



Martinrea International Inc.



2021 SUSTAINABILITY REPORT

March 2022

www.martinrea.com

an introduction to our

Culture and Sustainability



A Message from Our Leadership



Pat D'Eramo
President and CEO

We talk about culture a lot at Martinrea. Because it matters. It matters a lot. It matters to all of us at Martinrea. Our culture has a profound impact on our company, our people, and the other stakeholders we serve. So we take it very seriously. Peter Drucker once said, “culture eats strategy for breakfast”. And we think he is right, especially in challenging times. Sustainability is at the core of our culture.

Our vision for the future is: Making lives better by being the best supplier we can be in the products we make and the services we provide. Our people need a why, and that’s a “why” vision. There’s a proverb that says, “where there is no vision the people perish”. Very true and very appropriate. The Company’s mission is Making People’s Lives Better by: (i) delivering outstanding quality products and services to our customers; (ii) providing meaningful opportunity, job satisfaction and job security for our people; (iii) providing superior long-term investment returns to our stakeholders; and (iv) being positive contributors to our communities. The Company’s vision and mission are supported by a four-pillar strategy: a high-performance culture, operational excellence, superior financial management and customer satisfaction. This has internally become known as Martinrea 2.0: a framework to become a great Company with diverse people and groups working together.

In pursuing our vision and mission, we developed, on a collaborative basis, a set of 10 Guiding Principles to be communicated, reinforced, and adopted throughout the Company:



Rob Wildeboer
Executive Chairman

-  1 The Golden Rule - Treat everyone with dignity and respect
-  2 We make great, high quality products
-  3 Every location must be a centre of excellence
-  4 Discipline and ownership are key
-  5 We strive for greatness
-  6 We are a diverse and inclusive team
-  7 Challenges make us better
-  8 Think different
-  9 Work hard, play hard
-  10 Leave it better



Culture

Sustainability, as with any aspect of the Company, has to start with culture. We believe a great culture is core to a sustainable business and successful Company. Our culture is founded upon principles core to our beliefs for a sustainable business, and these principles are reinforced continuously.

We articulate our Company culture, comprised of entrepreneurship, Lean Manufacturing principles, and the Golden Rule philosophy core to our 10 Guiding Principles in the following schematic.



We have been entrepreneurial from the outset, encouraging all employees, from executives to general managers to our people “on the floor,” to act and think like an owner with a stake in the enterprise, supporting a can-do attitude, promoting an ability and willingness to urgently get things done, acting to avoid unnecessary bureaucracy, and developing an ability to learn from challenges openly and constructively with the trust of working in a team. We embrace new initiatives and focus on developing new products and new technologies.

We embrace Lean thinking as part of our culture - emphasizing eliminating waste in all aspects of the Company’s business and operations. The elimination of waste allows us to reduce unnecessary cost, thereby making us competitive. It enables us to see problems we can fix in our operations more easily. It allows us to simplify processes to have safer, cleaner, more efficient and more sustainable workplaces. It is a culture of continuous improvement in whatever we do.

At the core of our One Martinrea culture is a Golden Rule philosophy, based on treating others the way we want to be treated, with dignity and respect. It also means following our 10 Guiding Principles in our business and operations, as well as in how we interact with our customers, suppliers, stakeholders and our communities. Being Lean or being entrepreneurial is not enough. These cultural elements overlap and are tied together with our Golden Rule/dignity and respect approach. We make people’s lives better in what we do, and we can only do that with a service-oriented approach to our work and our colleagues at work, and all those who we deal with in our work. At Martinrea, we believe our culture is and will continue to be a sustainable, competitive advantage for the Company over the long-term, and we know it has driven the improvement of financial, safety, and quality performance over the past several years.

Culture and Sustainability

Martinrea has been built on strong values and the Company’s goal is to run its business in a socially responsible and ethical manner, by respecting the environment, respecting the law, supporting universal human rights and contributing to communities around the world.

Since 2001, the Company has implemented and updated labour and environmental policies and practices addressing these matters, including policies promoting fair compensation and work hours, freedom of association and collective bargaining, anti-harassment and discrimination, health and safety, community engagement, respect for the environment, and policies prohibiting bribery and corruption, and child and forced labour.

The Company’s approach to sustainability is not formulaic in response to popular trends: it is at the core of Martinrea’s culture to make people’s lives better. It is a given people are to be treated the way we wish to be treated, with dignity and respect. It is foundational that a person must be safe in our Company, physically and emotionally, that prejudice in any form is unacceptable, that opportunity is provided equally to all. It is also foundational that we as a Company promote sustainability in all we do in our communities, by respecting and improving the environment (through innovative technology), by supporting good causes in communities, and by being an employer of choice. To be a sustainable business, one must be in business. These realities outline what sustainability means to us.



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OVERVIEW

Martinrea International Inc. (“Martinrea”, the “Company” or “we”) is a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems, primarily focused on the automotive sector. Martinrea employs nearly 16,000 skilled team members in 57 locations, in 10 countries. The corporate head office is located in Vaughan, Ontario, Canada, with the main sales and research and development (R&D) technical center in Auburn Hills, Michigan, USA and sales and engineering offices in Japan and Germany.



Martinrea manufactures a variety of Lightweight Structures, including body-in-white (BIW) and chassis components, subframes, knuckles, control arms and links, engine cradles, battery trays, and exterior trim products to name just a few. Our Propulsion Systems offerings include engine blocks, transmission and electric motor housings, as well as fluid and thermal products such as brake lines, fuel lines, fuel fillers, and thermal management systems. The Company also has a Flexible Manufacturing Group that produces various automotive assemblies and components for Industrial customers. Martinrea has increasingly focused on providing complex and highly engineered structures having a high degree of value-add to our automotive customers.

Martinrea is a lightweighting Company, and lightweighting is ingrained in everything we do. Our products help our customers

meet regulatory requirements, including fuel efficiency and greenhouse gas (GHG) emissions targets through the use of materials such as aluminum and high-strength steels, and various design elements that reduce vehicle weight. We also produce a variety of components specific to electric vehicles, including battery trays, electric motor housings, and thermal management systems.





MARTINREA’S BOARD OF DIRECTORS

The Board of Directors oversees the Company’s strategy and risk management processes, which includes ensuring the Company has a good corporate culture, strong governance structure, and other elements of a sustainable business. The Company’s corporate governance practices are designed to ensure the business and affairs of the Company are effectively managed to promote and enhance shareholder value. A healthy governance culture requires directors be informed of both internal corporate and external developments affecting the business and affairs of the Company. This includes the Company’s sustainability policies and strategy.

As of December 31, 2021, the Board of Directors of the Company (the “Board”) consisted of eight directors, six of whom were determined to be independent by the Board in its annual independence assessment. The Board has three committees: the Audit Committee, the Human Resources and Compensation Committee, and the Corporate Governance and Nomination Committee (“CGNC”). For a full description of the Company’s Board members, please see the most recent management information circular located at www.sedar.com.

In recommending to the Board the nominees who currently serve as directors, the CGNC has considered several factors in accordance with its mandate, including:

- Reviewing the skills matrix, strategic priorities, and analysis of potential skills gaps in relation to the strategic priorities
- The nominees’ respective skills, expertise and experience, as well as the extent to which the nominees meet the minimum qualifications for directors
- Results of the Board’s periodic self-assessment process
- Individual voting results from shareholder votes
- Feedback from other sources such as shareholders
- Relevant industry experience
- Alignment with the culture of the Company, including a commitment to promote the implementation of the policies adopted by the Company

The Company believes diversity, equity and inclusion (DEI) are important attributes of a well-functioning Board and an efficient team of executive officers and has developed policies and processes to increase diversity over time for its directors, executives and employees, as discussed later in this report.

The full Board receives regular updates on, and has discussions with management about, key environmental, social and governance topics according to a standard Board calendar.



Pat D'Eramo



Terry Lyons



Fred Olson



Sandra Pupatello



David Schoch



Molly Shoichet



Ed Waitzer



Robert Wildeboer



SUSTAINABILITY REPORTING

This Sustainability Report aims to provide our stakeholders with a better understanding of how we approach sustainability within Martinrea. Sustainability is about more than our environmental responsibilities. It also encompasses social and governance responsibilities. The United Nations Sustainable Development Goals (SDGs) are a call for action to promote prosperity while protecting the planet. The SDGs address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice, while supporting strategies for building economic growth. We have identified eight SDGs most directly relating to our business at this time, as follows:



The report has also been structured to align with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, as well as moving towards the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board's (SASB) accounting standard, where feasible.

Martinrea also reports annually to the CDP (formerly known as the Carbon Disclosure Project) reporting framework and provides full disclosure sustainability reporting to our customers and investors, upon request.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Our corporate responsibility efforts are most impactful when we focus on the issues that matter most to our business and stakeholders. We refine our approach and strategy by regularly

engaging with various internal and external stakeholder groups, including our employees, customers, investors, and our communities. To do this, we use a variety of engagement methods, including conversations, forums, surveys, and community outreach.

