



Superior Industries International, Inc.



**Communication on Progress to the
United Nations Global Compact**





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Statement of Continued Support

Dear Ladies and Gentlemen,

I am pleased to present this Communication on Progress to the United Nations Global Compact.

As the premier global supplier of innovative wheel solutions, Superior has integrated environmental sustainability, social responsibility, and good governance practices into our culture. Our commitment to ongoing improvement in each of these areas has enabled us to serve the needs of our customers, employees, and communities, while further enhancing our competitive position over the long term.

2021 marked a year of substantial progress for our sustainability efforts. As we navigated through the ongoing impact of the COVID-19 pandemic, the health and safety of our employees remained a top priority. Executing against our Safe Work Playbook, we updated our established protocols to minimize the spread of the virus and ensure we could continue operating to meet commitments to customers. In-line with our Zero-Incident Culture campaign, we have continued to outperform the industry average safety performance with accident rates (“TRIR”) below 1.0. Our Total Recordable Incident Rate (“TRIR”) dropped by 11% in 2021 compared to 2020.

Beyond our focus on employee health and safety, we have also made strides to foster a stronger culture within Superior. We completed our first global Culture and Engagement survey in 2021 to drive long term improvements in our culture. We also implemented initiatives such as a global “Day of Understanding,” supported with additional Diversity, Equity & Inclusion training. Our employees are the critical driver of Superior’s long-term success, and we remain committed to promoting diversity, equity and inclusion within our Company to create a safe and inviting workplace for all.

Superior is a leader in our industry in offering low carbon products that utilize clean energy sources, low carbon materials, and efficient manufacturing processes. In 2021, we implemented our R4™ strategy, under which we will design and manufacture wheels with industry-leading, low CO₂ emissions technologies. Our carbon footprint for purchased aluminum in 2020 was less than half the average of the carbon footprint for the global primary aluminum industry, and we expect to reduce this footprint by another 40% by 2025. Furthermore, our target to reduce overall greenhouse gas emissions by 25% by 2025 will help our OEM customers achieve their objective to reduce the carbon footprint of their supply chains.

Earlier this year, we also announced our entry into the Aluminum Stewardship Initiative (“ASI”), bringing us together with other key stakeholders to drive responsible production, sourcing, and stewardship of aluminum. To be good corporate partners, we must also act as stewards of our environment. In joining these organizations, we further advance our corporate principles of environmental protection and sustainability.

Integral to our sustainability journey, we look to identify and prioritize the issues most relevant to our stakeholders and business. To this end, we conducted our first sustainability materiality assessment in 2021, collecting valuable insights which we used to define sustainability commitments, targets and actions categorized within our four strategic pillars of *People, Product, Planet, and Process*. We will update our sustainability materiality assessment on a regular basis to



ensure we are fully addressing issues of emerging concern for our stakeholders and Superior as a whole.

By publishing this Communication on Progress in 2021, we maintain our status as a signatory to the UN Global Compact, underscoring our commitment to the core values of human rights, labor standards, environmental protection, and anti-corruption.

We want to thank our customers, employees, investors, and communities for their continued support in helping us achieve the goals set forth in this report and look forward to sharing our progress as we drive sustainability throughout Superior's operations well into the future.

10 June 2022

Majdi Abulaban

President and Chief Executive Officer



General Information and Sustainability Management

Founded in 1957, Superior has grown to become one of the largest aluminum wheel suppliers in the world. Headquartered in Southfield, Michigan/USA, Superior operates eight manufacturing facilities and employs approximately 7,800 people in North America (US and Mexico) and Europe (Germany and Poland).

For over 60 years, we have delivered innovative and quality products. Superior has the expertise and technology to deliver the latest trends and varieties of finishes. As a leading producer, we continue to pioneer innovative light weighting and finishing technologies to meet our customers' needs.

With the global brands of ATS®, RIAL®, ALUTEC® and ANZIO®, Superior also possesses comprehensive knowledge in the accessories market and technical expertise as a key aftermarket supplier to the automotive industry in Europe. Furthermore, with our wide range of aftermarket products, the company offers wheels for all target groups, from premium to economy.

Based on our first ever Materiality Assessment, Superior has developed a 4-pillar strategy for sustainability: People, Product, Planet and Process.

Superior is committed to environmental sustainability, social responsibility, and good governance practices. This commitment enables us to serve the needs of our customers, employees, and communities, while building long-term value in the Company and addressing the interests of our investors. Superior's commitment is reflected in our Company values of Integrity, Teamwork, Customer Focus, Continuous Improvement, and Diversity and Inclusion. We are committed to safety in our workplaces, integrity in the conduct of our business, sustainability in our operations and products, and supporting our people in the global communities in which we live and work. We also expect our suppliers of goods and services to share our commitment to environmental sustainability, social responsibility and ethical conduct.

The Board of Directors ("Board") oversees the Company's strategy on environmental, social and governance ("ESG") activities and the Audit Committee of the Board regularly reviews execution of the Company's ESG strategy. In addition to the Audit Committee, the other Board committees also oversee discrete sustainability matters from a strategic and risk perspective. For example, the Compensation and Benefits Committee discusses people, diversity and inclusion and shareholder outreach, and the Nominating and Corporate Governance Committee oversees the Company's Code of Conduct, board governance and shareholder rights.

