2023 Corporate Sustainability Report

AURIA

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1. Letter from the CEO

It is my pleasure to present you with Auria's 2023 Corporate Sustainability Report (CSR) highlighting our past year's successes, ongoing initiatives, and commitment to environmental, social and governance responsibilities.

Sustainability is not a buzzword for Auria, but a fundamental aspect of our mission and corporate ethos. As a leading manufacturer of automotive soft trim and acoustic systems, we understand the potential impact our operations can have on the environment and the communities in which we operate. For this reason, we continually drive sustainable practices into every facet of our business and remain steadfast in our commitment to drive positive change and minimize our ecological footprint up and down the supply chain and throughout the entire product lifecycle

As I reflect on our accomplishments over the past year, I am very proud of the strides we have made and want to highlight a few of them for you:

- We created a new governance model to drive sustainability projects more efficiently. The new model has brought cross-functional groups together to drive sustainability initiatives. More importantly, it has created a sense of accountability throughout the entire organization.
- We developed our new environmental policy that reflects the rapid changes our planet is going through in terms of climate change, loss in biodiversity, etc. The new policy was well received by our customers and suppliers, which has enabled us to improve our SAQ scores significantly.
- Our CDP score remained constant at a B for the year 2023. Our current score demonstrates our above average performance within our interior market segment. We are actively refining our strategic roadmap to ensure even greater success in the future.
- Since data quality is a key aspect to driving sustainability, we have added relevant key performance indicators (KPI) such as *production waste to landfill* that we can measure. We are on a constant journey towards improving our data, and that will enable us to make the right business decisions with sustainability as a key decision point.
- We are proud of the progress we have made to increase our sources of renewable energy. This is a key KPI in reducing our carbon footprint and shows our active commitment to a cleaner environment. In Europe, last year we improved our share of renewable energy by up to 14%. Our sites in Grobbendonk, Coleshill, and Celle have led the way in the use of clean energy, and we remain committed to increasing our use of clean energy across the organization.

I invite you to explore this report and discover the tangible impacts of our collective efforts. You will find comprehensive insights into the initiatives and metrics we have adopted to ensure that our sustainability goals are integrated throughout our business' value chain, products and processes.

I extend my sincere gratitude to each member of the Auria team, whose dedication and ingenuity have propelled us towards our sustainability goals. I also extend my appreciation to our valued stakeholders and partners for their continued support and collaboration.

As we look to the future, be assured that the Auria team will continue to push boundaries, challenge norms, and pioneer sustainable solutions that drive positive change within our company and beyond. Auria is actively shaping a brighter, more sustainable tomorrow.

Brian Pour
President & CEO, Auria

2. Interview with Auria's CSO

Sustainability is no longer a buzzword! But what is it? We interviewed our **Chief Sustainability Officer (CSO) Marc Flegler,** to share his experience with driving sustainability forward at Auria, the challenges faced, and what to look forward to in 2024.

Q: As CSO, describe Auria's sustainability journey and what you have learned over the past two years in this role?
A: We began our sustainability journey in 2019, when we realized that the need for a corporate sustainability report was imminent. We came together as a team and agreed to drive the topic forward. In 2022, our leadership team and I decided that sustainability will be a driving force for Auria going forward, and that decision was cemented in our 5 year corporate goals and announced to the organization. This decision wasn't simply based on customer requests or requirements, but on the fundamental belief that protecting and sustaining our planet should be an integral part of our business model. Furthermore, in the last few years we learned that every strategic business decision we make has a CO_2 impact. Therefore, I believe everyone in our organization should have more awareness and must be educated on the topic. Through education we will create the right mindset shift and enable behavioral change at Auria.

Q: From a sustainability perspective, how do you feel that Auria has responded to more stringent customer requirements?
A: I am delighted with the significant progress we have made on sustainability. Our global team has grown, and we are committed to building more sustainability competency across Auria. Specifically, I am proud of our progress in three key aspects:

1. Our Innovation pipeline is geared towards sustainability, with more recycled materials and less material content, to drive lightweighting solutions for our customers.
2. We have increased our focus on constructing lifecycle assessments to understand our product portfolio from cradle to grave and to fulfill customer needs.
3. We have worked globally on energy roadmaps for all manufacturing sites and increased our share of renewable electricity by up to 14% in Europe.

Q: What do you look forward to with excitement in 2024?
A: Rolling out the new governance model, and inspiring and motivating the organization to prioritize sustainability in all aspects of the business. We plan to do this through a series of educational webinars, internal training programs, and workshops. Moreover, we will develop our new sustainability strategy with stronger ambitions and targets that will reflect our desire to lead the industry in sustainability initiatives. And finally, we will continue to focus on developing our roadmaps, improving our data, and aiming for results with small steps each day to achieve success. With our new team, I feel we are well positioned to find solutions and drive our sustainability agenda forward.

Marc Flegler
Chief Sustainability Officer, Auria

3. Vision Mission Values

Vision Mission Values

At Auria, we are dedicated to creating innovative automotive acoustic, flooring and fiber-based solutions for our customers amidst the rapidly evolving mobility landscape. Just as important as what we do, is how we do it. Our mission and our core values reflect our foundational beliefs and guiding principles aimed at making positive impacts on the environment, our employees, the communities in which we operate and tomorrow's mobility.

ACCELERATING CHANGE

VISION

Together we will create innovative sensory experiences for tomorrow's new mobility

MISSION

To bring inspiration to our employees, deliver market leading innovation to our customers, & build sustainability into the fabric of everything we do
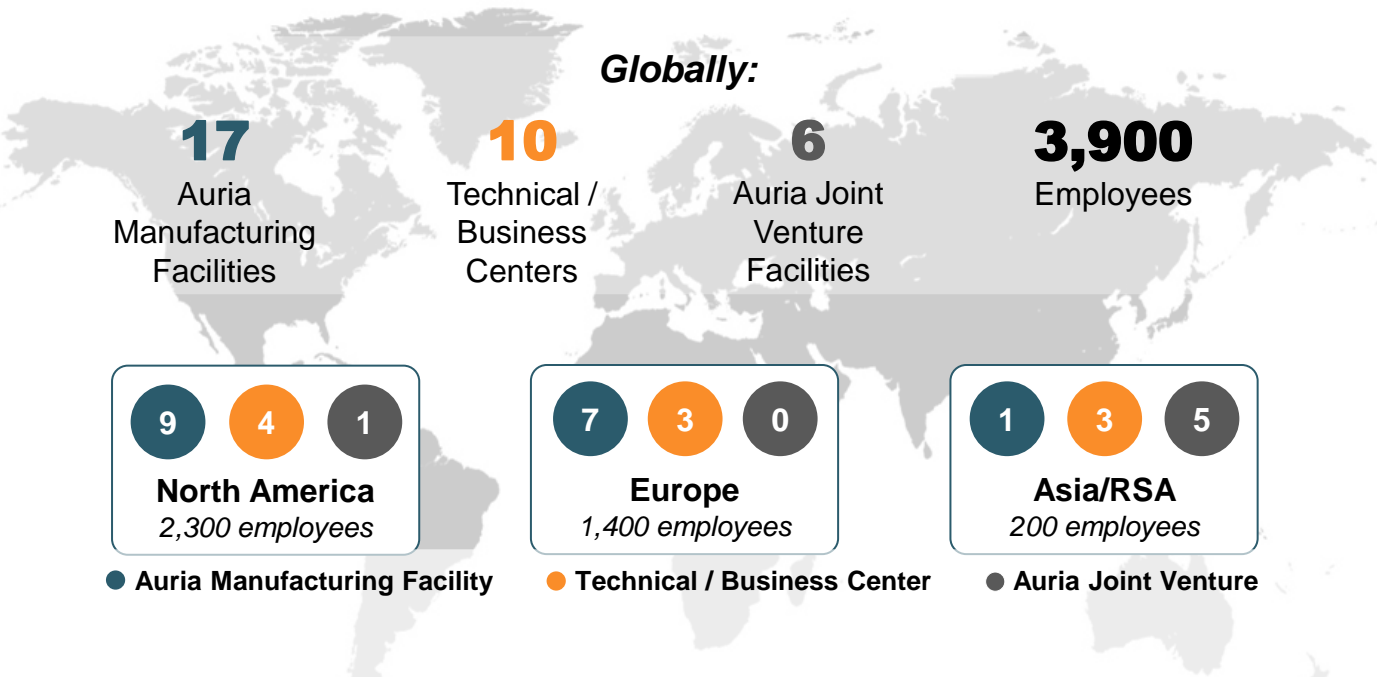
VALUES

- Innovation is our fuel for growth
- We use teamwork to achieve results
- We demand integrity & accountability
- We respect and embrace differences
- We promote positive change in our communities

GENERAL DISCLOSURE

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4. General Disclosure

4.1 Company Overview

Formed in 2017, Auria is built on more than a century of automotive transportation heritage. Auria is a leading global supplier of automotive flooring, acoustic and fiber-based solutions. Approximately 80 percent of the surface area between the bumpers and in the interior is covered by our products. Globally, Auria operates 17 manufacturing facilities, 10 commercial, engineering, testing and tooling facilities, and two joint ventures.

Globally:

17
Auria Manufacturing Facilities

10
Technical / Business Centers

6
Auria Joint Venture Facilities

3,900
Employees

9	4	1

North America
2,300 employees

7	3	0

Europe
1,400 employees

1	3	5

Asia/RSA
200 employees

● **Auria Manufacturing Facility**   ● **Technical / Business Center**   ● **Auria Joint Venture**

Note: data above reflects consolidated operations as of December 31, 2023, except for the five joint ventures in Asia/RSA region.

2023 Revenue* by Geography

- Asia / RSA 3%
- Europe 39%
- North America 58%
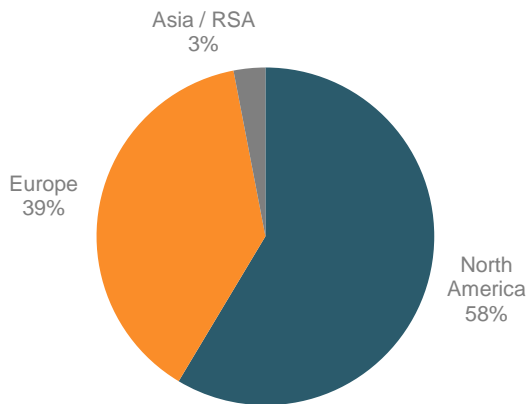
2023 Revenue* by Customer

- Toyota 1%
- Heavy Truck 2%
- Other 3%
- Nissan 2%
- Stellantis 6 %
- VW 6%
- JLR 8%
- Honda 8%
- Ford 11%
- BMW 12%
- Mercedes Benz 18%
- GM 23%
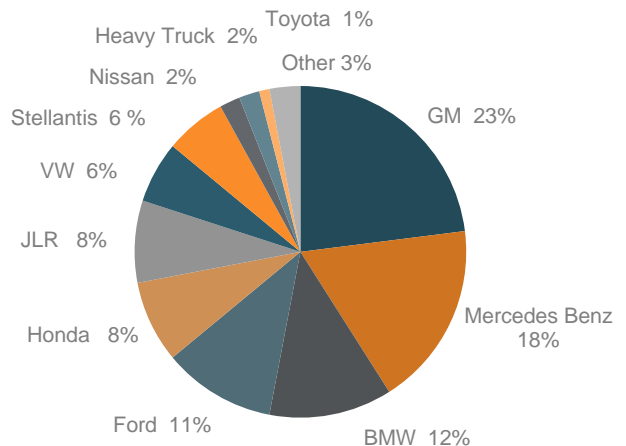
revenue includes consolidated business only

4. General Disclosure

4.2 Growth

Auria and its stakeholders plan for profitable growth through organic actions and strategic initiatives. A balanced global customer base, broad product portfolio, and regional expansion are among our main strategic targets. To achieve these goals, we are focuesd on quality, technical expertise, an optimized footprint, and excellent customer relationships.