In 2019 and 2020, Martinrea retained a third-party consultant to assist with updating and refining our sustainability strategy to meet our goals and purpose as an environmentally and socially responsible Company. We addressed various material sustainability areas, including climate change risks and opportunities, through a visioning lab workshop where a strategic plan was developed for the Company. The workshop and evaluation underscored the reality the need to limit climate change is influencing consumer choices, customer demands and investors' requirements. Climate change concerns are also likely to drive new policy and regulations, as well as place economic pressures to reduce emissions throughout the manufacturing value chain.

Through the materiality assessment, we have identified five clear priorities for Martinrea and external stakeholders. This report addresses these, as well as other important sustainability issues.





"With growing concerns about climate change and environmental degradation, sustainability has become a strategic priority for automotive organizations. Sustainability is critical to the future of the industry, and our customers are not only requesting their suppliers provide product in a sustainable manner, they're demanding it. Martinrea's commitment to sustainability is the right thing to do for the environment, and it also provides us a competitive advantage since sustainable choices are also good for business. We are proud to be a part of this journey with our customers to provide the best products possible, and reduce the impact on the environment in the process."

Robert Fairchild, *Executive Vice President, Business Development and Automotive Strategy*

In 2020 and 2021, we commenced the rollout of our sustainability strategy. Part of the strategy rollout included retaining a sustainability expert in 2021 and implementing formal reporting and targets to track and reduce GHG, energy and water usage across the Company. We implemented a target of 3% reduction in GHG emissions by the end of the year 2022, as well as plans to continue implementing future targets for reduction and increased percentages of renewable energy within our energy mixes, supporting our long-term strategy towards net zero carbon.



CLIMATE RELATED RISKS AND OPPORTUNITIES

Martinrea defines risk as any potential event, internal or external, that may affect our Vision, Mission and Corporate Strategy. The impact is analyzed from diverse points of view; both from a purely economic perspective and from reputational, legal, and operational impact perspectives. We consider a substantive financial impact to be one having the potential to impact revenue by more than 5%.

Climate-related risks and opportunities are identified through strategic planning, financial reporting and disclosure, enterprise risk management, and operations management processes. Martinrea's CEO identifies climate-related issues as a key Business Plan item and our 10 Guiding Principles were revised in 2020 to reflect this by adding "Leave It Better" as a key principle for the Company.

Addressing climate change is a key corporate strategy, incorporated within our vision and mission of making lives better and serving as a competitive advantage in an industry where customers have increasingly high expectations regarding the sustainability and environmental track records of their suppliers.

The integration of sustainability initiatives into our business and risk management processes is a key focus for the Company, and we have devoted substantial resources across the organization in support of these efforts. We discuss some of these risks and opportunities below. In order to fully understand the risks and opportunities, as determined by Martinrea, please reference our Annual Information Form (AIF) for the 2021 fiscal year, which can be found at www.sedar.com.

Strategies to create opportunities to foster climate change sustainability within the automotive industry, include developing lightweight materials to increase the fuel efficiency of vehicles, thereby reducing carbon dioxide (CO₂) emissions, and investment in technology, such as electric vehicle (EV) battery production using cutting edge materials such as graphene, which improves charging time and driving range.

These automotive industry opportunities have also presented an opportunity for the Company as a manufacturer of Lightweight Structures and Propulsion Systems, which are in demand from customers to meet their regulatory requirements and consumer demand for goods having less of an impact on the environment. Regardless of how the vehicle is propelled, we are able to produce Lightweight Structures and Propulsion Systems solutions, enabling our customers to meet or exceed regulatory requirements and environmental standards. With the rising demand for EVs, Martinrea sees the opportunity to provide innovative, sustainable solutions to support the industry, such as battery technology and the design of components and systems with reduced mass, which increases driving distance per charge.

Martinrea is subject to a variety of environmental regulations by the federal, provincial and municipal authorities in North America, South America, Europe, and Asia that govern, among other things: activities or operations that may have an adverse environmental effect, including the release of GHG emissions into the environment (either directly or indirectly). Regulations change frequently and tend to become more stringent over time, which may necessitate substantial capital expenditures, operating costs or may require changes of production processes.

In order to mitigate risks related to climate change regulations, we engage with our customers to understand their product priorities and regulatory compliance requirements. We invest in R&D, partner with cutting edge companies, and conduct our own strategic planning in house. In addition, Martinrea regularly engages with trade associations and industry groups on a variety of product and environmental related issues.

Additional strategies to mitigate climate risk include implementing Lean Manufacturing practices to minimize waste through initiatives such as our Zero Landfill program described below, instituting energy efficiency and water reduction projects within all plants where applicable, and adhering to Environmental Management Systems such as ISO 14001 compliance, at a minimum, where required.



“Martinrea is set apart in the marketplace due to our tenacity and creativity. We don’t believe in roadblocks. We find ways to solve problems, and we are really good at it. I truly believe our customers appreciate that. It has allowed us to grow into what we are today and I expect it will serve us well going forward.”

Fred Di Tosto, Chief Financial Officer and Lead for Flexible Manufacturing Group

Fred Di Tosto’s scope of authority as CFO includes executive guidance and direction in the following areas: Corporate and Operational Finance, Information Technology and Systems, Accounting, Treasury, Taxation, Mergers and Acquisitions/ Integration, Contracts and Procurement, Investor Relations, Internal Audit and Risk Management. In addition, Di Tosto assumed overall responsibility for the Flexible Manufacturing Group in 2021.

Martinrea also recognizes the risk severe weather or natural disasters present. Risks related to extreme weather events cannot be predicted and the frequency and severity of any such event can vary. The Company has a disaster response and recovery plan in place at each facility to protect the health and safety of the employees and to ensure disruptions to the Company’s operations are minimized in the event of an environmental issue or event. The Company also has policies and procedures in place to mitigate such risks, including obtaining alternate supply, where practical.

Our customers are becoming increasingly focused on supply chain sustainability in manufacturing (such as GHG emissions and net zero carbon strategies), which could impact future sourcing decisions for companies not meeting customer policies. We strive to meet its goals, as well as those of our customers, but where it fails to do so could have an impact on the Company. Martinrea performs applicable supplier assessments to address potential risk, as referenced in the Supplier Responsibility section of this report.



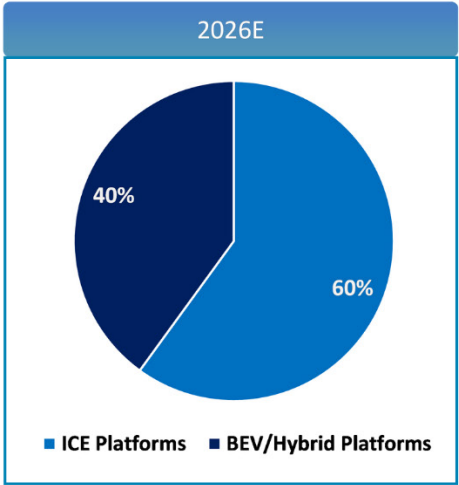
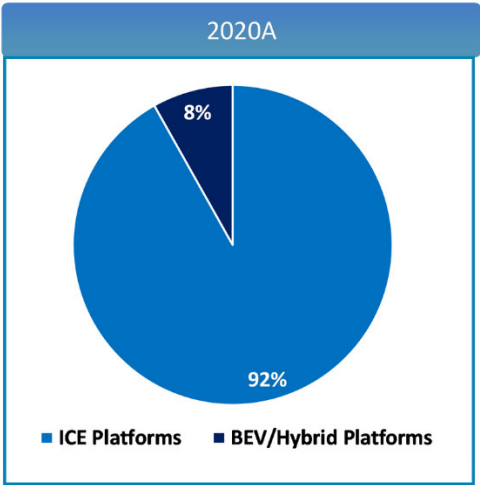


INNOVATION

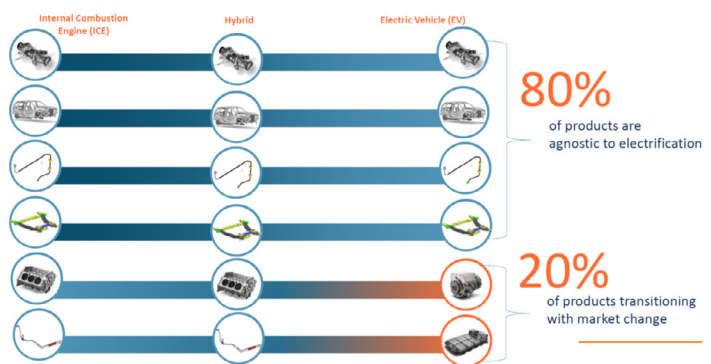
From the outset, the Company has been entrepreneurial; encouraging all employees, from executives to general managers to our people “on the floor,” to act and think like an owner with a stake in the enterprise. This includes supporting a can-do attitude, promoting an ability and willingness to urgently get things done, acting to avoid unnecessary bureaucracy, and developing an ability to learn from challenges openly and constructively with the trust of working in a team. We embrace new initiatives and focus on developing new products and new technologies.