On a management level, ESG efforts are led by an Executive Steering Committee led by our CEO. These activities are carried out by resources in each of our plant facilities under the direction of our Senior Director, Global Employee Health, Safety & Sustainability.

Superior is a signatory to the UN Global Compact, demonstrating our commitment to support human rights, labor standards, environmental protection, and the fight against corruption. We published our first UN Global Compact Global Sustainability Report in 2021. In addition, Superior participates in Carbon Disclosure Project ("CDP") reporting for our global operations in the categories of climate change and water security.

Based on the Greenhouse Gas Protocol, we previously assessed the carbon footprint of our European operations and, in 2020, we calculated our global carbon footprint for the first time. In



2021, we assessed the carbon footprint of our global operations by site. These assessments help identify opportunities to further reduce fuel consumption and greenhouse gas emissions. We plan to refine these analyses as we develop our roadmap to becoming 100% carbon neutral by 2039.

Superior is committed to reducing natural gas, electricity, water, solid waste and air emissions at our facilities globally. We also collaborate with our suppliers regarding sustainability practices throughout their operations and supply chains. We continue to transition our aluminum purchasing volume toward suppliers with lower carbon footprints to support our long-term sustainability objectives. Our R&D team is focused on developing automotive light weighting solutions such as our patented Alulite™ technology which will assist in reducing our customers' carbon footprint.

In this report, we disclose our established practices, new actions implemented throughout the reporting year, and our updated goals for 2022.

Superior has made significant progress on environmental, social and governance initiatives and we plan to accelerate this momentum in 2022 and beyond.



Human Rights

Principle 1: We support and respect the protection of internationally proclaimed human rights
Principle 2: We ensure that we are not complicit in human rights abuses

We declare our full support for the United Nations Universal Declaration of Human Rights. Our operations are based in Germany, Mexico, Poland, and the US.

According to the Verisk Maplecroft Human Rights Risk Index¹, Germany has a low prevalence of human rights-related risks. Our research and development activities in Germany are carried out exclusively in cooperation with renowned research institutions, further reducing this risk. Poland and the US are identified as medium risk countries for human rights violations, and Mexico is identified as high risk.

Superior's Code of Conduct outlines the Company's key global policies and standards of expected business conduct, consistent with legal and ethical practices, including expectations on maintaining a diverse and harassment-free workplace, health and safety, employee data privacy, conflicts of interest, anti-corruption, anti-bribery, trade compliance, supporting our communities, protecting the environment, and not making political contributions or utilizing Company funds, assets, or facilities for political activities. All Superior employees, including the Chief Executive Officer, all other executive officers and the Board of Directors are required to comply with the Code of Conduct. The Nominating and Corporate Governance Committee reviews the Code of Conduct annually and recommends changes, as appropriate, to the Board. The Audit Committee oversees compliance with the Code of Conduct.

Supplier Code of Conduct

Superior prides itself on a reputation for integrity and excellence, and we expect the same values to be upheld by our suppliers and vendors ("Suppliers"). Superior holds its Suppliers to high standards, expecting that they treat others fairly and incorporate sustainable and environmentally responsible practices into their operations. Suppliers agree to integrate sound environmental practices into their business decisions that advance the protection of human health, natural resources, and the global environment. We require Suppliers to comply with all applicable laws, regulations, and compliance requirements concerning security and data protection.

We evaluate Superior Suppliers against our Supplier Code of Conduct, which is guided by international standards such as UN Human Rights Policies and Trade Compliance Regulations and includes a focus on the environment.

We expect Suppliers to introduce an environmental management system which meets the requirements of ISO 14001. Suppliers' management systems should continually assess and seek to reduce the adverse impact of their facilities and products on the environment and on the communities in which they operate. Our environmental expectations align with International Labour Organization standards².

¹ Verisk Maplecroft Human Rights Risk Index: www.maplecroft.com/risk-indices/

² International Labour Standards: www.ilo.org/global/standards/lang--en/index.htm



Our Supplier Code of Conduct covers all Tier 1 Suppliers in all regions and is part of the new Supplier onboarding process. Superior engages with Suppliers to ensure their compliance with the code and expects that these Suppliers will convey our conduct standards to their own suppliers. Superior audits our supply base to ensure compliance with our Supplier Code of Conduct. We use a risk-based approach to determine which Suppliers will be audited in any given year and then conduct audits using dedicated staff personnel and third-party resources.

Supplier Code of Conduct Violations

Suppliers agree to contact Superior to discuss any questions or potential violations in relation to our Supplier Code of Conduct in a prompt, open, and respectful manner. In addition, Suppliers and Suppliers' employees and business partners are encouraged to report to any of the following reporting channels concerns of any activity of which they have knowledge that suggests a violation of the law or our Supplier Code of Conduct or that is inconsistent with ethical business practices:

1. The Superior Buyer who is the primary contact
2. The Superior Ethics Line website at www.SuperiorEthics.com.

Superior will not tolerate retaliation against anyone who raises concerns or reports misconduct in good faith.

