

Rassini®

2022 ANNUAL
SUSTAINABILITY
REPORT



WE LEAD CHANGE,
DESIGNING A BETTER FUTURE



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WE LEAD CHANGE, DESIGNING A BETTER FUTURE

MESSAGE FROM OUR CHAIRMAN AND CEO

Rassini's sustainable vision is grounded in the talent of its people, technological innovation and the agility to provide high-performance solutions to the challenges our clients face.

In 2022, we achieved outstanding results beyond the logistical and economic challenges experienced around the world, defending our commercial leadership amid a rapid energy transition in the global automotive industry. Today we supply more than 40 electric vehicle platforms, which ensure our presence in more than 50% of the vehicles that will be sold in North America in the coming years, and we maintain a considerable market share in traditional internal combustion engines.

Prestigious global brands trust in our quality, safety and compliance with international standards, which reaffirm the excellence of our work. One highlight of the year was the renewal of our business partnership with General Motors, which guarantees the presence of our products in at least 700,000 vehicles a year starting in 2026; and also the opening of a new business with Ford Motor Company for mid-sized trucks.

The advanced technology developed in our research centers ensures coverage of product life cycles for the next decade, and as the energy transition moves forward, our perfecting of composite material applications positions us at the forefront of the sustainable market, not just because of the obvious transformation of mobility, but as part of our firm commitment to the environment; the creation of net-zero production systems; society; better quality of life and the execution of best practices in ethics, integrity and corporate governance.

I am proud of having led the evolution of a cross-disciplinary team that can adapt to the changing needs of the environment. Above all when our clients recognize us and award us distinctions that underscore our constant commitment to shared value creation for the long-term success of all our stakeholders, today and for the benefit of future generations.

Eugenio Madero
CHAIRMAN AND CEO, RASSINI



102-45, 102-50, 102-51, 102-52, 102-54, 102-56

ABOUT THIS REPORT

This is Rassinì's 2022 Annual Sustainability Report, prepared according to the standards of the Global Reporting Initiative (GRI): Core Option.

It includes data on all our production centers in Mexico: Rassinì Suspensiones S.A. de C.V.; Rassinì Frenos, S.A. de C.V.; and Bypasa S.A. de C.V.

The information presented here provides a clear overview of the most relevant economic, social and environmental impacts for our business and for stakeholders, defined through a materiality study.

This year's report describes the Group's strategy and actions, and shares the best practices executed during the period from January 1 to December 31st, 2022, giving continuity to our 2021 report, published in June 2022.

EXCELLENCE IN MOVEMENT

Strategically positioned in the automotive world, Rassini is a leader in the design, innovation and manufacture of materials for the global market, with operations in **Mexico, the United States, Brazil, Germany, Israel and Japan.**

We specialize in sustainable technology that guarantees a conscious management of the environmental impact of production processes in all three of our main divisions: **Leaf Spring, Brakes and Coil Springs.**

+6.5K employees around the world	7 Manufacturing Sites	
6 Technology Centers	6 Presence in Countries	3 Business Divisions



TOP 10 Sustainalytics ESG Risk Rating, Global Auto Parts

One of the most highly renowned rating agencies specializing in risk metrics and sustainability, emissions management, and supply chain practices.

102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-12, 102-13

Our purpose, aligned with the United Nations' 2030 Agenda for Sustainable Development, is centered on talent development and responsible manufacturing.

Since we first joined the Global Compact in 2015, we have garnered dozens of awards and prizes for our commitment to sustainable change.

The following are just some of these:

- Altair Enlighten Award
- Daimler Masters of Quality
- Ford Zero Defects
- Nexteer Perfect Quality Award
- Nissan Zero Defects
- Toyota CO₂ Reduction Prize
- Volvo Quality Excellence
- Leading Environmental Performance Business
- Clean Industry
- National Export Prize

SUPPLIER OF THE YEAR

GM's recognition of suppliers who exceed quality and efficiency requirements through innovative technologies.



OVERDRIVE AWARD

This prize was given to Rassini's Brakes division in the category of innovation, for its application of magnetorheological shock absorbers, and is reserved for GM suppliers that demonstrate outstanding sustainability, innovation, total company cost, safety and launch excellence.



For Rassini, creating value to benefit society and the environment is a strategic axis for long-term well-being. With this in mind, we have forged ties and alliances with chambers of commerce, associations and boards that have enabled us to serve as

mediators in the creation of public policy, investment and international trade agreements that favor jobs, the economy and industry in Mexico.

AFFILIATIONS

DOMESTIC

- Cámara Nacional de la Industria de Transformación (CANACINTRA)
- Centro de Competitividad de México (CCMX)
- Consejo Coordinador Empresarial (CCE)
- Consejo Mexicano de Comercio Exterior (COMCE)
- Consejo Mexicano de Negocios (CMN)
- Industria Nacional de Autopartes (INA)
- Observatorio Ciudadano de la Junta de Conciliación y Arbitraje

REGIONAL

- Asociación de Ejecutivos de Recursos Humanos del Norte de Coahuila
- Asociación de Industriales del Estado de México (AIEM)
- Cámara de la Industria y la Transformación en Nuevo León (CAINTRA)
- Comité de Vinculación Sector Productivo del CONALEP, Piedras Negras
- Confederación Patronal de la República Mexicana (COPARMEX), San Martín Texmelucan
- Confederación Patronal de la República Mexicana (COPARMEX), Saltillo
- Consejo de Desarrollo Económico del Estado de Coahuila
- Consejo de Desarrollo Económico del Municipio de Piedras Negras
- Consejo de Industriales de San Juan del Río
- Consejo Regional NAFINSA, Puebla & Estado de México
- Consejo de la Universidad Politécnica de Piedras Negras
- Consejo de Vinculación Universidad-Empresa, Región Norte de Coahuila
- Clúster Automotriz de Nuevo León (CLAUT)
- Clúster Automotriz de Puebla
- Clúster Automotriz de Querétaro
- Consejo Nacional de la Industria Maquiladora y Manufacturera de Exportación - INDEX, Piedras Negras
- Relaciones Industriales de Puebla y Tlaxcala (RIPTAC)





DESIGNING A BETTER FUTURE

Through a materiality exercise, we identified the issues with the greatest economic, environmental and social impact on our operations. With this we have been able to diagnose the most significant aspects of our sustainability strategy and prioritize the SDG to which Rassini contributes, based on the positive impact we generate, and the mitigation of the risks involved in our activities.



5 PRIORITY SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Our eighth Sustainability Report is a guarantee of transparency and commitment which responds to GRI reporting principles on content and quality regarding:

- Stakeholder engagement
- Sustainability context
- Materiality
- Completeness
- Accuracy
- Balance
- Clarity
- Comparability
- Verifiability
- Timeliness

Our goal is continue adding value and having a positive impact on society. For this reason, we promote respect for human rights; support the communities where we are present by ensuring sustainable coexistence between our operations and the surrounding areas; contribute to mitigating climate change by offering sustainable products and services, and by designing strategies for reducing our net emissions.