Our Long-Range Revenue Plan (LRRP) is a powerful and comprehensive tool that enables us to meticulously outline and execute our strategic initiatives for product development and customer engagement over the mid- to long-term horizon.

The LRRP is a tool used to examine the current and future business environment, considering already awarded and booked business and forecasting high-potential and targeted opportunities that will permit growth and build sustainable revenue in the future. Our planning is based on customer programs with market volume input from S&P Global Mobility, associated Auria products, and manufacturing facilities, which allows us to determine our 5-year outlook of sales by customer, by plant, and by our main product categories. This enables us to detect where we have unexplored marketplaces in terms of customer and product penetration and to define necessary actions to keep our growth plan on track.

KPI: % of sales in electric vehicle segment

	2020	2021	2022	2023
Europe	2.8%	4.2%	13.3%	19.4%
North America	5.1%	4.2%	4.5%	7.1%
Asia / RSA	5.0%	5.0%	5.0%	10.9%

Our commitment to sustainability and innovation is evident in our sales within the electric vehicle segment, including BEV and hybrid vehicles. We are seeing an increase from 4.1% in 2020 to 12% in 2023 and an even greater improvement by 2026 to 33% globally, based on already booked and awarded business. With further potential opportunities, we are targeting to increase this share to more than 50% by 2028.

4. General Disclosure

4.2 Growth (cont.)

Proximity to our customers is essential, and 35.5% of all our new business awards since 2018 have been allocated to Auria manufacturing locations that are within 100km or less of the customer's assembly plant, which underlines our focus on sustainable and environmentally friendly growth.

KPI: % of new business awards in proximity (less than 100km) of customer

	2020	2021	2022	2023
Europe	0.0%	20.0%	28.6%	25.0%
North America	0.0%	14.3%	42.9%	16.7%
Asia / RSA	0.0%	0.0%	0.0%	0.0%

4. General Disclosure

4.3 Market Share

Auria was established in September of 2017 as a leading tier-one supplier to the automotive Original Equipment Manufacturer (OEM) industry. With an automotive heritage that dates back more than a century, Auria's core competence lies in the manufacture of soft trim solutions, which include flooring, acoustics and fiber-based solutions produced for vehicle interior and exterior applications.

The Soft Trim segment is defined by vehicle flooring products, various acoustical insulators, cargo and trunk trim products and fiber-based interior components. Combined, this market segment represents $7.3 billion in annual sales. Of this, molded flooring products comprise 71%, ($5.2B), dash insulators comprise 19% ($1.4B) and cargo & trunk trim represents 10% ($0.7B).

Auria is one of only a handful of complete NVH systems capable suppliers, allowing the company to scale to support global programs. The company is among the top three leading suppliers who can offer complete system solutions in North America and Europe, and it is among the top producers of floor carpets in China.

Soft Trim Segment
$7.3 billion

Pie chart:
- 71% $5.2B
- 19% $1.4B
- 10% $0.7B

Legend:
- Molded flooring products
- Dash insulators
- Cargo & trunk trim
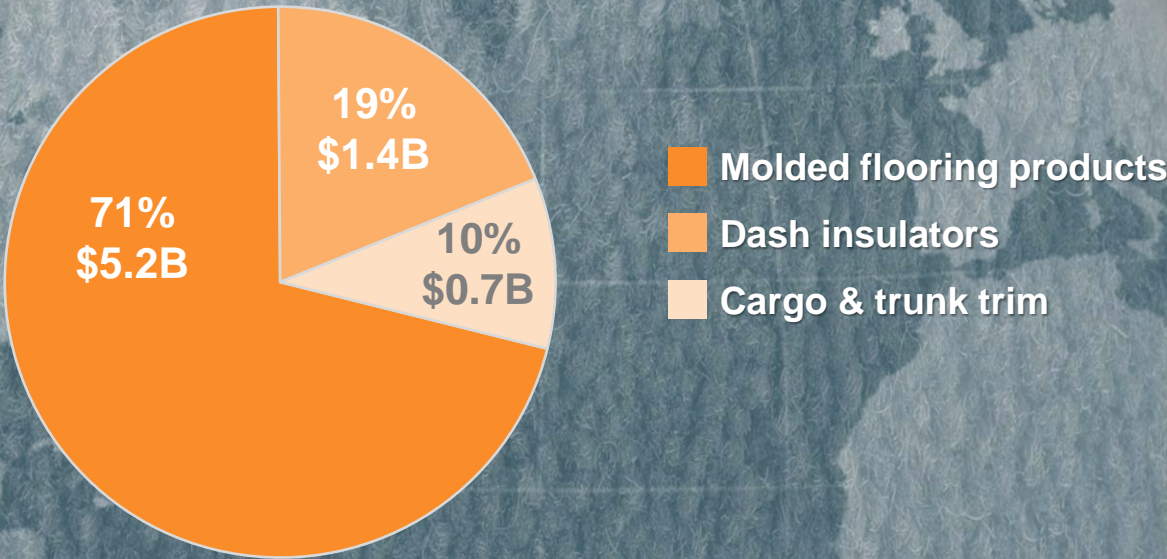
4. General Disclosure

4.3 Market Share (cont.)

Trends

The molded carpet floors segment is moving towards non-woven carpets and away from traditional tufted floor coverings, mainly driven by cost and light-weighting initiatives. New technologies are emerging to localize mass for light-weighting, including blown fiber and fiber spray. Also driven by weight reduction, the acoustical insulator segment is moving towards lighter fiber solutions and away from heavier foams. New materials and processes are emerging for light-weighting, including Injection molded dash, and spray polyurethane (PU), for example. Additionally, there is an increase in electric vehicles and smaller combustion engines, which require a different NVH and acoustical tuning approach. The cargo & trunk trim segment is experiencing an increased use of recyclable materials, however no significant technological changes are expected for this commodity.

Differences in the North American and European floor covering markets are expected to continue trending over the next several years into a 70%+ non-woven market. Europe has led the way in terms of non-woven penetration, but due to a higher percentage of large trucks and SUVs, NA is expected to maintain a larger share of tufting percentage. The shift toward non-wovens will cause an excess tufting capacity globally and as one of the largest tufting manufacturers in the world, Auria continues to adjust its capacity to meet shifting market demand. Europe's supply base is reported to have excess non-woven capacity; scale / utilization are critical for insourcing.

Fiber penetration for acoustical insulators is projected to continue its growth trend to ~75% over the next decade. Increased fiber usage is being driven by cost (materials, BOM de-contenting, process, etc.), shift in NVH methodology (i.e. to dissipative from blocking), and light-weighting (common perception). Fiber systems are also advancing (e.g. blown-in fiber) to where fiber products can achieve the NVH requirements, previously only obtained by foam. Emerging markets will primarily utilize fiber (i.e. ~90-95%), and while some demand for foam is expected to remain in higher-end luxury vehicles, it is expected to be a more advanced product (e.g. injection molded).

CAFE requirements continue to create demand for light-weighting and aerodynamic drag reduction for soft trim, which has led to the emergence of underbody shields for noise reduction and fuel efficiency. Currently, suppliers are switching to a fiber-based solution which can reduce overall weight of underbody shields by 50%.

4. General Disclosure

4.4 Sustainability Journey

2021
First Corporate Sustainability Report published

2022
Sustainability embedded into Auria's mission, appointed CSO, CDP improvement (B)

2023
New sustainability governance model, new environmental policy, achieved CDP of B

2024+
Develop sustainability framework in line with SBTi, first time reporting Scope 3

4. General Disclosure

4.4 Sustainability Journey (cont.)

Auria's corporate sustainability strategy is derived from the company's overarching goals and corresponds with the Sustainable Development Goals established by the United Nations. Sustainability has been a central part of Auria's overarching goals since the company was established in September 2017 and continues to serve as the basis for how Auria conducts business.

Auria's goals are centered around three main aspects of our corporate social responsibility: Environment, Social, and Governance. We align our business with the UN's Sustainable Development Goals to ensure that sustainable thinking is integrated into everything we do and across all facets of our business.

Although Auria is a relatively new player in the field of sustainability, significant strides have been made in augmenting our corporate strategy and realizing our aspirations of becoming a sustainability leader within the automotive industry. Our organization has taken a pivotal step towards this objective by appointing a Chief Sustainability Officer in 2022. We have further expanded our team in 2023, with the addition of a Global Director of Sustainability and an NA Sustainability Manager to spearhead these initiatives across the entirety of Auria's business

We are pleased to report on the continued efforts of our team towards achieving our short and long-term goals. By 2024, we anticipate that Auria will have established a sustainability framework that aligns with the Science-Based Targets initiative (SBTi), comprising ambitious targets to drive our sustainability objectives. With improved data quality and reporting of Scope 3, we have realized Auria's total carbon footprint. Our objectives are well-defined, and we are considering each scope to attain carbon neutrality and sustainable manufacturing.

Sustainable Development Goals

ENVIRONMENTAL

5. Environmental

5.1 Sustainable Processes & Products

We differentiate ourselves from our competitors through extensive product and process knowhow, coupled with a commitment to innovate the next generation of sustainable automotive solutions.

Auria is committed to making significant investments in the modernization of its manufacturing infrastructure, with a focus on upgrading to high-efficiency equipment and technology to optimize the production of our products. Our advanced development initiatives will leverage our extensive expertise in materials science to increase the usage of natural material blends in the products we manufacture. Our overarching aim is to create lighter-weight products that align with our customers' objectives of improving fuel efficiency and reducing CO_2 emissions.

Furthermore, we are committed to minimizing waste streams from manufacturing by implementing measures to capture, recycle, and reuse scrap material where possible to achieve zero waste to landfill or incineration across all our operations. Lastly, we will continue to work closely with our OEM customers and supply chain partners to optimize our manufacturing footprint, ensuring that we are in close proximity to our customers and suppliers to deliver optimized value and customer satisfaction.