Human Rights

Suppliers agree to comply with human rights laws, including those relating to slavery and human trafficking, in all business locations regardless of jurisdiction, and are required to forbid illegal and undeclared employment. Further, neither Superior's Suppliers nor their suppliers will use or tolerate forced or involuntary labor, including slavery and human trafficking, or any type of child labor in violation of applicable International Labour Standards.

Suppliers agree not to charge their employees excessive fees related to recruitment, accommodations, or travel (particularly related to trans-border migration). Suppliers agree not to confiscate their employees' identity documents or passports.

Conflict Minerals

Suppliers agree to adhere to applicable legal requirements in relation to conflict minerals and shall ensure compliance with such laws. Suppliers agree to use best efforts to avoid the use of raw materials in their products that directly or indirectly finance armed groups violating human rights. In the event that a product contains one or more of the identified conflict materials (tin, tantalum, tungsten, gold or the corresponding ores), Superior expects its Suppliers to be able, if requested, to ensure their delivery chains are transparent up to the smelting works or refinery.



Our Code of Conduct as well as the Supplier Code of Conduct are published on our website (www.supind.com).

In 2021, the Company continued to implement measures to support the protection of Human Rights:

- Our Code of Conduct was updated in November 2021
- All salaried employees completed annual online training on the Code of Conduct and compliance
- Additional online training was provided to all salaried employees on a rotating basis on topics such as anti-corruption and respect in the workplace
- Employees are informed about the Ethics Line through internal fliers and our intranet website (Superior's whistleblowing mechanism)
- We publish the Code of Conduct and Code of Basic Working Conditions on our website
- We conduct in person Code of Conduct training annually for our hourly workforce

Regarding measures to address incidents, our General Counsel, Chief Human Resources Officer, and Director of Internal Audit are informed immediately of all new incident reports. They determine the appropriate actions to be taken, including initiation of investigations, involvement of other leaders in the Company, and where warranted, involvement of external investigators or legal counsel. If a matter is substantiated, appropriate actions are taken to address it. If a member of our senior leadership team is named in a report, the incident is reported directly by our external service provider to the Chair of the Audit Committee of the Board of Directors. The Audit Committee of the Board of Directors regularly reviews reports of all incidents.

0 cases of human rights breaches



Labor Principles

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation

Working at Superior

At Superior, we strive to provide a pleasant and safe work environment to all employees and guests. To ensure this, our Code of Conduct outlines clear rules and guidelines on fairness, transparency, and respect.

We guarantee our employees freedom of association, including the right to collective bargaining as regulated by national and, in the case of Germany and Poland, by European laws and standards.

Since July 2018, one overarching works council also covers all of Germany. Each works council is responsible for its sites, while shared topics are addressed at a national level through this new council.

While no collective bargaining agreements exist in Mexico, we provide many employee benefits, including transportation, cafeteria, and other services, scholarships, school aid, life insurance and food stamps. We also support employee savings funds.

394 employees in Germany are covered by collective agreements or are engaged in social dialogue through a union or works council

Superior is an equal opportunity employer. We fully comply with state, national and European employee protection and anti-discrimination laws. Our employment policy is aligned with all legal requirements, and we do not condone any economic activity based on forced, compulsory or child labor. We raise awareness of these issues through our Code of Conduct and promptly address any incidents that are reported through our Ethics Line (Superior’s whistleblowing system) or any other reporting channels. Anti-discrimination measures begin with the recruitment process and continue throughout the employment experience. Superior has successfully implemented a global, cross-functional Diversity and Inclusion Council and has added Diversity and Inclusion as one of our five core values.

In 2021, two allegations of discrimination within the company were reported and resolved.

2 reported allegations of discrimination



Diversity will play an even more important role in the Company in the future. In 2020, we launched our Diversity & Inclusion Council and developed a diversity action plan. This plan includes tracking the structure of our workforce (such as gender, age, ethnicity, etc.) and establishing the Company's goals and objectives with regard to Diversity & Inclusion.

Furthermore, Superior joined the **CEO Action for Diversity & Inclusion™** initiative. It is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. A unique coalition of more than 2,000 CEOs have signed on to this commitment, agreeing to take action to cultivate environments where diverse experiences and perspectives are welcomed and where employees feel comfortable and encouraged to discuss diversity and inclusion. All the CEO signatories of the commitment serve as leaders of their companies and committed to implementing the pledge within their workplaces, or where companies have already implemented one or several of the commitments, will support other companies in doing the same.

Our diversity efforts also include a vocational training program in our European operations. Through this program, students can gain professional experience while attending school. They are employed for three years and alternate between classes and work in the Company so that the theoretical knowledge gained at school can be applied in practice. In addition, we have hired one working student who supports the Compliance, Marketing, and Human Resources departments in their daily business. The apprenticeship system is currently only available in Germany.

