

LETTER OF CONTINUED COMMITMENT

October 27, 2022

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. We express our intent to advance and continue implementing those principles. We commit to making these principles part of our culture, strategy and in day-to-day operation. We will engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

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 describe our actions to continually improve the integration of the Global Compact principles into our business strategy, culture and daily operations. We will share this information with the general public and our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Randall E. White
Chief Executive Officer

Mission Statement

Wheel Pros will be a leading designer, manufacturer, marketer, and distributor of branded aftermarket wheels, performance tires, and accessories. In doing so, Wheel Pros will meet customer expectations of highest quality, innovative designs, and exceptional experience.

Strategy

Wheel Pros LLC has been committed to creating value for all its stakeholders since joining the UN Global Compact in 2018. We have placed sustainable development in our business strategy. We are committed to maintaining a safe and healthy working environment through employee consultation and participation in the creation, establishment, and evaluation of our Environmental, Health, and Safety Management Systems. Our management team will provide all necessary safeguards, programs, and equipment required to reduce the potential for accidents and injuries, and work towards eliminating hazards and reducing health and safety risks. We are excited to have published our Environmental, Social, Governance efforts on our website, which can be viewed at <https://www.wheelpros.com/esg>. Below are examples in the principles our company has taken through our Assessments, Policies, Goals, Implementation, and Measurement of Outcomes in the year we have been Active member of the United Nations Global Compact.

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.

- I. **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
 - a. We expect all employees, business partners, and any party linked to our operations, to respect human rights as described in the UN Global Compact Principles.
 - b. Our Human Resources 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.

- c. We have implemented more targeted mandatory trainings for management and employees in all these areas of human rights including 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 before they are able to work in our facilities.
 - d. To measure the progress of our anti-discrimination policies, we track diversity internally. We use this data to pursue continual growth in our diversity and inclusion practices.
- II. **Principle 2:** make sure that they are not complicit in human rights abuses.
- a. Wheel Pros uses effective management systems to integrate the human rights principles by:
 - i. We complete 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.
 - ii. 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.

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.

- I. **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - a. We do not deter employees from collective bargaining; however, we have fostered a work environment in which employees are encouraged to bring concerns to management and issues are addressed efficiently, in hopes that we can address any employee concerns before collective bargaining becomes necessary.
- II. **Principle 4:** the elimination of all forms of forced and compulsory labor; and
Principle 5: the effective abolition of child labor; and
 - a. 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.
 - b. We published an official Anti-Human Trafficking and Slavery Policy, which follows California state regulations to ensure that we have eliminated risk of slavery and human trafficking in all facilities.
- III. **Principle 6:** the elimination of discrimination in respect of employment and occupation.
 - a. Wheel Pros actively seeks out the best candidates in respect of positions while leveraging internal promotional opportunities when possible.
 - b. We have anti-discrimination policies and practices within our Employee Handbook that each employee must sign.
 - c. We have increased employee training and zero tolerance for cultural, discrimination and sexual harassment and any form of discrimination. We continue to use 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.
 - e. We have continued training and have a reporting system in place for whistleblowing, anti-bullying and anti-harassment policies and procedures in recruitment and procurement processes.

- f. We continue to use an easier internal reporting system designed to ensure anyone can report what they see and hear at any time.

IV. Other

- a. We were awarded ISO 45001 certification at the end of 2021. Our Occupational Health and Safety Management System includes all employee health and safety procedures. We educate our employees on the policies and procedures that we have in place to keep them healthy and safe while working.
- b. The mental health and well-being of our employees is just as important to us as their physical health. We are continually working on our policies to support our employees' mental health and wellness through the lens of the ISO 45003 standard. Our Winter Wellness program encourages employees to, "Take time for your wellness, so you don't have to make time for your illness." Through this program, we hope to decrease sick days by 25% from last year. We will host Wellness Weeks in December and encourage our employees to take mental health breaks and to get outside or take walks during breaks and after work.
- c. This year, we implemented Beat the Heat, our heat stress program to keep our employees safe in our facilities during the hottest times of the year, which has become especially important due to climate change. We use heat index tracking to determine the safest working conditions for our employees and implement procedures to help prevent heat stress. This program reduced our heat stress injuries to 0 for 2022.
- d. We provide education to our employees on their role in their own health and safety through training and encourage them to provide input through physical and virtual suggestion boxes, written forms, and an email inbox. We value our employees and their opinions, and we ensure that employee suggestions are taken seriously and handled by the necessary parties. We encourage our employees to take initiative to protect themselves both at work and at home.
- e. We are also committed to helping support local education through support of local universities through scholarships, internships, and apprenticeships to help students in their pursuit of college or practical education. Our South Carolina Wheel Pros and American Force facilities have been registered as Employer Sponsors through Apprenticeship Carolina in the SC Technical College System as part of the National Apprenticeship System in accordance with the basic standards of apprenticeship established by the Secretary of Labor through The United States Department of Labor. Our Denver office has also partnered with a local high school auto shop program to help

with mentorships, sponsorships, and future career opportunities. This year, we participated in their car show fundraiser to help students with tuition to attend technical school.

