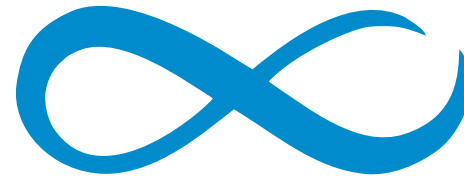


# 2023 SUSTAINABILITY REPORT



I ♥  
MAXION



# SUMMARY

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# MESSAGE FROM THE CEO

GRI 2-22

As we reflect on the year 2023, we are pleased to share an overview of the sustainability performance achieved by lochpe-Maxion. During a challenging global context, marked by macroeconomic and geopolitical turbulence, our company demonstrated resilience and was able to maintain a solid liquidity position due in large part to the above industry sector productivity levels achieved in our two business divisions, Maxion Wheels and Maxion Structural Components. This success is the result of our global teams dedicated to the pursuit of operational excellence.

The synergy between our employees, combined with strategic investments in advanced engineering and digitalization, has been fundamental to the execution of our sustainability strategy. This approach strengthens our competitiveness and reinforces our commitment to sustainable business practices, allowing us to develop innovative and affordable solutions that meet the expectations of customers and stakeholders.

In particular, the extraordinary commitment of our employees, who bravely faced the challenges of the past year, should be highlighted. The notable results of our engagement survey reflect the success of our efforts to promote a collaborative, inclusive and motivating work environment, where we appropriately reward and recognize performance.

We reaffirm our commitment to Roadmap Zero, which sets out our ambitious goal of achieving carbon neutrality by 2040. We are proud to share that we made significant progress on this journey,

reducing our combined Scope 1 and 2 greenhouse gas absolute emissions by 14.4% and our relative emissions by 13.2% compared to the previous year. Additionally, to ensure the effective execution of our Environment, Social and Governance (ESG) strategy, we maintained the practice of compensation metrics tied to these objectives for senior-level executives.

Our social focus to improve the lives of the people in our communities continued with our commitment to address long-term societal challenges while being an active and reliable partner. Embracing our responsibility as a corporate citizen to those communities where we operate, we focus on education, healthcare, diversity and inclusion, environmental stewardship, and disaster relief initiatives. Our “Unique and United” aspirations aim to contribute to a more diverse and inclusive society including our continued work in 2023 to increase the gender balance within our management workforce.

For the third consecutive year, we also remained in the B3 Corporate Sustainability Index in Brazil, reflecting our consistency and prioritization of ESG themes in our decision-making process.

As we continue our trajectory of growth and innovation, we reiterate our commitment to generating value in a sustainable manner for all our stakeholders, while remaining true to our core business, principles and values.

**Marcos Oliveira**

President and CEO



# 2023 HIGHLIGHTS AT A GLANCE



Reached our 2025 Roadmap Zero GHG emissions intensity reduction goal of **30%** early with the 2023 reduction of **13.2%**.



Achieved a **6.4%** reduction in Scope 1 emissions compared to the base year of 2019, underscoring our effective commitment to our carbon footprint. Decreased Scope 2 emissions by **56.7%** compared to 2019 and **31.2%** in relation to 2022.



Reduced water consumption intensity by 27.68% when compared to 2020 with projects such as nanofiltration in San Luis Potosi, Mexico, and freshwater consumption reduction in Limeira, Brazil.



Facilitated over **250** local activities covering D&I topics such as gender, age, people with physical and mental disabilities and race, proudly reporting a **60%** participation rate of blue-collar employees.\*

\* January 1, 2023 - March 31, 2024



Published a new **Health, Safety and Sustainability Policy** with the principles and guidelines for managing occupational health, safety and sustainability.



Launched **Supplier Code of Conduct**.



Made significant investments to increase **fire protection** of our plants with several plants implementing new fire detection, sprinkler protection or other elements of fire protection.



Revisited the material themes of our business from the perspective of **Double Materiality** in 2024 with the support of outside consultants.



United Nations  
Global Compact

*“We are proud to join thousands of other companies committed to taking responsible business action to create a more sustainable world. Not only is the UN Global Compact in line with our own business goals and core values, but we also believe it is imperative that all businesses and organizations act ambitiously to solve the sustainable development challenges facing our planet. Joining the UN Global Compact strengthens our mission.”*

Marcos Oliveira, Iochpe-Maxion CEO and President.

# ABOUT THE COMPANY

GRI 2-1

lochpe-Maxion S.A., a global company listed in Brazil, is the world leader in the production of automotive wheels and a leading producer of automotive structural components in the Americas.

Our commitment to excellence is underscored by our listing on the Novo Mercado special segment of B3 (São Paulo Stock Exchange) and reflected by our robust corporate governance framework.

## Vision

Be a global leader, growing in a sustainable manner through innovation and inspiring our people to take part in shaping the automotive world with us.



## Mission

Provide components and automotive systems in a profitable manner while improving the competitiveness of our customers' products on a global basis through continued innovation, process improvement and outstanding people.



## Values

Conduct ourselves ethically and be socially and environmentally responsible.

Develop, trust, empower and respect our people.

Drive results through commitment, ownership mentality, continuous improvement and teamwork.

Utilize our resources efficiently and achieve highest levels of customer satisfaction.

Foster innovation and unleash the creativity of all our people.





## Operations [GRI 2-1 | 2-2 | 2-6 | 2-9](#)

We operate 33 manufacturing plants located in 14 countries in South and North America, Europe, Middle East and Africa (EMEA) and Asia with more than 17,500 employees, which enables us to serve our customers around the world according to their delivery terms, quality standards and competitiveness requirements.

We operate our business in the automotive segment through two divisions: Maxion Wheels and Maxion Structural Components. At Maxion Wheels, we produce and sell a wide range of light and commercial steel and aluminum

wheels for most on- and off-road applications. At Maxion Structural Components, we produce side rails, cross members and full frames for commercial vehicles and structural components for light vehicles.

Our company holds a high level of technical knowledge, driven to provide innovative and affordable solutions in the areas in which we operate, using global macro-trends that guide the development of new products and technologies, whether independently or in cooperation with strategic partners.

# SUSTAINABILITY AT MAXION

This chapter provides an overview of our Environmental, Social, and Governance (ESG) strategy, highlighting the core principles and objectives that guide our sustainability initiatives. We also outline our robust ESG governance framework, detailing the structures and processes in place to ensure accountability and effective oversight.

Additionally, we present the ratings and assessments related to our ESG performance, showcasing our progress and areas of excellence as recognized by external evaluators. In the final section, we address the outcomes of our recent Double Materiality process, identifying and outlining the key topics that are most material to our organization and key stakeholders. This thorough examination underscores our commitment to sustainable development and our proactive approach to managing ESG risks and opportunities.

## SDGs:



# ESG STRATEGY

The success of our business depends on not only the decisions and actions we take today, but also the promises we make to help safeguard our future. By leading with a focus on innovation, competitiveness, shareholder value and sustainability, we protect the environment, health and safety of our employees, customers, suppliers, and communities we call home. We also strive to build and grow an inclusive culture that encourages, supports, and celebrates diversity, and where we operate our business practices at the highest ethical standards determined to achieve carbon neutrality by 2040.





# ESG Governance GRI 2-12

Active management of our ESG strategy and operational plan is fundamental to our success. Monthly our Sustainability departments meet with their respective division-level executive management where issues related to the assessment, approval of goals, strategy, management, and supervision of risks and opportunities are reported.

Additionally, there are quarterly Executive Sustainability Steering Committee meetings, and an annual ESG strategy and performance review with the lochpe-Maxion Board of Directors. With this commitment to disclosure and governance we joined the United Nations (UN) Global Compact in early 2023, the world's largest voluntary platform for the development, implementation, and disclosure of responsible sustainability business practices.

Our environmental management and occupational health and safety management systems adhere with the most advanced international standards. For such, the production units count on structured programs, overseen by environmental management committees and undergo regular environmental audits with 100% of our units holding ISO14001:2015 certification.

In 2023, we also published a new **Health, Safety and Sustainability Policy** with the principles and guidelines for managing occupational health, safety and sustainability, as well as defining, detailing and formalizing the responsibilities for this process.

The industrial activities of our production plants, as well as the environmental laws and regulations are dynamic, thus continually giving rise to the need for obtainment of new environmental licenses and renewal of the existing ones.

Some of our plants in Brazil and USA require even greater attention in relation to compliance with legal and regulatory obligations related to environmental remediation<sup>1</sup>. In 2023, we implemented the Permits Management tool, now providing global visibility to all permit related expiration and renewal dates, permit actions and dates, action execution and assurance.

Sustainability, environmental protection, as well as occupational health and safety are all essential for successful management. These principles drive business continuity and success by fostering and sustaining a safe, healthy, and productive work environment, actively protecting the environment, and ensuring sustainability for future generations.

1. Further details in section 1.6 of the **Reference Form**






# Ratings

Transparency with key stakeholders is a fundamental premise to our sustainability strategy with ESG ratings serving as an objective way for our investors and customers to stay informed on our ESG performance.

In 2023, for the third consecutive year, we were included in the Corporate Sustainability Index (ISE) of B3, we maintained our CDP Climate Change rating B,

and we received an Ecovadis Committed Badge achieving an overall score of 58 moving us from the 50th percentile to the 69th percentile. Additionally, we improved our Carbon Management Level from Advanced to Leader, the highest possible achievement. Our SAQ 5.0 questionnaires for all our Maxion plants reflected improved year over year scores.

	Score 2021	Score 2022	Score 2023
	45	50	<b>58</b>
	58.2%	70.9%	<b>76.2%</b>
	B-	B	<b>B</b>

# MATERIALITY

GRI 3-1 | 3-2 | 2-12 | 2-14

In early 2024, with the support of outside consultants, we revisited the material themes of our businesses from the perspective of Double Materiality; understanding how activities across the entire value chain impact people and the environment, and also how sustainability issues and the environment can impact us financially in the short-, medium-, and long-term.

We identified the materiality themes through a process of collecting key stakeholder perspective using interviews, online questionnaires and desktop research. Investors, shareholders, managers, employees, customers, suppliers, associations, regulatory agents, competitors and civil society were included.

The 2024 themes were grouped to better reflect their level of importance and mapped into the 2024 Double Materiality Matrix (see page 12). The updated matrix, approved by the Board of Directors, also highlights the increased prominence of additional material issues such as Social & Value Chain Development, Customer Privacy & Data Security, and Circular Economy-related matters.

## STAKEHOLDER RANKING OF MATERIAL THEMES



### Environmental

- Emissions & climate change
- Materials use & waste
- Energy management
- Water & wastewater management



### Social

- Health & safety
- Labor practices
- Diversity & inclusion
- Employee development
- Human rights
- Community relations



### Governance

- Customer privacy & data security
- Corporate governance & transparency
- Business ethics
- Product development for sustainability
- Supply chain management
- Product safety
- Innovation & technology

● Critical

● Significant

● Important

# Double Materiality Matrix

To facilitate strategic definition and focus processes, as well as reporting methods, we further grouped the material topics.

1

## Product quality & innovation

- Product development for sustainability
- Product safety
- Innovation & technology



2

## Human capital

- Labor practices
- Employee development
- Health & safety
- Diversity & inclusion



3

## Decarbonization & circular economy

- Emissions & climate change
- Energy management
- Materials use & waste
- Water & wastewater management



4

## Social & value chain development

- Community relations
- Supply chain management
- Human rights



5

## Corporate governance & business integrity

- Business ethics
- Corporate governance & transparency
- Customer privacy & data security



# Stakeholder Engagement GRI 2-29

Stakeholder	Key Sustainability Requirements	Main interaction/ consultation channel
Customers	<ul style="list-style-type: none"> <li>• Products: reduction of CO2 emissions while keeping products' quality, functionality and efficiency.</li> <li>• Raw materials: reduction of product weight and CO2 footprint of raw material (aluminum and steel).</li> </ul>	<p>Meetings</p> <p>RFQ response</p>
Employees	<ul style="list-style-type: none"> <li>• Working environment offering flexibility in work hours.</li> <li>• Diversity &amp; Inclusion: implementing programs to attract, select, develop and retain more women.</li> <li>• Cybersecurity: ensuring the safe and secure operation of our IT systems and processes, and high availability and reliability of those systems.</li> <li>• Sustainability strategy: sharing the challenges, programs and processes for implementation..</li> </ul>	<p>Engagement survey</p> <p>Training programs</p> <p>Engagement through internal and external communications</p>
Investors	<ul style="list-style-type: none"> <li>• Transparency: disclosing ESG information in accordance with international protocols such as GRI and SASB and responding to ESG Indexes and Ratings such as CDP, S&amp;P CSA, MSCI, among others.</li> </ul>	<p>Meetings</p> <p>Ratings disclosure</p>
Suppliers	<ul style="list-style-type: none"> <li>• Clarity: providing clear expectations on management of contractual issues, governance and product specifications.</li> </ul>	<p>Meetings</p> <p>Product design requirements</p>
Communities	<ul style="list-style-type: none"> <li>• Support: providing company support in the areas of education, healthcare, environmental stewardship, inclusion and disaster relief initiatives.</li> </ul>	<p>Social impact projects</p>

# ENVIRONMENTAL

## GRI 3-3 Decarbonization & Circular Economy

This chapter provides a review of Maxion's decarbonization strategy Roadmap Zero with an in-depth look at our greenhouse gas (GHG) emissions data, an overview of our renewable energy consumption, and highlights of the key initiatives aimed at improving energy efficiency and reducing GHG emissions in our plants.

We also present our environmental footprint data, covering waste management and water consumption. Additionally, this chapter outlines our sustainable innovations and solutions and supply chain practices, showcasing how Maxion generates value for our customers through our commitment to affordable sustainability.

### SDGs:



# ROADMAP ZERO

GRI 2-19 | 3-3 Decarbonization & Circular Economy | 302-1 | 305-1 | 305-2 | 305-3

Through our Roadmap Zero initiative we established ambitious goals to achieve carbon neutrality by 2040. This transition plan aligns with the Paris Climate Agreement to limit the global temperature increase to 1.5°C above pre-industrial levels. Additionally, we are committed to the SBTi Net-Zero Standard and have set variable remuneration tied to achieving targets for reducing CO2 emission intensity (Scope 1 and 2 emissions/kg produced) with senior level executives.

Our goals include a reduction of Scope 1 and 2 CO2 emissions by 30% until 2025 and by 70% until 2030, in addition to running on 90% renewable energy by 2030. By 2040, we aim to be a carbon neutral company. We are certain this movement will drive a promising future in our core businesses and inspire other high-emission companies to move in the same direction.



**2025**



By 2025, we will reduce our CO2 emissions by 30%

**2030**



By 2030, we will increase our use of renewable electricity to 90%



By 2030, we will reduce our CO2 emissions by 70%

## Carbon neutral: 2040

Figures vs. 2019 baseline  
 2025 and 2030 targets - Scope 1 and 2.  
 2040 target - Scope 1, 2 and 3.

# CARBON FOOTPRINT

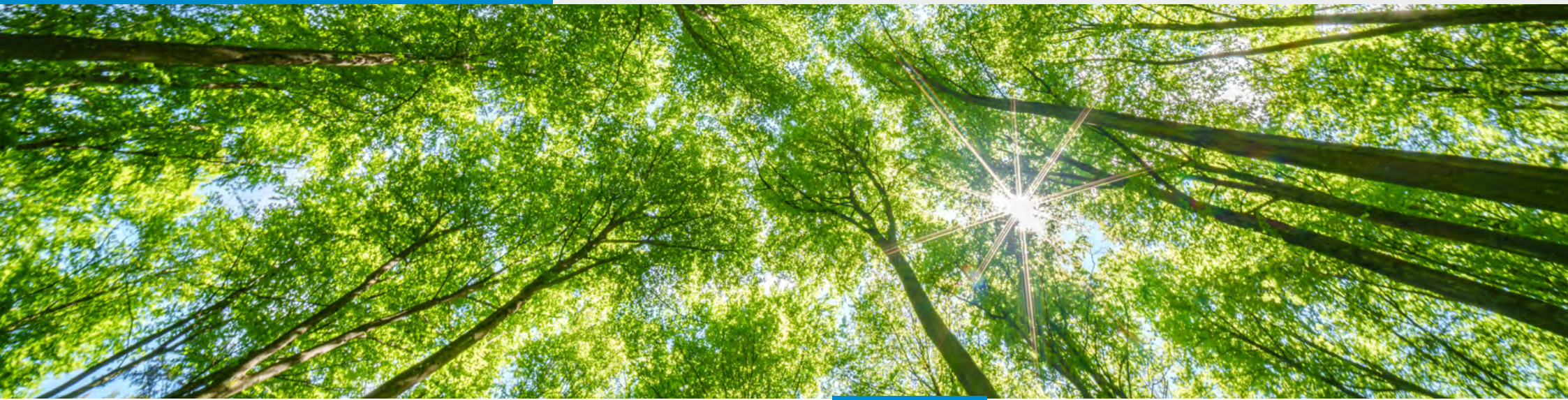
## Our Mission: Less Emission

Annually, we carry out greenhouse gas (GHG) emission inventories, verified by third parties, for both intensity and absolute emissions. We control our GHG emissions inventory based on GHG Protocol methodology and guidance provided by the United States Environmental Protection Agency (US EPA), covering both Scope 1 direct emissions, mainly from the consumption of natural gas (our main manufacturing fuel); and Scope 2 indirect emissions, related to the consumption of electricity by our facilities.

Despite an overall company-wide decrease in production of 1%, Scope 1 CO<sub>2</sub> emissions increased by only 2.0% in comparison to the previous year. This minimal rise is attributed to a 20% increase in aluminum wheel production which is a major source of Scope 1 emissions due to its significant natural gas consumption. When compared to our base year of 2019, we achieved a 6.4% reduction in Scope 1 emissions.

Underscoring our effectiveness at reducing our carbon footprint, we had a notable decrease in Scope 2 emissions of 56.7% when compared to 2019, and 31.2% in relation to 2022. When considering Scope 1 and 2 combined, the reduction from the base year was substantial: 35.9%.

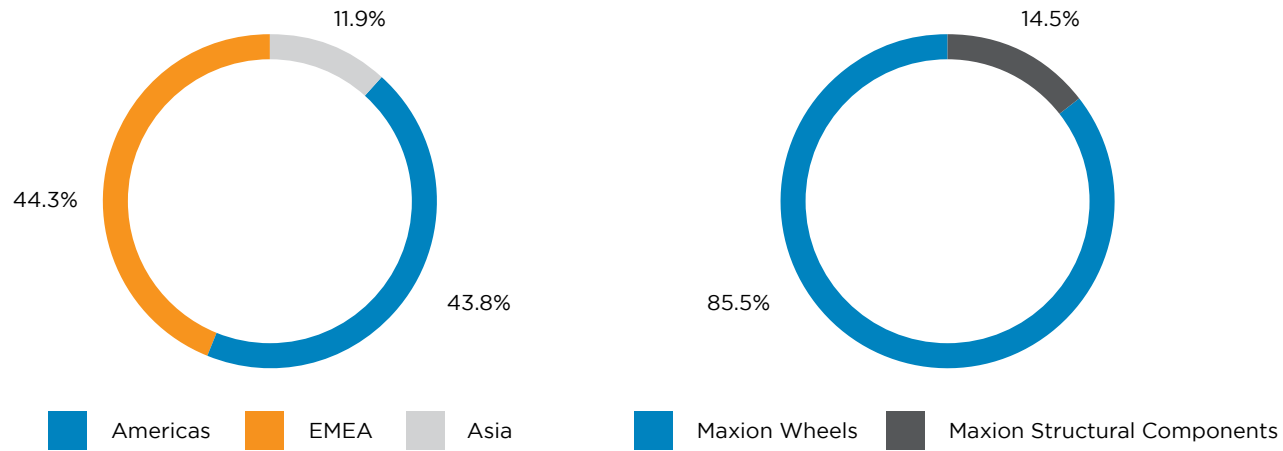
Scope 2 emissions have considerably dropped, year over year, as we make significant strides to increase the proportion of renewable electricity in our energetic matrix. In 2023, our strategy focused on enhancing the shares of Power Purchase Agreements (PPAs) and self-generated electricity. Specifically, 0.4% of our electricity was generated from solar panels (2,715 MWh), 10.4% from PPAs with Guarantees of Origin (70,175 MWh), and 48.6% through International Renewable Energy Certificates (I-RECs) (328,211 MWh).



