

An aerial photograph showing a two-lane asphalt road that curves through a dense, lush green forest. To the left of the road, a calm lake reflects the surrounding trees. Several cars are visible on the road, including a red car, a blue car, and a white car. The overall scene is peaceful and natural.

**Rassini**

**2020**  
ANNUAL  
SUSTAINABILITY  
REPORT

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TECHNOLOGY AND INNOVATION FOR  
**SUSTAINABLE MOBILITY**



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# MESSAGE

## 102-14 FROM OUR CEO

2020 was a year of unprecedented challenges to humanity. The COVID-19 pandemic triggered a public health crisis that caused the worst economic recession in 100 years. Temporary closure of borders around the world depressed demand and supply of goods and services. At Rassini, with our indomitable “yes we can” spirit, we faced these difficulties successfully, and made significant progress despite the adversities.

The health of our employees and their families was our priority throughout the pandemic: we took immediate action to protect our team, resulting in an efficient reactivation. We applied more than 5,000 diagnostic tests; executed a safe-return-to-work plan; adopted protocols for managing safety and hygiene; trained and communicated with our employees regarding COVID-19 prevention and care; incorporated sanitary devices, detection checkpoints, enforcement of safe distancing, and others. We reinforced health care in the communities where we operate by donating personal protection equipment to frontline medical workers with the Mexican Social Security Institute (IMSS).

The global situation reminded us of the importance of investing in sustainability to make organizations more resilient. At Rassini, we know this is the foundation that will sustain a solid future for the company and benefit future generations. Historically, the creation of sustainable value has been a key issue in our decision-making, as established in our vision. Since 2013 we have been members of the United Nations Global Compact, and every year we restate our commitment to operating in alignment with the global principles of human rights, labor rights, environment and anti-corruption.

For the eighth year in a row, we earned Socially Responsible Enterprise (ESR®) distinction for our culture, high standards and outstanding sustainability practices. We are also aware of our responsibility toward the planet, so we optimize resource steward-

ship, ensuring we can meet present needs without compromising the well-being of future generations. The Clean Industry Certification we have held for more than 20 years attests to this conviction.

Rassini operates at the forefront of its industry, innovating for sustainable mobility to mitigate the risks stemming from climate change. One example is the composite spring, developed to lighten vehicle weight, optimize fuel consumption and reduce carbon footprint. We also design and develop high-efficiency brakes, with which we have been participating in the international market for electric vehicles, since 2018.

In order to reinforce our performance in areas that are financially material in terms of the environment, society and governance (ESG), we completed a risk evaluation for the first time, with the help of the international firm Sustainalytics®. Through this process we obtained an outstandingly low risk rating, which positions us among the ten best in our category in the world.

We are proud of our achievements, which are transcendental for this company, its stakeholders and future generations. We are and will continue to be leaders in our industry, creating sustainable value through technological leadership, innovation and talent development.

Eugenio Madero  
Chief Executive Officer



®





## ABOUT THIS REPORT

[102-45](#), [102-50](#), [102-52](#), [102-54](#), [102-56](#)

This is the 2020 edition of our annual sustainability report, prepared in accordance with the standards of the Global Reporting Initiative (GRI): Core Option.

The information provided here is intended to provide a transparent overview of the Group's strategies and actions during the period from January 1 to December 31, 2020, and includes data on all Rassini's production centers in Mexico (Rassini Suspensiones S.A. de C.V., Rassini Frenos, S.A. de C.V. and Bypasa, S.A. de C.V.).

The content of each chapter was defined on the basis of our 2020 material study. It has not been subject to external assurance.



RASSINI

# DESIGNING A

102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-13 SUSTAINABLE FUTURE

## ABOUT US

At Rassini, S.A.P.I. de C.V., we design, develop and manufacture automotive components: leaf springs, coil springs, brakes, and others. We offer the best solutions in technology and innovation for light and heavy-duty vehicles. We are industry leaders because of the well-known quality of our products and operations, and remain at the forefront of the industry by keeping up with trends in the international market. We have operations in Mexico, the United States, Brazil, Germany, Israel and Japan.

Our market position is evident in the supply contracts we have with the world's leading original equipment manufacturers (OEMs), where more than 70 models in the world today contain at least one Rassini product. The solutions we offer are present in ten countries, covering the demand for more than 6.5 million vehicles a year.





In the last decade we have garnered more than 50 recognitions for quality and service in our products and value chain management. These include Nissan's Zero Defects distinction, General Motors' Supplier of the Year award, the Masters of Quality award from Daimler and Volvo's Quality Excellence award in 2019.

We participate actively in decisions that contribute value and promote the Mexican automotive industry through our membership in trade associations and chambers of commerce like the Industria Nacional de Autopartes, A.C. (INA), which brings together key participants in the North American industry's supply chain. Our commitment to develop goes beyond our own industry: we are a member of the Consejo Coordinador Empresarial (CCE) and the Consejo Mexicano de Negocios (CMN), and we promote public policy and encourage investment and job creation, fair competition between Mexican companies, and this country's economic growth.

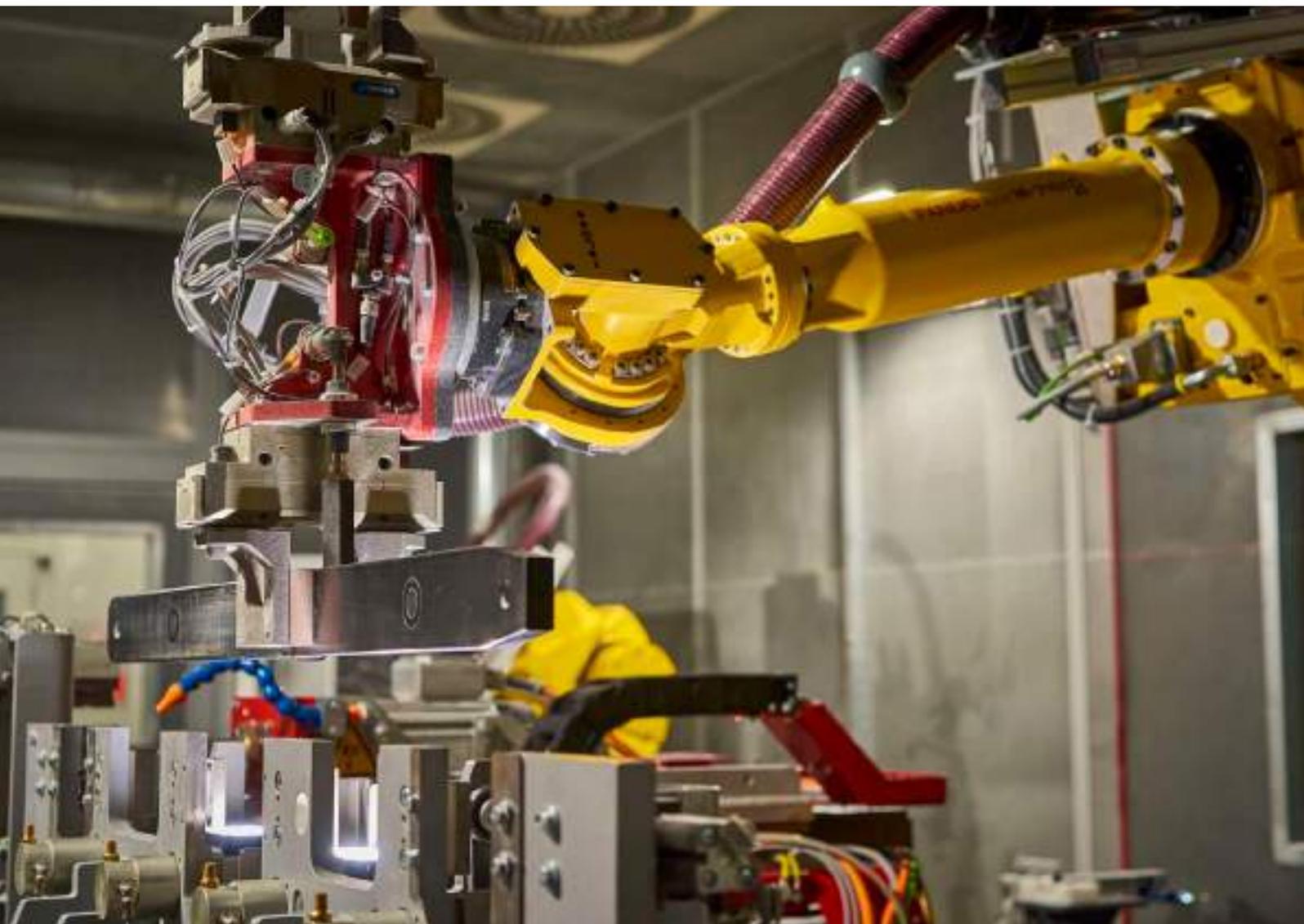
Our scope and undisputed leadership in technology and design position us at the forefront in the development of solutions for electric mobility, with a strong market share in platforms that will begin coming out in 2025. Thanks to the high quality standards by which we operate, our process optimization and constant innovation in the products we make, we have grown exponentially over the years. Our commitment is aimed at empowering resilience, creating long-term value for the organization and its stakeholders.