5. Environmental

5.2 Production Processes

Auria has a long history of expertise in manufacturing flooring, acoustics, and other fiber-based solutions, dating back to the very first Daimler Benz vehicles, the Ford Model T, and even the first Japanese vehicles to reach American shores in the 1970s. Over the course of more than a century, Auria's legacy companies continued to evolve and improve the manufacturing process by embracing technology and advancing material sciences. Building on the foundation of its automotive predecessors such as Lear, Collins & Aikman, United Technologies, Masland, and Stankiewicz, Auria will continue to foster a culture that embraces technology in manufacturing, including Industry 4.0. Industry 4.0 is a radical change in manufacturing processes intended to increase productivity, improve efficiencies, and harness new technologies and concepts such as collaborative robotics and the internet. Auria has already identified and implemented aspects of Industry 4.0 at plants in North America, Europe, and Asia. This represents another step toward enhancing Auria's expertise across a wide range of manufacturing processes that include flooring, acoustics, and other fiber-based solutions:

- Carpet tufting
- Non-woven needling
- Latex coating
- Thermal bonding
- PE extrusion
- PE powder coating
- Heavy layer extrusion
- Air lay process
- Vertical lapped felt production
- Thermal forming
- Compression molding
- Vacuum forming
- PU-Foaming
- PU-Spraying
- Injection molding
- PU honeycomb conversion
- Waterjet cutting
- Die trimming

Airlay Process

Waterjet Cutting

5. Environmental

5.2 Production Processes (cont.)

KPI: Global Energy Consumption + Greenhouse Gas Emissions

Annual Energy Consumption	2020	2021	2022	2023
North America Total (kWh)	124,631,629	133,478,764	150,501,231	154,302,241
kWh/USD of annual sales	0.349	0.358	0.356	0.328
% Green Energy	-	-	-	0%
Europe Total (kWh)	132,330,026	134,258,436	112,198,826	100,126,099
kWh/USD of annual sales	0.475	0.437	0.383	0.323
Percentage provided by 100% renewable sources	-	-	-	14%
South Africa Total (kWh)	-	1,249,513	3,170,744	3,731,690
kWh/USD of annual sales	-	0.156	0.138	0.167
% Green Energy	-	-	-	0%

*Annual Sales Actual (US$ in 000's / US GAAP)

Greenhouse Gas Emissions	2020	2021	2022	2023
North America (Metric tons CO2e)	46,895	49,797	49,083	50,486
Europe (Metric tons CO2e)	31,894	32,059	27,686	27,152
South Africa (Metric tons CO2e)	-	1,161	2,856	3,956

Auria has been striving to achieve a more sustainable manufacturing process by implementing lean manufacturing techniques. This has resulted in increased efficiency and a reduction in carbon footprint with each passing year. Our endeavor to quantify our carbon footprint is in its nascent stage, and we are dedicated to refining our methodology for calculating emissions. Our objective is to integrate these enhancements into our 2024 Corporate Social Responsibility report.

In 2023, we achieved regional growth while significantly reducing energy consumption in relation to sales for NA and EU. We are also proud to announce that 14% of our energy consumption in Europe is now sourced from renewable sources. This is just the beginning for us, and we will continue to prioritize increasing our use of renewable energy sources as a key performance indicator in our efforts towards green manufacturing.

Auria is strongly committed to reducing Scopes 1 & 2 emissions while simultaneously fostering a circular economy. Our efforts in this regard are geared towards promoting a sustainable future, characterized by a reduced carbon footprint and enhanced environmental stewardship. We remain steadfast in our commitment to minimizing our environmental impact and are continuously exploring new ways to achieve this goal.

5. Environmental

5.2 Production Processes (cont.)

KPI: Water Consumption

Water Consumption	2020	2021	2022	2023
North America (Cubic Meters)	197,485	178,745	126,446	142,502
Europe (Cubic Meters)	71,392	59,446	53,784	35,562
South Africa (Cubic Meters)	n/a	797	1,568	1,925

Our priority in water stewardship is the quality and supply of freshwater in the communities and environments where we operate. Water challenges have the potential to pose business continuity and other risks, and resilient water systems are needed for our operations as we work to meet society's evolving needs. We look to collaborate with our stakeholders to better understand water risks in the areas where we operate, and we consider the insights we gain in our project design and operational practices. We focus our efforts on prudently managing and monitoring the water we use, including freshwater used in our operations, and wastewater treatment and discharge to conserve freshwater consumption in industrial processes. For 2024, our objective is to conduct a thorough mapping of sites situated in the most water-stressed regions. This initiative aims to establish specific targets and strategies to address this critical issue. It is our goal to improve water efficiency with a target of a 4% reduction year-over-year in water use across all sites.

5. Environmental

5.3 Carbon Neutrality in Operations

Through the sustainable use of natural resources, Auria has been on a path to reduce its carbon footprint and increase resource efficiency, while also benefiting from reduced costs in operating expenses. For this reason, Auria has committed to align with SBTi and set our short-term target of 50% CO_2e reduction for Scopes 1 & 2 by 2030 against a 2020 baseline and the ambitious long-term target of 100% carbon neutrality by 2040

With implemented global roadmaps, we are pursuing many reduction actions related to waste, energy, water and emissions.

We have established a global energy team focused on cross-functional development of:

- Improving our internal monitoring and control of energy at the point of use

- Improving our share of energy coming from renewable energy sources

We are working with our energy consultants and suppliers to significantly increase our usage of electricity generated through renewable sources. At Auria's Grobbendonk facility, a wind turbine is utilized to produce over 50% of the site's consumption. We are also pleased to announce a new 607 kW rooftop solar array at our Coleshill site to begin providing green energy to the site's operations. In addition, we are in the process of establishing the usage of renewable energies as an additional KPI during 2024.
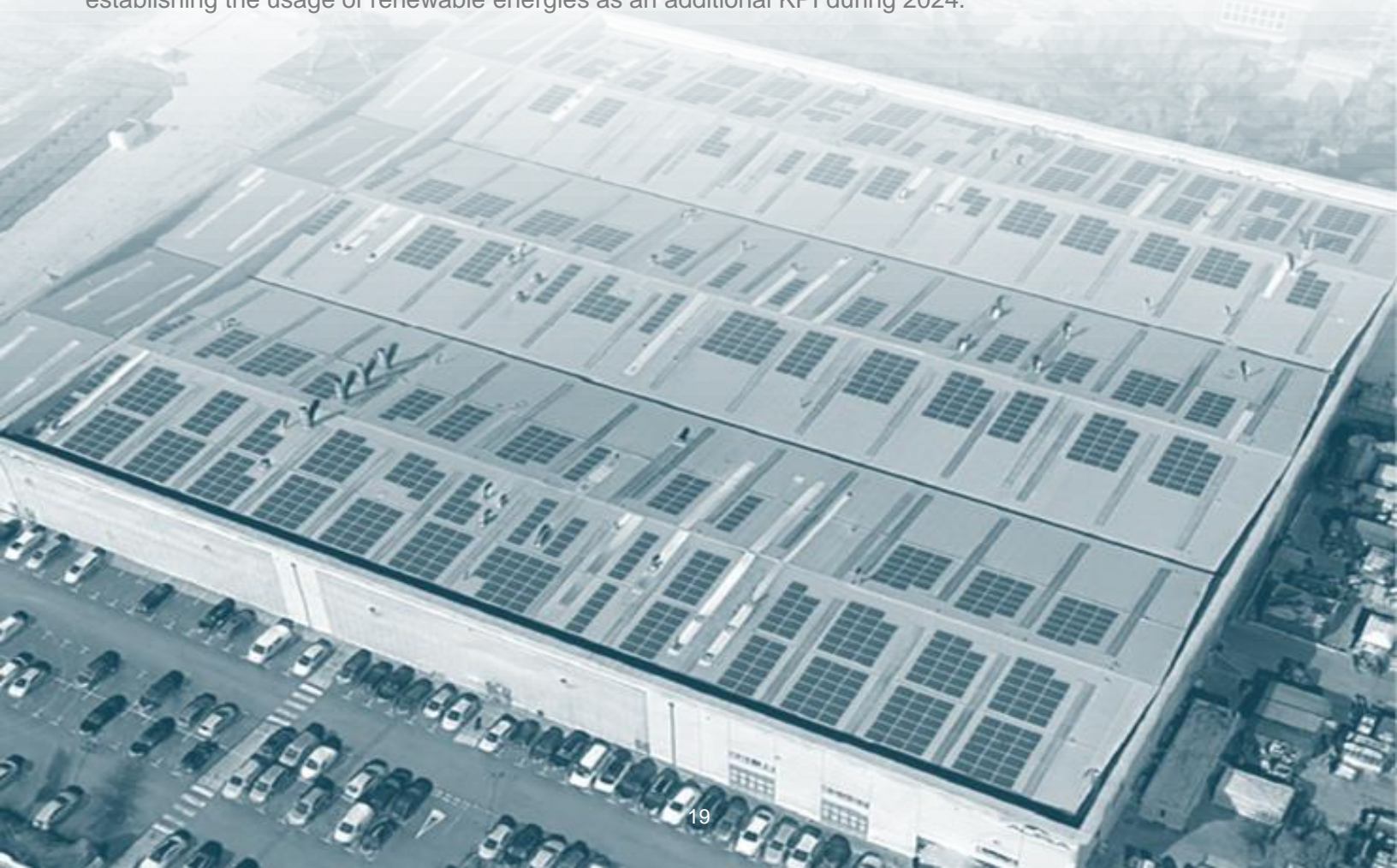
5. Environmental

5.4 Carbon Disclosure Project (CDP) Commitment

With our results-driven team, Auria has improved its CDP score from a D to a B since 2021, emphasizing our efforts towards strong management actions and initiatives associated with climate neutrality. With a focus on topics such as energy, water, scopes 1, 2 & 3 emissions, defined targets and emission reduction initiatives, we are eager to continue our growth and set new benchmarks to reduce our global impact on climate change.

Auria CDP Score	Average Performance		
B	**C**	**C**	**C**
	Plastic product manufacturing	North America	Global Average
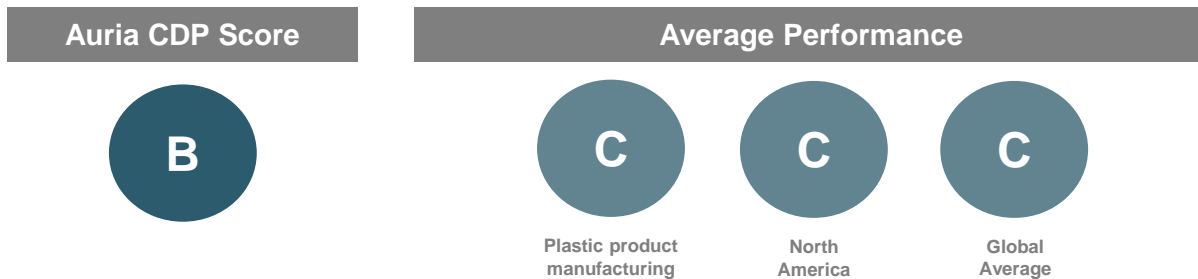
In 2023, Auria achieved a B rating from CDP, which falls within the Management Band. The B rating is higher than the North American regional average, the Plastic Product Manufacturing average, and the global average of C.

Our team is committed to advancing Auria's sustainability initiatives, with the ultimate aim of achieving a CDP score of A. Through this effort, we aspire to establish Auria as a preeminent leader in sustainability within the automotive industry and contribute toward a more sustainable future for generations to come.

5. Environmental

5.5 Materials

From scorching deserts to the frozen tundra, vehicles and the materials they are made of are subjected to the harshest environments and expected to stand up to those conditions for years of service without fading, cracking, splitting, or degrading in any way. The automotive industry is known for having the highest standards for material performance and companies, like Auria, are held to those standards every day.

At Auria, our material expertise is our strongest competitive advantage. Dating back as far as the Ford Model T, Auria has developed products for flooring, acoustical and other fiber-based applications in automotive as well as other industries.

For Auria, its materials capability and knowhow come with the responsibility to always seek material improvements that are most compatible with the environment, whether through increased use of renewable/natural materials, or by increasing the amount of recycled material used in our products. The company has made great strides to improve its carbon footprint.

In line with our customers' goals to achieve a smaller carbon footprint through sustainable and recyclable materials, Auria has been working with natural fibers, such as jute, cotton, hemp and wool, blended with recycled fibers. Also, Auria's current Advanced Development activities include work with natural materials, such as cork, (to be used as a sustainable flooring system) replacing conventional resin-based materials.

Auria is also exploring mono-polymer opportunities where possible, to allow end-of-life recycling. This will also provide future opportunities for circularity where the end-of-life product will become another raw material in the vehicle.