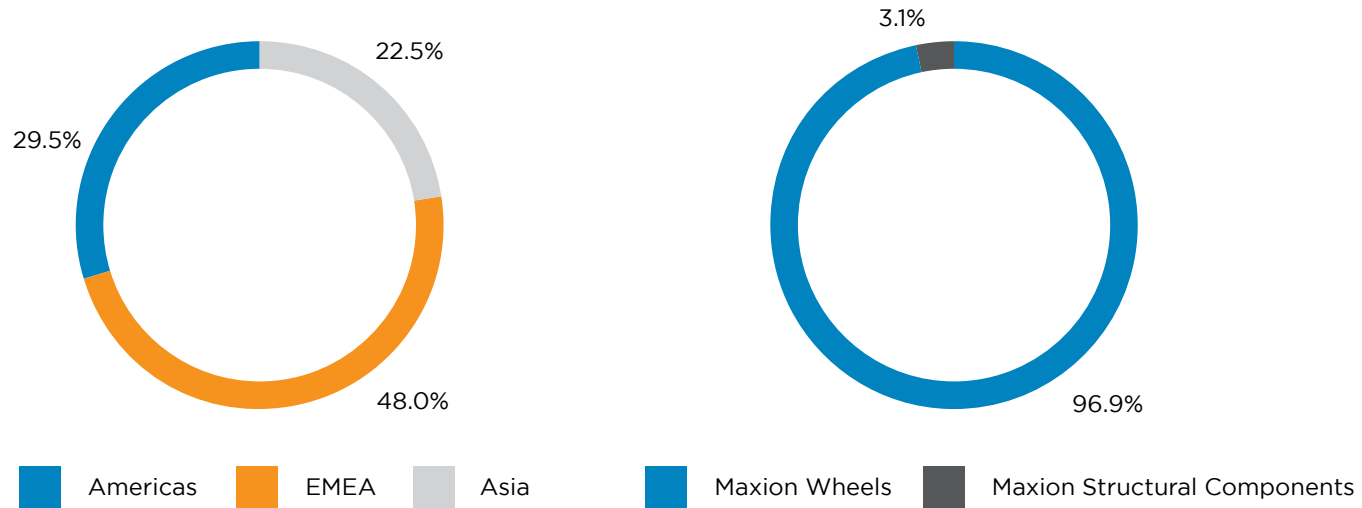


# Scope 1 and 2 Emissions<sup>2</sup>

2023 Scope 1 GHG Emissions by Region and by Division (%) | GRI 305-1

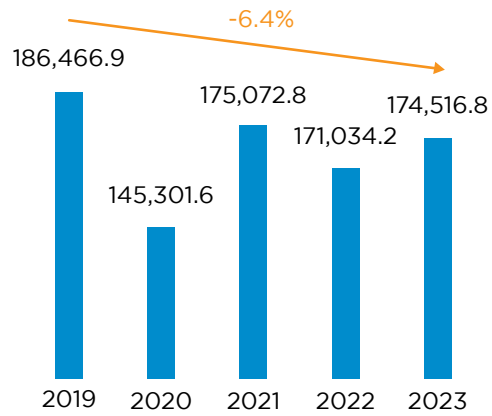


2023 Scope 2 (Market-Based) GHG Emissions by Region and by Division (%) | GRI 305-2

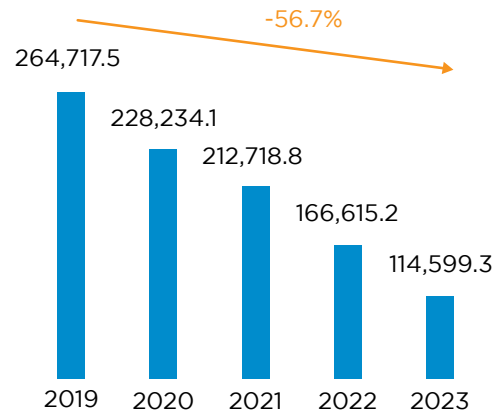


2. Percentage of net sales in 2023 by region: Americas: 55.3%; EMEA: 35.2%; Asia: 9.5% | by division: Maxion Wheels: 76.3%; Maxion Structural Components: 23.7%.

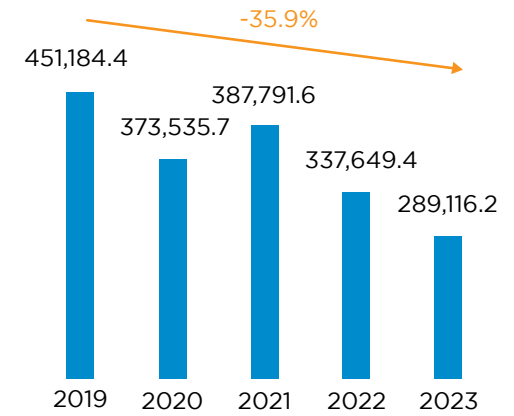
**Scope 1 GHG Emissions  
(tCO<sub>2</sub>e) | GRI 305-1**



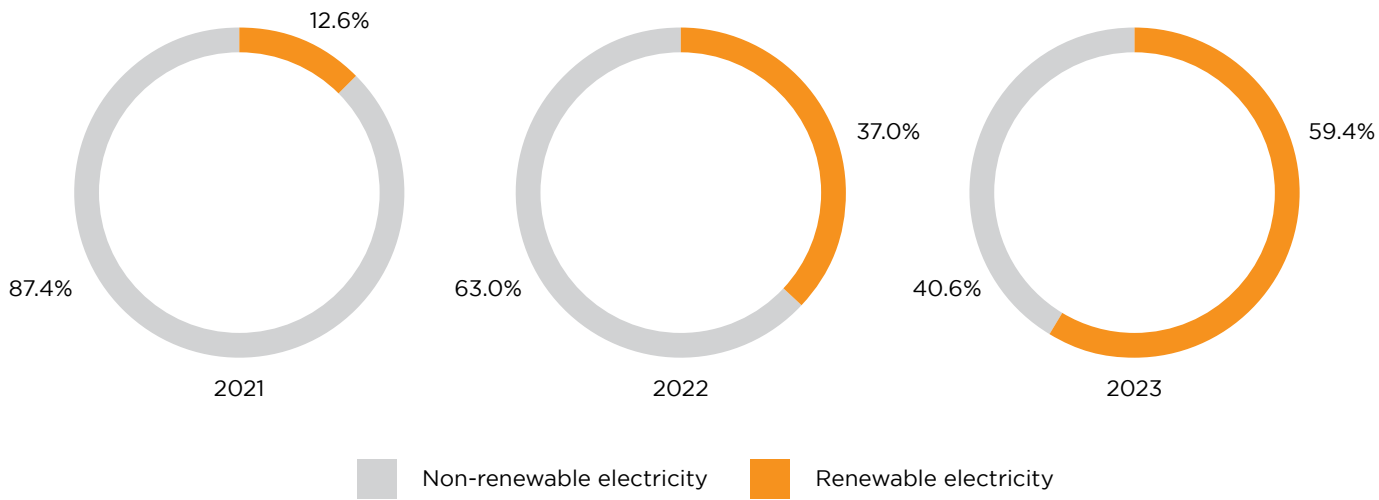
**Scope 2 (Market-Based)  
GHG Emissions (tCO<sub>2</sub>e) | GRI 305-1**



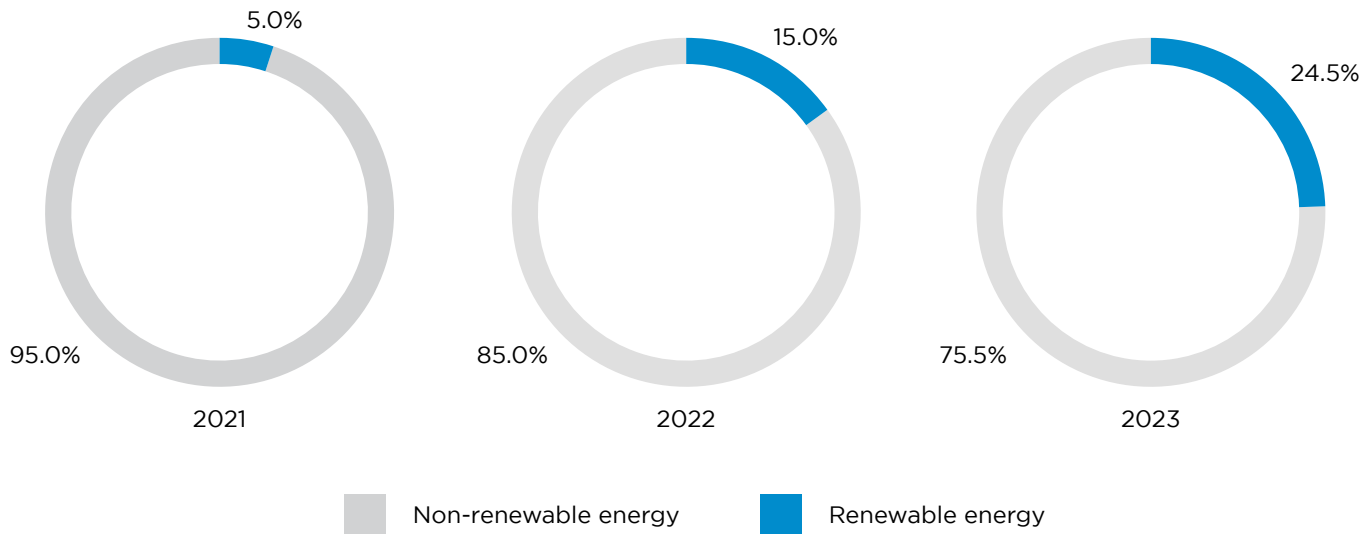
**Scope 1 and Scope 2 (Market-Based)  
GHG Emissions (tCO<sub>2</sub>e)**



### Renewable Electricity Consumed / Total Electricity Consumed (%)



### Renewable Energy Consumed / Total Energy Consumed (%) | SASB TR-AP-130a.1



Our plants worldwide have been executing several projects to reduce Scope 1 and 2 emissions and to increase energy efficiency and renewable sources of energy, including continuing to make progress on the transformative projects defined in 2022: Net Zero Aluminum Plant, Net Zero Steel Plant, Green Wheel,

and the Circular Economy Business Model. All projects are followed up on a quarterly basis by the Sustainability department. Other emissions reductions (compared to the previous year) and energy efficiency industrial initiatives, in both natural gas and electricity use, are listed in the table below:

## Sustainable Progress: Our Carbon Emission Reduction Initiatives

### Worldwide Initiatives to Reduce Scope 1 and 2 Emissions and Energy | [GRI 302-4](#) | [305-5](#)

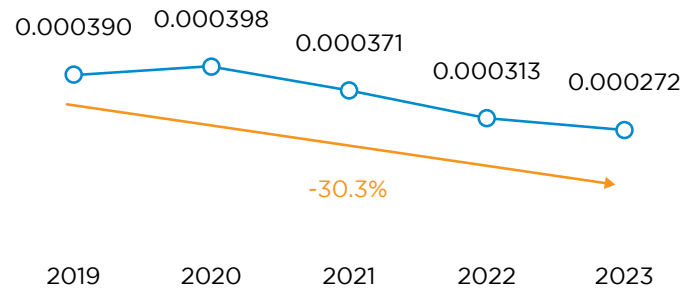
Scope 1 Projects	Description	Results Electricity (kWh)	tCO2e
<b>Maxion Wheels</b>			
Upgrade direct-fire oven system - Nantong, China	Reduce gas consumption by upgrading direct-fired oven system in painting shop floor	2,935,875	531
Energy management projects - Santo André, Brazil	Reduce usage of natural gas by turning off painting furnaces shift 3 and candle heater	1,750,000	317
Heat recuperation system - Pune, India	Implement a waste heat recovery system for paint shop boiler to reduce natural gas consumption	1,092,000	197
Energy management projects - Manisa, Turkey	Decrease casting temperature from 710°C to 690°C led to a 3.6% reduction in natural gas consumption	832,000	150
Energy management projects - Manisa, Turkey	Optimization of heat treatment parameter by decreasing cycle time 330min to 310min	760,714	138
Process heat projects - Chihuahua, Mexico	Recirculate hot air from the chimney to the burr dryer of Burr Furnace 3	381,875	69
Energy management projects - Chihuahua, Mexico	Replacement of refractory in rotary furnace	183,570	33
<b>Maxion Structural Components</b>			
Low curing powder paint - Cruzeiro, Brazil	New paint that requires a lower temperature in the curing stage, demanding less natural gas. The temperature was reduced by 40°C	1,586,436	287
Expansion of the burner chamber in the e-coat kiln - Cruzeiro, Brazil	Changes in the heating concept of the e-coat greenhouse (better use of natural gas) prevent breakdowns and reduce safety risks	1,265,832	229
E-Coat paint process changes through a change in the mixing ratio of resin / paste - Cruzeiro, Brazil	Reduction of natural gas consumption: materials with low Volatile Organic Compounds (VOC) emissions that resulted in lower curing temperatures of the paint	843,741	153

Scope 2 Projects	Description	Results Electricity (kWh)	tCO2e
<b>Maxion Wheels</b>			
Green energy generating projects – Saraburi, Thailand	Generation of solar electricity	2,659,253	1,064
Air compressors optimization - Pune, India	Implement or optimize air compressor control / sequencing system	334,152	238
Air compressor replacement - San Luis Potosí, Mexico	Replacement of air compressor systems	711,180	213
Repair of compressed air leaks - Chihuahua, Mexico	Repair of compressed air leaks	480,000	144
Hydraulic servo pumps - Chihuahua, Mexico	Replacement of traditional hydraulic units in casting machines by hydraulic servo pumps	467,549	140
Energy management - San Luis Potosí, Mexico	Introduction of chiller shutdown once a week	278,615	84
Energy management - San Luis Potosí, Mexico	Turn off 1 of 3 electrical fans in cooling tower (1/3 of consumption)	236,242	71
Energy management projects – Manisa, Turkey	Decreasing casting temperature from 710°C to 690°C led to a 10% reduction in electricity consumption	131,000	56
Energy management projects - Santo André, Brazil	Replacement of 7 pumps with others with greater efficiency	1,100,000	46
Lighting efficiency project - Santo André, Brazil	Replacement of fluorescent tubes with LED tubes	771,120	33
<b>Maxion Structural Components</b>			
Energy efficiency in substations (transformer change) – Castaños, Mexico	Analysis of power consumption in transformers and change of motor transformers to lower capacity	123,333	37
Change of cooling system Line 8 – Castaños, Mexico	Replacement of refrigeration units, with reduction in electricity consumption	106,667	32

Emission reduction intensity is a key performance indicator for us, aligning with Maxion's **Sustainability-Linked Bond Framework**. As a result of our efforts, in 2023, we continued to significantly decrease emission intensities relative to aluminum and steel production and already reached the 2025 Scope 1 and

Scope 2 emissions reduction target using 2019 as our baseline. Looking into the future the team is focused on maintaining this target as well as working towards achieving further goals.

**GHG Emissions Intensity (Scope 1 and Scope 2 Market-Based) | GRI 305-4 (tCO2e / kg produced)**



**Already reached the 2025 Scope 1 and Scope 2 emissions reduction target**

## Scope 3 Emissions

While managing Scope 1 and 2 emissions is under our direct control and we have been meeting our goals, addressing Scope 3 emissions is challenging, not only for us but for the sector. In 2023, we continued to advance in understanding our impact on Scope 3 emissions with particular focus on Scope 3 Category 1 – Purchased Goods and Services. We analyzed the impact associated with the purchase of recycled material and logistics. As of current assessment, Scope 3 Category 1 represents around 99.2% of all Scope 3 emissions.

### 2023 Scope 3 Emissions by Category (%) | GRI 305-3

Purchased goods & services

99.2%

Transportation and distribution (downstream)

0.4%

Employee commuting

0.3%

Transportation and distribution (upstream)

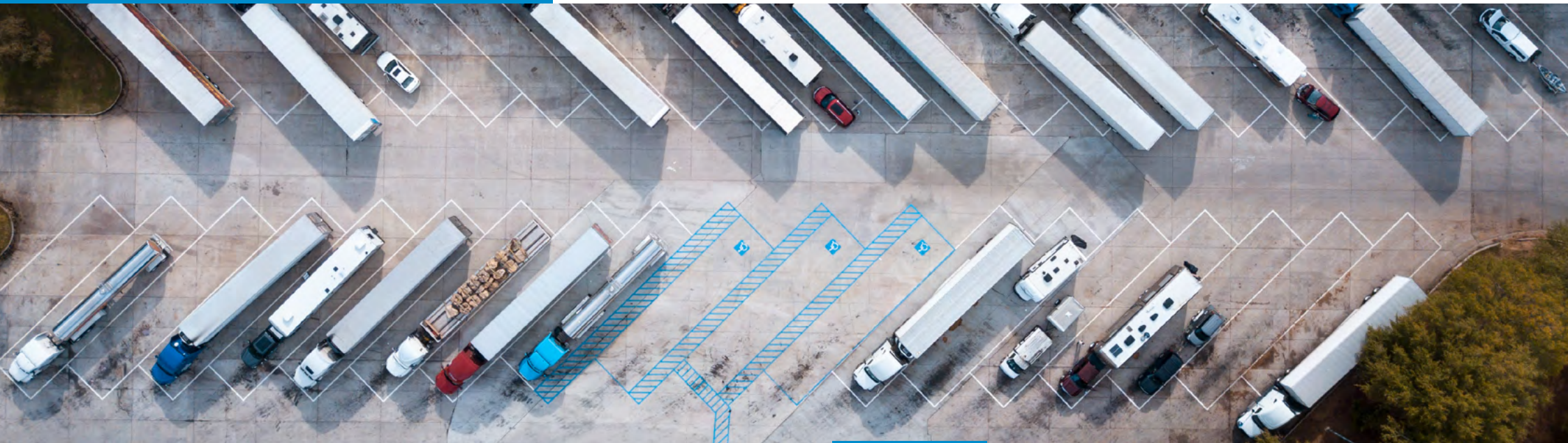
0.1%

Business travel

0.0%

Waste generated in operations

0.0%



# ENVIRONMENTAL FOOTPRINT

## GRI 3-3 Decarbonization & Circular Economy

Regardless of the activities, we strive to minimize our environmental impact by taking suitable measures in advance. While raw materials, energy, chemicals, and natural resources are important to our manufacturing process, we aim to reduce their consumption. We make every effort to minimize waste, wastewater, water consumption, noise, and air emissions while considering biodiversity and, depending on local jurisdiction, also land use, deforestation, animal welfare and soil and air quality.

