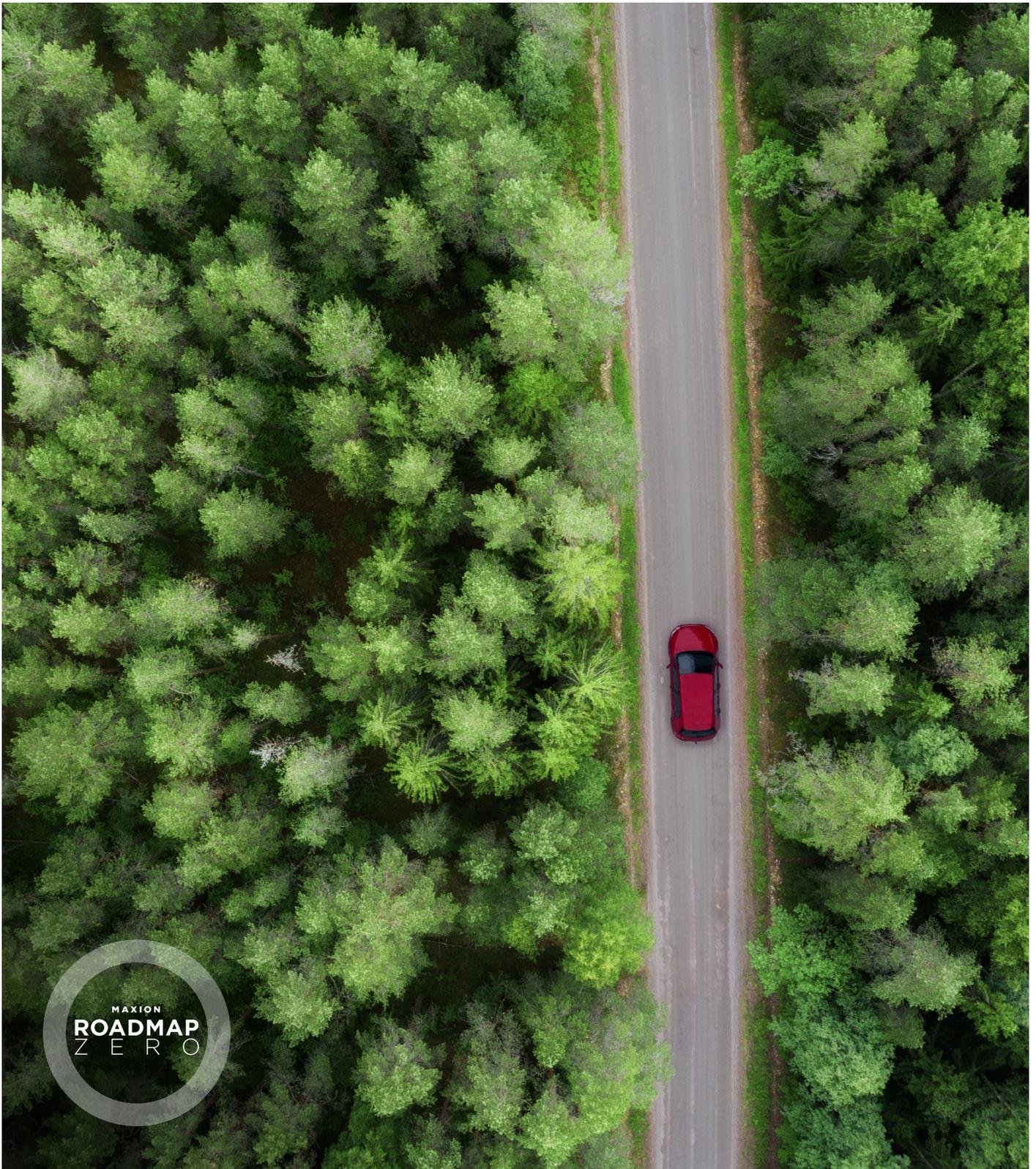


DRIVING A SUSTAINABLE Transformation in Global Mobility



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2022 SUSTAINABILITY REPORT

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MESSAGE FROM THE CEO

GRI 2-22

In 2022, we made great strides in **lochpe-Maxion's vision of shaping the automotive future while growing our business in a sustainable manner with an overall reduction of **19.7%** greenhouse gas emissions when compared to our 2019 baseline.**



Marcos Oliveira
PRESIDENT AND CEO

I attribute our accomplishment to the incredible dedication of our people and their continued commitment to teamwork and innovation to find solutions that drive our mobility business forward in a sustainable way.

It is with this strong support that we aggressively pursue our goal of ROADMAP ZERO – our commitment to become a carbon neutral supplier by 2040. To reach this, we have set both short and long-term goals, with key milestones for our emissions in 2025 and 2030.

This transition plan, until our neutrality, is aligned with the Paris Climate Agreement to limit the global temperature to 1.5°C above pre-industrial levels. ROADMAP ZERO is a whole company strategy, where everyone takes part – from local operators to our senior leadership, with CO2 reduction objectives factored into our employee compensation scheme. By driving emissions reductions in a structured way, we are

also able to further support our customers and suppliers in their carbon reduction journeys with affordable sustainable solutions. In the end, we believe these efforts will improve our competitiveness and drive shareholder value.

Our work in 2022 continued against a backdrop of geopolitical uncertainty, supply chain issues and increasing energy costs – yet this did not sway us from our goal to be a sustainable leader in the automotive sector with major advancements made in procurement and utilization of renewable energy and implementation of several solar generation projects.

We further demonstrated this urgency by joining the United Nations Global Compact and committing to the SBTi Net-Zero Standard. These public pledges also serve to bring greater visibility of sustainability across our organization so that all our people know how they can contribute.

We made equal progress in diversity and inclusion, and expanded our social engagement with the global communities where we operate. We continue to prioritize safety in all that we do, and we ensure that, whatever role any of us have, be that in IT, Operations, Logistics or Human Resources, the responsibilities and impact we can have on the Company's performance is clear.

In our 2022 report we demonstrate how teamwork and innovation underpin our work and how the technical knowledge and engagement of our people are the key ingredients to our success. Our work to reduce waste, improve cycle time, innovate for the future, and eliminate CO2 remains our competitive advantage and drives shareholder value.

We know that achieving our ROADMAP ZERO 2040 goal will take continued effort over a long period of time.

I am confident that with our fervent dedication to society and the environment, **we will navigate the challenges ahead and lead industry in the global transformation of sustainable mobility.**

ABOUT THE COMPANY

From our beginnings in lumbering activities in 1918 in Brazil, Iochpe-Maxion has grown to become a global company, leading, the world's production of automotive wheels and being a leading producer of automotive structural components in the Americas.

Our corporate office is based in São Paulo, Brazil, and we employ more than 17,000 people across our 32 manufacturing plants our corporate office is based in the 14 countries where we manufacture our products. **GRI 2-1**
Our international reach gives us significant opportunity to connect with our global customers to meet their industry requirements as we look for new ways to innovate our products for a sustainable future.



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 of our people

For more information:
<https://www.iochpe.com.br/en/the-company/history-overview/>

Our divisions and products

Iochpe-Maxion conducts its core business operations through two divisions: Maxion Wheels and Maxion Structural Components. At Maxion Wheels, we offer a wide range of steel wheels for light and commercial vehicles and agricultural machinery, and aluminum wheels for light vehicles. At Maxion Structural Components, we produce side rails, cross members, and full frames for commercial vehicles, and other structural components for light and commercial vehicles.



OUR GLOBAL FOOTPRINT

GRI 2-1

Our global network of strategically located operations enables us to connect with our customers and suppliers around the world to deliver high-quality products.

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



Geographic presence



For more information:
 Maxion Wheels: <https://www.maxionwheels.com/>
 Maxion Structural Components: <https://www.maxionsc.com/>

OUR 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 global 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.



Our Commitments

E

ENVIRONMENT

Our commitment to manage resources and prevent pollution.

S

SOCIAL

Our commitment to identify and manage our business impact on people.

G

GOVERNANCE

Our commitment to establish the policies and leadership structure to ensure sustainability practices are put into place and supported.



Our enablers to the ESG strategy:

Leading the sector in disclosure

lochpe-Maxion is our industry's first company to pledge to become a carbon neutral wheel and structural components supplier through our ROADMAP ZERO strategy.

For more information see [ROADMAP ZERO](#)

We are committed to full data disclosure and transparency to our key stakeholders through our annual sustainability report, and other communication mechanisms throughout the year.

- **Improved Climate Change and Water Security CDP rating to score "B"**
- **Achieved score A- at Supplier Engagement CDP rating for Climate Change**
- **Received ECOVADIS Bronze Medal recognition**
- **23 Supplier Assurance Questionnaire (SAQ) 5.0 completed and shared with our customers**

For more information see [Corporate Governance](#)

Data-driven

We know that accurate sustainability data is critical for understanding our business and future trends. We continually work to improve our KPIs and increase our knowledge of our business, suppliers, and customers. For example, raw material is a major contributor to our CO2 footprint. By digitizing our plants and working closely with our suppliers we use real-time data to inform our processes and improve our emissions reduction efforts.

We established life cycle assessments (LCA) for all Maxion Wheels product groups in 2022 and Maxion Structural Components to start in 2023. With the LCA data we can further model various scenarios and understand the effect of all parameters on the overall carbon footprint.

For more information see [Digitalization that drives sustainability](#)

Innovation

Innovation is at the heart of everything we do at lochpe-Maxion. We have established several measures and initiatives to ensure that we are constantly innovating. In addition to many product development innovation projects focused on reducing customers' Scope 3 emissions, in 2022, with the Maxion Advanced Technologies (MAT) team located in Berlin, we hosted more than 10 local and regional innovation events. These are strong innovation tools, and when combined with cross functional support, strong internal communication, and plant management accountability, drive the Company forward.

For more information see [Innovative Mobility Solutions](#)

Partnerships and memberships

Engagement and partnership are key for lochpe-Maxion to succeed and core to our innovation eco-system. As such, we collaborate with industry, startups, universities, and all other relevant stakeholders to ensure we are prepared for new opportunities that support our sustainability goals for material sourcing and production.

For example, in 2022, we joined Responsible Steel and the Aluminum Stewardship Initiative, two industry not-for-profit raw material sustainability advocacy organizations, knowing that together we will set the standards and certification needed for responsible sourcing.

For more information see [Innovative Mobility Solutions and Product Quality and Safety](#)

Leadership by example in ESG

Our Safety and Sustainability Committee involves the CEO, CFO, division CEOs, and the leaders of our Legal, Safety, and Sustainability departments who collaborate on environmental, health and safety initiatives across the business. The committee sets priorities, establishes action plans, and communicates highlights to key stakeholders.

For more information see [Corporate Governance](#)



ROADMAP ZERO

carbon neutral by 2040

ROADMAP ZERO is our decarbonization strategy covering the life cycle of lochpe-Maxion's products, from the procurement of materials to their design and manufacturing.

With a focus on reducing emissions, we are eliminating CO2 emissions from our production, supply chain and support processes, as well as developing lightweight and more efficient products which contribute to our customers' targets.



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 - Scopes 1 and 2.
2040 target - Scopes 1, 2 and 3.

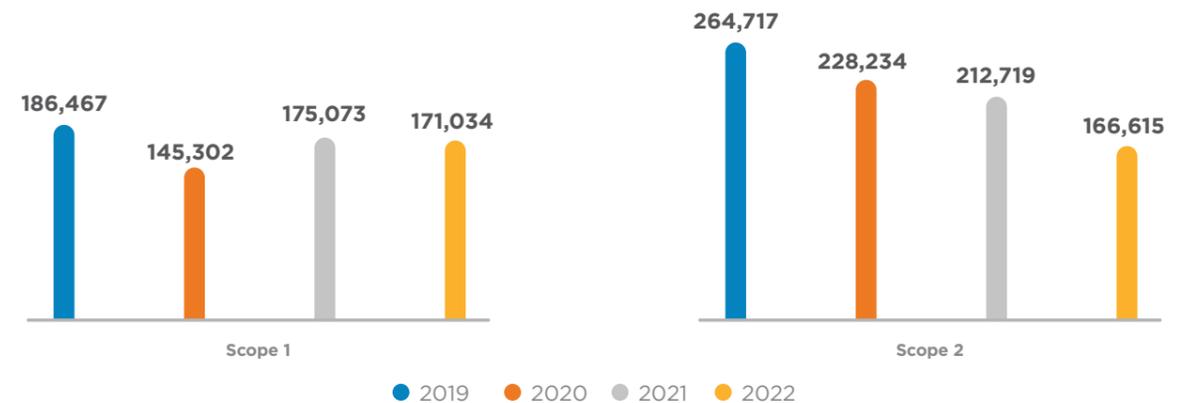
A new sustainability project structure and tracking and reporting system was implemented in 2022 with five transformative projects, plus enabling and continuous improvement projects to support target achievements.

TRANSFORMATIVE PROJECTS

- 1 Green Wheel
- 2 Net-zero aluminium plant (Aluminium process and equipment, incl. painting)
- 3 Net-zero steel plant (Steel process and equipment, incl. painting)
- 4 Circular aluminium business models
- 5 Efficient chassis designs with reduced weight and vehicle electrification

GREENHOUSE GAS EMISSIONS (SCOPES 1 AND 2)

(tCO2e) GRI 305-1 305-2



2022 Scope 1 and 2 reduction highlights

Reducing Scope 1 and 2 Emissions

In 2022, emissions were reduced by 19.7% vs. 2019 baseline. With consideration to growth of operations, this milestone shows we are tracking to our targets and on the right path to achieve carbon neutrality by 2040.

