



One Company's ESG Journey

June 17, 2021



1

Presenters



Michele Kryszak Abraham
Senior Director – Ethics & Compliance,
Associate General Counsel
Michele.Abraham@cooperstandard.com



Rick Comrie
Senior Manager – Sustainability, Chemical Compliance
Rick.Comrie@cooperstandard.com



<https://www.cooperstandard.com/company/our-social-responsibility-commitment>



2

Global Supplier, Strategic Focus



2020 Revenue
\$2.38 billion
~\$225 million unconsolidated JV



Global Footprint
121 facilities
13 R&D facilities
21 countries



Core Offerings
Sealing Systems
Fuel and Brake Delivery Systems
Fluid Transfer Systems
Materials Licensing and Sales



Employees
25,000+ employees

Strong Commitment to Core Values and Sustainability

Dedicated to Strong Environmental, Social and Governance (ESG) Initiatives



- Recognized by Ethisphere® as **One of the 2021 and 2020 World's Most Ethical Companies**
- Named to *Newsweek's* 2021 and 2020 list of **America's Most Responsible Companies** based on key areas of ESG
- Sharing world-class progress and long-term ESG goals through annual **Corporate Responsibility Report**

A Definition of Corporate Responsibility

Managing Environmental, Social and Governance Risk and Opportunities

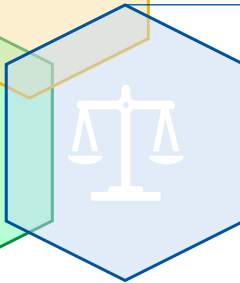
Social

- Diversity
- Human Rights
- Labor Relations
- Occupational Health & Safety
- Talent Acquisition & Retention
- Training and Education



Environmental

- Biodiversity
- Climate Change
- Materials
- Water
- Waste

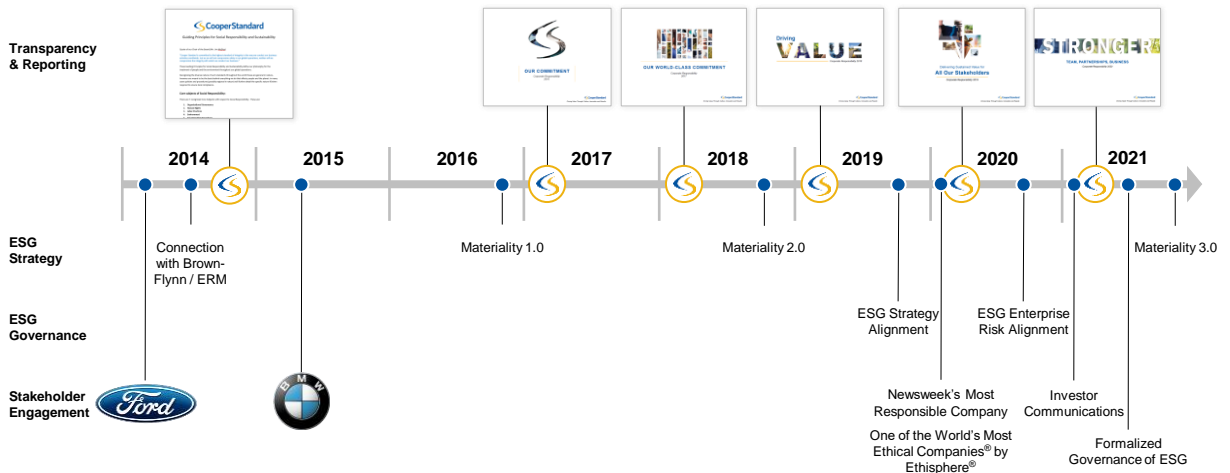


Governance

- Customer Privacy
- Customer Safety
- Compliance
- Ethics
- Freedom of Association & Collective Bargaining
- Local Communities
- Security Practices
- Supply Chain Management

Evolving from Compliance to Strategic Alignment

Cooper Standard's CRR Journey



OEMs Increasingly Seeking Data From Suppliers

Seeking Input Through Proprietary, AIAG and Other Surveys



CooperStandard

7

7

Employees Desire Sustainability



58%

...consider a company's social and environmental commitments when deciding where to work.