1 working student 20 apprentices

At Superior, we provide ongoing training and qualification initiatives to our employees, and focus on a long-term, cooperative HR development strategy. Our program contains the following measures:

- Individual Development Plans
- Annual performance reviews
- Leadership training courses

Superior also offers a variety of employee benefits depending on the country and location. Examples include the following:

- Employee discounts
- Sports club membership card
- Bike (including e-bike) leasing with support from the company
- Discount up to 50% for buying Superior Industries wheels
- Company contributions to retirement savings plans
- Lunchrooms
- Canteens
- Water dispenser
- Discounts for car wash



The example of supported bike leasing shows how the company can positively contribute to different areas of social responsibility simultaneously – having more employees using bikes can provide them beneficial health effects while reducing car usage and, therefore, emissions. We want to improve our employee benefits further. Therefore, we conducted our first global culture and engagement survey. 89% of all employees participated to provide feedback and suggestions that will help improve employee satisfaction.

89% of all employees participated in our global culture and engagement survey

Health and Safety

Due to the use of heavy machinery and hazardous substances in our day-to-day business, occupational health and safety plays a crucial role for Superior. This is reflected in our policies to protect our employees' health and safety in everything we do. To achieve this, we focus on incident-prevention and have set a zero-incident goal.

To reach this goal, we follow a strict health and safety management system implemented through various standard operating procedures by our Health, Safety, Environment & Energy Officer. This system entails:

- Safety Awareness campaigns and related training on a regular basis, especially for blue collar employees
- Provision of personal protective equipment to all employees, as necessary
- Mandatory and voluntary health checks for all employees
- Risk assessments / job safety analyses at least once a year
- Audits
- ISO 45001 certification in Europe

Additional Health and Safety programs were introduced in 2018 and complemented by further measures through 2019 and 2020, including:

- Customizable ear protection (Otoplastics) in Werdohl
- Additional safety training for every employee in Europe
- Global implementation of a Health and Safety Scorecard system ("Safety Index")
- Company doctor and nurse in Mexico

Personal protective equipment for our employees is of great importance to us. The introduction of personalized ear protection (Otoplastics) to improve wearing comfort has been well accepted among our employees.

For 2021, we harmonized our safety programs further on a global level, including a zero-incident culture campaign and communication of safety cultural topics. As a part of our zero-incident culture campaign we introduced our global Safety-Index as a scorecard system. Leading parameters of all relevant departments are retrieved by:

- safety-talks with clear message on a monthly basis to raise awareness



- monthly BBS “behavior-based safety” walks by the supervisors
- near misses: weekly observation walks by supervisor and EHS
- Implementation of 2 EHS-related measures per month (as part of our Continuous Improvement Process)

Our OSHA accident frequency rates have been best in class and are significantly below the published national averages. However, Superior will always strive for a zero-incident workplace.

Of note, due to our continuous efforts in improving our health and safety management, our total global recordable incident rate (“TRIR”) decreased further by 11% in 2021 compared to 2020, extending our trend of continuous decreases over the past years. Although the absolute number of accidents in 2021 was the same as in 2020 (59), the number of working hours increased over this period.

Total global recordable incident rate 2021: 0.68 per 200,000 work hours compared to 0.76 in 2020

The health and wellbeing of our employees has been especially important to us during the COVID-19 pandemic, which is why we established a global Safe Work Playbook

Superior facilities are secured through controlled access and full-time monitoring of electronic countermeasures with written contingency plans for emergency response. The security of our employees, protection of customer and company intellectual property, along with physical protection of property, are key elements of our security program.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies

Our focus of environmental improvements is driven by Superior's R4™ strategy which consists of:



- **Renew:** we aim to secure long term supply of green electricity from regional sources – solar, wind, geothermal, and hydro power. Further we aim to source primary aluminum from vendors that utilize green electricity in aluminum smelting.
- **Reuse:** We reclaim aluminum from the wheel manufacturing process: chips, sprues, scrap wheels. Further we reclaim powder coatings.
- **Reduce:** We minimize raw material usage via wheel mass optimization and light weighting technologies. Further we implement optimized manufacturing processes to reduce energy usage, compressed air and electricity.
- **Recycle:** We increase the use of external secondary aluminum and recycle dross to extract aluminum and to reduce waste.

All Superior manufacturing plants are ISO 14001 (environmental management) certified. In addition, our German sites are ISO 50001 (energy management) certified.

Superior believes that a sound, disciplined environmental management system will strengthen our competitive edge in both the communities we serve and the global marketplace we share. Every aspect of our environmental program is a direct reflection of our environmental policy statement. We set goals, train employees, and strive for the continuous improvement of our program, all with a determination to meet and uphold our policy statement to the best of our ability. Superior believes that all our employees have an interest in the quality of the environment in which they work and live, so we help our employees realize that they can make a difference.



Energy

The production process of alloy wheels is energy intensive. To manage the associated impacts, Superior establishes energy usage reduction goals. In 2021, we started several energy reduction measures in our production facilities. For instance, we implemented LED lighting in our plants to fully replace fluorescent and metal halide lighting. Further, we began shifting from the use of timer type drain valves to release condensed water in the compressed air system to the use of non-air loss electronic valves to drain condensed water in compressed air. This action will save us approximately 1,500 MWh of energy throughout the year.