2022 SUSTAINABILITY HIGHLIGHTS

102-7

+5 K

Employees in Mexico

+6 M

Cars supplied every year

+80

Models include at least one Rassini product

+40 EVs

In North America use our mobility solutions

5

Strategic SDGs



100%

Of our plants are certified by IATF 16949 and ISO 14001

+65

Quality and service recognitions in the last decade

TOP 10

SUSTAINALYTICS ESG Global Auto parts

10 YEARS

Socially Responsible Enterprise

B

CDP Assessment
Supplier engagement
Climate change management

55%

Electrical energy consumed from clean sources

+8.6 K

Trees donated from our nursery

80%

Materials are recycled and reincorporated

+210K

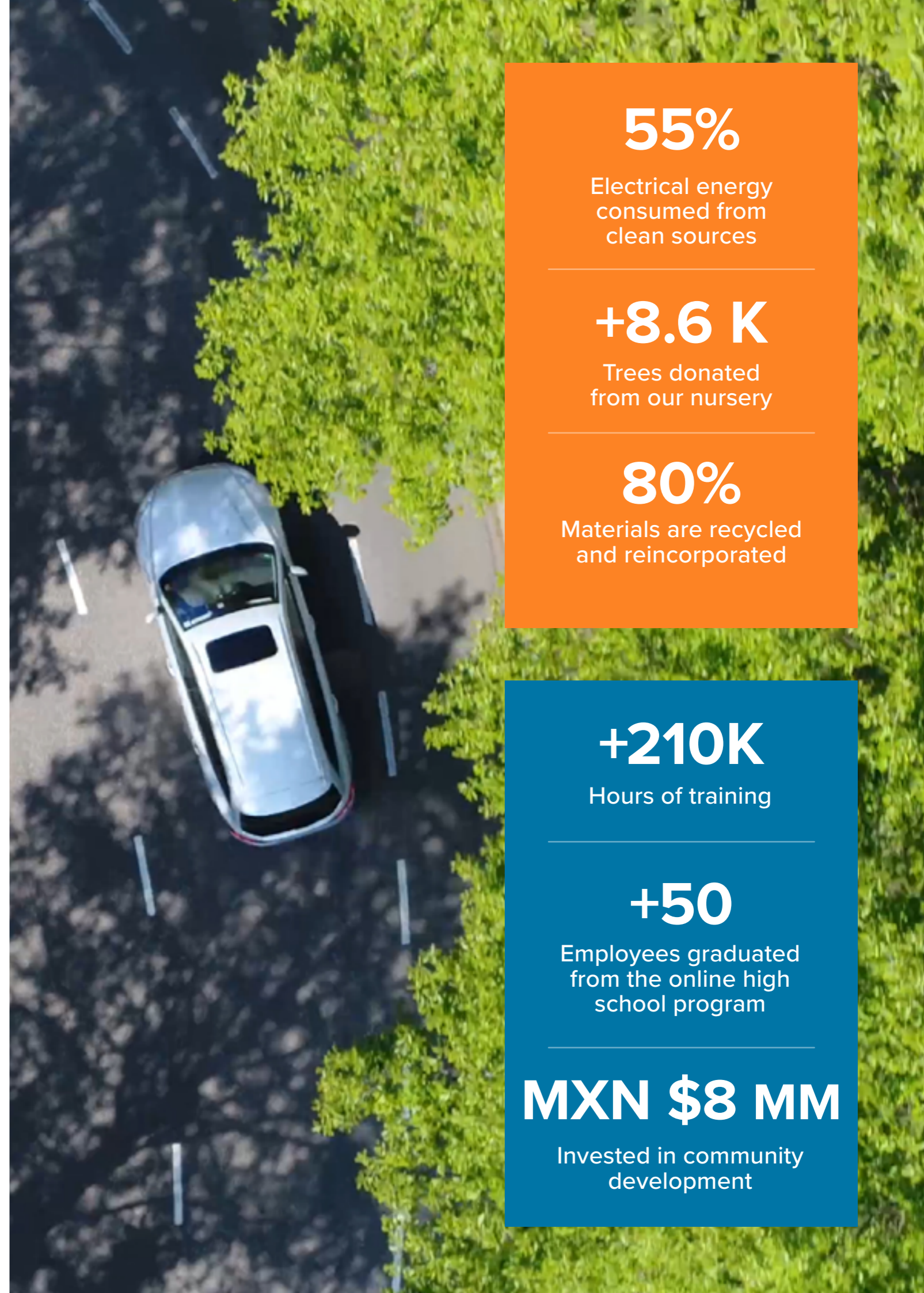
Hours of training

+50

Employees graduated from the online high school program

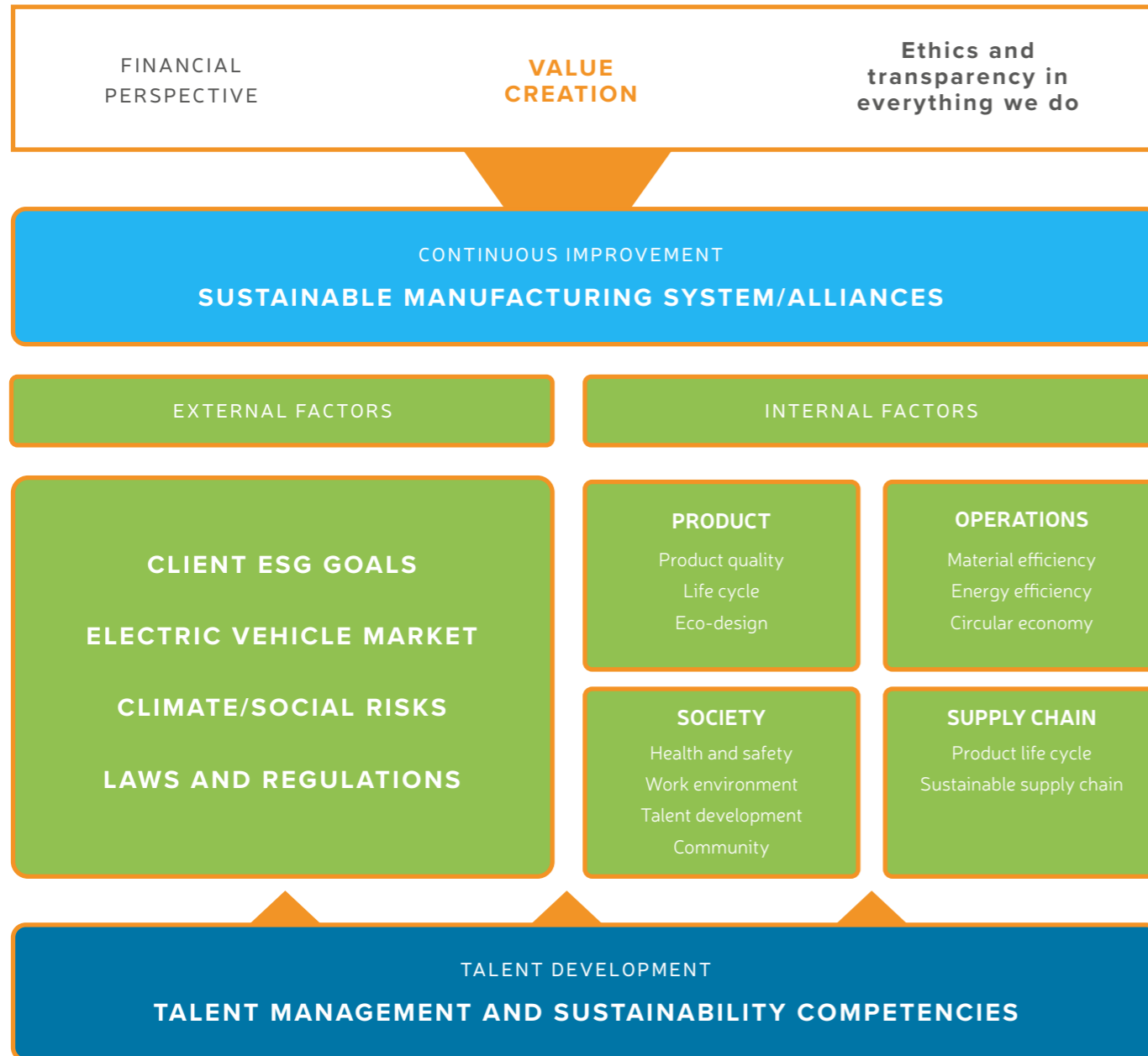
MXN \$8 MM

Invested in community development



ESG MODEL

Corporate sustainability is an increasingly important topic throughout the world. Businesses are looking for ways to bring sustainable practices and policies into their operations and commercial strategies to maximize shared value creation.



ESG APPROACH

Rassini is committed to building environmental sustainability, social responsibility and effective corporate governance in all aspects of our business, for present and future generations.

Our practices reflect a commitment to improving how our talent seizes opportunities for sustainability and continuous improvement through design and manufacturing decisions. As we move into the future, it is our intent to remain committed to transparency and compliance, keeping our focus on creating value for our stakeholders.

With this purpose, Rassini has incorporated a sustainability model into its business strategy, which reflects global trends in the automotive industry as well as the issues that are material to the company. It is based on ESG competencies and talent management, because by developing knowledge and skills, employees can better prepare to identify opportunities for innovation that drive competitiveness.

VALUE CREATION

- Regulatory compliance
- Product and process innovation
- Cost reduction
- ESG impact prevention
- Strengthen reputation





Human talent development provides the firm foundation for the four pillars of our model:

PRODUCT

From the design phase, we focus on reducing negative impacts throughout the product life cycle, complying with all environmental and quality requirements.

OPERATION

Development and implementation of green manufacturing, grounded in the Industry 4.0 concept of increased energy and material efficiency.

SOCIETY

We guarantee a positive, safe and healthy workplace for our employees, while encouraging the development of the communities where we are present.

SUPPLY CHAIN

We engage our suppliers and clients to mitigate negative environmental and social impacts in our value chain.

External factors have also shaped our ESG model and practices.

CLIENT ESG GOALS

Rassini takes clients' ESG goals into account to harmonize strategy, meeting and adding value to service expectations.

ELECTRIC VEHICLE MARKET

Brands that have electric platforms demand strict environmental compliance in their supply chains. Our technology has been tailored to fulfill our customers' needs, and our products are included in more than 40 electric vehicle models.

ESG RISKS

We adopt measures for identifying, preventing and mitigating ESG risks in order to mitigate and appropriately manage potential negative impacts.

INTERNATIONAL, NATIONAL AND LOCAL REGULATIONS

We abide by international sustainability standards established by governments and specialized organizations.

To buttress our model and manage the influence of external factors, we have a comprehensive management system involving world-class processes, policies and procedures. This system provides a structured framework for planning, implementing, monitoring and continually improving the efficacy of our business practices.

Rassini adheres to the highest standards of ethics and integrity in all its operations. Transparency and compliance are crucial to the implementation of our model.



CORPORATE SUSTAINABILITY/ ESG COMMITTEE

Our Corporate Sustainability Committee, created in 2020, is responsible for establishing the company's environmental, social and governance strategy.

Eugenio Madero Pinson
Chairman and Chief Executive Officer

Héctor Galván Venegas
CEO, Brakes Division

Juan Pablo Rosas Pérez
Chief Legal Officer

Juan Pablo Sánchez Kanter
Chief Financial Officer

Mario Pérez Orozco
Chief Strategic Planning Officer

Sergio Dávila Flores
CEO, Suspensions Division

GOALS:

Ensure deployment of the national strategy

Lead ESG actions through the Sustainability Subcommittees

Measure the effectiveness and positive impact of the programs

ESG SUBCOMMITTEES

In 2022, cross-disciplinary groups were created to devise and implement local environmental, social and governance programs for each of Rassini's manufacturing sites in Mexico. Coordination of these activities is reflected in the scope of the goals set by the ESG committee.

Both the Committee and the Subcommittees are kept up to date through continuous training on matters of global impact, given by accredited institutions, and through incorporation of international best practices which bolster our strategy of maximizing the social dividend and our contribution to sustainable development.



102-16

TRANSPARENCY AND ACCOUNTABILITY

Our corporate governance structure incorporates best international practices and high standards of ethics, integrity and respect for diversity. At Rassini, we build value relationships with our employees, shareholders, internal and external suppliers, clients, authorities and communities, with absolute respect for human rights.

Our policies and procedures for preventing corruption and conflicts of interest are set down in our Code of Ethics and Conduct, where we reaffirm our values in keeping with the corporate mission and vision. The Code covers a wide variety of topics, including:

- Employee relations
- Customer satisfaction and quality
- Commercial practices
- Anti-corruption, transparency and conflicts of interest
- Supplier relations
- Confidential and inside information
- Communication
- Administration of the Code of Ethics and Conduct

It is imperative that individuals and entities that have any form of association, whether direct or indirect, with the company must possess a comprehensive comprehension and adherence to this document, from the Board of Directors and senior management to employees, representatives and anyone acting on behalf of Rassini in Mexico or abroad. We have a zero-tolerance stance on corruption, fraud, conflicts of interest and any other action that goes against our standards and values or violates national and international laws. We have a team of expert advisors who work preventively to consider critical business decisions to avoid any breach of the law or omission.



ETHICS AND CONDUCT COMMITTEE

Eugenio Madero Pinson

Chairman and CEO

Juan Pablo Rosas Pérez

Chief Legal Officer

Mario Pérez Orozco

Chief Strategic Planning Officer

Víctor Silva Escárcega

Internal Auditor

Enrique Guillén Smer

Chief Human Resources Officer

The multidisciplinary nature of the committee members, with connections to the management structure, the Audit Committee and Board of Directors, ensures that matters are dealt with impartially and thoroughly, in full compliance with the law and Rassini's culture of integrity.