- f. Wheel Pros ensures that its own workers are provided safe, suitable, and sanitary work facilities. We have all state labor laws incorporated into our employment practices.
- g. Our Director of Environmental, Health, and Safety is on the Executive Safety Forum for the American Society of Safety Professionals (ASSP), which helps develop OSHA regulations.
- h. Our workers compensation loss ratio has been cut in half three years in a row
 - i. 78% in 2020, 32% in 2021, and 16.5% in 2022
- i. Our OSHA fines have been at \$0 since 2018.
- j. We are actively partnering with OSHA in markets where we operate to provide Safe Working Environments through active adherence to the spirit and letter of the General Duty Clause (OSHA 5(01)(01)A).
- k. We work to constantly improve the efficiency and productivity of our workforce through continuous monitoring and improvements of processes, systems, and work organization.
- l. We have continued to stay proactive in our response to the Coronavirus pandemic; we have stayed on top of changes as they come and handled issues quickly. Our response program has been admired and adopted by multiple other companies due to the effectiveness of our program. We have followed all local and national guidelines, including mask mandates and suggestions, enforcing social distancing, providing testing, and our vaccine incentive program. We are proud of the effectiveness of our program as seen by the minimal effect the Covid-19 pandemic has had on our company.
- m. To improve our employees' work and living environments, we sponsor activities and community work in which we can personally thank our employees for the work they do. We believe employee appreciation is essential to running a business and we want to personally thank all of our Wheel Pros' employees. This year, we focused on our Employee of the Month program at our logistics centers in which we honor and recognize exceptional employees with a plaque and pizza lunch.

Environment

Wheel Pros remains committed to protecting the environment as much as possible and have taken the following actions:

II. **Principle 7:** Businesses should support a precautionary approach to environmental challenges;

- a. We are committing to avoiding the risk of environmental damage via regular maintenance and updates of production processes and equipment. We are continually researching ways to improve the sustainability of our maintenance and processes.
- b. We were awarded ISO 14001 certification at the end of 2021. Our Environmental Management System includes all of our environmental procedures, including our formal Environmental, Health, and Safety policy. In this policy, we show our commitments to remaining proactive in the protection of the environment.
- c. We have regular requirements that our manufacturers have an active ISO 14001 and ISO 9001 certification in place, which is included in our Supply Partner agreements.
- d. We have also implemented automated safety and environmental processes at all our production sites to ensure compliance with applicable legal and regulatory requirements.
- e. We continue to provide education to our employees on their role in protecting the environment through training and encourage them to provide input through suggestion boxes, written forms, and an email inbox. We value our employees and their opinions and we ensure that employee suggestions are taken seriously and handled by the necessary parties. We encourage our employees to take initiative to protect their work environment and the environment as a whole.
- f. This year, we published our official Responsible Sourcing of Raw Materials (RSRM) Policy, in which we commit to holding ourselves and our supply chain accountable to addressing the risks associated with raw materials extraction, harvesting, processing, refining, and transportation, as well as to using conflict-free minerals in the sourcing and/or manufacturing of our products.

III. **Principle 8:** undertake initiatives to promote greater environmental responsibility; and

- a. **Carbon Footprint Calculation** - Wheel Pros has calculated our Greenhouse Gas (GHG) Emissions Inventory, also known as our carbon footprint, for 2019 and 2020. We are currently working on calculating our carbon footprint for 2021, as well as a Life Cycle Assessment of our products, by the end of this year. Now that we know the current impact our company has on the environment, we will be better able to determine improvements that can be made. By calculating our carbon footprint annually, we will be able to track our progress as we make improvements to our processes and products.

- b. **Wastewater and Waste Treatment** – We continue to develop our wastewater program to prevent water pollution and reduce water consumption.
 - i. To prevent water pollution at our facilities, we routinely monitor our sludge traps and storm drains to help prevent hazardous materials from being released into the water supply. We use absorbent pads to contain and collect any coolant or oil spills in the facilities, which helps ensure no harmful materials are able to leech into our storm drains. These absorbent pads are then hauled off and cleaned so that they can be reused in our facility, which contributes to our recycling and waste reduction programs.
 - ii. We have also created plans and responses to handle emergency spills. Each required facility will follow a Spill Prevention Control and Countermeasures Plan and a Storm Water Pollution Prevention Plan in accordance with their state regulations. These plans ensure that the environment will be safe from all potentially harmful materials in case of an emergency.
 - iii. The coolant we use in our equipment is now a more environmentally friendly food-based oil, which is now nonhazardous.
 - iv. In the past few years, we have continued to install automatic watering systems in all of our production facilities. The watering system will automatically turn off to keep battery acid from spilling and going into the ground or water.
- c. **Recycling** - We are continually increasing our recycling efforts to divert waste away from landfills as much as possible.
 - i. This year, we partnered with a nationwide waste handler, which will allow us to track our recycling and landfill waste more effectively in the upcoming years. This will allow us to obtain exact data which we can analyze and use to establish a waste baseline as the foundation for developing a Zero Waste roadmap and determine the best ways to reduce and divert our waste across our operations. We are working to establish single-stream recycling (i.e. office paper, aluminum cans, plastic bottles, cardboard) in all of our facilities. This increase in recycling has significantly reduced the amount of waste we are sending to landfills, as well as our waste haul spend.
 - ii. As a leading manufacturer of aluminum wheels, we are committed to eliminating aluminum waste. All scrap metal is able to be cleaned of coolant and other contaminants, melted down, and recycled into new wheels. The scrap metal that cannot be recycled internally is hauled off for external recycling.