All these measures are in line with our target of reducing energy consumption by 30% by 2030.

In 2021, we started to purchase a significant amount of green electricity throughout our plants worldwide. Almost 57% of our total energy demand is now covered by green electricity. Due to our business growth in 2021 our total energy demand increased. However, our relative energy demand per US Dollar of revenue decreased by approximately 15%.

Total electricity consumption in 2021: 499,809,822kWh
Total natural gas consumption in 2021: 1,122,038,944 kWh

Further, several measures were ongoing globally in the reporting year. These include (among others):

- Monthly energy reports for all our production facilities to identify reduction potentials
- Using new energy software at our German production sites to help sustainable analytics and consequently reduce our standby costs and emissions

Water

As in previous years, all water in our European operations was taken from the municipal water supply. In 2019, we initiated a new European-wide environmental water treatment project for processing and disposal of liquid effluents. Effluents from production processes are subjected to a treatment process to minimize environmental impacts. Further rollout of similar initiatives is under consideration and part of our aforementioned R4™ strategy.

In 2021 we had an increase in water consumption due to increased wheel volumes, higher complexity in the production processes and additional production process steps (e.g., flowforming, diamond cut).

Total wastewater in 2021: 701,725 m³
versus total wastewater in 2020: 639,249 m³

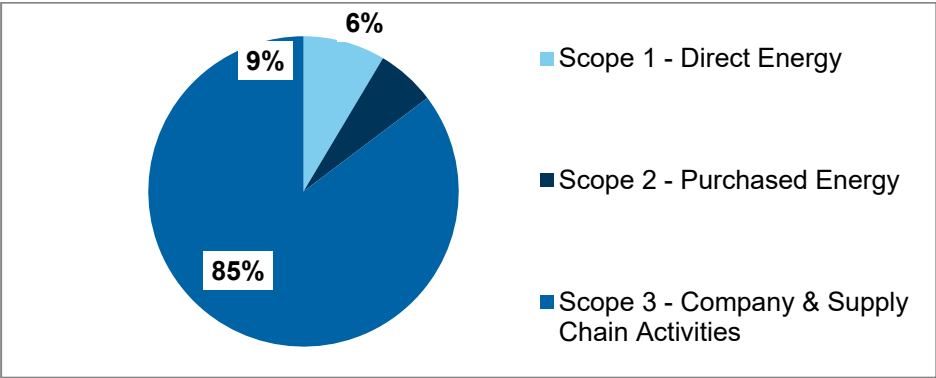


Greenhouse Gas Emissions

For the past four years, our European operations have assessed their corporate carbon footprint with the goal of assessing and better managing our contribution to global warming. In 2020 and 2021 we calculated the overall emissions (incl. Scope 1, Scope 2, Scope 3) of our operations worldwide. We are able to compare the results from the 2020 baseline emission calculation to the latest calculation in 2021. Through this assessment, we gain a better and deeper understanding of our direct and indirect emissions from upstream and downstream as well as core activities.

Of particular importance are Scope 3 emissions which represent 85% of our overall carbon footprint, as shown in Figure 1. These Scope 3 emissions stem from purchased goods and services. In this regard, the aluminum we use to produce our wheels represents a significant opportunity to decrease our overall carbon footprint.

Figure 1: Share of CO₂-Emissions 2021 per scope



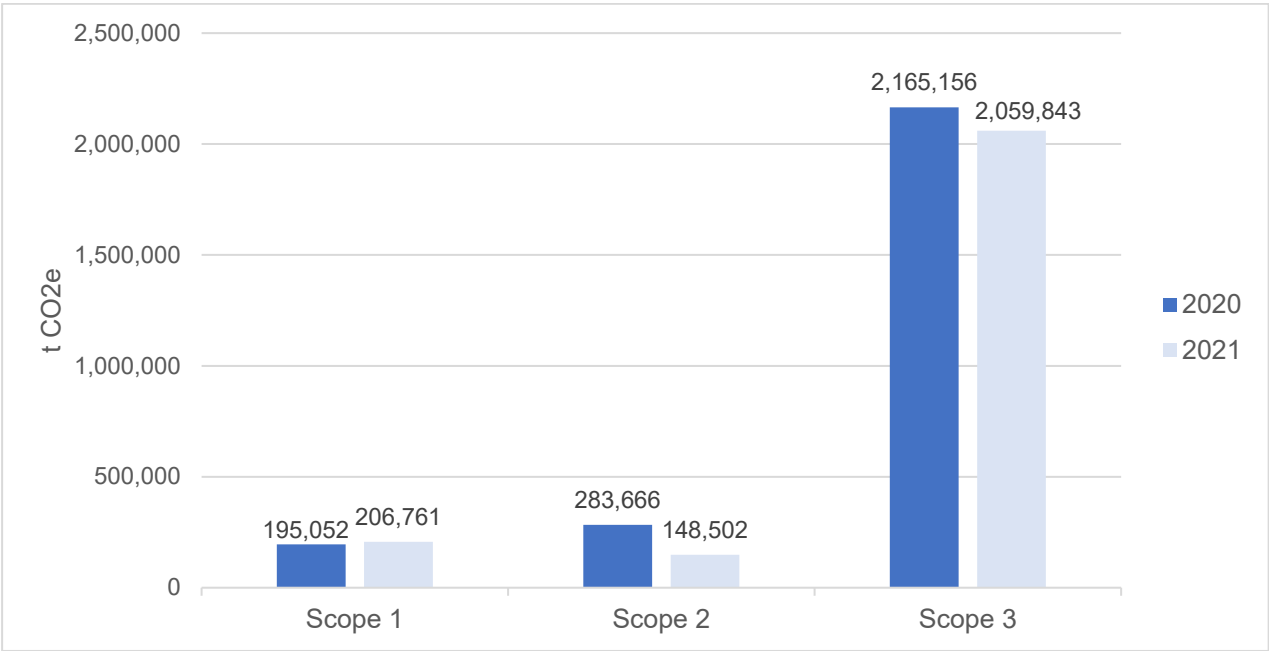
Superior managed to reduce our carbon footprint in absolute terms by roughly 8.7%, while at the same time, the business grew by 20% based on revenue.