Martinrea develops technologies to assist in producing vehicles which meet or exceed consumer expectations regarding reducing fuel consumption and GHG emissions. This is accomplished by the design and innovation of components and systems with reduced mass, investment in battery technology to support the rise in EVs, and through increased efficiency in operations using Lean Manufacturing and enhanced IT solutions.

As mentioned earlier, we believe our products and manufacturing processes have a positive environmental impact, as they help our automotive customers meet or exceed regulatory requirements on fuel efficiency and GHG emission reduction through lightweighting. Our book of business has and we expect will continue to evolve in tandem with the global shift to EVs. Today, approximately 8% of our book of business is specific to “electrified platforms” – i.e., battery electric vehicles (BEVs) or plug-in hybrid electric vehicles (PHEVs). We expect this will grow to approximately 40% by 2026, which is consistent with industry expectations in the regions in which we operate based on projections from IHS Markit.



We note approximately 80% of the products we manufacture are agnostic to propulsion type. Vehicles require bodies and structures, as well as brake lines and certain other fluids management systems regardless of how they are propelled. For the remaining 20% of our business that is tied specifically to the internal combustion engine (ICE) (i.e., products such as engine blocks, transmission housings, and fuel lines), these products will ultimately be replaced by EV-specific products such as battery trays, electric motor housings, and thermal management systems as the world transitions to EVs. What’s important is that we have the products, capabilities, and skill set to assist our customers navigate this transition as it unfolds.



To date, we have won a significant amount of new business on a variety of BEV platforms, including over \$100 million in annualized sales on Daimler’s EVA2 platform, which we expect will launch in 2022 at our facility in Tuscaloosa, Alabama. We have also won a variety of programs with General Motors, Ford, Audi, Tesla, Geely, and a battery tray program with Samsung that has already launched. This demonstrates our EV product portfolio is resonating with our customers and gives us confidence, whatever the future holds, Martinrea will continue to be a leader among Tier 1 automotive parts suppliers.

	Daimler EVA2	Body and chassis structures	SOP: 2022
	Ford Mach E	Aluminum front and rear subframes	SOP: 2020
	Geely PMA 1	Aluminum rear subframes	SOP: 2021
	GM EV Hummer	Body and chassis structures	SOP: 2022
	Audi PPE	Body and chassis structures	SOP: 2023
	Tesla Model Y	Brake lines	SOP: 2022
	Samsung	Aluminum battery tray	SOP: 2020



The Company recently established Martinrea Innovation Development (MiND), an organization dedicated to incubating, developing, and funding innovative technologies that can be directly applied to Martinrea’s operations. Martinrea is involved in a variety of initiatives (including through MiND), including graphene and the development of graphene-enhanced Li-Ion batteries through investments in NanoXplore (GRA-TSX) and its VoltaXplore Joint Venture with NanoXplore, as well as additive manufacturing, robotics, and software. In each case, in addition to cash investments where warranted, Martinrea provides the full range of its operational and strategic expertise to its partners, including manufacturing excellence, product development, supply chain management, and other functional disciplines, with broad support from Martinrea staff, including senior executive management. While some of the Company’s early investments have focused on innovations specific to EVs, MiND has a broad mandate - to accelerate strategic innovations within Martinrea’s existing operations and to enhance our business with advanced products or technology solutions for our customers.



“Although MiND was created in 2021, it is just the next step in Martinrea’s impressive history of innovative thinking and action. Our team’s drive to “Leave it Better” has and will continue to advance innovative solutions creating a sustainable value for our stakeholders, reaching far beyond the physical walls of our plants, offices, and technical centers.”

Bruce Johnson, Executive Vice President, Martinrea Innovation Development

Lightweight Structures and Propulsion Systems Strategy

Martinrea is proud to be a leading supplier of Lightweight Structures and Propulsion Systems to provide our customers the opportunity to reduce overall vehicle weight and the resultant CO₂ emissions through improved fuel efficiency (or in the case of EVs, driving range per charge).

Lightweighting is primarily being driven in the near-term by more stringent fuel economy and emissions standards, with longer-term demand being driven by the relative growth in EVs. Lightweighting is a key strategy to address tightening fuel economy and emissions standards, as a reduction in vehicle weight can lead to an improvement in fuel economy. Furthermore, the average BEV is heavier than the average ICE vehicle due to a combination of battery weight and additional electronics. In addition to being heavier, BEVs have a heightened need for lightweighting as decreasing vehicle weight increases driving range. BEV driving range can also be adversely affected by temperature extremes, furthering the push towards lightweighting.

Martinrea is recognized for developing outstanding propulsion systems and this is a continuing R&D focus. Our engine, transmission, thermal and fluid management products are built to drive power and performance while contributing to the reduction of vehicle weight. Lightweighting can be accomplished through the design and use of aluminium as a material choice, as it weighs less than steel. Manufacturers not using 100% aluminium, due to cost, can consider lightweight designs using a blend of advanced materials, which Martinrea also provides. Generally, a 10% reduction in vehicle weight can result in a 6%-8% improvement in fuel economy. Martinrea continues its R&D focus towards providing lightweight solutions to allow our customers to reduce vehicle weight.



Our Lightweight Structures team drives bold metallic and aluminium lightweight solutions, ultimately resulting in less greenhouse gas emissions and reducing the carbon footprint. We are committed to doing our part to improve the sustainability of our planet and making people's lives better."

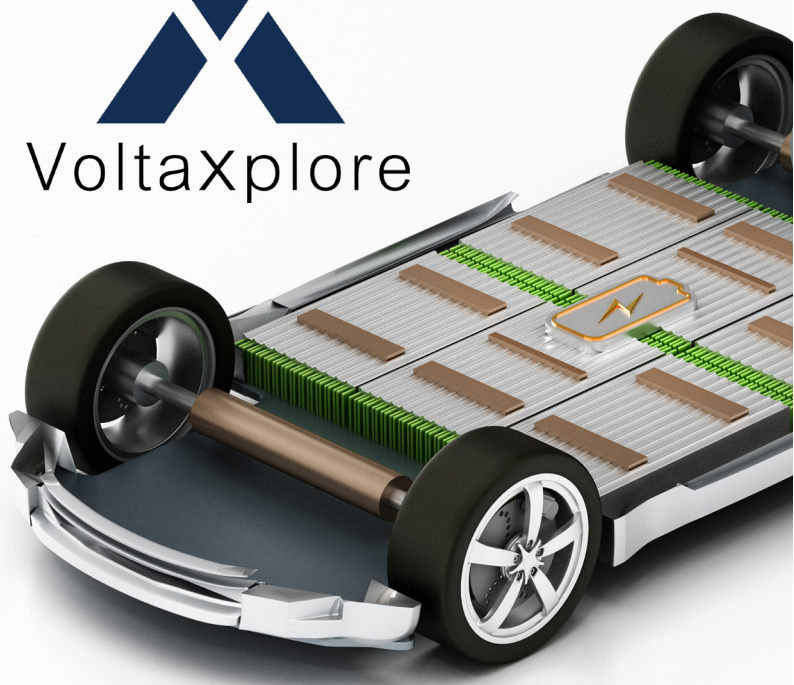
Peter Cirulis, *Executive Vice President, Aluminium Business Unit and Lead for Lightweight Structures*

Battery Technology

As the automotive industry moves down the path of electrification, substantial investment in battery manufacturing capacity and charging infrastructure will be required over the next decade. Battery performance (mileage per charge) and cost per kWh will need to improve substantially for EVs to become a viable alternative to the ICE vehicle.

To capitalize on the opportunities electrification brings, Martinrea has invested in partnerships (such as with NanoXplore, Inc.) and strategies to develop EV batteries enhanced with advanced materials, such as graphene. Graphene can be used as an additive in anodes and cathodes to materially improve cycle life and charging time, leading to opportunities to reduce overall product GHG emissions.

This innovation supports the journey towards a sustainable, low-carbon future encouraged by the global movement towards zero-emission EVs. Martinrea continues R&D in graphene for its benefits in lightweighting and has also invested in the development of a prototype battery facility through its VoltaXplore joint venture with NanoXplore.

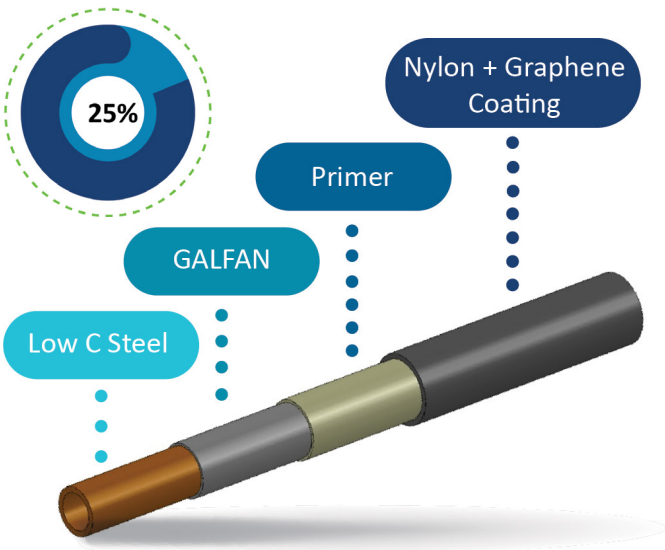


Graphene Enhanced Products - Brake Lines

Our innovative R&D and investment in NanoXplore, along with our patented technology, has led us to advancements in the development of Graphene and Nylon Coated Brake Lines.