WE PARTICIPATE ACTIVELY IN DECISIONS THAT CONTRIBUTE VALUE AND PROMOTE THE MEXICAN AUTOMOTIVE INDUSTRY THROUGH OUR MEMBERSHIP IN TRADE ASSOCIATIONS AND CHAMBERS OF COMMERCE LIKE THE INDUSTRIA NACIONAL DE AUTOPARTES, A.C.



## OUR MEMBERSHIPS

- Consejo Mexicano de Negocios
- Industria Nacional de Autopartes (INA)
- Cámara Nacional de la Industria de Transformación (CANACINTRA)
- Consejo Coordinador Empresarial (CCE)
- Consejo Mexicano de Comercio Exterior (COMCE)
- Asociación de Industriales del Estado de México (AIEM)
- Clúster Automotriz de Nuevo León (CLAUT)
- Clúster Automotriz de Querétaro
- Confederación Patronal de la República Mexicana (COPARMEX) San Martín Texmelucan
- RIPTAC. Relaciones Industriales de Puebla y Tlaxcala
- CAINTRA (Cámara de la Industria y la Transformación) en Nuevo León
- Comité de Vinculación Sector Productivo del CONALEP Piedras Negras
- Asociación de Ejecutivos de Recursos Humanos del Norte de Coahuila
- Consejo de la Universidad Politécnica de Piedras Negras
- Consejo de Desarrollo Económico del Municipio de Piedras Negras
- Consejo de Desarrollo Económico del Estado de Coahuila
- Observatorio Ciudadano de la Junta de Conciliación y Arbitraje



# COMMITTED

102-12 TO THE GLOBAL PACT

AT RASSINI, WE ALIGN OUR ACTIONS AND TARGETS TO ADDRESS GLOBAL PROBLEMS.



In 2015, the member states of the United Nations drafted a 2030 Agenda made up of 17 Sustainable Development Goals (SDG), designed to solve problems like poverty, inequality, injustice and climate change. Rassini is aware of the importance of cooperation between global leaders, the private sector and non-governmental organizations, in which our efforts as promoters of innovation and supporters of economic development are essential. The integration of the SDG into our business strategy strengthens our ability to identify and manage risks and opportunities for all our stakeholders.

This report constitutes a compendium of our annual sustainability performance. In it, we explain the central lines of work we pursued to generate a positive impact, linking our business strategy to the SDG. This strengthens our vision as a leading developer and adopter of best environmental, social and governance practices, in a context of urgently needed global recovery that at the same time meets sustainability criteria.

IN 2021, WE WILL BE PARTICIPATING IN THE FIRST GENERATION OF THE “SDG AMBITION” ACCELERATE INITIATIVE PROGRAM TO SET MORE AMBITIOUS CORPORATE GOALS. WITH THIS, WE WILL INCORPORATE THE SDG INTO OUR BUSINESS STRATEGY MORE RAPIDLY.



# SUSTAINABILITY

102-7 HIGHLIGHTS

RASSINI



6 TECHNOLOGY & DEVELOPMENT CENTERS

OPERATIONS IN



6 COUNTRIES



+50

RECOGNITIONS FOR QUALITY AND SERVICE IN THE LAST DECADE

OUR TEAM

+6,000

EMPLOYEES AROUND THE WORLD



+5,200

COVID-19 TESTS



+180

HOURS OF TRAINING



SDG



**SUSTAINALYTICS**

a Morningstar company

**RATED**

**14.6**  
LOW RISK

**21**



ACTIVE PATENTS



**+6.5M**

CARS EQUIPPED WITH  
RASSINI PRODUCTS  
EVERY YEAR

**+20**



ACADEMIC PARTNERSHIPS

TECHNOLOGY AND INNOVATION

**+70** 

MODELS MADE BY THE  
LEADING OEMS USE OUR  
SOLUTIONS

GLOBAL PRESENCE

# BUSINESS ETHICS

102-16

## AND INTEGRITY

Through our Code of Ethics and Conduct, we have established a set of principles and guidelines to guarantee responsible conduct in all our operations. These require all of our stakeholders to act with the utmost honesty, integrity and transparency. We reject any practice intended to create an illegal or improper advantage, and expect our entire value chain to pledge their active participation in the prevention of corruption, inside and outside of the organization, and to act in favor of human and labor rights.

Our track record, and the recognition we have earned as a company of excellence, is the result of our firm stand on ethics; on zero tolerance for illegal acts, corruption, conflicts of interest or discrimination; and our deeply-rooted corporate values, which underpin our culture of compliance and respect for the law.

### YES WE CAN...

live by our values



SERVICE ATTITUDE



TEAMWORK



TRUST



DISCIPLINE



QUALITY



COMMITMENT

The Rassini Code of Ethics and Conduct provides standards for behavior consistent with our principles of integrity; establishes guidelines to help employees answer questions, comply with their obligations, and inform us of any non-compliance they witness or become aware of through other employees, clients or suppliers.

This Code is part of our Governance System. It was approved by the Ethics and Conduct Committee in 2014 and includes the following policies:

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





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Website

**[www.integrity-rassini.com](http://www.integrity-rassini.com)**

App EthicsGlobal



Since 2017, the channel for reporting violations of the Code has been the Integrity digital platform, which is administered by an independent firm that guarantees anonymity of the reports.

Reports are channeled through our Ethics Officer, responsible for advising us on ethical and legal conduct, who assigns the cases to specialists trained in investigation methodology, who in turn analyze and execute the pertinent protocols for resolving each case.

The Ethics Officer also calls a quarterly meeting of the Ethics Committee to discuss progress and improvement plans for the ethics model. This body is linked to senior management and the Board of Directors. Its members are experienced in regulatory compliance and manage our corporate integrity based on our Rassini culture.

ETHICS AND CONDUCT  
COMMITTEE

Eugenio Madero Pinson  
**Chief Executive Officer**  
COMMITTEE CHAIR

Enrique Guillén Smer  
**Chief Human Resources Officer**

Mario Pérez Orozco  
**Chief Strategic Planning Officer**

Juan Pablo Rosas Pérez  
**Chief Legal Officer**

Víctor Silva Escárcega  
**Internal Auditor**



## RASSINI ETHICS MODEL

MISSION, VISION AND VALUES



**STAKEHOLDERS**

Training and communication with the ECC



**ETHICSGLOBAL PLATFORM**

Communication channels



**RASSINI PLATFORM**

ADMINISTRATOR

Manage and channel reports



**STAKEHOLDER REPRESENTATIVES AND LIAISONS**

Inquiries and investigation of reports



**ETHICS AND CONDUCT COMMITTEE**

Promote and regulate the ECC



**SYSTEM OF CONSEQUENCES**

Application of measures

We are convinced that a key factor in our success is the ethics and integrity with which we execute all our processes, operations and relations.

OUR VISION IS TO BE THE BEST SUPPLIER OF SOLUTIONS FOR ALL OUR STAKEHOLDERS, CREATING SUSTAINED VALUE FOR CLIENTS, SHAREHOLDERS, EMPLOYEES AND THE COMMUNITY.

To date the company has sustained no monetary losses as the result of lawsuits relating to anti-competitive practices.



