



## LETTER OF CONTINUED COMMITMENT

October 5, 2020

To Our Stakeholders

Dear Mr. Secretary General:

I am pleased to confirm that Wheel Pros LLC., reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. With this statement signed by myself, CEO of Wheel Pros, we express our intent to advance and continue implementing those principles. We are committed to making these principles part of our culture, strategy and in day to day operation. We also are committed to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

As an active member, we recognize that a key requirement for participation in the UN Global Compact is the annual submission of a yearly Communication of Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore, in this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with the general public and our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Randall E. White  
CEO/Managing Director

Strategy: Wheel Pros LLC., is committed to creating value for all its stakeholders since joining the Global Compact in 2018. We have placed sustainable development in our business strategy. Below are examples in the principles our company has taken in the year we have been Active member.

- I. Environment: Wheel Pros, LLC., continues to be committed to protecting the environment as much as possible. We have taken the following actions:
  - a. Avoid environmental damage via regular maintenance and updates of production processes and equipment. Research into ways to environmentally improve our maintenance and processes.
  - b. We are now implementing even more electric forklifts and pickers in all our warehouses.
    - i. In our Dallas warehouse, all our stand-up forklifts are now electric.
    - ii. In our Sales and Distribution centers we have all electric order pickers.
  - c. Regular requirements that our manufacturers have an active ISO14001 and ISO9001 in place. This is included in our Supply Partner agreements.
  - d. Continued Education on quality and environment.
    - i. Formal environmental policy
  - e. Wheel Pros adheres to all California environmental laws.
  - f. We continue to engage in paper use reduction such as converting to digital files instead of paper files where applicable.
  - g. We now have automatic watering systems in some of our production facilities, which we did not have before. The watering system will now automatically turn off to keep battery acid from spilling and going into the ground.
  - h. Our custom shops used to haul off 2200 gallons of wastewater, now only 200 due to environmental improvements.
  - i. The ceramic lead Wheel Pros uses in its processes is now being recycled into highway barriers.
  - j. We get ISO9001 and ISO1400 audited every year.

- II. Human Rights: Wheel Pros, LLC., continues to be committed to strategies and policies in the area of human rights. Human Rights management is coordinated by Human Resources and Legal/Compliance departments. This includes:
- a. We continue to expect our business partners, and any party linked to our operations, to respect Human rights as described in the UN Global Compact Principles.
  - b. Wheel Pros ensures that its own workers are provided safe, suitable, and sanitary work facilities. We have all California state labor laws incorporated into our employment practices.
  - c. Wheel Pros' Human Resource department has written policies in place to protect workers from workplace harassment, including physical, verbal, or sexual, abuse or threats. These require signatures by all employees. We have continued building on our reporting system for employees to make it easier to come forth with any potential issues. This is communicated to all employees. Any non-compliance with the policies and procedures may be subject to disciplinary actions including termination of employment.
  - d. More targeted training that is mandatory for management and employees in all these areas of human rights. We have incorporated video "testing" for all employees.
    - i. The testing involves every employee to watch and listen to scenarios regarding the areas of Human Rights. They are then given a multiple-choice test about the scenarios to answer correctly before they can move on to the next scenarios in the video.
    - ii. The tests are connected directly to human resources' system which shows whether the employee has completed the required tests. Because of this we can be assured that every employee has watched and completed the tests.
  - e. Wheel Pros uses effective management systems to integrate the human rights principles by:
    - i. Regular reviews to ensure that we and our manufactures adhere to all applicable laws and regulations, as well as our internal standards. This includes adopting human rights standards in all supply partner agreements. If a supply partner wants to work with Wheel Pros, they need to abide by the signed agreement, or the agreement can be terminated.
  - f. We require our Vendors to join the Global Compact or have written policies in place that adhere to these principles. Since it is part of the agreements, we have the option of termination of the relationship if they do not comply.

- III. Labor: Employment practices for both employees and contractors are of high importance to Wheel Pros. We continue to be committed to providing equal opportunities for all its employees and consistently works on strengthening a culture of mutual respect, trust, and openness.
- a. Policies and practices that each employee must sign.
  - b. Wheel Pros is committed to increasing its hiring of women and culturally diverse employees.
  - c. Increased employee training and zero tolerance for cultural, discrimination and sexual harassment and any form of discrimination. We have now added a web-based presentation that is monitored so that no page is skipped, nor is it skipped all together. A signature is required at the end.
  - d. We continue to be an equal opportunity employer and does not discriminate based on sex, race, disability, age, sexual orientation, gender reassignment, religion or belief, marital status or pregnancy and maternity. Again, we have put these into a web-based presentation that is monitored that no page is skipped, nor is it skipped all together. A signature is required at the end.
  - e. We have a training and a reporting system in place for whistleblowing, anti-bullying and anti-harassment policies as well as in recruitment and procurement procedures.
  - f. An even easier internal reporting system designed to ensure anyone can report what they see and hear at any time.
  - g. In our manufacturing agreements, we have a section requiring our manufacturers to not use, and specifically prohibits, forced, trafficked, and child labor as well as other Global Compact principles in this area.
  - h. Improving the efficiency and productivity of our workforce through continuous monitoring and improvements of processes, systems, and work organization.
- IV. Anti-Corruption: Wheel Pros, LLC., is committed to the fight against anti-corruption. We abide by laws and set an example on how to conduct business in an ethical way. Specific policies and procedures against fraud to ensure transparency and compliance.
- a. We have added more about this principle into our training manual.