Graphene is a revolutionary carbon material with exceptional properties. When incorporated in nylon, it significantly increases durability and chemical resistance among other properties. NanoXplore's unique GraphenBlack™ product easily disperses in Nylon and provides a much better sustainable solution.

Graphene is used in our next generation coated brake lines, enabling unparalleled abrasion resistance with a 25% weight savings. The use of this advanced material also permits the development and improvement of other automotive components, as well as improves the performance of electric vehicles.

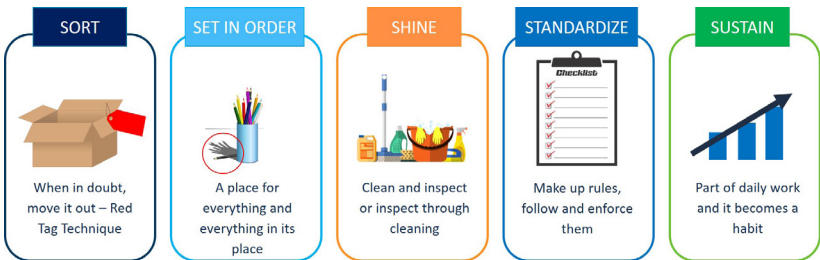


Lean Manufacturing

Martinrea embraces Lean thinking as part of its culture. The elimination of waste takes out unnecessary cost, thereby making us more competitive. Lean Manufacturing simplifies processes so that we can have safer, cleaner, more efficient, and more sustainable workplaces.

The use of Lean Manufacturing Principles results in a reduction of materials, equipment, energy use, and waste in our operations, leading to reduced CO₂ emissions.

Lean Manufacturing utilizes a Cost Reduction Management System (CRMS) to support the sharing of ideas to drive continuous improvements across the Company, such as the implementation of energy efficiency and water optimization projects. This sharing of information helps to lead to the reduction of inefficiencies and with the goal of ultimately leading to the reduction of total operating cost.



"Lean Manufacturing is about reducing waste. This mindset is transferred into sustainability as we focus on reducing our energy consumption through waste elimination as one of our key strategies to reducing green-house gases. I am excited about our sustainability efforts. This is because we see our people in the plants implementing fantastic kaizens already resulting in a reduction in our energy consumption per unit of sales. As we continue to engage more and more people, our energy consumption per unit of sales will continue to improve."

Mike Leal, Vice President, Lean Manufacturing

Information Technology

Standardization, a cyber-secure culture, on-time delivery of solutions, and ensuring sustainable and high performing Information Technology (IT) systems are the objectives of Martinrea's IT department. In 2021, we developed an energy tracking database platform that can be used globally across all plants to track and monitor energy usage. This sets Martinrea up for future success in reducing energy usage, which contributes to reducing our overall carbon footprint.



"We are focused on standardizing processes and systems control across all plants; enabling technology across plants to eliminate manual and inefficient processes while reducing redundancies, lowering support costs, and increasing service levels."

Ganesh Iyer, Chief Technology Officer



Our Sustainability Journey

2011

Martinrea began manufacturing lightweight components

2019/2020

Martinrea hired a 3rd party consultant to assist with developing our sustainability strategy

2021

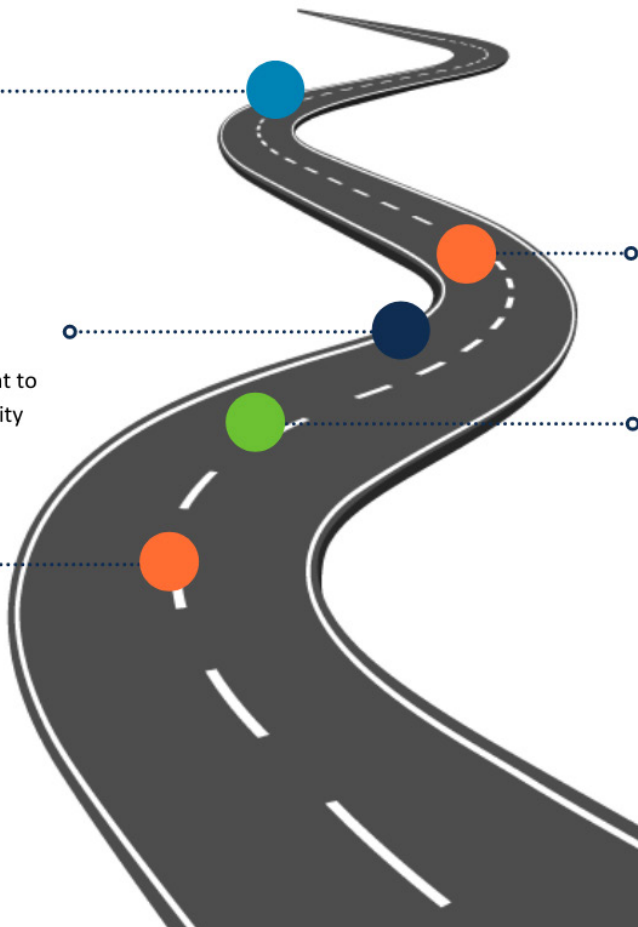
- 'Leave it better' was added to our Company's 10 Guiding Principles
- Hired a dedicated Sustainability Manager
- CDP score increased to C
- Developed targets to reduce GHG emissions

2018/2019

Martinrea invested in battery technology to support EVs

2020

- CDP score D-
- Sustainability Steering Committee was formed



20th
YEARS
ANNIVERSARY



ENVIRONMENT

Martinrea's goal for environmental sustainability is to ensure the responsible use of natural resources and the prevention and reduction of negative environmental impacts like emissions, energy and water consumption, or waste generation, so as not to endanger the environment. We monitor operations to ensure compliance with environmental requirements and standards and take action to prevent and correct problems, if needed.

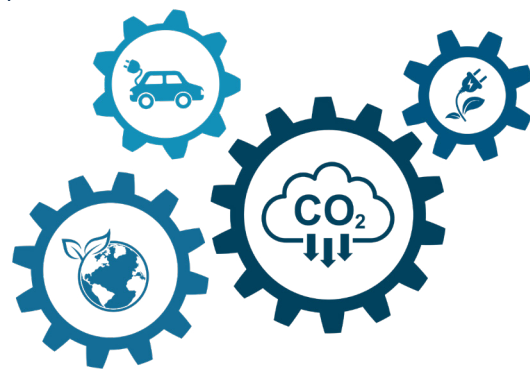


Martinrea team members completed reforest activity through donating and planting 300 pines in Saltillo, Mexico.



Energy and Carbon Emissions

As a global Company, we aim to minimize energy waste (and resultant emissions) from our manufacturing operations and have activities in place to increase energy efficiency. In order to promote energy efficiency within our plants, we have developed energy reduction targets for each of our Business Units which are aligned with climate-focused principles. Energy reduction initiatives that have been implemented include:

- Changed fluorescent lamps to light-emitting diode (LED) lighting
- Monitored, corrected and prevented air leaks through management of air compressors
- Implemented gas savers in cylinders of welding areas
- Identified and repaired heat leaks in curing ovens
- Installed occupancy sensors to automatically turn off lights when not in use
- Added valves to direct air blow devices to coordinate with machine sequence
- Used smaller air compressors, where applicable
- Utilized variable speed air compressors vs. fixed speed, where applicable
- Added sensors/timers to monitor usage of equipment and automatically turn off when not in use
- Automated climate controls
- Installed air curtains on shipping doors to avoid heat loss
- Recycled air compressor's heat back into plant via duct system
- Converted A/C welding systems to spot D/C welding



Through our active energy management practices, we are able to calculate our carbon emissions using the Greenhouse Gas Protocol (GHG Protocol), an international standard. Our manufacturing processes rely heavily on natural gas and electricity usage as our primary energy sources, and thus they make up the majority of our Scope 1 and Scope 2 emissions, respectively. We recognize Scope 3 emissions generally make up the vast majority of a Company's overall carbon emissions and are developing strategies to accurately collect this information in the future.