# GOVERNANCE

## STRUCTURE 102-18

### BOARD OF DIRECTORS

#### REGULAR MEMBERS

Antonio Madero Bracho  
**EXECUTIVE CHAIRMAN AND DELEGATE BOARD MEMBER**  
 Eugenio Madero Pinson  
**VICECHAIRMAN**  
 Antonio Madero Pinson  
 Eduardo Cepeda Fernández\*  
 Sergio Iván Delgado Treviño\*  
 Francisco Javier R. Bours Castelo  
 Jesús Enrique Robinson Bours Muñoz  
 Arturo Bours Griffith  
 Juan Salvador Robinson Bours Martínez  
 Arturo Pérez Arredondo\*  
 Everardo Elizondo Almaguer\*  
 Samantha Tatum Ricciardi Bano  
 Javier Pérez Rocha\*  
 Fernando Benjamín Ruiz Sahagún\*  
 Alberto Guillermo Saavedra Olavarrieta\*

#### Alternates

Alfredo Elías Ayub\*  
 Juan Pablo Sánchez Kanter<sup>R</sup>  
 Juan Pablo Rosas Pérez<sup>R</sup>

#### Board Secretary

Juan Pablo Rosas Pérez

#### EXECUTIVE COMMITTEE

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

#### Suplentes

Javier Pérez Rocha  
 Alberto Guillermo Saavedra Olavarrieta

#### CORPORATE PRACTICES COMMITTEE

Javier Pérez Rocha  
**CHAIRMAN**  
 Francisco Javier R. Bours Castelo  
 Jesús Enrique Robinson Bours Muñoz  
 Everardo Elizondo Almaguer  
 Antonio Madero Bracho  
 Eugenio Madero Pinson  
 Arturo Pérez Arredondo

#### AUDIT COMMITTEE

Fernando Benjamín Ruiz Sahagún  
**CHAIRMAN**  
 Jesús Enrique Robinson Bours Muñoz  
 Alberto Guillermo Saavedra Olavarrieta

#### COMPENSATION COMMITTEE

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

\* Independent  
<sup>R</sup> Related

# SUPPLY

## 102-9 CHAIN

### Resource optimization

We have a conscious strategic vision of responsible sourcing, which is fundamental for guaranteeing the sustainability of our supply chain. Our management of steel, which is the main input in our operations, is critical to minimizing our carbon footprint, because its extraction is an energy-intensive process.

In order to reduce our environmental footprint, the Suspensions division acquires steel with a high recycled content and is continually examining alternatives for increasing this proportion. The Brakes division is a clear example and leader in recycling, because the nature of its business involves circularity in the use of steel, generating high-quality components.

PRODUCING STEEL IS AN ENERGY-INTENSE PROCESS, AND STEEL IS ALSO THE MAIN INPUT IN OUR OPERATIONS, SO MANAGING IT IS CRITICAL TO MINIMIZING OUR CARBON FOOTPRINT.





OUR OPERATIONS ARE A DRIVER OF GROWTH FOR THE COMMUNITIES WHERE WE HAVE ACTIVITIES, BECAUSE WE FAVOR LOCAL ECONOMIC DEVELOPMENT.

#### **Supplier network: communication and responsible sourcing model**

Our supply chain processes are guided by the same principles found in our corporate policies and Code of Ethics. These have specific characteristics according to the phase in which they are developed: registry and classification of suppliers, hiring, follow-up and quality control, and others. The Finance Department defines the strategy and procedures, supervises acquisition of equipment and materials, contracts and insurance programs, in keeping with the goals set by the Board of Directors and the company's corporate governance system. This department ensures costs are kept efficient and maintains strategic and ethical alignment in managing operational risks.

Our operations are a driver of growth for the communities where we have activities, because we favor local economic development. That is why we promote responsible practices in our supply chain and follow a supplier development strategy that encourages the indirect creation of other jobs.

We are also aware of the global issues surrounding what are called conflict minerals and their profound repercussions for human rights. Rassini categorically rejects any form of sourcing that may encourage armed conflict or which cannot certify the origin of the minerals as conflict-free in accordance with international standards. Our policy on this matter, and the Rassini suppliers manual, are very clear on this point.





# RASSINI

## SUSTAINABILITY APPROACH

In 2020 we formally instated a Corporate Sustainability Committee, a core governance body, responsible for the environmental, social and governance (ESG) strategy and business performance. Its duties are:

- To create strategic directives and define priorities.
- To ensure that actions are aimed at achieving business goals and sustainability targets.
- Oversee the success of programs and actions.



### CORPORATE SUSTAINABILITY COMMITTEE

Eugenio Madero Pinson  
**Chief Executive Officer**  
CHAIRMAN

Sergio Dávila Flores  
**Director, Suspensions Division**

Héctor Galván Venegas  
**Director, Brakes Division**

Mario Pérez Orozco  
**Chief Strategic Planning Officer**

Juan Pablo Rosas Pérez  
**Chief Legal Officer**

Juan Pablo Sánchez Kanter  
**Chief Financial Officer**



Its purpose is to strengthen Rassiní's resilience with a perspective on environment, climate change, social commitment, diversity and inclusion, and good corporate governance.

Our commitment to sustainability and transparency is part of Rassiní's identity. In this spirit, the Committee remains abreast of international recommendations and best practices. This commitment is borne out daily in our business activity and in our strategy of maximizing the social dividend and contributing to sustainable development.



# OUR STRATEGIC

102-40, 102-42, 102-43, 102-44

## PARTNERS



WE DEFINE STAKEHOLDERS AS ALL GROUPS AND INDIVIDUALS WHOSE INVOLVEMENT INFLUENCES US, AS WELL AS ALL THOSE WHO ARE AFFECTED BY OUR ACTIVITIES.

At Rassini, from the very foundations of our business model, we stress stakeholder engagement in setting our corporate sustainability strategy. We define stakeholders as all groups and individuals whose involvement influences us, as well as all those who are affected by our activities. Identifying and selecting these groups requires a painstaking evaluation process in order to manage them appropriately and build relationships of trust, promoting actions that invite their involvement and collaboration in the interests of sustainability.

 **Human talent**

 **Clients**

 **Supply chain**

 **Communities**

 **Academe**

Our strategic vision of sustainable value creation, in partnership with our stakeholders, recognizes both the positive impacts and the potential risks to environment, societies and economies around us, so we are constantly strengthening our actions in alignment with the SDG.



**Strategic partners: participative approach**

Through ongoing dialogue and open communication channels, we are convinced that we can understand and satisfy the needs of those we serve. We therefore involve stakeholders according to four basic principles: inclusiveness, relevance, response capacity, and impact. This enables us to forge closer ties by building a sustainable corporate culture of continuous improvement by which we can extend our good practices to our immediate areas of influence.

**ACADEMIC COLLABORATION**



# STAKEHOLDER ENGAGEMENT

	RELATIONSHIP CHANNELS	MATERIAL ISSUES	
 <b>HUMAN TALENT</b>	<ul style="list-style-type: none"> <li>• Annual workplace environment assessment</li> <li>• Whistleblower system for violations of Code of Ethics and conduct</li> <li>• Internal communication programs</li> <li>• Training and development</li> <li>• Annual performance evaluations and feedback</li> <li>• Performance and seniority bonuses</li> </ul>	<ul style="list-style-type: none"> <li>• Prevention of occupational risk, training in safety and health</li> <li>• Transparency, diversity and commitment</li> <li>• Professional development: talent management, growth and retention</li> <li>• Fair compensation</li> <li>• Ethics and integrity</li> </ul>	<p>We address risks and such as</p> <ul style="list-style-type: none"> <li>• Appli</li> <li>• Adop</li> <li>• Adap</li> <li>• Atte</li> </ul>
 <b>CLIENTS</b>	<ul style="list-style-type: none"> <li>• Annual sustainability audits and evaluations</li> <li>• Collaborative projects</li> <li>• Customer service channels</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Safe deliveries</li> <li>• Product innovation</li> <li>• Transparency</li> <li>• Digitalization and cybersecurity</li> </ul>	<p>Measu COVID Active appropri chain. Produ measu</p>
 <b>SUPPLY CHAIN</b>	<ul style="list-style-type: none"> <li>• Tracking purchasing programs and reports</li> <li>• Annual sustainability assessment</li> <li>• Recognitions for best suppliers</li> <li>• Whistleblower system for violations of Code of Ethics and conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Continuity of service agreements</li> <li>• Compliance with contractual conditions</li> <li>• Responsible supply chain and improvement in sustainability</li> <li>• Digital transformation</li> </ul>	<p>Adapta encou Virtua outsta deliver</p>
 <b>COMMUNITY</b>	<ul style="list-style-type: none"> <li>• Volunteer work to support vulnerable members of the community</li> <li>• Donations</li> <li>• Education and academic outreach programs</li> <li>• Organization of family commemorative events</li> <li>• Construction of recreational family spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Support for education</li> <li>• Job creation</li> <li>• Preservation of health and the environment</li> <li>• Diversity and inclusion</li> <li>• Rassiní's involvement in the development of communities where it is present (strategy and investments, innovation, collaboration programs, alliances, social projects)</li> </ul>	<p>Alloca COVID social Constr Puebla sports</p>
 <b>ACADEME</b>	<ul style="list-style-type: none"> <li>• Research and development (new materials, business opportunities, etc.)</li> <li>• Incorporating graduates into the workforce</li> <li>• Professional and educational internships</li> </ul>	<ul style="list-style-type: none"> <li>• Job networking</li> <li>• Intellectual growth</li> <li>• International relations</li> <li>• Economic stability</li> <li>• New technologies</li> </ul>	<p>Migrat Allianc and de</p>

