

## 1. Introduction

Automotive Precision Technology (APT) recognizes that mergers and acquisitions (M&A) are strategic initiatives that can significantly impact the organization's operations, culture, and stakeholders. This policy outlines the principles and procedures to be followed by APT in conducting M&A activities in compliance with SA8000 and ASI requirements.

## 2. Compliance with SA8000 and ASI Requirements

APT is committed to upholding the highest standards of social responsibility and sustainability throughout its M&A activities. Compliance with SA8000 standards ensures the protection of workers' rights, fair labor practices, and safe working conditions. Additionally, adherence to ASI requirements guarantees responsible production, sourcing, and use of aluminium, minimizing environmental impact and promoting ethical practices within the supply chain.

## 3. Principles

- a. **Transparency:** APT will conduct all M&A activities transparently, providing stakeholders with clear information about the process, objectives, and potential impacts.
- b. **Ethical Conduct:** APT will adhere to ethical principles throughout the M&A process, respecting the rights of all stakeholders and conducting due diligence to identify any ethical concerns.
- c. **Compliance:** APT will ensure compliance with all relevant laws, regulations, and industry standards, including SA8000 and ASI requirements, during M&A activities.
- d. **Stakeholder Engagement:** APT will engage with stakeholders, including employees, communities, customers, and suppliers, to understand their concerns and interests regarding M&A activities.
- e. **Risk Management:** APT will assess and manage risks associated with M&A activities, including social, environmental, and reputational risks, to minimize adverse impacts.
- f. **Integration:** APT will prioritize the seamless integration of acquired entities, ensuring alignment with APT's values, culture, and sustainability commitments.

## 4. Procedures

### 4.1 Pre-Acquisition Phase

- a. **Due Diligence:** APT will conduct comprehensive due diligence assessments of potential acquisition targets, evaluating their compliance with SA8000 and ASI requirements, as well as their social and environmental performance.
- b. **Risk Assessment:** APT will assess the social, environmental, and ethical risks associated with the potential acquisition, considering factors such as labor practices, human rights issues, environmental impacts, and supply chain practices.

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- c. **Stakeholder Consultation:** APT will engage with relevant stakeholders, including employees, unions, local communities, and NGOs, to gather input and address concerns regarding the proposed acquisition.

## 4.2 Post-Acquisition Integration

- a. **Alignment with Standards:** APT will work to align the acquired entity's operations, policies, and practices with APT's standards, including SA8000 and ASI requirements, to ensure consistency across the organization.
- b. **Training and Capacity Building:** APT will provide training and capacity-building support to employees of the acquired entity to promote understanding and compliance with APT's social responsibility and sustainability commitments.
- c. **Monitoring and Evaluation:** APT will establish mechanisms to monitor and evaluate the social, environmental, and ethical performance of the acquired entity, conducting regular audits and assessments to track progress and address any non-compliance issues.
- d. **Continuous Improvement:** APT will continuously seek opportunities to improve the social, environmental, and ethical performance of the acquired entity, implementing corrective actions and initiatives as necessary.

## 5. Review and Reporting

APT will periodically review and evaluate its M&A policy and practices to ensure alignment with SA8000 and ASI requirements and to identify opportunities for improvement. APT will report on its M&A activities and performance in its sustainability reports, providing stakeholders with transparent information about its efforts to uphold social responsibility and sustainability standards.

**Aron Majgier**  
(CEO)