TOPIC	METRICS	UNIT OF MEASURE	2019 DATA ¹	2020 DATA ²	2021 DATA ³
Energy Management 	Aggregate amount of energy consumed (fuel and electricity)	MegaWatt hours (MWh)	975,720	811,648	825,525
	Energy Intensity	MWh/Revenue (\$CAD)	0.0002476	0.0002405	0.0002182
	% of electricity supplied from renewable energy (via utility)	Percentage (%)	~35%	~35%	~35%
GHG Emissions 	Scope 1 Emissions	metric tons of CO ₂ (mtCO ₂)	76,025	64,119	65,200
	Scope 2 Emissions	mtCO ₂	216,750	189,821	193,066
	Carbon Intensity	mtCO ₂ /Revenue (\$CAD)	0.0000743	0.0000752	0.0000683

¹ Extrapolated value based on 2% reduction in production due to labour strike observed in 2019. 2019 data serves as Martinrea's baseline for energy data.

² 2020 data is not typical due to COVID-19 Pandemic related production shutdowns impacting our facilities in 2020.

³ 2021 data with respect to energy management is preliminary and is not typical due to semiconductor chip shortages and production shutdowns.

While 2021 was not a typical year due to semiconductor chip shortages and production shutdowns, we continued to implement energy efficiency projects across our Business Units to reduce energy usage. As shown in the above table, Martinrea's overall energy consumption and carbon emissions in 2021 were reduced from our 2019 baseline levels. Our 2021 absolute energy consumption and carbon emissions were slightly higher than 2020; however, our energy intensity calculations show that when factoring in revenue, our energy and carbon intensity was reduced from 2020, showing a downward trend. Our goal is to continue with these reductions as Martinrea has committed to energy and carbon emission reduction targets across the Company in 2022. Energy and carbon intensity metrics will continue to be calculated to account for future production increases or decreases.

Aproximately 35% of our electricity usage globally is obtained through utility grids using varying percentages of renewable sources (solar, wind, hydroelectric). Many of our manufacturing plants are located in countries with relatively high levels of renewable energy production such as Canada, Brazil, Spain, and Germany, which serves as an advantage for our overall carbon footprint. We are also exploring the procurement of additional renewable energy through our utility partners. Our sustainability strategy includes continuing to strive to increase our levels of renewable energy usage.

Waste

Martinrea's commitment to sustainability is shown through our responsible use and disposal of materials. Consistent with Lean Manufacturing, we consider all waste to be a sign of inefficiency. Our manufacturing operations generate various waste streams, primarily rubber scrap, plastic, cardboard, wood pallets, and aluminum and steel scrap. All waste is viewed as a resource that can be reduced, reused, repurposed, composted or recycled. Many of these primary waste streams are readily recyclable and the Company participates in many resale programs in order to reduce waste when unavoidable.

In order to advance the circular economy, Martinrea aspires to reduce our waste stream further through our Zero Landfill program which encourages the use of fewer new raw materials and aims to send no waste materials to landfills or to the environment. This program includes education at our plants to encourage our staff to rethink how they view waste.

Martinrea will continue to work to reduce waste. We are very proud to have made progress and we were recognized for our efforts by the Green Business Bureau (GBB) at our Technical Center in Auburn Hills, Michigan by receiving the GBB Zero Waste Initiative in 2020.

Employees at Martinrea's Hermosillo plant in Sonora, Mexico contribute ideas on how to reduce waste.






As water is a limited natural resource, the implementation of best practices related to it are included within our environmental program management at our plants. Proper water improvement is, and will continue to be, a key part of the Company's sustainability journey.

In 2021, Martinrea completed multiple water use reduction/water optimization initiatives at various facilities, including:

- Disciplined water utilization programs
- Determined and addressed water leaks
- Internal treatment of wastewater through evaporator technology to reuse wastewater in our processes`

While 2021 was not a typical year due to semiconductor chip shortages and production shutdowns, we continued to implement water optimization initiatives across our Business Units to reduce energy usage. As shown in the table, Martinrea's overall water utilization volumes in 2021 were reduced from our 2019 baseline levels. Our 2021 water utilization volumes were higher than 2020, however we experienced COVID-19 Pandemic related shutdowns of our plants in 2020 which affected the amount of water used, thus 2020 was not a representative year for comparison. Our goal is to continue with these reductions from 2019 baseline levels.

TOPIC	METRICS	UNIT OF MEASURE	2019 DATA ¹	2020 DATA ²	2021 DATA ³
Water Management 	Annual water withdrawals	Megalitres (ML)	21,032	14,410	17,580

¹ Extrapolated value based on 2% reduction in production due to labour strike observed in 2019.


2019 data serves as Martinrea's baseline for water withdrawals data.

² 2020 data is not typical due to COVID-19 Pandemic related production shutdowns impacting our facilities in 2020.

³ 2021 data with respect to water withdrawals is preliminary and is not typical due to semiconductor chip shortages and production shutdowns.

Environmental Management System

Martinrea has a global environmental compliance program, which requires its manufacturing facilities to receive, where required, ISO 14001 or functionally equivalent environmental certification. ISO 14001 specifies requirements of an environmental management system and is a systematic approach to handling environmental issues within an organization. Third party and internal audits or inspections are conducted regularly across our plants. The Company is also subject to environmental regulation by governmental authorities in the jurisdictions where it operates. Our operations produce various wastes, which must be handled, stored, transported and disposed of in accordance with applicable environmental laws and regulations. We have a strong track record in complying with environmental laws and regulations.

TOPIC	METRICS	UNIT OF MEASURE	2019 DATA	2020 DATA	2021 DATA
Environmental Management 	ISO 14001 Certification	Percentage (%) of manufacturing facilities Note - all required facilities are ISO 14001 certified	91.2%	92.5%	92.5%

We are proud to say that 92.5% of Martinrea's manufacturing facilities are ISO 14001 certified (and all required manufacturing facilities are ISO 14001 certified). Our goal is to have 100% manufacturing facilities ISO 14001 certified within the next two years, regardless of requirement status.



SOCIAL

The Company’s approach to health and safety and diversity are at the core of Martinrea’s culture of making people’s lives better. We treat people with dignity and respect. We promote sustainability by protecting the environment and respecting the laws, supporting universal human rights, and contributing to communities around the world. Martinrea’s sustainability efforts include providing a healthy and safe workplace for all team members while supporting a diverse and inclusive environment.

The Company has adopted many policies related to sustainability in order to ensure commitment across its global operations, including the Corporate Sustainability Policy, which covers the following:

- Child labour
- Compensation, forced labour, work hours
- Freedom of association and collective bargaining
- Harassment, discrimination, and diversity
- Health and safety
- Community engagement and Indigenous populations
- Bribery and corruption
- Environment
- International Standards, including human rights and social responsibility

Community Involvement

Making lives better for people in communities has been a foundational belief of the Company from the beginning and is directly reflected in the Company’s Vision, Mission, and 10 Guiding Principles, as well as in the Company’s culture. Martinrea rebranded and unified its charitable initiatives in 2018 under a global charitable giving program called “Making People’s Lives Better.” The Company’s charitable goals include sponsoring tangible projects undertaken by a charity, providing donations for sponsored projects, and encouraging our employees to volunteer their time.



Making People’s Lives **Better**



Martinrea employees volunteer their time to complete a shoreline cleanup near their headquarters in Auburn Hills, Michigan.



Employees from Atlas Fluid Systems in Brampton, Ontario hosted an annual Christmas food and clothing drive to support their local community.



Beach cleanup completed by Martinrea staff and family in Bahia de Kino, Sonora, Mexico

Givesome™

Martinrea has partnered with a Canadian-based company, Givesome, to connect with charity projects globally. This organization provides a web-based technology to encourage employees to give back to their communities and makes it easier for them to track their donations and volunteer time. We have always supported different charities in local communities, but, working with Givesome's user-friendly capabilities, we can now donate to projects globally and see the impact they have on individuals living there. For example, Givesome highlighted how a project we funded in Michigan was able to furnish an entire apartment for a homeless family.



Another example of community outreach near our Auburn Hills, Michigan location includes a project Martinrea completed with Givesome in order to support domestic violence victims in Michigan through backyard improvements.

Enriching lives in our communities has been one of the greatest returns on investment. From working with nonprofits on sustainability efforts and assembling an intramural sports team, raising funds for children in need, to developing young talent through nationwide Manufacturing Days and international cohort programs, Martinrea also values cultural traditions in all countries we're proud to represent. Our work in communities never stops – it's part of our mission of making people's lives better.

Martinrea's Mexico plants participate in bottle cap recycling event to raise money for chemotherapy treatments.

Shared across the Mexico region, all Coahuila plants have been working with local organizations to help support cancer patients and allow them to receive chemotherapy treatments. Through the collection and recycling of screw caps, over 10.8 tons of plastic and 2,240 chemotherapy treatments have been donated over the past two years!