## 2020 RASSINI BEST PRACTICES

Opt measures to reinforce prevention of occupational  
and protect health due to the COVID-19 pandemic,  
as:

- Implementation of +5,200 detection tests
- Adoption of strict sanitary protocols
- Optimization of facilities to ensure safe distance
- Attention to psychological and emotional health

Measures for supply continuity derived from the global  
COVID-19 situation.

Participation in sustainability assessment to  
appropriately analyze impacts on the automotive value

Products shipped in strict accordance with sanitary  
requirements.

Implementation of remote audits and virtual meetings to  
encourage feedback and sharing of best practices.

Recognition event for supply chain members with  
standing annual performance in quality, service and  
safety, during the COVID-19 pandemic.

Allocation of resources to contain the effects of the  
COVID-19 pandemic through donations to foundations,  
schools and health institutions.

Construction of Parque Felicidad in San Martín Texmelucan,  
Tlaxcala, a health space for family togetherness, leisure and  
well-being, helping to rebuild the social fabric.

Transition to the virtual internship format.

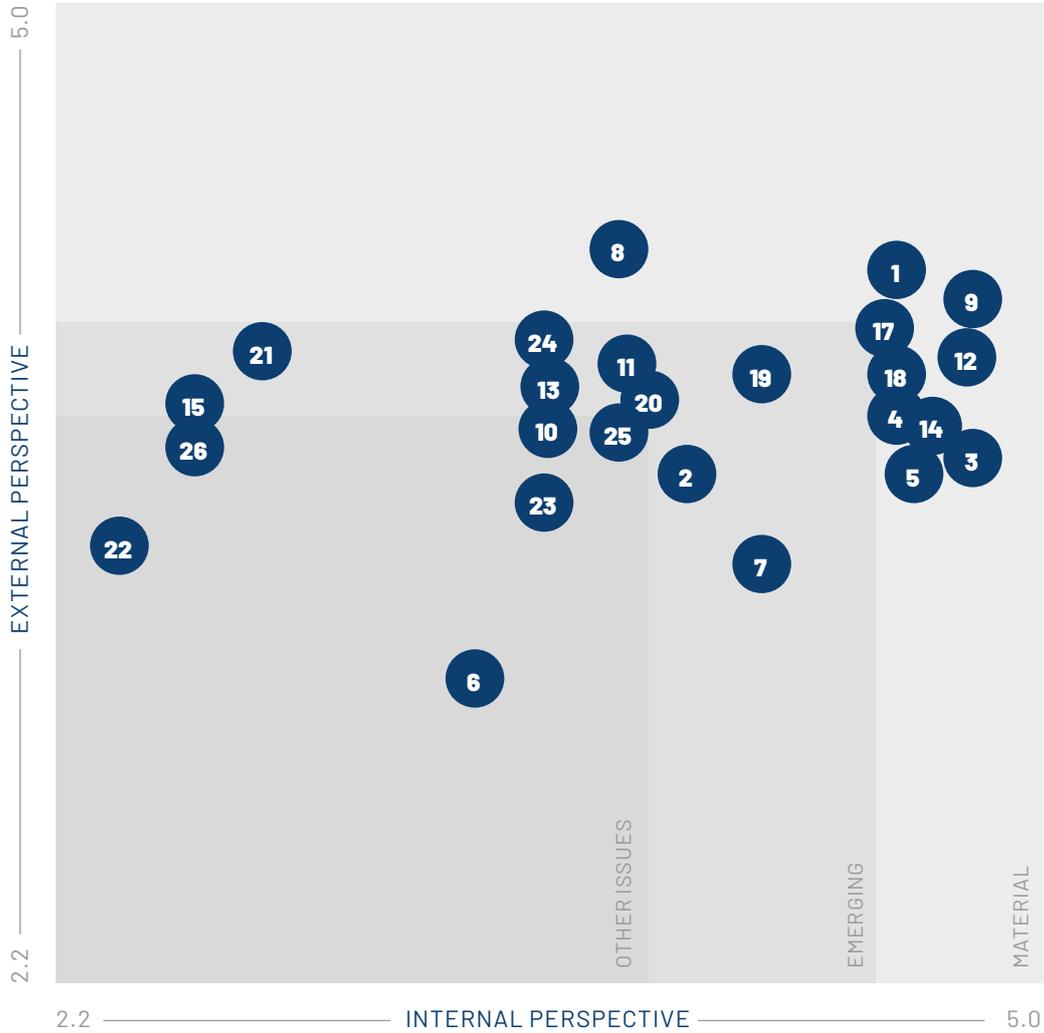
Collaboration with the University of Tel Aviv to research materials  
to develop new products and business opportunities.



This analysis of stakeholder groups provides valuable information for strengthening the ties between us, built on the basis of collaboration, feedback and communication, and promoting continuous improvement in the company's environmental and social impact.

# MATERIALITY

102-46, 102-47 STUDY



The principle of materiality or relevance identifies the informational elements necessary for understanding a business's activity, according to international sustainability standards published by GRI. This analysis allows us to determine the areas in which our greatest risks and opportunities are concentrated, to develop the business with an eye to the long term and create value for all stakeholders. Identifying these indicators in turn enables us to monitor and to report on our sustainability performance. In 2020, we updated our materiality study to define the content of this report. The methodology was based on the GRI guide and was used in identifying, prioritizing and validating material issues for Rassinì.

Potentially relevant issues are identified on the basis of a review of the literature on trends in the requirements of investors and rating agencies regarding sustainability risks in the industry, as well as those described in specific industry publications. We also incorporate trends in risk and opportunity management in the context of COVID-19.

Prioritizing issues required the opinion of various stakeholder groups, obtained through interviews, surveys and focus groups; and the company's strategic perspective, which we learned about through interviews with Rassinì's senior management. Having defined these material issues, we were able to construct a materiality matrix in which each issue was classified by relevance.



## MATERIAL ISSUES

- 1 Emotional health and safety.** Policies and practices to preserve the health, safety, and physical and psychological well-being of employees inside and outside of the workplace.
- 3 Employee compensation and benefits.** The well-being of employees and their families through fair compensation and benefits that motivate them to be more productive.
- 4 Training and development.** Training practices and programs to improve the personal and professional skills and abilities of employees.
- 5 Workplace environment and employee well-being.** Practices and programs for enjoying and promoting a healthy workplace environment where they can do their jobs, maintain a healthy balance between work and personal life, and be recognized for their achievements (emotional salary).
- 8 Product quality and user safety.** Processes that guarantee the quality and safety of the products we deliver to clients.
- 9 Client preference.** Continuous improvement to meet clients' quality standards and stand out from the competition.
- 12 Energy efficiency.** Practices and projects to reduce the use of fuel and electricity in all our areas and operations.
- 14 Sourcing efficiency.** Preventing, reducing or mitigating negative environmental impacts by properly using raw materials.
- 17 Product life cycle.** Evaluation of environmental, social and economic impacts and benefits of our products, from production to disposal.
- 18 Climate change.** Plans to manage risks and opportunities relating to climate change. For example: new environmental laws, natural disaster prevention and response .

