



Company Procedure

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1. PURPOSE:

Description of the company policies for Sustainability

2. SCOPE:

This BWI Sustainability Policy defines our Guiding Principles, Environmental Responsibilities, Social Responsibilities, Governance, and Supply Chain requirements.

Staff Areas Affected:

X	Finance	X	Production Control & Logistics	X	Manufacturing Operations
X	Engineering	X	Sales, Marketing, Planning	X	Quality
X	Purchasing	X	Human Resources Management	X	Program Management
X	Information Technology				

3. RESPONSIBILITIES:

The Global Sustainability Director has responsibility for the maintenance of this procedure.

4. POLICY:

GUIDING PRINCIPLES

At *BWI Group* we believe that sustainable business practices apply far beyond the traditional thought processes of environmentally friendly manufacturing. *BWI Group* is taking on the challenge of reviewing all manufacturing, engineering, and business practices with the intent to create our products through economically sound processes that minimize negative environmental impacts while conserving energy and natural resources.

In order to achieve these goals, *BWI Group* will engage both our employees and business partners to innovate and transform how we conduct business to achieve our sustainability ambitions. As a team, we need to ensure legal compliance at the local, country, and international levels to protect the environment and respect human rights. Our global supply chain must meet the same economic, environmental, social and governance standards that *BWI Group* sets for itself and pass these requirements to all sub-suppliers.

BWI Group follows the Drive Sustainability Guiding Principles and requires the same principles to be accepted by all business partners.

We believe that true sustainability can only be achieved through transparent and collaborative development and must include consistent, continuous improvement.



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1.0 ETHICAL BUSINESS PRACTICES

The foundation of the *BWI* Group's business strategy and practices is to act with integrity, responsibility, fairness, and in accordance with the law. We comply with all legal requirements that apply to our products and business operations and have established an executive-level oversight body for Compliance and Business Ethics. The *BWI* Group's code of conduct is aligned with Drive Sustainability Guiding Principles.

1.1 Free competition

BWI Group and our business partners must respect and comply with all applicable fair trade, competition, and anti-trust laws and regulations. Employees and business partners shall not have any anti-competitive discussions or enter into any anti-competitive agreements, including illegal price-fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or in the distribution chain.

1.2 Conflicts of Interest

BWI Group and its business partners make decisions solely based on objective criteria and are not influenced by financial, personal interests, or relationships. Annually, *BWI* Group conducts a Conflict-of-Interest questionnaire monitored by our Internal Control department to document any issues and avoid conflicts.

1.3 Anti-Corruption

BWI Group and its business partners do not engage in, endorse, nor tolerate any form of bribery or corruption, directly or indirectly. *BWI* Group and its suppliers shall not offer nor accept any form of improper benefit to or from a third party, private or public, with the purpose of obtaining or retaining business or any form of preferential treatment. Such benefits may comprise not only cash but also job opportunities, favors, travel, facilitation payments, promises to pay debts, or unlawful gifts and entertainment.

1.4 Counterfeit products

BWI Group and its business partners are required to develop, implement, and apply effective methods and procedures to detect and minimize the risk of counterfeit parts and materials entering our supply chain.

1.5 Import and Export Controls

BWI Group requires that employees and business partners strictly comply with all applicable laws for the import and export of goods, services, and information.

1.6 Money laundering

BWI Group requires that employees and business partners ensure compliance with the applicable legal provisions against money laundering.

1.7 Confidentiality and Intellectual Property Rights

BWI Group and its business partners respect confidential information and intellectual property rights by safeguarding against misuse, mishandling, counterfeit, theft, fraud, or improper disclosure in accordance with applicable laws and the contractual terms.

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1.8 Data Protection and Data Security

BWI Group acknowledges and complies with privacy and civil liberties in respect to collection, retention, use, or dissemination, as well as any other processing of personal data.

1.9 Financial Responsibility/Accurate Records

BWI Group performs all business dealings in a transparent manner and accurately reflects them in the companies' financial reports and filings. Adequate financial reporting system controls IFRS (International Financial Reporting Standards) are in place.

1.10 Disclosure of Information

BWI Group discloses financial and non-financial information in accordance with applicable regulations and prevailing industry practices.

