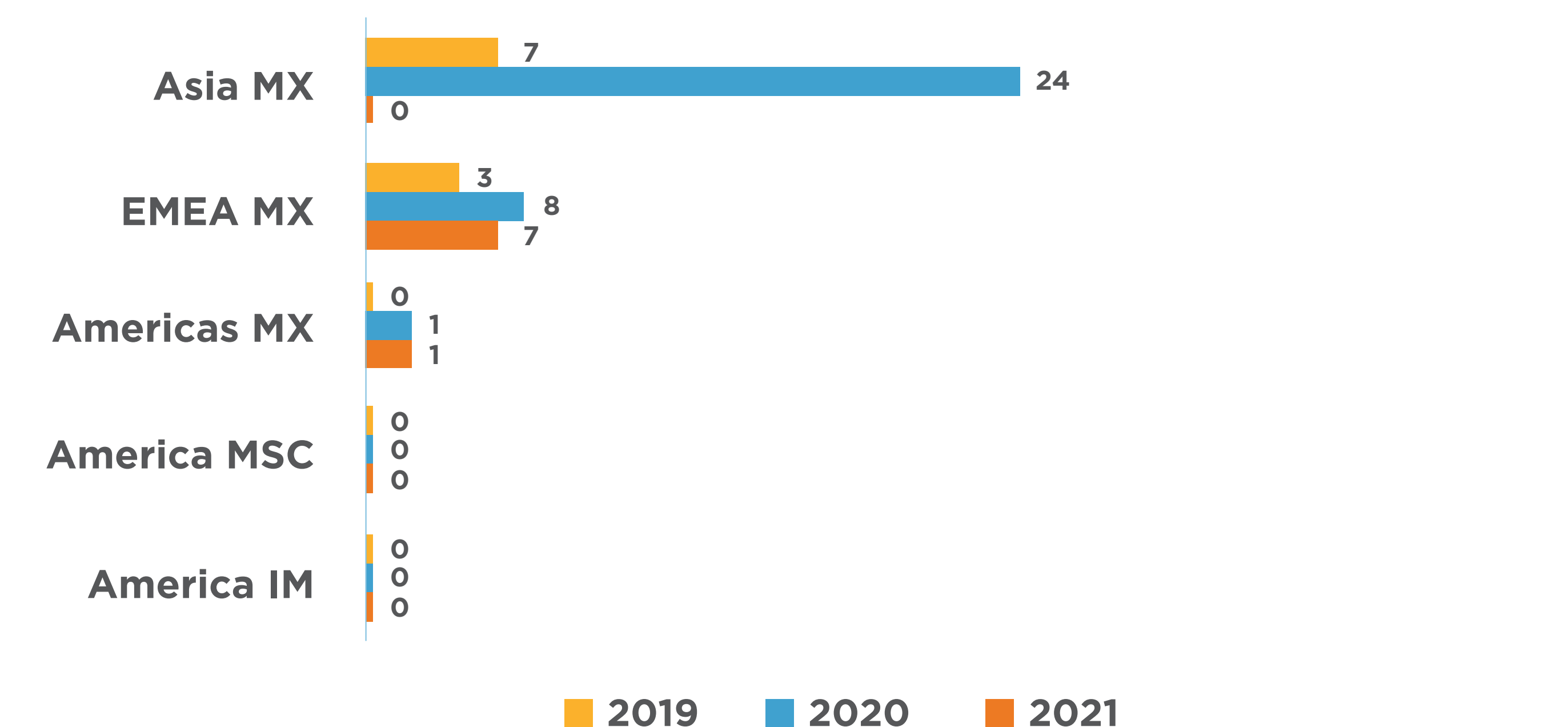
Number of employees<sup>1</sup> GRI 102-8



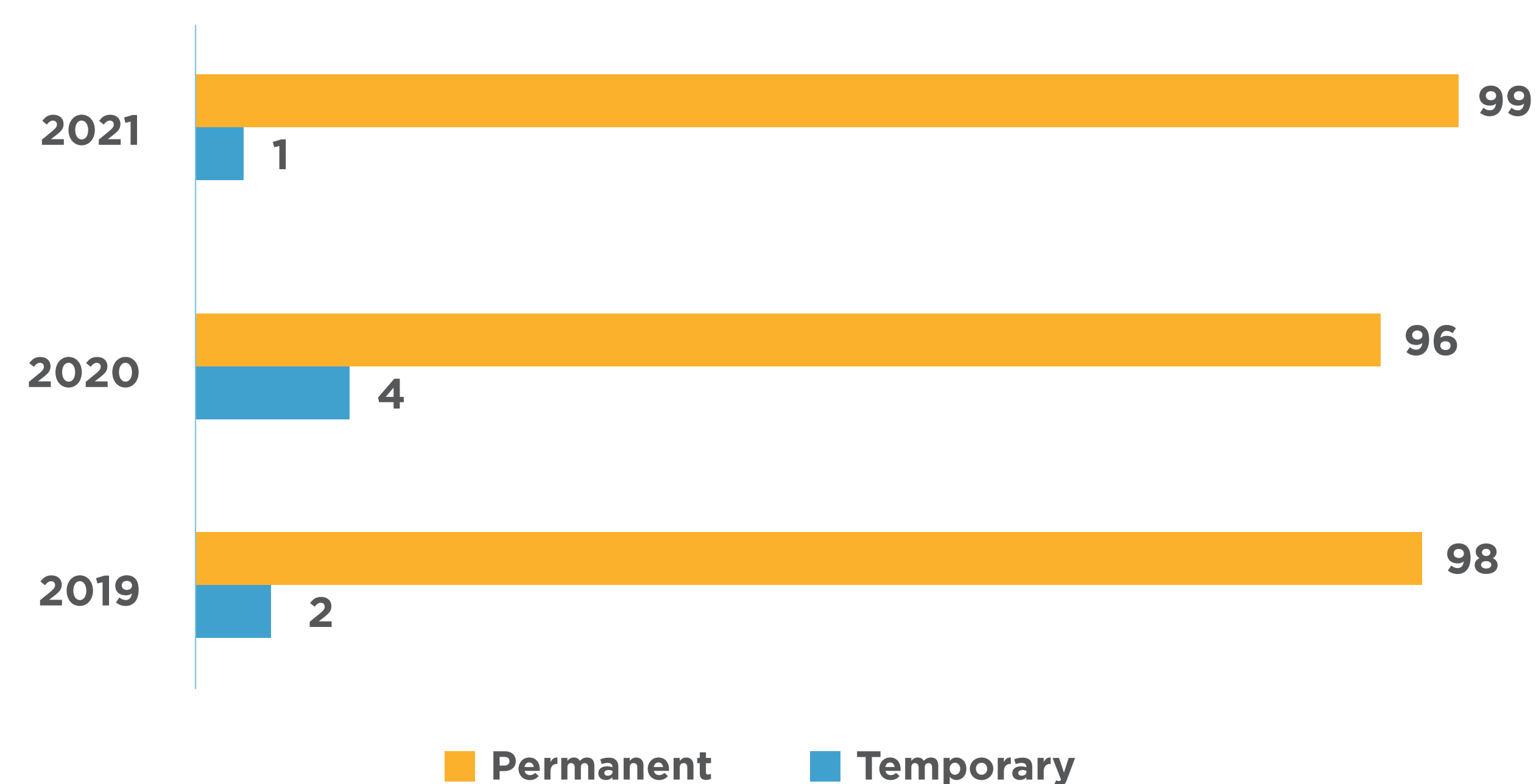
% Permanent contract employees per region<sup>2</sup> GRI 102-8