Reducing carbon begins at the local level

With a robust goal setting, tracking, and reporting system, we are actively managing carbon reduction at the plant level. Each plant has a target, and every month leadership reviews progress against the set objectives.

In 2022, various major transformative sustainability projects were deployed to create new operational best practices,

and none more important than energy management as utility prices skyrocketed. One such global project was the improvement in maintenance and control of gas leaks using Demanda Web and the SCADA system. With these tools installed the company improved the monitoring of natural gas consumption and temperature reduction in both the painting and degreasing processes.

Another one of our energy management projects is in Turkey, where data analysis pointed to the opportunity to reduce melting temperatures in the range of 20 degrees. And in Thailand, the SAM system of air compressor management generated an immediate 5% to 8% reduction in energy costs, which saved 70 ton CO2 in 2022. [GRI 302-1 305-5](#)

Switching to renewable energy

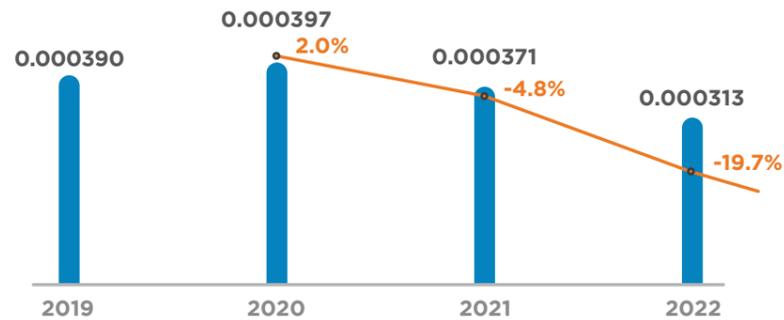
The manufacturing of our products is energy intensive. With a concentration on sourcing green energy and energy efficiency advances, we will greatly re-

duce our carbon footprint. The Company's use of renewable energy jumped to 37% in 2022 from 13% in 2021 with solar, hydro and wind-power contributors.



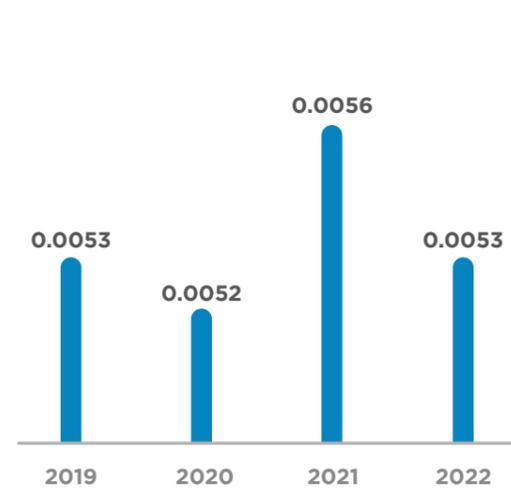
EMISSIONS INTENSITY REDUCTION

(tCO2e/kg produced) [GRI 305-4](#)

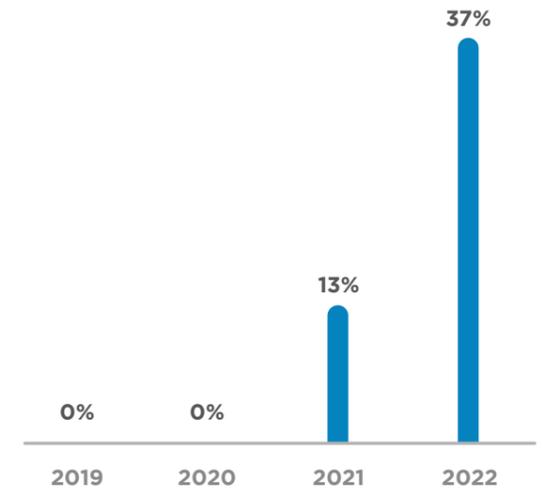


● Annual reduction compared to the 2019 baseline

ENERGY INTENSITY (SCOPES 1 AND 2) (GJ/kg produced) [GRI 302-3](#)



RENEWABLE ENERGY (%) SASB TR-AP-130A.1



Saraburi solar installation.

In markets where green electricity is not readily available from the grid, we are considering on-site solar power generation to bridge the green energy gap. In 2022, we brought our Thailand solar rooftop installation online at the light vehicle aluminum wheels plant in Saraburi. The 1.6 MW

solar rooftop installation is expected to produce around 2.2 million kWh of energy per year. By the end of 2023, we will complete an additional 3.06 MW solar farm capable of generating 4.0 million kWh of energy. This will supply about 25% of the site's electricity needs and reduce more than 3100 tons

of CO2 per year. Our plan is to use renewable electricity source instead of normal country grids in nine countries - Czech Republic, Turkey, Brazil, Thailand, Spain, Mexico, Italy, South Africa, and India. Additionally in 2022, four plants in Brazil are running on 100% renewable energy. [GRI 302-1 305-5](#)

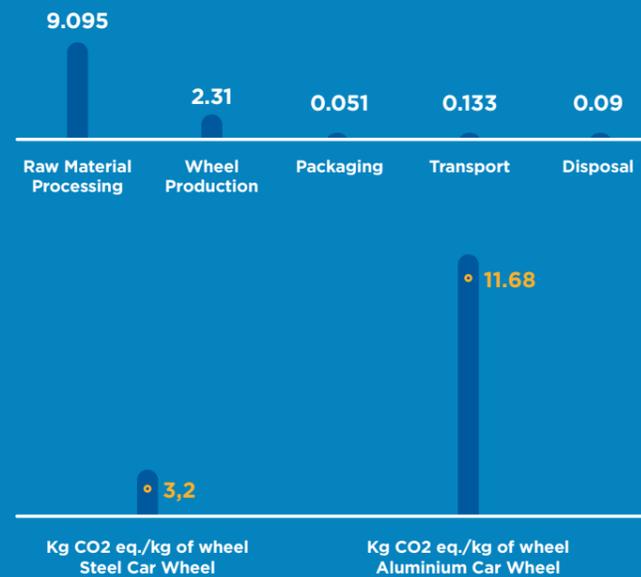
Responsible sourcing

Raw material is responsible for **75% to 85%** of our carbon footprint. As such, we are developing processes and procurement strategies that increase usage of secondary, recycled materials as well as green steel and aluminum produced using clean energy.

75-85%
OF TOTAL CO2 IMPACT IS FROM RAW MATERIALS, REGARDLESS OF STEEL OR ALUMINUM

LIFE CYCLE ANALYSIS (ISO 14040) (LCA)

Maxion Wheels Life Cycle Process
(CO2 per kg produced)



A key part of our plan is to encourage partners and suppliers to make similarly ambitious commitments. We must do so with a clear understanding of the current situation, and the ability to track progress over time. With the first online supplier sustainability compliance audit launched in 2022, and all new customer Request for Quotations (RFQs) having sustainability data entered, our sustainability journey is more integrated across the supply chain.

Our goal is to lead by example across the industry and to support this we are partnering with the

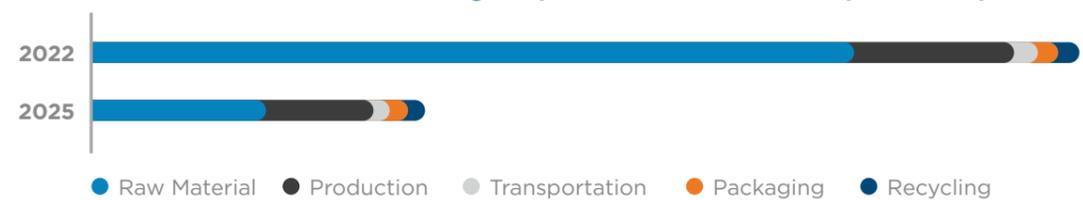
Aluminum Stewardship Initiative and Responsible Steel. By actively working with these two non-profit raw material advocacy groups on sustainability issues, we demonstrate our commitment to responsible sourcing, production, and use of aluminum and steel in the production of wheels. **GRI 2-28 GRI 2-29.** In 2022 we initiated the process of selecting pilot plants with the aluminum wheels plant in Czech Republic and the steel wheels plant in Turkey, both starting the requirements GAP analysis and self-assessment.

Low-Carbon truck steel wheels

At the largest commercial vehicle industry event of 2022, IAA Transportation, we promoted our readiness to supply low-CO2 steel wheel options for commercial vehicle manufacturers and fleets. With proven lightweight technology, access to low-carbon steel, and implementation of innovative manufacturing processes, viable and affordable sustainable options are available today. And by 2025, product design, sustainable production, and responsible sourcing will enable a new generation of green commercial vehicle steel wheels with a cradle-to-gate carbon footprint that is more than 65% lower than current wheels.

MAXION WHEELS LIFE CYCLE ANALYSIS FOR STEEL TRUCK WHEELS

A reduction in raw material emissions greatly reduces the carbon footprint of our products.



Scope 3 emissions

The year marked advances in understanding our impact on Scope 3 emissions with the Company focusing on the relevant categories to our business. The purchase of goods, such as recycled material, logistics and the use of electric vehicles for fleet cars are all under analysis. In this Sustainability Report, we are announcing for the first time, our scope 3 emissions of 2,710,179 tCO₂e. [GRI 305-3](#)

Scope 3 reduction goals:

Working from suppliers' carbon reduction roadmaps, we mapped out several key Scope 3 milestones that will contribute to our ROADMAP ZERO goal:

- Increase use of raw material made with renewable energy
- Introduce the use of secondary material and contribute to circularity and greener supply chain practices
- Increase the purchase of low-carbon steel from our supply base
- Reduce emissions from company fleets and business travel



Environmental impact

We assess the environmental impact of all projects and products, following a rigorous process to understand the potential impact, and work early in the process to find ways to reduce any adverse impacts. Our specialists are focused on assessing potential suppliers and testing them to ensure readiness and compliance with future customer demands concerning sustainable material and the use of renewable energy.

New commercial vehicle aluminum truck wheels plant in Turkey designed as sustainability leader



New commercial vehicle forged aluminum wheels plant groundbreaking ceremony in Manisa, Turkey.

With the breaking of ground in 2022, Maxion Wheels entered the commercial vehicle forged aluminum market as a natural extension of its commercial vehicle wheels portfolio, with plans to build a new, state-of-the-art 45,000 square meters facility with the installed capacity for 350,000 wheels.

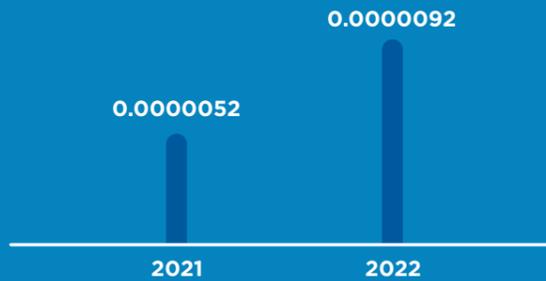
Impacts of the production process

Iochepe-Maxion's Supply Chain experts and Procurement departments manage materials and waste in accordance with European REACH legislation and other applicable regional legislation. **GRI 2-27**

We factor into our procurement strategies the ability to buy recycled materials and with an eye on a circular economy, are piloting a program to return scrap steel to the supplier creating a closed loop. **GRI 301-2**. We also have projects to reduce landfill waste, including a recent innovation project where we are testing a technology that converts solid waste into raw materials for plastic packaging materials.

LANDFILL WASTE INTENSITY OF WASTE DIRECTED TO LANDFILL (tons/kg produced)

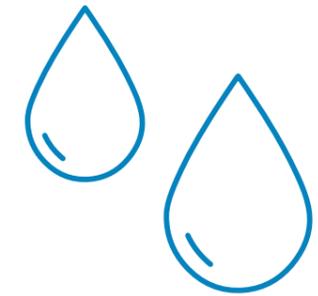
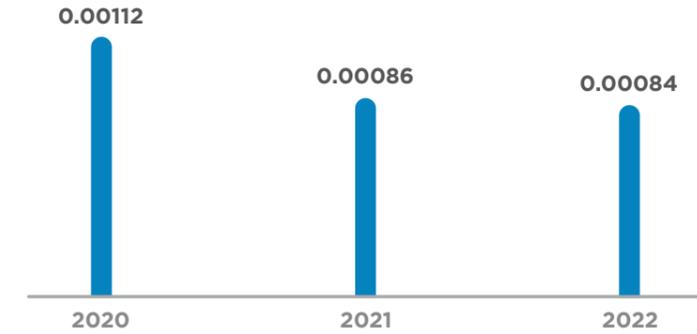
GRI 306-5



Landfill waste increased in 2022 in both divisions. In the case of Maxion Structural Components, the increase, representing 22% of landfill volume, was mostly generated from civil construction at the Inmagusa and Contagem plants. For Maxion Wheels there was a slight increase due to restructuring efforts in North America.

WATER USAGE INTENSITY (m3/kg produced)

GRI 303-3



Water usage decreased in both divisions in 2022 with numerous water consumption reduction projects at the plant level, including paint line water reuse implementation of specific reduction actions such as Inmagusa's installation of a cistern; and the reuse of water for the plant's green areas.

In 2022, sand filter and reverse osmosis systems were installed in Turkey to efficiently clean and cool water. In Germany, a new energy efficient cooling tower was installed saving up to 4,500m³ of water in 2022, with capacity to save up to 10,000m³ of water.



INNOVATIVE MOBILITY SOLUTIONS

The global automotive industry continues to undergo a significant transformation as intelligent and zero emissions ecosystems converge, and consumer needs and sustainability requirements drive changes to both the vehicle and its components.