1.11 Non-retaliation

BWI Group does not permit any form of threat, intimidation, nor physical or legal attacks against employees, business partners, or stakeholders acting in good faith, including those exercising their legal rights to freedom of expression, association, peaceful assembly and protest.

2.0 ENVIRONMENTAL ACTION

Environmental focus includes using sustainable energy and materials, generating less waste, operating more efficiently, and preserving the environment. *BWI* Group is continuously exploring alternative materials, processes, and disposal techniques to reduce the strain on the environment during the development, manufacturing, and disposal of our products. We operate in accordance with the ISO 14001 standard and all other applicable laws and regulations in the regions where we operate.

2.1 Environmental protection

BWI Group's directive is to comply with national and international environmental standards and regulations, and to operate an effective environmental management system according to ISO 14001. As a responsible corporate citizen, *BWI* is dedicated to protecting human health, natural resources, and the global environment. This dedication goes beyond compliance with the law to encompass the integration of sound environmental practices in our business decisions.

To achieve this goal, *BWI* Group, along with our business partners, will continuously minimize the consumption of resources: energy, water, raw materials, primary materials and manage the environmental impact of emissions, pollutants, and waste.

2.2 Carbon Neutrality

The major focus of *BWI* Group's sustainability activities is lowering greenhouse gas emissions at every stage of the cradle-to-gate life cycle of our products. The expectation for ourselves and our suppliers is to implement effective measures to reduce the direct and indirect greenhouse gas emissions, eventually reaching net-zero greenhouse gas emissions. *BWI* will transparently report emissions data from our own operations as well as from our business partners and their upstream activities, as in the CDP Supply Chain

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Program, *BWI* Annual Corporate Social Responsibility report, or our climate action questionnaire.

BWI Group will set science-based and time-bound greenhouse gas emission reduction targets and renewable energy objectives that are aligned with the Paris Agreement to limit global warming to 1.5 Celsius. *BWI* Group will implement measures to ensure all business partners align and comply with the decarbonization of our value chain.

2.3 Water Quality, Consumption, and Management

BWI Group facilities practice sustainable water consumption through the effective reuse and recycling of water, the responsible treatment of wastewater discharges, and by preventing potential impacts from flooding as a consequence of rainwater run-off, as required by and in accordance with applicable law.

2.4 Air Quality

BWI Group facilities monitor and disclose, appropriately control, minimize, and to the extent possible, eliminate emissions contributing to air pollution, as required by and in accordance with applicable law.

2.5 Responsible Chemical Management

BWI Group facilities identify, minimize, or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance, unless an appropriate deviation is secured. *BWI* group tracks any use of restricted substances in processes and finished products and actively investigates suitable substitutes to maintain product integrity and environmental stewardship.

BWI Group complies with all applicable laws and regulations regarding the restriction, registration, and where necessary, authorization or notification of chemical substances contained in the end-product or production process according to the statutory requirements that apply to the corresponding market.

2.6 Circularity

BWI Group pursues the intelligent and sustainable reimagining of our products to promote zero-waste manufacturing and seeks to develop closed loop systems by supporting the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.

2.7 Animal Welfare

BWI Group policy dictates that corporate activities consider animal welfare as well as human welfare. Therefore, we require relevant suppliers to implement standards and best-practice methods to comply with animal welfare along the entire supply chain.

In general, animal testing must be avoided and alternative methods free of animal testing must be favored, as long as animal testing is not strictly required by law. National and international rules regarding animal protection and animal testing shall be followed.



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Further, *BWI* Group recognizes the following ethical principles and expects suppliers and sub-suppliers in the *BWI* supply chain to respect the same principles:

- The Reduction, Refinement, and Replacement principle regarding animal testing
- The ‘five freedoms’ of the Animal Welfare Committee (AWC) as a criterion to evaluate animal welfare
- The standards for the improvement of animal health and welfare (OIE)

2.8 Biodiversity and Deforestation

BWI Group respects the protection of natural ecosystems and halting conversion, deforestation, and forest degradation based on identification and management of natural forests and other natural ecosystems. Supply chain activities, including raw material production and processing, shall extend this protection in their supply chain.

