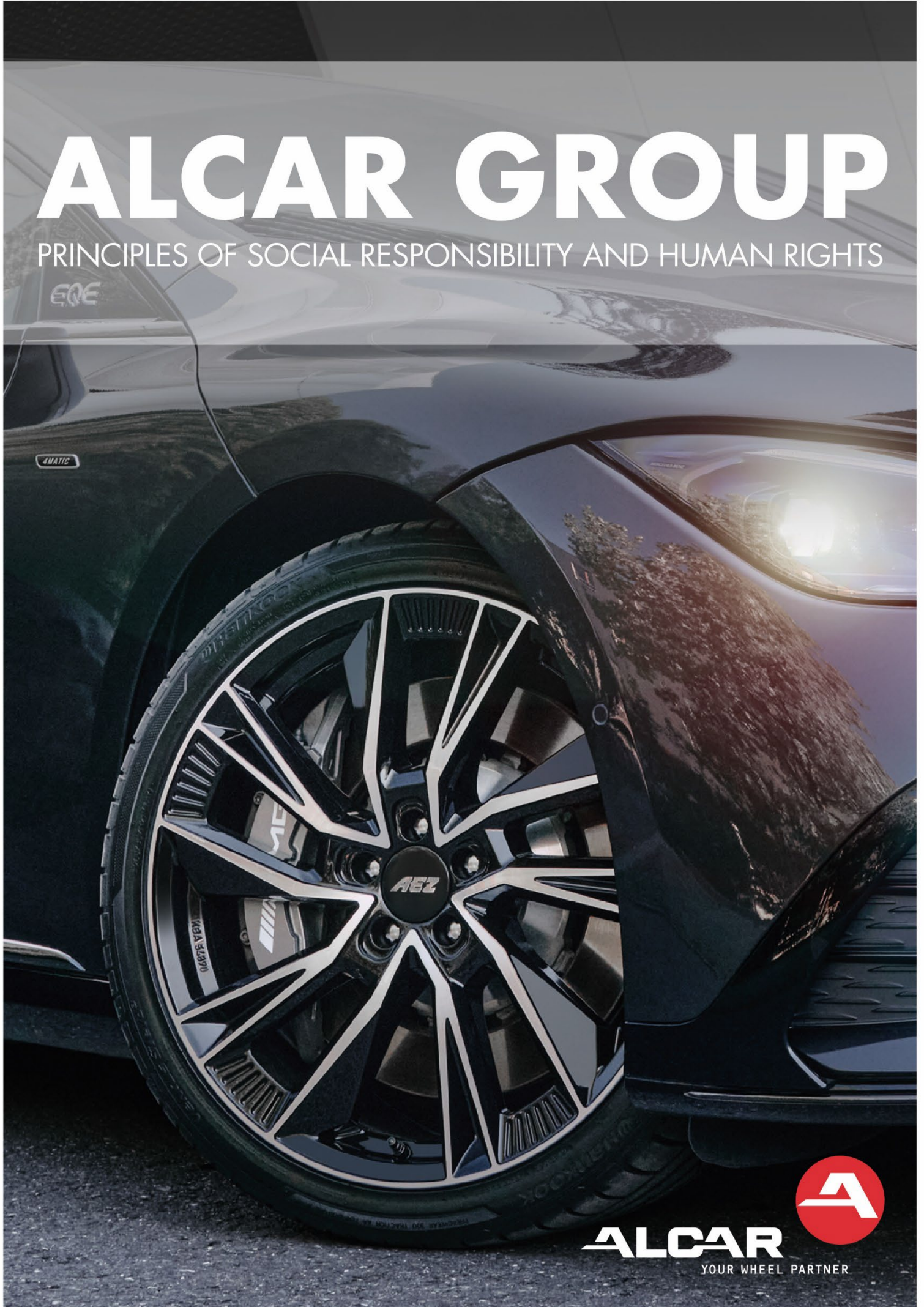


ALCAR GROUP

PRINCIPLES OF SOCIAL RESPONSIBILITY AND HUMAN RIGHTS



ALCAR

YOUR WHEEL PARTNER



1 Our commitment to respecting human rights

Global business activity also entails the responsibility to pay particular attention to the basic rules of human coexistence. We at ALCAR Holding GmbH and affiliated companies (hereinafter referred to as 'ALCAR') derive our requirements for responsible corporate governance from our corporate values as well as from regulatory requirements, external initiatives and international guidelines to which we are committed. These requirements are integrated into our sustainability strategy and our Group-wide guidelines.

ALCAR is committed to respecting human rights and promoting their implementation. We see it as our responsibility to respect the rights of others in our business activities and to prevent, minimise and eliminate negative impacts on human rights within our business activities. We regularly review our internal guidelines, standards and instructions and adapt them to respond to changes in the regulatory landscape.

This policy statement has been approved by ALCAR's management and applies to all ALCAR Group companies as well as to all managers, directors and other employees of the entire ALCAR Group.