# ENVIRONMENT

102-46

ALL OUR OPERATIONS ARE CERTIFIED UNDER ISO 14001:2015 STANDARD

For Rassini, circular economy and the energy transition are key elements for sustainable development, because they represent opportunities to further climate action. This is the reason for our adoption of a sustainable environmental model that promotes reduced emissions and efficient use of resources in our production.

We know that the challenges of sustainability are not something we can address in an isolated manner. They require a holistic approach and a complete integration of environmental management, involving our value chain in the effort to measure, control and reduce our impact on the environment.

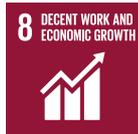
Our commitment to continuous improvement goes hand-in-hand with environmental protection and climate change mitigation. This has facilitated our transition toward a business culture that seeks to continually minimize our environmental footprint.

“RASSINI IS COMMITTED TO REDUCING POLLUTION AND THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS, THROUGH PREVENTION AND CONTINUOUS IMPROVEMENT PROGRAMS. WE HAVE SET ENVIRONMENTAL GOALS AND TARGETS BY WHICH WE MEET AND EXCEED THE APPLICABLE LEGAL REQUIREMENTS.”





## INPUT EFFICIENCY 301-1, 301-2



# 60%

RECYCLED STEEL  
IN SUSPENSIONS

Our main raw material is steel, a product whose extraction has a high impact on energy sources, although it is also easily and infinitely recyclable. This is key in our effort to optimize input efficiency and work toward circularity in our products, besides minimizing our carbon footprint from the start of the value chain.

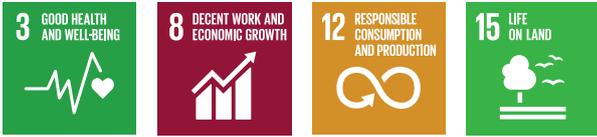
# 98%

RECYCLED STEEL  
IN BRAKES

Our Suspensions division acquires steel products which are transformed through high-efficiency thermal and mechanical processes into leaf and coil springs. Our Brakes division uses scrap metal as raw material, reincorporating it into productive processes by smelting it onsite, minimizing the carbon footprint of its supply chain.



# ENERGY EFFICIENCY



Charting a course toward environmental sustainability requires the combined efforts of many strategic agents to address the major challenges society faces as a result of climate change. Rassini has a solid regulatory framework in place whose purpose is to transform our energy base through a clear strategy that anticipates the effects of this transition.

Our energy management assumes rational and efficient use and conservation, as strategic measures toward the energy transition. Optimizing energy use also makes us more competitive and productive as a company, and has benefits for health, quality of life and safety as well.



## REDUCTION OF ENERGY USED IN OPERATIONS AND PRODUCTS

302-5

In Rassini's various business units we find that the main sources of energy are natural gas and electricity. But we are continually working to reduce our direct and indirect energy consumption, investing in latest technology available to reduce our carbon footprint.

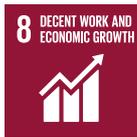
We design innovative products that require less energy to make and add to our clients' value proposition. For example, our composite hybrid spring lowers overall vehicle weight by 17 kg, making the vehicle more fuel efficient.

We are committed to creating high-impact solutions and we work on a daily basis to create sustainable environments to mitigate climate change.

OUR PLANT  
NURSERY AT  
THE PIEDRAS  
NEGRAS FACTORY  
PRODUCES MORE  
THAN 10,000  
TREES A YEAR



## CLIMATE CHANGE



Climate change is one of the biggest challenges humanity faces today. Manmade greenhouse gas emissions have accelerated global warming in recent decades. Efforts are now under way around the world to try to limit the global increase in the planet's temperature to less than 1.5°C with respect to pre-industrial levels.

In response, we at Rassini have incorporated environmental respect and the battle against climate change as one of the axes of our sustainability strategy. We know we need to have the capacities and mechanisms to adapt to and mitigate climate change. One of the ways we are currently working on reducing our carbon footprint is the development of a base to measure our indirect (scope 3) GHG emissions as part of the science-based target initiative (SBTi), whose goal is to set ambitious targets for reducing GHG emissions and limiting global warming through transition to a low-carbon economy.

### GHG management and assessment at Rassini

To offset direct GHG emissions and mitigate the natural impact of our operations from combustion in the furnaces, vehicles and equipment this company owns, we have taken a number of actions.

This report contains our accounting of emissions from our own use of fuel (scope 1), and of electricity (scope 2). All calculations of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions were obtained based on the factors published by the Mexican Ministry of the Environment and Natural Resources (SEMARNAT), in the Official Gazette of the Federation, and the global warming potentials contained in the Greenhouse Gas Protocol's Fifth Assessment Report. This applies to emission from natural gas, LP gas, gasoline and diesel, in mobile and fixed sources.

In the case of acetylene, emissions are calculated using stoichiometry, and based on the combustion reaction used by the Intergovernmental Panel on Climate Change. Scope 2 emissions were calculated based on the electrical emission factor published by SEMARNAT for the National Emissions Registry.