For an update on our environmental footprint at the product level, see page 30 for latest Life Cycle Assessment (LCA).







# Leave No Trace: Materials Use and Waste

GRI 306-1 | 306-2

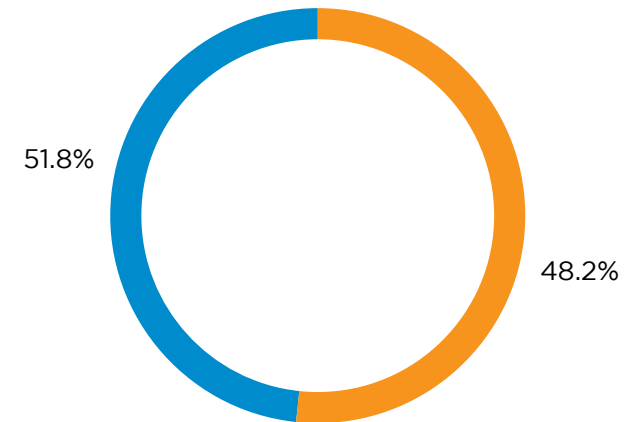
As typical of the sector, our industrial activities generate waste. Be it scrap from metal forming or oil residue and contaminated materials from machinery maintenance, we continuously seek to reduce our industrial waste with consideration for applying a closed-loop approach, such as recycling of oil for internal use or the sale and reintegration of steel scrap produced during our processes back into the supply chain.

The waste is managed in compliance with local environmental regulations and monitored with absolute and relative indicators. It is weighed at plant exits, and manifests are registered to track disposal processes. Our internal digital management system facilitates

comprehensive data management, compiling corporate information on waste volumes and classifications. In addition to internal management measures, we have procedures in place to ensure that waste contractors (including waste haulers, recyclers and disposal facilities) are properly licensed and compliant with laws and regulations.

We also actively pursue projects to divert waste from landfills. For instance, our plant in Santo André, Brazil, achieved zero landfill waste in 2023 by employing initiatives such as recycling and coprocessing to responsibly manage waste materials.

## Waste Destination % | GRI 306-4 | 306-5



Waste diverted from disposal (sent to recycling)

# Every Drop Counts: Water and Wastewater Management

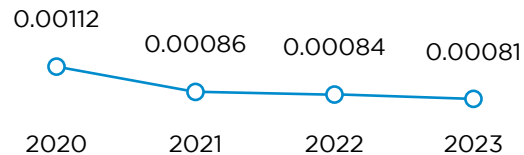
The use of water in the development of our industrial activities is a necessity, and we take every effort to reduce and reuse. In this sense, we work with the relevant environmental agencies to obtain the necessary licenses to extract water, and for the pouring of sewage and effluents. In 2023, we saw a drop in water consumption over the prior year.

In 2023 our plant in Limeira, Brazil, reduced around 50% of its freshwater consumption in the cafeteria and administrative areas. Our plant in San Luis Potosí, Mexico, implemented nanofiltration to allow for the reuse of wastewater from the E-coat paint line. The wastewater treatment plant upgrade has

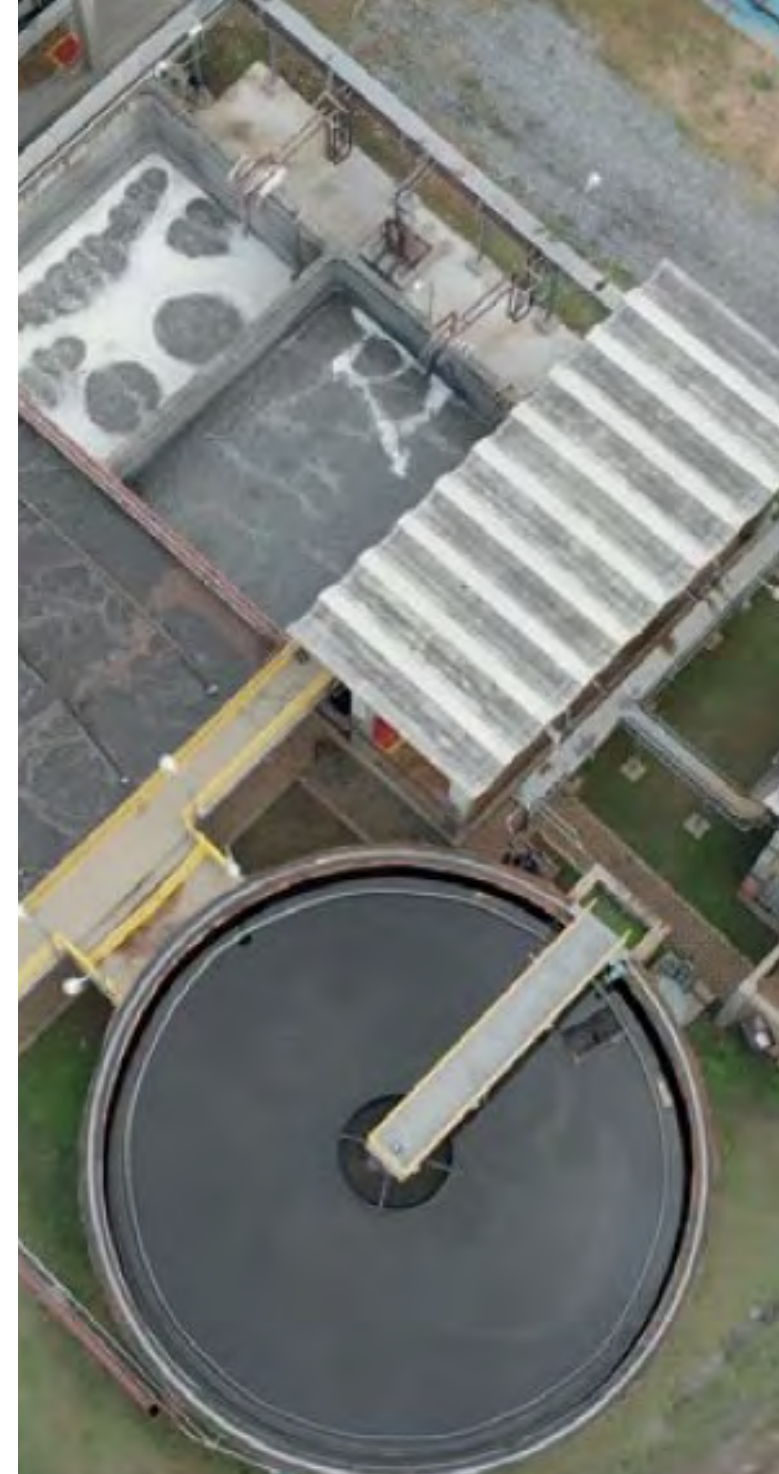
contributed to the need of preserving water due to extreme scarcity in the region complying with a new Mexican Federal Regulation of water disposal to irrigation areas and drainage. This new process gives a better quality of treated water that can be used in other plant processes. It resulted in a 20% reduction in water consumption for painting.

In our plant in Castaños, Mexico, the wastewater treatment plant enables the reuse for irrigation, which reduced the freshwater consumption by around 8% in 2023.

## Water Consumption\* Intensity (m<sup>3</sup>/kg produced)



\*Water consumption = (water withdrawal - water discharge)



# INNOVATIVE AND AFFORDABLE SUSTAINABLE SOLUTIONS

[GRI 3-3](#) | [GRI 3-3 Product Quality & Innovation](#) | [GRI 3-3 Decarbonization & Circular Economy](#)

Our ability to generate short- and mid-term value is intricately tied to innovation and process engineering initiatives. These efforts focus on developing projects that enhance operational efficiency, optimize labor, reduce cycle times, improve material flow, explore alternative manufacturing methods, and control consumable costs. Through this work we aim to pioneer new materials and manufacturing techniques with the goal to make sustainability affordable.

Our product portfolio continues to evolve with increasing complexity as we strive to meet expanded functional demands. We now consider a broader range of parameters, with a growing appetite for low CO2 solutions on the horizon.

Incorporating secondary materials and reducing weight from our products directly supports our customers in their efforts to reduce CO2 emissions and reduce fines.

In addition, we are working with customers and new partners on ways to move towards circularity. Our vision for a circular economy is one that protects and preserves resources, reuses valuable materials such as suitable automotive-grade materials multiple times, and eliminates waste. This requires investment, innovation and agility. We are continuously exploring new methods and processes that will give end-of-life wheels and structural components new life.





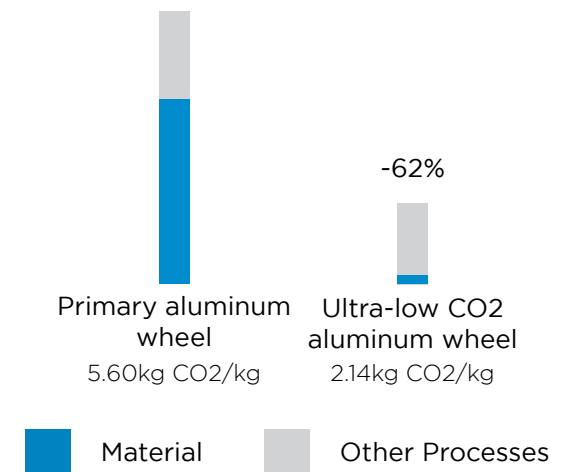
## Sustainable Wheels Matter

Challenging itself to lead the industry in developing and producing affordable sustainable solutions, our Wheels division completed a special project in 2023 to reduce CO2 equivalent emissions to the lowest possible level for three existing series production wheels. The Green Wheel Transformative Project resulted in three ultra-low CO2 wheels, using green or recycled raw material as well as renewable electricity for production of the prototypes. The results of each project are shown next:

### Green aluminum wheel: post-consumer alloy wheels dramatically reduce CO2

Made using 100 percent secondary aluminum, sourced exclusively from recycled post-consumer alloy wheels, the 15" wheel demonstrates the scale of CO2 reductions possible – and the benefits of circular business collaborations. Manufactured at the light vehicle aluminum wheels plant in Santo André, Brazil, the cradle-to-gate CO2 emissions for the finished wheel are 62% lower than for the same current alloy wheel produced using primary aluminum.

## Emission Reduction Potential for Post-Consumer Alloy Wheels

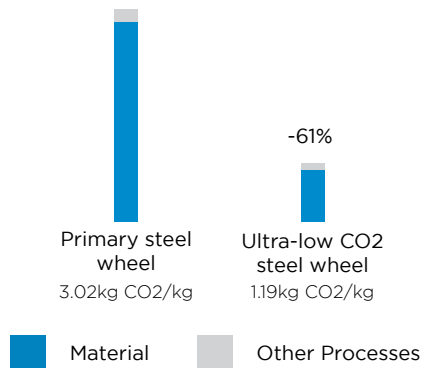


## Green Light Vehicle: Low CO2 Steel Fast Tracks Greenhouse Gas Emissions Reductions

These wheels are the result of strategic partnerships with steelmakers that ensure new “green” steel grades are available. Produced at the light vehicle steel wheels plant in Manresa, Spain, the ultra-low CO2 steel wheel demonstrates ample advantages over conventional steel. Cradle-to-gate emissions for the 16” electric last-mile delivery fleet steel wheel are 61% lower than its comparable series wheel.

Moreover, the attractive sustainability properties of steel are catching the attention of our automotive customers who now realize they can reduce their CO2 footprint by offering light vehicle steel wheels, versus aluminum.

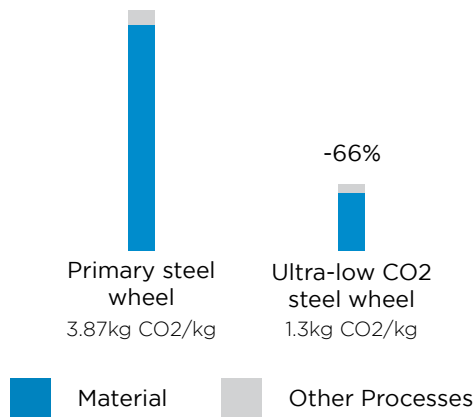
### Green Metal Processing and Renewable Energies Result in Lowest CO2 Steel Wheel Solutions



## Green truck wheel: ahead of the curve on carbon footprint savings for truck fleets

The lowest CO2 commercial vehicle steel wheel was made in Königswinter, Germany, using raw material, including recycled scrap, produced from the blast furnace steel-making process, and the plant's 100% renewable electricity. When compared to the series production steel wheel, the team reduced CO2 emissions by 66%.

### Green Metal Processing and Renewable Energies Result in Lowest CO2 Wheel Solutions

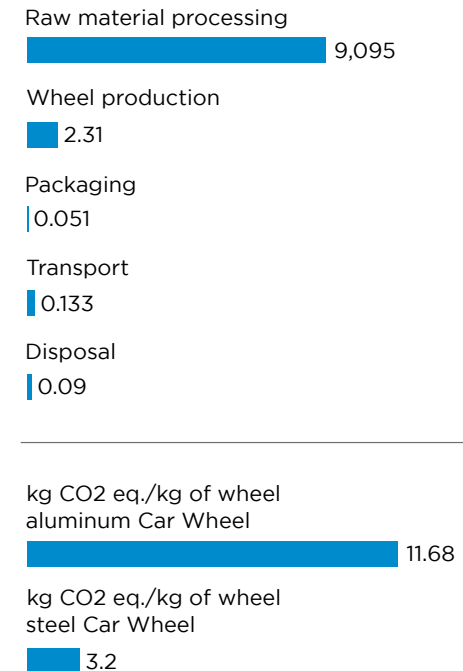


Besides this transformative project, the Wheels division continuously strives to reduce the mass of our wheels. In 2023, we reached a new milestone with the development and series launch in Europe of the industry's lightest truck steel wheel of 32 kg, a reduction of 3 kg over the previous generation. We also launched a new and highly competitive lightweight inner valve truck wheel for the Chinese market from our plant in Nantong, China. At 31.5 kg (compared to the market standard of 36 kg) we are now competing with the best-in-class lightweight wheels in China.

Finally, the Wheels division was honored with the "Certificate of Recognition" award from Toyota Motors Europe. In line with its carbon neutrality agenda, Toyota requested recycled content aluminum wheels and selected only two development partners, including Maxion Wheels. This award for outstanding contributions in the realm of sustainability reflects our ongoing commitment to sustainability and innovation, showcasing our ability to partner and deliver impactful solutions that resonate with our customers.

## Life Cycle Assessment (ISO 14040) (LCA)

When it comes to the nature of our business, the main raw materials used in the production processes are steel and aluminum. A Life Cycle Assessment (LCA) conducted accordingly to ISO-14040 indicated that both materials have high GHG emissions and are responsible for 75% to 85% of our Scope 3 product carbon footprint.



## Sustainable Solutions through Structural Components

Our Structural Components division is actively working with current customers on the development of next generation chassis products for electric vehicles. This includes developing new generation products with start-ups and electrification pioneers such as Forsee power. In 2023, we announced a partnership with the European leader, offering a chassis and battery system integration solution for electric vehicles, mainly in truck chassis, buses, and off-highway vehicles.

The challenge for vehicle manufacturers is to incorporate the electric powertrain and battery systems into the chassis without changing passenger or freight capacity. The goal of our partnership is to offer a complete solution that allows customers to achieve the best battery system integration layout, maximizing available volume and optimizing the total weight, without compromising on payload and power to achieve the required range. The partnership covers the world's major automotive markets, with studies underway in the Americas.

Through design and co-design work, we also offer weight reduction frame rail solutions for our customers. By using stronger steels, new heat-treatment processes, and applying Maxion's unique lightweighting capabilities in the design and manufacturing processes, a reduction of thickness, and therefore weight, is possible. The new products will have a chassis weight reduction in the range of 8% (30 kg) to 30% (150 kg) per vehicle improving the cargo to vehicle weight proportion.



# SUSTAINABLE SUPPLY CHAIN

GRI 3-3 Social & Value Chain Development | 2-6 | 308-2| 408-1|409-1 | 414-2

As well as managing our own processes and emissions we include our supply chain to ensure we track and understand the environmental impact of our business. In addition to the new Supplier Code of Conduct launched in 2023, we have established robust policies to manage supplier risks, integrating ESG criteria into our Supplier Risk Management Procedure<sup>3</sup>. This included developing a new performance measurement system, incentivizing global suppliers to follow regulations, measure their carbon footprint and conduct socially and environmentally-responsible business practices.

To manage and mitigate potential impacts, we utilize an AI-based platform for monitoring and mitigating risks among essential suppliers. Engagement in the CDP and SAQ assessments further ensures alignment with environmental and social standards. In response to identified negative impacts, we conduct thorough analyses and may engage suppliers for remediation. The option to suspend relationships is maintained, if necessary, alongside regular reviews with our Risk Advisory Board (Purchasing, Legal and Health, Safety and Environmental (HSE)). Efforts to manage positive impacts include considerations for our Sustainability Supplier Award, which encourages superior ESG performance among our suppliers.

We track effectiveness through internal KPIs covering compliance, alert performance, and environmental management system implementation. Our continuous improvement goals aim to maximize

supplier compliance with sustainability standards. Learnings from our engagements inform ongoing policy adjustments and enhancements, ensuring alignment with regulatory requirements and our Code of Conduct. Engagement with stakeholders, including internal teams and suppliers, informs our strategies and validates the effectiveness of our actions in achieving sustainable supply chain practices.

In 2023, 149 suppliers, representing 47% of the total spend, were assessed, and none were identified as having significant actual or potential environmental or social negative impacts in our supply chain [GRI 308-2 | 414-2](#). We found no evidence of risks related to forced or compulsory labor, child labor, or hazardous work among our operations and suppliers as well. [GRI 408-1 | 409-1](#)

The implementation of the High Carbon Sourcing Justification (HCSJ) was also discussed. If the selected supplier is not the one with the lowest source of CO<sub>2</sub>, an additional approval line (HCSJ) must be carried out containing the justification and the compensation plan.

Evidence of this approval must be attached to the purchase order file as evidence for audits. Procurement also discussed the establishment of goals and a self-assessment of the status of the supply chain, to evaluate its performance and take corrective actions for those indicators that are outside the target.

Aiming to understand and measure ESG risks and opportunities in our supply chain, we are engaged in the following initiatives:

- **Scope 3 emissions training:** with a focus on sustainable procurement the principles of the PAS 2060 standard (Carbon Neutrality Standard Certification) were presented.
- **CDP Supply Chain:** by requesting suppliers to respond to the CDP Climate Change Supply Chain questionnaire we can evaluate suppliers' emissions and actions to mitigate climate change and partner with them to jointly drive innovation.
- **SAQ implementation to evaluate ESG status of our Tier 1 suppliers:** 50 Supplier Assurance Questionnaires 5.0 completed and shared with our customers.
- **Labor risk evaluation for suppliers:** to improve its management and control mechanisms and in alignment with the current legislation on subsidiary liability, Maxion has implemented a Risk Management Program with third parties to monitor compliance with labor obligations related to the period in which the services are provided.

<sup>3</sup>. This sourcing procedure is not implemented in Wheels division.