2 Our understanding of human rights and environmental due diligence obligations

Respect for human rights in our business area and in our supply chains is a central component of our human rights and environmental strategy. We are committed to observing the following international standards, among others:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights (UNGPs)
- Ten principles of the UN Global Compact
- Declaration of the International Labour Organisation (ILO)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance

The implementation of the human rights and environmental due diligence obligations is based on the above-mentioned national and international standards and must be recognised and followed by all our employees and business partners:

- Prohibition of **child labour**: We reject all forms of child labour;
- Prohibition of **discrimination**: We reject discrimination in the working environment on the basis of characteristics such as (among others) gender or gender identity, cultural or national origin, descent, skin colour, religion or belief, disability, age, sexual orientation, marital or family status and military or veteran status;
- Prohibition of **forced labour**: We reject any form of forced or compulsory labour, slavery or human trafficking;

- Compliance with **freedom of association**: We respect the right to form employee representative bodies and to collective bargaining (in accordance with the applicable law of the place of employment);
- Compliance with legal requirements regarding **remuneration** and **working hours**: We comply with the applicable national legislation on working hours, remuneration, minimum income and social benefits or the international standards of the ILO (in the absence of national regulations);
- Control of **security personnel**: Irrespective of the type of contract, we comply with the applicable national law when deploying external personnel (e.g. security personnel) in contractual and labour relations. We take appropriate measures to sensitise and monitor external personnel, particularly with regard to human rights risks;
- Compliance with occupational **health and safety**: We have an appropriate occupational health and safety management system in place for the best possible prevention of accidents and work-related illnesses;
- We comply with the prohibition of **causing harmful soil change**, water pollution, air pollution, harmful noise emissions or excessive water consumption that is likely to harm human health and impair or destroy access to natural resources (such as drinking water and food) and access to sanitary facilities;
- We observe the ban on the **unlawful appropriation of land, forests and waters** whose use secures the livelihoods of people;
- We observe the **ban on unlawful eviction**;
- We observe the ban on violating specific **environmental obligations** arising from the use, storage, transboundary movement or disposal of mercury (compounds), persistent organic substances or hazardous waste.

3 Our measures to implement our human rights and environmental due diligence obligations

In order to fulfil our responsibility to implement our human rights and environmental due diligence obligations, we rely on the interaction of various measures. The aim is to protect (potentially) affected persons and to prevent, end or at least minimise adverse human rights impacts. We have established standardised processes for this purpose.

3.1 Responsibilities and risk management

We have defined clear responsibilities for the fulfilment of and compliance with our human rights due diligence obligations. The overarching responsibility for respecting human rights within our sphere of influence lies with our Executive Board. It demands binding compliance from our Managing Directors.

Our Human Rights Officer is responsible for the specific monitoring of human rights and environmental due diligence obligations.

We see the protection of human rights as an interdisciplinary issue in our company and therefore rely on systematic cooperation with various functions. Those responsible for the operational implementation of our human rights due diligence processes are in charge of the respective Group functions, divisions and local units, for example by integrating human rights aspects into existing processes.

We carry out risk-based and systematic checks to determine whether human rights and specific environmental aspects are being observed in our Group companies or our supply chains and implement a variety of measures to prevent, eliminate or minimise negative impacts on human rights within our business activities worldwide. We are continuously developing our processes. In the further development of our due diligence processes, we rely on cooperation with our stakeholders, for example via the UN Global Compact and its local networks as well as within the framework of industry-specific initiatives.

Other key components of our human rights strategy for compliance with human rights and environmental due diligence obligations are set out in our Code of Conduct.

In addition, we developed a new Code of Conduct for Business Partners in 2024, which we published on a broad basis. The Code of Conduct describes our expectations of business partners with regard to minimum requirements for the protection of human and labour rights, occupational health and safety, corporate integrity, environmental protection, continuous improvement and supplier management.

3.2 Risk analysis

Protecting people and the environment is a top priority at ALCAR and our goal is to continuously improve. As a global company with over 800 employees across Europe, we are confronted with some inherent human rights and certain environmental risks, especially in so-called risk countries (countries with higher human rights risks). We have developed processes to identify and address these risks appropriately.

In order to identify human rights and certain environmental risks, we carry out risk analyses in our own business area and with regard to our direct suppliers on an ad hoc basis. The results of the analyses of human rights risks and impacts are incorporated into our corporate decision-making processes, for example in relation to supplier selection. We use the results of the risk analysis as a basis for creating and adapting internal regulations, processes and training in order to meet the changing requirements of our due diligence processes.

3.3 Preventive measures

In order to avoid human rights and environmental risks, ALCAR has introduced various preventive measures in its own business area and in relation to suppliers. We evaluate the appropriateness and effectiveness of these measures on an ongoing basis and adapt them where necessary. In doing so, we focus on adapting and improving existing measures as well as developing new approaches.