5. Environmental

5.5 Materials (cont.)

KPI: Waste Management

	NA	EU	RSA
Waste Disposal (metric tons)	30,796	26,560	1,062
Waste Sent to Recycling (metric tons)	9,396	21,208	38
Waste to Landfill (metric tons)	10,247	5,230	1,024
Waste Disposal/Annual Sales (metric tons/US$ in 000's)	0.07	0.09	0.05

As part of our progress toward sustainability, we are continuously working to improve data quality to ensure greater accuracy and transparency throughout the organization. We are presently conducting a review of our waste data from prior years to ascertain our alignment with corporate targets. Our 2023 data exemplifies the level of precision we endeavor to achieve. We are currently addressing the disparity in the NA region due to the absence of metrics pertaining to waste-to-energy and hazardous waste.

Auria has set forth the ambitious goal of achieving Zero Waste by reimagining waste as a valuable resource that has been misplaced rather than merely something to be disposed of. This paradigm shift requires a new way of thinking about waste, one that challenges traditional notions of waste management and disposal. By treating waste as a useful resource that can be repurposed and reused, Auria seeks to create a more sustainable future. This approach aligns with contemporary sustainability practices, which emphasize the importance of reducing waste and mitigating the environmental impact of human activity. Auria's commitment to Zero Waste is rooted in a long-term vision of responsible waste management and environmental stewardship.

5. Environmental

5.6 Products

Auria products are represented across six core product groups that align the company's material and process knowhow with customers' vehicle segmentation and sourcing strategies. Auria provides systems solutions by working across product families and/or component level solutions from within a given product family.

Vehicle Interior Product Group

Flooring Systems

The flooring system plays a significant role in all vehicles as the major trim feature for interior styling and appearance and it is the carrier for a significant portion of the vehicle's acoustical insulation.

- PA6 tufted carpets
- PET tufted carpets
- Nonwoven carpets
- Technical floor systems
- Auxiliary mats
- Integrated auxiliary mat floor systems
- Breathable floor systems
- Floor insulators
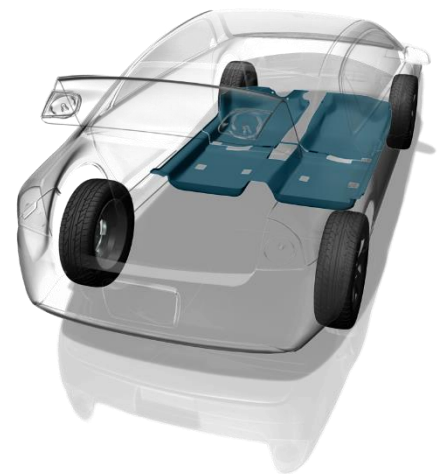
Trunk & Luggage Management

Auria's trunk and luggage management systems provide consumers flexible positioning devices that adapt to various items being secured within the vehicle's storage compartment. Through our partnership with Stayhold Ltd., we are developing unique cargo management products for consumer retail, dealer aftermarket and integrated OEM solutions.

- Cargo / luggage trim
- Load floors
- Parcel shelfs
- Trunk side trim
- Lift gate trim
- Deck lids
- Frunks & frunk lids
- Integrated cargo management
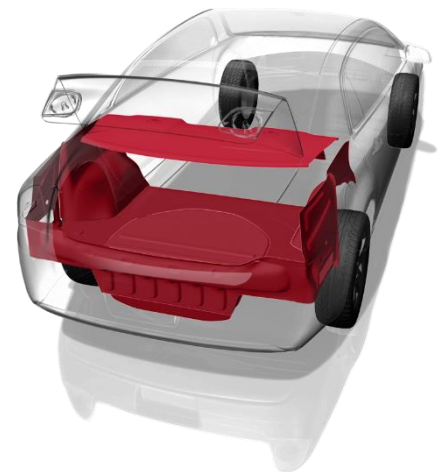
5. Environmental

5.6 Products (cont.)

Vehicle Interior Product Group (cont.)

Insulators & Absorbers

Auria's automotive acoustic systems block and absorb road and structural noise and reduce engine noise in the vehicle's interior. Our unique NVH testing and development facilities around the world enable us to create the right interior noise solution for our customers.

- Inner dash insulator
- 3D foam parts
- Under parcel shelf
- Under seat insulator

- Inner wheelhouse insulator
- Absorbers
- Inner Tunnel insulator
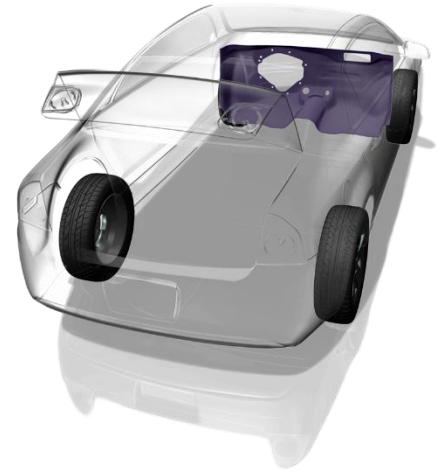
Headliners

Auria offers a wide range of construction methods, materials and substrates for headliners. From economy to luxury, we can provide solutions that compliment styling, reduce weight and improve acoustic performance.

- Thermoplastic dry PU & PP/glass
- Thermoplastic fiber
- Thermoset wet PU
- PET natural fiber

5. Environmental

5.6 Products (cont.)

Vehicle Exterior Product Group

Engine Compartment & Encapsulations

Both Auria acoustical and thermal products thrive in the under-hood environment. As the industry rapidly evolves to EV propulsion systems, Auria's unique encapsulation technology isolates and quells undesirable noise at the source, offering a more pleasant driving experience.

- Battery cover
- Dash outer
- Hood liner
- Tunnel outer
- Water box
- Exterior body
- Encapsulation
- Sealers
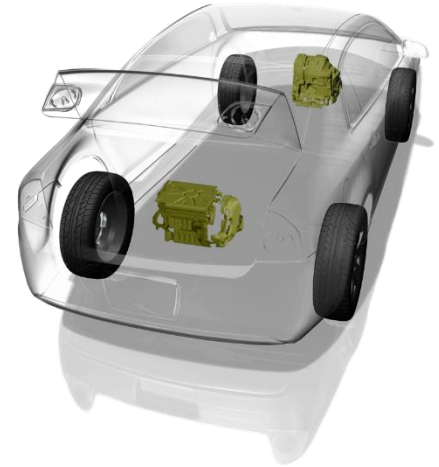
Underbody & Structural Systems

Auria draws upon its extensive material knowhow in the development of products designed to improve vehicle aerodynamics and acoustical performance while enduring the extremely harsh underbody environment.

- Underbody shield
- Wheel arch liner
- Aerodynamic parts
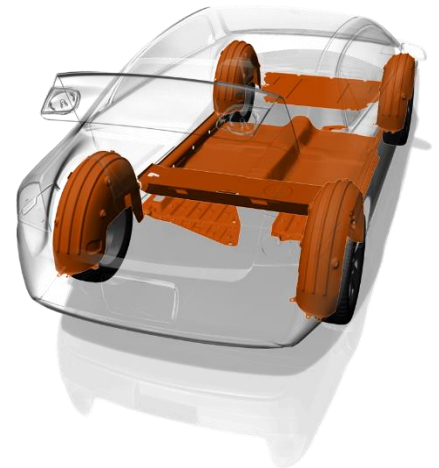
Aftermarket & Accessory Solutions

Launched for the purpose of proving out new technologies and applications, the Aftermarket group has met with early success with the introduction of premium, highly durable replacement flooring for off-road vehicle applications and innovative cargo management products now available through OEM Accessories groups.

- Armorlite
- Cargo management accessories

5. Environmental

5.7 Innovations

EcoBlend® - ECOBlend® Dual Density Insulator is a lightweight replacement for conventional, heavy layer-based insulators. It has been precisely tuned to deliver high sound transmission loss, while maintaining excellent sound absorption characteristics. It is ideally suited for an array of interior applications, such as flooring and dashboard insulation. Its unique composition makes it an exceptional alternative to traditional insulation materials, offering superior soundproofing capabilities.

- Lightweight
- 100% recyclable
- High recycled content
- Superior acoustic performance that can be tuned based on vehicle requirements

Established in 2020 as a premium consumer brand, **Armorlite** was initially defined by a highly engineered, rugged replacement flooring system developed for the extremely harsh conditions of the popular 4x4 off-road market. Unique features of the product include maximum durability, easy cleanability, a proprietary water channeling and drainage system, optimal traction, scratch & mar resistance, cabin heat and acoustical management and UV fade resistance. Armorlite has since introduced other interior coverage and protection products, such as cargo and wheelhouse liners and seatback covers made from the same durable material. Through standard industry wear tests, Armorlite products outlast competitive products by a factor of four to one, and the Armorlite floor replacement system's integrated tread design eliminates the need for costly throw-in all-weather mats.

5. Environmental

5.8 Responsible Supply Chain

We work only with suppliers whose values are consistent with our own and who are committed to developing inclusive, resilient and transparent businesses.

Auria's supply chain consists of vendors providing materials and services supporting our manufacturing facilities, service centers and offices globally.

Our main objective is to extract the most value through a global and strategic partnership with our supply base. From the first customer contact to prototype and serial production, all Auria processes involve our supplier base. With a centralized supply chain management (SCM) team, we aim for transparency and consistency in communication with our suppliers.

The SCM constantly benchmarks Auria's suppliers to leverage spend, improve value, reduce risk by driving compliance and integrating ethical and environmentally responsible practices into a competitive and successful model. Transparency is critical to our end-to-end supply chain, extending from raw materials sourcing to the last mile logistics, and even product returns and recycling processes. With the increasing priority for these ethical supply chain initiatives, our sustainability benchmarks are developing as a new standard throughout all of Auria's business practices.

5. Environmental

5.9 Supply Chain Structure

The SCM team works in a centralized global and regional structure setting procurement strategies and managing supplier relationships within functional purchase categories.

In 2021 Auria assigned Assent to manage and streamline our supply chain data and communication as a global standard. Assent provides a centralized, automated platform to manage supply chain data related to product compliance, corporate social responsibility and vendor management, efficiently providing transparency to help mitigate a broad range of risks and informed business decisions. The platform is enhanced by Assent's team of regulatory experts and customer success professionals and driven by leading edge technology.

Managing our Suppliers

To become a supplier to Auria and maintain good standing under the quality relevant requirements, our Supplier Quality Assurance (SQA) team conducts supplier audits and collects data points to verify manufacturing capability, contingency and business continuity planning, customer service, and ISO & TS applicable certifications. In addition, supplier performance monitoring and conducting supplier quality controls occur at every Auria manufacturing site from launch through serial production, and continuing into service activities. In the event in which a supplier to Auria does not have at a minimum ISO9001:2015 compliancy status and certification, Auria SQA teams engage in onsite supplier audits.

Managing our Materials

For all materials which Auria utilizes in manufacturing automotive acoustic and other fiber-based products we mandate compliance under the Global Automotive Declarable Substance List (GADSL), Registration, Evaluation, Authorization and Restriction of Chemical (REACH) and material disclosure under the IMDS standard. In addition, Auria collects certifications under the Responsible Mineral guidelines which declare conflict minerals and cobalt type materials.

Being Compliant

Auria holds our supply base to the same standard we commit to our customers and communities. In 2023 the Human Rights team updated the Auria Code of Business Conduct and Ethics further by adding options to report anonymously. The updates and procedures are part of the Auria Supplier Requirements Manual per the latest release September 2023 posted online in the Auria Supplier Portal.

The self-assessment survey, Environmental Social Governance (ESG), engages our suppliers to raise awareness and act responsible, and to provide visibility and guide sustainable growth. Based on the survey results the SCM team develops necessary measures. Our goal is for everyone to drive compliance.