# SOCIAL

This chapter reflects our dedication to our people and the communities we serve. First, we highlight our employee demographics and take a look at engagement. Second, our efforts in Diversity & Inclusion are presented, along with our programs supporting employee wellbeing. We also discuss Occupational Health and Safety measures to ensure a safe workplace, and our social governance practices that uphold ethical labor standards and regulatory compliance. Finally, we delve into our social impact initiatives, showcasing our contributions to the community.

## SDGs:



We are committed to our values of integrity, fairness, and respect for our people and planet. As an active and reliable partner to the communities where we work and live, we advocate for the change needed to address existing social needs and environmental issues. Together, we create a more sustainable future with a focus on Diversity & Inclusion, Social Impact and Wellbeing.



### Diversity & Inclusion

We embrace our company’s diverse global workforce and respect our individual differences that collectively make us one Maxon.

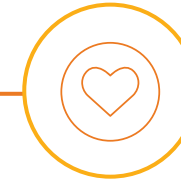
By all of us striving to lead by example and build meaningful relationships, we are committed to be a more inclusive working culture.



### Social Impact

With a diverse workforce across our global locations, we are committed to helping create a safe, clean and equitable world.

Embracing our responsibility as a corporate citizen, we champion education, healthcare, environmental stewardship, and disaster relief initiatives in the communities we serve. Together, we create opportunities to shape a brighter future for all.



### Wellbeing

We are dedicated to cultivating a nurturing environment that prioritizes employee wellbeing in four essential areas: physical wellness, mental health, purpose, and financial wellbeing.

We strive to inspire, establish, and sustain a workplace culture that fosters a healthier and more fulfilling lifestyle.

# PEOPLE MATTER

A sustainably successful company requires more than just effective business models, new products, or digital solutions. It needs a motivated and engaged workforce that continually enhances its expertise and applies this knowledge to daily tasks with a spirit of innovation, creativity and dedication. With a commitment to continuous improvement and recognition, our people are at the center of all we do.

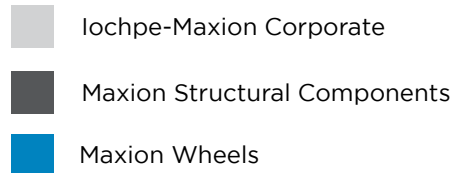
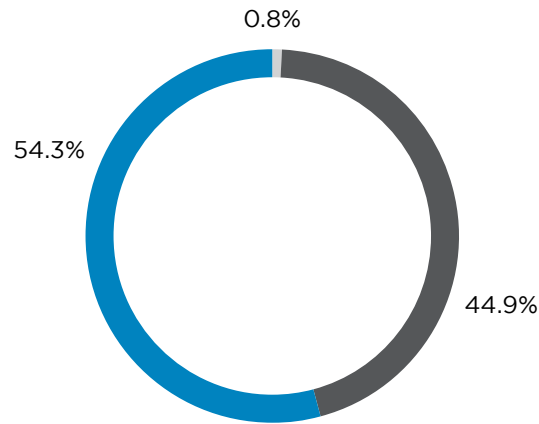
This includes our belief that collaboration, based on respect and trust between employees and managers, is essential; therefore, we foster a diverse and inclusive culture across all levels. To support this, we continuously invest in employee training, steadily expanding and refining our range of talent and culture development programs, while also recruiting new talent with the right skill sets.



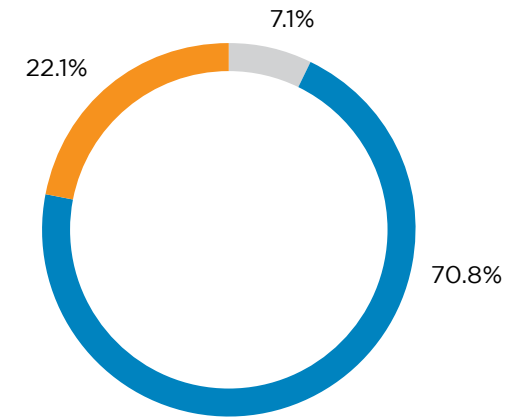
**+ 17,500** direct employees

**+ 1,700** indirect employees

## Employees by Division



## Employees by Region | GRI 2-7



# Employee Voices

One of Maxion's strategic goals is to be one of the best companies to work for. Therefore, it is vital for us to find out how we are doing by those most important to us, our employees. We do this through the administration of an employee satisfaction survey every other year conducted by a third party ensure complete objectivity and confidentiality.

With a focus on engagement and enablement, the 2023 overall rating, reflecting sentiments from over 60 survey questions, showcased a favorable view of our company with approximately 8 in 10 employees having a very positive perception, as reflected in a high Engagement score of 83%, and an Enablement score of 77%. Notably, these results position Maxion within the top 5% in the industry when compared to general industry benchmarks.

Other 2023 Employee Engagement Survey highlights include:

- Excellent response rate – 85% of employees completed the anonymous survey.
- Our plant in Nantong, China, had the highest level of dedication in the survey's history with an employee engagement of 99%.

## Employee Development

GRI 3-3 Human Capital | 404-2

Developing our talent to meet the needs of our business – both today and in the future – is led by the Human resources (HR) department. Facilitating internal and external training for white- and blue-collar employees, the Organizational Development program administered includes:

- Emerging Leaders program
- Experienced Leaders program
- Discovery program (global program focused on high potential employees)
- Mentoring program
- Crossing Borders and English Acceleration program (support to our employees to achieve English language proficiency)
- Scholarship program for eligible employees (graduation, post-graduation, MBA)
- Technical trainings based on external requirements (legal or client requirement) or internal (development plan or job description)
- Apprenticeship program (to provide technical skills to young people from local communities)
- Duall program (enhancing the skill set of our blue-collar employees)
- 1,376 hours of e-learning certification training via EdX (an external learning catalog used to upskill employees)



## Duall Program

We are committed to enhancing the skill set of our production operational teams, and in 2023 celebrated the completion of our third Duall program class. Through structured technical instruction, this comprehensive 150-hour training covers a variety of subjects, including the transformation processes of steel and aluminum and information technology. Designed in collaboration with Senai in Brazil, Duall plays a pivotal role in advancing the technical and behavioral competencies of our operational teams. By encompassing both theoretical and practical aspects, participants garner deeper insights into the business and increase their engagement with Maxion's leadership.



# Diversity and Inclusion

GRI 3-3 Human Capital | 405-1

We believe that a diverse and inclusive environment brings benefits to the performance of the business, society and the automotive industry. Therefore, in 2021 we introduced the Unique and United program, to steer our Diversity & Inclusion (D&I) aspirations.

The Executive D&I Steering Committee has been leading this initiative; developing, deploying, and institutionalizing the change needed to advance inclusion. With 13% of employees' female, the following three gender goals and expectations were set in 2023:

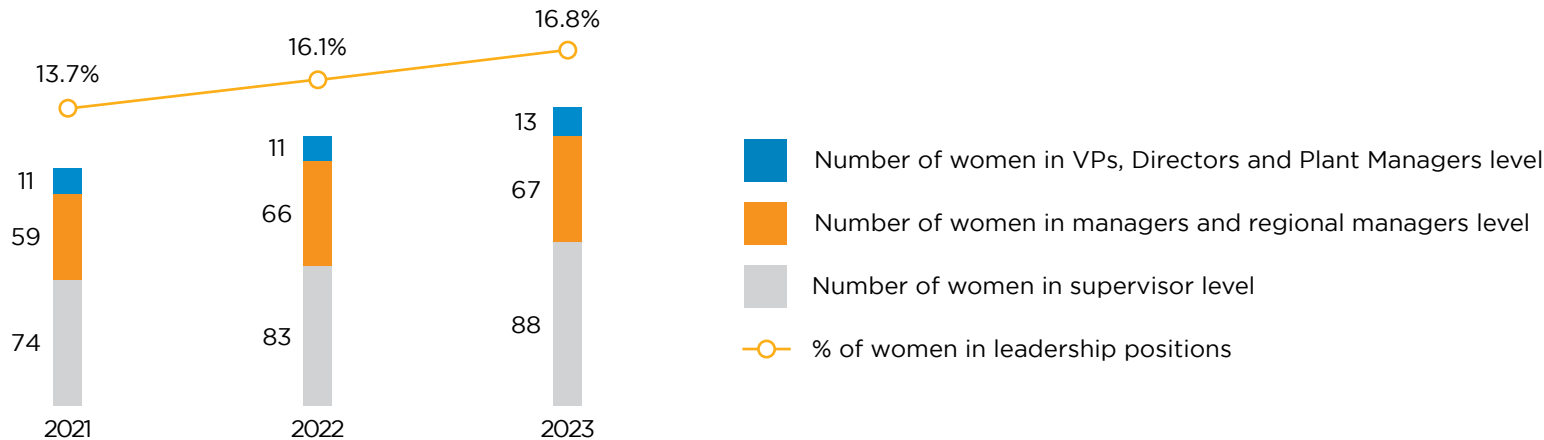
- **Gender Balance:** Increase gender balance within management workforce (see graphic below).
- **Pay Equity:** Compensate employees who have below similar job functions with comparably equal pay, regardless of their gender.
- **D&I Culture:** Establish a workforce mindset respecting diversity and inclusion.

In the time of January 1, 2023 through March 31, 2024, our local teams around the world facilitated 258 local activities covering many D&I topics such as gender, age, people with physical and mental disabilities, and race. Through dedicated events, special training sessions, and communication campaigns, we continued to engage our workforce in this important work, proudly reporting a 60% participation rate of blue-collar employees.

To further the engagement of our employees in D&I, our Structural Components division reorganized their divisional D&I initiatives and set minimal requirements ensuring participation from white- and blue-collar employees. The division's reorganization has allowed them to capture employee perceptions about D&I.



## Women in Leadership Positions | GRI 405-1





## Local D&I Activism

Over the course of 2023, every Maxion location facilitated some level of D&I activity to further engage and train employees on the subject and its importance to the company and society. We use the globally recognized observance days: International Women’s Day, Pride Month and People with Disabilities to raise awareness and educate our employees specifically on the dimensions of gender, sexual orientation and physical and mental disabilities. Through global communication awareness campaigns, training, and local activism, our D&I programs have been credited with playing a crucial role in facilitating the inclusion process and mitigating feelings of exclusion.

In addition to the three global observances, we strongly encourage each location to build D&I programs that reflect their unique employee and community needs. Here is a sampling of our local D&I activism:

**LGBTQ+ carnival event** – Contagem, Brazil

**Elimination of racial discrimination discussion** – Cruzeiro, Brazil

**People with disabilities, autism and sign language courses** – Limeira and Santo André, Brazil

**LGBTQ+ phobia awareness event** – Santo André, Brazil

**STEM lady luncheon** – Sedalia, USA

**Employee LGBTQ+ Iodcast** – Castaños, Mexico

**Children’s Day event** – Chihuahua, Mexico

**Together Championship for people with disabilities** – San Luis Potosí, Mexico

**55+ training program** – Ostrava, Czech Republic

**Social rehabilitation of prisoners program** – Dello, Italy

**Disability employment program** – Manresa, Spain

**International Women’s Day lunch and discussion** – Königswinter, Germany

**Women’s Rights Day webinar** – Manisa, Turkey

**Women’s Day events** – Nantong and Suizhou, China

**Health education for women in local villages and schools** – Pune, India

**School for disability donations** – Saraburi, Thailand

**Sponsor previously unemployed disabled learners for workplace qualification** – Johannesburg, South Africa



# Wellbeing

GRI 403-6

Employee health isn't just a matter of self-care; it's a critical enabler to our success. To remain competitive in this fast-paced, dynamic industry, we require a lot from our employees. We need their energy, agility, and resilience – the fuel to drive us forward. It is with this understanding and appreciation for the critical nature of a healthy and thriving workforce that we prioritize wellbeing.

Employee wellness boosts productivity, and we see it taking different forms around the company. Depending on the location it can be access to non-occupational medical and healthcare services such as health screenings, running and hiking groups, financial wellbeing seminars, and mental and physical wellbeing programs. For example, in 2023 our plant in Pune, India, which regularly organizes group yoga sessions for employees, invited families for the first time. Also for the first time, our plant in Dello, Italy, organized a health week promoting a healthy lifestyle with attention to both physical and mental health.

In the Americas our plants in Cruzeiro and Limeira, Brazil, developed the Hello Mom program to support female employees, and spouses of our male employees, during the pregnancy process. And in our plant in Castaños, Mexico, they also showed support for working mothers with a new breastfeeding room.





# Occupational Health and Safety

GRI 3-3 Human Capital | 403-1 | 403-2 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10

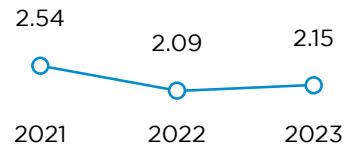
This same commitment to the health and wellbeing of our employees is what drives our dedication to preventing work-related accidents and illnesses. Zero workplace incidents is our goal, and with everyone actively engaged, we can keep our employees safe. One tool we use to facilitate this outcome is the Maxion Risk Assessment (MRA). This digital tool allows for clear execution of job risk assessments, identification of risks and outcomes, controls (both existing and recommended for improvement), and risk/outcome scoring with hierarchy as well as corrective action task assignment and overdue escalation reminders.

Our process for identifying hazards and risks is continuous, ensuring that any newly identified issues prompt immediate updates to security measures, procedures, training materials, and policies where applicable. Incident investigations are formally conducted and documented through our integrated system. Employees have the right to initiate a “stop work” process if they perceive a potential threat to their safety, supported by our commitment to non-retaliation, comprehensive safety procedures, up to date trainings, and a dedicated reporting channel via our Ethics Hotline. [GRI 403-2](#)

Our Global Safety and Sustainability Committee meets quarterly to uphold our commitment to safety and sustainability across all operations, including annual training on critical topics such as lockout/tagout, machine safety, ergonomics, and chemical handling. This work is managed by a dedicated Safety Committee at each plant that convenes monthly. [GRI 403-2](#) | [403-4](#) | [403-5](#).

In 2023, there was no record of fatalities as a result of work-related injuries or work-related ill health, either among direct or indirect employees. [GRI 403-9](#) | [403-10](#).

## Rate of Recordable Work-related Injuries (Employees) | [GRI 403-9](#)



## Biggest Investment in Fire Protection Ever

In 2023, we made significant investments to increase fire protection of our plants with several plants implementing new fire detection, sprinkler protection or other elements of fire protection.

## Safety Programs

We operate an Occupational Health and Safety management system that encompasses all employees and third-party workers, including 19 plants certified by a third party according to the ISO 45001 standard. [GRI 403-1 | 403-8](#)

In general, the safety-related activities carried out in the plants can be divided into those directly related to the production cycle or support activities. [GRI 403-9](#)

In 2023, 10 leading activities<sup>4</sup> were identified, which can potentially result or have proven to result in a severe injury or fatality in our historical data. In late 2023, we expanded a global campaign aimed at addressing all incidents, near-misses, and observations that could lead to serious injury or fatality (SIF). We decided to treat all events as if they were incidents that had a severe outcome, with full investigation and corrective/preventive actions. In the Wheels division, a global awareness campaign, translated in all languages spoken by employees, was launched aimed to capture our employees' attention and serve as a regular reminder. Since 2022, the Structural Components division has implemented a similar program, the "Golden Rules", which provides specific guidelines to warn and minimize risks associated with high-potential hazard activities. [GRI 403-8](#)

4. Work at height, plant vehicle traffic, caught in machine, molten aluminum exposure, electrical hazards, fire & explosions, confined spaces, suspended loads, LOTO application (lack of) and flying debris or objects.





# Social Governance

## GRI 3-3 Human Capital

We acknowledge our responsibility to uphold labor practices across our global operations, valuing the wellbeing of the thousands of direct and indirect people we employ. Besides robust processes and policies, including our Code of Conduct, Collective Agreements, and comprehensive safety, health, and sustainability initiatives, regular Maxion Risk Assessments and bi-annual engagement surveys further strengthen our commitment to employee welfare and organizational excellence.

Our policies encompass Diversity and Inclusion, Collective Union Agreements, Quality Systems, Compliance, Global Health, Safety & Sustainability, in addition to comprehensive HR policies covering benefits, compensation, talent management, expatriation, wellbeing, and promotions. Efforts are directed towards minimizing potential negative impacts on stakeholders, including rigorous oversight from Plant Managers, Directors, and senior leadership. Relevant departments also closely collaborate to ensure compliance with market standards and legislative requirements. We continually update operational policies and procedures based on lessons learned, ensuring adaptive and effective practices throughout the organization.

# SOCIAL IMPACT

GRI 3-3 Social & Value Chain Development | 413-1

For us, social impact means the dedication to improving the wellbeing of the communities we operate in by tackling long-term societal challenges and responding to existing local needs and issues.

As a committed corporate citizen, we actively engage in initiatives focused on education, healthcare, inclusion, environmental stewardship, and disaster relief, striving to create a safer, cleaner, and more equitable world.

## Social Goals and Focus Areas

### Community Involvement and Development

*Working collaboratively to address issues affecting the wellbeing of our communities.*

Involve partnerships and coalitions that help mobilize resources and influence systems, change relationships among partners, and serve as catalysts for policies, programs, and practices that drive positive change in our communities.

- **Community Education:** Empower individuals through accessible and quality education. Enhance educational resources, foster lifelong learning, and bridge educational gaps within the community.
- **Community Health:** Improve overall wellbeing by addressing health disparities. Collaborate on initiatives promoting physical and mental health, and work towards equitable access to healthcare resources.
- **Community Inclusion:** Cultivate an inclusive environment that embraces diversity and equal opportunities, break down barriers, and foster a sense of belonging within the community.
- **Community Environment:** Sustain and enhance the local environment. Implement eco-friendly practices, support conservation efforts, and engage in projects that promote environmental sustainability.

### Disaster and Crisis Relief

*Providing immediate assistance to victims of conflicts or disasters.*

Humanitarian crises are more complex than ever before with conflict, migration, and climate change at the center. We can support through financial or in-kind contributions, supporting humanitarian appeals, engaging in advocacy and awareness, and promoting philanthropy amongst employees, customers and partners.

- **Disaster Relief:** Provide rapid and effective assistance in times of crisis. Develop disaster response plans, collaborate with emergency services, and actively participate in relief efforts for affected communities.

# Maxion's 2023 Social Impact Projects

## Main Initiatives Around the Globe

Once again, our locations around the world demonstrated the deep care and concern we all have for the social needs in the communities where we operate. Here is a small sampling of how our teams made a difference in 2023:

Novi, USA, office organized a volunteer activity at Vista Maria, a charitable organization that provides housing, counseling, and schooling for girls who have been rescued from human trafficking.

Chihuahua, Mexico plant organized a collection of food and cleaning supplies for the Center for Integration of Addicts and Alcoholics in Recovery.

Saraburi, Thailand, plant offered 14 scholarships for High Vocational and Engineering degree students.

Königswinter, Germany, plant and office team supported the cleaning of the river Rhine, creating awareness of the importance of a clean environment, and showing social responsibility within the local community.

Dello, Italy, plant bought an assortment of traditional food from a pastry shop located inside a local prison as a social project for the rehabilitation of prisoners for the Christmas holidays.

Suizhou, China, plant employees planted trees, grass, and flowers, covering an area of more than 2,400 sqm to create more green spaces.

Nantong, China, plant donated money to support the community after a local natural disaster.

Pune, India, plant employees donated personal items to the people who live in the local village.



