

# ***lochpe-Maxion S.A.***

*Independent Auditors Limited  
Assurance Report on the “GHG Baseline  
Intensity” Report for the Year Ended  
December 31, 2020*



## INDEPENDENT AUDITORS LIMITED ASSURANCE REPORT

To the Management of  
Iochpe-Maxion S.A.  
São Paulo -SP

### **Introduction**

We were hired by the Management of Iochpe-Maxion S.A. (“Company”) to present our limited Assurance Report on the compilation of the information related to (i) “kg” of steel and aluminum produced in the industrial plants of the Company and (ii) the “GHG – baseline intensity Index, as shown in the Statement of the “GHG - baseline intensity” computation Index, for the year ended December 31, 2020 and the corresponding explanatory notes.

### **Management’s responsibilities**

Company’s Management is responsible for the preparation and fair presentation of the information contained in the Statement of the “GHG - baseline intensity” computation Index, in accordance with the methodologies and for the internal controls adopted by the Company, which Management determined as necessary to prepare a report free from material misstatement, whether due by fraud or error.

### **Independent auditor’s responsibilities**

Our responsibility is to express a limited assurance conclusion on the information related to the Statement of the “GHG - baseline intensity” computation Index, for the year ended December 31, 2020, based on the limited assurance work conducted in accordance with the technical communication - CT nº 07/12, as approved by the Brazilian Federal Accounting Council - CFC, and elaborated based on the Brazilian standard NBC-TO-3000 - Assurance Engagements Other than Audits or Reviews, as issued by the CFC, which is equivalent to the international standard ISAE 3000, issued by the “International Federation of Accountants - IFAC”. These standards require compliance with ethical requirements, including independence requirements, that the work is performed with the purpose of obtaining limited assurance, as well as the information related to the Statement of the “GHG - baseline intensity” computation Index for the year ended December 31, 2020, taken as a whole, are free from material misstatements, regardless of whether caused by fraud or error.

The limited assurance work was conducted in accordance with NBC-TO-3000 (ISAE 3000) consists mainly of inquiries to Management and other Company’s professionals, who are involved in the preparation of the Statement of the “GHG - baseline intensity” computation Index and in the application of analytical procedures, to obtain evidence that allows us to conclude on limited assurance report on the information taken as a whole. The limited assurance work also requires the execution of additional procedures, when the independent auditor becomes aware of matters

that lead to believe that the information related to the Statement of the “GHG - baseline intensity” computation Index, related to the year ended December 31, 2020, taken as a whole, may present material misstatements.

The selected procedures were based on our understanding of the aspects related to the compilation and presentation of information contained in the Statement of the “GHG - baseline intensity” computation Index, for the year ended December 31, 2020, taken as a whole, and other circumstances of the work and our consideration of areas in which material misstatements could exist.

The procedures comprised (i) the work planning, considering the relevance, the volume of the quantitative and qualitative information and the internal control systems that served as the basis of the preparation of the information contained in Statement of the “GHG - baseline intensity” computation Index; (ii) understanding the calculation methodology and procedures for compiling information through interviews with the managers responsible for preparing the information; (iii) application of analytical procedures on quantitative information and inquiries about qualitative information and its correlation with the indicators disclosed in the information contained in the Statement of the “GHG - baseline intensity” computation Index; and (iv) comparison of financial indicators with the financial statements.

We believe that the evidence obtained in our work is sufficient and appropriate to support our conclusion.

### **Scope and limitations**

The procedures applied in a limited assurance work are substantially less extensive than those applied in an assurance work that aims to issue an opinion on the information related to the Statement of the “GHG - baseline intensity” computation Index. Consequently, the procedures do not enable us to ensure that we are aware of all matters that would be identified in an assurance work that aims to issue an opinion. If we had carried out a work with the purpose of expressing an opinion, we could have identified other issues and possible distortions that may exist in the information related to the Statement of the “GHG - baseline intensity” computation Index, for the year ended on December 31, 2020. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. In addition, we have not carried out any work on data reported for previous periods, nor in relation to future projections and goals.

Our conclusions and quantitative assessments were obtained from the calculation methodologies and assumptions used by the Company’s Management, on which we have not issued an opinion. Additionally, if the methodologies and assumptions are changed at any time, the results may differ in line with the changes made.

### **Conclusion**

Based on the procedures we have performed described in this report, nothing has come to our attention that causes us to believe that the information related to the Statement of the “GHG -

baseline intensity” computation Index, related to the year ended December 31, 2020, were not compiled, in all material respects, in accordance with the guidelines, as defined by the Company, applied in accordance with notes 1 and 2 to the Statement of the “GHG - baseline intensity” computation Index.

#### **Other matters**

The scope of our work aimed to apply limited assurance procedures on the Statement of the “GHG - baseline intensity” Index. The data referring to Greenhouse Gas – GHG emissions (“CO2 Emissions – Scope 1 and CO2 Emissions – Scope 2”), for the year ended December 31, 2020, also included in the Statement of the “GHG - baseline intensity” Index, were subjected to a limited assurance report issued by other independent auditors, dated August 13, 2021.

This Report and correspondent Statement of the “GHG - baseline intensity” Index have been translated into English for the convenience of the readers outside Brazil.