Workplace Health and Safety

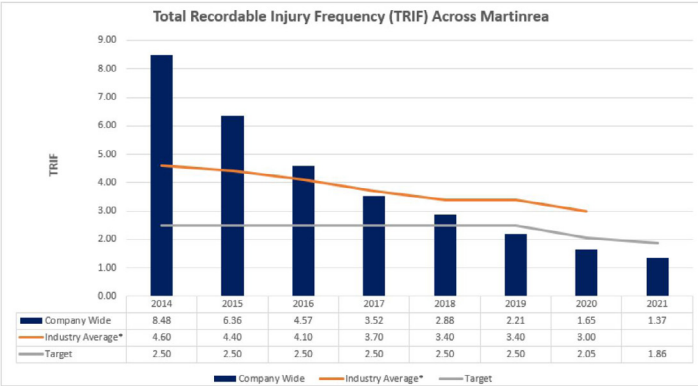
Martinrea has a strong commitment to workplace health and safety and the prevention of occupational injury and illness; it is core to our principle of making employees’ lives better by keeping them safe. Martinrea’s objective is to continuously improve its health and safety performance and to continue to outperform industry standards based on key safety performance indicators.

A safe and healthy workplace is created through the combined effort and participation of leadership and employees. Leadership is responsible for establishing and maintaining health and safety policies, programs, safe-work practices and resources, and employees are responsible for maintaining safe and healthy work conditions by following the safety standards and training provided. Prevention is the goal. The Company reviews the health and safety overview reports regularly to work towards the goal to be in the top decile of industry safety performance.

Protection for employee health and safety is a core principle in the Company’s Employee Bill of Rights. We are committed to providing people with a healthy and safe work environment, free from harassment and violence. We routinely discuss health and safety issues and ensure best practices are adopted throughout the organization, with a focus on identifying and eliminating risks pertaining to health and safety, industrial-hygiene, ergonomics, and emergency preparedness. We incorporate regulatory changes, learnings from near misses and accidents, and changes to industry standards into our global safety management system.

We initiated an emergency preparedness and response plan at each facility to ensure timely response and communication in the event of an emergency, and incident investigation procedures to ensure incidents are investigated and corrective action is implemented to prevent recurrence. We also have a Joint Health and Safety Committee at each plant and office which ensures compliance with local and global standards through routine and unscheduled audits designed to address documentation requirements, assess physical conditions at the plant, and compliance to legal requirements. Audits and inspections are conducted on-site and are followed up with a report developing action plans to address deficiencies or best practices that are reviewed by the facility and the leadership team.

The Health and Safety Management System incorporates international and regional standards, including: OHSAS 18001, Canadian Standards Association (CSA), and American National Standards Institute (ANSI), as well as country-specific safety regulations. The Company’s Health and Safety Committees hold regular conferences with representatives of our manufacturing facilities to reinforce our commitment to providing a safe and healthy work environment and share best practices with respect to occupational health and safety.



TRIF = # of injuries in reporting month X 200,000/total hours worked that month.
 *Industry averages based on data collected by the U.S. Bureau of Labor Statistics for US private industry employers in the Motor Vehicle parts manufacturing Industry.



Martinrea made a significant donation of 1 million face masks to the Province of Ontario in 2021. The Honourable Victor Fedeli, Minister of Economic Development, Job Creation and Trade (MEDJCT) was present to accept the donation from Martinrea's leadership team.

COVID-19 Pandemic Efforts

At Martinrea, employee safety is paramount and central to the Company's Vision, Mission and Culture, and our team members have gone above and beyond to help fight the spread of COVID-19.

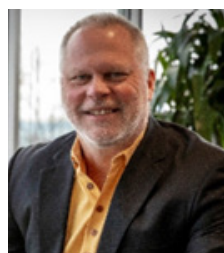
In addition to the usual focus on employee safety, we have been extremely busy and focused on employee health and safety protocols in response to the COVID-19 Pandemic. We developed robust safety protocols for plants and offices to help prevent the spread of COVID-19 and keep our employees safe and ensure they feel safe.

Safety protocols have included the following:

- Use of additional personal protection equipment (PPE)
- Reducing the number of workers present on premises to perform critical functions and improvement activities
- Limiting visitors to facilities
- Reworking processes to provide social distancing/enhanced PPE
- Additional cleaning and disinfecting protocols
- Adopting policies to prevent workers from entering the premises if they display symptoms or are suspected to have COVID-19
- COVID-19 Health Assessment Tools and fact sheets have been provided to all employees
- Educating employees on the best preventative steps for communicable diseases, including COVID-19

Martinrea was heavily involved in the industry wide response to the pandemic, working with the Original Equipment Suppliers Association (OESA) and the Canadian Automotive Partnership Council (CAPC) (chairing the COVID-19 Task Force) to develop industry wide protocols, which have been recognized by all industry players, including governments, as appropriate.

Martinrea also focused COVID-19 efforts beyond our facilities and worked to help nearby communities. From producing ventilator stands to manufacturing and donating millions of face masks to families in need, hospitals, first responders, and vulnerable members of the communities, Martinrea was proud to contribute to the well being of communities during a difficult time.



"We are incredibly proud of our mask making efforts, providing over 10 million of them to our people and their families, as well as to food banks, hospitals, and governments," said Rob Wildeboer, Executive Chairman of Martinrea International. "Our key guiding principle is the Golden Rule—treating people the way we want to be treated. And that is what we do, not just at work, but in our communities as well. We are also proud to have worked together with the Government of Ontario, and others, to fight an unprecedented health and economic crisis."

Rob Wildeboer, Executive Chairman



"It is amazing how much our team members accomplished in such a short time. They focused their time, energy, and talents to help protect our people and the community."

Larry Paine, Executive Vice President, Metallics Business Unit



Diversity, Equity and Inclusion

Martinrea believes in creating a diverse culture, based on its Golden Rule culture, with treating people the way we want to be treated, with dignity and respect. We believe a great work environment allows everyone to reach their full potential. Our objective is to encourage DEI within the Company, including in its Board and senior management and to not discriminate on the basis of gender or any other basis. We believe DEI is important to a well-functioning team to ensure the Company has the necessary range of perspectives, experience and expertise required to achieve its objectives, including effective stewardship and management. Fair treatment, dignity, and respect are core principles in the Company's Employee Bill of Rights and 10 Guiding Principles. These principles, which are discussed and reinforced through employee meetings, conferences, training and in daily life, also encourage diversity. In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to our success.

Our conduct with each other is characterized by respect and tolerance, free of discrimination or harassment due to gender, identity, race, ethnic, national or social origin, age, religion, political or sexual orientation, physical or mental disability or other characterizations protected under law. Tolerance and equal opportunity are pre-requisites to a pleasant work environment. We have a DEI policy which we continuously promote as we strive to create an inclusive work environment.

Martinrea prides itself on its diverse global workforce encouraged by its Global DEI Steering Council. "In today's workplace, DEI can hold the key to fostering new ways of thinking, reaching out to a wider range of customers and growing our business. The Steering Council is tasked with driving a culture embracing DEI at all levels. Time and again, research has shown companies prioritizing and encouraging diversity see success at higher rates. We see this continuously in our Company as we work together across Business Units and continents to help each other improve," said President and CEO Pat D'Eramo.



"Our global family of diverse team members brings a broader footprint to Martinrea, working together in a culture holding similar values and beliefs. As a Company, we strive to impact this world for the better and focus on our people, because our strength is truly in our people."

Armando Pagliari, Executive Vice President, Human Resources



Gender Diversity

In an increasingly complex and competitive global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Company's success. Our global growth plans include cultural nimbleness and the development of a brand and environment appealing to the breadth of talent, thereby helping the Company to be successful.

In 2015, the Company adopted a Diversity policy for the Board of Directors, Executive Officers and have implemented pro-active steps to increase the number of women in leadership positions through training, succession planning and other activities.

We also participate in promoting the automotive sector as a career for women, such as sponsoring student and university co-op programs, as well as supporting the development of the next generation of talent in Science, Technology, Engineering and Mathematics (STEM), including programs that engage and encourage young women to enter STEM such as First Robotics.



The Board of Directors currently has two female directors out of eight directors, meaning 25% of the Board (and approximately 33% of the independent directors). Sandra Papatello has been a director on the Board since 2014. In her previous career, she was a former Ontario cabinet minister and held various leadership roles over 16 years, including as a Member of the Premier's Executive of Cabinet, as Minister of Community and Social Services with responsibility for Women's Issues and as Minister of Economic Development & Trade. She is currently the Chair of the Company's CGNC. Dr. Molly Shoichet has been a director on the Board since 2019 and currently is a member of the Compensation Committee. Dr. Shoichet has received numerous awards and honours recognizing her leadership in her field in science, technology, and innovation. In addition to her many accomplishments, she has established the Dorothy Shoichet Women Faculty in Excellence Award, University of Toronto and is leading a series of initiatives at the University of Toronto focused on healthy and inclusive labs. Dr. Shoichet served as Ontario's first Chief Scientist in 2018 where she worked to enhance the culture of science, and is the only person ever to be inducted into all three of Canada's National Academies of Science, Engineering and Health Sciences.