## Formare Program

The lochpe Foundation is a nonprofit organization based in São Paulo, Brazil, with the mission to drive social transformation by promoting equity and creating opportunities for social growth through professional qualification and art education. A key component of their work is managing the Formare program, which has been active since 1989, and stands as a benchmark in Brazil for providing professional training to economically and socially vulnerable young people. In partnership with medium- and large-size companies, Formare offers initial professional training courses to young people from low-income families enrolled in public high schools. Through the partnerships with companies like lochpe-Maxion, employees can serve as Formare volunteer educators, and in this format, have trained over 26,000 young people, and according to a survey by Plano CDE, 89% of those graduates secured formal jobs in their first employment.

Both the Wheels and Structural Components divisions are partners of Formare, and in 2023, the work reached a total of 87 students in Brazil and Mexico.

Formare Unit	Class	# Students in 2023
Cruzeiro, Brazil	27th	20
Contagem, Brazil	27th	14
Limeira, Brazil	13th	20
Chihuahua, Mexico	7th	18
San Luis Potosí, Mexico	9th	15

While Formare has a strong foothold in Brazil and Mexico, it is the intent of the lochpe Foundation to leverage its success and expand the Formare program to other countries outside of the Americas.





# GOVERNANCE

## GRI 3-3 Corporate Governance & Business Integrity

This chapter provides an overview of Maxis's corporate governance structure and how ESG issues are integrated into the Company's decision-making process. We address our risk management procedures and aspects including how we manage information security. We then cover the topics of policies and results in relation to ethics and compliance. We conclude the chapter with a review of the critical work we administer to follow globally recognized standards and norms in the maintenance and enhancement of our products and processes.

### SDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



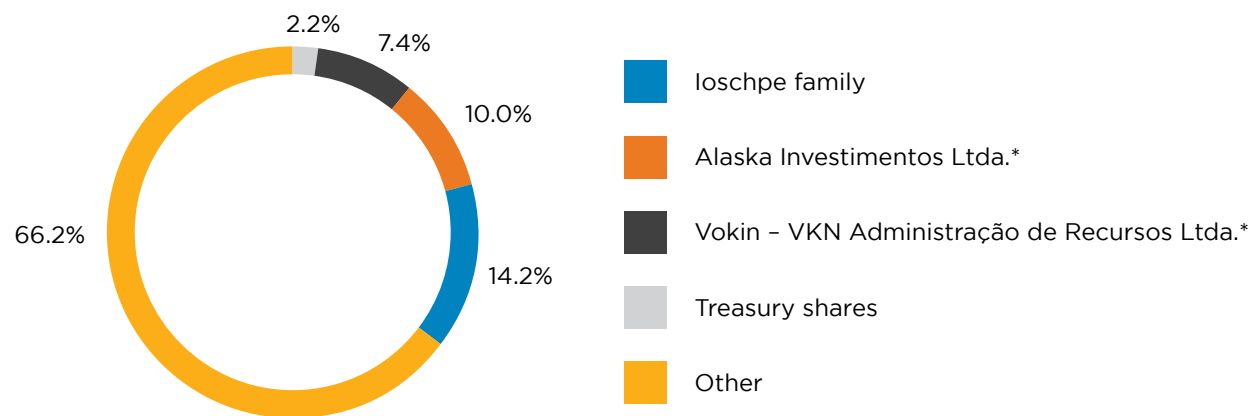
17 PARTNERSHIPS FOR THE GOALS



# CORPORATE GOVERNANCE

## Ownership

Iochepe-Maxion is a publicly traded company with the following investors owning more than 5% of its capital stock (Information as of 31/12/2023).

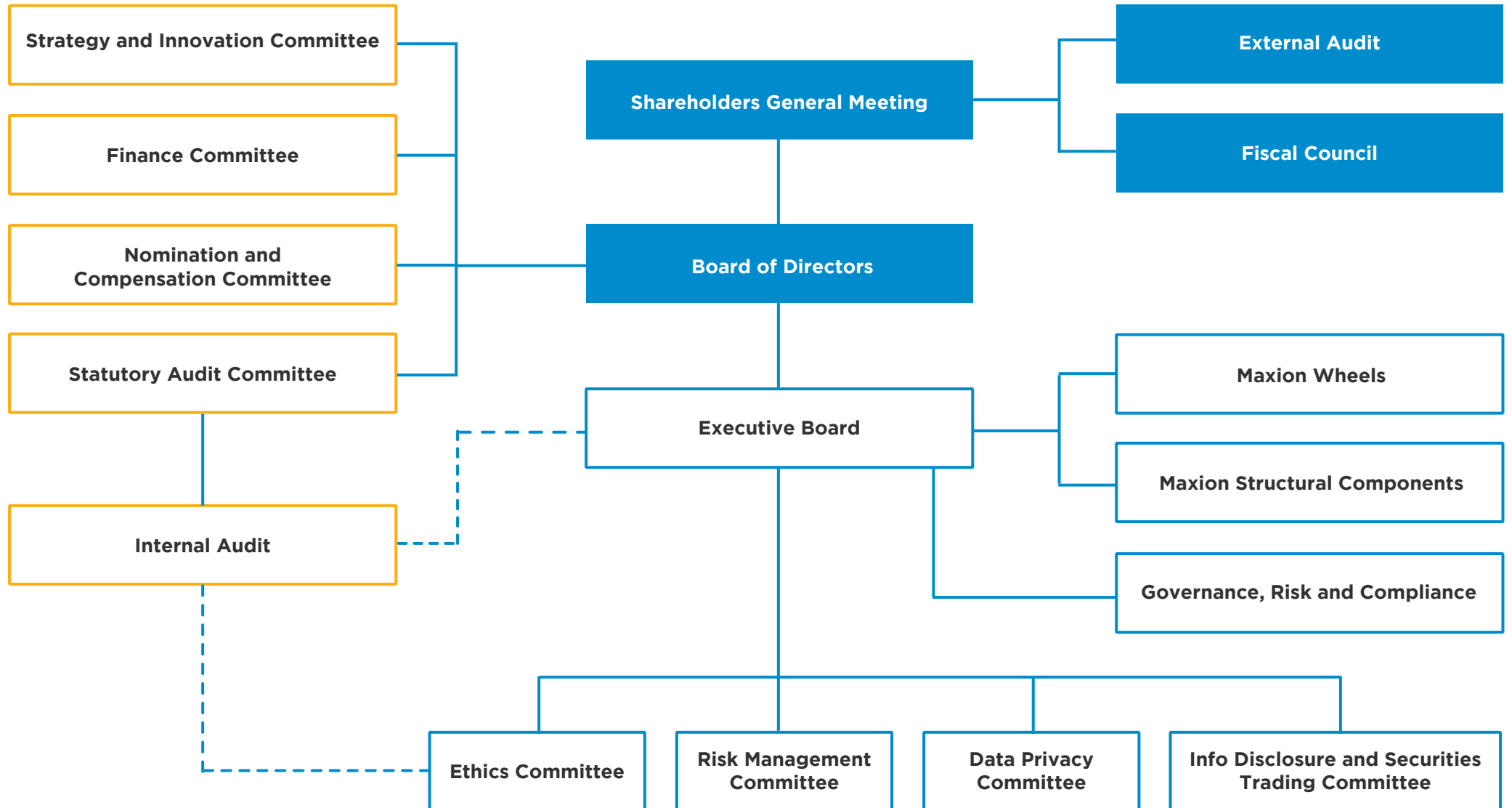


\*Shareholding held by investment funds and or portfolios under common discretionary management.



# Governance Structure

GRI 2-9





## Board of Directors

GRI 2-9 | 2-10 | 2-11 | 2-18

The composition of the Board of Directors reflects our efforts to integrate individuals who represent diverse backgrounds and experiences. We have increasingly considered diversity into the decision-making process and strive to ensure greater gender representation. In 2023, we nominated two women to top management positions—one as a member of the Board of Directors and the other in our Executive Board.

Directors are required to uphold an impeccable reputation and possess expertise in the best corporate governance practices. When appointing directors, several criteria are considered, including academic background, professional experience, complementary skills, availability to fulfill their responsibilities, diversity (such as knowledge, experiences, behaviors, cultural aspects, age, and gender), besides strategic alignment with the organization's objectives.

As per our [Nomination Policy](#), the Board of Directors shall predominantly consist of external members, with at least 2 members or 20%, whichever is greater, being independent. Currently, all members of our Board of Directors are external, and the majority thereof is independent. The roles of Chairman of the Board of Directors and Chief Executive Officer are held by different individuals.

Historically, the Board of Directors has undergone a performance evaluation process bi-annually, aligned with the members' terms of office. The performance assessment encompasses the Board as a collective body, the Chairman of the Board, and individual directors (both self-assessment and peer assessment). This performance evaluation process has been conducted with the assistance of an external consulting firm specializing in governance practices, following criteria and methodologies widely adopted in the market. If necessary, actions be taken in response the performance assessment.

Aiming to further improve its evaluation process, in August 2023 our Board of Directors decided to undergo an evaluation on an annual basis, alternating between a detailed evaluation with a comprehensive scope in one year, and a more simplified evaluation in the following year, and so on.



## Committees [GRI 2-9](#) | [2-13](#) | [2-24](#)

The Board of Directors is advised by four permanent Committees. With the support of the Committees and intermediation of the Executive Board, the Board of Directors supervises the Company's performance, and monitors the process of managing financial, environmental, social and governance impacts, both from the point of view of their generation by the Company, as well as in terms of how the Company is affected, while respecting and implementing the policy commitments assumed.

**Strategy and Innovation Committee** - A non-statutory permanent Committee that meets at least four times a year. Its coordinator periodically reports the Committee's work to the Board of Directors (when necessary or opportune). Its duties are:

- Advising the Board of Directors on the strategic Direction of the Company and its divisions.
- Providing recommendations on new investment opportunities and potential new business, following up on initiatives related to research and technological innovation, and monitoring the activities of the Company's global innovation hub in Berlin, Germany, Maxion Advanced Technology (MAT).

**Finance Committee** - A non-statutory permanent Committee that meets at least bi-monthly. The Committee coordinator, accompanied by other Committee members, when necessary, reports to the Board of Directors at least quarterly. Its functions are:

- Advising the Board of Directors on topics related to short-term investment policies, capital structure, and debt profile or dividend payments.
- Monitoring the covenants, tax structuring, issuance, buyback, or redemption of debt

securities or securities and the financing of new businesses, mergers, spin-offs, or acquisitions.

**Nomination and Compensation Committee** - A non-statutory permanent Committee that meets at least four times a year. Its coordinator periodically reports the Committee's work to the Board of Directors (when necessary or opportune). Its roles are:

Advising the Board of Directors on topics related to compensation and nomination. 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 positions.

**Statutory Audit Committee** - A permanent statutory Committee that directly advises the Board, with an independent budget and autonomy to conduct and define consultations, assessments, and investigations within its scope of work, including identification and contracting of independent specialists. They meet at least bi-monthly, and the Committee coordinator, accompanied by other Committee members, when necessary, meet with the Board of Directors at least quarterly. The duties of this group include:

- Commenting on the appointment and dismissal of independent auditors to carry out external independent audit, or other services.
- Overseeing the work of appointed independent auditors and assessing their independence and the quality of their services.
- Monitoring the quality and integrity of lochpe-Maxion's internal controls, quarterly information, and financial statements, among other responsibilities.

- Assessing and monitoring lochpe-Maxion's risk exposure; they may also request detailed information about related policies and procedures.
- Assessing and monitoring the adequacy of related-party transactions carried out by lochpe-Maxion and respective supporting documents in conjunction with management and the Internal Audit department, which is responsible for monitoring, and evaluating the recommendations for internal controls and internal policies and procedures, through periodical independent audits on the effectiveness and efficiency of internal controls

## Executive Board

GRI 2-9 | 2-18

The Executive Board is responsible for implementing the Board of Directors' strategic direction through oversight and management of global operations. It is comprised of four members, including one woman, and is also assisted by four Committees:

### **Info Disclosure and Securities Trading Committee:**

its function is to advise the Investor Relations Officer on the disclosure of information to the market, such as Material Facts, guide in cases of impactful rumors, analyze Individual Investment Plans, in addition to providing support in the periodic review and investigation of potential violations of the Company's [Securities Trading and Information Disclosure Policy](#).

### **Risk Management Committee:**

oversees compliance with the Board of Directors' risk management guidelines and periodically reviews the [Risk Management Policy](#). It advises the Board on identifying and mitigating risks, monitors action plans for risk mitigation, approves methodologies and criteria for risk assessment, and proactively identifies new or emerging risks for the company.

**Ethics Committee:** monitors the effectiveness of ethical standards in business to enhance the Company's trust, image, and reputation. It translates

principles and values into internal standards for acceptable conduct, assesses disciplinary actions following the Code of Conduct, and offers guidance on managing conflicts of interest. Additionally, it oversees the Ethics Hotline, ensuring its effectiveness and integrity by analyzing complaints, recommending corrective actions, and collaborating with the Audit Committee on matters involving the Internal Audit department.

### **Data Privacy Committee:**

acts in the dissemination of the principles and guidelines contained in the Policy of Data Protection and Privacy, promoting compliance and improvement of the privacy and data protection practices of administrators, employees, service providers and suppliers.

The CEO's performance is evaluated annually by the Nomination and Compensation Committee and the Board of Directors, and every two years an external consulting firm provides additional support to the evaluation process. This assessment includes financial and non-financial key performance indicators (KPIs). An annual review process for other executive officers is also carried out.

## Remuneration Policy

GRI 2-19 | 2-20

The remuneration of our Executive Board has fixed and variable elements and consists of: Monthly Remuneration, Short-Term Incentives (linked to performance goals) and Long-Term Incentives, according to a [Remuneration Policy](#).

The members of the Board of Directors are not entitled to variable remuneration and, therefore, do not participate in our short- or long-term incentive programs. Their remuneration consists of fixed fees, not linked to their participation in meetings, and they are also not entitled to a supplementary private pension plan.

Members of the Statutory Audit Committee and other advisory committees of the Board of Directors who are not members of this body are entitled to a fixed remuneration as fees. Those members of the Statutory Audit Committee and of other advisory committees of the Board of Directors who are Directors have their participation in the committees remunerated as a fixed percentage increment to their fixed fees.

The references for remuneration in all these instances are based on periodic benchmarks, conducted by the HR department with the support of a specialized external consultancy.

# RISK MANAGEMENT

GRI 2-23 | 2-25

We have a **Risk Management Policy**, and our corporate risk management is based on the application of the “COSO Enterprise Risk Management – Integrated Framework” methodology, adapting it to the characteristics and peculiarities of the Company and its business environment. We prepare and periodically review a matrix comprising our main operational, financial, strategic, legal and compliance risks, considering their probability of occurrence and the magnitude of their impact on the Company’s business.

It is the responsibility of administrators and managers from all departments and particularly the Governance, Risks and Compliance department to identify the risks to which we are exposed and report them to the Board of Directors and/or the Risk Management Committee. Assessments of identified risks and their relevance, for the purposes of preparing and reviewing the Risk Matrix, are the responsibility of the Board of Directors, advised by the Risk Management Committee. Our risk assessment occurs periodically and considers the probability and impact of the event, using quantitative and qualitative measurement methodologies.

The Risk Matrix is presented by the Governance, Risks and Compliance department to the Statutory Audit Committee and the Board of Directors at least once a semester, at which time the Board of Directors will deliberate on its maintenance or amendment, and whenever the Statutory Audit Committee or the Board of Directors so request.

The Executive Board is responsible for proposing measures to solve, mitigate or accept the risks covered by the Risk Matrix, in addition to monitoring the implementation of the action plans established based on the Risk Matrix, carrying out the appropriate actions or corrective measures that may be necessary.



# INFORMATION TECHNOLOGY AND CYBERSECURITY

The IT structure covers our operations worldwide with a distribution team in each region. The IT area has various functions: infrastructure, IT governance compliance, applications, ITSAP, security and a new function - HR systems. They also hold the function of digital transformation.

The IT governance and practices are structured to support the business. The goal is to have an efficient and secure organization offering technology to accelerate and facilitate business operations in a secure way in several areas such as production, finance, marketing and sales and supply chain.

Cybersecurity is a priority as well as making sure that our systems are available to support the business, ensuring the safe and secure operation of our IT systems and processes. We maintain service level agreements for the up time of our network, our connectivity, our accessibility and especially our ERP and financial systems, making sure that our systems are available to support the business.

In 2023, we achieved an IT maturity score of 800 points in both divisions for the first time. A third-party vendor assessed the digital footprint on a frequent basis. The evolution from the 550 points in 2018 brought Maxion to an advanced maturity level.

We also had a successful go live of S4 HANA in San Luis Potosí, Mexico, which is the newest SCP system available in the market.

Another relevant aspect is the annual IT Value Survey, run by a third party that collects the perceived value of the IT services from the organization. Results indicated that we are above the median in the average for our industry and below the spend in our industry.



# ETHICS AND COMPLIANCE

GRI 2-15 | 2-16 | 2-23 | 2-24

Our commitment to operate in an ethical, upright, and transparent way in all activities related to 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 we were founded. It is also at the very heart of the way in which we conduct our operations on the global market and plays a key role in strengthening our global leadership in the production of automotive wheels, as well as enabling us to continue to occupy an important position as producers of automotive structural components in the Americas.

The Governance, Risk and Compliance (GRC) area responds to the Executive Board and centrally manages compliance issues together with the Legal department. In 2023, there were some movements within the structure with a new GRC manager and an addition of a headcount for compliance in Mexico.

The Legal department also got closer to international operations acting more on the preventive side adding value to the business's challenges related to complying with different geographies environmental, social, and economic laws and regulations. Through the implementation of the Contract Lifecycle Management (CLM), we have been standardizing the request of legal support and how we store, deposit, and manage contracts during their lifecycle. It is a game changer in understanding and strengthening our operational and financial contractual compliance.

The focus is to put 100% of our procurement contracts in the system, helping the compliance function and internal audit to have more tools to verify contract management. This has been completed in Brazil and is now expanding to other locations.



## Ethics Hotline

GRI 2-16 | 2-25 | 2-26

Our Code of Conduct and Ethics Hotline work together to endorse principles and values. The information reported through this tool is independently managed by the Internal Audit department, which has the necessary experience to obtain information in situations like misconduct, fraud, diversion of resources, among others, ensuring the anonymity and confidentiality of received information by website (**Ethics Hotline**), telephone +55 11 5508 3817 or through email **ethics@iochpe.com.br** anytime. Stakeholders can track their records via the protocol and receive feedback on the conclusion of each incident. Through the channel itself, they can also make suggestions for improving the process.

The main topic reported in 2023 was moral harassment, mainly related to the way a complainant was treated by supervisors in the plant and the work environment. There were no records of critical concerns communicated to the Board of Directors during the year. Every complaint received through this channel is primarily analyzed by the internal Audit that sends it to the proper area to investigate. The conclusions are discussed bi-monthly at the Ethics Committee. The Statutory Audit Committee meets monthly to analyze complaints from the Ethics Hotline. The Board of Directors are informed quarterly of critical complaints.

## Code of Conduct

GRI 2-15 | 2-23 | 2-24

Our **Code of Conduct** presents a set of principles and guidelines that, inspired by our vision, mission and values, reflect our organization's expectations in relation to the standards of conduct and ethics in the performance of our activities in the global market.