# ENERGY PERFORMANCE

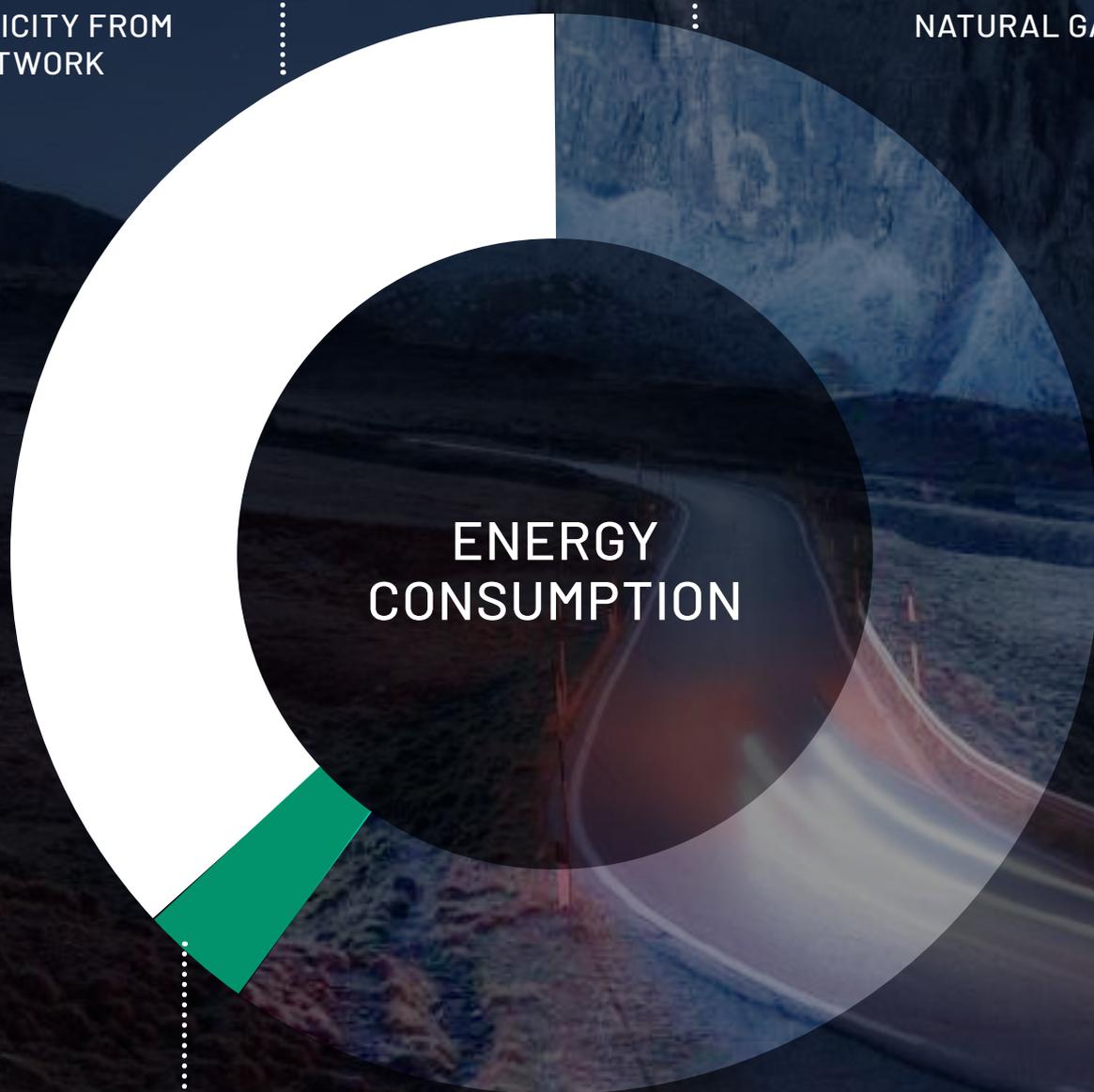
302-1, 302-2, 302-3, 305-4

37.63%

ELECTRICITY FROM THE NETWORK

60.90%

NATURAL GAS

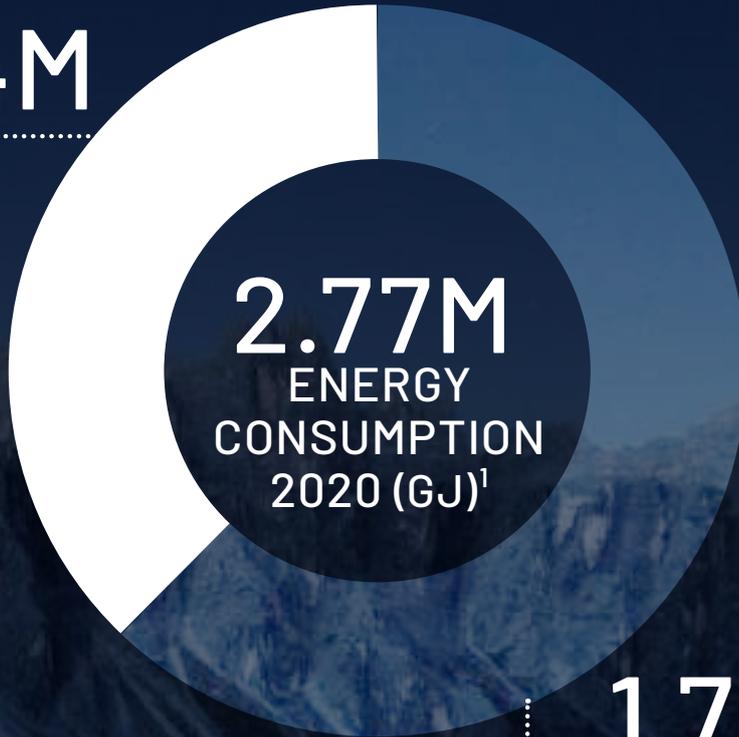


1.47%

OTHERS

LP GAS .....	1.29%
GASOLINE.....	0.126%
DIESEL .....	0.32%
ACETYLENE.....	0.023%
SOLAR PANELS.....	0.003%

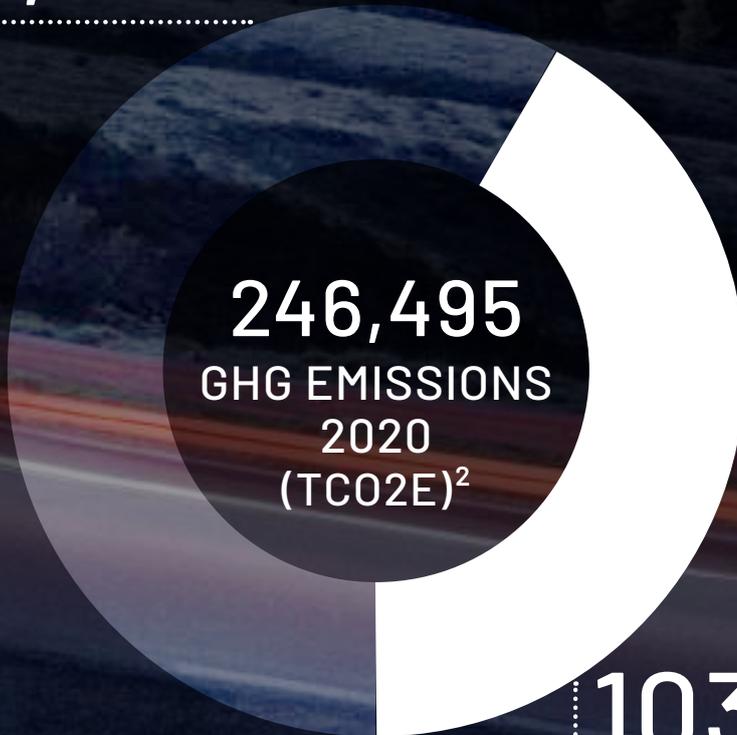
1.04M  
EXTERNAL



ENERGY INTENSITY  
3,490  
GJ/M USD  
IN SALES

1.73M  
INTERNAL

143,320  
SCOPE 2 \*\*



EMISSION INTENSITY  
310  
TCO<sub>2</sub>E/M USD  
IN SALES

103,175  
SCOPE 1 \*

<sup>1</sup>Expressed in Gigajoules

<sup>2</sup> Expressed in metric tons of CO<sub>2</sub> equivalent

\*Emissions from onsite energy consumption

\*\* Emissions from consumption of electricity from the network

# PRODUCT LIFECYCLE 102-11



The lifecycle approach identifies the opportunities and risks present in a product from the raw material used to make it until the end of its useful life and its disposal. Adopting this approach means recognizing the way our decisions influence each phase of the process, and thus weighing their advantages and disadvantages for economy, the environment and society.

Rassini works toward a circular economy in the automotive value chain. As a fundamental element in achieving this, we take action to minimize our generation of hazardous waste and confine those that are produced. But we are aware of the impact this practice can have on soil health, so we are looking for options to minimize it by reusing or monetizing as much waste as possible.

These issues are essential to our environmental management, and the responsibility of ecology departments, certified under ISO 14001 standard and trained to take such actions.



## Waste classification at Rassini



### Hazardous waste

Residual oils, paint sludge, rags, gloves, paints, batteries, lamps, contaminated water.



### Special handling waste

Residual sands, organic waste, wood, plastic, cardboard, brick, mill scale, scrap.

The lifecycle concept encourages a sustainable pace of production and consumption, while helping us use financial and natural resources more effectively. We try to minimize confinement of hazardous waste, and send all of our special handling waste for recycling.

Adopting the lifecycle approach to our design process and products, creating policies and defining consumption preferences can help stop, or even reverse, some of the environmentally damaging trends in our environment.



# ENVIRONMENTAL EVALUATION OF SUPPLIERS



For Rassini, being true to its principles of environmental care and applying them to its supply chain is vital for being able to determine the full impact of every link in our value chain. We submit our suppliers to an annual environmental assessment in order to measure their progress against goals and continuous improvement plans, and thus to evaluate the impact of their business processes and encourage their remediation. We compile evidence of compliance, manage recommendations for action plans, and provide training tools for the leaders responsible for implementing the projects.

# 26,297

METRIC TONS OF SPECIAL HANDLING WASTE

# 825

METRIC TONS OF SOLID HAZARDOUS WASTE

# 379

M<sup>3</sup> OF LIQUID HAZARDOUS WASTE



# SOCIETY

Rassini's purpose in society is to work together with clients, employees, suppliers and the community to generate shareholder returns, sustainable development and a high quality of life.

Recognizing the contribution of our human talent, providing working conditions that favor their advancement and a balance between work and personal life, encouraging creativity and providing the training that helps employees achieve their fullest potential, are pillars of our human resource management, and have made us one of the best places to work in Mexico.



## LABOR CLIMATE AND EMPLOYEE WELL-BEING



In order to optimize and build a culture of trust among its employees, Rossini has worked according to the Great Place to Work methodology for 7 years, and obtained certification for 4 of its operations in Mexico in 2020. This has enabled us to develop new projects focused on improving our people's quality of life.

We have policies and procedures for evaluating each position in order to determine the level of employee compensation and ensure absolute transparency in our operations, along with our competitiveness in the labor market. With this we guarantee quality of life for our human talent and their families. This operational strategy helps attract and retain qualified personnel with high potential for development, based on an objective measurement of the position according to three characteristics: Knowing (skills), Thinking (problem-solving) and Acting (responsibility for results).