Affordable sustainable products for every application

With most vehicle manufacturers setting 2040-2050 as their target for achieving carbon neutrality, vehicle manufacturers' sustainability and engineering teams are seeking fresh ideas on how energy-intensive processes and materials, and product design parameters can be addressed with low-carbon alternatives.

As a leader in automotive wheels and structural components, lochpe-Maxion is in the midst of the transformation with a focus on developing affordable and innovative sustainable solutions that address the environmental challenges and market-conscience opportunities coming along with this shift in modes of mobility.

197
MILLION BRL FOR
R&D INVESTMENT

1.16%
R&D / NET SALES



Green materials

With raw materials the largest contributor of CO2 in Maxion's product life cycle, the Company kicked off several programs in 2022 to test low-carbon raw materials.

Steel as a raw material offers the greatest carbon reduction benefits, however both our steel and aluminum suppliers are making significant investments in renewable energy sources, new highly efficient manufacturing technologies, and recycling content. The reduction in carbon will be meaningful in the future production of wheels and structural components.



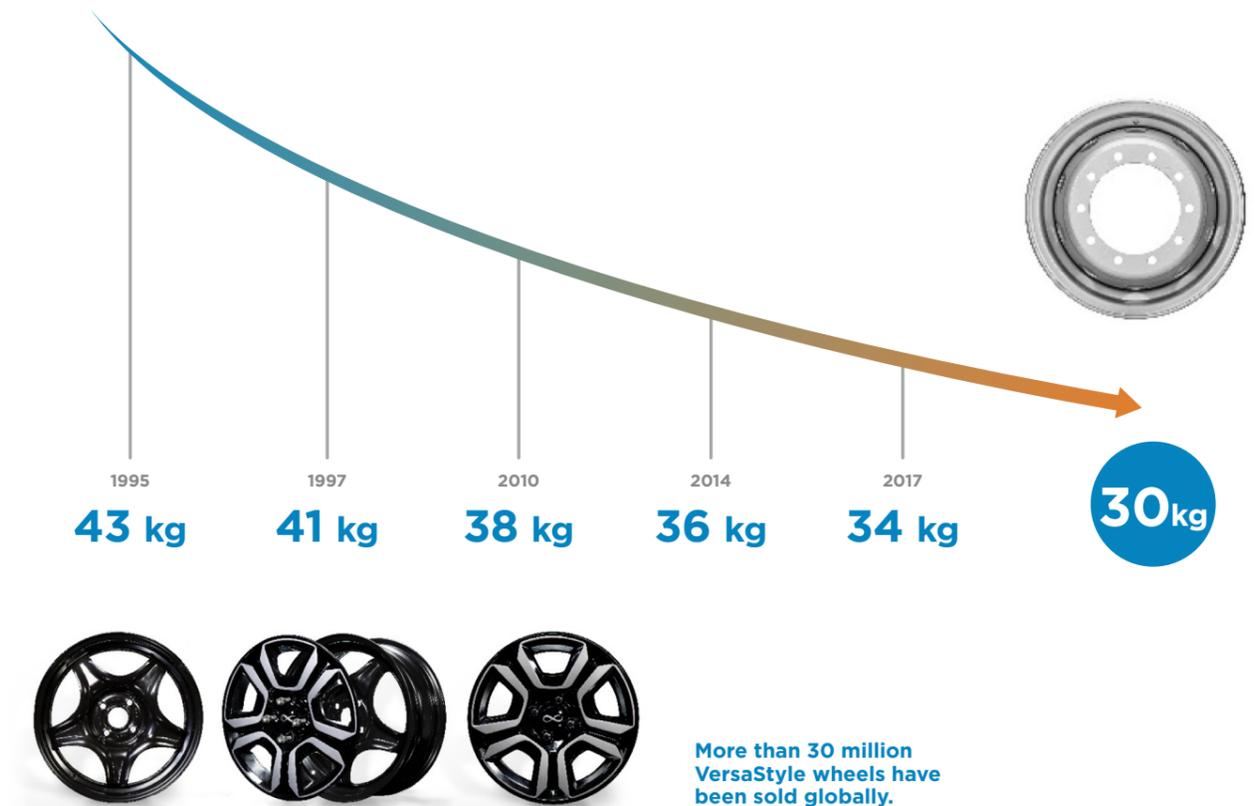
Green process technologies

Maxion's proprietary Lightweighting Process not only reduces component weight, but it also uses far less energy because of fewer and more efficient process steps. As an example, the energy used to produce an alloy wheel can account for 9-12% of CO2 emissions in the wheel's cradle-to-gate life cycle.

Wheels are one of the heavier components of a truck, making weight savings a priority. As the wheel expert to fleets around the world, we understand vehicle applications and the customers' need for improved fuel efficiency and increased payload. Our extensive product know-how allows us to translate these needs into wheel functionality while reducing the weight without compromising safety.

In 2022, Maxion Wheels introduced its next generation of lightweight steel truck wheels for the European market. With a weight savings of 3 kg per wheel, fleet customers are saving on fuel while increasing their payload.

MAXION WHEELS STEEL TRUCK WHEEL LIGHTWEIGHT JOURNEY



Green products

Another affordable sustainability option for car manufacturers and their CO2 conscious consumers is the VersaStyle® wheel. The patented weight-optimized steel wheel backbone and styled cap address the dual needs for cost effective styling options and a reduction in CO2, Maxion supplied 3.8 million VersaStyle wheels in 2022, saving nearly 330,000 tons/year of CO2 Scope 3 emissions when compared to a standard aluminum wheel of the same size.

In 2022, Maxion Wheels was the proud sponsor of the Guinness World Record high-altitude drive in an electric vehicle, the VW ID.4 GTX. Equipped with our robust, lightweight, and sustainable steel wheels, the team drove to the top of Bolivia's Uturuncu volcano, 5,816 meters above sea level, breaking the previous record set in 2020 by approx. 45 meters of altitude.

This kind of altitude can only be achieved by an electric vehicle (EV) because it does not need oxygen for the internal combustion process. In addition to that, most EVs feature regenerative braking, which allows the vehicle to recover energy on the way down a mountain road.



Maxion Wheels' lightweight, 18-inch steel wheels kept the VW ID.4 GTX on track ensuring maximum EV range and performance.



In 2022, Maxion Structural Components achieved a significant milestone with the publication of its patented EV chassis skateboard concept. This innovative concept introduces a new and highly efficient approach to assembling frame rails, designed for the electric vehicle industry. The new product concept specifically addresses the crucial challenge of protecting the battery within the chassis frame, mitigating the risk of damage from impacts, vibra-

tions, and external elements in a cost-efficient way. By integrating a modular, and flexible design, our patent ensures the battery's safety while allowing for easy adaptability to various application needs. This breakthrough not only showcases the company's commitment to sustainable practices but also positions Maxion Structural Components as a leading force in advancing the electrification of transportation by addressing critical industry challenges.

UNICARagil Taxi featuring dynamic corner module for up to 90 degrees for manoeuvring and parking in the tightest spaces.



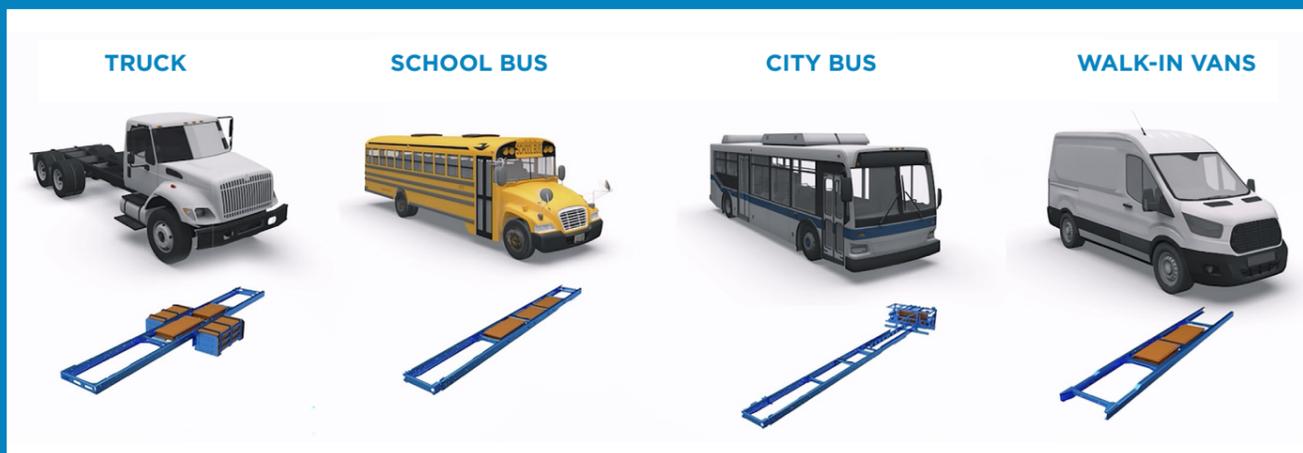
Green partnerships

As an associate partner to the German automated and connected driving project, UNICARagil, Maxion Wheels is proud to contribute its wheel expertise for the development of disruptive modular architectures from hardware and software components. Our innovative in-wheel motor design seamlessly integrates the dynamic corner modules and enables steering movements of up to 90 degrees for manoeuvring and parking in the tightest spaces. By optimizing parking, we can contribute to less emissions.

Projects like this pave the way for a sustainable future of mobility. By embracing emerging technologies and collaborating with academic institutions, we can revolutionize the automotive industry and shape a better tomorrow.

Another example of sustainable solutions is a recent partnership between Maxion Structural Components and Foresee Power, an European leader specialized in intelligent battery systems for sustainable

transportation. With an initial focus on the Americas, the partnership will allow us to offer the integration of battery systems for EVs, principally in chassis for trucks, buses, and off-road vehicles. **GRI 2-29**



Digitalization that drives sustainability

Digital transformation continues to be a priority for our organization. We understand that agility and effectiveness are essential to becoming a sustainability leader in the Digital Era.

In this way, we strive to work in an accelerated manner to successfully reach our goals using smart, valuing-adding digital technologies for optimization, management improvement, and decision-making.



Manufacturing Leadership Council Awards

The Manufacturing Leadership Council, a division of the National Association of Manufacturers, recognizes excellence in digital manufacturing through its Manufacturing Leadership Council Awards. lochpe-Maxion received the awards in 2022 for the following outstanding work in digital manufacturing:

Monitoring energy and utilities

Our maintenance team in Santo André, Brazil, received an accolade in Energy and Utilities Monitoring for a project that brings the deployment of a real time monitoring system, allowing effective feedback in the manufacturing system through data. The live consumption data is enabling the plant to identify opportunities to reduce its consumption, and is now also deployed in the Company's Cruzeiro, Brazil, plant.

Cycle time and scrap reduction

This project was a collaboration between our Americas Advanced Engineering and Santo André operations. The project combines real-time data and casting simulation to optimize cycle time and reduce scrap in aluminum wheel production. As a result of this teamwork, we increased productivity significantly by two-watt hours per hour while reducing our sustainability impacts with a one-ton decrease of CO2 emissions.

SCADA, track and trace, and X-ray link

Developed by our IT and Digital Transformation teams at our plant in Saraburi, Thailand, our SCADA, Track and Trace and X-Ray Link won an award for its project to reduce scrap rate upstream in the value chain by enabling the traceability between casting and X-ray together with problem analysis via its SCADA (supervisory control and data acquisition) implementation.

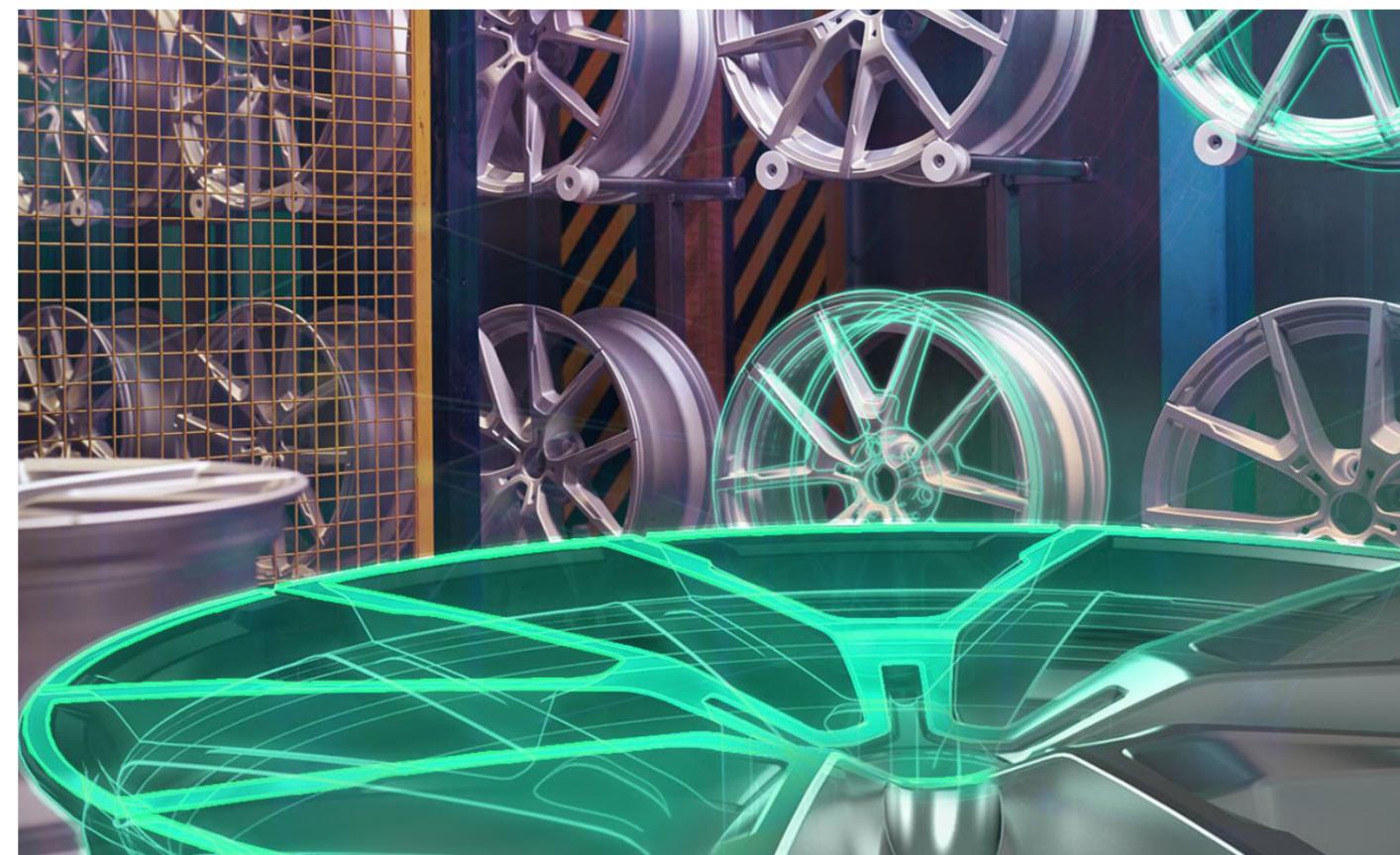
Digital start-ups and partnerships

In 2022, through the Maxion Advanced Technologies (MAT) innovation team, lochpe-Maxion completed a Proof of Concept (PoC) program with CASTOR, a 3D printing tech startup, that allows manufacturers to understand when they should use 3D printing instead of traditional man-