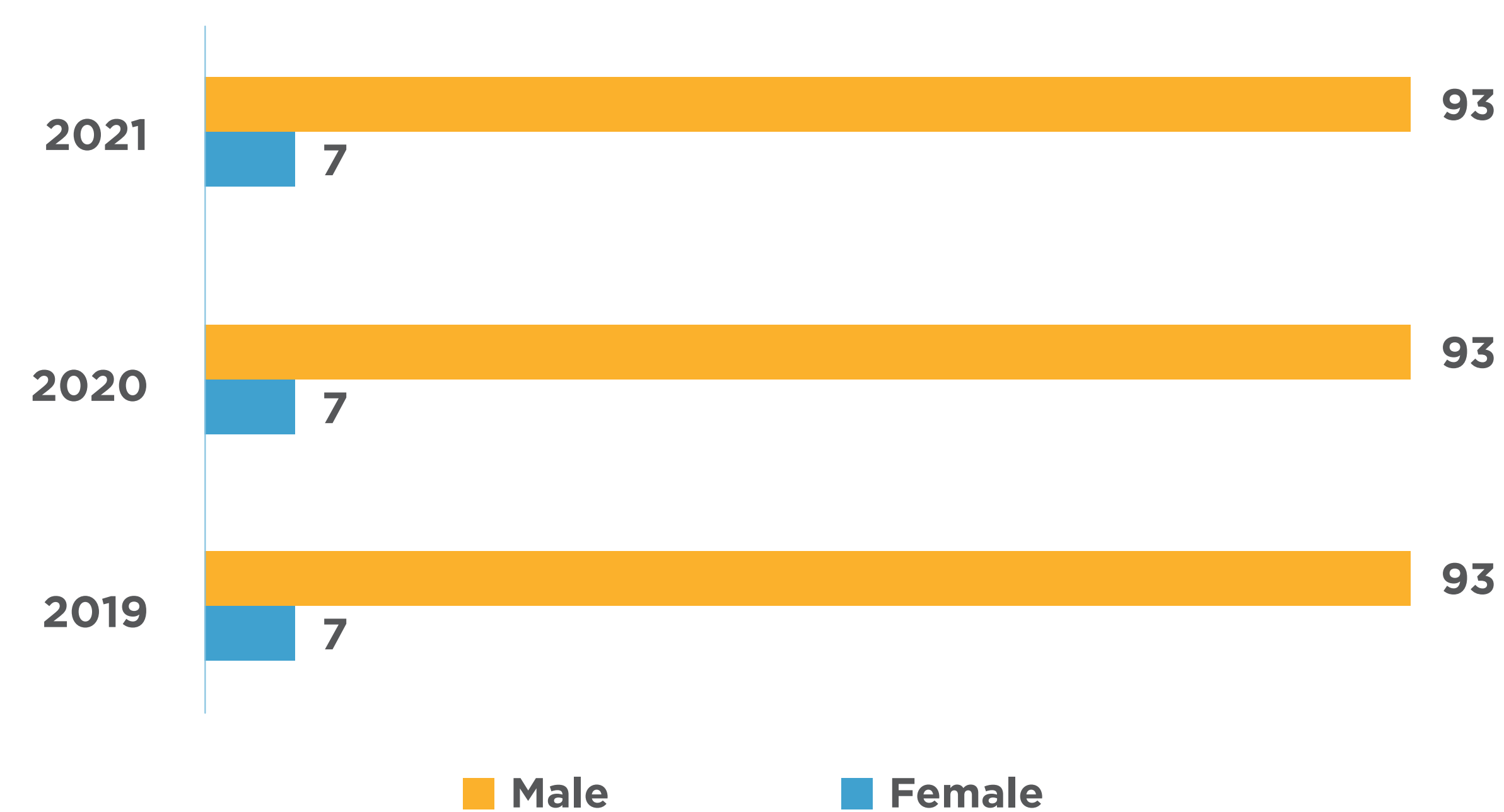
% Temporary contract employees per region<sup>2</sup> GRI 102-8



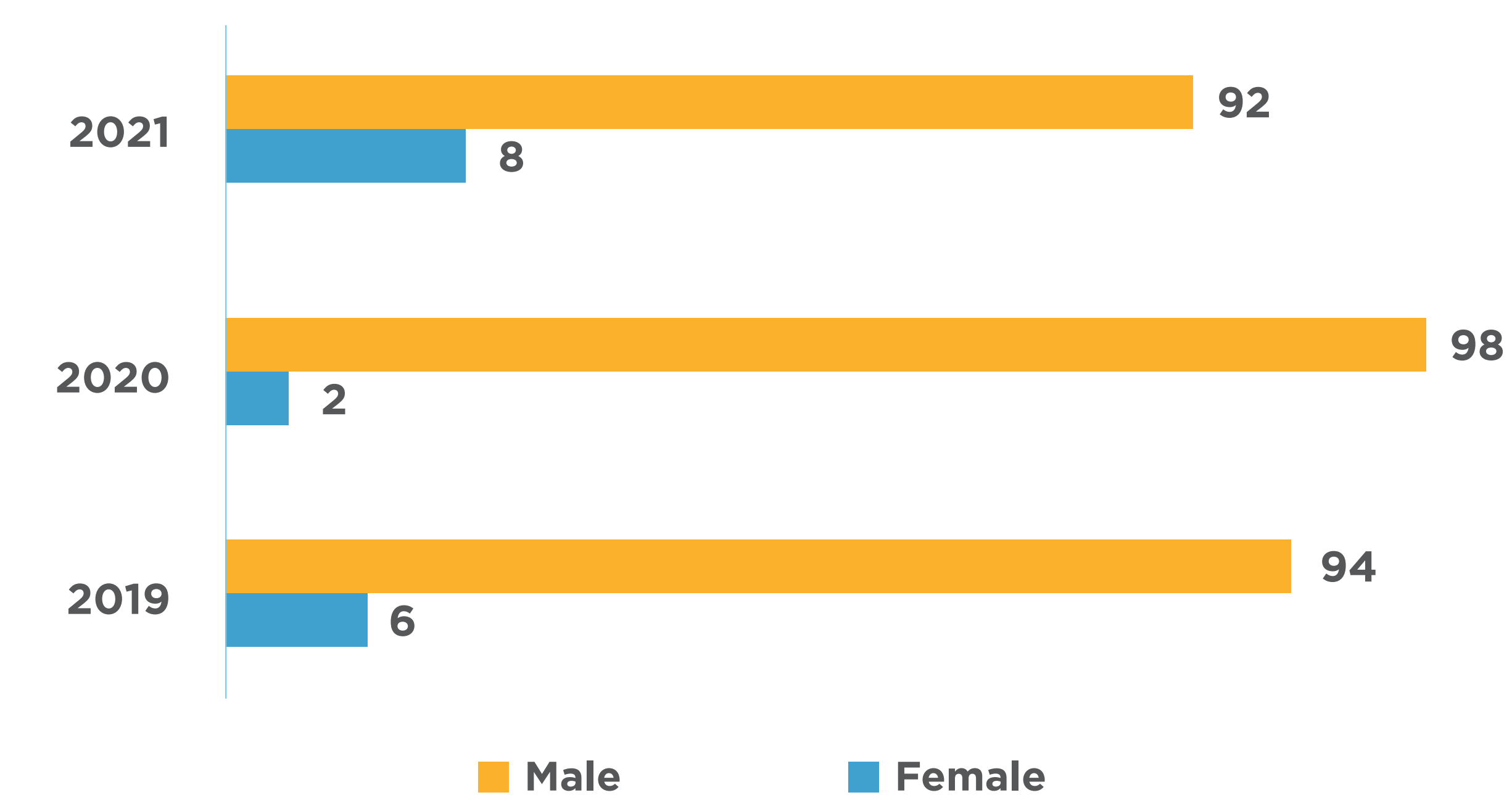
% Temporary and permanent contract employees by year<sup>2</sup> GRI 102-8