2.9 Soil Quality

BWI Group monitors and controls impacts on soil quality as part of the ISO 14001 process and internal facility control procedures.

2.10 Noise Emissions

BWI Group monitors and controls the levels of industrial noise to avoid noise pollution as part of internal facility control procedures.

3.0 SOCIAL EQUITY

Social sustainability focuses on *BWI* Group’s relationship with people. It requires ethical treatment of employees, suppliers, customers, and those in the communities where *BWI* Group operates. We expect the same standard throughout the *BWI* Group supply chain.

BWI Group is a critical part of the local economies in which we conduct business. Our facilities and local communities have a mutually beneficial relationship. *BWI* Group works to be a good steward of the investments made by our shareholders to grow the business and return on that investment. While doing this, *BWI* Group gives back to the local economies through job creation, taxes, and good will while protecting workers safety and the environment. The local communities work with *BWI* Group to optimize the business environment; this type of relationship is critical to economic sustainability.

BWI Group believes it is crucial that all business activities operate with integrity as outlined in this policy, the ***BWI Mission, Vision, and Guiding Principles and the Employee Code of Conduct Guide***, which apply to both the *BWI* Group, our business partners, and through the entire value chain. Therefore, all employees and suppliers are called upon to observe the principles and rights set forth in these policies which are aligned with the guidelines of the ***UN Initiative ‘Global Compact’***, and the ***ILO Declaration on Fundamental Principles and Rights at Work*** and to align their due diligence process with the requirements of the ***Guiding Principles on Business and Human Rights*** by the United Nations.

BWI’s Employee Code of Conduct Guide references our firm commitment to conducting business in compliance with the letter and spirit of all in country laws where it conducts



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business and other accepted standards of business conduct reflected in corporate and operating company policies.

BWI Group states unequivocally its prohibition of the following practices and requires our suppliers to do the same:

- 3.1 Prohibiting child labor and young workers,
- 3.2 Prohibiting modern slavery including servitude, forced or compulsory labor, and human trafficking,
- 3.3 Prohibiting harassment and discrimination,
- 3.4 Protection of whistleblowers including prohibiting retaliation.

BWI Group states unequivocally its **support** of the following practices and requires our supplier to do the same:

- 3.5 Ensuring the right to freedom of association and collective bargaining,
- 3.6 Compliance with all applicable labor regulations such as working hours, wages, benefits, and worker safety,
- 3.7 Providing Wages and benefits aligned with a decent standard of living for the workers and their families,
- 3.8 Compliance with international standards on work hours,
- 3.9 Practicing ethical recruiting,
- 3.10 Protecting Women's Rights,
- 3.11 Promoting Diversity, Equity, and Inclusion,
- 3.12 Protecting Land Rights and avoiding Forced Eviction,
- 3.13 Ensuring that any Private or Public Security Forces commissioned on behalf of *BWI* Group have been fully investigated to ensure compliance with all local laws and global human rights principles,
- 3.14 Ensuring the rights Indigenous People and local communities are respected and protected in accordance with the 'UN Declaration on the Rights of Indigenous Peoples'. Suppliers are required to abide by these same principles.

4.0 SAFE AND INCLUSIVE WORKPLACE

In today's rapidly changing global automotive industry, technical proficiency and leadership are essential elements of health and safety. *BWI* expects our employees and our suppliers to comply with national and international health and safety standards and regulations and operate an effective and certified health and safety management system according to ISO 45001, OHSAS 18001, or similar. *BWI* facilities and our suppliers' facilities must continuously

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minimize health and safety risks and improve working conditions for the workforce, including subcontractors working on site.

Additionally, all business partners should maintain, at minimum, the below health & safety policies and employee training for the following areas:

- 4.1 Workspace and Ergonomics
- 4.2 Personal Protective Equipment
- 4.3 Emergency Preparedness
- 4.4 Incident and Accident Management
- 4.5 Contractors

5.0 USE OF CRITICAL RAW MATERIALS

BWI Group aims to use only raw materials whose extraction, production, transport, trade, processing, and export neither directly nor indirectly contribute to human rights abuses, health & safety issues, environmental pollution, or compliance breaches.