Together with Quality and Engineering, the SCM team supports the Auria compliance program on a set of 5 deliverables covering these key areas:
1. Acknowledgement and adherence to the **Auria Code of Business Conduct and Ethics**
2. Internal quality process including **Supplier Performance and Compliance Programs**
3. **Supplier Development** and maintaining scorecards
4. **Material Compliance** guidelines to collect conflict mineral reports and substance disclosure
5. Controls to set and report **Key Performance Indices** (KPI) starting with the first Assent controlled activities in 2022.

5. Environmental

5.10 Supply Chain Global Compliance Program

Compliance Milestones for 2023 and Outlook for 2024

Auria launched the first compliance campaigns globally in Q1 2022 starting with Conflict Mineral and Extended Mineral requirements. In Q2 2022, we adopted REACH into our platform, and in Q4 2022, we launched the ESG survey.

In addition to the compliance program introduction, campaign kickoff and follow up, Auria and Assent produced online help for all supplier quality teams in the:
1. Introduction to Auria's Supply Chain Compliance Programs
2. Customer Program & Timeline Expectations
3. Regulation Overview
   - EU REACH SVHC
   - Conflict Minerals
   - Extended Minerals
   - Code of Conduct Survey and ESG
4. Acceptance Criteria for Acceptable Declarations
5. PFAS Declaration
6. How to Submit Data for Your Customer's Regulation Requests
7. Assent Support: Training & Learning Resources

The Auria SCM team has identified and is continuously monitoring all
- Quality Relevant Suppliers
- Active Bill of Material (BOM) Part Numbers
- Compliance and Resolution activities

In total 454 quality relevant direct material suppliers and 101 indirect suppliers have been identified. We are engaging with all suppliers on reported nonconformance issues through the Auria quality and engineering teams.

Monitoring Scope and Campaign Calendar: (see next page)

5. Environmental

5.10 Supply Chain Global Compliance Program (cont.)

Monitoring Scope

3	**17**	**555**	**3,549**
Continents	Manufacturing Sites	Q-relevant Suppliers	Direct Material Parts

Auria 2024 Campaign Calendar

| EU REACH SVHC Module Updates #1 | | RMI Updates CMRT & EMRT Template | EU REACH SVHC Module Updates #2 | |

Jan — Feb — Mar — Apr — May — Jun — Jul — Aug — Sep — Oct — Nov — Dec

Conflict Minerals Program Continues >>   Conflict Minerals Program Begins >>

Extended Minerals Program Continues >>   Extended Minerals Program Begins >>

EU REACH SVHC Program 1   EU REACH SVHC Program 2

ESG & Custom Survey - Annual Refreshes (Optional)

Auria values its brand reputation and responsibility to meet government regulations and demonstrate that our products are compliant with regulatory requirements. Submission of the requested information is mandatory and part of Auria's compliance efforts. Suppliers share product data through the Assent Platform under the Auria 2024 Campaign Calendar accordingly. Our objective is to acquire one hundred percent of the regulatory prerequisites and ESG surveys for our suppliers and direct materials that are of quality relevance to establish environmental, social, and governance policies for both Auria and our supply chain. This will enable us to ensure that we are operating within the highest standards of ethical conduct, social responsibility, and environmental sustainability throughout our entire business network. By collaborating closely with our suppliers, we aim to establish a comprehensive and integrated approach to quality management, which will help us to build a more sustainable and ethical future for everyone.

5. Environmental

5.10.1 Global Supply Base Material Compliance

Based on our commitment in last year's report, we have identified all Quality Relevant Direct Suppliers in addition to the indirect suppliers to align with all due diligence campaigns. The collection of completed reports takes place in addition to the IMDS program and material verification. We have now challenged ourselves to get certified written confirmations about the compliance within our supply chain regarding conflict and extended minerals as well as REACH.

	Count	Conflict Mineral	Extended Mineral	REACH
KPI: Percentage of received certificates covering conflict minerals, extended minerals and REACH				
Direct Material Suppliers	454	350	285	
Direct Material Parts	3,549			2,076
KPI		**77%**	**63%**	**58%**

5.10.2 Global Supply Base ESG Compliance

In December of 2022, Auria launched the ESG supplier survey for all quality relevant suppliers. In the past, our focus on material compliance was limited to direct material suppliers. However, we have expanded our ESG survey to encompass all quality-relevant suppliers, including both direct and indirect supply bases. This move is aimed at enhancing our ESG transparency, thereby promoting our commitment to sustainability and responsible business practices.

Performance Summary

Environmental

Climate Impact	🔴 19
Product Stewardship	🟡 81
Resource Use	🔴 45
Biodiversity	🟢 93

Social

Human Trafficking and Slavery	🟡 64
Labor Rights	🔴 47
Diversity	🟡 73
Human Rights	🔴 57

Governance

Data Protection and Privacy	🟡 72
Resilience	🔴 51
Organizational Commitment	🟡 72

RISK SCORE: 🟢 Low (86-100) 🟡 Medium (61-85) 🔴 High (0-60)

5. Environmental

5.10.2 Global Supply Base ESG Compliance (cont.)

Auria's surveys are designed to identify ESG-related risks and indications of non-compliance. For instance, the Slavery and Trafficking Risk Template (STRT) supports companies in assessing risks of forced labor and modern slavery within their supply chain. If a supplier's responses to the STRT questions indicate high risk, this does not mean that forced labor is occurring in the supply chain, it instead indicates that the supplier does not have sufficient internal controls, management procedures, or policies to assess and mitigate the risks associated with their geographic location, workforce composition, industry, and the goods they produce, manufacture, or mine.

A robust ESG program is founded on reliable ESG supply chain data, which Auria will utilize to establish realistic goals with a commitment to continuous improvement year over year in accordance with best practices and industry standards. Year 1 of Auria's ESG program has set clear expectations with our suppliers and introduced them to relevant ESG standards.

Transparency is at the center of our ESG efforts together with a sincere commitment towards continuously improving our compliance level. Auria's direct engagement with suppliers on ESG issues is intended to communicate to our stakeholders that we are responsible and proactive in managing ESG risks and opportunities in our supply chain.

As expected, the Year 1 results of Auria's ESG program demonstrate many areas for improvement, and it is very positive that Auria is effectively and proactively uncovering these ESG risks. Having a reliable picture of supply chain risk is the foundation of any robust ESG program, and we will use this data to continuously improve our ESG compliance and meet our ESG goals.

> **The Risk Score is a result of the 153 submissions and presents a steppingstone at Auria and for many of our suppliers. The Auria Supply Chain Compliance program is greatly impacting the environmental, social, and governance policies in our supply base as we raise awareness and support the development. The Auria SCM teams engage with the suppliers that are not quality-relevant if there are reported compliance issues.**
>
> *Stephen Spohr,*
> *Director Global Supply Chain*

SOCIAL

6. Social

6.1 Good Corporate Citizenship

Auria defines its social aspects of sustainability as Good Corporate Citizenship. Our aspiration is to advance employee development and improve upon our surrounding communities while upholding our company's growth.

At Auria, our people are our greatest advantage, and we take many steps to cultivate the best possible working environment. We continue to institute employee programs and benefits that foster the physical, emotional, and financial well-being of our employees. In the spirit of continuous improvement, we prioritize and facilitate educational and training opportunities for all employees for their personal and professional growth. We foster an atmosphere of gender equality where advancement and compensation in the company are determined solely on the merit of one's work. Our employees are our most valuable asset, and as such, we provide fair and competitive compensation and invest in clean, safe and modern facilities and equipment that foster a positive work environment. Our diversity is our strength and as such we embrace age, ethnicity and gender differences to ensure equal opportunity employment and advancement across the organization, and in every region where we operate.

Our target is to become a leader within our working communities to help them thrive. Through our philanthropic support and volunteer opportunities, we look forward to assisting different community projects to build and foster outside relationships.

Auria's ability to sustain and grow its business requires it to attract, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that Auria has the leadership capacity with the necessary skill set and experience could impede the company's ability to deliver on its commitments and execute the company's strategy. The following sections summarize the material aspects of Auria's policies relating to social and employee matters.

6. Social

6.2 Human Rights

In line with UN Guiding Principles on Responsible Business and Human Rights, Auria respects the human rights of all stakeholders involved in its business activities, including employees and business partners and communities where we impact the whole value chain. Since its foundation Auria has been committed to respecting humanity, treating all employees in a fair and equal manner, without discrimination based on social status, gender, age, or occupation. This became our corporate culture and guiding principle for working together.

Considering the recent social demands for responding to human rights relevant international standards Auria has published a Policy Statement on Human Rights and Environment which strengthened the human rights commitment and measures taken under our corporate culture, already embedded into our human resources policies and procedures internally. It is being communicated in all local languages.

The consequences of adverse human rights impacts range from legal liability to reputational and brand damage, depending on severity of the harm done. To lead the effort for improved understanding and management of human rights risks and impacts across the company and to promote Auria's human rights commitment and due diligence across our global operations and supply chain, the appointment of a dedicated Human Rights Officer was announced on our website and intranet in November 2022.

Auria respects and values the diversity reflected in our various backgrounds, experience and ideas. Together, we provide an inclusive work environment that fosters respect for all of our coworkers, customers and business partners. Our workplace reflects the diversity of the communities in which we do business. We are committed to protecting our employees from unlawful discrimination, physical, verbal or sexual harassment or personal behaviors not conducive to a productive work environment. If an employee knows or suspects that unlawful discrimination or harassment has occurred, employees are required to report the situation immediately. Additionally, we prohibit the use of any type of forced labor or child labor or engaging in any abusive business practices.

It is our commitment to provide equal opportunity to every person regardless of race, sex, color, veteran status, national origin, religion, physical or mental disability, age, sexual orientation or any other protected characteristic. There is also an obligation for each employee, regardless of their position in the organization, to ensure that: (1) all decisions related to our business are made on the basis of merit and the facts that are available, and not on discriminatory factors; and (2) Auria treats each employee with courtesy and dignity. In addition, it is the policy of Auria to comply with national, state and local laws governing non-discrimination in employment at each Auria location.

We make every effort to provide employees, regardless of their place of work in the world, age, gender or position, with access, throughout their career with the company, with the necessary training to enable them to carry out their job responsibilities and to forge a desirable career path. Our policy is not to interfere with employees' rights to freedom of association. Employees have the right to choose (or not) to affiliate with legally sanctioned organizations without unlawful interference. Where trade unions are present, it is our policy to deal with them fairly and conduct negotiations in a purposeful and non-adversarial manner.

6. Social

6.3 Ethics & Integrity

At Auria, the Code of Conduct serves as the company's ethics handbook. This document governs how our employees and management operate and achieve the goals of the company through gaining and keeping the trust of its customers, suppliers and communities. Demonstrating strong integrity is essential at all levels of Auria, and the Code of Conduct applies to everyone within the company, including the Board of Directors, officers, employees, agents and contract workers. Auria's Code of Conduct is publicly available on our website.

We continue our commitment to:

1) Ensuring 100% of all received cases are investigated and resolved in a timely manner.
2) Ensuring 100% of our salaried workforce is trained annually on the Code of Conduct along with the process of how to report an alleged violation and annual awareness training is delivered and acknowledged for all non-salaried employees.

KPI: Code of Conduct cases initiated

In 2021, there were a total of 2 Code of Conduct Cases initiated:
• 100% of those cases were fully investigated and resolved
• 0% of those cases were identified as non-code violations

In 2022, there was a total of 1 Code of Conduct Case initiated:
• 100% of those cases were fully investigated and resolved
• 100% of those cases were identified as non-code violations

In 2023, there was a total of 2 Code of Conduct Cases initiated:
• 100% of those cases were fully investigated and resolved
• 50% of those cases were identified as non-code violations

6. Social

6.4 Employee Training & Development

Training is critical to everything we do at Auria and is planned annually in each facility. Each location is responsible for ensuring that its employees are receiving necessary training as it relates to their position and any location specific and/or company required training.