The Code of Ethics and Conduct (CEC) sets integrity standards and lays out the roadmap for settling potential ethical dilemmas through the established reporting channels. Our oversight mechanisms enable us to address grievances through a thorough investigation into all the reports and inquiries filed through the Integrity platform, which guarantees confidentiality and anonymity for anyone who notifies us of a violation of our ethical values and principles. The reports are handled by an external agent, and no one at Rassini has direct access to the information. Cases received cannot be modified or eliminated, and their access is not traceable. The ruling on the grievance is also communicated to the reporting party for feedback on the process.

Phone

800 002 (468-347)

e-mail

etica@integrity-rassini.com

Website

www.integrity-rassini.com

EthicsGlobal app

Available in:

Google Play App Store



RASSINI ETHICS MODEL



We have an internal Ethics Officer, responsible for advising us on ethical and legal matters. The Ethics Officer assigns cases to trained specialists who analyze and execute the applicable protocols for resolving them. The Ethics Officer meets each quarter with the Ethics Committee to report on progress and present plans for improving the model.



2022 ETHICS HIGHLIGHTS

Update of the CEC

- Expanded concept of workplace harassment and bullying.
- Prevention of psychological risk factors at work.
- Strengthening a favorable organizational climate.
- Personal data protection.
- Commitment to promoting socially responsible practices that benefit the community.

International updating campaign

- **Ethics workshops** in all business units.
- **100%** of employees signed CEC acceptance certificate.
- **Integrity Platform** Dissemination of reporting channels.
- **27** investigators trained in handling complaints of workplace harassment and bullying, applying investigation methodology and conducting forensic interviews.
- **Recertification** of the first generation of Ethics Program investigators.



More about our Code of Ethics:



CORPORATE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The Board of Directors is a governance body that meets each quarter to decide on business policies and strategies, prioritizing the sustainability and profitable growth of our businesses.

Regular members

- Eugenio Madero Pinson**
Executive Chairman
- Antonio Madero Bracho**
Honorary Lifetime Executive Chairman
- Antonio Madero Pinson**
- Francisco Javier R. Bours Castelo**
- Jesús Enrique Robinson Bours Muñoz**
- Arturo Bours Griffith**
- Juan Salvador Robinson Bours Martínez**
- Arturo Pérez Arredondo***
- Fernando Benjamín Ruíz Sahagún***
- Javier Pérez Rocha***
- Everardo Elizondo Almaguer***
- Eduardo Cepeda Fernández***
- Alfredo Elías Ayub***
- Samantha Tatum Ricciardi Bano***
- Sergio Iván Delgado Treviño***

Alternates

- Juan Pablo Sánchez Kanter (R)
- Juan Pablo Rosas Pérez (R)

Board Secretary

- Juan Pablo Rosas Pérez

*Independent
(R) Related

EXECUTIVE COMMITTEE

Leads implementation of policies and practices appropriate to risk management, guaranteeing financial integrity and compliance with our integrity culture.

- Eugenio Madero Pinson**
Chairman
- Antonio Madero Bracho**
- Antonio Madero Pinson**
- Fernando Benjamín Ruíz Sahagún**
- Francisco Javier R. Bours Castelo**
- Jesús Enrique Robinson Bours Muñoz**
- Arturo Pérez Arredondo**

Alternates

- Javier Pérez Rocha
- Alfredo Elías Ayub

CORPORATE PRACTICES COMMITTEE

Oversees compliance with disclosure and transparency requirements and sees that policies and procedures are appropriate for the prevention of fraud, corruption and other illegal situations.

- Javier Pérez Rocha**
Chairman
- Eugenio Madero Pinson**
- Antonio Madero Bracho**
- Alfredo Elías Ayub**
- Francisco Javier R. Bours Castelo**
- Jesús Enrique Robinson Bours Muñoz**
- Arturo Pérez Arredondo**

AUDIT COMMITTEE

Supervises internal and external corporate activities, ensuring the integrity of financial information. Meets each quarter with the Ethics Committee to evaluate incidents reported through the Integrity Platform, and then with the Board of Directors to report on salient ethical and financial issues.

- Fernando Benjamín Ruiz Sahagún**
Chairman
- Jesús Enrique Robinson Bours Muñoz**
- Javier Pérez Rocha**

COMPENSATIONS COMMITTEE

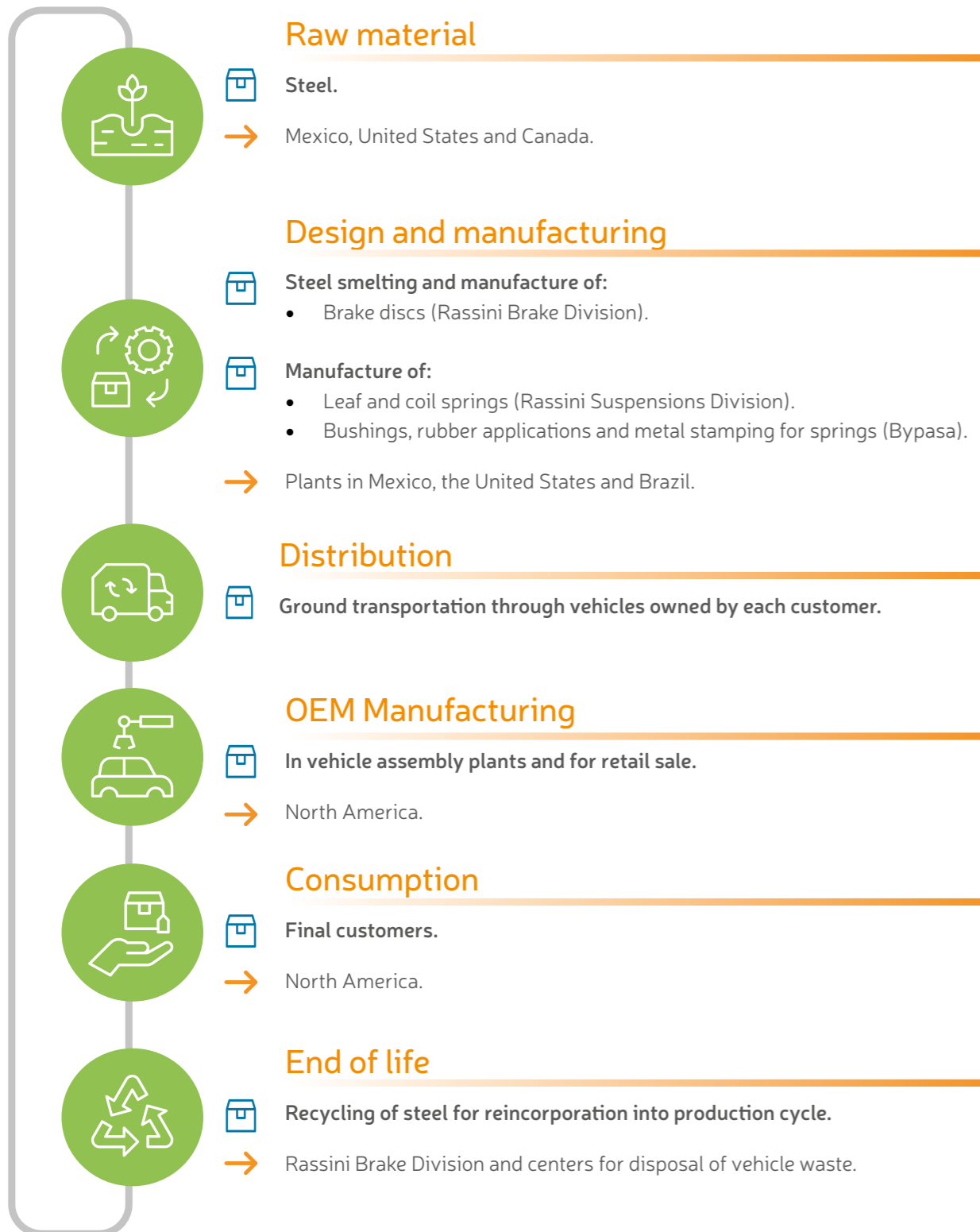
Meets each quarter to ensure fairness in the compensation policies and programs for company executives and employees, in harmony with the corporate goals and our shareholders.

- Javier Pérez Rocha**
Chairman
- Eugenio Madero Pinson**
- Antonio Madero Bracho**
- Francisco Javier R. Bours Castelo**
- Jesús Enrique Robinson Bours Muñoz**



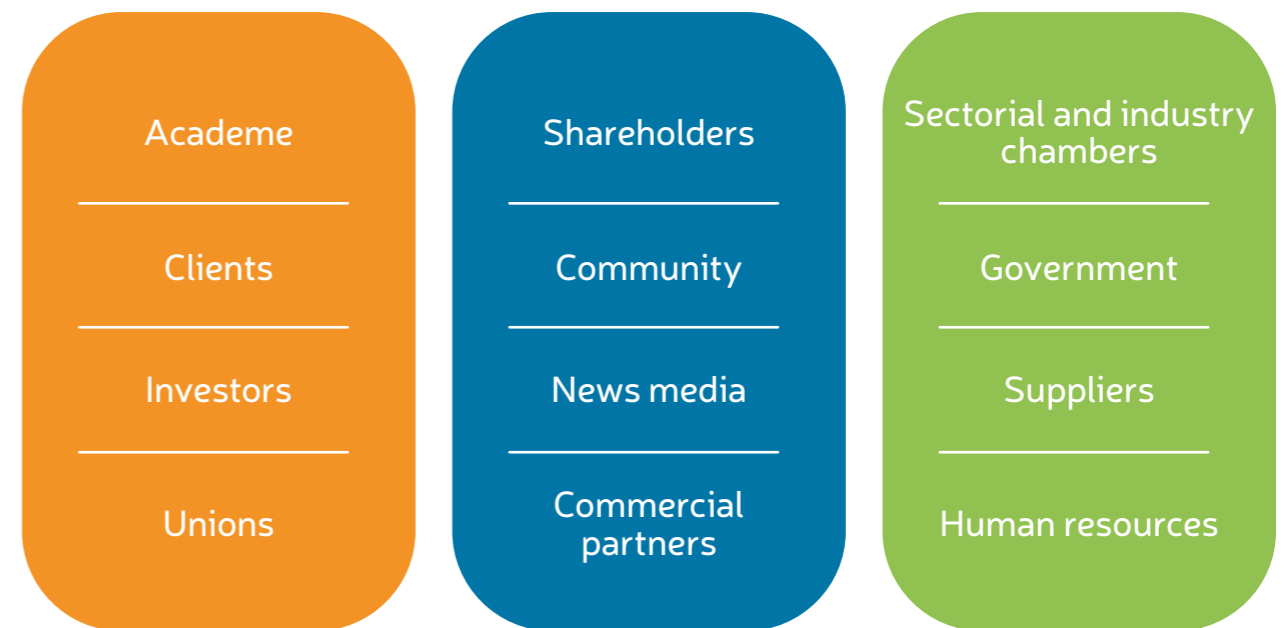
SUPPLY CHAIN

PRODUCT LIFE CYCLE



RELATIONS WITH STRATEGIC PARTNERS

STAKEHOLDER MAP



We are serious about our commitment to inform and listen to our allies through channels such as:

- Annual Report to Shareholders.
- Annual Sustainability Report.
- Shareholders' Meeting.
- Participation in industry associations and business chambers.
- Forums, interviews, press releases and news articles.

