



RHYTHM AUTOMOTIVE

CORPORATE SOCIAL RESPONSIBILITY POLICY

Through Corporate Social Responsibility programs, businesses aim to make a positive impact on society and the environment.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) refers to a company's commitment to operate in an ethical and sustainable manner, taking into account its impact on society, the environment, and the economy. It involves going beyond profit-making to include initiatives that benefit communities, promote fair labor practices, reduce environmental harm, and encourage transparency and accountability. CSR reflects a company's awareness of its broader role in society and its responsibility to contribute positively to the world around it, fostering trust and long-term value for stakeholders.



DEFINITION OF **CORPORATE SOCIAL** **RESPONSIBILITY**

Corporate Social Responsibility (CSR) is a business concept that involves companies integrating social, environmental, and ethical considerations into their operations and interactions with stakeholders. It refers to the voluntary actions taken by a company to address the social and environmental impacts of its business activities, going beyond legal requirements. CSR aims to create a positive influence on society while maintaining economic performance, promoting sustainability, and fostering responsible corporate behavior.

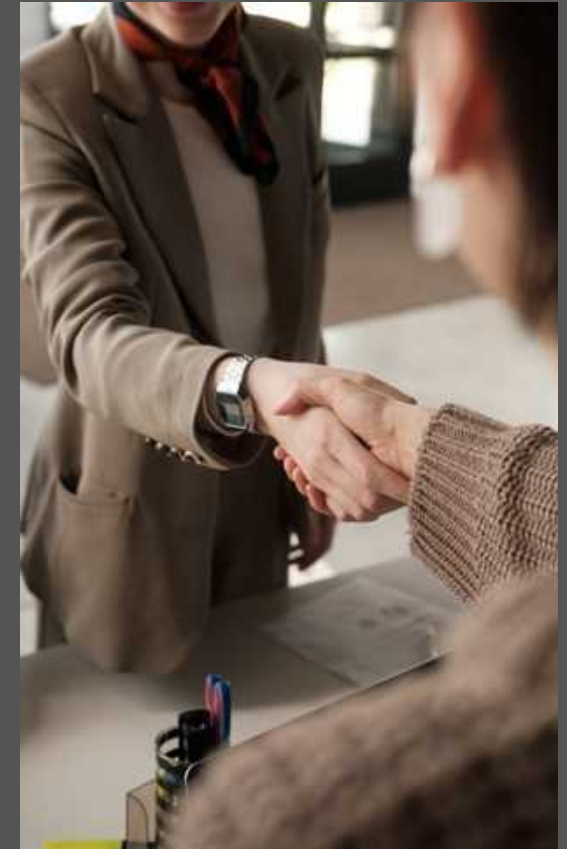


KEY PRINCIPLES OF CORPORATE **SOCIAL RESPONSIBILITY**

The key principles of Corporate Social Responsibility (CSR) emphasize accountability, transparency, ethical behavior, and respect for stakeholder interests. Companies are expected to operate responsibly by acknowledging the social and environmental impact of their activities and by acting with integrity in all business practices. CSR also involves compliance with laws and alignment with international norms, ensuring that corporate actions support human rights, environmental protection, and fair labor standards. Ultimately, these principles aim to foster sustainable development and build trust between businesses and the communities they serve.

CORPORATE SOCIAL RESPONSIBILITY PILLARS

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THK RHYTHM AUTOMOTIVE

Corporate Social Responsibility pillars:

1. Purpose and Commitment
2. Human Rights and Labor Conditions
3. Employee Well-being and Development
4. Diversity and Inclusion
5. Stakeholder Engagement and Feedback
6. Community Engagement and Social Impact
7. Responsible Supply Chain
8. Ethics and Compliance
9. Environmental Responsibility
10. Transparency and Reporting



1. Purpose and Commitment

At THK RHYTHM AUTOMOTIVE, we recognize our responsibility not only to our employees and customers, but also to the communities in which we operate, our suppliers, and the broader environment. This Corporate Social Responsibility (CSR) Policy sets out our principles and commitments for contributing positively to society while supporting sustainable and ethical business practices. The policy complements our Code of Ethics and aligns with our ESG strategy, particularly the Social pillar.