- b. We have added specific training in this area to our international sales associates in order to recognize anti-corruption in foreign companies including our own manufacturers and distributors.
  - c. We require all our manufacturers to apply to this principle of the Global Compact.
  - d. Treat the principle as an integral part of business and strategy and day to day operations.
- V. Exhibit A is the new language we have added into all our applicable Supply Partner Agreements which covers all the principles above. We have also gone back to our existing Supply Partners we have had been working with for many years and had them to sign this new agreement. If the applicable Supply Partner wants to do business with Wheel Pros they are required to sign and abide legally by the language in the agreement or we can terminate the agreement and relationship.

**EXHIBIT A****7. Warranties.**

(a) Seller represents, warrants and agrees that the Wheels shall: (i) conform to any specifications for such Wheels, (ii) be merchantable, fit and sufficient for the ordinary purpose for which the Wheels are used; (iii) be free from defects in workmanship, materials and packaging; (iv) be free from defects in construction and design; (v) be fit and sufficient for the purpose stated on any packaging, labeling or advertising; and (vi) be equivalent in materials, quality, fit, finish, workmanship, performance and design to any samples submitted to and approved by Wheel Pros.

(b) Seller further represents, warrants and agrees that:

(i) all Wheels have been or shall be produced, packaged, tagged, labeled, packed, shipped and invoiced in compliance with all applicable federal, state, regional, provincial and local laws, regulations, ordinances and administrative orders and rules of the United States, its territories and possessions, \_\_\_\_\_country partner is in\_\_\_\_\_ and all other applicable countries in which the Wheels are produced or delivered (collectively, "**Applicable Laws**");

(ii) the Wheels have not been and shall not be produced or manufactured, in whole or in part, by child labor or by convict or forced labor; and

(iii) any and all prices charged and allowances made available to Wheel Pros by Seller are in compliance with the requirements of the Robinson-Patman Act.

(c) Seller acknowledges and agrees that any specifications provided by Wheel Pros pertain primarily to the appearance of the Wheels and that Seller is solely responsible for all structural, performance, engineering and safety aspects of the Wheels and ensuring that they are safe and suitable for their intended use. Accordingly, Seller represents, warrants and agrees that all Wheels will comply with or exceed the highest of the following (the "**Production Standards**"): (i) the most current and highest standards provided to Seller by Wheel Pros for the applicable Wheels, (ii) the highest standards required by Applicable Laws, and (iii) the Aftermarket Wheels Performance and Test Procedures of the Society of Automotive Engineers ("**SAE**") known as SAE J2316. Seller shall provide Wheel Pros with any guaranty of compliance with the foregoing in such form as Wheel Pros may designate with respect to any Wheels. Seller shall immediately give Wheel Pros written notice if Seller determines that it cannot produce any Wheels ordered by Wheel Pros that meet the highest of the Production Standards.

(d) Seller further represents, warrants and agrees that Seller is a member of MODEL U.N. GLOBAL COMPACT or has a written policy that complies with all values, guidelines and principles set forth in the MODEL U.N. GLOBAL COMPACT as stated below:

(i) Seller acknowledges that Wheel Pros conducts its business based on a set of values and guidelines for action and behavior regarding people, including, without limitation, clients, employees, communities impacted by Wheel Pros' business activities and the environment, ("Wheel Pros' Values"), and that these values and guidelines are consistent with a more general framework of fundamental principles to which Wheel Pros adheres, as set forth in the MODEL U.N. GLOBAL COMPACT (collectively, the "Principles").

(ii) Seller represents and warrants that it:

(a) has adopted a written policy that sets out its values and guidelines for action and behavior regarding people (including, without limitation, clients, employees, communities impacted by [Seller/Supplier]'s business activities, and shareholders) and the environment (the "Seller's Values"), and such values and guidelines are consistent with the Wheel Pros' Values.

(b) conducts its business in a manner that is consistent with the Principles.

(iii) Seller is in compliance with, and requires its subcontractors and any person under its control to comply with, all applicable state, national, and international laws, rules and regulations relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights (including, without limitation, human trafficking and slavery and conflict mineral sourcing), environmental protection, sustainable development and bribery and corruption, including any legislation or regulation implementing the Principles (the “Rules”). Seller has adopted and implemented appropriate and effective policies to ensure compliance with these Rules, including:

(a) the implementation of due diligence and data collection procedures reasonably designed to monitor compliance with the Rules;

(b) the establishment of internal review and accountability structures to oversee internal compliance with the Rules;

(c) the coordination of ongoing training and instruction for its employees and offering training and instruction to its suppliers and subcontractors regarding compliance with the Rules;

(d) the requirement that its subcontractors certify their compliance with the Rules; and

(e) the implementation of regular subcontractor audits, either directly or through a third-party auditor, to monitor compliance efforts.

(e) Seller represents and warrants that it maintains the following certifications/memberships:

(i) Management Certification – ISO9001 or higher such as ISO/TS16949

(ii) Environmental Certification – ISO14001