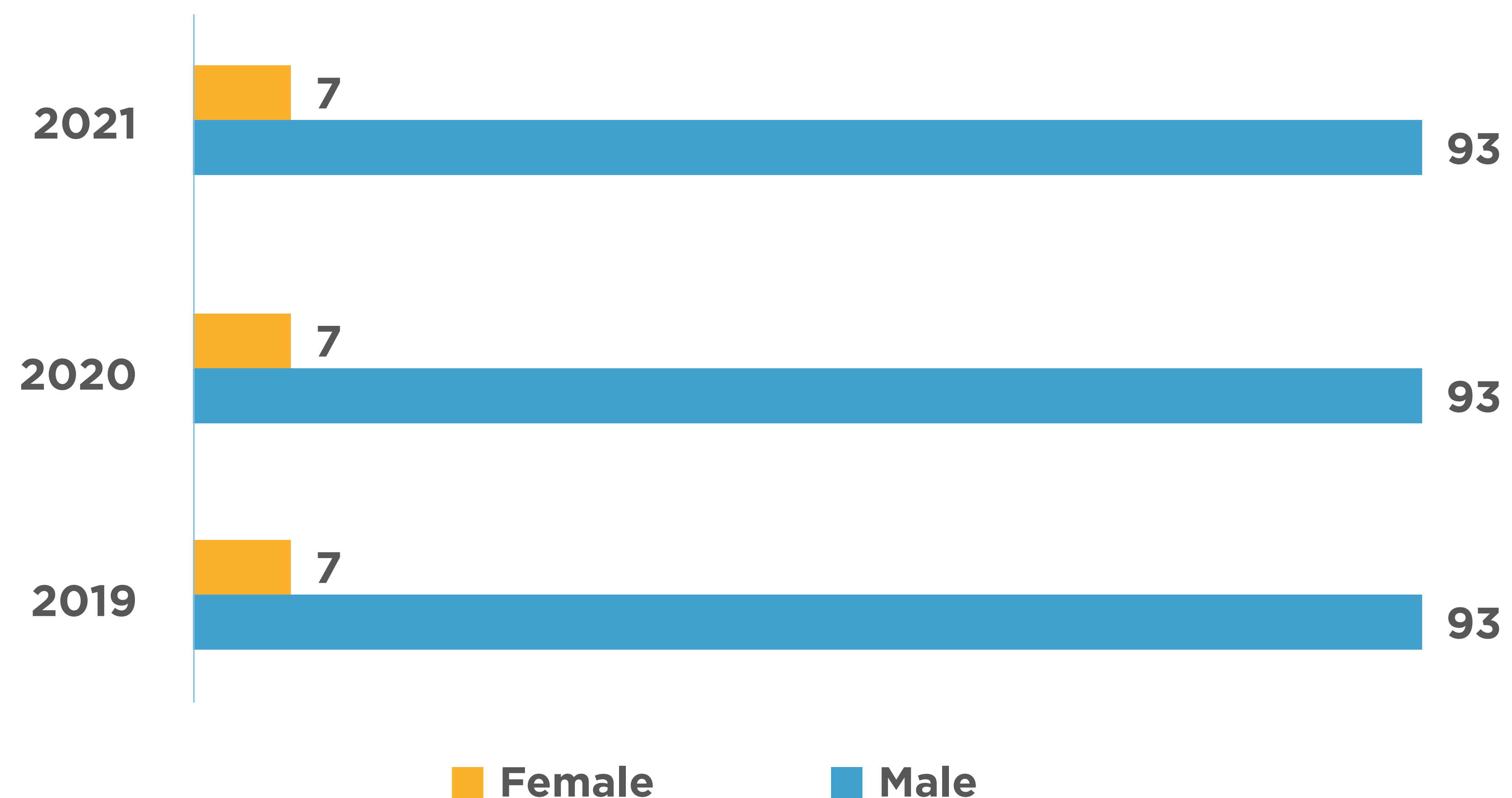
% Permanent contract employees by gender<sup>2</sup> GRI 102-8