Topics include:
- Quality, Safety, Environmental and Energy standards, including
    - IATF 16949
    - ISO 14001
    - ISO 45001
    - ISO 50001
- Safety related procedures, such as
    - Compliance with Safety Rules and Procedures
    - Hazard Communication
    - Control of Hazardous Energy
    - Personal Protective Equipment
- Position specific training on standard work instructions and/or job specific responsibilities.
- Continuous improvement methodologies
- Internal audits
- IT Security
- CSOX compliance (Basic Standard for Enterprise Internal Control and the Application Guidelines on Enterprise Internal Control Republic of China)
- Sustainability awareness
- Code of Conduct awareness and compliance
- Employment policies, such as
    - Code of Working Conditions
    - Harassment awareness
    - Violence prevention and response
    - Performance management
    - Awareness of benefit and EAP plans

If a location is unable to achieve its targeted monthly training, the deficiency is identified and an action plan for resolution is agreed upon. We take all steps necessary to ensure that all our employees can attend all required training sessions each month. These steps may include having the employees come in prior to the start of their shift and/or stay after the end of their shift to attend the training session.

6. Social

6.4 Employee Training & Development (cont.)

Auria began tracking the following KPIs in 2020:

KPI: Salaried Turnover

Our ambition is to achieve an average of less than 10% voluntary turnover.

Salaried Voluntary Turnover Rates				
	2020	2021	2022	2023
North America	11%	19%	13%	17%
Europe	10%	20%	12%	12%
Asia/RSA	8%	13%	20%	17%

KPI: Career Development & Talent Management

By 2025, we commit to achieving 100% completion of one-on-one meetings for each quarter or a minimum of a 10% improvement from the previous year.

Average % of One-on-One Meetings Completed Each Quarter				
	2020	2021	2022	2023
North America	91%	61%	93%	71%
Europe	63%	79%	86%	89%
Asia/RSA	100%	100%	100%	100%

By 2025, Auria leadership commits to establishing yearly meetings between the employees and HR to review the Individual Development Plans (IDP) and track progress toward their goals.

Average % of IDPs in Place				
	2020	2021	2022	2023
North America	8%	4%	2%	2%
Europe	14%	6%	9%	4%
Asia/RSA	16%	10%	5%	3%

6. Social

6.4 Employee Training & Development (cont.)

KPI: Career Development & Talent Management (cont.)

We aspire to have on average 20% increase from 2020 globally in internal promotions versus external new hires.

| Average % of internal promotions vs. external hires				
	2020	**2021**	**2022**	**2023**
North America				
Internal Promotions	35%	23%	50%	21%
External Hires	65%	77%	50%	79%
Europe				
Internal Promotions	20%	7%	25%	27%
External Hires	80%	93%	75%	73%
Asia/RSA				
Internal Promotions	0%	9%	6%	6%
External Hires	100%	91%	94%	94%

6. Social

6.5 Employee Engagement

Auria is committed to employee engagement, which we use as a critical tool in promoting two-way dialogue and learning what motivates and excites our employees at work. To promote engagement, we employ multiple feedback and communication programs, including global Town Hall meetings, quarterly All Plant meetings, employee focus groups, employee surveys, employee suggestions boxes, skip level and one-on-one meetings between employees and management. At our plants, we provide electronic communications updates in the breakrooms and conduct weekly shift meetings. These different communication media ensure employees at all levels of the organization can voice their concerns, ensuring effective dialogue between employees and managers.

Additionally, we offer many employee assistance resources, which encourage our employees to pay attention to emotional and mental health, stay physically active and healthy, be vigilant about healthy lifestyles, including regular physical check-ups, and take advantage of our basic financial planning assistance. We are vigilant regarding communication surrounding the previously mentioned aspects. We keep our employee's health and safety at the forefront and ensure all applicable safety protocols are established and enforced.

When new Auria employees join the company, they are given a comprehensive New Hire Orientation to become acquainted with Auria. This orientation includes topics such as policy reviews, a company and business overview, facility-specific information, and safety training.

In the event an employee decides to leave Auria, we conduct exit interviews to solicit information, including what the employee liked/didn't like about working for Auria, and gather information on any other issues that might have caused the end of the employment relationship. We feel it is important to understand why an employee is choosing to leave their position at Auria so we can identify any deficiencies and improve upon them to assist in employee retention and positive engagement.

Auria is committed to giving back to the communities in which we do business, and we utilize community outreach programs globally to foster teamwork and to interact with each other outside the work/office environment.
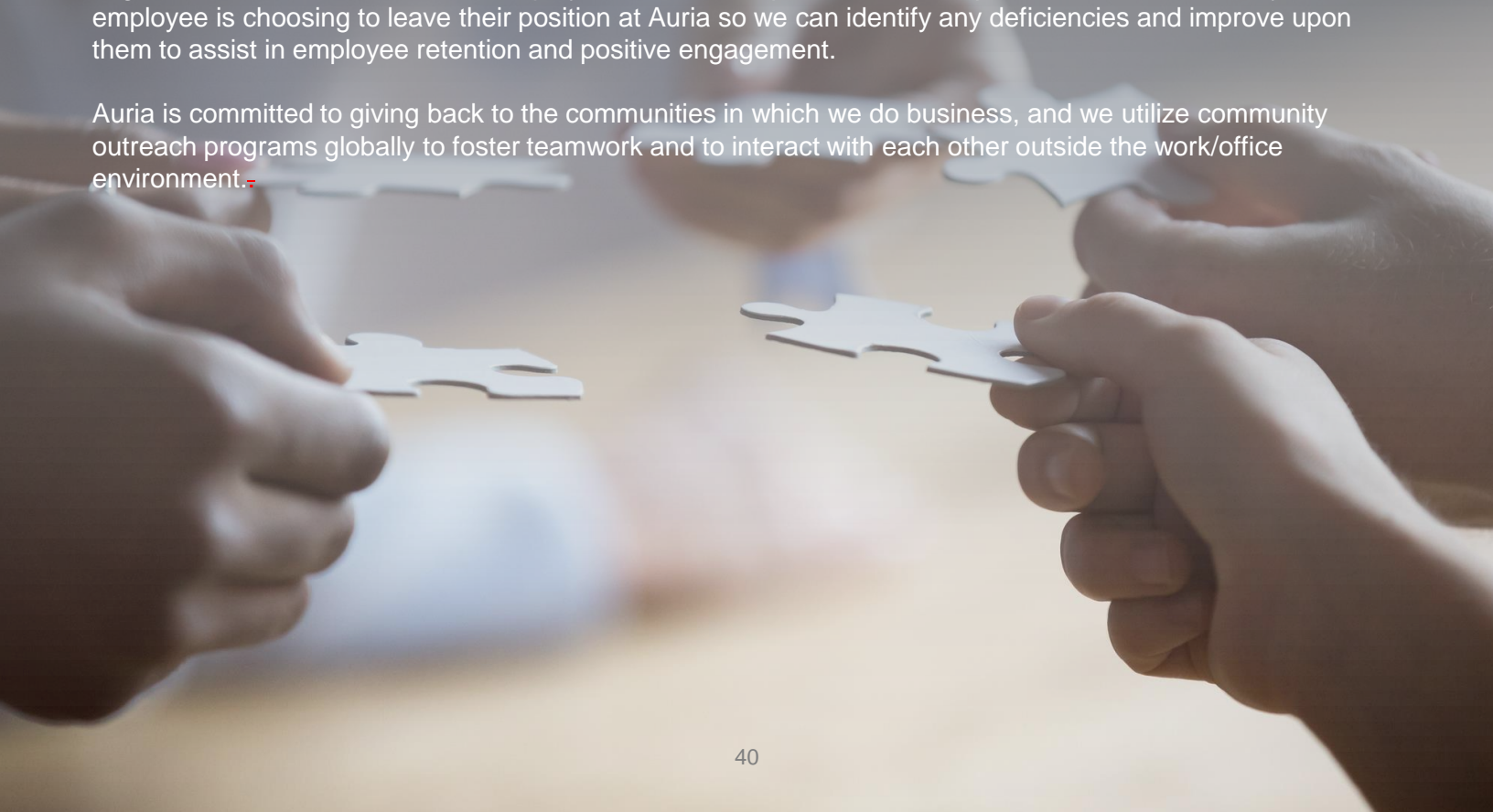
6. Social

6.6 Community Outreach

Auria is committed to serving the people and communities in which we live and work, across the globe. We work to build lasting relationships in those communities, and we encourage our employees to carry out this work. In some regions, we encourage employees to do community volunteer work during paid company work hours.

Each year, Auria employees support company-sponsored community outreach initiatives globally, with financial commitments and donations to organizations of food, school supplies, and toys for children's charities.

Charitable organizations supported by Auria, and its employees include Toys for Tots, Habitat for Humanity, American Cancer Society, The Salvation Army, The Humane Society, the Scleroderma Foundation of Michigan, the United Way, Disaster Relief at Work (DRAW), veteran organizations, foster care organizations, food pantries and numerous local hospitals, schools and community centers located in proximity to our operations in North America and Europe.

Auria is committed to further increasing our community outreach efforts in all regions in which the company operates and will continue to encourage our employees to engage in their local communities as ambassadors of Auria. The company's goal is to increase our community presence and solidify our reputation as a community leader and supporter.

6. Social

6.7 Health & Safety

Auria's culture and values are represented in an environment that encourages creativity, promotes efficiency, and drives continuous improvement. We strive to provide a safe and healthy work environment by maintaining best-in-class workplaces and by following all health and safety rules and regulations.

Auria employs the Risk Assessment and Evaluation Process. This process allows us to identify and measure risk proactively, as well as validate proposed solutions as effective. We also address unsafe conditions or environmental concerns by reporting incidents, injuries, unsafe equipment, or unsafe practices according to our Occupational Health and Safety, Environmental, and Quality procedures. Countermeasures are set up accordingly and follow the PDCA process to completion.

Auria's approach to continuous improvement includes tools such as internal and external audits and regular SIP audits based on our global safety standards. Our internal SIP audits and the annual improvements are integrated into our Operational Excellence Strategy. Furthermore, the SIP audit results are tracked globally as a KPI to emphasize the importance of health and safety in our culture.

Incidents and injuries are reported in our global fast response system. The corresponding KPIs are monitored and checked against targets in our global Auria Manufacturing Operation System (AMOS).

Incidents are investigated by plant teams, including root cause analysis, and then reviewed in escalation calls with the plant team and senior management; corrective actions and preventive actions are agreed upon and implemented. Continuous improvement and lessons learned are shared utilizing our safety alerts to give transparency among our facilities and assure a deeper understanding.

KPI: DART Rate (Days Away Restricted or Transferred)

	EU		NA		Asia / RSA	
	Result	Target	Result	Target	Result	Target
2020	1.32	1.22	2.26	2.13	--	--
2021	0.59	1.22	2.72	1.81	3.83	starting
2022	0.82	0.98	2.23	1.45	3.18	1.45
2023	0.85	0.88	2.39	1.30	0.00	1.30

DART rate is calculated as follows: each lost time incident (LTA) or restricted activity incident (RTA) x (200,000 working hours) / total number of hours worked.