ufacturing. Our business relies on the use of tooling and molds. A major hurdle to wider adoption of 3D technologies is knowing when to apply the alternative manufacturing process.

In addition to the CASTOR PoC, we facilitated more than 35 digitally based PoCs

in 2022 with a focus on machine learning to improve operational efficiencies and product quality, and material sciences. Collaboration and agility are key to innovation success and these projects exemplify how quickly we can test new ideas and innovate when working with the right partners. [GRI 2-29](#)



Product quality and safety

Robust quality management system

We know that manufacturing wheels and vehicle components is challenging work, and our goal remains the same: to produce the world's best wheels and structural components, aimed at the safety of drivers and passengers. We do this with a commitment to continuous improvement, and the development and adoption of integrated best practices. One critical internal indicator is our product quality performance with Original Equipment Manufacturers (OEM)s, measured using total defective Parts Per Million (PPM), with targets being consistently met.

All significant product and service categories are assessed for improvement in terms of health and safety impacts. **GRI 416-1**

Delivering on customer satisfaction

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

with our customers, and in some cases, work directly in their plants, to better understand their production processes and offer the best solutions for their needs. Some of our customers organize training for their suppliers, and we attend and participate in these to ensure compliance with all client standards and procedures. **GRI 2-29**



Product safety is a priority

Product safety is a core value at lochpe-Maxion because everything we produce are critical components in vehicle safety. In 2022, we are proud to report zero recalls, and can point to our strong culture of quality, compliance, and consumer safety as fundamental pillars of our management system. **GRI 416-2 SASB TR-AP-250a.1**

We assess the satisfaction of our customers through regular surveys, supplier evaluation scorecard results and internally measured KPIs. Our work to exceed expectations and set new industry benchmarks is evident every year in the awards we receive:

Awards received in 2022

- Automotive Industry Exporters' Association Turkey, Gold Export Award
- CAO Brazil, Best Suppliers Award / Quality and Supply
- DAF Brazil, Quality Achievement Award
- Daimler India, Supplier Quality Excellence Award
- Employer Brand Stars Awards Turkey, Use of Digital Gold Award
- Fiat India, Certification of Appreciation
- Ford Mexico, Quality & Delivery Performance Award
- General Motors Brazil, Supplier Quality Excellence Award
- General Motors Brazil, Certificate of Excellence / On-time Shipping Performance
- General Motors USA, Supplier Quality Excellence Award
- Human Rights Campaign Foundation Mexico, Best Place to Work, LGBTQ+
- Hyundai Brazil, Sustainability Supplier Award
- Hyundai India, Safety & Customer Support Award
- Iveco Group, Argentina, Supplier of the Year / Delivery monitoring electricity consumption and natural gas
- John Deere Brazil, Partner-Level Supplier
- Manufacturing Leadership Awards, Digitalization Awards for Projects in Brazil & Thailand
- Mercedes Benz Mexico, Master of Quality Award
- PERYÖN Valuing People Award Turkey, Practices Promoting Quality of Life
- Sustainability Academy Turkey, Sustainable Business Awards / Energy Management
- Thailand Greenhouse Gas Management Organization, Carbon Footprint Certification
- Technology Promotion Association Thailand, 5S Award
- XCMG Crane China, Best Quality Award



PEOPLE MATTER

People are at the center of everything we do at lochpe-Maxion, from our employees to our customers and those who live in the communities where we operate. GRI 2-29

As a company with a multinational workforce and geographically diverse locations, we help to drive the continuity and success of our business by creating and sustaining a work environment that is safe, healthy, inclusive, and conducive to our employees' performance. The result of our focus on employees is evident in our employee engagement score of 86%, above the top 5% industry benchmarks, and a reflection of the ongoing efforts to be the best people company we can be.

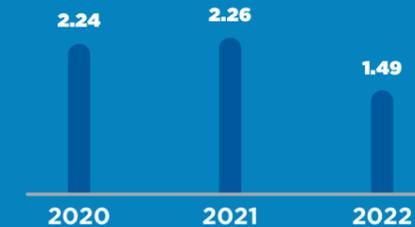
Our people

Health and safety in the workplace GRI 403-1 403-7

The health and safety of our people is of primary importance and we believe every work-related accident can be avoided.

In 2022, there were 372 accidents and there were no fatalities. Our Recordable Incident Rate is improving steadily since 2018. GRI 403-9

IOCHPE-MAXION RECORDABLE INCIDENT RATE



The decline in incidents can be attributed to our robust Safety and Sustainability structure, policy, and processes designed to ensure the welfare of our direct and indirect employees.

The company fulfills its H&S commitment through disciplined adherence to H&S management system and the principles stated at the global Health, Safety and Sustainability Policy.

Our Occupational Health and Safety Management System promotes the best health and safety practices for our daily product manufacturing activities, as well as incorporates a five-year strategic development plan. This system covers hazardous identification risk assessment mitigation, lessons learned, industrial hygiene, workplace ergonomics and chemical safety, and aligns with the ISO 45001.

The global risk assessment process, Maxion Risk Assessment (MRA), outlines the methods to follow for risk identification

and the methodology of how to complete risk assessments. MRA are conducted annually for many operations in each plant, reviewed and can be no older than five years. Over 450 MRA were conducted at both divisions and 100% blue collar positions execute this assessment for the equipment they work with.

Because we utilize a multi-functional team and various tools for MRAs, we further enhance the quality of any required investigations. These processes reveal the contributing factors and root cause(s) to improve upon.

Historically we have worked to encourage this openness of reporting to drive continual improvement of the working areas and eliminate potential incidents. Additionally, the Maxion "Stop Work" procedure is globally implemented and encourages our teams or individuals to stop any work they feel is unsafe to perform, whether they are observing or performing the work. GRI 403-1 403-2 403-3

We make sure our employees are aware of health and safety risks and their consequences with mandatory health and safety periodical training. The training is based on the risks, exposures, and regulatory requirements, including those of our management system. Also, we improved our E-learning platform, especially regarding safety courses, to bolster our training effectiveness. GRI 403-5. In monthly meetings, all lessons learned, and plant initiatives are discussed, including accident investigations, trainings, campaigns, and future projects. GRI 403-4

In lochpe-Maxion's facilities employees have access to medical and non-occupational health services. This can include physical exams, vaccinations and health awareness programs from accredited sources with the goal to provide health and wellness support where needed. GRI 403-6 403-7

Attracting, developing, recognizing, and retaining talent

Talent attraction

We want to make lochpe-Maxion a destination for the best talent in our industry and it all starts with the recruitment of students and new professionals. With this focus, we developed a set of attraction initiatives that include highlighting our com-

pany at universities, giving lectures, conducting webinars with company leaders, participating in university social networks, hosting student visit programs at our operations, and creating innovation partnerships. We also use social media as a resource to connect with our

target audiences, promoting webinars and job fairs, enabling us to publicize opportunities and attract top talent. In our efforts to continuously improve our global talent processes we are working to report the consolidated data on employee hires and turnover. **GRI 401-1**

Talent development **GRI 404-2**

We want all employees to understand they drive their development and feel supported in this process. A key enabler of this goal is the use of the Global HR System, myTalent.

Additionally, we have several development programs for all employee categories:

- Early career development program
- Experienced leaders program
- Discovery talent development program
- English proficiency program
- Various technical trainee programs
- Leadership academy program
- Coaching and mentoring



Sedalia, Missouri, Human Resources Team meets with young female students participating in a Science, Technology, Engineering and Mathematics (STEM) event.



In 2022, 100% of white-collar employees received performance and career development reviews. **GRI 404-3**



2022 Maxion Team Awards recognize best-in-class team performance at the plant level.

Talent recognition

Recognizing our talent is an essential element in employee engagement and a major boost for employee morale and performance. When we reward our employees for their contributions, they feel ownership and pride – willing to work just as hard on the next project. For the last eight years one way we do so is through the Maxion Team Award (MTA) program, an annual program that identifies the best performing teams at each plant. The best teams from each plant compete regionally, with the ultimate global program celebrating the best operational excellence and natural work teams. In 2022, 726 teams entered the program, demonstrating the power of problem solving, sustainability, innovation, and learning. This global recognition engages our talent in the business and pushes the Company well ahead of the pack.

Talent retention

It is not enough for us to attract the best talent; we need to ensure that we keep them for the Company's long-term viability. Talent retention involves providing employees with a positive experience – across their entire work

journey – thereby generating higher levels of engagement. This includes robust goal planning with regular performance feedback, a vast suite of professional development opportunities, and flexible work arrangements that address work-life-bal-

ance needs and create new and better ways of all of us working together. Employees are lochpe-Maxion's most critical resource and our commitment to their health and prosperity is essential for the health and success of our business.

Diversity and inclusion

Diversity and inclusion aspirations

In 2022, lochpe-Maxion made substantial progress in strengthening its diversity and inclusion culture, with 100% of its locations actively running Diversity & Inclusion (D&I) programs. To further advance this work, three D&I aspirations with ambitions, metrics, and deliverables were set with a focus on culture, pay equity and gender balance.

Building a D&I culture

Diversity and inclusion are not just words, they are proven performance drivers and part of our core values. We will further establish a D&I workforce mindset by enabling local activism, building robust training programs, and instituting affinity groups that promote discussions around diversity and inclusion topics, where all employees can participate.

Implementing pay equity

Our goal and duty are to compensate employees who have similar job functions with equal pay. We are conducting a pay equity analysis and will establish a metric model thereafter. To make sure that we practice pay equity, we are implementing bi-annual pay equality evaluations, updating job descriptions, and preparing a compensation framework using interprofessional education structures.

Creating a gender balance

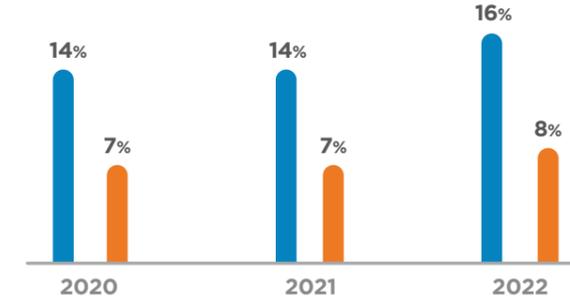
Our goal is to increase gender balance within the workforce, and we will judge our progress by the increased percentage of women in leadership positions. To ensure we improve our gender balance, we have administered leadership development programs with high female representation; added specific leadership development modules for female participants; encouraged mentoring initiatives; and adjusted recruitment methods to reach more female candidates.



Recognizing and honoring the differences that collectively make us one Maxion.

DIVERSITY IN LEADERSHIP – WOMEN

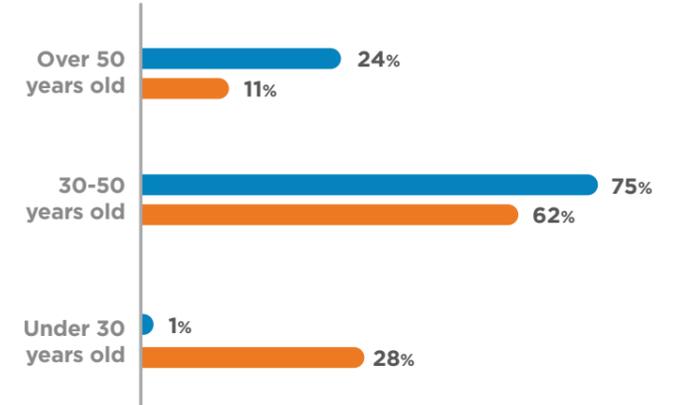
GRI 405-1



● Leadership ● Operational, administrative, others

DIVERSITY IN LEADERSHIP – AGE

GRI 405-1



● Leadership ● Operational, administrative, others



Maxion locations around the world fly the Pride Flag as a symbol of our Company's commitment to promote inclusivity while celebrating our diversity.