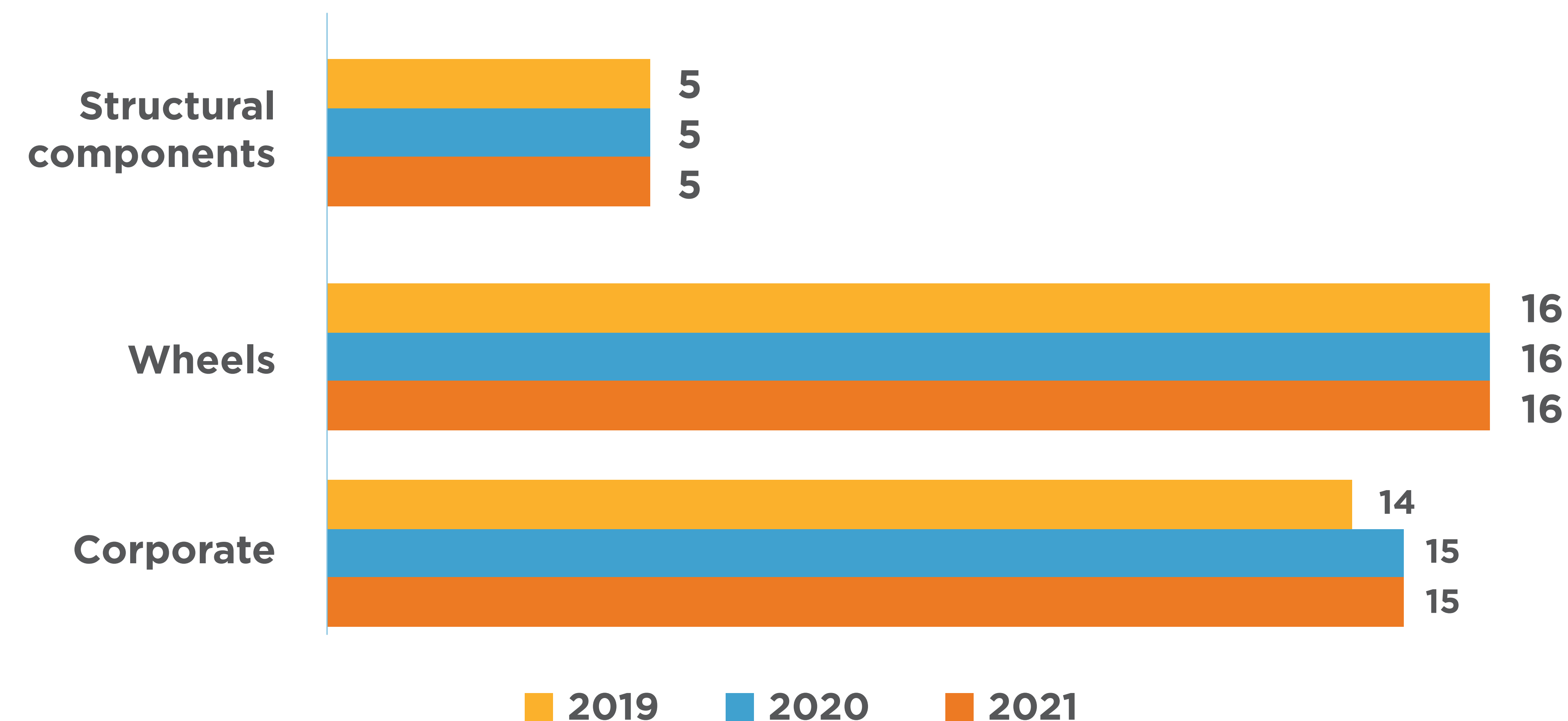
% Temporary contract employees by gender<sup>2</sup> GRI 102-8