Auria East London is proud to announce its achievement of a significant milestone in 2023, namely, one year without any recordable incidents. The success is attributed to the collective efforts and unwavering commitment to safety and excellence by each team member. This accomplishment is a testament to the organization's unwavering dedication to ensuring the safety and well-being of its team members and stakeholders alike. By prioritizing safety and excellence in all aspects of its operations, Auria has set a target to reduce its DART rate across all regions by 10% annually.

GOVERNANCE

7. Governance

7.1 Governance Model

Auria has introduced a new sustainability governance model that is structured around a 3-tier hierarchy: Steering Committee, Review Body, and Working Groups. Each tier is further defined below.

```
                    ┌─────────────────────────┐
                    │   Steering Committee    │
                    └─────────────────────────┘
                    ┌─────────────────────────┐
                    │      Review Body        │
                    └─────────────────────────┘
                    ┌─────────────────────────┐
                    │     Working Groups      │
                    └─────────────────────────┘
     ┌──────────────────┐ ┌──────────────┐ ┌──────────────────┐
     │ Operations and   │ │  Social &    │ │ Governance & Risk│
     │ Responsible      │ │Communications│ │   Management     │
     │ Sourcing         │ │              │ │                  │
     └──────────────────┘ └──────────────┘ └──────────────────┘
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7.1.1 Steering Committee

The Sustainability Steering Committee meets bi-annually in September and March. The September meeting focuses on reviewing the findings of the Sustainability Core Team, the progress of initiatives, roadmap status, and fulfillment of KPIs. If required, this Steering Committee meeting will be used to adjust targets, align existing KPIs, and decide upon new defined KPIs. In addition, required investments and other expenses will be reviewed in order to allocate agreed funds in the annual budget process.

The March Steering Committee meeting is focused on reviewing the finalized and adjusted annual Corporate Sustainability Report prior to publication.

7.1.2 Review Body

Auria has assembled a multidisciplinary Sustainability Review Body to continuously enhance the company's sustainability mindset globally. This team is responsible for driving sustainability initiatives and roadmaps, defining additional priorities, focusing on further areas of improvement, and finally updating and publishing the annual Corporate Sustainability Report (CSR). This process includes working with all company functions/departments, regular reviews and tracking of KPI progress, support and guidance in case of an implementation risk, and providing status updates to the organization, the Sustainability Steering Committee, and the Board of Directors.

7.1.3 Working Groups

The sustainability team at Auria has meticulously established dedicated working groups to address the three tenets of corporate sustainability, namely Environment, Social, and Governance. Each working group has identified specific key performance indicators (KPIs) that are consistently improved upon as a salient aspect of their daily routine. These groups are tasked with developing bespoke projects to enhance the organization's initiatives while regularly updating the Review Body to ensure accountability and data quality.

7. Governance

7.2 Compliance Commitment

Auria's success depends largely on following proper operating procedures in the 10 countries and four continents where we operate. We require our employees and our business to comply with each country's laws and regulations; failure can result in financial penalties and wasted resources. Additionally, Auria's management team and employees, at all levels, are encouraged to follow the "Virtuous Circle" approach. This mindset focuses on putting the proper controls in place and being proactive rather than reactive, resulting in smoother processes and increased efficiency.
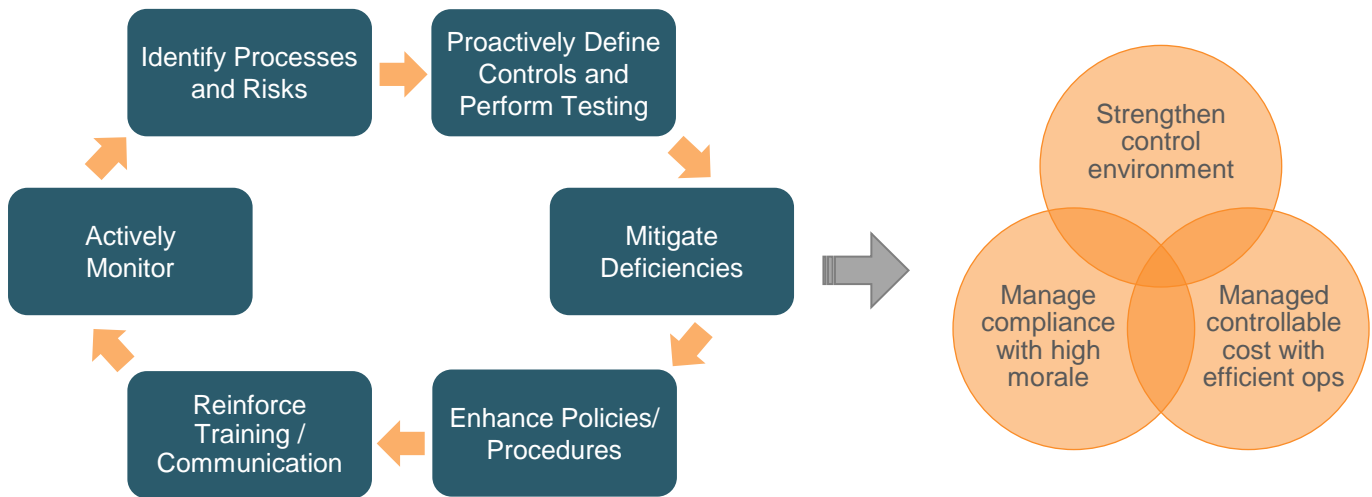
Since its inception, Auria has embedded its core values, operational excellence, and social responsibilities into our daily operations, aiming for healthy and sustainable development. Strong compliance management is the basis for Auria's global operations, and we are committed to integrity, compliance, and strong business ethics.
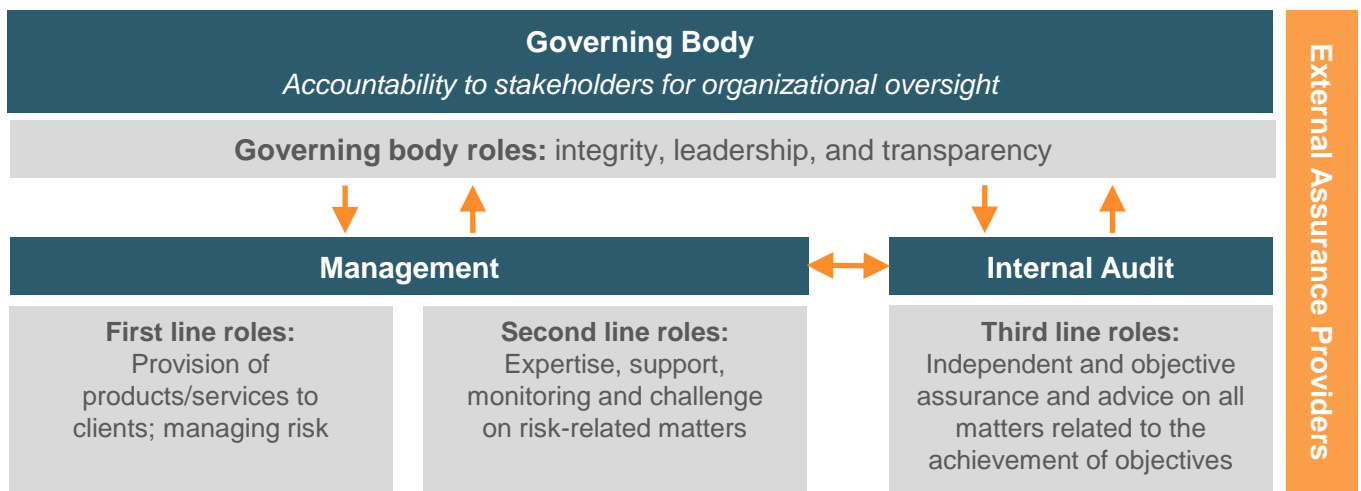
7. Governance

7.3 Internal Control System and Risk Management

Auria leverages principles from the three lines model to manage risk within the organization. Responsibility of overall risk is owned by each business function, known as the first line. The second line is embedded in various business functions to assist management with support, expertise, and effective challenge on risk-related matters, internal control design assessment, and testing. Internal Audit forms the third line, delivering advisory services and independent assessments to improve risk management, and promote compliance and ethics.

Governing Body *Accountability to stakeholders for organizational oversight*			
Governing body roles: integrity, leadership, and transparency			External Assurance Providers
Management		**Internal Audit**	
First line roles: Provision of products/services to clients; managing risk	**Second line roles:** Expertise, support, monitoring and challenge on risk-related matters	**Third line roles:** Independent and objective assurance and advice on all matters related to the achievement of objectives	

7.3.1 Internal Control

Auria believes in creating a risk-controlled business environment with high-quality accounting and internal controls. Establishing a comprehensive internal control system is the best safeguard against external uncertainty and also lays a solid foundation for enhancing compliance and building a sustainable business.

To raise and enforce compliance awareness throughout the company, we have implemented a global Risk and Control Matrix (RCM) in accordance with the requirements of the Basic Standard for Enterprise Internal Control and the Application Guidelines on Enterprise Internal Control Republic of China (CSOX). CSOX includes 18 business domains addressing risks across numerous financial, operational, strategic, and compliance categories.

Management submits annual CSOX attestations to Auria's Board for review and approval. We share the attestation to our shareholders for disclosure. For 2023, Auria's internal control system achieved the company's internal control objectives and had no material deficiencies.

7.3.2 Internal Audit

Auria Internal Audit develops an annual audit plan, including assurance and advisory projects involving our plants and corporate functions. Internal audit activities help identify risk areas, assess processes and controls, and monitor remediation improvements for closure.

7. Governance

7.4 Management System Standards

The Auria Global Documentation System (GDS) was launched in 2018 to implement consistent standards in Quality, Environmental and Occupational Health & Safety at all Auria locations to continuously improve our performance.

The Management System for Quality has been certified according to ISO/TS 16949, in Europe and North America since 2010. The transition to IATF 16949 was successfully passed in 2017 by all locations except of the North American plant in Albemarle, which has held the ISO 9001 certificate since 2008.

IATF 16949 specifies the quality system requirements for the design/development, production, installation and servicing of automotive-related products. The aim of IATF 16949 is the development of a quality management system that provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the automotive supply chain. IATF 16949 is based on ISO 9001. Our South African location in East London has succesfully passed the IATF 16949 certification audit in October 2023.

KPI: Global implementation of working standards according to ISO 45001 / ISO 14001

All locations in Europe as well as in North America have been certified to Environmental Management Standard ISO 14001 since at least 2010. Further, all European plants have been certified to Occupational Health and Safety Management Standard OHSAS 18001 since at least 2010. The Transition audits to ISO 45001 OH&S were successfully passed in June 2020.

In addition, the plants Old Fort, North Carolina and Spartanburg, South Carolina obtained the ISO 45001 certificate in 2021.

Currently, the team of East London is in the preparation phase for certification audits of ISO 14001 and ISO 45001 standards. The goal to achieve both certifications is by the end of the second quarter of 2024.

KPI: Global implementation of energy standards according to ISO 50001

Auria's German facilities have been certified with the ISO 50001 Energy Management System standard since 2014. In April 2023, the Plant Zakupy, located in the Czech Republic, was successfully certified with the same standard. This certification attests to their commitment towards energy management and highlights their ability to meet the requirements of the ISO 50001 standard. The certification is a testament to their dedication to reducing energy consumption, increasing energy efficiency, and, ultimately, reducing their carbon footprint.

In 2022, Auria implemented a Global Energy Policy that serves as the basis for energy standards and a local Energy Management System

7. Governance

7.4 Management System Standards (cont.)

To further advance social and environmental sustainability, we are committed to implementing working standards in accordance with ISO 14001, ISO 45001, and ISO 50001 across all Auria locations worldwide. This endeavor will be closely monitored, and progress will be reported in our annual Corporate Sustainability Report. By adhering to these internationally recognized standards, we aim to enhance our company's commitment to the principles of sustainability and promote a culture of responsible business practices that benefit both our stakeholders and the broader community.

Location	Certifications				
	IATF16949 Automotive QMS	ISO 9001 QMS	ISO 14001 Environment	ISO 45001 OH&S	ISO 50001 Energy
North America					
Southfield, MI (regional HQ)	●	●			
Plymouth, MI (R&D and lab)	●	●			
Old Fort, NC (engineering center)	●	●			
Albemarle, NC (R&D and lab)		●			
Albemarle, NC	●	●	●		
Old Fort, NC	●	●	●	●	
Spartanburg, SC	●	●	●	●	
Fremont, OH	●	●	●		
Holmesville, OH	●	●	●		
Sidney, OH	●	●	●		
St. Clair, MI	●	●	●		
Queretaro, MX	●	●	●		
Puebla, MX	●	●	●		