Extraction, production, transport, trade, processing and export of certain raw materials along the upstream value chain may be linked to high Environment, Social and Governance (ESG) risks for people and the environment. *BWI* Group maintains a raw material strategy based on the risk analysis of the 'Material Change' report by Drive Sustainability and the Responsible Minerals Initiative (RMI).

With regard to raw materials, such as tin, tungsten, tantalum, and gold (3TG) from conflict-affected and high-risk areas (CAHRAs) like the Democratic Republic of the Congo (DRC), as well as other raw materials, such as cobalt, lithium, copper etc., *BWI* Group maintains processes in accordance with the 'Organization for Economic Co-operation and Development' (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' and expect our suppliers to do the same. Smelters and refiners without adequate, audited due diligence processes in place shall be avoided. Upon request, suppliers shall disclose their supply chain including information on the origin of the material, e.g., via the 'Responsible Minerals Assurance Process' (RMAP) by the RMI.

Raw materials should be obtained from audited sources as a matter of principle wherever possible, using independent, third-party assurance, such as the Standard for Responsible Mining from the 'Initiative for Responsible Mining Assurance' (IRMA).

BWI Group participates in multi-stakeholder initiatives which aim to establish the standards set out in this document in raw material supply chains and expects its suppliers also to be active in these kinds of activities whenever relevant and necessary.



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6.0 IMPLEMENTATION OF CORPORATE DUE DILIGENCE

Supply chain due diligence at *BWI* Group is observed based on the ‘OECD Due Diligence Guidance for Responsible Business Conduct’. To verify suppliers’ compliance with the standards and rules set out in this document, we suggest for example the ‘Self-Assessment Questionnaire on CSR/Sustainability for Automotive Sector Suppliers’ by Drive Sustainability. Identification of potential risks or adverse actions in the supply chain will be addressed as defined in the *BWI* Group’s Due Diligence policy.

All suppliers are called upon to implement a due diligence process to ensure that their contractors and subcontractors comply with the standards and rules set out in this document. This includes, but is not limited to contractual agreements, supplier policies for sustainable procurement, and supplier audits. Suppliers should map their supply chain to effectively identify, analyze, and prioritize material ESG-risks and take appropriate measures to address them properly.

Upon request, the *BWI* Group requires collaboration between suppliers and sub-suppliers with the intent to obtain maximum transparency in relevant high-risk supply chains down to the source of origin if needed.

7.0 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

BWI Group’s business partners are expected to monitor, track, and document their environmental impact at the site, region, country, and corporate levels in order to be able to identify aspects that the business partner can control and influence, fostering opportunities for improvement and minimizing greenhouse gas emissions.

The efficient use of energy, water, raw materials, and the use of renewable resources, the minimization of damage to the environment and health are all taken into consideration in the development, raw material extraction, manufacture, product service life, and recycling stages.

Our business partners are required to respect the rights of employees and other stakeholders and to treat them according to the rules of the international community. The business partners must support our firm commitment to conducting business in compliance with the letter and spirit of all in country laws where they conduct business and other accepted standards of business conduct reflected in corporate and company policies.

8.0 GOVERNANCE

As stated in the *BWI* Employee Code of Conduct Guide, *BWI* Group, a company that conducts business with the utmost integrity, insists that all employees avoid actions or relationships that might conflict or even appear to conflict with our job responsibilities or *BWI*’s interests. Responsible and lawful conduct is an integral part of our company.

BWI Group requires legal compliance not only from our associates but from all business partners, particularly regarding corruption and fraud prevention as well as anti-trust matters,

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taxation regulations, data protection and privacy, as well as export controls. In order to ensure such adherence, the *BWI* Group expects its business partners to implement an adequate and effective Compliance Management System within their organizations.

8.1 Corporate Citizenship

As reflected in the '*BWI* Employee Code of Conduct Guide' and 'Global Business Conduct & Conflict of Interest', *BWI* strives to achieve an effective global philanthropic program that supports our business objectives while helping society, particularly in the communities in which we conduct business.

8.2 Escalation Process

BWI Group has a defined escalation process based on identification of potential risks or abnormalities in the supply chain. Sustainability criteria are fully integrated into the escalation process. An escalation can be started upon exceeding thresholds or event-driven for incidents with legitimate criticality. The highest escalation level of our process is equivalent to 'New Business Hold' for suppliers who fail to meet the sustainability objectives.