### Total company percentage of male and female<sup>2</sup> GRI 102-8



### % Women in leadership position per division<sup>1</sup> GRI 405-1

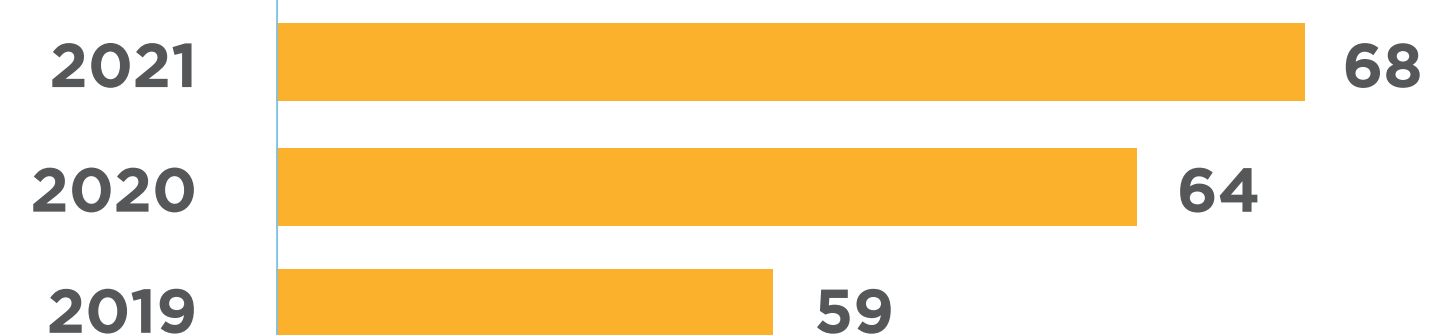


## Number of employees by gender<sup>2</sup>

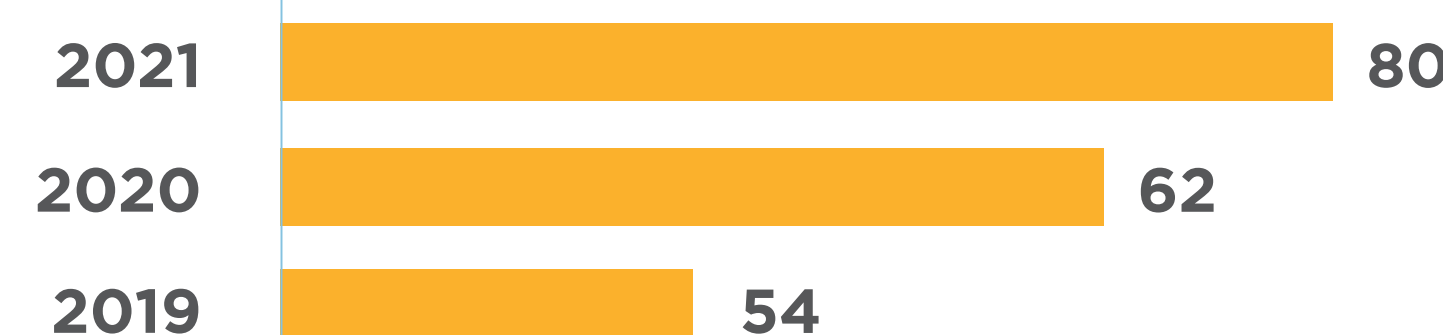
GRI 102-8

#### CORPORATE

##### Male

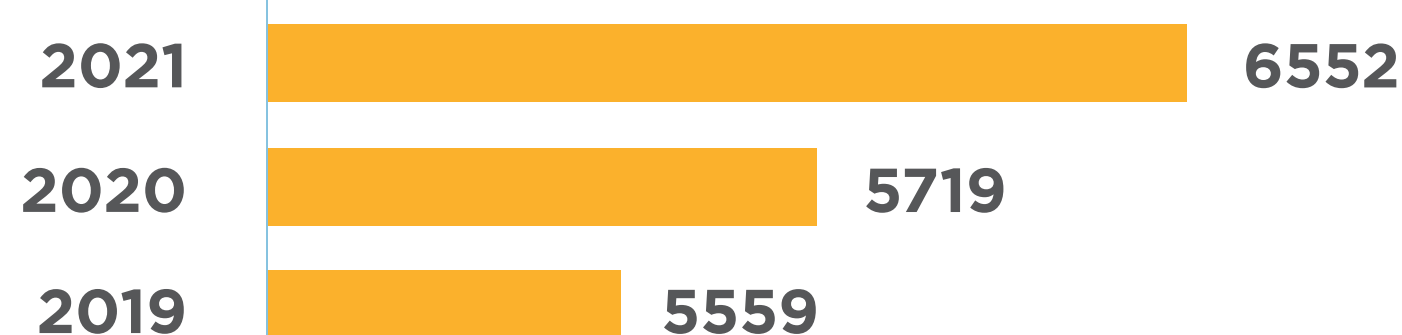


##### Female

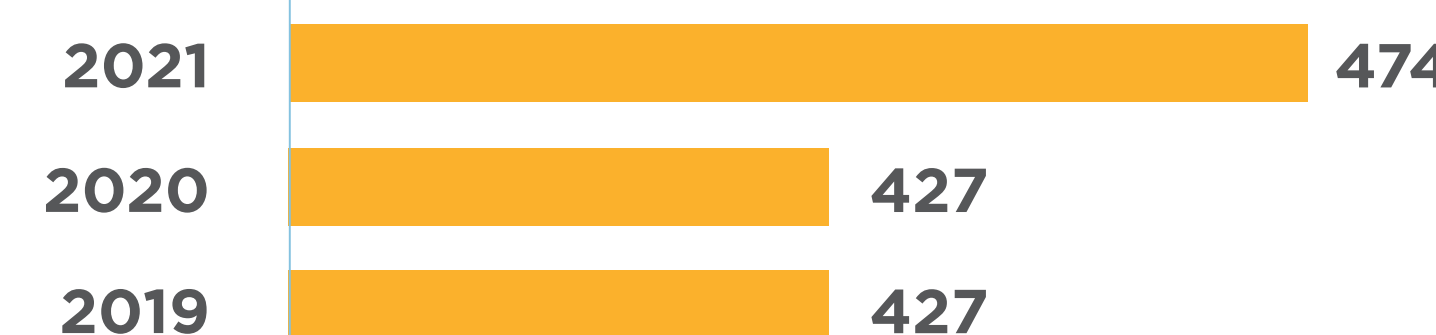


#### MAXION STRUCTURAL COMPONENTS

##### Male



##### Female



#### MAXION WHEELS

##### Male

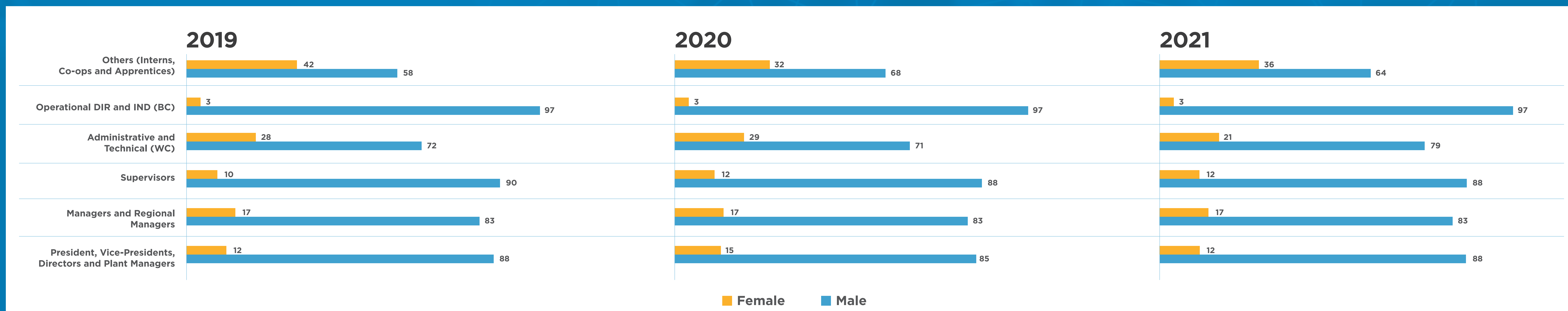


##### Female





## Percentage of employees per employee category by gender<sup>1</sup> GRI 405-1



<sup>1</sup> Includes CEO and Business Units' CEOs

<sup>2</sup> Does not include others (Interns, co-ops and Apprentices)

# ORGANIZATION CULTURE AND PEOPLE MANAGEMENT

102-8, 102-16, 103-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 404-2, 405-1

## OCCUPATIONAL HEALTH & SAFETY GRI 403-1, 403-2, 403-3, 403-7

Our Occupational Health and Safety management processes continue to promote the best practices for our daily product manufacturing activities. We are strongly committed to ensuring the welfare of our direct and indirect employees.

Our safety culture is founded on Behavior Based Safety, where behavior is a function of its consequences: activators guide or direct the behavior while consequences motivate future occurrences of it. In this sense, we make sure our employees are aware of health and safety risks and their consequences.

In 2021, we introduced a new safety KPI to the PD Metrics. This indicator consists in a 4 dimensions' set that supports our safety culture and safety performance.

Our health and safety management system continues to cover hazardous identification risk assessment and mitigation, industrial hygiene, workplace ergonomics and chemical safety, and aligns with ISO 45001 Occupational Health and Safety Management System. Our structures focus on work in Health, Safety, Environment and Sustainability and follow a strategic development plan for the next 5 years. GRI 403-1

All of our H&S processes are approved and signed by both Maxison Wheels and Maxison Structural Components' CEOs. When it comes to Health and Safety, we strive to standardize both divisions' processes and procedures, respecting each divisions' peculiarities. We intend to facilitate this unification movement until 2023/2024, to make each divisions' management processes more similar. Each company site is responsible for managing its emergency procedures and response. These procedures include locally documenting how the site prepares for, avoids and mitigates the impact of incidents, emergencies, accidents and hazards. GRI 403-7

Each business unit and site is responsible for managing and implementing the health and safety management system and complying with the following:

- ▶ **Evaluating potential or effective hazards and risks in the activities of its direct and indirect employees, processes, products or services. The aim of this evaluation is to prevent adverse situations involving dangerous events; damages related to injury; illness; damages to property, work environment or a combination of both;**
- ▶ **Ensuring compliance with current legislation, applicable occupational health and safety standards and internal procedures;**
- ▶ **Implementing and maintaining an Occupational Health and Safety Management System, which provides Health and Safety conditions at work;**
- ▶ **Implementing, maintaining and disseminating the Occupational Safety and Health Management Policy to all of its employees. Additionally, making the policy available to government entities, communities, customers, suppliers, service providers and any other stakeholders, as appropriate;**
- ▶ **Involving workers at various levels in health and safety-related decisions, including during the development, planning, implementation, performance evaluation and action phases, to improve the management system.**

For the period of 2021-2026, we achieved many of the actions foreseen in our previous stipulated H&S Global Strategic Plan. Our roadmap plan included:

- ▶ **Capture and apply better internal HSE practices;**
- ▶ **Risk Analysis;**
- ▶ **Plants integration;**
- ▶ **Standardization of processes, responsibility and consequences matrix;**
- ▶ **Accident Reports;**
- ▶ **Standardization of HSE indicators;**
- ▶ **Definition of clearer goals for HSE;**
- ▶ **Make HSE transverse between areas;**
- ▶ **Creation of Health Governance Strategy.**

The integrated Policy for the Maxison Structural Components division was designed to meet, among others, the following items: ISO 14001, ISO 45001, ISO 9001 and IATF 16949 requirements and Customer requirements. A single policy for the entire MSC Division put all Units in the same direction with standardized efforts and alignment towards a common commitment.

