Grupo Cosmos XXI (hereinafter "GCXXI") has established these Responsible Sourcing Principles in alignment with the automotive industry's Guiding Principles. These principles summarize the key commitments that govern GCXXI's operations and that are expected of its suppliers, with the aim of continuously improving sustainability performance throughout the supply chain.

(Source: www.drivesustainability.org)

These Principles reflect the values and commitments that GCXXI upholds in its operations and across all business activities to ensure responsible sourcing practices.

Our suppliers play a vital role in GCXXI's success. We recognize our responsibility for the economic, environmental, and social impacts arising from our own activities, as well as those throughout our supply chain. Therefore, these Principles are extended to our suppliers, who are expected to uphold and promote them to ensure responsible and sustainable practices across the entire supply chain.

BUSINESS ETHICS

a) Ethics and Transparency: Commitment to maintaining the highest standards of integrity, honesty, and fairness throughout the supply chain. Appropriate management systems should be implemented to promote an ethical business culture and ensure responsible business conduct.
b) Anti-Corruption and Anti-Money Laundering: Any form of corruption, bribery, extortion, embezzlement, or money laundering is strictly prohibited. Suppliers shall refrain from offering, giving, or accepting improper payments, gifts, or benefits, and shall implement measures to prevent involvement in suspicious or unlawful transactions.
c) Data Privacy and Security: Personal data and confidential information shall be collected, processed, stored, and protected in accordance with applicable laws and regulations. Appropriate safeguards should be implemented to ensure data privacy, security, and integrity.
d) Financial Integrity and Accurate Records: Accurate, complete, and transparent financial and business records shall be maintained, reflecting all transactions and business activities. Effective internal controls should be established to ensure the reliability and integrity of financial information.
e) Disclosure of Information: Financial and non-financial information shall be disclosed in accordance with applicable laws, regulations, and industry standards. Transparency shall be promoted in all business operations and reporting activities
f) Conflict of Interest Management: Actual, potential, or perceived conflicts of interest between business responsibilities and personal interests shall be identified, disclosed, and appropriately managed. Decisions should always be made in the best interests of the company and its stakeholders.
g) Combating Counterfeiting: Appropriate measures shall be implemented to prevent the introduction of counterfeit parts, materials, or components into products. Compliance with all applicable technical specifications, quality standards, and design requirements shall be ensured.
h) Intellectual property: Intellectual property rights shall be respected and protected. Confidential information, including products, materials, technologies, and documentation shared throughout the supply chain, shall be safeguarded against unauthorized use, disclosure, or reproduction
i) Compliance with Export and Trade Regulations: All applicable laws and regulations governing the export, import, re-export, transfer, and trade of goods, services, and technologies shall be complied with, including applicable international trade sanctions and restrictions
j) Grievance Mechanisms and Non-Retaliation Policy: Effective grievance and reporting mechanisms shall be established to enable employees and stakeholders to raise concerns regarding ethical, legal, or human rights issues confidentially and, where permitted by law, anonymously. Retaliation against any individual who raises concerns in good faith is strictly prohibited
k) Remediation: Commitment to providing for, cooperating in, or supporting the remediation of adverse impacts caused or contributed to by business activities, in accordance with applicable laws and internationally recognized standards.

ENVIRONMENT

a) Environmental protection: Suppliers shall implement measures to preserve natural resources and reduce the environmental footprint of their operations, products, and services throughout their life cycle. Environmental management systems shall be promoted and maintained to support the achievement of these objectives and drive continual environmental improvement.