Employees in Santo Andre, Brazil, hold an internal innovation event to recognize International Women's Day.

Engaging D&I locally

We rely on our local Diversity & Inclusion (D&I) Committees to help promote our diversity and inclusion initiatives and engage our frontline employees in the important work of strengthening our D&I culture. The committees are in 21 separate locations, with each location operating from an action plan that reflects their unique needs. There was a total of 265 different local actions in 2022, consisting of trainings, social events, communication campaigns, and hiring and development D&I actions. This is a 41% increase from last year.



Formare students organized a social campaign in Contagem, Brazil, to collect winter clothes for the community.

Community building through I-M Fem

I-M Fem is lochpe-Maxion's internal women's professional network. Open to all employees, the objective is to help the Company promote gender equity and provide female employees with support to achieve leadership roles. Launched earlier this year, the employee resource group has three goals:



1. Contribute to the professional development and engagement of female employees by promoting tailored training, career support and community connections. To achieve this, we will host conferences, career clinics and open dialogue sessions for members.
2. Gain a deeper understanding of female employees' professional needs and challenges through annual survey as a critical input into hiring and retention.
3. Enhance our brand as employer of choice with disclosure information about I-M Fem.

Local diversity and inclusion trainings

We recognize the importance of promoting diversity and inclusion in the workplace to ensure an equitable environment for all. That is why in 2022, we doubled the amount of local diversity and inclusion training events in comparison to the previous year and expanded the curriculum to include additional topics such as gender equality and language, and people with disabilities and sensory challenges. To reach as many employees as possible, we utilized in-person, online, and video training formats.



D&I people with disabilities awareness event in Mexico.

Diversity and inclusion hiring and development

At lochpe-Maxion, 100% of our locations incorporated diversity and inclusion practices into their local hiring and development activities. Such practices include reviewing production job descriptions to identify opportunities for people with disabilities and women, focusing on the promotion of women into leadership positions, and partnering with hiring agencies that specialize in inclusion.

D&I awards and certifications

In 2022, the Company's operations in Turkey and Mexico were recognized for their progressive D&I initiatives with the following awards:

- Equality for Women at Work Certificate from the Sustainability Academy and Intertek
- Human Rights Campaign Foundation, Best Places to Work - Equity LGBTQ+



Equality for Women at Work Certificate.

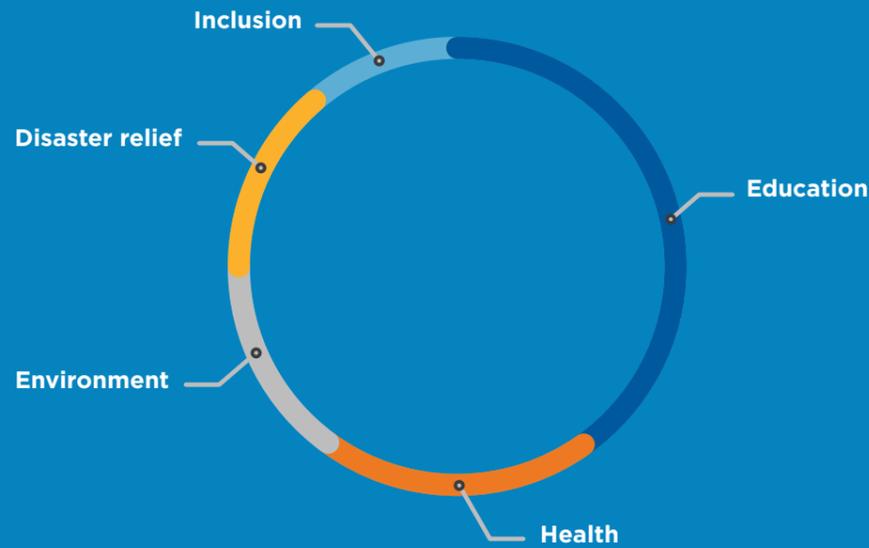


Best Places to Work - Equity LGBTQ+ Certificate.

Our social impact

lochpe-Maxion believes we have an obligation to the communities in which we operate. We integrate social responsibility into our daily operations in ways that advance our business and advance our work as a responsible corporate citizen. We strive to be an active and reliable partner where we work and live, advocating for improvements to address current social needs and environmental issues. Including 374 new and on-going projects in 2022.

Our social community work is focused on five categories. In 2022, this work was distributed in the following way:



Promoting initiatives to improve health

lochpe-Maxion launched a Women's Health Awareness program in India. The program objective is to educate and raise awareness on female health hygiene, routine, diet, and related issues, focusing on 13 to 15-year-old female students from low-income families. This includes, providing awareness sessions and hygiene products to support the girls going to school. The program has had a positive impact on nearly 400 girls, helping them to understand and better manage their own health, safety, and wellness.



Maxion Wheels Green Team in Königswinter, Germany gather for the RhineCleanUp annual program.

Working toward a better environment

To help protect biodiversity and local flora and fauna, our workforce in the Chihuahua and San Luis Potosi facilities in Mexico provided support to forest fire volunteers. Our Inmagusa plant in Mexico held events such as the 'Tree of Dreams' and made contributions to Casa Hogar Galilea and Casa del Peregrino. We implemented further socio-environmental initiatives, such as donating garbage tanks to the municipality of Castaños and Escobedo Nuevo Leon and donating gallons of water to the municipality of Arteaga Coahuila for Ecology Brigades to support the fight against forest fires. A team in Germany also removed more than 600 Kilograms of debris from the Rhine River in the annual clean up event.



Providing disaster relief assistance

When a devastating earthquake affected Turkey and Syria, and war broke out between Ukraine and Russia, lochpe-Maxion wanted to assist those in need. We established a fundraising campaign and invited all employees to consider a contribution to these noteworthy causes. We had numerous donations and raised more than €20,000 to assist those who needed it most. In addition, we established a mobile kitchen in Turkey that provided hot drinks and food in the regions affected by the earthquake. Through our mobile kitchen, we distributed more than 155,000 meals.

Mobile kitchen in Turkey addresses earthquake food crisis.

Bolstering education through entrepreneurship

We support an Entrepreneurs of the Future program in Brazil. This program, designed to awaken the entrepreneurial spirit of children and adolescents who study in public school, provides training for basic principles of business administration. lochpe-Maxion sponsors the program through donations that cover the costs of materials. Additionally, we encourage our employees to volunteer and teach classes in public schools. Close to 500 employees volunteered, positively impacting more than 17,000 students.



Entrepreneurs of the Future program.

Increasing inclusion for women

As a leading producer of automotive components, lochpe-Maxion understands the value of transportation, and good business. As such, we work with cargo transportation companies, encouraging them to hire more female drivers. An example of this work is with Brazilian cargo transport company, Sulista. Sulista set a goal of 3% female drivers for 2022 and surpassed this goal to reach to 3.4%. A driver who has the lochpe-Maxion route said, “Working on the Maxion route is an incredible experience. I am acquiring a lot of knowledge! I am grateful for the opportunity and for their confidence in my work.” We will continue to encourage the transports companies with whom we work to increase female representation.

FORMARE



Every year the Company supports the technical training of economically challenged young people with graduations from the Formare program recognizing the students' accomplishments.

Building partnerships through the lochpe Foundation

lochpe-Maxion supports the lochpe Foundation, a non-profit organization that focuses on social transformation and education. The activities are developed through a network of partnerships that focus on young people in economically challenging situations. In partnership with the lochpe Foundation, we have run two education projects in Brazil and Mexico and are planning to export these successful initiatives to other parts of the world where similar social needs can be addressed. Through partnerships with companies in various sectors, the Formare program provides technical training to economically disadvantaged students in local Brazilian communities. With nearly 24,000 young people receiving training to date, we are excited about the opportunity it brings to the people and community. Another great partnership is with the Instituto Inmagusa where we have provided community education in Mexico for a quarter of a century. The program provides four levels of education, with more than 1,000 students currently enrolled to enhance their learning and development.

CORPORATE GOVERNANCE

GRI 2-9

Iochope-Maxion is listed in the Novo Mercado special listing segment of B3 (São Paulo Stock Exchange), which requires companies to meet best practices for corporate governance.

For further information on B3 please [click here](#)

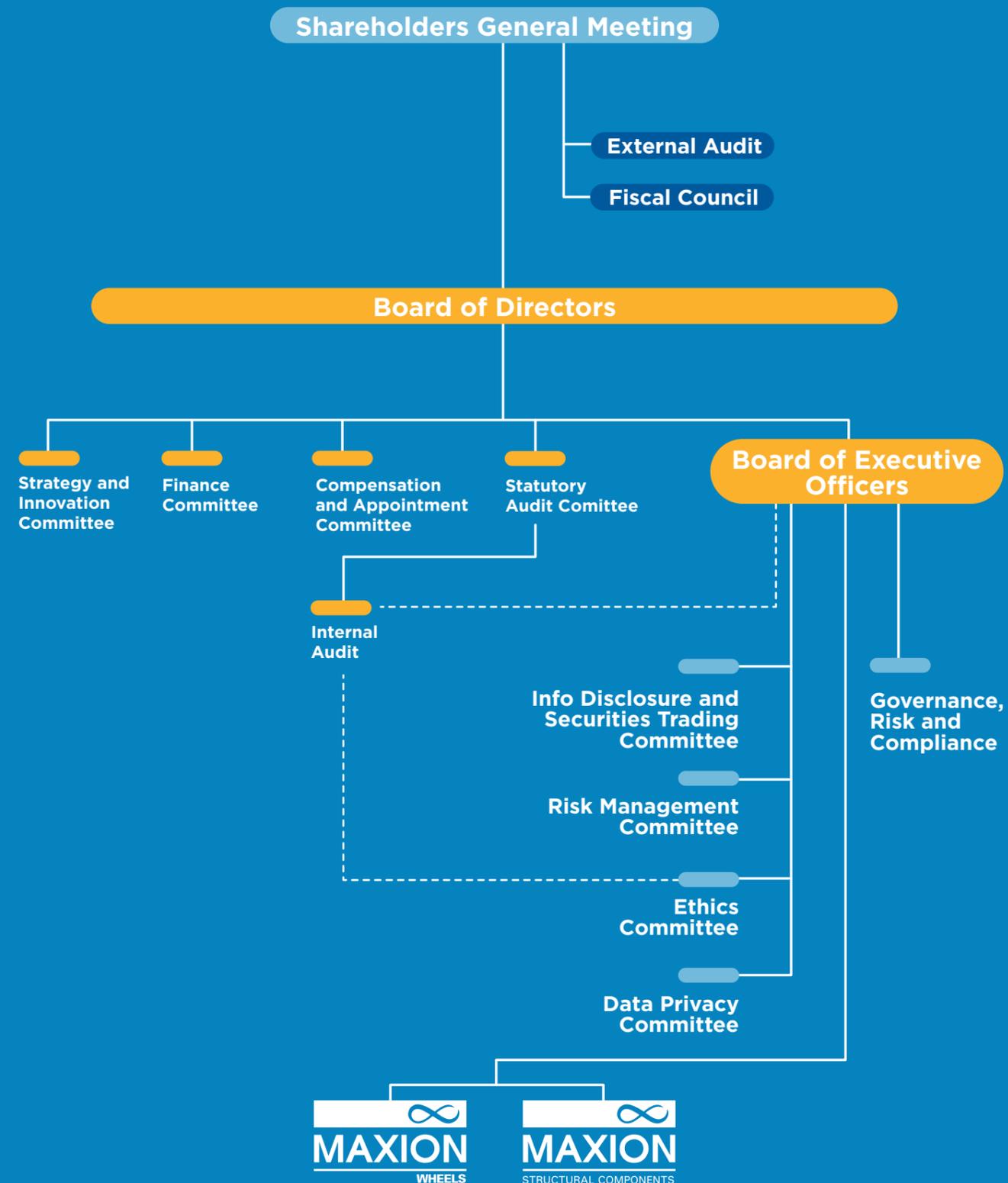
SHAREHOLDER (Dec 2022)	NUMBER OF SHARES (ON)	%
IOCHPE FAMILY	22,443,979	14.6%
ALASKA INVESTIMENTOS LTDA*	16,279,462	10.6%
VKN ADMINISTRAÇÃO DE RECURSOS (VOKIN)*	12,295,200	8.0%
FUNDO DE INVESTIMENTO EM AÇÕES WPA EST IE	9,267,547	6.0%
OTHERS	93,433,422	60.8%
TOTAL IOCHPE-MAXION	153,719,601	100%

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

It has been validly registered with Iochope-Maxion scope a voting agreement entered into on October 28, 2013, and lastly amended and consolidated on February 10, 2023, among Iochope family members. To access the voting agreement, [click here](#) (Portuguese only).

Our governance structure consists mainly of the Board of Directors, which is advised by four permanent advisory committees composed of a mix of Board members and external experts: a Statutory Audit Committee, a Compensation and Appointment Committee, a Finance Committee, and a Strategy and Innovation Committee, and the Board of Executive Officers.

IOCHPE-MAXION Corporate Governance Structure



The Board of Directors is composed of nine members, five of whom are independent, pursuant to B3 Novo Mercado and Brazilian securities commission regulations. Members are elected for a period of two years and may be re-elected.