The transparency we offer in every area of business has enabled us to build long-term value relations with all of our stakeholders. The following summarizes our sustainability management priorities for the five stakeholder groups, through an analysis of the risks that may involve a material impact on Rassini.



HUMAN TALENT

Engagement channels

- Annual work environment evaluation.
- Integrity Platform for violations of the Code of Ethics and conduct.
- Internal communication, training and organizational development programs.
- Annual performance evaluations and feedback.
- Performance and seniority recognitions.

Material issues

- Prevention of occupational risk and strengthening of safety and health skills.
- Transparency, diversity, inclusion and commitment.
- Professional development: management, growth and talent retention.
- Equitable, fair compensation.
- Ethics and integrity.

Best practices 2022

- Code of Ethics update, training and acceptance.
- Training of investigators for complaints of workplace harassment and bullying; investigation and forensic interview methodology.
- Annual "Great Place to Work" certification.
- Use of specialized software to strengthen the Health and Safety Management System.
- Psychological and emotional counseling programs.
- Continuous improvement programs.
- Consolidation of the Online high school program: +50 employees benefited.
- 40 employees certified through an alliance between Rassini's Brake Division and the National Council for Standards and Certification of Labor Skills (CONOCER), which authorized Rassini as a certifying agency.



CLIENTS

Engagement channels

- Annual sustainability audits and assessments.
- Technological development in collaboration with business partners.
- Customer service.

Material issues

- Product quality, safety and innovation.
- Safe deliveries.
- Transparency.
- Cybersecurity.

Best practices 2022

- Renegotiation of contracts, focused on reducing negative impacts in production processes.
- Reincorporation of generated waste into new production processes.
- Signing of environmental improvement and greenhouse gas (GHG) reduction commitments.
- Participation in sustainability assessments for proper analysis of impacts in the automotive supply chain.
- Audits to our quality, environmental, social, and health and safety systems.
- 100% of our plants recertified by IATF 16949.
- Product lightening to improve energy efficiency of final vehicle.

SUPPLY CHAIN

Engagement channels

- Tracking of purchasing programs and reports.
- Annual sustainability assessment.
- Recognition of best suppliers.
- Integrity Platform for reporting violations of the Code of Ethics and Conduct.

Material issues

- Service agreement continuity and contractual performance.
- Responsible supply chain.
- Digital transformation.

Best practices 2022

- Annual quality, service and delivery recognitions to outstanding suppliers.
- Training and acceptance of Code of Ethics and Conduct.
- Quality audits to obtain feedback and share best practices.
- Partnership with strategic suppliers to reduce our environmental impact.
- Identification of risks of human rights violations in our supply chain.





COMMUNITY

Engagement channels

- Volunteer work and donations to support vulnerable groups.
- Education and academic outreach programs.
- Family events for special occasions.
- Renovation of recreational spaces.

Material issues

- Strengthening access to education and creating jobs.
- Health and environmental preservation.
- Diversity and inclusion.
- Strategic investment, innovation, and social projects in the communities where we are present.

Best practices 2022

- MXN +8 MM invested in social responsibility and community donations.
- Increased participation in corporate volunteer program.
- Launch of STEM program to encourage the inclusion of girls into science programs.
- Remodeling and yardwork at Parque Felicidad in San Martín Texmelucan, Puebla and Parque Alegría in Piedras Negras, Coahuila.
- +8.6K trees donated from our nurseries.
- Participation in the municipal "Adopt a tree" program in Piedras Negras.

ACADEME

Engagement channels

- Research and development of new materials.
- Internships and educational practices.
- Jobs for graduates.

Material issues

- Boost intellectual capacities.
- Introduction of new technologies.
- Global strategic partnerships.
- Connections with world-class companies.
- Better quality of life.

Best practices 2022

- 146 university students benefited from our professional internship program.
- 21 students participating in the Dual Education System working at Rassini's Suspensions Division.
- University workshops and lectures on technology, innovation and sustainability.
- Rassini's Suspensions Divisiones joined the Council on University-Business Outreach for the Northern Region.

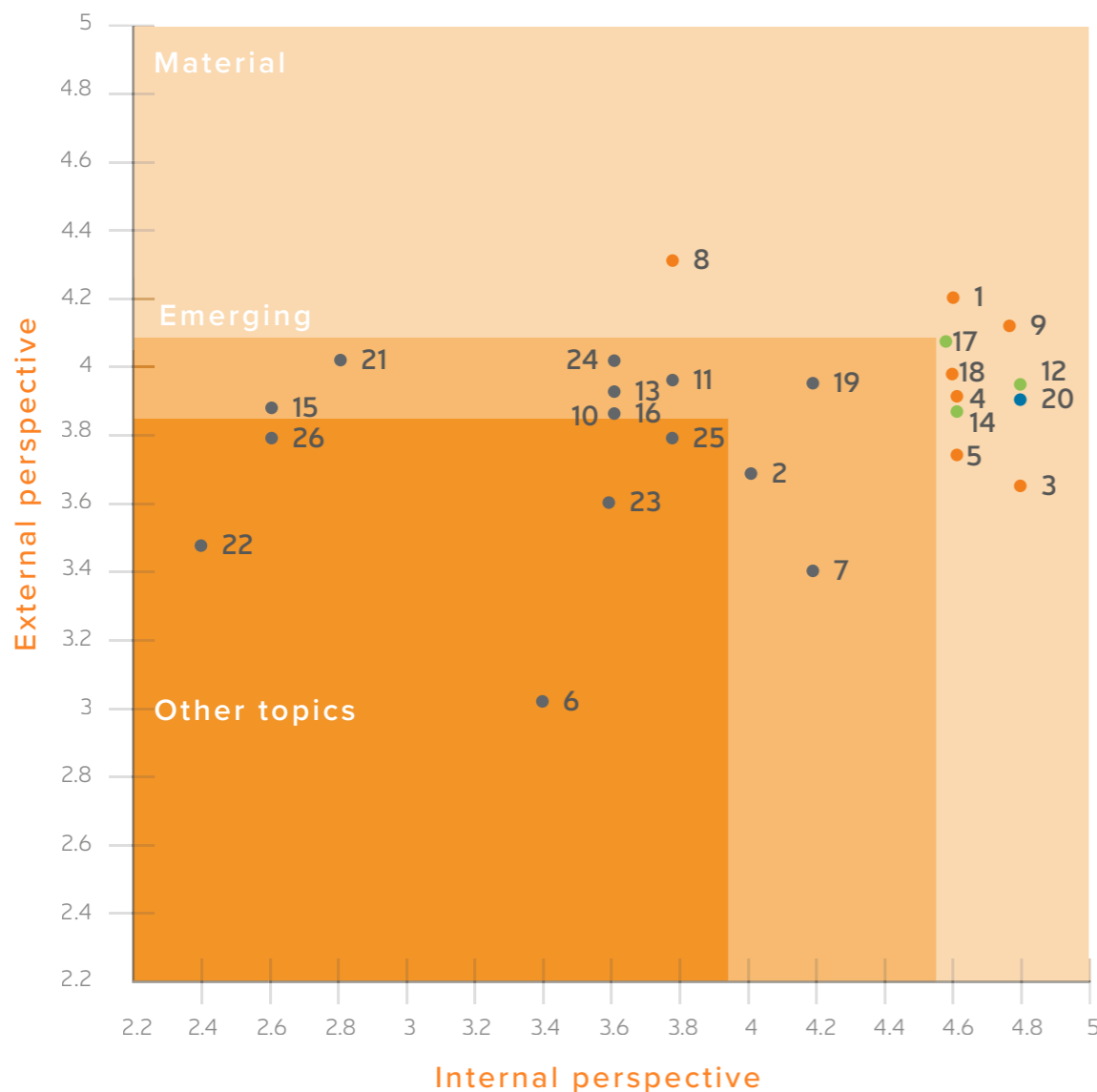
ACADEMIC PARTNERSHIPS



RASSINI'S MATERIAL ISSUES

Aligned with the standards of the Global Reporting Initiative (GRI) and the concept of materiality as defined by the Sustainability Accounting Standards Board (SASB), which determine the most significant economic, environmental and social impacts for our operations, we have identified the most relevant material issues for our stakeholders.

This analysis gives us an objective overview of the potential risks and opportunities that enable us to create long-term value for all stakeholders. By recognizing these issues, we can monitor and report on our sustainability performance.



- 8** **PRODUCT QUALITY AND USER SAFETY**
 Assurance of product quality and safety for clients, through sustainable manufacturing processes.
- 9** **CLIENT PREFERENCE**
 Meeting quality standards that add value to our clients' offering.
- 1** **OCCUPATIONAL HEALTH AND SAFETY**
 Policies and practices to protect the health, safety and physical and psycho-social wellness of employees.
- 12** **ENERGY EFFICIENCY**
 Strategies to reduce the use of fuel and electricity in our operations.
- 20** **POSITIVE ECONOMIC PERFORMANCE**
 Stewardship of our financial resources so that we can continue investing in developments and new products.
- 3** **EMPLOYEE COMPENSATION AND BENEFITS**
 Well-being for our employees and their families; fair pay and benefits that motivate them to be more productive.