b) Carbon Neutrality: Suppliers shall establish science-based greenhouse gas (GHG) emission reduction targets aligned with the goals of the Paris Agreement. They should prioritize energy efficiency, increase the use of renewable energy sources, and implement measures to decarbonize their operations and value chains.
c) Water Quality and Consumption: Suppliers shall promote responsible water stewardship by establishing objectives to reduce water consumption, particularly in water-stressed areas. Effective measures should be implemented to improve water efficiency, enable water reuse, and ensure the adequate treatment of wastewater to prevent water pollution.
d) Air quality: Suppliers should monitor, control, and reduce emissions to air arising from their activities. Appropriate measures shall be taken to minimize the impact of pollutants on air quality, human health, and the environment.
e) Responsible Management of Chemical Products: Suppliers shall identify, minimize, and, where feasible, eliminate the use of restricted substances and shall never use prohibited substances. Preference shall be given to safer and more sustainable alternatives that minimize risks to human health and the environment. The presence of restricted, regulated, or substances of concern shall be communicated to customers and other relevant stakeholders as required.
f) Circular economy: Suppliers shall promote the circular use of materials throughout the supply chain by reducing waste generation and supporting the reuse, recycling, and recovery of materials whenever technically and economically feasible. The responsible use of renewable and sustainable natural resources shall also be encouraged.
g) Animal Welfare: Suppliers shall respect the Five Freedoms of animal welfare as defined by the World Organization for Animal Health (WOAH, formerly OIE). Animals shall not be bred, raised, or slaughtered solely for the purpose of supplying materials or products to the automotive industry.
h) Biodiversity, Land Use and Deforestation: Suppliers shall protect biodiversity and the ecosystems affected by their activities. Measures shall be implemented to prevent deforestation, habitat destruction, and adverse land-use changes, while promoting the sustainable management of natural resources.
i) Soil quality: Suppliers shall take appropriate measures to protect soil quality and prevent contamination, erosion, degradation, and other adverse impacts resulting from their activities.
j) Noise emissions: Where relevant, suppliers should monitor, manage, and mitigate noise emissions generated by their operations to minimize their impact on workers, local communities, and the environment.

HUMAN RIGHTS AND WORKING CONDITIONS

a) Human dignity and human rights: Suppliers shall respect, protect, and promote internationally recognized human rights and human dignity throughout their operations and supply chains. Appropriate management systems shall be implemented to identify, prevent, mitigate, and address actual or potential human rights impacts
b) Child Labor and Underage Workers: Suppliers shall comply with the minimum working age requirements established by applicable laws and the ILO Minimum Age Convention. Child labor in any form is strictly prohibited. Appropriate measures should be implemented to protect young workers from hazardous or harmful working conditions.
c) Wages and Benefits: Suppliers shall provide fair and adequate compensation that complies with applicable laws, collective agreements, and industry standards. Wages, overtime compensation, and legally mandated benefits shall be paid in a timely manner and should support a decent standard of living for workers and their families.
d) Working hours: Working hours, overtime, rest periods, and leave entitlements shall comply with applicable laws and collective bargaining agreements. Suppliers should promote healthy working conditions and prevent excessive working hours.
e) Modern slavery and forced labor: All forms of forced labor, bonded labor, debt bondage, servitude, slavery, and human trafficking are strictly prohibited. Suppliers should ensure that employment is freely chosen and that workers are free to leave their employment in accordance with applicable laws and contractual agreements.
f) Ethical Hiring: Recruitment processes shall be conducted in a fair, transparent, and ethical manner. Suppliers shall not charge recruitment fees to workers, engage in deceptive practices, or withhold identity documents. Employees shall receive written employment agreements in a language they understand, clearly describing their rights, responsibilities, wages, and working conditions.
g) Freedom of Association and Collective Bargaining: Suppliers shall respect the rights of workers to freely associate, form and join trade unions, seek representation, engage in collective bargaining, or refrain from such activities, in accordance with applicable laws. Workers shall be able to exercise these rights without fear of intimidation, discrimination, harassment, or retaliation.

h) Non-Discrimination and Harassment: Suppliers shall promote equal opportunities and maintain a workplace free from discrimination, harassment, abuse, intimidation, and any form of inhumane treatment. Employment decisions shall be based on merit and qualifications, without discrimination on the basis of age, gender, sex, sexual orientation, gender identity, ethnicity, nationality, disability, pregnancy, religion, political opinion, trade union membership, genetic information, marital status, family status, or any other protected characteristic.

i) Women's Rights: Suppliers shall promote gender equality and ensure equal opportunities, equal pay for work of equal value, and fair working conditions. Discrimination, harassment, and violence against women shall not be tolerated.