Per applicable law and regulations, the positions of Board Chair and Company Chief Executive Officer (CEO) cannot be held by the same person. There is also a clear segregation of duties between the Chairman of the Board and the CEO. **GRI 2-9** For more information on the composition of the Board of Directors, see the appendix or visit our [website](#).

lochpe-Maxion's statute foresees that the Board submits a slate of Director nominees for approval by the Ordinary

General Assembly every two years. Additionally, we conduct a bi-annual evaluation of the Board, its members and advisory committees, and an annual evaluation of the CEO and other executive officers. **GRI 2-18**

Our Board composition reflects our efforts to integrate people who represent diverse backgrounds and experiences. We have increasingly integrated consideration for diversity into the decision-making process and strive to ensure greater gender representation

on our Board, including the appointment of two women to serve in top management positions in 2023, one as a member of the Board of Directors and the other on our Board of Executive Officers. **GRI 2-10**

Variable compensation is applicable for management positions and above, with the integration of sustainability-related matters into variable compensation in 2022. Members of our Board of Directors and its advisory committees are only entitled to fixed compensation **GRI 2-19**



THE BOARD OF DIRECTORS IS ADVISED BY FOUR ADVISORY COMMITTEES, COMPOSED OF A MIX OF BOARD MEMBERS AND EXTERNAL EXPERTS:

Statutory Audit Committee

A permanent panel 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. The duties of this committee 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, evaluating, and implementing the recommendations for internal controls and internal policies and procedures, through periodical independent audits on the effectiveness and efficacy of internal controls.

Compensation and Appointment Committee

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

Strategy and Innovation Committee:

A non-statutory panel that advises the Board of Directors on the strategic direction of the Company and its divisions. The committee also provides recommendations on new investment opportunities and potential new business, follows up on initiatives related to research and technological innovation, and monitors the activities of the Company's global innovation hub in Berlin, Germany, Maxion Advanced Technology (MAT).

Finance Committee:

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

Board of Executive Officers:

Comprised of three Executive Officers, is responsible for implementing the Board of Directors' strategic direction through oversight and management of the global operations.

- **Data Privacy Committee:** In 2022, lochpe-Maxion appointed a Data Privacy Officer and created a Data Privacy Committee which 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 of services and suppliers. This committee reports to the Board of Executive Officers. In December 2022, lochpe-Maxion was the victim of a cyberattack on its information technology environment, which resulted in the unavailability of part of its systems and operations, in some units in Brazil and abroad. The efficient action of the Data Privacy Committee together with specialized advisors resulted in the prompt activation of control and security protocols to contain the attack and isolate some of its systems to protect the environment.
- **Fiscal Council:** This council holds a non-permanent status and is implemented upon request by shareholders representing at least 2% of the Company's capital stock during Assembly Meetings. When in effect, the Fiscal Council usually consists of three members and their alternates; it was last implemented in 2021.

For more information on the composition of the Board of Executive Officers, see the appendix or visit our [website](#).

BOARD AND EXECUTIVE ASSESSMENT GRI 2-18

Every two years, we assess the Board of Directors, its committees, and the individual board member's performance with the support of an external consulting firm and according to methodology and criteria aligned with the best market practices.

The CEO's performance is evaluated annually by the Compensation and Appointment 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). We also apply an annual review process to other executive officers. Variable compensation of the CEO and other officers are determined by their annual performance, in accordance with lochpe-Maxion's long-term incentive plan. This process supports accountability for those who serve in leadership roles.



Staying compliant means staying competitive GRI 2-26 2-27

Ethics, integrity, anti-corruption GRI 2-19

Our commitment to operating in an ethical, upright, and transparent way in all activities related to Iochpe-Maxion employees, directors, officers, service providers and suppliers has been critical to our business strategy and the development of our business.

For Iochpe-Maxion, compliance means knowing, understanding, and enforcing the laws and regulations

that govern our business globally. Compliance also means adhering to our Code of Conduct and our internal regulations and procedures. By following these guidelines, regulations, and procedures, we may ensure that our reputation and assets are protected and promote good relationships with our key stakeholders. Our ethical commitments and standards of conduct are presented in our Code of Conduct and embedded at all levels of our

business. We do not tolerate violation or misconduct of these standards.

Our Ethics Committee, answers to the Board of Executive Officers. The committee meets every two months or more often as needed.

To ensure compliance with legislation, internal regulations, external regulations, and standards, best practices, and ethical principles, Iochpe-Maxion relies on:

- A Code of Conduct
- A whistleblower hotline
- An Ethics and Anti-Corruption policy that addresses conflicts of interests, contributions, donations, and issues related to preventing and detecting crimes
- Securities Trading and Information Disclosure policy
- Structured Governance, Risk and Compliance (GRC) area
- Structured internal audit (third line of defense)
- Annual compliance trainings for Code of Conduct and Ethics and Anti-Corruption policies



Code of Conduct

Our Code of Conduct aligns with our mission, vision, and values, and aims to promote socially responsible behavior to all stakeholders. The Code supports productivity, supplying quality products, and providing good services. Additionally, the Code promotes compliance with applicable laws and regulations, avoiding waste, and respecting the environment, cultural values, human rights, and social organization of the communities in which we operate. It presents a set of principles and guidelines that, along with the Ethics and Anti-Corruption Policy and ethics-related procedures, comprises the following items:

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

Iochpe-Maxion's Code of Conduct and Ethics Hotline channel are regularly communicated to employees. Complaints and concerns can be made by any employee, supplier, customer, or third party, through telephone, e-mail, or the reporting channel website, available 24/7 in 11 languages.

The information reported through this hotline is independently managed by the Internal Audit Department, which assesses and categorizes each report based on its type of complaint or concern. All reports have predetermined areas for treatment and action, generally through the internal Audit team that has responsibility for the subject. 100% of complaints are assessed and are reported to leadership, and actions implemented to address and manage the issues through reinforcement of training and compliance.

Whistleblower protection is guaranteed in the Code of Conduct, with all complaints remaining anonymous and retaliation prohibited against the whistleblower. The Internal Audit Department is tasked with ensuring caller anonymity and confidentiality. In the case of a disagreement, it is possible to reopen the complaint even when the case has been closed. Issues can be raised through our [website](http://www.iochpe.com.br), telephone (+55 11 5508 3817), or e-mail (ethics@iochpe.com.br).

Supply chain management GRI 2-6

We expect our suppliers to act with fairness, integrity, honesty, and transparency, and comply with all applicable laws, statutes, and regulations. lochpe-Maxion emphasizes compliance with working hours regulations, the prohibition of child labor and modern slavery, fair wages and benefits, no harassment and non-discrimination, and freedom of association. Our management practices also comply with the Conflict Mineral Regulation, a regulatory standard that has been mandatory throughout the European Union since 2001. Based on the requirements of this legislation, the Company prepares a Conflict Mineral Report used in the supplier management process. **GRI 2-27**

Our Global Manual for Supplier Requirements, consistent with lochpe-Maxion beliefs and values, highlights important standards and requirements applicable to all our suppliers of direct raw materials and product-related outsourced services. Suppliers must adhere to

the general terms and conditions of the Global Manual and comply with quality standards and requirements stated therein. Additionally, we assiduously monitor product performance, product quality, delivery, and service within our supply chain. Our Global purchasing procedure states supplier monitoring and development requirements that includes risk assessments, performance issues, second party auditing, supplier visits, training and certification programs and development programs.

In 2022, Maxion Wheels performed 70 supplier audits, representing 23% of Level One suppliers. The information and data gathered from our performance measurement process guides our business sourcing decisions and allows us to develop continuous improvement initiatives within our supply chain.

Specific to sustainability issues and the implementation of control mechanisms, we performed the first online supplier sustainability audit in 2022 to verify compliance.

Supply chain due diligence in Brazil

In 2022 lochpe-Maxion Compliance department consolidated the due diligence process in our Brazilian operations for all new suppliers and conducted in person training on supplier registration at plants in Brazil. We also established a continuous monitoring process for our existing base of suppliers and a procedure for analysis of subcontractors in Brazil.



Compliance training and communications

Reinforcing the importance of ethics and compliance was a key focus area in 2022 as we expanded the content and global reach of our compliance communications helping us to engage our employees, manage risks, seek resolution, and create a positive working environment.

In 2022, lochpe-Maxion’s global compliance training schedule focused on the topics associated with the Code of Conduct, Information Security, Antitrust, Data Privacy and Anti-Corruption, with more than 90% of employees completing them. **GRI 205-2**

	2020	2021	2022
CODE OF CONDUCT	100%	100%	96%
DATA PRIVACY		98% ¹	98% ¹
ANTITRUST		83% ²	85% ²
ANTI-CORRUPTION³		99%	97%

“White collar” employee is an employee who performs supervisory, administrative, management or technical functions. “Blue Collar” employees is an employee who performs direct or indirect work on the shop floor.

¹Category: All white collar employees globally and all blue collar employees in the European region

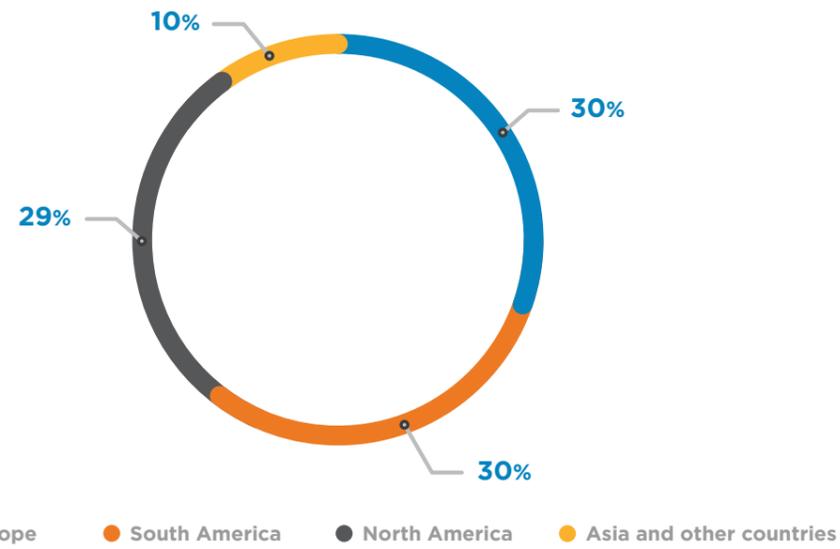
²Category: All executives (C-Levels) and sales professionals

³Category: All white collar employees

FINANCIAL RESULTS

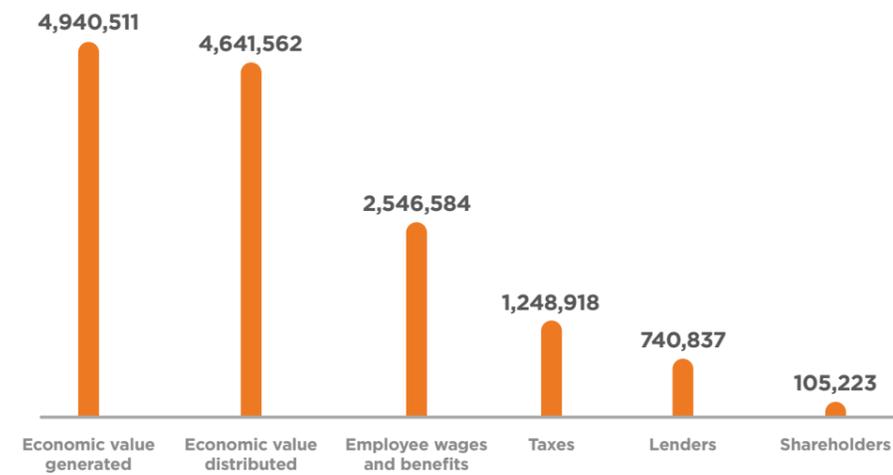
GRI 201-1

In 2022 we recovered production volumes, even with a still restrictive scenario for component supply.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (THOUSAND BRL)

GRI 201-1



Additionally, we increased substantially our investments in 2022, 22% more than the previous year. The main investments were related to capacity increase to meet demand of commercial vehicle segment, launching new products and productivity improvement.



APPENDIX

ABOUT THE REPORT

This report was developed by lochpe-Maxion and covers the Company’s environmental, social and governance (ESG) structure and performance between January 1, 2022 and December 31, 2022, unless noted otherwise. [GRI 2-3](#)

In this report, “lochpe-Maxion”, “IMSA”, “we,” “our” or “the Company,” refers to the company globally, while “Maxion Wheels” (“MX”) and “Maxion Structural Components” (“MSC”) refer to the Company’s divisions.

This report has been prepared in accordance with the GRI Standards, the Sustainability Accounting Standards Board’s (SASB) material issues for the Auto Parts sector and the United Nations Sustainable

Development Goals (SDGs). This report also has its ESG strategy based on the Paris Agreement, in order to help limit global warming.