3.4 Preventive measures in our own business division

In addition to the implemented regulations and Group-wide standards, various other measures are implemented at ALCAR. These preventive measures include the following areas in particular:

- **Code of Conduct:** ALCAR expects all its employees to adhere to our Code of Conduct and provides them with appropriate training on its content. It is available to all company employees.
- **Capacity building and training:** We use training courses to communicate our approach to protecting and respecting human rights to the specialist departments involved. We are continuously expanding our internal communication in order to embed respect for human rights even more firmly throughout the Group. In this way, we are raising awareness of human rights, diversity, equal opportunities and inclusion.
- **Control measures and audits:** We also scrutinise human rights aspects at our sites through assessments and audits. With increased risk transparency and a central review of the completeness, quality and effectiveness of the measures, we support our sites in fulfilling safety-relevant human rights aspects. Local EHS managers and their teams ensure that our sites comply with all laws and regulations relating to occupational health and safety. They are also responsible for local projects, campaigns and programs.

3.5 Preventive measures for direct suppliers

ALCAR regards the protection of human rights as a central element of its corporate responsibility and expects its direct suppliers to respect human rights and comply with environmental expectations and to address these appropriately along the supply chain. ALCAR has a Code of Conduct for suppliers for this purpose. We expect suppliers who we have identified as having an increased risk potential to take note of and accept the Code of Conduct and also agree on individual preventive or remedial measures.

- **Contractual assurances and training:** since 1 May 2024, a specific contractual clause has been applied to all new contracts, through which we enshrine the obligation to comply with our Code of Conduct for Suppliers. In addition, we organise training and further education to consciously enforce the contractual assurance.
- **Control measures and audits:** These audits include unannounced on-site inspections and improvement plans that are agreed jointly with the suppliers. The implementation of corrective measures is followed up. Furthermore, ALCAR takes appropriate measures against the originator if it has substantiated knowledge. This includes the agreement of suitable control measures to verify compliance with the measures.
- **Supplier selection process:** When selecting suppliers, compliance with human rights and environmental expectations is taken into account. We have deliberately focused on this by making these criteria part of our supplier selection strategy. We have adapted our procedural instructions accordingly and trained our purchasing staff on the updated content. Accordingly, this must be taken into account in the procurement strategies and when selecting suppliers. Our expectations are communicated to suppliers during contract negotiations. We ask all suppliers with a defined risk profile consisting of country risk and industry risk to confirm compliance with our Code of Conduct for Suppliers before this supplier is created in our merchandise management systems and receives an

order. Furthermore, all new contracts and amendments to existing contracts include a clause on compliance with the principles of our Supplier Code of Conduct.

3.6 Remedial measures

If we determine that a violation of a human rights or environmental obligation has occurred at ALCAR or along our supply chain, ALCAR will immediately initiate appropriate measures aimed at ending these violations. We differentiate between violations in our own business area and in the supply chain. In our own business area, we take immediate action to eliminate violations. In the case of violations that occur in the supply chain, we work closely with our suppliers and use our influence to bring about an end to the violation. The realisation of a particularly serious breach at a supplier can lead to a temporary suspension or even termination of the business relationship. We are aware that we sometimes only have limited influence along complex supply chains and cannot resolve systematic violations and risks on our own. This applies in particular to our ability to influence indirect suppliers. To ensure that we comply with industry standards, we work together with other companies in industry initiatives. We ask our suppliers to have assessments or audits carried out by us or by trusted partner companies and have also integrated this into contracts. These assessments increase transparency in our supply chain and reveal the areas in which sustainability performance can be improved or the risk of non-compliance reduced.

3.7 Complaints mechanism

We have a Group-wide grievance system that can be used to report human rights and certain environmental risks and violations, among other things. Both our employees and external stakeholders can report suspected cases in their respective national language via this Group-wide complaints system free of charge and anonymously via a web-based application. We investigate all complaints received and take appropriate action if necessary. All complaints are treated confidentially and can also be submitted anonymously via the whistleblower system if desired. All reports are scrupulously checked and processed in a transparent and comprehensible process. The persons entrusted with the investigation are professionally independent and not bound by instructions. If the investigation confirms human rights or certain environmental risks or violations at ALCAR or at suppliers, appropriate follow-up measures (preventive and remedial measures) are initiated. At the same time, we take information and complaints as an opportunity to scrutinise and improve our internal processes and structures. As far as possible and within our sphere of influence, we ensure that whistleblowers are protected from discrimination and penalisation in connection with the justified complaints they submit. Our systematic handling of complaints and the knowledge gained from them enables us to continuously improve our human rights due diligence processes. Further details on our grievance mechanism and other grievance channels are set out in our Code of Conduct.

3.8 Effectiveness control

We review the effectiveness of our risk management and due diligence processes annually and on an ad hoc basis. We focus in particular on reviewing the effectiveness of our complaints procedure, our risk management and remedial measures as well as preventive measures.

4 Our expectations of our employees and suppliers

The principles set out in this policy statement apply both to our own business area, i.e. to all our employees, and to our suppliers in the supply chain.

We set out our expectations of our employees clearly and comprehensibly in our Code of Conduct. In addition, we expect our suppliers and business partners in our Code of Conduct for Suppliers to also commit to complying with our principles and to develop and embed appropriate and effective processes to address and prevent the risks and violations we have identified and to uncover further potential risks. The Code of Conduct does not prevent ALCAR and its suppliers from establishing more detailed and stringent requirements, either contractually or individually through their respective internal governance documents.



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