79%

55%

...would choose to work for a socially responsible company, even if the salary was less.

76%

70%

...are more likely to be loyal when they feel they can make a positive impact on issues at work.

83%

Gold = all employees
Blue = Millennials

CooperStandard

Source: Cone Communications Employee Engagement Study 8

8

A Strong Commitment to Corporate Responsibility Takes Not Just Support, but Leadership From the Top... and Expert Help



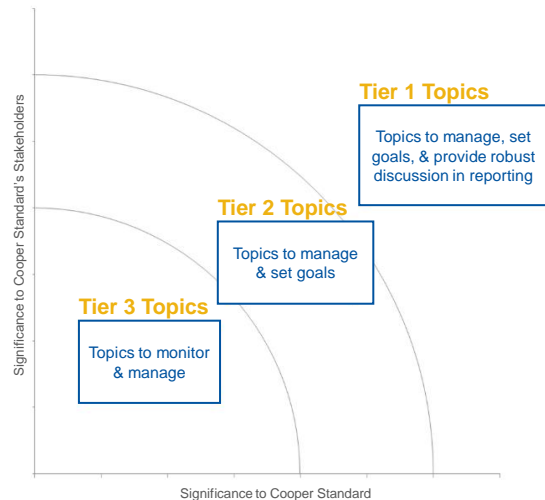
- C-suite support drives engagement from functional leaders
- Elevated the importance of evolving report from a compliance response to a strategic initiative
- Budget and resource allocation was key
- Setting long-term goals helps create focus and vision with input from internal subject-matter experts
- Collaborative, Strategic Leadership Team with stakeholders from:
 - Communications
 - Legal Compliance
 - Sustainability
 - HSE

Understanding the Results and Strategic Alignment

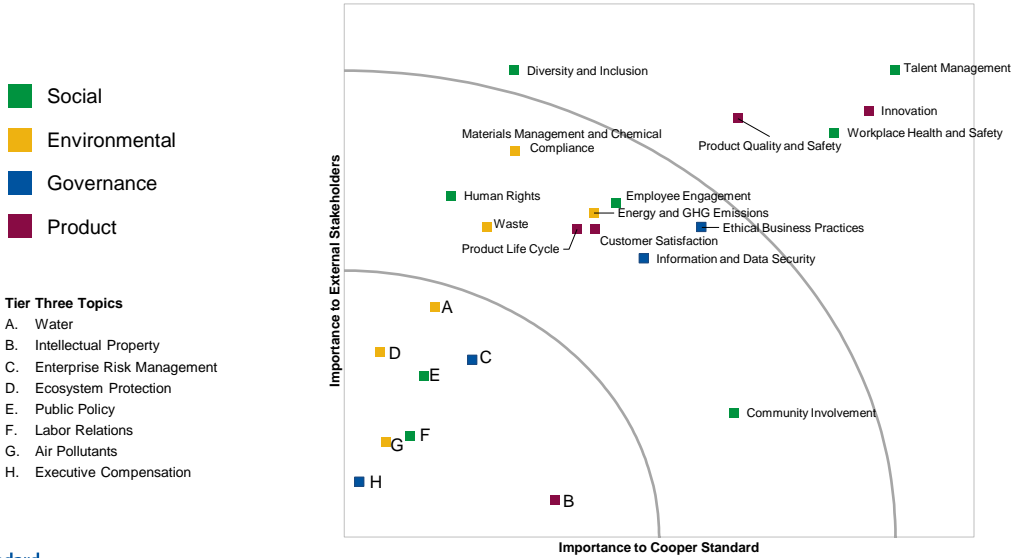
Analysis enables Cooper Standard to prioritize the components of our CR strategy.