São Paulo, September 17, 2021

COIMBRA PARTNERS  
Auditores e Consultores S/S



André Rafael de Oliveira  
Partner  
CRC nº 1 SP 220308/O-1

## Statement of the “GHG – Baseline Intensity” Computation Index – Year Ended December 31, 2020

### 1) (Kg) Steel and Aluminum produced - 2020

Iochope Maxion S.A. and subsidiaries 939,036,267

### 2) “GHG – Baseline Intensity” Computation Index – 2020

GHG Baseline Intensity Index -(tCO<sub>2</sub>e/ kg produced): 0.0003977862

Emissions tCO <sub>2</sub> e – Scope 1	145,301.56
Emissions tCO <sub>2</sub> e – Scope 2	228,234.10
	373,535.66

Kg produced	939,036,267
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### 3) Definitions

*GHG Baseline Intensity*: equivalent to the volume of GHG emissions in tons, with Scope 1 and Scope 2 considered as the numerator of the index and Kg produced as the denominator (tCO<sub>2</sub>e / kg produced).

tCO<sub>2</sub>e: equivalent to carbon dioxide emissions in tons, it is a way of demonstrating all different greenhouse gases as single number:

Scope 1 Emissions: Direct GHG emissions – comprises emission sources of the Company.

Scope 2 Emissions: Indirect GHG emissions – comprises emission from energy acquired by the Company through external sources.

Kg produced: kilograms of Steel and Aluminum produced.

### Explanatory Notes:

#### 1. General Information

##### *Iochope-Maxion S.A. profile*

Iochope-Maxion S.A. (“The Company”) is a global company and world leader in the production of automotive wheels and a leading producer of automotive structural components in the Americas. We have 25 manufacturing plants located in 12 countries, which enables us to serve our customers around the world according to their delivery terms, quality standards and competitiveness requirements.

In the GHG statement for 2019 there were 24 manufacturing plants in 12 countries, however, we launched a new aluminum wheel manufacturing facility in India during 2020, now included in the scope of this GHG statement.

The Company holds a high level of technical knowledge and constantly seeks to provide innovative solutions in the areas in which it operates, using global macro-trends that drive the development of new products and technologies, whether independently or in cooperation with strategic partners.

The core business of the Company and its subsidiaries is the automotive sector, segregated into two main divisions: Maxion Wheels and Maxion Structural Components.

- In Maxion Wheels, we produce and sell a wide range of steel wheels for light and commercial vehicles and agricultural machinery and aluminum wheels for light vehicles.
- In Maxion Structural Components, we produce side rails, cross members and full frames for commercial vehicles and structural components for light vehicles.

The consumption of steel and aluminum sharply decreased in 2020 because of the COVID-19 pandemic. Restraint of customer demand occurred throughout months in each of our locations worldwide, but causing different levels of magnitude and consequences. As a result, some of our plants temporarily stopped their operations and/or experienced significant shutdowns in production.

## **2 – Organizational boundaries**

### **Maxion Wheels**

The organizational boundary for greenhouse gas emissions includes manufacturing, maintenance, painting, paint curing, aluminum foundry, aluminum casting, metal (steel) forming (roll forming, stamping and spinning) processes and administrative/manufacturing support offices located at our manufacturing sites.

These sites include the following locations:

Akron – USA	Jaws – Turkey	Pune Pass Car - India
Chihuahua – México	Johannesburg – South Africa	Pune Truck - India
Cruzeiro – Brazil	Konigswinter – Germany	Saraburi - Thailand
Aluminium – Czech Republic	Limeira Aluminium – Brazil	San Luis Potosi - México
Steel -Czech Republic	Steel Limeira – Brazil	Santo André - Brazil
Dello – Italy	Manresa – Spain	Sedalia - USA
Inci - Turkey	Nantong – China	
Jantas - Turkey	Pune Aluminium - India	

### **Maxion Structural Components**

For Maxion Structural Components (MSC), the manufacturing sites are:

- Cruzeiro - Brazil
- Inmagusa – Mexico
- Contagem - Brazil

The organizational limit excludes joint ventures and associates, as follows:

- Maxion Montich S.A. (Sete Lagoas – Brazil, Cordoba – Argentina e Canelones - Uruguay)

It is engaged in the manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars), metal stampings and welded assemblies for commercial and light vehicles.

- Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. (Cruzeiro e Hortolandia – Brazil).

The Company, through its associate Amsted-Maxion Fundação e Equipamentos Ferroviários S.A. (“AmstedMaxion”), located in Cruzeiro, São Paulo state, is engaged in the manufacturing of industrial castings and railroad wheels. AmstedMaxion, through Greenbrier Maxion Serviços e Equipamentos Ferroviários S.A. (“GreenbrierMaxionFerroviário”), its joint venture located in the city of Hortolândia, São Paulo state, is engaged in the manufacturing and sale of freight cars and wagons.

### **3. Methodology**

The computation of the volume of Kg Produced is directly related to the Initial Inventory (+) Purchases (-) Final Inventory.

The volume of the Kg of the Steel and Aluminum is demonstrated by the following equation:

$$\text{Kg Produced} = \text{IS} + \text{P} - \text{FS}$$

Where:

Kg produced = volume of steel and aluminum produced (in Kg)

IS = Initial Stock

P = Purchases of steel and aluminum (in Kg)

FS = Final Stock

### **4. Management approval**

This Statement of the “GHG - baseline intensity” Index for the year ended December 31, 2020 was approved for issuance by Management on September 17, 2021.