Annually, all MSC Division plants hold SIPATMA, a week dedicated to ad-

ressing environmental, sustainability, safety and health issues. This is an internal event, used to increase awareness among employees and third parties. During SIPATMA week we carry out several activities such as publications, lectures, interventions, competitions and exhibitions.

One of the pillars of the MSC Integrated Management System is Continuous Improvement. Our processes are reviewed monthly during performance meetings and our projects are monitored. We take actions to improve our indicators and results. In 2021, made progress on the following topics:

- ▶ **Creation of global procedures for the plants;**
- ▶ **Implementation of recurring meetings between the HSE areas of the plants, to analyze indicators and share good practices;**
- ▶ **Implementation of the monthly performance meeting with directors and president;**
- ▶ **Creation of two cross-functional teams (Cruzeiro and Castaños), using the Six Sigma methodology to promote the reduction of natural gas consumption.**

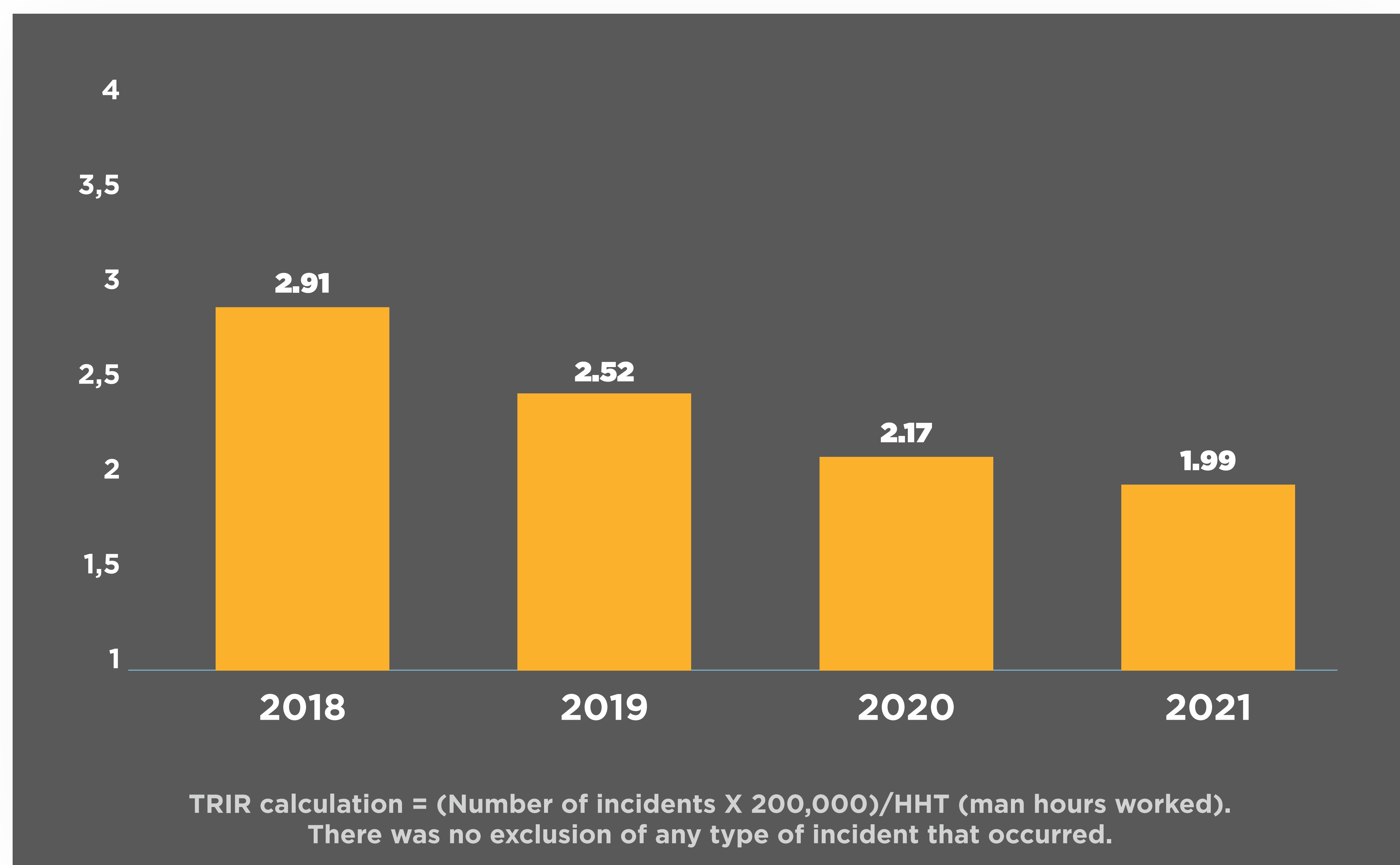
We continued to promote our Safety dialogues and the Stop Work process, which is a formal method to suspend individual tasks or group operations when the HSE risk control is not clearly established or understood. Giving employees the authority to interrupt work is an essential HSE practice and mandatory across the Company.

We also increased our H&S investments in the past year, focusing primarily on what we have learned with previous accidents and incidents. In our HSE Board monthly meetings, all "Lessons Learned" and plant initiatives are discussed, including accident investigations, trainings, campaigns and further projects.

Maxion Structural Components has an investment plan for HSE (2021 to 2026) in line with the company's strategic roadmap, which contains all initiatives and improvements. In 2021, BRL 9.3 million was invested in HSE actions. We focused these investments primarily on equipment protection and continuous improvement, with the aim of increasing awareness on material handling risks. In this scenario, we saw an expressive fall when it came to accident severity, comparing the year of 2021 to previous years. We have invested great effort to improve our machinery management.

**THE COMPANY'S OVERARCHING COMMITMENT IS TO REACH A TARGET OF ZERO ACCIDENTS AND ZERO FIRES IN THE NEXT 5 YEARS.**

## Total Recordable Incident Rate (TRIR) - Iochope-Maxion Structural Components and Maxion Wheels GRI 403-9



- ▶ IMSA Incident rate dropped below 2.00 for first time;
- ▶ 2 severe incidents in 2021: in KON and PNT plants;
- ▶ Safety standardization projects continue through 2022;
- ▶ Hand protection initiatives in process;
- ▶ We notice year-over-year reductions in incident rate since 2018;
- ▶ MX Incident Rate YTD is at 1.10 by the end of April;
- ▶ Focus on reducing severity.