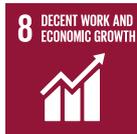
The procedures for applying these categories to our operating staff are implemented impartially in all the places where Rassini operates, based on parameters of performance, quality, safety and excellence.





# EMPLOYEE COMPENSATION AND BENEFITS

401-2, 401-3



At our company, employee relations are based on respect and recognition of their rights, as well as the legitimacy of individual decisions to freely choose worker representatives, within the principles and ethical values that guide good union practices.

Accordingly, we support all activities that guarantee freedom of association in all our operations where collective bargaining agreements are in effect and cover specific groups of employees. Negotiations are the foundation for establishing the rights and mutual obligations of the parties, and incorporate best labor practices while acknowledging for the characteristics and possibilities of each business.

To appropriately regulate labor relations, Rassini has labor agreements that apply regardless of what form of contract is signed, the professional group assigned, the occupation, preferences or position held. We have no reports of risks to operating or service continuity or significant differences with respect to the benefits offered.

Among the benefits all employees enjoy regardless of their work schedule are:

-  ANNUAL BONUS
-  SAVINGS FUND
-  VACATION
-  VACATION BONUS
-  MARRIAGE BONUS
-  TIME OFF FOR CHILDREN BORN OR DEATH IN FAMILY
-  SHOPPING VOUCHERS
-  LIFE INSURANCE
-  PUNCTUALITY BONUS
-  SHUTTLE BUSES
-  CAFETERIA
-  UNIFORMS
-  MAJOR MEDICAL INSURANCE
-  SCHOLARSHIPS

WE HAVE PAID PARENTAL LEAVE PROGRAMS AT ALL OUR WORKPLACES TO SUPPORT WORKING FAMILIES REGARDLESS OF GENDER

# BREAKDOWN OF WORKFORCE BY LEVEL AND GENDER

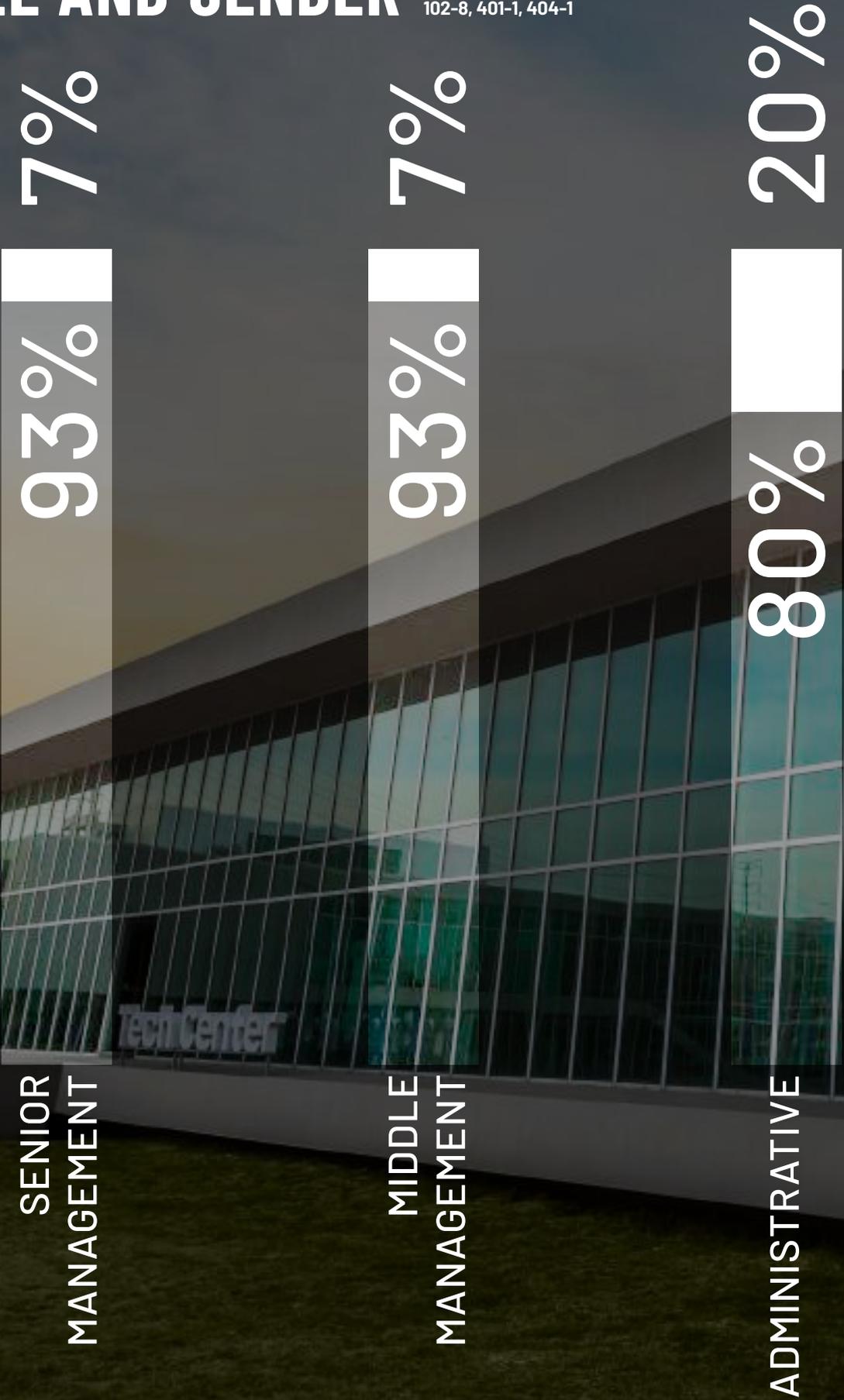
102-8, 401-1, 404-1



WOMEN



MEN



SENIOR  
MANAGEMENT

MIDDLE  
MANAGEMENT

ADMINISTRATIVE

5,207  
EMPLOYEES IN MEXICO

183,661

HOURS OF TRAINING

35 HOURS ON AVERAGE  
PER EMPLOYEE

1.12

ACCIDENT  
FREQUENCY INDEX

3.3%

AVERAGE MONTHLY  
TURNOVER

5%

95%

OPERATING



## OCCUPATIONAL SAFETY AND HEALTH



### Resilience against COVID-19

Rassini took immediate action when the pandemic began and were able to quickly and responsibly resume operations when permitted by law, prioritizing our people's health and safety at all times. We followed the recommendations and publications of the World Health Organization in the protocols and sanitary measures we adopted to keep our people safe at home, on their way to work and on the job.

## PREVENTION, CONTROL AND RESPONSE ACTIONS

**Disinfection and safe distancing** protocols in employee shuttles.

**Symptom detection checkpoints** at entrances.

**Designated areas for isolation.**

**Adaptation of facilities** to ensure safe distancing.

**Installation of plastic shields** in the user service areas.

**Ample supply of personal protection equipment.**

**Protocols** for dealing with suspected and confirmed **cases of contagion.**

Application of **antibody and PCR tests.**

**Training on preventing contagion.**

**Internal communication** about being careful at home, on the way to work and on the job.

**Work-from-home schemes.**

**Psychological counseling** and help hotline.

# Coverage of the Health Management and Occupational Safety System

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



“WE ARE COMMITTED TO KEEPING EVERYONE SAFE, DETECTING AND ELIMINATING UNSAFE CONDUCT AND CONDITIONS THROUGH A RISK PREVENTION SYSTEM COVERING WORK EQUIPMENT, MATERIALS, FACILITIES AND METHODS AT OUR WORKPLACES THROUGHOUT THE VALUE CHAIN.”

## Safety Policy

The safety and health area is responsible for defining strategies and goals for standardizing occupational safety and health requirements and rules for the company, in order to achieve established workplace risk prevention goals and guarantee that both the company and its employees meet all internal, and external requirements, standards, laws and regulations, while taking steps to ensure these risks do not affect our employees' safety. Rassini's safety and health systems are applied in every one of our plants based on ISO:45001 international standard. These systems are designed to protect employees and visitors from work-related accident and illness.

All of our plants have formal safety and health committees made up of employees in key areas. Their purpose is to organize a set of supervisory, tracking and control actions to prevent occupational risks. Committee members and employees in the industrial safety area not only watch constantly for unsafe conditions or conduct, but receive reports of hazardous situations from employees.