8.3 Grievance Mechanism

In case of potential violations against the above-mentioned requirements, *BWI* Group has a grievance policy and procedure behind the mechanism by which to report improprieties.

The grievance policy defines the process for managing and investigating reports and states how the following characteristics will be managed:

- Outlines who is responsible for the complaint's procedure,
- The responsible person(s) entrusted by the enterprise is impartial, independent and not bound by instructions,
- The written rules of the complaint's procedure outline the ways in which a complaint may proceed and indicates the approximate time each step may take,
- The written rules of the complaint's procedure are publicly made available in relevant local languages in all countries in which we operate,
- Complainant is provided confirmation of receipt upon reporting the complaint,
- The complainant's identity is treated confidentially,
- Commitment to non-retaliation against complainants
- Complaints can be reported anonymously,
- The complainant or their representative is consulted during remediation/resolution,
- Evaluation of complaints procedure effectiveness at least once every 12 months and on an ad hoc basis,
- Appeal procedure.

This grievance mechanism is available to employees, business partners, and stakeholders.

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9.0 ASSOCIATED DOCUMENTS:

- Substances of Concern
BWI-Substances of Concern and Recycled Content Specification-10949001.pdf
- General Terms and Conditions for Indirect Purchasing
BWI-General Terms and Conditions 08MY12.pdf
- BWI Group Code of Conduct
Employee Code of Conduct Guide Rev 04AU23.pdf
- UN Global Compact
<https://www.unglobalcompact.org/>
- OECD Responsible Business Conduct
<http://mneguidelines.oecd.org/>
<http://www.oecd.org/corruption-integrity/explore/topics/business-integrity.html>
- Guiding Principles on Business and Human Rights
https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf
- ILO Declaration on Fundamental Principles and Rights at Work & its Follow-up
<http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>
- UN Declaration on the Rights of Indigenous Peoples
<https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>
- ISO 14001 & ISO 45001
<https://www.iso.org/standards.html>
- Eco-Management and Audit Scheme (EMAS)
<https://ec.europa.eu/environment/emas/>
- Paris Agreement (COP 21)
<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>
- CDP Supply Chain Program
<https://www.cdp.net/en/supply-chain>
- Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32006R1907>
- High Conservation Value Resource Network (HCV)
<https://hcvnetwork.org/>
- High Carbon Stock Approach (HCSA)
<http://highcarbonstock.org/>
- OHSAS 18001
<https://www.bsigroup.com/en-GB/>
- Material Change Report
https://drivesustainability.org/wp-content/uploads/2018/07/Material-Change_VF.pdf

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- Responsible Minerals Initiative
<http://www.responsiblemineralsinitiative.org/>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
<https://www.oecd.org/corporate/mne/mining.htm>
- Responsible Minerals Assurance Process (RMAP)
<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/>
- Initiative for Responsible Mining Assurance (IRMA)
<https://responsiblemining.net/>
- UN-REDD Program
<https://www.un-redd.org/>
- EU Directive 2010/63
<http://data.europa.eu/eli/dir/2010/63/2019-06-26>
- German Animal Protection Law (TierSchG)
<https://www.gesetze-im-internet.de/tierschg/BJNR012770972.html>
- Animal Welfare Committee (AWC)
<https://www.gov.uk/government/groups/animal-welfare-committee-awc>
- OIE Terrestrial Animal Health Code
<https://www.oie.int/standard-setting/terrestrial-code/>
- Self-Assessment Questionnaire on CSR/Sustainability for Automotive Sector Suppliers
<https://www.drivesustainability.org/compliance/>
- NQC / Supplier Assurance
<https://auto.nqc.com/>

10. REVISION RECORD:

Revision # / Description	Date of Revision	Contact for Questions
"0" / Sustainability Policy - Initial submission	01-Jul-20	Tom Gold
"1" / Including the latest Sustainability directives similar to the OEM's	09-Sep-21	Greg Dronen
"2" / Updated this policy according to the latest "Drive Sustainability Guiding Principles"	04-Aug-23	Sue Valascho