- **Tier 1 topics** should get the most attention: bold goals, strategies, investments and robust reporting
- **Tier 2 topics** should be managed for continuous improvement; reporting recommended but less emphasis
- **Tier 3 topics** represent emerging topics and/or topics that support a higher ranked topic

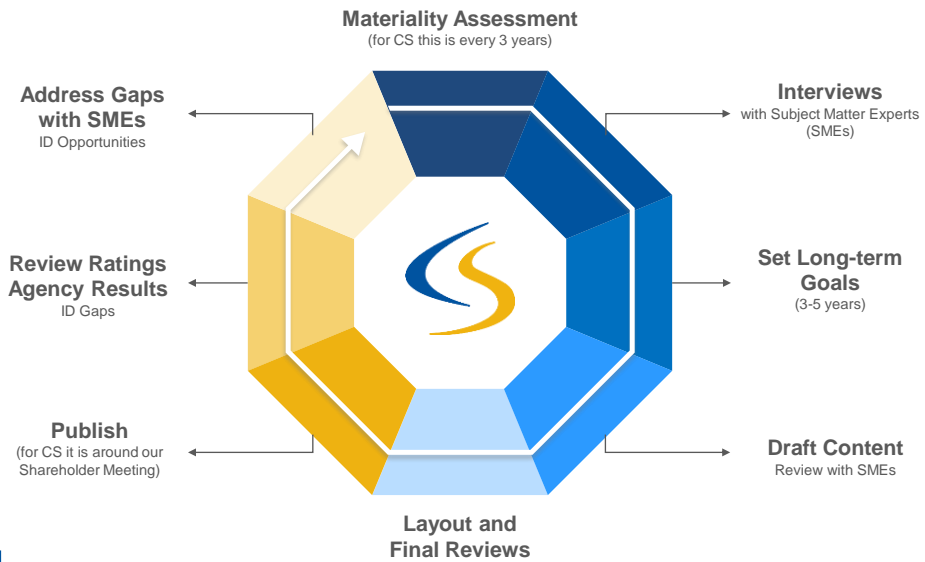
Important Note: *The results are not a reflection of current management practices. Results reflect the level of importance of managing the topic.*



Materiality Matrix: All Topics



Cooper Standard's CRR Process Has Evolved with Our Report



2020 Corporate Responsibility Report Available Online

Transparent Reporting on Environmental, Social and Governance (ESG)



- Updated ESG goals and priorities
- Established new long term goals focused on climate change, low-carbon economy and circularity
- Ongoing evolution of diversity, inclusion and belonging initiatives

Substantial Improvements with ESG Ratings & Rankings

Now Positioned Among Leading American Competitors and Financial Peers

	2019	2020	Status
Bloomberg	ESG Disclosure Score: 28.93 E: 17.05 S: 28.07 G: 57.14	ESG Disclosure Score: 40.1 40+ is considered transparent	↑
ISS QualityScores	E: 6 S: 2 G: 3 As of June 1, 2019, out of 10 – lower is better	E: 5 S: 2 G: 2 As of December 18, 2020, out of 10 – lower is better	↑
ISS ESG Corporate Rating	Not Rated	Grade: C Decile: 3 Transparency: High	-
MSCI	BBB	BBB	→
SUSTAINALYTICS	ESG Risk Rating: 27.2/100 lower is better	ESG Risk Rating: 21.6/100 lower is better	↑
ecovadis	Score: 55/100 Percentile: 81 st	Score: 59/100 Percentile: 85 th	↑
Newsweek	66.8 E: 49.7 S: 80.3 G: 70.4	75.7 E: 60.7 S: 85.5 G: 81.0	↑

ERM Process Objectives: Strategic Risk Management

Risk Oversight Through Integration and Alignment with Company Priorities



- Inform strategic and business planning process of risks that could impede company strategic objectives and business goals
– *Identify, detection, prevention and mitigation of risks*
- Connect enterprise risk management with strategic planning and corporate responsibility to ensure enterprise sustainability

Updated Approach: Integrated, Strategic Workflow



Our Perspectives: Evolution of ESG in Industrial Manufacturing



- Not just a “green” initiative – sustainability of the business
- Transition from push to pull relationship with internal stakeholders
- Full support / leadership from the top, governance by the board
- Right now its more about transparency than results, but that will change
- Integrated approach with functional leadership
 - Continued customer engagement – 14+ customers requesting ESG data
 - New CR policies / policy updates necessitated (e.g., Human Rights statement)
- We were already doing much of this – just needed an integrated strategy to monitor, manage and report

Q&A