The Company does not support specific diversity targets based on fixed percentages in its Board selection process or for the promotion or hiring of individuals within the Company. The selection of Board members is ultimately a function of the skills, experience, character, and other qualities director candidates bring to the table. However, the Company aspires to increase Board diversity over time, as directors retire or a determination is made to expand the number of directors on the Board. In 2018, the Company set a goal of having a minimum of 20% female Directors on the Board. This goal was met in 2019. The Company believes the increase of women and other diverse candidates in operational roles will occur over time, due to a proactive strategy we have implemented to ensure exposure to and opportunities for operational roles for them. We recognize diversity is an essential consideration in the selection process for executive officers and have implemented diversity strategies in our recruitment and succession planning practices.



"We need strong creative people in our industry, including women as they bring great ideas that make us well-rounded. It's the differences in thoughts and ideas that make us a stronger Company."

Megan Hunter, Executive Vice President, Procurement and Supply Chain Operations

Megan is a founding member of the DEI Committee at Martinrea and now serves on the Steering Council. Megan was recently recognized as one of 100 Leading Women in the North American Auto Industry by Automotive News, awarding women who are leaders in the automotive field who are making major decisions and have significant influence at their companies.

Accessibility

Martinrea is committed to preventing and removing accessibility barriers from our workplaces where possible, and meeting accessibility requirements in our facilities in which we operate. We believe in integration and equal opportunity, and aim to create an inclusive culture.

In Saltillo, Mexico, we partnered with a Mexican government agency for social welfare to determine how the plant could be more inclusive and diverse. The facility was assessed to determine if it could accommodate staff with different disabilities. The areas assessed included height of stations for wheelchair access and operation; accessibility for wheelchairs around facility and restrooms; and to consider opportunities to include personnel with disabilities (autism/down syndrome, stroke recovery, hearing impairment, etc.).



Business Ethics

The Company's most important assets are its people and its reputation for integrity, in its products and in how they are made. We believe it must be clear on what it stands for, and honour its commitment to its people, customers, owners, lenders, and communities. The Board expects management to manage the Company in a manner that enhances shareholder value, is consistent with the highest level of integrity and is within the law.

Martinrea's Board of Directors has adopted a Code of Conduct which sets out the Company's expectations to:

- Act honestly and ethically and in the best interest of the Company
- Comply with all applicable laws, rules, and regulations
- Not use or disclose any confidential information acquired as a result of a person's role with the Company
- Avoid all actual or apparent conflicts of interest between personal and professional relationships, ethically handling such actual or apparent conflicts of interest
- Not take any opportunity that belongs to the Company or is discovered through the use of corporate property, information or position, or use any corporate property, information or position for personal gain
- Not compete with any business activity of the Company
- Promptly and accurately provide all necessary information to assure that the Company's public reports, documents, filings, and communication are full, fair, accurate, timely, and understandable and that the Company's public disclosure requirements are fully met
- Promptly report any known violations of the Code to the Audit Committee Chair
- Not permit retaliation of any kind against good faith reports or complaints of violations of the Code or other illegal or unethical conduct



The Code of Conduct is an integral part of Martinrea's ethical backbone. In today's world, our customers, partners and shareholders trust we will maintain and uphold the law and the highest possible standards of conduct. The Code of Conduct is reviewed at least annually. We have also implemented training to help our people understand and apply key rules to help ensure all business activities are conducted with the highest level of fairness, honesty, integrity, and ethical standards and to know where they can go for guidance if ever unclear about the right course of action. We also have policies in place for employees to safely communicate suspected violations of the Code, such as the Employee Bill of Rights. We maintain a confidential and anonymous whistle-blowing line, which is administered by a third party.

We have numerous corporate policies in place (in addition to the Code of Conduct) to ensure ethical and legal compliance. Examples include policies addressing health and safety, workplace violence and harassment, antitrust compliance, privacy, and cybersecurity.



"Martinrea's culture embraces and requires ethical behaviour. This foundational principle has been implemented throughout the Company."

Kerri Pope, General Counsel and Corporate Secretary



Employment

Martinrea’s 10 Guiding Principles are the foundation for our approach to dealing with all aspects of our business, including our people. The Company is committed to the fair treatment of employees, a safe, healthy and diverse workplace, competitiveness of wages and open communication. We believe providing employees with a safe and pleasant working environment, based on dignity and respect, is an important factor in maintaining labour productivity and goodwill in order to produce quality products. The future success of Martinrea depends in part on its ability to attract and retain qualified people.

In addition to our 10 Guiding Principles, Martinrea adopted an Employee Bill of Rights in 2001, still relevant today, as follows:

- **Job Security** – Every employee is an important member of the Martinrea team. Together, we build our future and protect our job security by exceeding customer expectations while remaining competitive within our industry
- **Health and Safety** – Our employees work in a safe, healthy environment and an ergonomically friendly workplace
- **Fair Treatment** – Our employees shall be treated with dignity and respect. Accordingly, we provide equal opportunities in a workplace free from discrimination and harassment
- **Compensation** – Our wages and benefit programs are reviewed annually to ensure that employees receive fair compensation for the industry in which we work and the communities in which we live
- **Coaching** – Regular feedback will be provided so our employees know where they stand at all times and can build on their strengths
- **Training** – Employees shall be provided the opportunity to develop to their full potential through ongoing training and continuous learning
- **Communication** – We believe in open, honest two-way communication supported by visible, responsible action in a timely manner

If any employee feels his or her rights under the Martinrea Employee Bill of Rights are not being met or if they have any questions, concerns, or suggestions, they are encouraged to approach any member of the management team up to and including the CEO.

EMPLOYEE BILL OF RIGHTS

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Open Door Policy
If an employee feels that his or her rights under the Martinrea Employee Bill of Rights are not being met or if they have any questions, concerns, or suggestions, they are encouraged to approach any member of the management team up to and including the CEO. Our doors are always open. We promise to listen and respond appropriately without reprisal or retaliation.

martinrea.com





Human Rights

Martinrea respects the dignity of every human being and complies with internationally recognized human rights. Martinrea believes in compensating employees to enable them to meet their basic needs and in providing them the opportunity to improve their skills and capabilities in order to raise their social and economic opportunities.



The Company rejects all forms of physical, sexual, psychological or verbal abuse of its employees. Martinrea’s Sustainability Policy sets forth our values regarding child labour, forced labour, human trafficking, modern slavery, diversity and inclusion, freedom of association, collective bargaining, safe work environment, working hours, and wages and benefits. Our policy aligns with the UN Universal Declaration of Human Rights and additional guidance contained within the International Bill of Rights.

Our Sustainability Policy, which includes human rights, applies globally, including all of our worldwide subsidiaries, affiliates, partnerships, ventures and other business associations Martinrea controls. All our employees are subject to the Policy. Our suppliers, contractors and other business partners with whom we do business are also expected to adhere to our standards, including human rights and labour practices.

Conflict Minerals

Martinrea is committed to ethical and socially responsible business practices and recognizes its responsibility in promoting the protection of human rights. Martinrea is dedicated to conflict mineral reporting to help ensure that conflict minerals such as gold, tantalum, tungsten and tin, as well as cobalt, which can be sourced from mines under the control of armed groups in the Democratic Republic of Congo and certain neighbouring countries, are not used in automotive parts and assemblies. We use our International Materials Data System (IMDS) and the Responsible Minerals Initiative (RMI) to perform due diligence queries of our supply chain.





GOVERNANCE

Martinrea believes a successful sustainability strategy and culture starts with strong leadership by the Board and Executive Management.

Board Oversight

The importance of making demonstrable progress with environmental (including climate), social and governance sustainability goals requires CEO-level engagement and direction to ensure organizational alignment. The Board of Directors oversees the Company’s sustainability strategy and provides review and guidance with regard to major plans of action, risk management policies, setting performance objectives, and overseeing major capital expenditures. The Board of Directors has implemented various policies designed to promote good corporate governance, and sustainability practices, including many of the policies discussed in this report.

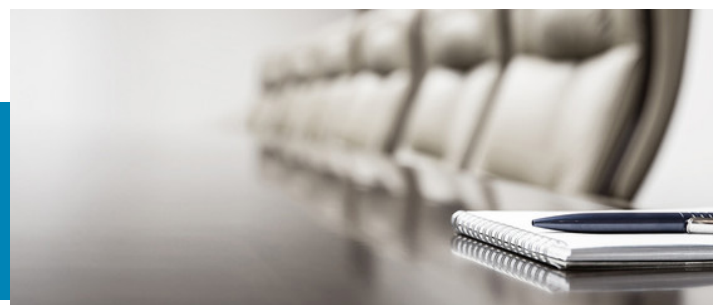
Management

Martinrea has designated executive champions for environmental (including climate), social and governance related sustainability matters. Day-to-day management of Martinrea’s sustainability program is handled by cross-functional teams from across the Company. Strategic direction is managed by the CEO and a Sustainability Steering Committee consisting of the CEO, Vice President of Lean Manufacturing, General Counsel, Executive Vice President of Supply Chain Operations, Human Resources Department Leads, Sustainability Manager, and Sustainability Leads within each Business Unit. Representatives from other functional areas such as Investor Relations, Finance, Human Resources, Communications and Sales are also involved, as needed. Activities and goals are included in annual business plans that are reported at CEO staff meetings to ensure progress.