- iii. Our apparel is sourced primarily from companies that use at least 65% recycled content.
 - d. Wheel Pros also supports charitable giving and protection of endangered species through Black Rhino's partnership with Save the Rhino International. Black Rhino, one of Wheel Pros' 40+ brands, has committed to donating five (5) South African Rand from the sale of each wheel to help protect black and white rhinos in South Africa. This results in thousands of dollars in donations quarterly.
 - e. Wheel Pros supports the Cancer League of Colorado through their Over the Ledge and Race for Research events, including employee participation and donations.
 - f. Every year, each general manager of one of our facilities has the privilege of donating \$1,000 to the charity of their choice, which are vetted through the Charity Navigator. In 2021, this contributed to \$25,000 of our charitable giving.
 - g. This year, our Associate Legal Counsel volunteered legal assistance at the Law Day Legal Clinic in San Diego to help people in our community through various legal issues.
 - h. In order to be good stewards to the communities around our facilities, we limit the speeds and times of day that our trucks are allowed to transport our materials and products.
- IV. **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.
- a. We use ENERGY STAR Certified appliances where possible to reduce energy consumption and operational costs.
 - b. We continue to implement processes that result in a reduction of paper use, such as converting to digital files instead of paper files where applicable.
 - c. We are continually implementing even more electric forklifts and pickers in all our warehouses. In our Dallas logistics warehouse, all stand-up forklifts are now electric. In our Sales and Distribution centers we have almost all electric order pickers. The use of electric forklifts increases battery life, reduces fuel consumption, and eliminates harmful emissions. Our goal is to have all electric forklifts and pickers by 2030. We have also limited the speeds of all of our powered industrial trucks to six (6) miles per hour or slower, which helps to limit propane emissions until we are able to implement all electric equipment. As an extra incentive, we receive rebates from our commitments to switch to electric forklifts through our Clean Skies Agreement with Beyond Energy. The goal of this program is to reduce the amount of propane used, while generating a revenue stream to offset the costs of infrastructure investment.
 - d. We continue to use automatic watering systems in some of our production facilities, which automatically turn off to keep battery acid from spilling and going into the ground.

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. We have specific policies and procedures against fraud to ensure transparency and compliance.

- I. **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.
 - a. Our Wheel Pros Anti-Corruption Laws Compliance Policy includes our principles prohibiting bribery, facilitation payments, and other improper payments in the conduct of its business operations and the responsibilities of Covered Persons to implement this Policy. We encourage all employees to report any conduct that may violate this Policy, including potential unethical or illegal activity, directly to their manager or the General Counsel. All applicable employees must sign saying that they have received, read, and fully understood the policy.
 - b. We released a formal Wheel Pros Economic Sanctions and Anti-Money Laundering Laws Compliance Policy that all applicable employees must sign saying that they have received, read, and fully understood the policy. This policy provides an overview of our corporate policy regarding Sanctions and Anti-Money Laundering Laws, procedures we have adopted to ensure compliance with this Policy, and potential penalties for violation of this Policy. We encourage all employees to report any suspected violation of this Policy, to the General Counsel.
 - c. Our high standards of ethical behavior for our employees can be seen in our Employee Handbook. An important part of our Handbook is Wheel Pros' commitment to comply and its expectation that employees will comply with the laws and rules of the countries in which we operate. Employees must certify their understanding of the code and their commitment to abide by it.
 - d. We have added more about these anti-corruption principles into our training manual and treat these principles as an integral part of business and strategy of day-to-day operations.
 - e. 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.
 - f. We require all our manufacturers and supply partners to apply to these principles of the Global Compact through our Supplier Code of Business Conduct, which addresses Conflicts of Interest, Compliance with Laws, Protective Information, Bribery, and Business and Financial Records.

General

- I. This year, three of our employees participated in the UN Global Compact's Young SDG Innovators Program (YSIP) with the goal of solving a problem within the company through the lens of the 17 SDGs. They worked with representatives from the UNGC on a project to improve our product packaging, making it more protective and sustainable. They presented their project at the UNGC's Uniting Business LIVE event at the session, "The Future is Now: Young Professionals Catalyzing Innovation for the SDGs" in September. Our legal counsel and sponsor of the Wheel Pros team also spoke about our company's experience with YSIP on the panel, "SDG Implementation" at the same event.
- II. Our logistics warehouses have been ISO 9001 Certified since 2019, which means we have met all necessary requirements in our Quality Management System. This system ensures they we meet customer and other stakeholder needs for Customer Satisfaction, Shipment Accuracy, Inventory Accuracy, and a strict Quality Standard. We are audited annually by QAS International to ensure compliance to these standards.