We also kept promoting our mandatory and non-mandatory H&S periodical trainings to all of our employees. To support our trainings processes, we improved our E-learning platform, especially with regards to safety courses.

In addition, our Safety and Sustainability Departments promote regular reunions to discuss H&s related topics, set goals, discuss the achievement of targets and align the two divisions' related practices. All of the leaders

within our Business Units have Safety and Sustainability related targets that are closely and periodical-ly monitored. Our H&S targets are evaluated and adjusted annually, in order to better converge with the company's previous achievements and the markets landscape.

### GOLDEN RULES

For us, the only possible direction is safety. In 2021, we established 10 Work Safety Rules considered non-negotiable to normalize the activities of workers, guaranteeing more health and safety for each of them. These rules must be followed by all employees and service providers, in all our plants. Following the Golden Rules of Safety is a more than an expected behavior. Our focus is to keep promoting our 10 Golden Rules as a value of the company.



Work at height



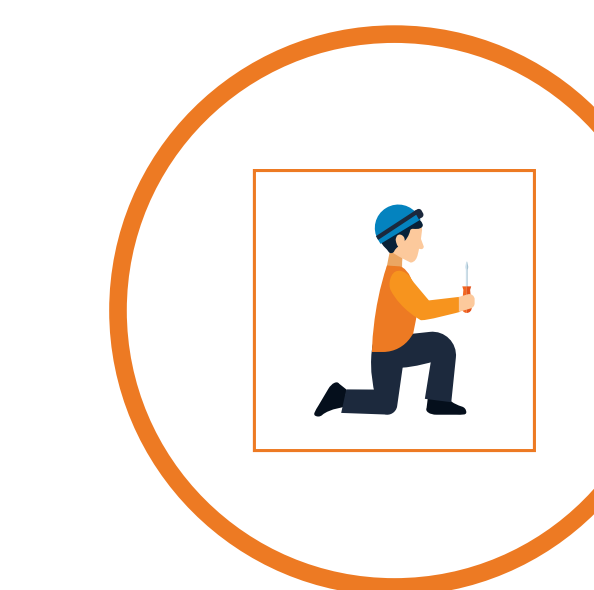
Vehicle and mobile equipment



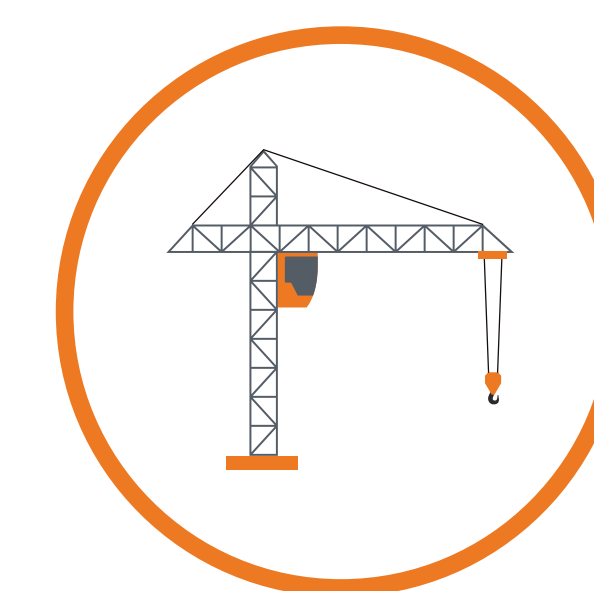
Blocking, Identification and zero energy



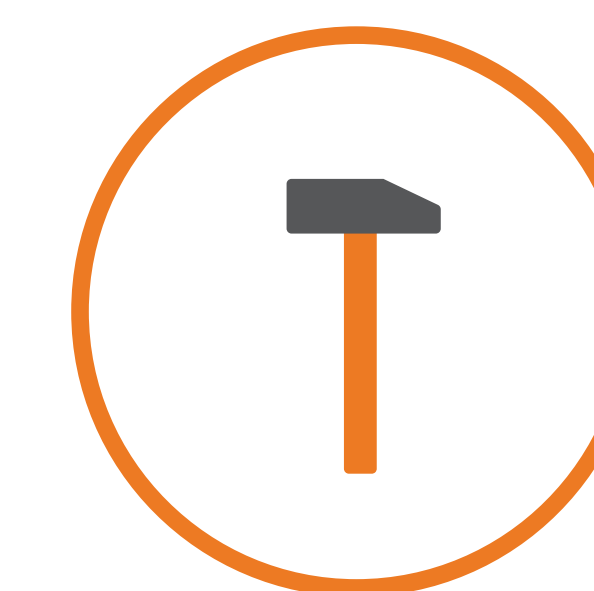
Suspended load



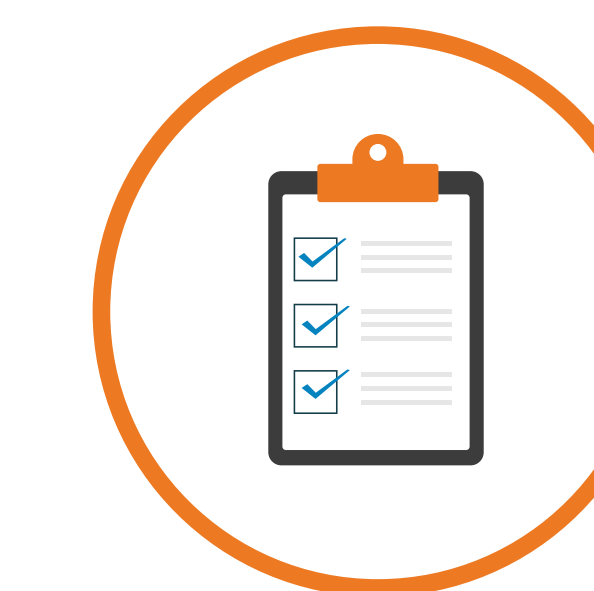
Confined spaces



Restricted areas



Tools and equipment



Risk analysis



Pedestrian circulation

















Work accident reporting

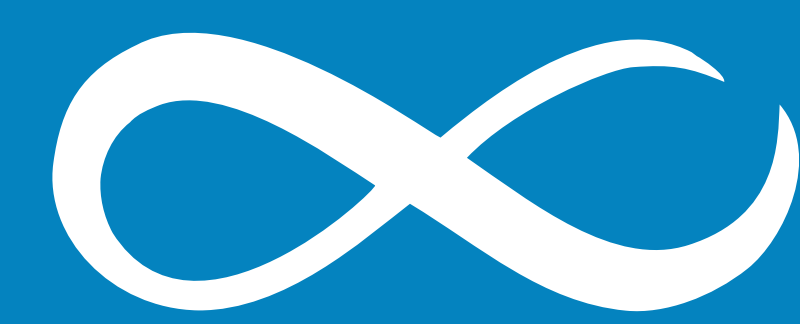
## CONSIDERING THE PANDEMIC SCENARIO THAT WE CONTINUED TO EXPERIENCE THROUGHOUT 2021,