## Hazard identification, risk assessment and incident investigation

403-2

Rassini has a documented procedure for identifying and assessing occupational risks for each job, which is reviewed and updated regularly to ensure that preventive actions are effective.



## Processes for reporting occupational hazards or risks

403-4

Any employee, contractor or other person who works in our facilities can file a risk observation report, an effective mechanism for involving them in the prevention of situations that might result in incidents or accidents. When an anomaly is detected, it should be immediately corrected, if possible, or the immediate superior notified to have it dealt with by a qualified professional. From this point on, research and documentation of the risk is begun to take corrective action, issue a report and share best practices within the local safety management system. Additionally, significant accidents in the study period are publicized so that the lessons learned can be incorporated into the safety management systems and similar situations avoided in the future.

Safety is the constant in our culture of prevention, and this means we instruct all our employees to not proceed or give higher priority to any task that entails a risk, without the necessary equipment and know-how to reduce or eliminate that risk.

We also have general procedures for managing incidents, through root-cause analysis and identification, installation, follow-up and closure of corrective actions resulting from that analysis. This includes the hierarchy of controls required by law, risk mitigation measures and approval by the people specifically responsible for closing cases of anomalies detected during the process, and defining dates for the closure.



## Occupational health services

403-3

All of our operations have an occupational health department that is responsible for monitoring the health of employees and dealing with any occupational illness or injury. We monitor our people's health based on their clinical history. Confidentiality is guaranteed by application of exiting laws and internal and external control. This information is dealt with in the strictest confidentiality as required by law and by internal and external controls. Annual plans include programs, services and accessible clinical checkups for employees. The results and the medical files are open only to the employee in question and the medical service.



## Employee training on occupational health and safety

403-5, 403-6

We train all our employees, regardless of their position, in safety and health topics from the time they start work for the company, and we include these in their development plans. We also offer daily safety talks to all operating personnel and through internal communication, and intensively promote these issues.

# TRAINING AND DEVELOPMENT 404-2



For Rassini, the development of our employees is fundamental to our success. Strategically, we train them in the up-to-date trends and techniques focused on specific topics for each position and area. Furthermore, we reinforce their personal and professional development through courses not directly related to their jobs, like personal finance, work-life balance, leadership, and others. Through training we not only meet quality expectations but also underscore our leadership in the industry, remaining at the cutting edge of innovation and technology.

We firmly believe that training and advancement of our professionals is the best way to help them build strategic skills in our team and learn more about their jobs, aligned with present and future performance challenges. In turn, their professional development is a key driver of the company's results and efficiency, which is why we train our human talent with the skills and abilities they need to do their jobs optimally today, while preparing them to take on further responsibilities and challenges in the future.





Every two years we provide a performance evaluation in which the immediate superior examines the employee's individual results and decides on which courses might be useful according to their areas of opportunity. These results, together with skills evaluations and the 360° evaluation, which incorporate the daily aspects of their job performance, provide the basis for an individual development plan.

Another way we administer know-how is to connect it with employees' individual goals, through an e-File made up of four entries obtained from the development plan:

-  **Right person for the job**
-  **Career path**
-  **Strategy**
-  **Identified gaps**

Rassini has an online knowledge evaluation system that employees can access personally and take regular tests to demonstrate their knowledge. The exams consist of 24 questions, reinforcing and validating six basic skills:

-  **Safety**
-  **Continuous improvement**
-  **Quality**
-  **Work system**
-  **Environment**
-  **Productivity**



Once they complete an exam, they receive a grade and feedback, as well as the bonus they have earned.

We have incorporated an increasing variety of digital tools that facilitate and promote the focus on learning, through our own platforms with online courses and webinars open to all levels of the organization.



# PRODUCT QUALITY AND USER SAFETY

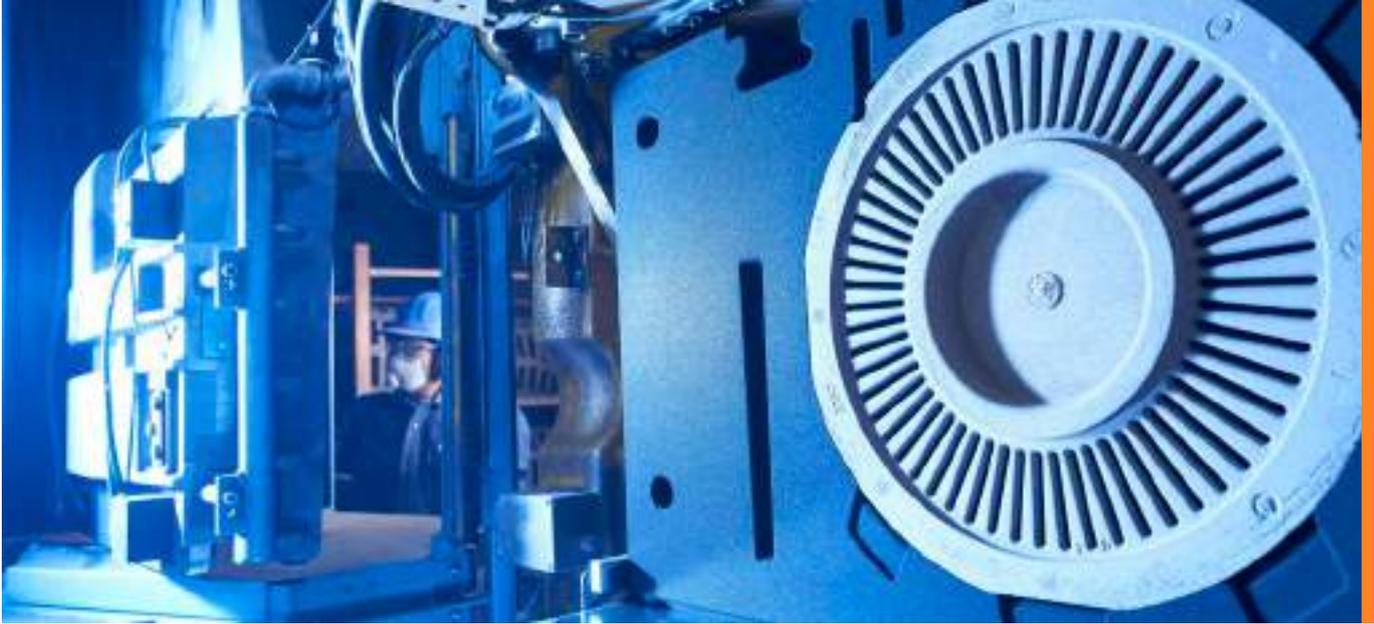
416-1



Rassini has a product safety program that includes the following: a policy to guarantee the safety of products and services, management responsibilities, risk assessment, regular employee training, regularly tested emergency response procedures, incident investigation and corrective action, safety performance monitoring, goals or targets, regular external audits and published reports on issues, all regarding product safety. This is an essential part of our quality management systems.

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.





## CLIENT PREFERENCE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS

We are proud to enjoy the preference of globally-recognized automotive brands in various segments, from light trucks to commercial cars and high-end vehicles. Rassini meets the highest standards of quality and innovation, which is why our clients have chosen us as business partners and trusted us to meet the markets' demands, which is increasingly interested in sustainable mobility solutions.

We continue to expand our mission of satisfying clients through our products' value proposition, and we intend not only to remain the number one auto parts supplier in the region but to set ourselves apart in terms of responsible production and consumption. We drive economies and development while mitigating the risks inherent to industrial activity, taking action to optimize resources and allow our clients to make vehicles that support sustainable lifestyles because of their increased efficiency and smaller environmental footprint.

Among our objectives for continuous improvement are technological development and innovation. We keep our ears continuously open for our clients' opinions and expectations, through the client liaison area. This gives us an inside view of the trends and direction we need to follow toward the future of mobility, and strengthen our position as the number one option in the market.





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# CORRELATION OF

## MATERIAL ISSUES WITH THE SDG

Material Issue	SDG
Efficient sourcing	   
Energy efficiency	   
Climate change	   
Product lifecycle	 
Labor environment and employee well-being	   
Employee wages and benefits	   
Occupational safety and health	  
Training and Development	   
Product quality and user safety	 
Customer preferences	 



If you have any questions or comments about  
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