The Code of Conduct training structure underwent a modification in 2023, focusing on a more captivating and engaging experience and results for all our white-collar employees. The implementation of new content of the Code of Conduct has brought promising results, fostering a culture of ethical and compliance awareness within the Company. In addition, an increase of employee engagement to complete the content resulted from the training. The training content was divided into three years, which made the experience more dynamic, generating fast learning through cases representing real life situations. The most relevant topics will be repeated over the three years, re-emphasizing the conduct expected from employees.

We also delivered anticorruption, data privacy and security awareness training and enhanced our supplier due diligence globally. Quarterly, we review 100% of our supplier database to ensure that there is no infringement of any legislation such as Office of Foreign Assets Control (OFAC) restriction list, UN sanction list, the UK sanction list. Furthermore, we launched the Mexican local supplier due diligence focused on tax and human resource perspective.

In addition to the Code of Conduct and the Ethics and Anti-Corruption Policy, the ethics-related procedures comprise the following items:

- Corruption and bribery
- Money laundering
- Confidentiality and data security
- IT resources and privacy
- Conflict of interest
- Complaints and Ethics Hotline
- Non-retaliation
- Disciplinary measures
- Suppliers and service providers
- Customers
- Social and environmental responsibility (including human rights and social organization of the communities)
- Working environment (including human rights, non-discrimination, anti-prejudice, anti-abuse and anti-harassment of any kind)

# Code of Conduct for Suppliers

GRI 3-3 Social & Value Chain Development |  
2-23 | 2-24

In December 2023, we launched the **Supplier Code of Conduct**. Communicated to all our suppliers, it acts in a reciprocal way and sets out the details of the minimum requirements for our global supplier network and the behaviors we would expect of each other. These are based on legal regulations, as well as internationally recognized standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the ILO core labor standards and the principles of the UN Global Compact.

Supplementary to the Company's Code of Conduct, the Suppliers Code of Conduct provides a foundation to construct a more sustainable, responsible, and stronger supply chain guaranteeing that our suppliers are adhering to our ethical standards, improving our reputation and ensuring compliance. It serves as a vital framework that outlines the ethical, operational, and regulatory expectations we have for all our suppliers. The document represents a collective commitment to a business environment that respects human rights, protects the environment, and promotes fair and ethical business practices.



All suppliers shall, as a minimum, establish a policy on working conditions and human rights that contains, as a minimum, the following topics: prohibition of child labor; young workers; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; land, forest, and water rights and forced eviction.



# PRODUCT SAFETY AND INNOVATION

GRI 3-3 Product Quality & Innovation

We are dedicated to integrating sustainability into our core principles of quality and innovation. Our commitment extends beyond compliance to proactively address environmental impacts and enhance operational efficiency through innovative solutions. Our ongoing innovation projects have the potential to significantly reduce CO2 emissions by optimizing material usage, such as coatings, and reducing electricity consumption across our manufacturing processes. This not only aligns with our environmental sustainability goals but also improves air quality, thereby enhancing human health and meeting future legislative requirements, like Euro 7 standards. Furthermore, these innovations provide a competitive edge and generate new revenue streams for us and for our external stakeholders.

All our plants are certified according to Automotive Quality Management System Standard IATF-16949:2016 and ISO-9001:2015, ensuring that our development and production processes meet stringent customer requirements. In all Wheels and Structural Components plants, we adhere to internal global procedures such as Corrective and Preventive Actions, Warranty Management, and a Potential Product Safety Defect Analysis and Reporting Policy, to continuously improve our processes and mitigate risks.

As an acknowledgement of the critical role of product quality in maintaining customer satisfaction, we are actively engaged with automotive OEMs

(Original Equipment Manufacturer) to address any quality concerns promptly, whether at the OEM facility or with end-users. Lessons learned from OEM customer complaints and warranty issues are systematically integrated into our Process Failure Mode and Effect Analysis (PFMEA), guiding updates to Control Plans and Operational Instructions in our production areas. This proactive approach ensures that we identify root causes and implement preventive measures to avoid recurrence.

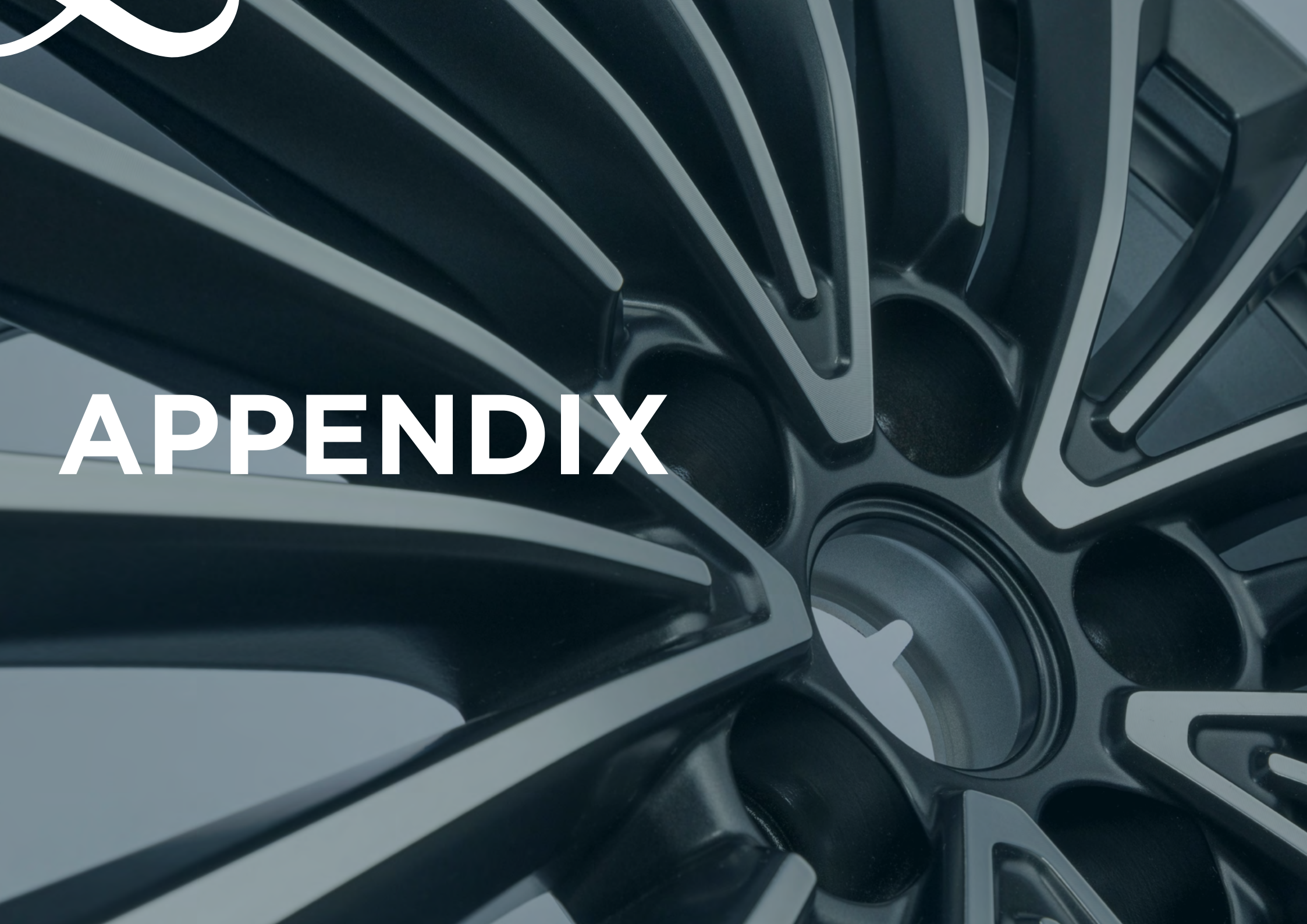
We also conduct monthly Management Review Meetings to evaluate process effectiveness and efficiency, addressing any non-conformities through structured corrective actions tracked via a digital system. Key Performance Indicators (KPIs) such as the number of non-conformities in audits and Parts Rejected per Million (PPMs) deliveries are closely monitored to maintain our certifications and drive operational excellence.

Our Quality Policy and Health, Safety, and Sustainability Policy, defined in our Integrated Management System Manual, underscores our commitment to delivering products that exceed customer expectations while adhering to global standards across our plants. Achieving and maintaining the certifications is not just a requirement but a testament to our unwavering dedication to quality, innovation, and sustainability. We strive for zero major non-conformities and continuously seek to exceed customer expectations through rigorous quality management practices.





# APPENDIX



# ABOUT THE REPORT

GRI 2-1 | 2-2 | 2-3 | 2-4 | 2-5 | 2-14

This Sustainability Report discloses information on our ESG performance. This annual document aims to provide transparency to our stakeholders on our ESG impacts, risks and opportunities. The information follows the Company's financial reporting period of January 1 through December 31, 2023. The content of the report<sup>1</sup> considers the Iochpe-Maxion group and its two divisions: Maxion Structural Components and Maxion Wheels.

The 2023 Sustainability Report was prepared with reference to the GRI Standard 2021 guidelines, also considering the indicators of the Sustainable Accounting Standards Board (SASB). Climate change information considers the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The financial data presented is in accordance with the rules established by the Brazilian Securities and Exchange Commission (CVM), which were prepared in accordance with International Financial Reporting Standards (IFRS)

issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

Data referring to greenhouse gas (GHG) emissions were limited assured, and financial results were audited by an independent third party registered with CVM. Other information was verified internally, with the supervision of the Executive Sustainability Steering Committee and the Executive Board, which approved it in September. This report was published on 26/09/2024.

In this reporting cycle, we achieved a significant milestone by adopting the Double Materiality approach, validated by the Board of Directors in May 2024, underscoring our commitment to improving reporting practices. To ensure the accuracy and integrity of our reporting, we are temporarily pausing the disclosure of certain numbers and indicators this year to refine our data collection

processes and accountability structures. This strategic adjustment will also prepare us to meet future legislative requirements effectively, with the aim of resuming comprehensive reporting in subsequent years. This ongoing process, which tends to evolve with each annual report to come, involves a review of metrics and indicators, in comparison with the last report, ensuring they align with our strategic objectives and accurately reflect the impact of our activities.

For questions about this Report please write to: [esg@iochpe.com.br](mailto:esg@iochpe.com.br).

4. The scope of the report includes entities over which there is sole operational control, and this approach does not involve adjusting information for minority interests. The consolidated financial statement includes 3 more entities that are classified as joint ventures or associated companies: Maxion Montich S.A.; Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. and DongFeng Maxion Wheels Ltd. The consolidated financial statements are available at <https://www.iochpe.com.br/en/financial-information/results-center/>

# INDICATORS: ENVIRONMENT AND CLIMATE AGENDA

Financial implications and other risks and opportunities due to climate change | **GRI 201-2**

Description of the risk/opportunity	Classification (physical, regulatory or other)	Impact/ Time Horizon	Financial Implications before actions (Potential financial impact figures - USD)	Methods to manage	Cost of response to risk (USD)
<b>Risk 1:</b> Emerging regulation carbon pricing mechanisms	Regulatory	Increased indirect (operating) costs Medium Term	Minimum: 10,000,000 Maximum: 15,000,000	Work on activities to reduce carbon footprint across the region and globally - including through capital and non-capital investments, process optimization, energy related projects, and others.	10,000,000
<b>Risk 2:</b> Changing customer behavior	Market	Increased indirect (operating) costs Medium Term	Minimum: 15,000,000 Maximum: 40,000,000	Maintain efforts to reduce our carbon footprint through capital and non-capital investments, process optimization along with several other emissions reduction activities on a global basis.	30,000,000
<b>Risk 3:</b> Cyclone, hurricane, typhoon	Physical	Decreased revenues due to reduced production capacity Short, Medium and Long Term	Minimum: 26,000,000 Maximum: 189,000,000	Contingency plans exist to allow other plants to produce volumes of products which may be sourced to one location and have the product be sourced and shipped by another.	10,000,000
<b>Risk 4:</b> Increased cost of raw materials	Market	Increased indirect costs Short Term	Minimum: 60,000,000 Maximum: 100,000,000	Find a full offering of raw materials that are “green” to reduce our Scope 3 CO2 footprint which is roughly 80-90% of our total emissions. Raw materials purchases are 97% of our Scope 3 emissions. We work together with our Supply Chain teams and their influence to acquire more green metals options.	50,000,000

Description of the risk/opportunity	Classification (physical, regulatory or other)	Impact	Financial Implications before actions (Potential financial impact figures - USD)	Methods to manage	Cost of response to risk (USD)
<b>Opportunity 1:</b> Resource efficiency	Operational efficiency	Climate: Use of more efficient production and distribution processes Financial: reduce indirect (operating) costs	Minimum: 10,000,000 Maximum: 15,000,000	Reduce the volume of energy consumption by efficiency energy projects and transform the remaining energy in green certified energy, to reduce the dependance on CO2 taxes.	10,000,000
<b>Opportunity 2:</b> Energy source	Operational efficiency	Climate: Use of lower-emission sources of energy Financial: Increased revenues resulting from increased demand for products and services	Minimum: 20,000,000 Maximum: 45,000,000	Migrate from higher emission factor natural gas to biogas or use of electricity instead of gas-based activities. Acquisition of energy efficient equipment globally. Acquiring PPA, GOO, I-RECs, as well as onsite renewable.	30,000,000
<b>Opportunity 3:</b> Resilience (the possibility to produce volumes of products in other facilities in addition to the one which typically provides our customers with the products in case of flooding, typhoons or tornadoes.)	Physical	Climate: Resource substitutes/ diversification Financial impact: Reduced indirect (operating) costs	Minimum: 20,000,000 Maximum: 50,000,000	Further identify opportunities where tooling or other equipment and processes could be modified in operating facilities to allow for a volume transfer from the plant which is impacted (due to flooding or other weather emergency)	25,000,000
<b>Opportunity 4:</b> Markets (global capacity with reduced costs for acquisition of green steel and aluminum)	Markets	Climate: Access to new markets Financial: Reduced direct costs	Minimum: 60,000,000 Maximum: 100,000,000	Engage raw material suppliers to reduce CO2 footprint and find supply chain members who can potentially replace traditional suppliers.	60,000,000

## Materials used by weight or volume | GRI 301-1

Non-renewable materials (metric tons)	2023
Steel	905,746.9
Aluminum	154,387.2
<b>TOTAL</b>	<b>1,060,134.1</b>

## Energy consumption within the organization (GJ)<sup>1</sup> | GRI 302-1 | SASB TR-AP-130a.1

Fuel consumption from non-renewable sources <sup>2</sup>	2021	2022	2023
Natural Gas	3,483,869	3,403,503	3,472,806
<b>TOTAL (NON-RENEWABLE)</b>	<b>3,483,869</b>	<b>3,403,503</b>	<b>3,472,806</b>

Electricity consumption (supplied from grid)	2021	2022	2023
Electricity (non-renewable)	2,028,193	1,467,484	987,375
Electricity (renewable) <sup>3</sup>	291,084	860,969	1,443,964
Total grid electricity	2,319,277	2,328,453	2,431,339
Total energy consumed	5,803,146	5,731,956	5,904,145
Renewable electricity / Total electricity (%)	12.6%	37.0%	59.4%
Grid electricity / Total energy (%)	40.0%	40.6%	41.2%
<b>TOTAL RENEWABLE ENERGY/ TOTAL ENERGY (%)</b>	<b>5.0%</b>	<b>15.0%</b>	<b>24.5%</b>

1. Energy consumption was calculated with software support.

2. Fuels used in forklifts, generators, and similar equipment were excluded due to their negligible consumption compared to natural gas.

3. Information compiled based on energy certified through I-REC, Guarantee of Origin or Power Purchase Agreements.

## Energy intensity | GRI 302-3

### Energy intensity ratio within the organization (GJ/kg produced)

	2021	2022	2023
Scope 1 intensity - Natural gas	0.00333	0.00316	0.00326
Non-renewable energy intensity (natural gas plus non-renewable electricity) <sup>1</sup>	0.00528	0.00452	0.00419
Renewable energy intensity (renewable electricity)	0.00028	0.00080	0.00136
<b>TOTAL SCOPE 2 INTENSITY (TOTAL ELECTRICITY)</b>	<b>0.00222</b>	<b>0.00216</b>	<b>0.00229</b>
<b>TOTAL SCOPE 1 AND SCOPE 2 INTENSITY (TOTAL ENERGY CONSUMPTION)</b>	<b>0.00555</b>	<b>0.00532</b>	<b>0.00555</b>

1. Data from 2021 and 2022 has been restated, including both Scope 1 and Scope 2 non-renewable energy | GRI 2-4.

Direct (Scope 1) GHG emissions | [GRI 305-1](#)

Energy indirect (Scope 2) GHG emissions | [GRI 305-2](#)

**Scope 1 - Direct GHG emissions (tCO<sub>2</sub>e)<sup>1,3</sup>**

		2019 (base year)	2020	2021	2022	2023
<b>Americas</b>	<b>Maxion Wheels</b>	55,289.4	40,058.4	52,978.5	47,896.0	51,062.2
	<b>Maxion Structural Components</b>	28,344.7	20,359.4	27,195.9	28,362.2	25,331.5
<b>EMEA</b>	<b>Maxion Wheels</b>	84,442.0	68,597.1	72,507.9	72,870.6	77,342.2
<b>Asia</b>	<b>Maxion Wheels</b>	18,390.8	16,286.6	22,390.5	21,905.5	20,780.9
<b>TOTAL SCOPE 1 EMISSIONS (STATIONARY COMBUSTION: NATURAL GAS)</b>		<b>186,466.9</b>	<b>145,301.6</b>	<b>175,072.8</b>	<b>171,034.2</b>	<b>174,516.8</b>

**Scope 2- Indirect GHG emissions (tCO<sub>2</sub>e)<sup>1,3</sup>**

		2019 (base year)	2020	2021	2022	2023
<b>Americas</b>	<b>Maxion Wheels</b>	63,315.9	59,103.0	50,005.5	37,784.0	38,852.8
	<b>Maxion Structural Components</b>	19,982.7	15,650.6	18,619.7	13,751.0	13,977.4
<b>EMEA</b>	<b>Maxion Wheels</b>	144,034.2	119,442.5	110,567.6	115,897.9	133,323.9
<b>Asia</b>	<b>Maxion Wheels</b>	37,384.7	34,038.0	49,760.2	52,047.9	56,002.0
<b>TOTAL LOCATION-BASED SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)</b>		<b>264,717.5</b>	<b>228,234.1</b>	<b>228,953.0</b>	<b>219,480.8</b>	<b>242,156.1</b>
<b>Americas</b>	<b>Maxion Wheels</b>	63,315.9	59,103.0	50,005.5	34,162.6	30,283.5
	<b>Maxion Structural Components</b>	19,982.7	15,650.6	15,696.5	7,052.9	3,531.4
<b>EMEA</b>	<b>Maxion Wheels</b>	144,034.2	119,442.5	97,256.6	76,803.7	55,037.2
<b>Asia</b>	<b>Maxion Wheels</b>	37,384.7	34,038.0	49,760.2	48,596.0	25,747.5
<b>TOTAL MARKET-BASED SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)</b>		<b>264,717.5</b>	<b>228,234.1</b>	<b>212,718.8</b>	<b>166,615.2</b>	<b>114,599.3</b>

1. The calculation of Scope 1 emissions follows the 2019 guidance from the United States Environmental Protection Agency (US EPA). Emissions from fuels used in forklifts, generators, and similar equipment, along with fugitive emissions, were excluded due to their negligible consumption compared to natural gas.