**we put efforts to closely control the number of the disease cases in our company, striving to minimize them as much as possible through the implementation of protocols and safety procedures. We worked hard and spared no efforts to keep our people and their families safe and healthy.**

GRI STANDARD		DISCLOSURE	OMISSION	SASB	PDF PAGE	ODS
<b>GRI 101: FOUNDATION 2016</b>						
<b>GRI 102: GENERAL DISCLOSURES 2016</b>						
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	<b>102-1</b>	Name of the organization			Page 5	
	<b>102-2</b>	Activities, brands, products, and services			Page 5	
	<b>102-3</b>	Location of headquarters			Page 8	
	<b>102-4</b>	Location of operations			Page 8	
	<b>102-5</b>	Ownership and legal form			Page 26	
	<b>102-6</b>	Markets served			Page 8	
	<b>102-7</b>	Scale of the organization			Page 5	
	<b>102-8</b>	Information on employees and other workers			Page 55	
	<b>102-9</b>	Supply chain			Page 5	
	<b>102-14</b>	Statement from senior decision maker			Page 4	
	<b>102-15</b>	Key impacts, risks, and opportunities			Page 14	
	<b>102-17</b>	Mechanisms for advice and concerns about ethics			Page 28	
	<b>102-18</b>	Governance structure			Page 26-27	
	<b>102-22</b>	Composition of the highest governance Body and its committees			Page 27-39	
	<b>102-47</b>	List of material Topics			Page 3	
	<b>102-50</b>	Reporting period			Page 3	
	<b>102-51</b>	Date of most recent report		2012 Sustainability Report, covering the period from January to December of the reference year.	Page 3	
<b>102-53</b>	Contact point for Questions regarding The report		ri@iochpe.com.br	-		
<b>102-54</b>	Claims of reporting in accordance with the GRI standards			Page 3		
<b>102-55</b>	Gri content index			Page 60		
<b>102-56</b>	External assurance		Not applicable. We are in the beginning of our reporting journey, still in the process of structuring the disclosure of the material topics in accordance to the GRI core option. We plan to undergo external assurance in the near future.	-		
<b>MATERIAL TOPIC: BUSINESS RESILIENCE</b>						
<b>GRI 102: MANAGEMENT APPROACH 2016</b>	<b>102-15</b>	Key impacts, risks, and opportunities			Page 14	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	<b>103-1</b>	Explanation of the material topic and its Boundaries			Page 28	   
	<b>103-2</b>	The management approach and its components			Page 14	

GRI STANDARD		DISCLOSURE	OMISSION	SASB	PDF PAGE	ODS
<b>MATERIAL TOPIC: INNOVATION AND DIGITAL TRANSFORMATION</b>						
GRI 103: MANAGEMENT APPROACH 2016	103-2	The management approach and its components			page 16	 
<b>MATERIAL TOPIC: MATERIAL TOPIC: CORPORATE GOVERNANCE AND ETHICS</b>						
GRI 102: GENERAL DISCLOSURES 2016	102-5	Ownership and legal form			Page 25	 
	102-16	Values, principles, standards, and norms of behavior			Page 25	
	102-17	Mechanisms for advice and concerns about ethics			Page 28	
	102-18	Governance structure			Page 26-27	
	102-22	Composition of the highest governance body and its committees			Page 27	
	102-23	Chair of the highest governance body			Page 27	
	102-24	Nominating and selecting the highest governance body			Page 27	
	102-26	Role of highest governance body in setting purpose, values, and strategy			Page 26	
	102-30	Effectiveness of risk management processes			Page 30	
	102-31	Review of economic, environmental, and social topics			Page 30	
GRI 103: GENERAL DISCLOSURES 2016	102-35	Remuneration policies			Page 27	
	103-1	Explanation of the material topic and its Boundaries			Page 28	
	103-2	The management approach and its components			Page 28-30	
GRI 205: GENERAL DISCLOSURES 2016	205-2	Communication and training about anti-corruption policies and procedures			Page 29	
	205-3	Confirmed incidents of corruption and actions taken		TR-AP-520a.1 Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Page 28	
<b>MATERIAL TOPIC: PRODUCT QUALITY AND SAFETY</b>						
GRI 103: MANAGEMENT APPROACH 2016	103-2	The management approach and its components			Page 31	
GRI 403: MANAGEMENT APPROACH 2016	403-1	Occupational health and safety management system			Page 31	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of the health and safety impacts of product and service categories			Page 36	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		TR-AP-250a.1 Number of recalls issued, total units recalled	Page 36	

GRI STANDARD	DISCLOSURE	OMISSION	SASB	PDF PAGE	ODS
<b>MATERIAL TOPIC: CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT</b>					
<b>GRI 103:</b> <b>MANAGEMENT APPROACH 2016</b>	<b>103-2</b> The management approach and its components			Page 39	
<b>GRI 302:</b> <b>ENERGY2016</b>	<b>302-1</b> Energy consumption within the organization		TR-AP-130A.1 (1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Page 46	
<b>GRI 303:</b> <b>WATER AND EFFLUENTS 2016</b>	<b>303-3</b> Water withdrawal			Page 49	
<b>GRI 305:</b> <b>EMISSIONS 2016</b>	<b>305-1</b> Direct (Scope 1) GHG emissions			Page 42	 
	<b>305-2</b> Energy indirect (Scope 2) GHG emissions			Page 42	
	<b>305-4</b> GHG emissions intensity			Page 42	
	<b>305-5</b> Reduction of GHG emissions			Page 43	
<b>GRI 306:</b> <b>WASTE 2016</b>	<b>306-5</b> Waste directed to disposal			Page 47-48	 
<b>MATERIAL TOPIC: ORGANIZATIONAL CULTURE AND PEOPLE MANAGEMENT</b>					
<b>GRI 102:</b> <b>GENERAL DISCLOSURES 2016</b>	<b>102-8</b> Information on employees and other workers			Page 50-55-56-58	 
	<b>102-16</b> Values, principles, standards, and norms of behavior			Page 58	
<b>GRI 103:</b> <b>MANAGEMENT APPROACH 2016</b>	<b>103-2</b> The management approach and its components			Page 58	
<b>GRI 403:</b> <b>OCCUPATIONAL HEALTH AND SAFETY 2016</b>	<b>403-1</b> Occupational health and safety management system			Page 58	 
	<b>403-2</b> Hazard identification, risk assessment, and incident investigation			Page 58	
	<b>403-3</b> Occupational health services			Page 58	
	<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety			Page 58	
	<b>403-5</b> Worker training on occupational health and safety			Page 58	
	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Page 58	
<b>GRI 404:</b> <b>TRAINING AND EDUCATION 2016</b>	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs			Page 51	 
<b>GRI 405:</b> <b>DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	<b>405-1</b> Diversity of governance bodies and employees			Page 56-57	



# IOCHPE-MAXION

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