j) Diversity, Equity and Inclusion: Suppliers shall foster a diverse, equitable, and inclusive workplace culture in which all employees are treated with dignity and respect. Equal access to employment, development opportunities, leadership positions, and career advancement should be promoted throughout the organization.

k) Respect for Minorities and Indigenous Peoples: Suppliers shall respect the rights, cultures, traditions, and livelihoods of local communities, minorities, and Indigenous Peoples. Meaningful consultation and engagement shall be conducted when business activities may affect their rights, lands, resources, or way of life.

l) Land Rights and Forced Eviction: Suppliers shall respect legitimate land tenure rights and shall not engage in, contribute to, or benefit from unlawful land acquisition, forced eviction, or the deprivation of access to land, forests, or water resources.

m) Public or Private Security Forces: Where security services are employed, suppliers shall ensure that public or private security personnel operate in accordance with applicable laws and internationally recognized human rights standards. Security arrangements shall not result in intimidation, abuse, excessive use of force, or other human rights violations.

HEALTH AND SAFETY

a) Safe and healthy workplace: Suppliers shall provide and maintain a safe, healthy, and hygienic working environment that complies with or exceeds applicable occupational health and safety laws, regulations, and industry standards. Appropriate measures should be implemented to prevent workplace injuries and occupational illnesses. Where applicable, awareness of health and safety best practices shall also be promoted among remote and mobile workers.

b) Personal Protective Equipment (PPE): Suppliers shall provide workers with appropriate personal protective equipment (PPE) whenever risks cannot be adequately controlled through elimination, substitution, engineering controls, or collective protection measures. Workers shall receive adequate training on the proper use, maintenance, and limitations of the equipment provided.

c) Emergency Preparedness: Suppliers shall identify potential emergency situations and implement effective preparedness and response plans to minimize risks to people, property, and the environment. Emergency procedures shall include evacuation plans, communication protocols, first-aid measures, fire prevention and protection systems, and regular training and drills.

d) Accident and incident management: Suppliers shall establish systematic processes for hazard identification, risk assessment, and risk mitigation. Workplace incidents, near misses, and accidents shall be reported, investigated, and analyzed through root cause analysis. Corrective and preventive actions shall be implemented to eliminate or reduce the likelihood of recurrence and to drive continual improvement in health and safety performance.

e) Contractors: Suppliers ensure that contractors and subcontractors working on their behalf operate in accordance with the same health and safety standards expected within their own organization. Appropriate coordination, communication, and risk management processes shall be established to identify, assess, and control risks arising from contractor activities and interactions with the workplace.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

a) Supplier Selection and Management: Suppliers shall be selected and evaluated based on their commitment to responsible business conduct and their adherence to these Responsible Sourcing Principles. Suppliers are expected to promote and implement the automotive industry’s Guiding Principles throughout their own supply chains. Appropriate supplier management systems should be established and maintained to monitor compliance with these requirements and the commitments outlined in this document.

b) Due Diligence: Suppliers shall implement risk-based due diligence processes in accordance with the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business

Conduct. These processes shall identify, prevent, mitigate, and account for actual and potential adverse impacts associated with their operations, suppliers, and subcontractors. Suppliers should also promote transparency, traceability, and the effective communication of these ESG principles throughout the supply chain.

c) Responsible Sourcing of Raw Materials and Minerals: Suppliers shall source raw materials and minerals responsibly and establish management systems that promote supply chain transparency and traceability. Due diligence measures shall be implemented in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Where applicable, suppliers shall provide Conflict Minerals Reporting Templates (CMRT) and any other relevant declarations or documentation required to ensure responsible sourcing and supply chain transparency.

The objective of this Policy is to improve and ensure the sustainability of GCXXI's sourcing practices. GCXXI is committed to ensuring that all raw materials used in its products originate from legal, responsible, and ethical sources. Furthermore, we seek to maintain a transparent, traceable, and sustainable supply chain that supports environmental protection, respect for human rights, ethical business conduct, and long-term value creation

Date _____

Signed by_____ Signature