Europe					
Straubing, DE (regional HQ)	●	●	●	●	●
Celle, DE (testing, R&D)	●	●	●	●	●
Celle, DE	●	●	●	●	●
Coleshill, UK	●	●	●	●	
Grobbendonk, BE	●	●	●	●	
Straubing, DE	●	●	●	●	●
Vitoria, ES	●	●	●	●	
Vráble, SK	●	●	●	●	
Zakupy, CZ	●	●	●	●	●
RSA					
East London	●	●	🟡	🟡	

Note: locations are manufacturing unless otherwise noted.

Legend: ● = certificate available
🟡 = certification in progress

8. Global Reporting Initiative (GRI) Index

Auria considered the Global Reporting Initiative (GRI) as Sustainability Reporting Standards in the development of this report.

Disclosure	Location
General Topics	
GRI 2: General Disclosures	
Organizational profile	
102-1 Name of the organization	1. Letter from the CEO
102-2 Activities, brands, products and services	4.1. Company Overview
102-3 Location of headquarters	4.1. Company Overview
102-4 Location of operations	4.1. Company Overview
102-5 Ownership and legal form	4.1. Company Overview
102-6 Markets served	4.1. Company Overview
102-7 Scale of the organization	4.1. Company Overview
102-8 Information on employees and other workers	6.1 Good Corporate Citizenship
102-9 Supply chain	5.8. Responsible Supply Chain
102-10 Significant changes to the organization and its supply chain	2. Letter from the CSO
102-11 Precautionary principle or approach	2. Letter from the CSO
102-12 External initiatives	5.4. Carbon Disclosure Project (CDP) Commitment
Strategy	
102-14 Statement from senior decision-maker	1. Letter from the CEO
102-15 Key impacts, risks, and opportunities	1. Letter from the CEO
Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	6.3. Ethics & Integrity / Code of Conduct
102-17 Mechanisms for advice and concerns about ethics	6.3. Ethics & Integrity / Code of Conduct
Governance	
102-18 Governance structure	7.1 Governance Model
102-19 Delegating authority	7.1 Governance Model
102-20 Executive-level responsibility for economic, environmental and social topics	10. Additional Resources
102-22 Composition of the highest governance body and its committees	7.1 Governance Model
102-23 Chair of the highest governance body	1. Letter from the CEO
102-24 Nominating and selecting the highest governance body	10. Additional Resources
102-26 Role of highest governance body in setting purpose, values, and strategy	7.2. Compliance Commitment
102-31 Review of economic, environmental and social topics	4.1. Company Overview / 4.2. Growth
Stakeholder engagement	
102-40 List of stakeholder groups	4.1. Company Overview / 4.2. Growth
102-42 Identifying and selecting stakeholders	4.1. Company Overview / 4.2. Growth
102-43 Approach to stakeholder engagement	4.1. Company Overview / 4.2. Growth
102-44 Key topics and concerns raised	4.1. Company Overview / 4.2. Growth
Reporting practice	
102-46 Defining report content and topic Boundaries	1. Letter from the CEO
102-47 List of material topics	8. GRI Index
102-49 Changes in reporting	1. Letter from the CEO
102-50 Reporting period	1. Letter from the CEO
102-51 Date of most recent report	1. Letter from the CEO
102-52 Reporting cycle	1. Letter from the CEO
102-53 Contact point for questions regarding the report	10. Additional Resources
102-54 Claims of reporting in accordance with the GRI Standards	8. GRI Index
102-55 GRI content index	8. GRI Index

8. Global Reporting Initiative (GRI) Index

Disclosure	Location
Material Topics	
GRI 200 Economic Standards Series	
GRI 205: Anti-corruption	
103-1 Explanation of the material topic and its Boundary	6.3. Ethics & Integrity / Code of Conduct
103-2 The management approach and its components	6.3. Ethics & Integrity / Code of Conduct
103-3 Evaluation of the management approach	6.3. Ethics & Integrity / Code of Conduct
205-2 Communication and training about anti-corruption policies and procedures	6.3. Ethics & Integrity / Code of Conduct
GRI 300 Environmental Standards Series	
GRI 301: Materials	
103-1 Explanation of the material topic and its Boundary	5.5. Materials
103-2 The management approach and its components	5.5. Materials
103-3 Evaluation of the management approach	5.5. Materials
301-2 Recycled input materials used	5.5. Materials
GRI 302: Energy	
103-1 Explanation of the material topic and its Boundary	5.2. Production Process
103-2 The management approach and its components	5.2. Production Process
103-3 Evaluation of the management approach	5.2. Production Process
302-1 Energy consumption within the organization	5.2. Production Process
302-4 Reduction of energy consumption	5.2. Production Process
302-5 Reductions in energy requirements of products and services	5.2. Production Process
GRI 303: Water	
103-1 Explanation of the material topic and its Boundary	5.2. Production Process
103-2 The management approach and its components	5.2. Production Process
103-3 Evaluation of the management approach	5.2. Production Process
GRI 305: Emissions	
103-1 Explanation of the material topic and its Boundary	5.2. Production Process
103-2 The management approach and its components	5.2. Production Process
103-3 Evaluation of the management approach	5.2. Production Process
305-5 Reduction of GHG emissions	5.2. Production Process
GRI 306: Effluents and Waste	
103-1 Explanation of the material topic and its Boundary	5.5. Materials
103-2 The management approach and its components	5.5. Materials
103-3 Evaluation of the management approach	5.5. Materials
GRI 308: Supplier Environmental Assessment	
103-1 Explanation of the material topic and its Boundary	5.8. Responsible Supply Chain
103-2 The management approach and its components	5.9. Supply Chain Structure
103-3 Evaluation of the management approach	5.9. Supply Chain Structure

8. Global Reporting Initiative (GRI) Index

Disclosure	Location
GRI 400 Social Standards Series	
GRI 403: Occupational Health and Safety	
103-1 Explanation of the material topic and its Boundary	6.7. Health & Safety
103-2 The management approach and its components	6.7. Health & Safety
103-3 Evaluation of the management approach	6.7. Health & Safety
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism	6.7. Health & Safety
GRI 404: Training and Education	
103-1 Explanation of the material topic and its Boundary	6.4. Employee Training & Development
103-2 The management approach and its components	6.4. Employee Training & Development
103-3 Evaluation of the management approach	6.4. Employee Training & Development
404-2 Programs for upgrading employee skills and transition assistance programs	6.4. Employee Training & Development
404-3 Percentage of employees receiving regular performance and career development reviews	6.4. Employee Training & Development
GRI 405: Diversity and Equal Opportunity	
103-1 Explanation of the material topic and its Boundary	6.1 Good Corporate Citizenship / 6.2. Human Rights
103-2 The management approach and its components	6.2. Human Rights
103-3 Evaluation of the management approach	6.2. Human Rights
GRI 406: Non-discrimination	
103-1 Explanation of the material topic and its Boundary	6.1 Good Corporate Citizenship / 6.2. Human Rights
103-2 The management approach and its components	6.1 Good Corporate Citizenship / 6.2. Human Rights
103-3 Evaluation of the management approach	6.1 Good Corporate Citizenship / 6.2. Human Rights
406-1 Incidents of discrimination and corrective actions taken	6.1 Good Corporate Citizenship / 6.2. Human Rights
GRI 407: Freedom of Association and Collective Bargaining	
103-1 Explanation of the material topic and its Boundary	6.2. Human Rights
103-2 The management approach and its components	6.2. Human Rights
103-3 Evaluation of the management approach	6.2. Human Rights
GRI 408: Child Labor	
103-1 Explanation of the material topic and its Boundary	6.2. Human Rights
103-2 The management approach and its components	6.2. Human Rights
103-3 Evaluation of the management approach	6.2. Human Rights
GRI 409: Forced or Compulsory Labor	
103-1 Explanation of the material topic and its Boundary	6.2. Human Rights
103-2 The management approach and its components	6.2. Human Rights
103-3 Evaluation of the management approach	6.2. Human Rights
GRI 412: Human Rights Assessment	
103-1 Explanation of the material topic and its Boundary 66, 134	6.2. Human Rights
103-2 The management approach and its components 66	6.2. Human Rights
103-3 Evaluation of the management approach 66	6.2. Human Rights
GRI 414: Supplier Social Assessment	
103-1 Explanation of the material topic and its Boundary	5.8. Responsible Supply Chain
103-2 The management approach and its components	5.8. Responsible Supply Chain
103-3 Evaluation of the management approach	5.8. Responsible Supply Chain

9. Glossary of Acronyms

AMOS	Auria Manufacturing Operation System
BEV	Battery electric vehicle
CAFE	Corporate average fuel economy
CDP	Carbon Disclosure Project
CM	Conflict mineral reporting (tungsten, tantalum, tin, gold "3TGs")
COC	Code of Conduct
CSR	Corporate social responsibility
DART	Days away, restricted or transferred
DEI	Diversity, equity & inclusion
DEM	Direct extrusion method
DSL	Declarable substance list
EAP	Employee assistance program
EMRT	Extended minerals reporting timeline (cobalt, mica)
ESG	Environmental, social, governance survey
GRI	Global reporting initiative
GDS	Global Documentation System
GSM	Grams per square meter
IHS	Integrated health & safety
IMDS	International material data system
ISO	International Organization for Standardization
IATF	International Automotive Task Force
KPI	Key performance indicator
LRRP	Long range revenue plan
LTA	Lost time accident
NVH	Noise vibration harshness
PCR	Post consumer recycled
PCW	Post consumer waste
PDCA	Plan-do-check-act
PIR	Post industrial recycled
RCM	Risk control matrix
REACH	Registration, evaluation, authorization and restriction of chemicals
RTA	Restricted activity incident
SAQ	Sustainability assessment questionnaire
SBTI	Science based targets initiative
SCM	Supply chain management
SIP	Systematic improvement plan
SQA	Software quality assurance
SVHC	Substances of very high concern
TPO	Thermoplastic polyolefin

10. Additional Resources

Sustainability Steering Committee

Brian Pour
President & CEO

Sonia Moreira
Chief Financial Officer

Kiel Smith
Chief Legal & Administrative Officer

Marc Flegler
SVP / Managing Director Europe
Chief Sustainability Officer

Tony Daines
SVP / Managing Director
North America

Yang Qiuming
EVP / Managing Director
Asia & RSA

John Gauthier
VP Global Information Technology

David Ladd
Senior Director
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CSR Contacts

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Contact Us

If you have questions about Auria's Corporate Sustainability Report (CSR) or wish to contact any of the above-mentioned team members, please email us at: **compliancesustainability@auriasolutions.com.**