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

The Company identified its material topics in 2019 by reviewing internal documents; interviewing senior leadership, Company officers, managers and investors; conducting peer benchmarks; and assessing sector reports and guidelines (i.e. 2019 Sustainability Development Yearbook, Auto

Components; The Sustainable Development Framework: International Council on Mining & Metals (ICMM) Principles; Automated Industry Action Group; The Aluminum Association (USA); and European Aluminum). The Company revised its 2019 materiality results for the 2020 Sustainability Report to include the SASB’s material issues for auto parts sector, the Morgan Stanley Capital International (MSCI) material topics for the sector, relevant aspects from the Task Force on Climate-Related financial Disclosure (TCFD), the Disclose Insight Action (CDP), Sustainalytics key topics, other ESG ratings and feedback from investors. We used the same material topics for this year’s report. [GRI 3-1](#)

CHAPTER	IOCHPE-MAXION MATERIAL ISSUES GRI 3-2	SDGs
Our ESG Strategy	Climate change and environmental footprint	
Innovative Mobility Solutions	Innovation and digital transformation	
	Climate change and environmental footprint	
People Matter	Product quality and safety	
	Health and Safety	
Corporate Governance	Organizational culture and people management	
	Corporate governance and ethics	

Business resilience was included as a material topic in 2020 and 2021 report due to Covid and the effects of the pandemic. Not included as a material topic for 2022 report

ABOUT THE COMPANY

TOTAL NUMBER OF EMPLOYEE BY GENDER AND REGION (GRI 2-7)

Business unit	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
IMSA Corporate	62	64	126	80	68	148	67	67	134
	0	0	0	0	0	0	6	4	10
MSC	427	5,719	6,146	474	6,552	7,026	608	7,011	7,619
	236	4,005	4,241	261	4,012	4,273	276	3,964	4,240
MX	267	3,742	4,009	256	3,424	3,680	257	3,508	3,765
	82	1,365	1,447	61	1,154	1,215	72	1,144	1,216
TOTAL	1,074	14,895	15,969	1,132	15,210	16,342	12,86	15,698	16,984

Not included Others (Interns, trainees, apprentices, co-ops) because in Maxion Wheels we did not report this information per region in 2019 and 2020. Includes long term Temporary employees

TOTAL NUMBER OF EMPLOYEE BY TYPE OF CONTRACT, GENDER AND REGION (GRI 2-7)

Region	2020				2021				2022			
	Temporary		Permanent		Temporary		Permanent		Temporary		Permanent	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
IMSA AMERICAS	0	0	0	0	0	0	80	68	0	0	67	67
IMSA EMEA	0	0	0	0	0	0	0	0	0	1	6	3
MSC - AMERICAS	0	0	427	5,719	0	0	474	6,552	5	46	603	6,965
MX - AMERICAS	4	29	232	3,976	0	1	261	4,011	1	7	275	3,957
MX - EMEA	6	315	261	3,427	9	95	247	3,329	10	123	247	3,385
MX - ASIA	4	343	78	1,022	5	76	56	1,078	4	50	68	1,094
TOTAL	14	687	1,060	14,208	14	172	1,118	15,038	20	227	1,266	15,471
	701		15,268		186		16,156		247		16,737	
	15,969				16,342				16,984			
OTHERS (INTERNS, TRAINEES, CO-OPS, OTHER TYPE)	461				382				477			
TOTAL (INCLUDING OTHERS)	16,430				16,724				17,461			

ROADMAP ZERO

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ) GRI 302-1

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION (GJ) GRI 302-2

SASB TR-AP-130A.1 RENEWABLE ENERGY (%)

	2019	2020	2021	2022
Scope 1 - natural gas (GJ)	3,710,606	2,891,435	3,483,869	3,403,503
Non-renewable energy, unclassified (GJ)	2,444,365	2,021,272	2,028,193	1,467,484
Renewable energy (GJ)	0	0	291,084	860,969
Scope 2 (GJ)	2,444,365	2,021,272	2,319,277	2,328,453
Total scope 1 + 2 (GJ)	6,154,971	4,912,707	5,803,146	5,731,956
% grid electricity	100.0%	100.0%	87.4%	63.0%
% renewable (GJ)	0.0%	0.0%	12.6%	37.0%

ENERGY INTENSITY (GRI 302-3)

	2019	2020	2021	2022
Scope 1 intensity (GJ/kg produced)	0.00321	0.00308	0.00333	0.00316
Non-renewable energy intensity (GJ/kg produced)	0.00211	0.00215	0.00194	0.00136
Renewable energy intensity (GJ/kg produced)	0	0	0.00028	0.00080
Total scope 2 intensity (GJ/kg produced)	0.00211	0.00215	0.00222	0.00216
Total scope 1 + 2 (GJ/kg produced)	0.00532	0.00523	0.00555	0.00532

DIRECT (SCOPE 1) GHG EMISSIONS GRI 305-1

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS GRI 305-2

	2019	2020	2021	2022
Scope 1 (tCO ₂ e)	186,467	145,302	175,073	171,034
Scope 2 (tCO ₂ e)	264,717	228,234	212,719	166,615

ENVIRONMENTAL IMPACT

ENVIRONMENTAL INDICATORS	2020	2021	2022
Number of Plants (Operational control by lochpe-Maxion)	26	25	25
Number of ISO 14001 certificates	25	25	25
% of plants certified ISO 14001	96.2%	100.0%	100.0%
WATER GRI 303-3 303-4 303-5			
Water consumption (m ³)	1,052,600	897,110	901,396
Water extracted / withdrawal (m ³)	2,260,700	2,169,620	2,386,373
Water discharged (m ³)	1,210,730	1,272,510	1,484,976
WASTE GRI 306-5			
Waste disposal (tons)	not available	5,430	9,916
Total weight of hazardous waste (tons)	not available	8,635	5,038
Total weight of non-hazardous waste (tons)	not available	14,760	17,525
GHG EMISSIONS GRI 305-1, 305-2, 305-3			
Kg produced from recycled materials	126,269,102	125,347,398	123,863,006
Kg produced	939,036,267	1,044,729,984	1,078,384,941
Total scope 1 (tCO ₂ e)	145,302	175,073	171,034
Total gross scope 2 - location base (tCO ₂ e)	228,234	228,953	219,481
Total scope 2 - market base (tCO ₂ e)	228,234	212,719	166,615
Total scope 1 + 2 (tCO ₂ e)	373,536	387,792	337,649
Total scope 3 - purchase goods (tCO ₂ e)	1,007,349	1,403,709	2,634,202
Total scope 3 - upstream (tCO ₂ e)	19,945	10,186	9,141
Total scope 3 - downstream (tCO ₂ e)	78,847	57,818	55,361
Total scope 3 (tCO ₂ e)	1,124,822	1,484,229	2,710,179
Total scope 1 + 2 + 3 (tCO ₂ e)	1,498,358	1,872,021	3,047,828
2019 BASELINE			
2019 baseline scope 1 (tCO ₂ e)	186,467		
2019 baseline scope 2 (tCO ₂ e)	264,717		
2019 baseline scope 3 (tCO ₂ e)	4,289,179		
2019 baseline scope 1 + 2 + 3 (tCO ₂ e)	4,740,363		

PEOPLE MATTER

HEALTH AND SAFETY INDICATORS GRI 403-9	2020	2021	2022
Number of hours worked	28,091,607	37,592,522	49,834,542
Number of lost work days	9,066	4,613	3,224
Number of lost time injuries (LTI)	138	151	142
Frequency rate for direct workforce - (lost time injuries x 1,000,000 / total hours worked)	4.91	4.02	2.85
Severity rate for direct workforce - (lost work days x 1,000 / total hours worked)	0.323	0.123	0.065
Number of Recordable Incidents	315	425	372
Total Recordable Incident Rate	2.24	2.26	1.49
Number of ISO 45001 certificates	17	17	19
% of plants certified ISO 45001	65.4%	68.0%	76.0%
Number of IATF 16949 certificates	26	25	25
% of plants certified IATF 16949	100.0%	100.0%	100.0%
% of plants for which an employee health & safety risk assessment has been conducted	100.0%	100.0%	100.0%
Number of plants with a management-worker committee for health & safety	26	25	25
% of workforce represented in formal joint management-worker health & safety committees	100.0%	100.0%	100.0%

EMPLOYEES

HR & LABOR GRI 2-7 2-30	2020	2021	2022
Number of employees at plants (offices excluded)	16,304	16,576	17,310
Number of employees covered by collective agreement	10,423	11,036	11,729
% of workforce who are covered by formal collective agreements concerning working conditions	63.9%	66.6%	67.8%
Number of employees covered by formally-elected employee representatives	10,323	10,942	11,634
% of workforce who are covered by formally-elected employee representatives	63.3%	66.0%	67.2%

TALENT DEVELOPMENT

TALENT DEVELOPMENT INDICATORS GRI 404-1 GRI 404-3	2020	2021	2022
Number of employees at plants (offices excluded)	16,304	16,576	17,310
Number of employees who received regular performance and career development reviews Only white collar employees, without Others.	2,599	3,466	2,619
% of workforce who received regular performance and career development reviews	15.9%	20.9%	15.1%
Number of employees who received Career skills-related training	16,304	16,576	17,310
% of workforce who received Career- or skills-related training	100.0%	100.0%	100.0%
Number of employees who received training on diversity, dis- crimination and/or Harassment	16,304	16,576	17,310
% of workforce who received training on diversity, discrimination and/or harassment	100.0%	100.0%	100.0%
Training hours	185,288	481,394	366,119
Average hours of training provided per employee: Training is referred to all types of vocational training and instruction and/ or external education which is paid fully or partly by the company	11.4	29.0	21.2

DIVERSITY AND INCLUSION

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES - GENDER GRI 405-1

JOB POSITION	2019						2020					
	Corporate		MX		MSC		Corporate		MX		MSC	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Leadership position President, Vice-Presidents, Directors and Plant Managers ¹	1	8	11	69	0	14	1	8	12	58	0	9
Managers and Regional Managers	2	10	50	227	8	52	3	11	49	222	6	55
Supervisors	5	6	56	553	15	162	5	6	46	352	18	161
TOTAL	8	24	117	849	23	228	9	25	107	632	24	225
Operational, administrative and technical positions Administrative and Technical (White collar)	46	35	340	953	154	403	53	39	294	823	153	341
Operational Direct and Indirect (Blue Collar)	0	0	169	7,452	250	4,928	0	0	187	7,654	250	5,153
Others (Interns, co-ops and Apprentices)	1	0	88	154	82	86	0	0	86	185	62	128
TOTAL	47	35	597	8,559	486	5,417	53	39	567	8,662	465	5,622
Total employees per gender and division	55	59	714	9,408	509	5,645	62	64	674	9,294	489	5,847
Total employees per division	114		10,122		6,154		126		9,968		6,336	
TOTAL employees per year	16,390				16,430							

¹ Includes CEO and Business Units' CEOs

JOB POSITION	2021						2022					
	Corporate		MX		MSC		Corporate		MX		MSC	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
President, Vice-Presidents, Directors and Plant Managers ¹	1	8	10	62	0	10	1	9	10	60	0	20
Managers and Regional Managers	3	10	50	235	6	51	5	10	52	240	9	50
Supervisors	7	8	46	338	21	180	8	9	59	325	16	108
TOTAL	11	26	106	635	27	241	14	28	121	625	25	178
Administrative and Technical (White collar)	69	42	308	1,579	171	399	59	43	285	675	256	454
Operational Direct and Indirect (Blue Collar)	0	0	164	6,376	276	5,912	0	0	199	7,316	327	6,379
Others (Interns, co-ops and Apprentices)	0	0	77	145	59	101	4	3	95	145	105	125
TOTAL	69	42	549	8,100	506	6,412	63	46	579	8,136	688	6,958
Total employees per gender and division	80	68	655	8,735	533	6,653	77	74	700	8,761	713	7,136
Total employees per division	148		9,390		7,186		151		9,461		7,849	
TOTAL employees per year	16,724				17,461							

DIVERSITY AND INCLUSION

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES - AGE GROUP GRI 405-1

JOB POSITION	CORPORATE			MSC			MX		
	Under 30 years	Between 30 and 50 years	Over 50 years	Under 30 years	Between 30 and 50 years	Over 50 years	Under 30 years	Between 30 and 50 years	Over 50 years
Leadership position President, Vice-Presidents, Directors and Plant Managers ¹	0	12	3	0	49	11	0	224	67
Managers and Regional Managers	0	6	4	0	13	7	0	25	45
Supervisors	1	15	1	1	105	18	10	291	83
TOTAL	1	33	8	1	167	36	10	540	195
Operational, administrative and Technical positions Administrative and Technical (White collar)	29	64	9	177	491	42	182	606	172
Operational Direct and Indirect (Blue Collar)	0	0	0	2,305	3,998	403	1,414	4,999	1,102
Others (Interns, co-ops and Apprentices)	7	0	0	224	5	1	226	10	4
TOTAL	36	64	17	2,706	4,494	446	1,822	5,615	1,278
GRAND TOTAL	37	97	17	2,707	4,661	482	1,832	6,155	1,473

¹ Includes CEO and Business Units' CEOs

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES - AGE GROUP GRI 405-1

	UNDER 30 YEARS OLD	30 - 50 YEARS OLD	OVER 50 YEARS OLD
Leadership	1%	75%	24%
Operational, administrative, others	28%	62%	11%

GOVERNANCE STRUCTURE AND COMPOSITION

BOARD OF DIRECTORS (2022) GRI 2-9

Name	Election Date	Position Held	Independence	Tenure of members on the governance body	Number of other significant positions and commitments held by each member, and the nature of the commitments	Gender	Competencies relevant to the impacts of the organization
Dan Ioschpe	04/23/2021	Chairman of the Board of Directors	-	7	-	Male	Industry Expert
Nildemar Secches	04/23/2021	Vice-chairman of the Board of Directors	Independent	11	Member of the Appointment and Compensation Committee and member of the Finance Committee	Male	Industry Expert
Gustavo Berg Ioschpe	04/23/2021	Full member of the Board of Directors	-	17	Coordinator of the Strategy and Innovation Committee	Male	
Iboty Brochmann Ioschpe	04/23/2021	Full member of the Board of Directors	-	23	-	Male	
Mauro Litwin Ioschpe	04/23/2021	Full member of the Board of Directors	-	23	-	Male	
Israel Vainboim	04/23/2021	Full independent member of the Board of Directors	Independent	7	Member of Finance Committee	Male	Financial Expert
Henrique Bredda	04/23/2021	Full independent member of the Board of Directors	Independent	1	Member of the Statutory Audit Committee	Male	Financial Expert
Alexandre Gonçalves Silva	04/23/2021	Full independent member of the Board of Directors	Independent	2	Member of the Appointment and Compensation Committee and member of the Strategy and Innovation Committee	Male	Industry Expert
Sergio Luiz Silva Schwartz	04/23/2021	Full independent member of the Board of Directors	Independent	4	Coordinator of the Appointment and Compensation Committee and Coordinator of the Financial Committee	Male	Financial Expert