- 17** **PRODUCT LIFE CYCLE**
 Assessment of the environmental, social and economic impacts of our products from production to disposal.
- 5** **WORK ENVIRONMENT AND EMPLOYEE WELL-BEING**
 Programs for promoting a healthy work environment where there is a healthy work-life balance and recognition (emotional salary).
- 14** **EFFICIENT USE OF MATERIALS**
 Optimization of raw materials to prevent and mitigate negative environmental impacts.
- 18** **CLIMATE CHANGE**
 Plans for managing climate-related risks and opportunities. Adoption of best practices and monitoring new environmental laws.
- 4** **TRAINING AND DEVELOPMENT**
 Ongoing training to improve employees' personal and professional skills.



ENVIRONMENT

Committed to reducing the environmental impact of our operations through prevention and continuous improvement; sustainably managing our value chain.

- GHG emissions reduction.
- Increase energy efficiency.
- Optimization of materials.
- Sustainable lifecycle.
- ESG Certifications, awards and distinctions.

CDP – Carbon Disclosure Project

A nonprofit organization that encourages companies to report on their climate-related impacts, risks and opportunities.

Rassini



2022 CDP Assessment Rating

This rating indicates an awareness and sensitivity to climate change.

Rassini



Supplier Engagement Assessment Rating

This recognizes our strong management of governance, targets and commitment to the value chain in matters of climate change. We ranked two notches above the industry average.

ISO 14001 and IATF 16949

4 Manufacturing sites certified in Mexico

IATF 16949 certification focuses on specific client requirements that include continuous improvement, prevention of defects and supply chain discrepancies, and waste reduction.



Clean Industry

2 Business divisions certified

This certification is awarded by the Environmental Protection Agency (PROFEPA), which is part of the Ministry of the Environment and Natural Resources (SEMARNAT). It recognizes compliance with environmental regulations and the incorporation of good environmental practices.



PRODUCT LIFE CYCLE MANAGEMENT

We identify areas of opportunity in our product life cycle, monitoring and evaluating processes from design and supplier engagement to final product disposal. This practice maximizes our value offering and enables us to mitigate potential ESG impacts.



SUPPLIER SELECTION AND ASSESSMENT

As part of our culture of integrity and ethics, we carefully select suppliers and raw material sources that prioritize all facets of sustainability. We assess their performance through questionnaires, audits and workshops that demonstrate their regulatory compliance.

GOAL: Mitigate negative environmental and social impacts.

MEASUREMENT INSTRUMENTS

- Evaluation of their Environmental Management Systems.
- Sustainability Audit.
- Report on compliance with conflict minerals law.
- Verification of compliance with requirements on restricted substances and the use of the automotive industry International Material Data System (IMDS).



Rassini Conflict Minerals Statement

We strictly prohibit any sourcing of materials that contribute to armed conflict or which cannot provide certification that the minerals come from “conflict-free” zones according to international regulations.

Our entire chain is kept up to date in the application of our Code of Ethics and Conduct, and on sustainability issues, and our suppliers are made aware of Rassini’s expectations in this regard. All of them are required to sign a written statement of acceptance of Rassini’s CEC.

We guarantee the solidity of our commercial relations based on principles, processes and practices aligned with the ISO 20400 standard on sustainable sourcing. Local procurement, supplier development and quality areas keep track of documentation on compliance with requirements for these business relations, and both the Rassini sourcing policy and supplier manual are very clear on this matter.

We have also recommended that all our critical process and chemical product suppliers develop a certified Environmental Management System according to ISO 14001 standard and abide by its directives. With this, we encourage cooperation and dialogue with our suppliers and ensure a positive impact across our entire supply chain, contributing to comprehensive development at all levels.

WASTE CIRCULARITY

ACTIONS TO MITIGATE WASTE GENERATION

- Purchase of more durable raw materials.
- Use of renewable materials.
- Waste metrics and analysis to identify trends, risks and opportunities for improvement.
- Use and reincorporation of waste into new processes.
- Implementation of circular economy projects to improve material, water and energy efficiency.
- Detailed record-keeping on amount and type of waste generated, and its final destination.
- Responsible confinement.

80%

Recycling and reincorporation of materials.

100%

Of engineering areas focused on sustainable design and waste reduction.



SAND

In the process of making brake discs, an amount of sand is mixed with a binding agent to form a mold cavity into which the molten metal is poured, where it cools and solidifies. The waste from this process can have a significant impact on the environment and human health, so we have formed a strategic partnership with a firm that handles disposal of this waste.

40%

Casting sand transported to a construction company where its silica content makes it useful as a key product component.

OIL CONTAMINATED SOLIDS

Oil plays a fundamental role in protecting our products, so we have introduced mitigation actions for oil-contaminated solid waste, such as:



Building awareness about proper waste management.



Adopting best cleaning and maintenance practices.



Constant monitoring of water and soil quality at our facilities.



Compliance with Mexican standards.



New business partnerships with suppliers that specialize in washing oil-contaminated rags. Their processes recycle water through a high-capacity treatment for its decontamination.



Co-processing of waste for use as raw materials through an accredited outside supplier.



Substitution of oil-based lubricant for water-based ones in certain types of packaging.



Recirculation of lubricants by introducing new assembly machines.



More durable personal protection equipment.



METALS FOR RECYCLING: STEEL

The energy used for mining and making steel is one of the world's largest industrial sources of greenhouse gases. In order to reduce the impact of this input, we make sure we forge alliances with world-class steel suppliers who meet the highest standards of sustainability.

At Rassini, our commitment to the environment and to future generations has led us to explore recycling alternatives for our main input, reducing the impact of its use.

Conscious separation and storage of junk steel for transport to recycling centers.



Efficient consumption of materials: We optimize steel to obtain better results in both quantity and quality.

The main raw material for the Brakes division, where it is reincorporated into the production process through onsite smelting.



Close tracking of equipment calibration systems to ensure responsible fuel consumption.





CLIMATE CHANGE

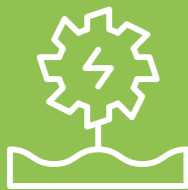
One of the biggest global challenges is the goal set in the 2015 Paris Agreement: keeping the increase in global temperatures to below 1.5°C, compared to preindustrial levels. Therefore:

RASSINI 2035 COMMITMENT

Carbon neutrality for scope 1 and 2 emissions.

PILLARS OF THE CARBON REDUCTION STRATEGY

- Improve the efficiency of material use and raise productivity.
- Use more renewable energy sources and improve energy efficiency.
- Strengthen emission reduction practices through the supply chain.



PLANT NURSERY

Suspensions Plant, Piedras Negras
Promotes tree adoption in exchange for PET plastic; timeliness and attendance bonuses; internal and external dynamics; and programs for reforestation educational centers as a strategy for building environmental awareness among employees, the community and various associations.

305-1, 305-2, 305-5

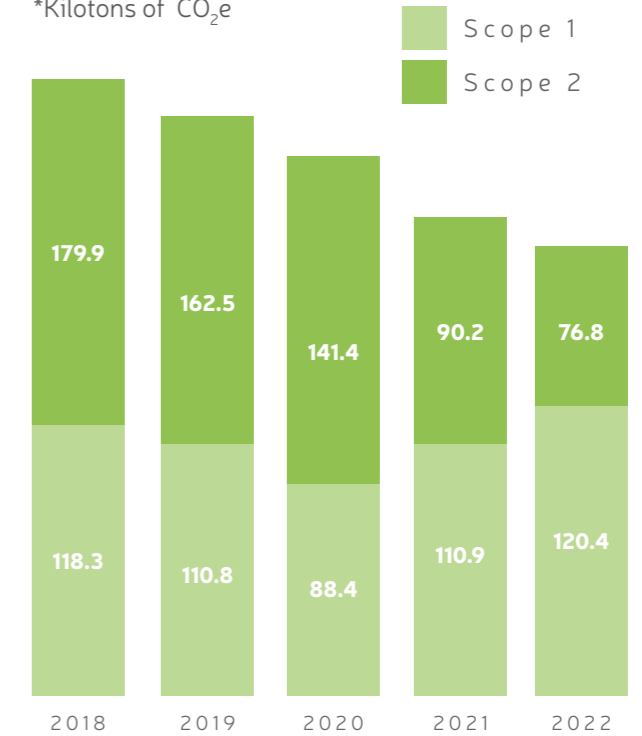
This document reports on emissions from the use of fuel (Scope 1), as well as electricity (Scope 2). Calculations for emissions of CO₂, CH₄ and N₂O were obtained from the factors published by the Mexican environmental ministry (SEMARNAT) in the Official Gazette of the Federation, and the global warming potentials included in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), applicable to emissions from natural gas, LP gas, gasoline and diesel in fixed and mobile sources.

For acetylene consumption, the emissions were calculated using stoichiometry, based on the combustion reaction used by the IPCC.

Scope 2 emissions were obtained using the electrical emission factor published by SEMARNAT for the National Emissions Registry.

ABSOLUTE* SCOPE 1 AND 2 EMISSIONS

*Kilotons of CO₂e



EMISSIONS INTENSITY*

*tCO₂/metric ton of finished product.



32.7 %

↓
REDUCTION IN SCOPE 1 AND 2 EMISSIONS FROM 2018

+8.6K

TREES DONATED NATIONWIDE.

2022

RASSINI'S FIRST PARTICIPATION IN THE ADOPT A TREE PROGRAM, IN AN ALLIANCE WITH THE MUNICIPAL GOVERNMENT.

305-4



After the COVID-19 pandemic, we increased production and achieved efficiency records in reducing Scope 1 emissions per metric ton produced, compared to the level two years earlier.



ENERGY EFFICIENCY

FROM THE USE OF CLEAN SOURCES

We make an effort to use energy from clean sources and reduce our dependence on non-renewable sources. In 2022, we promoted participation in the Wholesale Power Market, which translated into cost savings and greater energy efficiency.

↓ **56%**
Reduction in scope 2 emissions*
*Base year 2018.

↑ **50%**
Surpassed energy consumption from clean sources.

25%
Electricity cost savings from the use of wind energy, Xalostoc Suspensions Plant.



IN DESIGN

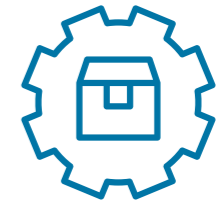
We innovate designs to be more environmentally respectful and sustainable, migrating processes to use more lubricants made from renewable materials and less oil-based lubricants. We also boost resource efficiency without compromising quality or functionality, prioritizing product lightening to improve the energy performance of the vehicles where our parts are present.