Total Scope 1 CO ₂ e emissions in 2021: 206,761 t CO ₂ e
Total Scope 2 CO ₂ e emissions in 2021: 148,502 t CO ₂ e
Total Scope 3 CO ₂ e emissions in 2021: 2,059,843 t CO ₂ e

We strive to reduce our footprint in this area further in the future. Figure 2 shows the emissions per Scope for the years 2020 and 2021.



Figure 2: CO₂ Emissions per Scope in t CO₂e in 2020 and 2021



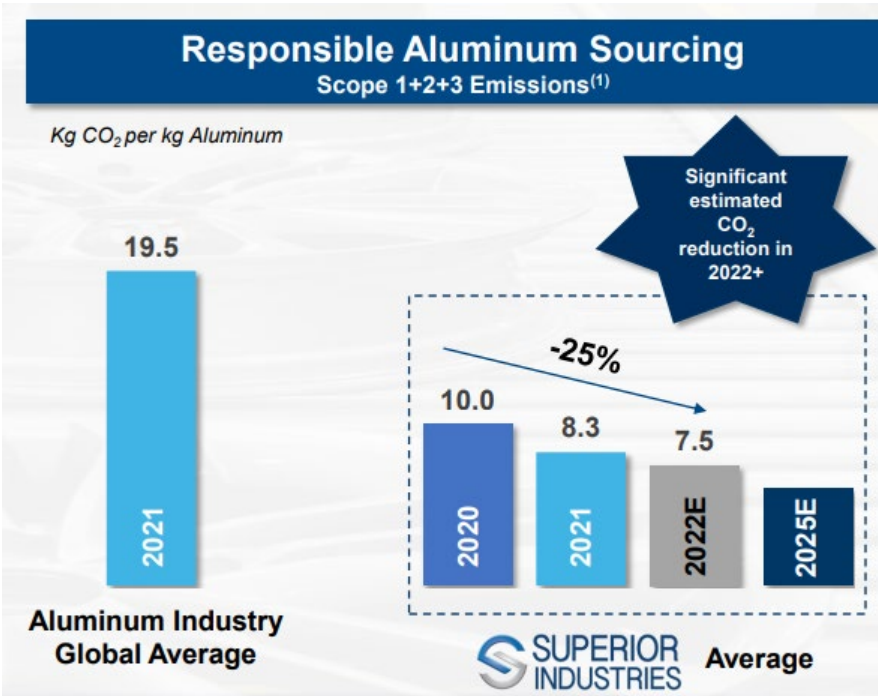
In addition to internal optimization initiatives, absolute emissions decreased due to the purchase of green electricity as well as cooperation with numerous suppliers that deliver lower carbon-intense aluminum.



As outlined in Figure 3 we decreased our CO₂ emissions correlated to aluminum mainly due to cooperation with numerous aluminum suppliers that deliver lower carbon aluminum.

We reduced the carbon footprint of our purchased aluminum by 17% from 2020-2021. In detail, the kg CO₂ emissions per kg aluminum dropped from 10.0 in 2020 to 8.3 in 2021.

Figure 3: CO₂ emissions reduction initiative “responsible aluminum sourcing”



(Source: ecoinvent database, Probas, management estimates)

Our carbon footprint for purchased aluminum is now less than half the average of the carbon footprint for the global primary aluminum industry.

We anticipate that by 2025 we will have reduced our emissions by 40% compared to the 2020 baseline. This progress will contribute to our goal of reducing our overall greenhouse gas emissions by 25% by 2025.

In addition, all other intensity metrics show the decrease of emissions in our business operations. For example, the significant KPI “Emissions per unit production” decreased by roughly 12%.

This reduction was achieved through a significant increase of purchased green electricity and corresponding absolute Scope 2 reductions. Due to the ongoing efforts of Superior to purchase more environmentally friendly aluminum, the overall absolute emissions were reduced significantly.