BOARD OF EXECUTIVE OFFICERS (2022) GRI 2-9

Name	Election Date	Position Held	Independence	Tenure of members on the governance body	Number of other significant positions and commitments held by each member, and the nature of the commitments	Gender	Competencies relevant to the impacts of the organization
Marcos Sergio de Oliveira	04/27/2021	Chief Executive Officer	-	5	Member of the Disclosure and Securities Trading Committee and member of the Ethics Committee	Male	Industry Expert
Elcio Mitsuhiro Ito	04/27/2021	Chief Financial and Investor Relations Officer	-	2	Member of the Risk Management Committee and member of the Disclosure and Securities Trading Committee	Male	Financial and Industry Expert
Paulo Marcio Amada	04/27/2021	Officer	-	4	-	Male	HR and Industry Expert

GOVERNANCE STRUCTURE AND COMPOSITION

MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS GRI 2-26

COMPLAINTS ASSESSED	Quantity	%
Valid	30	25%
Partially valid	21	17%
Invalid	70	58%
Total	121	100%
Complaints treated	121	100%

TYPE OF COMPLAINT REPRESENTATIVENESS		
Professional Conduct		70%
Others		30%

ETHICS INDICATORS GRI 205-1 205-3

	2020	2021	2022
Number of confirmed corruption incidents	0	0	0
Number of confirmed information security incidents	not available	not available	1
% of plants for which an internal audit / risk assessment concerning business ethics issues has been conducted	30.8%	40.0%	40.0%
Number of Anti-Corruption Certification (e.g. Ethic Intelligence, Trace, etc)	0	0	0
% of plants with Certified Anti-Corruption Management System	0.0%	0.0%	0.0%
Number of ISO 27000 Certificates	0	0	0
% of plants certified ISO 27000	0.0%	0.0%	0.0%

FINANCIAL PERFORMANCE

ECONOMIC PERFORMANCE GRI 201-1

	2020	2021	2022
Revenue growth	-12.5%	56.2%	23.8%
Revenue	8,760	13,688	16,947
EBIT	-185	1,281	1,246
% EBIT margin	-2.1%	9.4%	7.4%
EBITDA	372	1,841	1,737
% EBITDA margin	4.2%	13.5%	10.2%
Net Income / (Loss)	-492	537	279
Net Debt	3,515	4,299	3,917
Net Debt / EBITDA	9.5x	2.3x	2.3x

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE		lochpe-Maxion has reported the information cited in this GRI content index for		the period January 1st to Dceember 31st, 2022, with reference to the GRI Standards.		
GRI 1 USED		GRI 1: FOUNDATION 2021				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	
GENERAL DISCLOSURES						
	2-1 Organizational details	49				
	2-2 Entities included in the organization’s sustainability reporting		lochpe-Maxion has no operational control of Amsted Maxion, thus it is not covered in this report. lochpe-Maxion has operational control of 25 plants.			
	2-3 Reporting period, frequency and contact point	58	ri@iochpe.com.br			
	2-5 External assurance		Not applicable. We are in the beginning of our reporting journey, still in the process of structuring the disclosure of the material topics in accordance to the GRI core option. We plan to undergo external assurance in the near future.			
	2-6 Activities, value chain and other business relationships	54				
	2-7 Employees	59	Number of Employees at Plants (Offices Excluded): 2020: 16,304 employees 2021: 16,576 employees 2022: 17,310 employees			
	2-9 Governance structure and composition	46, 47, 68, 69				
	2-10 Nomination and selection of the highest governance body	48	Please see Report of Governance at the link: https://api.mziq.com/mzfilemanager/v2/d/aa331a3b-0a4a-4acc-a70e-512ff88e3c02/5b2815b0-b2db-82f1-a05a-fd5dbf31ba86?origin=1 (portuguese) Nomination policy available at the link: https://api.mziq.com/mzfilemanager/v2/d/aa331a3b-0a4a-4acc-a70e-512ff88e3c02/64ef81d4-6de5-4cf3-afb9-214a30fdf5c3?origin=2 (portuguese) The competencies relevant to the impacts of the organization are described at table 2-9 item VII			
	2-11 Chair of the highest governance body		Please see Report of Governance at the link: https://api.mziq.com/mzfilemanager/v2/d/aa331a3b-0a4a-4acc-a70e-512ff88e3c02/5b2815b0-b2db-82f1-a05a-fd5dbf31ba86?origin=1 (portuguese)			

GRI 2:
GENERAL
DISCLOSURES
2021

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE lochpe-Maxion has reported the information cited in this GRI content index for the period January 1st to Dcecember 31st, 2022, with reference to the GRI Standards.

GRI 1 USED **GRI 1: FOUNDATION 2021**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION	SASB
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REQUIREMENT(S) OMITTED	REASON
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GENERAL DISCLOSURES

**GRI 2:
GENERAL
DISCLOSURES
2021**

2-14 Role of the highest governance body in sustainability reporting

The Board of Directors is not responsible for the review and approval of the Company's Sustainability Report; this is the task for the Board of Executive Officers. Topics of materiality, included in the Sustainability Report are the responsibility of the Board of Directors.

2-16 Communication of critical concerns

The Statutory Audit Committee meets monthly to analyze complaints from the Ethics Hotline. The Board of Directors are informed quarterly of critical complaints. In 2022, no critical complaints were detected.

2-17 Collective knowledge of the highest governance body

The Company holds an annual off-site strategy meeting for the purpose of understanding the risks and opportunities associated to our annual planning cycle. This meeting can include external consultants and industry experts who share their knowledge. We also interact regularly with industry and financial analysts for similar exchanges of information and knowledge.

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE		lochpe-Maxion has reported the information cited in this GRI content index for		the period January 1st to December 31st, 2022, with reference to the GRI Standards.		
GRI 1 USED		GRI 1: FOUNDATION 2021				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	
GENERAL DISCLOSURES						
GRI 2: GENERAL DISCLOSURES 2021	2-18 Evaluation of the performance of the highest governance body	48, 51	The Company evaluates the Board of Directors every two years. The Company understands that such periodicity is sufficient since the members of the Company's Board of Directors have a unified term of two years, so they are evaluated at each term. The process of assessing the performance of the Board of Directors and its committees, as collegiate bodies, the Chairman of the Board of Directors, and the directors, individually considered, has been conducted with the support of an external specialized consulting firm, following criteria and methodology based on practices adopted by the market.			
	2-19 Remuneration policies	48, 52	Please see Remuneration policy available at: https://api.mziq.com/mzfilemanager/v2/d/aa331a3b-0a4a-4acc-a70e-512ff88e3c02/76ebd56a-3c84-495b-86b6-88513eaede2c?origin=1 (portuguese)			
	2-22 Statement on sustainable development strategy	4				
	2-23 Policy commitments		Our policies are available at: https://www.iochpe.com.br/en/governance/code-of-conduct/			
	2-24 Embedding policy commitments		No plants have been subject to human rights reviews or impact assessments.			
	2-26 Mechanisms for seeking advice and raising concerns	52 - 55, 70				
	2-27 Compliance with laws and regulations	22, 52 - 54				
	2-28 Membership associations	19				
	2-29 Approach to stakeholder engagement	19, 28, 31, 32, 34 - 45				
	2-30 Collective bargaining agreements	62				

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE lochpe-Maxion has reported the information cited in this GRI content index for the period January 1st to Dcecember 31st, 2022, with reference to the GRI Standards.

GRI 1 USED **GRI 1: FOUNDATION 2021**

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	

MATERIAL TOPICS

3-1 Process to determine material topics	58
3-2 List of material topics	58

ECONOMIC PERFORMANCE

GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	56, 71
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ANTI-CORRUPTION

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	52 - 55			
	205-1 Operations assessed for risks related to corruption	70	40% of plants conducted risk assessments concerning business ethics issues.		
GRI 205: ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	55	See more information in Code of Conduct, page 10, available at: https://api.mziq.com/mzfile-manager/v2/d/aa331a3b-0a4a-4acc-a70e-512ff88e3c02/d5a821ae-9b35-74ef-b840-9d1cc8766924?origin=1		
	205-3 Confirmed incidents of corruption and actions taken	70	No corruption or monetary losses were found associated with anticompetitive behavior. If it had been found, it would have been reported to the highest governance body.		SASB TR-AP-520A.1

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE		Iochpe-Maxion has reported the information cited in this GRI content index for		the period January 1st to December 31st, 2022, with reference to the GRI Standards.			
GRI 1 USED		GRI 1: FOUNDATION 2021					
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB	
				REQUIREMENT(S) OMITTED	REASON		
MATERIALS							
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	18 - 22					
	301-1 Materials used by weight or volume						
	GRI 301: MATERIALS 2016	301-2 Recycled input materials used					
	301-3 Reclaimed products and their packaging materials						
ENERGY							
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	14 - 17					
	302-1 Energy consumption within the organization	60				TR-AP-130a.1	
GRI 302: ENERGY 2016	302-2 Energy consumption outside of the organization	60					
	302-3 Energy intensity	60					
	302-4 Reduction of energy consumption	16, 17					
WATER AND EFFLUENTS							
GRI 303: WATER AND EFFLUENTS 2018	303-3 Water withdrawal	23, 61					
	303-4 Water discharge	61					
	303-5 Water consumption	61					

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE		lochpe-Maxion has reported the information cited in this GRI content index for		the period January 1st to Dcecember 31st, 2022, with reference to the GRI Standards.		
GRI 1 USED		GRI 1: FOUNDATION 2021				
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	
EMISSIONS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	14 - 21				
	305-1 Direct (Scope 1) GHG emissions	17, 61				
	305-2 Energy indirect (Scope 2) GHG emissions	17, 61				
GRI 305: EMISSIONS 2016	305-3 Other indirect (Scope 3) GHG emissions	20, 61				
	305-4 GHG emissions intensity	16				
	305-5 Reduction of GHG emissions	16, 17				
WASTE						
GRI 306: WASTE 2020	306-5 Waste directed to disposal	22, 61				TR-AP-150a.1
EMPLOYMENT						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	34, 36, 37				
	401-1 New employee hires and employee turnover	36				
GRI 3: MATERIAL TOPICS 2021	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		All the benefits are aplicable for both employees category according to compensation and benefits polices.			

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE lochpe-Maxion has reported the information cited in this GRI content index for the period January 1st to Dceember 31st, 2022, with reference to the GRI Standards.

GRI 1 USED **GRI 1: FOUNDATION 2021**

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	

OCCUPATIONAL HEALTH AND SAFETY

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	35	25 plants operate with a management-work-er committee for Health and Safety. 100% of workers are represented by these committees.			
	403-1 Occupational health and safety management system	35	Health and Safety risk assessments have been conducted for 100% of the plants in 2020, 2021 and 2022.			
	403-2 Hazard identification, risk assessment, and incident investigation	35				
	403-3 Occupational health services	35				
	403-4 Worker participation, consultation, and communication on occupational health and safety	35				
	403-5 Worker training on occupational health and safety	35				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-6 Promotion of worker health	35				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35	In cases where lochpe-Maxion may have less control over both the work and work-place, i.e., contractors, on-site suppliers, etc., the Supply Chain team facilitates safe working history reviews of the suppliers working under such conditions. Our man-agement system dictates we perform safety assessments and post work evaluations to ensure compliance with OHS rules.			
	403-9 Work-related injuries	35	Maxion is following the recordable classifica-tion and tracking hours under our supervision. Rules are outlined by USA OSHA requirements. Number of hours worked 49,834,542. Incident rates consider 200,000 work hours.			
	403-10 Work-related ill health					

GRI CONTENT INDEX

GRI STANDARD REQUIREMENT 7 / SASB

STATEMENT OF USE		lochpe-Maxion has reported the information cited in this GRI content index for		the period January 1st to Dcecember 31st, 2022, with reference to the GRI Standards.		
GRI 1 USED		GRI 1: FOUNDATION 2021				
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	INFORMATION	OMISSION		SASB
				REQUIREMENT(S) OMITTED	REASON	
TRAINING AND EDUCATION						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	36				
	404-1 Average hours of training per year per employee	63		Information unavailable/incomplete	This information is not available in a consolidated global basis.	
GRI 404: TRAINING AND EDUCATION 2016	404-2 Programs for upgrading employee skills and transition assistance programs	36				
	404-3 Percentage of employees receiving regular performance and career development reviews	37, 63				
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	38 - 41				
	405-1 Diversity of governance bodies and employees	39, 64 - 67				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-2 Ratio of basic salary and remuneration of women to men			Information unavailable/incomplete	This information is not available in a consolidated global basis.	
CUSTOMER HEALTH AND SAFETY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	32, 33				
	416-1 Assessment of the health and safety impacts of product and service categories	32		lochpe-Maxion did not have any non-compliance with regulations and/or voluntary codes.		
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	33		No incident of non-compliance occurred.		SASB TR-AP-250a.1




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