IN THE PRODUCTION CYCLE

In the last cycle, we were able to use less energy for each metric ton we produced through effective management and conscious control of demand. We invested in purchasing and updating equipment to maximize their energy performance.

+450K Springs produced with cold-rolled technology.

Optimization of resources to reduce reworking.



Monitoring electrical demand to optimize production scheduling.

Installation of LED lighting systems.



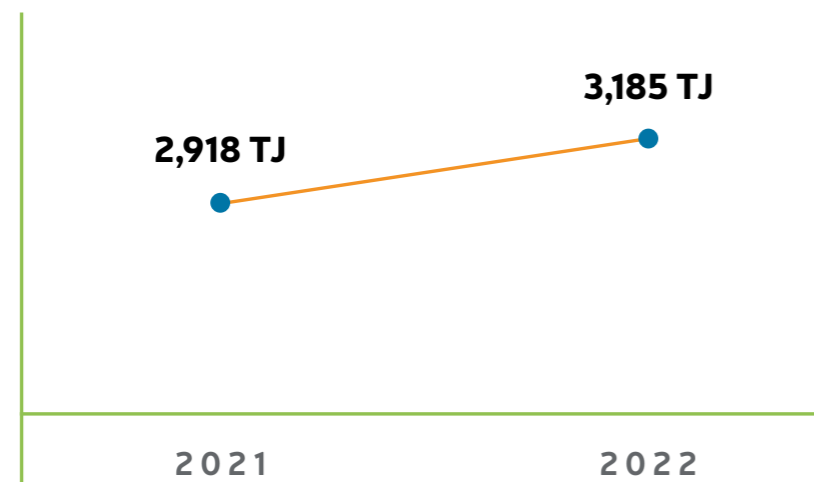
Recirculation of gases and heat exchangers for greater thermal efficiency.

302-1,
302-4,
302-5

RATIONAL AND EFFICIENT USE OF ENERGY*

*TJ = terajoules

As we move toward the energy transition, optimized energy use translates into higher competitiveness and productivity, ultimately benefiting health, safety and quality of life.



- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

302-3

ENERGY CONSUMPTION INTENSITY*

*GJ/metric ton of finished product



Reduction of energy consumption per metric ton of finished product.

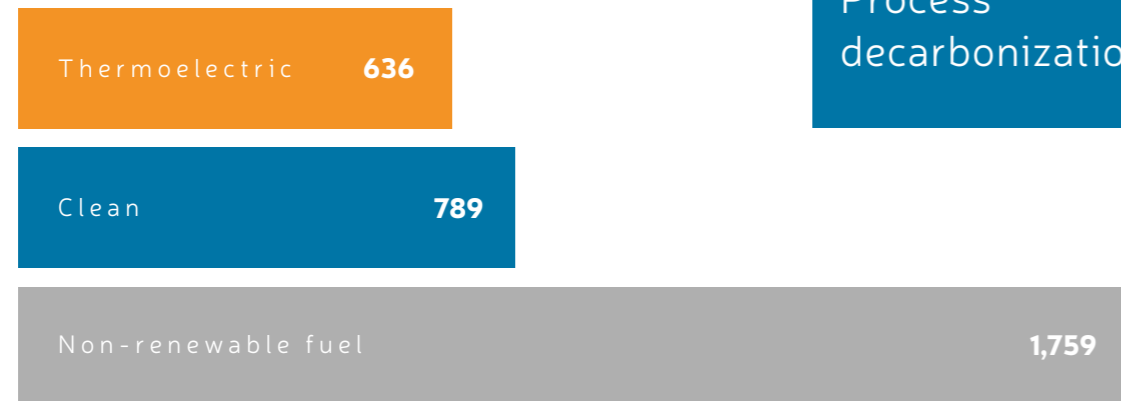
We increased our use of energy from clean sources.

2035 Target:
Process decarbonization



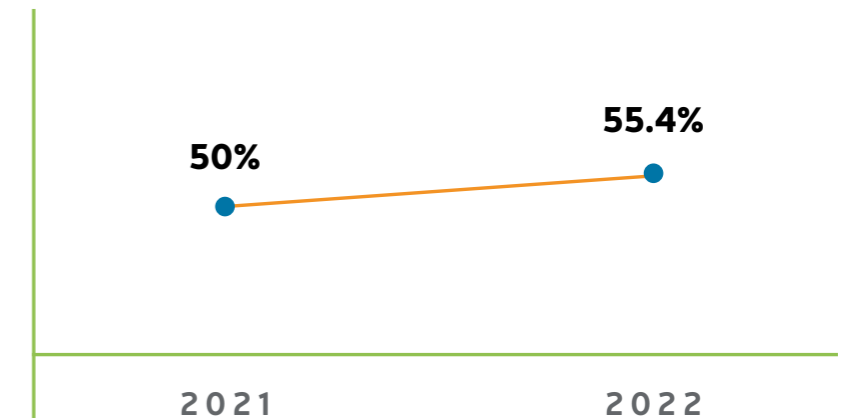
ENERGY CONSUMPTION*

*By type of source. Expressed in terajoules (TJ)



PERCENTAGE CLEAN ENERGY USED

*GJ/metric ton of finished product

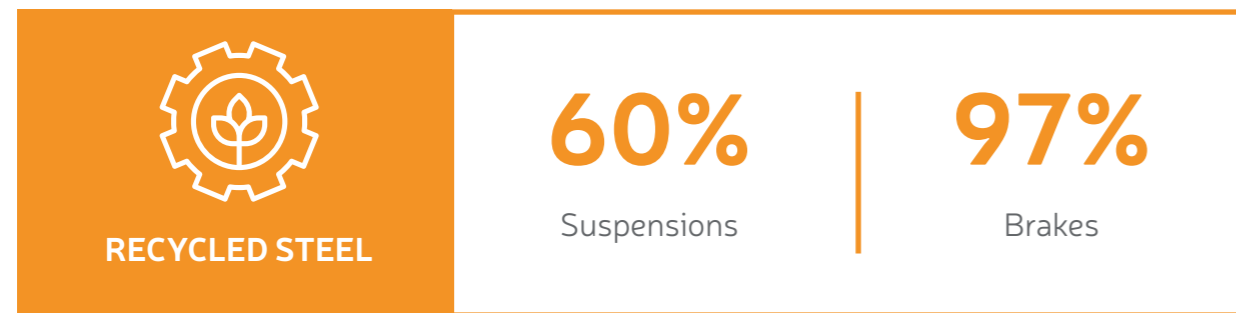


EFFICIENT USE OF MATERIALS

We manage the efficiency of our main raw material, which is steel, to reduce the risk of price volatility, particularly because steel is a non-renewable resource.

RAW MATERIALS

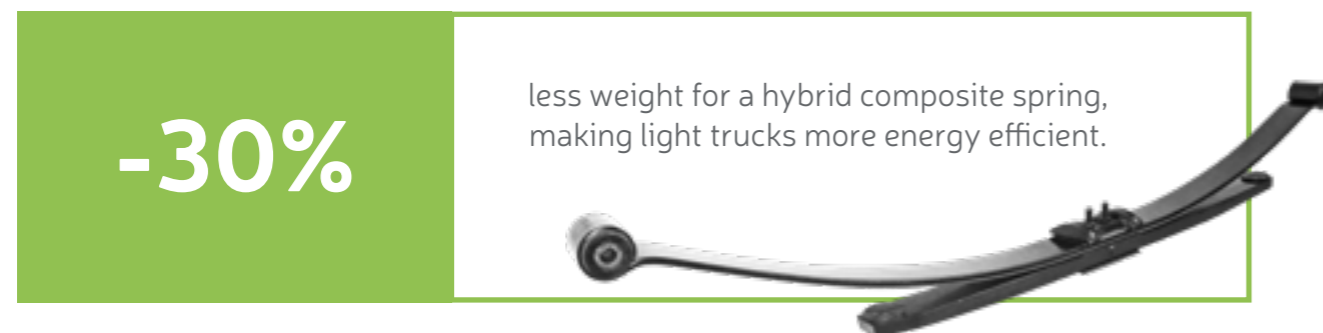
Steel is easily and infinitely recyclable, and Rassini takes advantage of this quality to promote a circular economy and reduce the demand for virgin material.



The Suspensions division uses high-efficiency thermal processes to transform steel into high-quality, superior-safety leaf and coil springs. The Brake Division reincorporates steel into production processes through onsite smelting.

DESIGN

Through responsible engineering processes, we add value to the services we offer our clients. Our designs incorporate durability by principle, eliminating the need to replace the part during the vehicle's useful life.

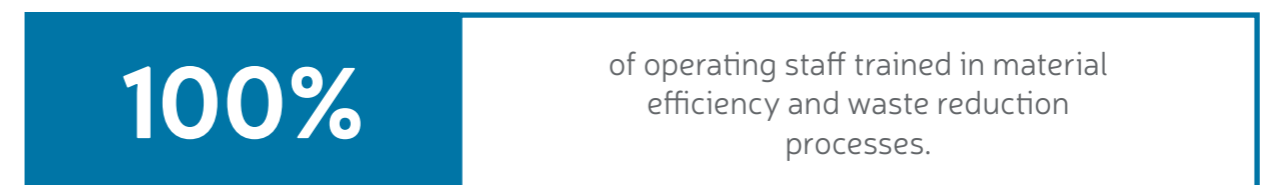
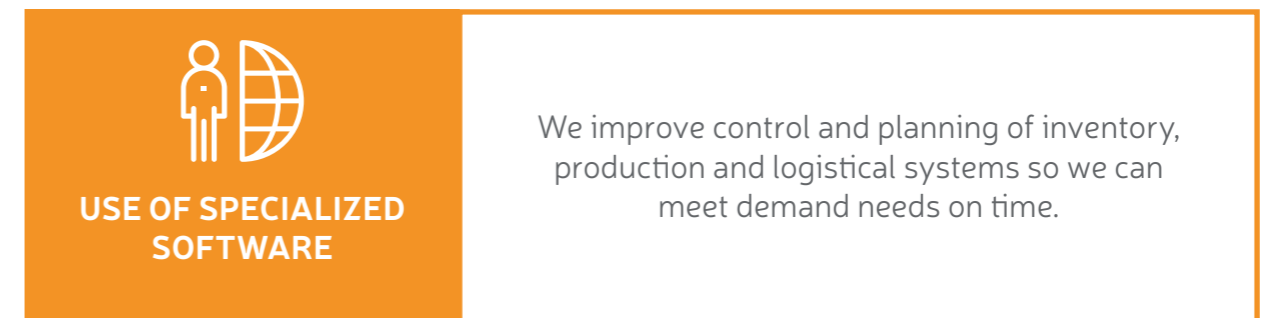


PRODUCTIVE CYCLE

By efficiently managing raw materials and logistical times, we can lower both costs and waste, positively impacting the purchase and restocking cycle. This also contributes indirectly to lowering the greenhouse gas emissions associated with steel production.