Table 1: Carbon footprint - relative emissions

Intensity metric	Value 2021	Value 2020	Unit
Emissions per unit of revenue	0.000257	0.000435	t CO ₂ e/million EUR
Emissions per FTE	45.55	62.71	t CO ₂ e/FTE
Emissions per unit production	0.15	0.17	t CO ₂ e / wheel

We continue to reduce our emissions, with the goal of becoming a carbon neutral company by 2039.

Product Carbon Footprint

Our vehicle manufacturing customers are required by various regulations globally to reduce the greenhouse gas emissions (“GHG”) of their products. For example, starting in 2020 the EU requires vehicle manufacturers to reduce the GHG emissions of cars to 95g CO₂e/km. To help our customers meet these requirements, we focus on developing products that help reduce fuel consumption and GHG emissions through lighter weight and/or better aerodynamics. Superior’s R&D department drives this development with input from our customers. In 2019, we assessed the product carbon footprint of an alloy for a product for one of our European customers. We conducted product carbon footprints for numerous products in 2020 and 2021 to identify emission hotspots along the value chain and develop emission scenarios.

Such activities help us gain more knowledge to make environmental improvements to our products with regards to material procurement, optimized production processes and product recycling.



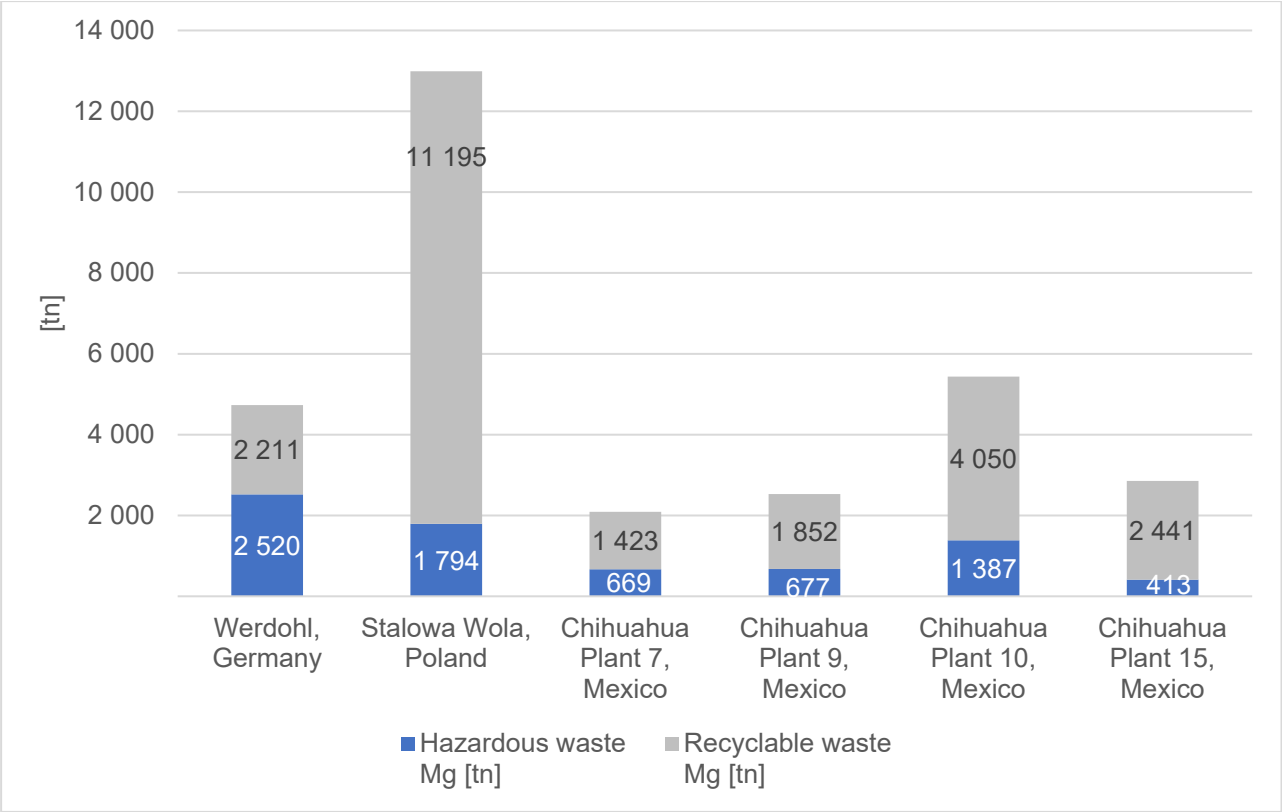
Industrial Waste

Aluminum has been identified by Superior’s OEM customers as one of the key light weighting materials to support the reduction in vehicle mass and CO₂ emissions. As part of Superior’s ESG and sustainability commitment, we are procuring our primary aluminum from smelters using primarily sustainable energy resources (e.g., hydroelectric power generation methods). We recycle 100% of our aluminum returns (machining chips & scrap) internally as part of our commitment to the environment.

To minimize environmental impact, Superior complies with all local regulations and properly disposes of industrial waste. We also introduced several procedures such as disposal codes and registry. Superior has further established an internal environmental organizational structure with clear responsibilities, process descriptions and procedures for waste disposal.