We actively seek inspiration from other companies and promote peer-to-peer learning. This includes organizing roundtables and site visits with other automotive companies to exchange best practices and strengthen collective impact in the industry.



2. Human Rights and Labor Conditions

We are firmly committed to maintaining a workplace free from harassment, discrimination, and any form of abusive behavior. All employees are expected to treat each other with dignity and respect. Preventing harassment and ensuring equality are non-negotiable principles embedded in our daily operations, training programs, and internal procedures.

We are committed to upholding internationally recognized human rights standards, including:

- *The Universal Declaration of Human Rights*
- *The International Labour Organization (ILO) Core Conventions*
- *UN Global Compact Principles*
- *OECD Guidelines for Multinational Enterprises^[1]*
- *UK Modern Slavery Act*

We actively prohibit forced labor, child labor, and all forms of discrimination. Fair working conditions, health and safety, and respect for dignity are fundamental.

We expect the same standards to be upheld by our suppliers and business partners, as outlined in our Supplier Code of Conduct.



3. Employee Well-being and Development

We strive to create a safe, inclusive, and development-oriented workplace:

- Certified as a “Safe Enterprise Company” and “Health Promoting Enterprise - the 3rd grade,” with a focus on continuous maintenance and renewal of certification.
- Health and wellness programs (e.g. running, cycling, ice skating, physical therapy).
- Continuous training and reskilling via the TWI methods and internal training center.
- Talent development and succession planning through the annual MRR (Management Resource Review) process.
- Equal opportunities for all employees regardless of gender, age, nationality, or ability.



2028 Goal: 100% TWI training coverage for all production operators



2026 Goal: Annual MRR conducted to identify successors for key positions



4. Diversity and Inclusion

We are committed to creating an inclusive environment where diversity is respected and embraced. Our internal regulations reflect this commitment in recruitment, promotion, and learning and development. Specific targets and metrics are under development.



2027 Goal: Publish Gender Pay Gap metrics and implement action plans where necessary

5. Stakeholder Engagement and Feedback

We promote open and transparent dialogue across all levels:

- Internal whistleblowing system and communication matrix
- Regular team meetings, employee surveys, and engagement metrics
- Ongoing satisfaction monitoring using NPS methodology



2026 Goal: 50%+ employee participation in engagement surveys

6. Community Engagement and Social Impact

We support the development of the local communities in which we operate:

- Annual grant programs for NGOs
- Financial support for cultural events
- Educational partnerships: scholarships, retraining, and student cooperation
- Participation in industry roundtables and community dialogues



2026 Goal: Minimum two roundtables with customers or community representatives

7. Responsible Supply Chain

We expect our suppliers to uphold high ethical and environmental standards:

- Mandatory compliance with our Supplier Code of Conduct
- Implementation of the NQC ESG assessment platform
- Promotion of health & safety, human rights, and ethical business in procurement

We engage in dialogue with our suppliers to promote ESG improvements, with preference given to those actively pursuing sustainable innovations.



8. Ethics and Compliance

Ethical behavior and zero tolerance for corruption are the backbone of our operations:

- Regular employee training on ethics, compliance, and anti-bribery
- Adherence to applicable laws, internal rules, and collective agreements



9. Environmental Responsibility

Although our Environmental policy is addressed in a separate dedicated document, we acknowledge the social relevance of sustainability and support:

- Waste reduction and circularity (zero harmful substances)
- Support for local biodiversity and nature protection
- Energy-saving and renewable energy investments with local benefits
- Carbon footprint reduction within the company and across the supply chain

Our social and environmental strategies are interlinked to maximize impact.



10. Transparency and Reporting

We are committed to regular, transparent CSR and ESG reporting, including:

- Annual reporting under the Corporate Sustainability Reporting Directive (CSRD) and its VSME standards
- Disclosure of key performance indicators related to CSR
- Alignment with SDGs and THK global material issues



2026 Goal: Maximize publication of CSR achievements on our website and in reports



This CSR Policy will be reviewed regularly and updated as needed, in coordination with the Code of Ethics, Environmental Policy and the Supplier Code of Conduct.

Approved by: Hauke Baumann, EU Portfolio Director
Date: August 2025



www.thk-rhythm-auto.eu



Fichtenstraße 37, 40233 Düsseldorf