2. For Scope 2, location-based emission factors are applied based on country-specific factors. Market-based emission factors are utilized for manufacturing facilities where available, incorporating attributes such as certificates (IRECs, Guarantees of Origin), direct contracts, or supplier-specific emission rates.

3. Conversions for Scope 1 and 2 emissions were facilitated by a software tool using a consolidation approach based on operational control, considering CO<sub>2</sub> emissions. The data is verified by third parties for both intensity and absolute emissions.

## Other indirect (Scope 3) GHG emissions | GRI 305-3

### Other indirect (Scope 3<sup>1</sup>) GHG emissions (tCO<sub>2</sub>e)

	2021	2022	2023
1. Purchased goods & services	2,130,607.8	3,420,168.4	3,570,274.4
4. Transportation and distribution (upstream)	10,186.0	9,141.0	3,421.1
5. Waste generated in operations	8,971.0	1,617.0	1,484.5
6. Business travel	536.0	600.0	630.0
7. Employee commuting	3,010.0	9,257.0	9,386.0
9. Transportation and distribution (downstream)	57,818.0	55,361.0	14,557.5
<b>GRAND TOTAL BY YEAR- SCOPE 3</b>	<b>2,211,128.8</b>	<b>3,496,144.4</b>	<b>3,559,753.3</b>

1. Conversions were facilitated by a software tool using a consolidation approach based on operational control, considering CO<sub>2</sub> emissions. Baseline (2019): 4,289,179 tCO<sub>2</sub>e (does not include data from Maxion Structural Components). From 2019 to 2023, Maxion Structural Components data was not included, except for the purchased goods and services values only consider Steel and Aluminum category (which is why the presented data for 2021 and 2022 were updated GRI 2-4). One plant was not considered in the calculation of waste generated in operations. We are currently working on reviewing methodologies and refining our Scope 3 inventory.

## GHG emissions intensity | GRI 305-4

### Emissions intensity considering Scope 1 and Scope 2 (market-based) emissions

	2019	2020	2021	2022	2023
Emissions intensity (tCO <sub>2</sub> e/kg produced)	0.000390	0.000398	0.000371	0.000313	0.000272

## Water withdrawal | GRI 303-3 | Water discharge | GRI 303-4 | Water consumption | GRI 303-5

Water withdrawal <sup>1</sup> , by source (ML)	2023	
	Areas without water stress	Areas with water stress
Surface (freshwater)	259.7	61.1
Groundwater (freshwater)	103.6	488.8
Third-party (freshwater)	345.4	1,120.1
Total water withdrawal	708.8	1,670.0
<b>GRAND TOTAL</b>	<b>2,378.7</b>	



Water discharge <sup>1</sup> , by destination (ML)	2023	
	Areas without water stress	Areas with water stress
Surface water (total)	172.3	0
Groundwater (total)	0	81.0
Third-party water (total)	212.9	1,048.1
Total water discharge (freshwater)	385.2	1,129.1
<b>GRAND TOTAL</b>		<b>1,514.3</b>

Water consumption <sup>1</sup> (ML)	2023	
	Areas without water stress	Areas with water stress
Total water consumption	323.6	540.9
<b>GRAND TOTAL</b>		<b>864.5</b>

1. Data is monthly collected and monitored through software.

Water withdrawal, discharge and consumption (ML)	2021	2022	2023
Total water withdrawal (ML)	2,169.6	2,386.4	2,378.7
Total water discharge (ML)	1,272.5	1,485.0	1,514.30
Total water consumption (ML)	897.1	901.4	864.5

Waste generated | **GRI 306-3** | Waste diverted from disposal | **GRI 306-4** | Waste directed to disposal | **GRI 306-5** | Total amount of waste from manufacturing, percentage hazardous, percentage recycled | **SASB TR-AP-150a.1**.

<b>Waste generated (metric tons)<sup>1</sup></b>	
	<b>2023</b>
Total non-hazardous waste	20,584.1
Total hazardous waste	7,714.4
Grand total waste generated	28,298.5
<b>Waste diverted from disposal (metric tons)<sup>1</sup></b>	
	<b>2023</b>
Total non-hazardous waste (offsite recycling)	13,407.1
Total hazardous waste (offsite recycling)	219.0
Grand total waste diverted from disposal (offsite recycling)	13,626.1
<b>Waste directed to disposal (metric tons)<sup>1,2</sup></b>	
	<b>2023</b>
	<b>Offsite</b>
Incineration (with energy recovery)	641.8
Incineration (without energy recovery)	12.8
Landfilling	6,160.8
Other disposal operations	361.6
<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>7,177.0</b>
Incineration (with energy recovery)	7,277.8
Incineration (without energy recovery)	0.1
Landfilling	176.6
Other disposal operations	40.8
<b>TOTAL HAZARDOUS WASTE</b>	<b>7,495.3</b>
<b>GRAND TOTAL WASTE DIRECTED TO DISPOSAL</b>	<b>14,672.3</b>
Hazardous waste in relation to total waste generated (%)	27.3%
Recycled waste in relation to total waste generated (%)	48.2%
Incinerated waste (with and without energy recovery) in relation to total waste generated %	28.0%

1. We are currently refining our corporate waste inventory, which is why data breakdown by composition is not available, and one plant was excluded from the non-hazardous waste data.

2. For Maxion Wheels plant, no data on hazardous waste disposal was collected. Assumptions based on Maxion Structural Components hazardous waste practices have been applied.

# INDICATORS: PEOPLE

Employees | [GRI 2-7](#)

Number of employees by type of contract, gender and region <sup>1</sup>		2021					2022					2023				
		Fixed Term		Permanent		Total	Fixed Term		Permanent		Total	Fixed Term		Permanent		Total
		Female	Male	Female	Male		Female	Male	Female	Male		Female	Male			
<b>Ioche-Maxion Corporate</b>	<b>Americas</b>	0	0	80	68	148	0	0	67	67	134	0	0	68	65	133
	<b>EMEA</b>	0	0	0	0	0	0	1	6	3	10	0	1	6	4	11
<b>Maxion Structural Components</b>	<b>Americas</b>	0	0	474	6,552	7,026	5	46	603	6,965	7,619	1	2	677	7,289	7,969
<b>Maxion Wheels</b>	<b>Americas</b>	0	1	261	4,011	4,273	1	7	275	3,957	4,240	0	4	300	4,167	4,471
	<b>EMEA</b>	9	95	247	3,329	3,680	10	123	247	3,385	3,765	11	177	279	3,456	3,923
	<b>Asia</b>	5	76	56	1,078	1,215	4	50	68	1,094	1,216	7	56	67	1,125	1,255
<b>TOTAL</b>		<b>14</b>	<b>172</b>	<b>1,118</b>	<b>15,038</b>	<b>16,342</b>	<b>20</b>	<b>227</b>	<b>1,266</b>	<b>15,471</b>	<b>16,984</b>	<b>19</b>	<b>240</b>	<b>1,397</b>	<b>16,106</b>	<b>17,762</b>
		<b>186</b>		<b>16,156</b>			<b>247</b>		<b>16,737</b>			<b>259</b>		<b>17,503</b>		

The report refers to the end of the reporting period (headcount as of December 31st, 2023). Data covers those who have a direct employment contract with the Company. Apprentices and Interns are being reported in GRI 2-8. As of 2023, employees on leave of absence began to be included in the report, which is why there were some fluctuations in the number of employees in some categories | [GRI 2-4](#).

## Workers who are not employees | GRI 2-8

Number of workers who are not employees	2021	2022	2023
Interns, Co-ops, Students	199	200	197
Apprentices	183	250	199
Contractor / Leased / Agency Personnel / External Service Operational	860	1047	1383
<b>TOTAL</b>	<b>1,242</b>	<b>1,497</b>	<b>1,779</b>

The report refers to the end of the reporting period (headcount as of December 31st, 2023). The most common types of workers are contractors and social programs (Apprentices and Interns that are linked to educational organizations). Contractors are hired by the organization to perform and/or assigned to a facility to complete a work project or assist with daily workload. Apprentices are students on premises for technical training, generally as part of a vocational training cooperative agreement with the government or another agency. Fluctuations refer to regular turnover.

## Annual total compensation ratio | GRI 2-21

	2021	2022	2023
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	58.01	58.90	58.64
Percentage increase in annual total compensation for the organization's highest-paid individual	4.8%	12.0%	6.0%
Percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	1.0%	9.3%	6.2%
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	4.80	1.29	0.97

Data compiled in alignment with the CVM Reference Form Report. The highest individual remuneration considers the highest remuneration paid to the member of the Executive Board and the median considers employees in Brazil, disregarding the highest individual remuneration. Data only includes employees from Brazil, because that is where the Executive Directors are located, in addition to concentrating more than 40% of employees. In other countries where we operate, lower-paid employees earn at least the local minimum wage.

## Work-related injuries | GRI 403-9

In Maxon-Wheels, the main types of work-related injuries consist of manual handling injuries, during normal operations. During out of ordinary or “non-routine” tasks, they can be related to changeover or troubleshooting machine problems. In Maxon Structural Components, the most common cases may include blunt or cutting injuries. In addition to training and awareness campaigns, engineering controls are implemented to mitigate and eliminate potential work-related hazards.

### Work-related injuries<sup>1</sup> | GRI 403-9

Employees	2021	2022	2023
Number of fatalities as a result of work-related injury	0	0	0
Rate <sup>1</sup> of fatalities as a result of work-related injury	0.00	0.00	0.00
Number of high-consequence work-related injuries (excluding fatalities)	9	5	13
Rate <sup>1</sup> of high-consequence work-related injuries (excluding fatalities)	0.05	0.03	0.07
Number of recordable work-related injuries	478	412 <sup>2</sup>	426
Rate <sup>1</sup> of recordable work-related injuries	2.54	2.09 <sup>2</sup>	2.15
<b>TOTAL NUMBER OF HOURS WORKED</b>	<b>37,586,459</b>	<b>39,411,941</b>	<b>39,608,659</b>
<b>Other workers<sup>3</sup></b>			
Number of fatalities as a result of work-related injury	0	1	0
Rate <sup>1</sup> of fatalities as a result of work-related injury	0.00	0.05	0.00
Number of high-consequence work-related injuries (excluding fatalities)	0	5	0
Rate <sup>1</sup> of high-consequence work-related injuries (excluding fatalities)	0.00	0.26	0.00
Number of recordable work-related injuries	24	35	26
Rate <sup>1</sup> of recordable work-related injuries	2.24	1.84	1.12
<b>TOTAL NUMBER OF HOURS WORKED</b>	<b>2,141,228</b>	<b>3,805,612</b>	<b>4,635,477</b>

1. Rates have been calculated based on 200,000 hours worked.

2. Numbers were updated when compared to 2022 Sustainability Report (GRI 2-4).

3. Refers to Maxon Structural Components and Maxon Wheels employees we directly supervise.

## Diversity of governance bodies and employees | GRI 405-1

Diversity of governance bodies, by gender (%)	2021		2022		2023	
	Men		Men	Women	Men	
Board of Directors	100.0%		100.0%	11.1%	88.9%	
Strategy and Innovation Committee	100.0%		100.0%	0.0%	100.0%	
Finance Committee	100.0%		100.0%	33.3%	66.7%	
Compensation and Nomination Committee	100.0%		100.0%	0.0%	100.0%	
Statutory Audit Committee	100.0%		100.0%	0.0%	100.0%	
Board of Executive Officers	100.0%		100.0%	25.0%	75.0%	

Diversity of governance bodies, by age group (%)	2021		2022		2023	
	30-50 years old	>50 years old	30-50 years old	>50 years old	30-50 years old	>50 years old
Board of Directors	22.2%	77.8%	22.2%	77.8%	22.2%	77.8%
Strategy and Innovation Committee	33.3%	66.7%	33.3%	66.7%	33.3%	66.7%
Finance Committee	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
Compensation and Nomination Committee	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
Statutory Audit Committee	33.3%	66.7%	33.3%	66.7%	33.3%	66.7%
Board of Executive Officers	33.3%	66.7%	33.3%	66.7%	50.0%	50.0%

1. In the last 3 years, there were no members of governance bodies under 30 years old.

Diversity of employees, by employee category and gender (%)		2021		2022		2023	
		Women	Men	Women	Men	Women	Men
Leadership positions	President, Vice-Presidents, Directors and Plant Managers	12.1%	87.9%	11.0%	89.0%	13.4%	86.6%
	Managers and Regional Managers	16.6%	83.4%	18.0%	82.0%	18.1%	81.9%
	Supervisors	12.3%	87.7%	15.8%	84.2%	16.5%	83.5%
Operational, administrative and Technical positions	Administrative and Technical (White collar <sup>1</sup> )	21.3%	78.7%	33.9%	66.1%	33.5%	66.5%
	Operational Direct and Indirect (Blue Collar <sup>2</sup> )	3.5%	96.5%	3.7%	96.3%	4.2%	95.8%
<b>TOTAL</b>		<b>6.9%</b>	<b>93.1%</b>	<b>7.6%</b>	<b>92.4%</b>	<b>8.0%</b>	<b>92.0%</b>

1. White collar" is an employee who performs supervisory, administrative, management or technical functions.

2. Blue Collar" is an employee who performs direct or indirect work on the shop floor.

Diversity of employees, by employee category and age group (%)		2022				2023	
		30-50 years old	>50 years old	30-50 years old	>50 years old	30-50 years old	>50 years old
Leadership position	President, Vice-Presidents, Directors and Plant Managers	0.0%	44.0%	56.0%	0.0%	47.4%	52.6%
	Managers and Regional Managers	0.0%	77.9%	22.1%	0.0%	77.3%	22.7%
	Supervisors	2.3%	78.3%	19.4%	3.0%	76.0%	21.0%
Operational, administrative and technical positions	Administrative and Technical (White collar) <sup>1</sup>	21.9%	65.5%	12.6%	21.8%	65.4%	12.8%
	Operational Direct and Indirect (Blue Collar) <sup>2</sup>	26.2%	63.3%	10.6%	26.0%	62.2%	11.9%
<b>TOTAL</b>		<b>24.3%</b>	<b>64.2%</b>	<b>11.6%</b>	<b>24.2%</b>	<b>63.2%</b>	<b>12.7%</b>

1. White collar" is an employee who performs supervisory, administrative, management or technical functions.

2. Blue Collar" is an employee who performs direct or indirect work on the shop floor.

# INDICATORS: GOVERNANCE

Governance Structure and Composition | GRI 2-9 | 2-10

## Board of Directors

Name	Position held	Gender	Independent Member	Other significant positions held in the Company	Main Competencies
Dan Ioschpe	Chairman of the Board of Directors	Male	No	-	Industry and Administration Expert
Nildemar Secches	Vice-Chairman of the Board of Directors	Male	Yes	Member of the Finance Committee and of the Nomination and Compensation Committee	Industry and Administration Expert
Alexandre Gonçalves Silva	Full member of the Board of Directors	Male	Yes	Member of the Strategy and Innovation Committee and of the Nomination and Compensation Committee	Industry and Administration Expert
Deborah Stern Vieitas	Full member of the Board of Directors	Female	Yes	Member of the Finance Committee	Financial and Administration Expert
Gustavo Berg Ioschpe	Full member of the Board of Directors	Male	No	Coordinator of the Strategy and Innovation Committee	Administration and Artificial Intelligence Expert
Henrique Bredda	Full member of the Board of Directors	Male	Yes	Member of the Audit Committee	Financial and Administration Expert
Iboty Brochmann Ioschpe	Full member of the Board of Directors	Male	No	-	Administration Expert
Mauro Litwin Ioschpe	Full member of the Board of Directors	Male	No	-	Administration Expert
Sergio Luiz Silva Schwartz	Full member of the Board of Directors	Male	Yes	Coordinator of the Finance Committee and of the Nomination and Compensation Committee	Financial and Administration Expert

All members were elected on 04/28/2023 and have a term of office of 2 years (with the possibility of re-election).



### Statutory Audit Committee

Name	Position held	Gender	Independent Member	Other significant positions held in the Company	Main Competencies
Edward Ruiz	Coordinator of the Audit Committee	Male	Yes	-	Audit and Administration Expert
Edmilson Baraldi	Member of the Audit Committee	Male	Yes	-	Financial and Internal Audit Expert
Henrique Bredda	Member of the Audit Committee	Male	Yes	Full member of the Board of Directors	Financial and Administration Expert

Edward Ruiz and Edmilson Baraldi were elected on 05/31/2017 and their term of office ends in 2027. Henrique Bredda was elected on 04/28/2021 and his term of office ends in 2031.

### Finance Committee

Name	Position held	Gender	Independent Member	Other significant positions held in the Company	Main Competencies
Nildemar Secches	Member of the Finance Committee	Male	Yes	Vice-Chairman of the Board of Directors and member of the Nomination and Compensation Committee	Industry and Administration Expert
Deborah Stern Vieitas	Member of the Finance Committee	Female	Yes	Full member of the Board of Directors	Financial and Administration Expert
Sergio Luiz Silva Schwartz	Coordinator of the Finance Committee	Male	Yes	Full member of the Board of Directors and coordinator of the Nomination and Compensation Committee	Financial and Administration Expert

All members were elected on 05/31/2023 and have a term of office of 2 years (with the possibility of re-election).

### Nomination and Compensation Committee

Name	Position held	Gender	Independent Member	Other significant positions held in the Company	Main Competencies
Nildemar Secches	Member of the Nomination and Compensation Committee	Male	Yes	Vice-Chairman of the Board of Directors and member of the Finance Committee	Industry and Administration Expert
Alexandre Gonçalves Silva	Member of the Nomination and Compensation Committee	Male	Yes	Full member of the Board of Directors and of the Strategy and Innovation Committee	Industry and Administration Expert
Sergio Luiz Silva Schwartz	Coordinator of the Nomination and Compensation Committee	Male	Yes	Full member of the Board of Directors and coordinator of the Finance Committee	Financial and Administration Expert

All members were elected on 05/31/2023 and have a term of office of 2 years (with the possibility of re-election).

### Strategy and Innovation Committee

Name	Position held	Gender	Independent Member	Other significant positions held in the Company	Main Competencies
Gustavo Berg Ioschpe	Coordinator of the Strategy and Innovation Committee	Male	No	Full member of the Board of Directors	Administration and Artificial Intelligence Expert
Alexandre Gonçalves Silva	Member of the Strategy and Innovation Committee	Male	Yes	Full member of the Board of Directors and of the Nomination and Compensation Committee	Industry and Administration Expert
Jaime Ardila	Member of the Strategy and Innovation Committee	Male	Yes	-	Financial and Administration Expert

All members were elected on 05/31/2023 and have a term of office of 2 years (with the possibility of re-election).

## Executive Board

Name	Position held	Gender	Election date	Other significant positions held in the Company	Main Competencies
Marcos S. de Oliveira	Chief Executive Officer	Male	05/02/2023	Investor Relations Officer, coordinator of the Info Disclosure and Securities Trading Committee and member of the Ethics Committee	Industry and Administration Expert
Renato Jorge Salum	Chief Financial Officer	Male	07/06/2023	Member of the Risk Management Committee and of the Info Disclosure and Securities Trading Committee-	Financial and Administration Expert
Flávia Senna Handel	Executive Officer	Female	05/02/2023	Member of the Ethics Committee and of the Data Privacy Committee	Law Expert
Paulo Marcio Almada dos Santos	Executive Officer	Male	05/02/2023	Member of the Ethics Committee	HR and Industry Expert

The Term of Office lasts until the first meeting of the Board of Directors after the AGM of 2025.