We continuously measure our hazardous and recyclable waste by location as outlined in figure 4. Going forward, this measurement will allow us to track our total waste consumption and our progress toward reducing disparities between our facilities and increasing recyclable waste.

Figure 4 Waste generation in most important operations in tons in 2021



Despite our business growth, our waste volume decreased by 4% in 2021 compared to 2020.

Total waste in 2021: 33,778 t
against total waste in 2020: 35,066 t



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Superior denounces all forms of corruption, bribery, and extortion. We believe transparency, open and honest communication, collaboration, and fairness are key to long-term business success. Our global Code of Conduct was updated by the Board of Directors in November 2021 and reflects these principles. It outlines our views on corruption, bribery, sponsorships, donations, hospitality, fair competition, and transparency. The Code of Conduct is available in English, German, Polish, and Spanish. It is to be adhered to by all our employees, is signed upon commencement of employment, and is confirmed by employees on an annual basis.

The Corruption Perceptions Index 2021 (Transparency International) shows the corruption risk levels for the countries Superior operates in and where most of our suppliers are located. Germany has a “low” risk of corruption; Poland and the US have a “medium” risk; and Mexico has a “high” risk³. As parts of our operations and suppliers lie in areas that show an elevated risk of corruption, we focus our actions on prevention measures in these areas.

Anti-Corruption

Ongoing measures feature:

- Regular training on general compliance as well as targeted training on specific anti-corruption issues
- Monitoring of the number of incidents
- Structured procedures to deal with incidents. Upon notification of an incident, our General Counsel, Chief Human Resources Officer, and Director of Internal Audit are informed immediately. They determine the appropriate actions to be taken, including initiation of an investigation, involvement of other leaders in the Company, and where warranted, involvement of external investigators or legal counsel. If a matter is substantiated, appropriate actions are taken to address it. If a member of our senior leadership team is named in a report, the incident is reported directly by our external service provider to the Chair of the Audit Committee of the Board of Directors. The Audit Committee of the Board of Directors regularly reviews reports of all incidents.

Compliance training is available in an e-learning format in English, Spanish, German and Polish. All employees without regular access to a work computer have been trained, so that all employees are aware of our requirements.

³ Corruption Perception Index 2021: www.transparency.org/en/cpi/2021



Training

In addition to providing annual Code of Conduct training, Superior provides team members with periodic training on:

- corruption and bribery
- antitrust and fair competition
- trade compliance
- conflicts of interest
- gifts and entertainment
- financial reporting
- insider trading
- respect in the workplace
- human rights
- Raising/Reporting Concerns/reporting channels

Our employees are expected to report activity they believe to be illegal or unethical. We have communicated through our Code of Conduct and our training program how our employees can report concerns. We provide multiple reporting channels that employees can use to report concerns, including:

Managers; the Human Resources, Legal, or Internal Audit Departments; and the Ethics Line, our third-party whistleblowing system, which provides an anonymous reporting option.

Superior communicates the Reporting Channels to Employees via internal posters, brochures, the Code of Conduct and compliance training materials. Our Ethics Line (whistleblowing system) can be found at [SuperiorEthics.com](https://www.SuperiorEthics.com).

In 2021, 24 reports were received through the Ethics Line (whistleblowing system). All reports have been investigated and resolved.

24 reports received and resolved via the Ethics Line
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Information Security and Data Protection

Information Technology is actively engaged in Superior’s commitment to sustainability in the environment, economy, and surrounding community. Advancements include evolution of digital tools designed to better inform leaders on various impacts of their business decisions with real time data, an increase in cloud computing leading to reduction of reliance on natural resources, and increased cybersecurity prevention, monitoring and detection to protect the intellectual property, business continuity, and personal protection of sensitive data.

Superior continues to develop a risk conscious cybersecurity culture through policy development, employee education, and training. Superior’s information security team delivers targeted cybersecurity training on various topics including ransomware, malware, password protocol, security hygiene and awareness of social engineering, as well as regular internal phishing campaigns to help train employees to identify suspicious activities. The Chief Information Officer briefs the Audit Committee of Superior’s Board of Directors quarterly and the Board of Directors annually on information security. Notably, Superior has not experienced any material security breaches.

0 information breaches in 2021



Outlook

In this outlook, we want to provide some of our ESG goals and planned targets for 2022.

0 Human Rights breaches

Renew ISO 50001 Certificates for German sites
Introduce / Renew ISO 45001 Certification globally

Continue “Behavior Based Safety”- campaign to increase employee awareness and reduce incidents and accidents

Execution of the R4™ strategy to further enhance sustainability of Superior’s operations and achieve substantial year over year reduction of carbon emissions

Implement:

Continuous improvement projects along our value chain

Action plans to achieve greater energy efficiency

The Aluminum Stewardship Initiative starting with our Polish production sites

Continue to:

Train all employees on the updated Code of Conduct

Train all employees on conflicts of interest

Train all employees on data security

Implement action plans developed by our Global Diversity and Inclusion Council

Imprint

Sustainability Report / Communication on Progress 2021, published in June 2022.

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