Executive Compensation

To attract and retain key management employees, the Company compensates these individuals by various means. Senior executives are paid a base salary plus bonuses based on pre-tax profits and may receive options to purchase the Company’s common shares or other equity-based compensation, such as units under the Company’s performance and restricted share unit program. The Company has in place share ownership guidelines for executives and has geared certain bonus payments to the purchase of the Company’s common shares by the executives. Senior executives are provided executive ownership to make decisions in the best interest of the Company, and to act like owners. The Company’s employee compensation principles are determined by the Compensation Committee of the Board of Directors and administered by each facility’s Human Resources Department with the assistance of the Company’s Executive Vice President Human Resources, if necessary.

Compensation outcomes are driven in part by the success achieved by our Business Units in reducing costs and innovating products to meet the climate-related priorities of our customers, resulting in increased profits. We refer you to the Company’s most recent management information circular available on www.sedar.com for more information on the Company’s approach to executive compensation.



Associations

Martinrea participates in multiple associations as a leader in our industry. Examples include:



Automotive Parts Manufacturer's Association (APMA) - Martinrea's CFO serves as Chairman of the association, influencing decisions. The APMA is Canada's national association representing producers of parts, equipment, tools, supplies, advanced technology, and services for the global automotive industry. The Province of Ontario enacted into law its Cap and Trade Program aimed at limiting GHG pollution. It also rewards innovative companies, provides opportunities for investment in Ontario and creates jobs while moving to a low-carbon economy.



Canadian Automotive Partnership Council (CAPC) - Martinrea's Executive Chairman serves as the Co-Chair of the council, leading decision making and public policy recommendations. CAPC helps Canada be the location of choice for automotive manufacturing within North America, driven by an environment that is globally competitive, promotes research and innovation, and develops the people, skills, and technology necessary to succeed today and in the future.



Original Equipment Supplier's Association (OESA) - Martinrea's CEO serves as a board member of the association, influencing decisions. The mission of the OESA is to champion the business interests of automotive original equipment (OE) suppliers. The Association addresses issues of common concern and advocates on behalf of the supplier community. OESA fosters collaboration throughout the supply chain, represents the supplier voice in Washington, D.C., and helps members make critical business decisions. Motor vehicle suppliers are leading the way in sustainability and the development of new vehicle technologies. OESA feels that suppliers are a driving force in the automotive industry, transforming mobility through innovation and technology while leading improvements in environmental sustainability and vehicle safety, while being a strong contributor to the global economy.



Industria Nacional de Autopartes, A.C. (INA) – Martinrea's Executive Vice President of Propulsion Systems serves as a member of the association. INA is an essential part of the supply chain for automotive assembly plants in North America. The mission of INA is to support the growth and sustainable development of its members through the promotion of the global market and the manufacturing of the automotive and auto parts sector in Mexico.



"Mexico is one of the largest manufacturing economies in the world that has been working in the automotive industry for a long time. Mexico is ideally located to strategically support North America, and has developed a great partnership and trust with US and Canada. Mexico's robust supply chain, evolving trade networks, and influx of investment are driving car production companies to come to the country and is making Mexico a great place to do business."

Alfredo Alonso, Executive Vice President, Fluids Business Unit and Lead for Propulsion Systems





Supply Chain Responsibility

Suppliers to Martinrea are considered valuable business partners. Through a rigorous supplier selection process and use of internal procedures, Martinrea strives to ensure the Company's culture and values cascade to the supply base, including the following policies:

Product Safety and Quality Assurance



Social Responsibility



Respect for Basic Human Rights and Working Conditions and the promotion of Health and Safety in the workplace

Environmental Sustainability



- Energy reduction programs, water purification programs, use of renewable resources
- Suppliers are encouraged to become ISO 14001 certified
- Recyclability and End of Vehicle programs: IMDS/ELV

Code of Conduct and Ethics



- Anti-Trust and Competition
- Anti-Corruption and Anti-Bribery
- Compliance with Laws and Regulations

Promotion of Diversity & Inclusion within their operation and their supply base



These policies and procedures offer the first step to ensuring quality suppliers and resolving any issues of non-compliance. Martinrea will encourage the collection of their energy and carbon emissions data over time, to assist with determining the Scope 3 impact of our business.

Martinrea employs SmartWay Certified Carriers, where possible, for inbound controllable freight shipments. SmartWay Certified Carriers measure, benchmark, and track their efforts to increase efficiency and fuel economy, assisting Martinrea with reducing our Scope 3 emissions. In 2021, through the employment of this logistics program, we were able to reduce total shipping distances on planned routes by over 134,000 miles.

To Martinrea, our vision of Making People's Lives Better includes supporting diverse-owned businesses in the communities in which we operate. As such, Martinrea's Supplier Diversity program has expanded to include purchases in excess of \$200 million annually from over 150 diverse companies. In addition, we are corporate members of several industry-recognized supplier diversity organizations, and sponsor a variety of supplier diversity events, conferences, and procurement fairs. We are proud to have received awards for our supplier diversity efforts from many of our customers over the years.









"Martinrea is proud to be a leader in the Diversity, Equity & Inclusion space, achieving nearly \$200 million in diverse supplier spend with over 150 diverse supplier companies. Megan Hunter, who oversees all Procurement and Supply Chain Operations globally, was recently recognized for her meaningful contributions to the supply chain field and was awarded as one of the 100 Most Influential Women in Supply Chain by Global Women Supply Chain leaders 2021."

Megan Hunter, Executive Vice President, Procurement and Supply Chain Operations



Summary of Sustainability Metrics

REFERENCE	TOPIC	METRICS	UNIT OF MEASURE	2019 DATA ¹	2020 DATA ²	2021 DATA ³
Energy & Carbon Emissions Subsection, Pages 20-21	GHG Emissions 	Scope 1 Emissions	metric tons of CO ₂ (mtCO ₂)	76,025	64,119	66,164
		Scope 2 Emissions	mtCO ₂	216,750	189,821	194,019
		Carbon Intensity	mtCO ₂ /Revenue (\$CAD)	0.0000743	0.0000752	0.0000688
Energy & Carbon Emissions Subsection, Pages 20-21	Energy Management 	Aggregate amount of energy consumed (fuel and electricity)	MegaWatt hours (MWh)	975,720	811,648	832,825
		% of energy supplied from renewable energy (via utility)	Percentage (%)	~35%	~35%	~35%
		Energy Intensity	MWh/Revenue (\$CAD)	0.0002476	0.0002405	0.0002201
Water Subsection, Page 23	Water Management 	Annual water withdrawals	Megalitres (ML)	21,032	14,410	17,580
Environmental Management Subsection, Page 24	Environmental Management 	ISO 14001 Certification	Percentage (%) of manufacturing facilities Note - all required facilities are ISO 14001 certified	91.2%	92.5%	92.5%
Health and Safety Section, Pages 28-29	Health and Safety 	Total Recordable Injury Frequency (TRIF)	# of recordable injuries per month x 200,000/total hours worked in each month	2.21	1.65	1.37
		Lost Time Injury Frequency (LTIF)	# of lost time injuries per month x 200,000/total hours worked in each month	0.94	0.76	0.67
Gender Diversity Subsection, Pages 33-34	Gender Diversity 	Total % of employees who are women	Percentage (%) globally	N/A	N/A	31%
		% of women in critical positions (managers, supervisors, directors, vice presidents, etc.)	Percentage (%) globally	N/A	N/A	~25%
		% of women on the Board of Martinrea	Percentage (%)	14%	25%	25%

¹ Extrapolated value based on 2% reduction in production due to labour strike observed in 2019. 2019 data serves as Martinrea's baseline for water withdrawals, emissions, and energy data.

² 2020 data is not typical due to COVID-19 Pandemic related production shutdowns impacting our facilities in 2020.

³ 2021 data with respect to water withdrawals, emissions, energy management is preliminary and is not typical due to semiconductor chip shortages and production shutdowns.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements. This report contains forward-looking statements within the meaning of applicable Canadian securities laws, including but not limited to statements related to, expectations related to and/or benefit of the company's business and ESG strategy, lightweighting, its products and process on the environment, graphene, future sourcing decisions, growth of business on electric platforms and battery technology. The words "continue", "expect", "anticipate", "estimate", "may", "will", "should", "views", "intend", "believe", "plan", "outlook" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, such as expected sales and industry production estimates, current foreign exchange rates (FX), timing of product launches and operational improvements during the period and current Board approved budgets. Many factors could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the industry trends and risk factors (including those relating to Covid-19) outlined in the Company's most recent Annual Information Form, Management Discussion and Analysis, and other public filings which can be found at www.sedar.com. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The common shares of Martinrea trade on The Toronto Stock Exchange under the symbol "MRE".

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