## Direct economic value generated and distributed **GRI 201-1**

### Direct economic value generated and distributed (in thousands of R\$ - Brazilian reais)

	2021	2022	2023
<b>Direct economic value generated</b>			
Net Revenues	13,688,367	16,947,869	14,955,220
Other Revenues	364,446	232,102	270,102
Total Revenues	14,054,834	17,181,993	15,227,345
<b>Economic value distributed</b>			
Operating costs	10,246,524	13,347,012	11,481,401
Employee wages and benefits	2,478,549	2,534,804	2,723,153
Payments to providers of capital	165,641	235,533	158,180
Payments to government	205,619	254,735	73,857
Community investments	3,565	2,923	3,121
<b>TOTAL</b>	<b>13,099,898.00</b>	<b>16,375,007.00</b>	<b>14,439,712.00</b>
Direct economic value generated	4,540,664	5,139,067	4,621,657
Economic value distributed	4,114,660	4,840,118	4,528,899
<b>Economic value retained</b>	<b>426,004</b>	<b>298,949</b>	<b>92,758</b>

## Communication and training about anti-corruption policies and procedures **GRI 205-2**

### Members of the governance body who were communicated and trained, by group and region

		2023		
			Communicated	Trained
<b>America (Brazil)</b>	<b>Board of Executive Officers</b>	Number	4	4
		%	100.0%	100.0%

## Employees who were communicated and trained, by region

			2023	
			Communicated	Trained
Iochpe-Maxion Corporate	Americas	Number	133	128
		%	100.0%	96.2%
	EMEA	Number	11	11
		%	100.0%	100.0%
Maxion Structural Components	Americas	Number	958	925
		%	12.0%	11.6%
Maxion Wheels	Americas	Number	661	653
		%	14.8%	14.6%
	EMEA	Number	754	732
		%	19.2%	18.7%
	Asia	Number	270	267
		%	21.5%	21.3%

## Employees who were communicated and trained, by employee category

			2023	
			Communicated	Trained
Leadership positions	President, Vice-Presidents, Directors and Plant Managers	Number	97	92
		%	100.0%	94.8%
	Managers and Regional Managers	Number	370	365
		%	100.0%	98.6%
	Supervisors	Number	534	519
		%	100.0%	97.2%
Operational, administrative and Technical positions	Administrative and Technical (White collar <sup>1</sup> )	Number	1,834	1,810
		%	100.0%	98.7%
	Operational Direct and Indirect (Blue Collar <sup>2</sup> )	Number	0	0
		%	0.0%	0.0%

1. "White collar" is an employee who performs supervisory, administrative, management or technical functions.

2. "Blue Collar" is an employee who performs direct or indirect work on the shop floor.

**Business partners who were communicated, by region**

**2023**

		<b>Communicated</b>
<b>Americas (Suppliers)</b>	<b>Number</b>	14,559

**Substantiated complaints concerning breaches of customer privacy and losses of customer data | GRI 418-1**

lochpe-Maxion is a B2B Company and does not collect or process end customer personal data. Regarding the B2B relationship, the volume of personal data is not significant. The privacy risk considers the collection and processing of employees' data (HR data). No employee personal data complaint or request was filed in the period.

There was also no personal data breach or critical security incident identified in 2023, and no record of leaks, thefts, or losses of customer data. lochpe-Maxion proactively reported the 2022 security incident to the clients and regulatory agencies. The only notification and fine issued was from a Turkey regulator.

<b>Substantiated complaints received concerning breaches of customer privacy</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of complaints received from outside parties and substantiated by the organization	0	0	0
Number of complaints from regulatory bodies	0	1	0
<b>TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS</b>	<b>0</b>	<b>1</b>	<b>0</b>

# OTHER INDICATORS

Certifications by type, region and plant

Region	Plant name	ISO 14001	ISO 45001	IATF-16949	ISO 50001	Research & Development / Net Sales (%)
America	Chihuahua, Mexico	✓	✗	✓	✗	2022 1.16%
	Contagem, Brazil	✓	✓	✓	✗	2023 1.24%
	Cruzeiro MSC, Brazil	✓	✓	✓	✗	
	Cruzeiro Wheels, Brazil	✓	✓	✓	✗	
	Inmagusa, Mexico	✓	✗	✓	✗	
	Limeira, Brazil	✓	✓	✓	✗	
	Limeira Steel, Brazil	✓	✓	✓	✗	
	San Luis Potosí, Mexico	✓	✓	✓	✗	
	Santo André, Brazil	✓	✗	✓	✗	
	Sedalia, USA	✓	✗	✓	✗	
EMEA	Czech Aluminum, Czech Republic	✓	✓	✓	✗	
	Czech Steel, Czech Republic	✓	✓	✓	✗	
	Dello, Italy	✓	✓	✓	✗	
	Inci, Turkey	✓	✓	✓	✓	
	Jantas, Turkey	✓	✓	✓	✓	
	Jaws, Turkey	✓	✓	✓	✓	
	Johannesburg, South Africa	✓	✓	✓	✗	
	Konigswinter, Germany	✓	✓	✓	✓	
	Manresa, Spain	✓	✓	✓	✓	
Asia	Nantong, China	✓	✓	✓	✗	
	Pune (Aluminum), India	✓	✗	✓	✗	
	Pune (Pass Car), India	✓	✓	✓	✗	
	Pune (Truck), India	✓	✓	✓	✗	
	Saraburi, Thailand	✓	✓	✓	✗	

# GRI CONTENT INDEX

**Statement of use:** lochpe-Maxion has reported with reference to the GRI Standards for the period from 01/01/2023 to 12/31/2023.

**GRI Sector Standard(s):** Not applicable.

GRI standard	Disclosure topic	Location/comment/ommission	Global Compact	SGD
<b>General disclosures</b>				
	2-1 Organizational details	Pages 5, 6 and 59.		
	2-2 Entities included in the organization's sustainability reporting	Pages 6 and 59.		
	2-3 Reporting period, frequency and contact point	Page 46.		
	2-4 Restatements of information	Pages 59, 62, 64, 67 and 69. Specific restatements of data were referenced in the legends of GRI 2-7, GRI 302-3, GRI 403-9 and GRI 305-3 indicators.		
	2-5 External assurance	Page 59.		
<b>Activities and workers</b>				
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	As described on pages 6 and 32. No significant changes occurred compared to the previous reporting period.	2, 8, 9, 10	8, 9, 12, 16
	2-7 Employees	Pages 35 and 67.	6	8, 10
	2-8 Workers who are not employees	Page 68.	6	8, 10
	<b>Governance</b>			
	2-9 Governance structure and composition	Pages 48-51 and 72-75. Further details about other diversity markers can be found in the <b>Reference Form</b> , item 7.1 d.	10	16
	2-10 Nomination and selection of the highest governance body	Pages 49 and 72.	10	16
	2-11 Chair of the highest governance body	Page 49.	10	16
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 9 and 11.		



GRI standard	Disclosure topic	Location/comment/ommission	Global Compact	SGD
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Page 50.		
	2-14 Role of the highest governance body in sustainability reporting	Pages 11 and 59.		
	2-15 Conflicts of interest	Any employee, director, officer or governance agent in a situation of possible conflict of interest, or any person who has knowledge of this situation, should immediately express it and avoid influencing or taking part in any decision related to the situation in question. There is no provision for disclosing potential conflicts of interest to stakeholders. For more details on this topic, please visit the <b>Code of Conduct</b> and the <b>Policy of Transactions with Related Parties and Other Situations of Conflict of Interest</b> . See pages 54-56 for the governance process description.	10	16
	2-16 Communication of critical concerns	Pages 54 and 55.		
	2-17 Collective knowledge of the highest governance body	The academic background, expertise, and experience of the members of the highest governance bodies are detailed on our <b>website</b> . We consider that the knowledge of Directors, committee members and executive officers is transversal, and covers ESG aspects. Knowledge in terms of sustainable development is constantly improved, both individually, through the ongoing personal training of each member, and during strategic planning meetings and debates, in which benchmarks and the opinion of external consultants are presented.		
	2-18 Evaluation of the performance of the highest governance body	Pages 49 and 51.	10	16
	2-19 Remuneration policies	Pages 15 and 51.	10	16
	2-20 Process to determine remuneration	Page 51.	10	16
	2-21 Annual total compensation ratio	Page 68.		8
	<b>Strategy, policies, and practices</b>			
2-22 Statement on sustainable development strategy	Page 3.			
2-23 Policy commitments	Policy commitments are described on pages 52, 54, 55 and 56. The responsibilities, approval levels and scope of the Policies and Code of Conduct are described in each document, the weblinks of which have been made available in these pages.	10	16	

GRI standard	Disclosure topic	Location/comment/ommission	Global Compact	SGD
	2-24 Embedding policy commitments	Pages 50, 54, 55 and 56.	10	16
	2-25 Processes to remediate negative impacts	Pages 52 and 55.		
	2-26 Mechanisms for seeking advice and raising concerns	Page 55.		
	2-27 Compliance with laws and regulations	In 2023, 2 new significant instances of non-compliance with laws and regulations for which fines were incurred were registered and none involving non-monetary sanctions. Both new cases refer to alleged failure to comply with tax provisions in Brazil and in India and are being appealed. No fines were paid in 2023. For 'significant instances', two criteria were applied: fines exceeding R\$ 2,500,000.00 and the nature of the non-compliance, evaluating in this context other factors that could influence investment decisions, such as potential risks to the image of the Company or its subsidiaries.	10	16
<b>GRI 2:</b> General Disclosures 2021	2-28 Membership associations	CLEPA (European Association of Automotive Suppliers)		
		EUWA (European Wheel Manufacturers)		
		ASI (Aluminum Stewardship Initiative)		
		RS (Responsible Steel)		
		ABRASCA (Associação Brasileira das Companhias Abertas) - Brazilian Association of Public Companies		
		SINDIPEÇAS (Sindicato Nacional da Indústria de Componentes para Veículos Automotores) - National Union of the Automotive Components Industry		
		UN Global Compact		
		CANACINTRA (Cámara Nacional de la Industria de Transformación) - National Chamber of Transformation Industry		
<b>Stakeholder engagement</b>				
	2-29 Approach to stakeholder engagement	Page 13.		
	2-30 Collective bargaining agreements	Most of our employees (81,4%) are covered by collective bargaining agreements. For this report, the employees considered as not covered by these agreements are the ones that work in countries where there's no collective bargaining agreement or countries in which most of the employees are not covered by them. In these cases, the general rule is that the Company determines the working conditions and terms of employment based on local legislation and standard market practices.	3	8

GRI Standards	Topic specific disclosure	Location/ comment/ omission	Global Compact	SGD
<b>Material topics</b>				
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	Page 11.		
	3-2 List of material topics	Pages 11 and 12.		
<b>Product quality &amp; innovation</b>				
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Pages 27 and 57.	7, 8, 9	3, 9, 11, 12, 17
<b>Human capital</b>				
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Pages 36, 38, 41 and 43.	1, 2, 3, 4, 6	5, 8
<b>GRI 401:</b> Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>The organization has implemented standard benefits for all permanent employees such as:</p> <ul style="list-style-type: none"> <li>Life insurance</li> <li>Health Care Program</li> <li>Retirement Program</li> </ul> <p>For some plants it is extended other benefits as: Cafeteria, Transportation, Food Cupons, Gym, Wellbeing support</p> <p>Stock Options (Just provided to C-Level)</p> <p>Local Bonus is implemented in accordance with local legislation</p> <p>Parental Leave (Maternity and Paternity) are provided according to local legislation and/or practices.</p> <p>Significant locations of operation are those where there is production.</p>	3, 6	8
<b>GRI 404:</b> Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Programs are described on page 36. The Company also has transition assistance initiatives, such as a Pre-Retirement Program (for Health, Financial Planning, Future, etc.); Severance pays, which can consider years of service; and Outplacement, applicable for executive level.		8

GRI Standards	Topic specific disclosure	Location/ comment/ omission	Global Compact	SGD
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 41 and 42.		8
	403-2 Hazard identification, risk assessment, and incident investigation	Page 41.		8
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 41.		8
	403-5 Worker training on occupational health and safety	Page 41.		8
	403-6 Promotion of worker health	Pages 40 and 41.		8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 41.		8
	403-8 Workers covered by an occupational health and safety management system	Pages 41 and 42.		3, 8
	403-9 Work-related injuries	Pages 41, 42 and 69.		8
	403-10 Work-related ill health	Page 41.		8
	<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 38, 70 and 71.	6

GRI Standards	Topic specific disclosure	Location/ comment/ omission	Global Compact	SGD
<b>Decarbonization &amp; circular economy</b>				
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Pages 14, 15, 24 and 27.	7, 8, 9	6, 7, 8, 9, 11, 12, 13
<b>GRI 201:</b> Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Pages 60 and 61.	7, 8, 9	13
<b>GRI 301:</b> Materials 2016	301-1 Materials used by weight or volume	Page 62.	7, 8, 9	12
<b>GRI 302:</b> Energy 2016	302-1 Energy consumption within the organization	Page 62.	7, 8, 9	7, 12, 13
	302-3 Energy intensity	Page 62.	7, 8, 9	7, 12, 13
	302-4 Reduction of energy consumption	Pages 20 and 21.	7, 8, 9	7, 12, 13
<b>GRI 303:</b> Water and Effluents 2018	303-3: Water withdrawal	Pages 64 and 65.	7, 8, 9	6, 12
	303-4: Water discharge	Pages 64 and 65.	7, 8, 9	6, 12
	303-5: Water consumption	Pages 64 and 65.	7, 8, 9	6, 12
<b>GRI 305:</b> Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 17, 18 and 63.	7, 8, 9	12, 13
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 17 and 63.	7, 8, 9	12, 13
	305-3 Other indirect (Scope 3) GHG emissions	Pages 23 and 64.	7, 8, 9	12, 13
	305-4 GHG emissions intensity	Pages 22 and 64.	7, 8, 9	12,13
	305-5 Reduction of GHG emissions	Pages 20 and 21.	7, 8, 9	12, 13

GRI Standards	Topic specific disclosure	Location/ comment/ omission	Global Compact	SGD
<b>GRI 306:</b> Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 25.	7, 8, 9	12
	306-2 Management of significant waste-related impacts	Page 25.	7, 8, 9	12
	306-3 Waste generated	Page 66.	7, 8, 9	12
	306-4 Waste diverted from disposal	Page 25 and 66.	7, 8, 9	12
	306-5: Waste directed to disposal	Page 25 and 66.	7, 8, 9	12
<b>Social &amp; value chain development</b>				
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Pages 32, 44 and 56.	1, 2, 4, 5	8, 16
<b>GRI 308:</b> Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Page 32.	1, 2, 4, 5	8, 16
<b>GRI 414:</b> Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Page 32.	1, 2, 4, 5	8, 16
<b>GRI 408:</b> Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 32.	1, 2, 4, 5	8, 16
<b>GRI 409:</b> Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 32.	1, 2, 4, 5	8, 16

GRI Standards	Topic specific disclosure	Location/ comment/ omission	Global Compact	SGD
<b>Corporate governance &amp; business integrity</b>				
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Page 46.	10	12, 16, 17
<b>GRI 205:</b> Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	In 2023, 42.4% of the plants (14 out of 33) were assessed through a questionnaire applied during the internal audit performed, and no risks related to corruption were identified.	10	16
	205-2 Communication and training about anti-corruption policies and procedures	Pages 76-78.	10	16
	205-3 Confirmed incidents of corruption and actions taken	There were no records of incidents linked to corruption, whether involving employees or business partners.	10	16
<b>GRI 418:</b> Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 78.	10	16
<b>GRI 201:</b> Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 76.	10	16

# SASB CONTENT INDEX

## Industry Standard: Transportation (Auto Parts)

SASB topic	Code	Accounting Metrics	Comment/location	Global Compact	SGD
<b>Product quality &amp; innovation</b>					
Design for Fuel Efficiency	TR-AP-410a.1.	Revenue from products designed to increase fuel efficiency or reduce emissions	Maxion Wheels offers light weight variations of wheels that contribute to higher efficiency and/or lower emissions of the final vehicle, but do not fall within the scope of the indicator as described in its guidelines. We currently consider both RRT (aluminum) and Flow Forming (steel), which offer a lightweight version of traditional aluminum and steel wheels	7, 8, 9	7, 12, 13
Product Safety	TR-AP-250a.1	Number of vehicles recalled	In 2023, there was 1 voluntary Safety Campaign with 1,302 suspect wheels affecting 131 trucks. There was no record of involuntary recalls.		
Materials Efficiency	TR-AP-440b.1.	Percentage of products sold that are recyclable	Wheels and Structural Components produced in both aluminum and steel are fully recyclable. 100% of wheels produced can be recycled at the end of life.	7, 8, 9	12
<b>Decarbonization &amp; circular economy</b>					
Energy Management	TR-AP-130a.1.	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Pages 19 and 62.	7, 8, 9	7, 12, 13
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	Page 66.	7, 8, 9	12
<b>Corporate governance &amp; business integrity</b>					
Competitive Behavior	TR-AP-520a.1.	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	There were no records of monetary losses because of legal proceedings associated with anti-competitive behavior regulations.	10	16



# TCFD DISCLOSURE

Governance	Location	Corresponding questions answered in CDP 2024
Board oversight of climate-related risks and opportunities	Page 9.	4.1.1; 4.1.2; 4.2; 4.3
Role of executives in assessing and managing climate risks and opportunities	Page 9 and <b>Reference Form 2024</b> , section 7.1 - Main characteristics of the management bodies and the supervisory board, item f, pages 141, 142.	4.1.2
<b>Strategy</b>		
Risks and opportunities identified in the short, medium and long term	Main risks: page 60 and <b>Reference Form 2024</b> , section 4.1 - Description of risk factors, page 93. Main opportunities: pages 20-21, 27-31 and 61.	3.1.1; 3.1.1.1; 3.6.1; 3.6.1.1
Impact of climate risks and opportunities in business, strategy and financial planning	Page 22. Sustainability-Linked Financing <b>Framework - SLB - Iochpe</b>	3.1; 3.1.1; 3.1.1.1; 3.6.1; 3.6.1.1
Resilience of the company's strategy considering different climate scenarios	Pages 20-21, 27-31 and 61.	5.1; 5.1.1; 5.1.2
<b>Risk management</b>		
Processes used by the organization to identify and assess risks related to climate change	Pages 16, 23 and 52.	2.2.1; 3.1
Processes used by the organization to manage risks related to climate change	Pages 20-23 and 52.	2.2.1
Integration of processes used by the organization to identify, assess, and manage risks related to climate change into the organization's overall risk management	Page 52 and <b>Reference Form 2024</b> , section 5.1 item b (iv), pages 112-113.	2.2.1; 2.2.2; 2.4
<b>Metrics and Goals</b>		
Metrics used by the institution to assess climate risks and opportunities	Pages 17-23 and 62-64.	4.5.1.3
Scope 1, 2 and 3 emissions and the associated risks	Pages 17, 18, 60, 63, 64.	7.5; 7.6; 7.7; 7.8
Targets adopted to manage climate risks and opportunities	Page 15.	7.53.1; 7.53.2

  
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