Material efficiency: metric ton of finished product/metric ton of steel purchased.



SOCIETY

One of our material issues is addressing the needs of our communities, because we are committed to strengthening the social fabric through actions that improve quality of life in the region, not just for our employees, but for society at large.

In 2022, we continued to focus on the upkeep of community spaces; ensuring safe, healthy and motivating work environments; opportunities for professional development and growth, and consolidating a supply chain that abides by corporate social responsibility standards.

We know that trust in the quality of our products and services, and our ability to meet our clients' needs, are also based on the good reputation we have built as a socially responsible enterprise.



10

YEARS OF SOCIAL RESPONSIBILITY

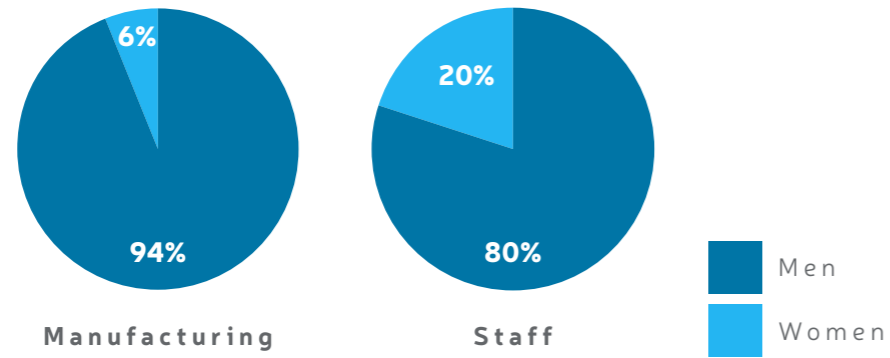
This distinction, awarded by the Mexican Center for Philanthropy (CEMEFI), recognizes our commitment to contributing positively to well-being in the environment in which we operate.



To protect the free exercise of human rights, Rassini has introduced corporate social responsibility policies, audits, training programs and strategic partnerships that allow us to prevent situations of social conflict across our value chain.

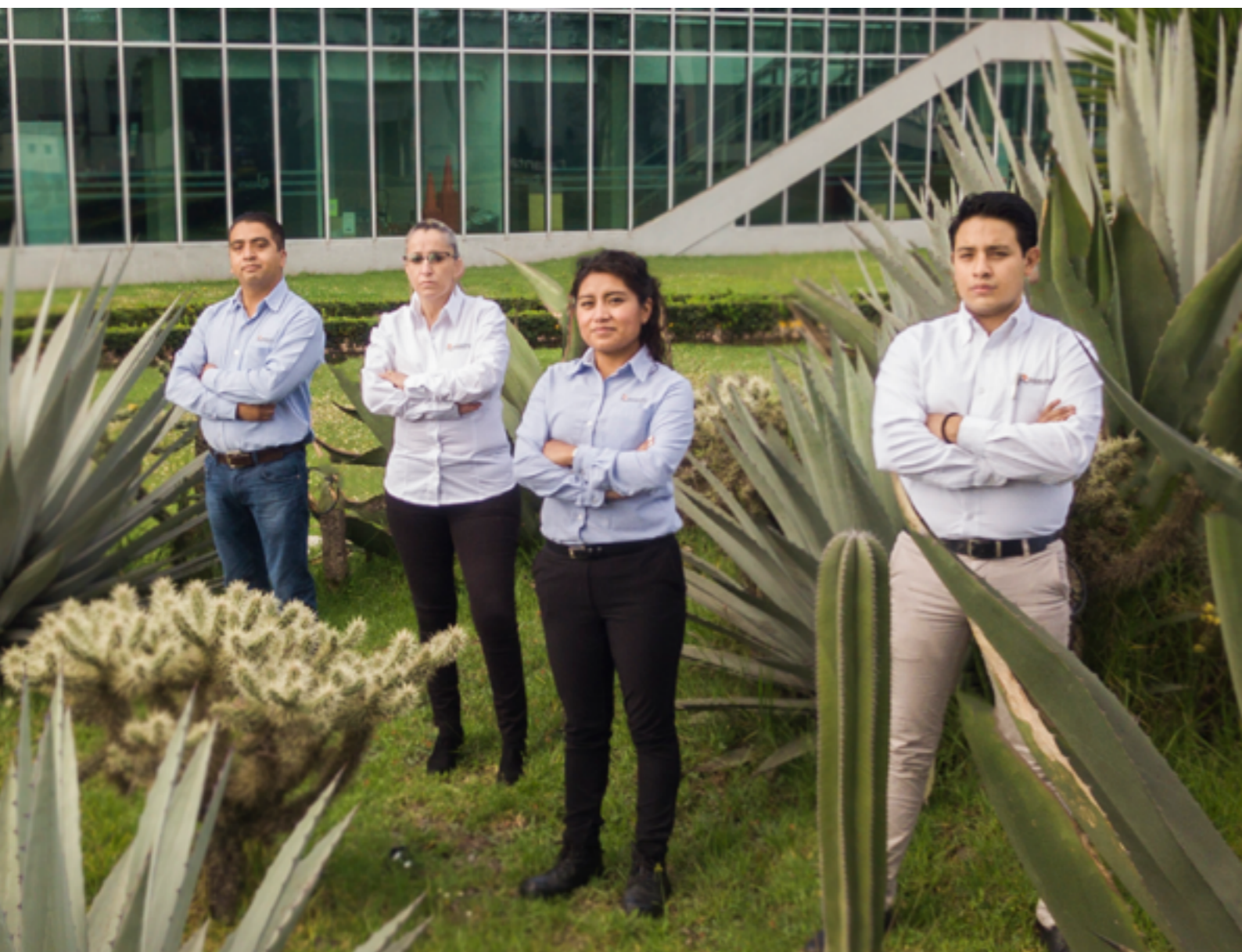
	<p>ZERO Tolerance</p> <p>We strictly prohibit any practices involving child labor or forced work. These policies are established in our CEC and the terms and conditions of our contracts with suppliers.</p>
	<p>Non-discrimination</p> <p>This policy is clearly expressed in the Code of Ethics that governs all interactions inside of and beyond Rassini.</p>
	<p>Diversity and Equity</p> <p>Building awareness about our policy against abuse and discrimination, which is established in the CEC. Training against bullying and harassment. Strategies to bolster diversity.</p>
	<p>Occupational safety and health</p> <p>100% compliance with safety regulations and programs, aligned with ISO 45001 standard.</p>
	<p>Great Place to Work</p> <p>Procedures consistent with the GPTW methodology, which certifies our compliance with these standards each year.</p>

BREAKDOWN OF WORKFORCE: IMPACT AND DIVERSITY

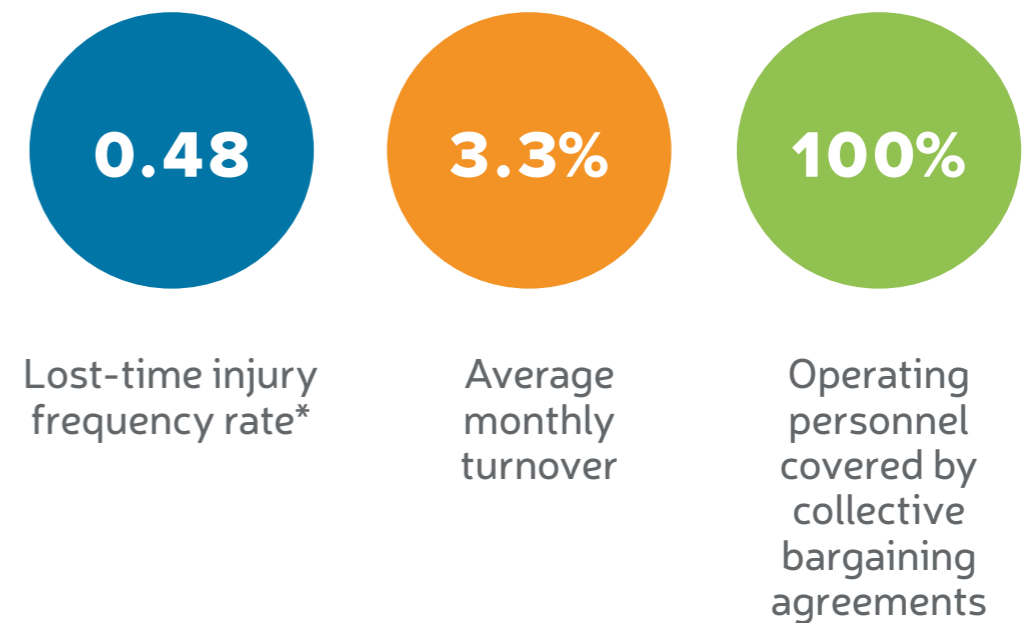


+200% More women in management positions*

*Base year 2021.



5,174 Employees in Mexico



*Accidents for every 200k work hours.



WORK ENVIRONMENT

Great Place To Work®

Recognized for our management of diverse, inclusive and equitable work environments; to the benefit of our employees and to maximize their professional and service potential.

We reiterate our commitment to well-being, and each year we assess our policies, procedures and best practices through international organizations.

VALUE ACTIONS FOR QUALITY OF LIFE AT WORK

Talent retention through personalized growth strategies.

Constant monitoring of turnover rates by business division.

Fair compensation consistent with federal law.

Better quality of life for employees and their families.

Hotline for ethical questions, through the Integrity Platform.

Work environment audits and surveys.



MXN +8 MM

Invested in volunteer programs, donations and social responsibility activities, including:



Programs for maintenance and restoration of recreational sites:

Parque Rassini and Parque Alegria in Piedras Negras; and Parque Felicidad in San Martín Texmelucan.

Volunteer program: Since 2016, the Suspensions Division has successfully deployed various community participation and social commitment strategies.

- 128 new volunteers.
- Reforestation in partnership with civil associations and municipal governments.
- COVID vaccination days.
- Restoration of public spaces.
- Family togetherness events.



STEM program to support science education.

+400

Graduates from the Online high school program in the last five years.



EMPLOYEE COMPENSATION AND BENEFITS

At Rassini, we assure the well-being of our employees and their families through compensation and benefits that help them build their equity. We have programs of paid family leave to support working families without regard to gender.

SOME OF OUR BENEFITS



Savings



Equity



Physical and psycho-social health



Feeding



Safety



Transport



Family strengthening programmes



Among others

To regulate labor relations, we have labor contracts adapted to each of our internal stakeholder groups, ensuring the operating continuity of our activities. Nowadays, the workday is determined according to the operating needs of each manufacturing site, and is organized into shifts. Unionized personnel regularly ratify collective bargaining agreements according to current laws guaranteeing freedom of association and establishing the rights and obligations of parties according to the best labor practices applied at Rassini.



OCCUPATIONAL HEALTH AND SAFETY

Our strategy of prevention and shared awareness applies to all levels and duties in the company and involves a proactive management of control, training and supervision measures, to safeguard the physical, psychological and emotional integrity of our employees.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SAFETY

403-1, 403-4, 403-7, 403-9, 403-10

“We are committed to the safety of all, detecting and eliminating any unsafe acts or conditions through a system of risk prevention and safe equipment, materials, facilities and methods in every workplace throughout the value chain.”

Safety Policy

ISO 45001

Local safety and health areas define strategies and goals for occupational safety and health, with the aim of preventing occupational hazards and guaranteeing compliance with the internal, external, legal and regulatory requirements and standards that apply to them.

Our health and safety system is based on international ISO 45001 standard, focused on protecting employees and visitors from accidents and illnesses in the workplace.



HEALTH AND SAFETY COMMITTEE

All plants have a committee made up of members of key areas.

Responsible for oversight, tracking and control to prevent occupational risk.

Prepare a report on unsafe conditions and actions.

BRIGADES

Competent to monitor the environment, identify and report on risky situations.

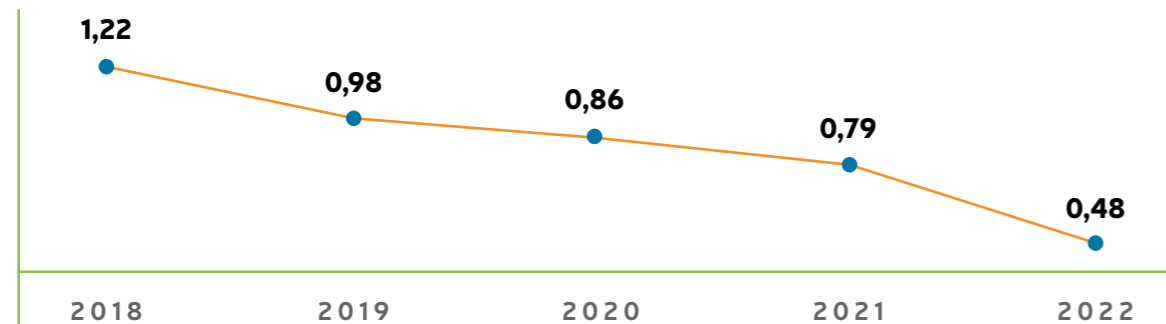
192 brigade member prepared to attend to fire, first aid, handling of hazardous substances and unsafe working conditions.

Comprehensive brigade member training program (Rassini Brake Division, 2022).

Leaders in promotion of good safety practices among employees.

LOST-TIME INCIDENT RATES*

*Recordable incident rate calculated for every 200k work hours.



RASSINI COMMITMENTS

Strengthen the Occupational Safety and Health System. Encourage involvement by all employees through continuous improvement programs, assessing and incorporating the most viable initiatives.

RISK ASSESSMENT AND ACCIDENT INVESTIGATION

We have a documented procedure for identifying and assessing occupational risks for each job, which is reviewed and updated each year to ensure the effectiveness of preventive action.

2022 BEST PRACTICES

Industrial Safety Software

- Installed by Rassini's Brake Division to manage workers, inspections, action plans, tasks, risks, and reporting.
- Facilitates risk assessment to identify potential hazards, determine their severity and probability, and establish the necessary control measures.
- Allows for tracking of occupational safety and health training and preparation, ensuring that employees informed and prepared to do their jobs safely.

403-2



HAZARD NOTIFICATION PROCESS

By reporting on observed risks, employees, contractors and visitors can participate in preventing incidents, risky situations and accidents.

Anomalies are immediately corrected, depending on their level of complexity.	All anomalies are communicated to the immediate supervisor for channeling to the corresponding professional.
Risk investigation to take corrective action.	Report on best practices within the local safety management system.
Dissemination of lessons learned during the period in question.	Documentation of the risk incorporated into the safety management system to avoid a repetition.



SAFETY FIRST

We encourage a culture of prevention among all our employees so that they are aware that safety comes first, and that no one should do a job involving risk without being fully equipped and trained for it.

Root Cause Analysis

We manage incidents through his method of identification, implementation, follow-up and closure of corrective actions stemming from an investigation.

403-3, 403-6

HEALTH SERVICES AT WORK

All of our plants have an occupational health department, responsible for monitoring the health of our employees and attending to work-related illnesses or accidents.

Patient confidentiality.	Documented clinical history.
Annual holistic health program: clinical exams and health care procedures for all employees.	Results and files may only be accessed by the employee and medical staff.

EMPLOYEE OCCUPATIONAL SAFETY AND HEALTH TRAINING

All of our employees are trained in health and safety from the time they join the company, with annual reinforcement through the individual development plan.

Continuing safety training, 2022

Safe forklift operation.	Safety in machine maintenance.
Prevention and mitigation of fires.	Prevention of accidents during operations.
Emotional and physical health.	Detection of chronic-degenerative illness.



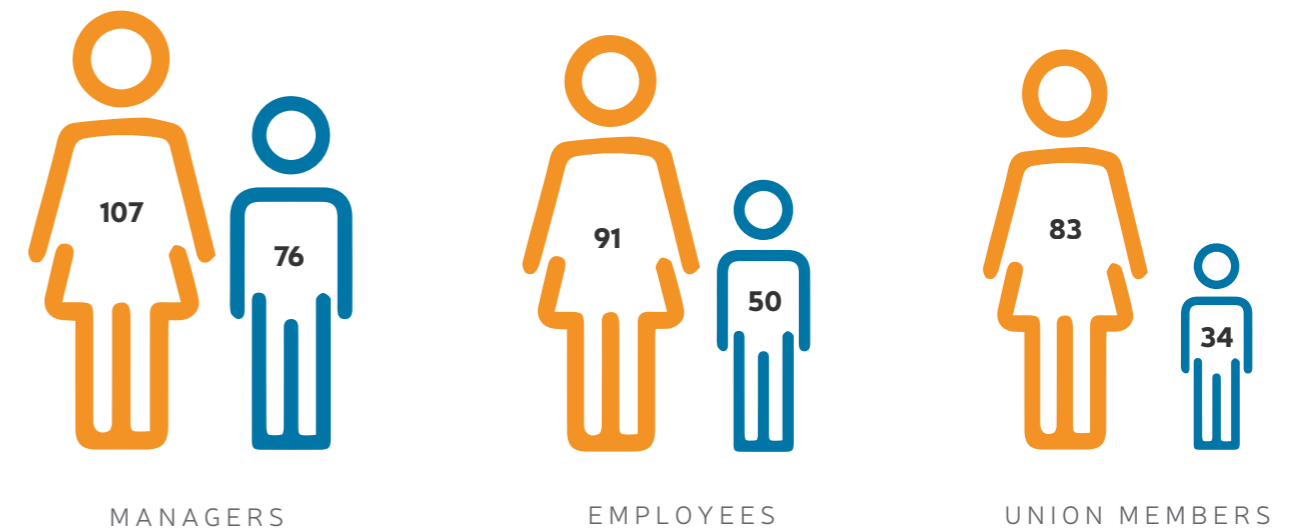
404-1, 404-2, 404-3

TALENT DEVELOPMENT AND TRAINING

We strengthen our employees' skills by keeping them up to date with the latest trends and know-how for their job and area. We also reinforce their personal and professional development through extracurricular courses that help them maintain a healthy work-life balance.

Our position at the forefront of our industry is a reflection of our employees' development, through which we reiterate our commitment to quality, innovation and technology.

HOURS OF TRAINING PER EMPLOYEE (BY GENDER AND CATEGORY)



PERFORMANCE EVALUATIONS BY EMPLOYEE

These are given every two years to assess skills based on individual results. This procedure can then be used to decide on the necessary courses for each area of opportunity. The performance evaluation combined with the 360° evaluation is the basis for the individual development plan.





E-FILE

A system for administering knowledge to establish the individual goals that make up the Development Plan. It has four basic inputs:

Job needs and person skills alignment	Career path
Strategy	Identified gaps

We also have a comprehensive assessment of knowledge that employees can access remotely on their own and take exams that measure six essential skills:



Safety



Continuous improvement



Quality



Work systems



Environment



Productivity

We have incorporated various digital tools that promote learning through online courses and webinars open to all levels of the organization.



PRODUCTION TECHNICIAN (PT) CERTIFICATION PROGRAM

Successfully deployment by Rassini's Brake Division.	The Brakes plant acted as certifying agency for the National Council for Standards and Certification of Labor Skills (CONOCER), which is part of the Ministry of Public Education.
SixSigma, Foundry PT and Machining TP were some of the certified courses.	+40 graduates from the program in 2022

SCHOLARSHIP PROGRAM

We support our employees' growth to help improve their quality of life. Through our educational programs, they can earn primary and high school equivalency certificates.

+50 Graduates from the Online high school program.	+400 Graduates in the last 6 years.
--	---

PRODUCT QUALITY AND USER SAFETY

With IATF 16949 standard certification, Rassini has a policy to guarantee:

	The safety of products and services
	Management responsibilities
	Risk assessment
	Regular employee training
	Emergency response procedures
	Incident investigation and corrective action
	Monitoring of safety performance, goals and targets
	External audits
	Public reports on areas of opportunity regarding product safety management

We also have a specific procedure for product safety, the purpose of which is to establish minimum guidelines for managing manufacturing processes, applicable to 100% of our products.



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Rassini[®]

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