



Human Rights Due Diligence Assessment

Horse Technologies Division

Table of Contents

1.0	<i>Introduction and Methodology</i>	2
	Context	2
	Methodology	2
2.0	<i>Impacts & Risks Assessment</i>	3
3.0	<i>Mitigation Actions Roadmap</i>	5
4.0	<i>Human Rights Assessment in our Suppliers</i>	5

1.0 Introduction and Methodology

Context

Within the framework of the requirements set out by the Corporate Sustainability Due Diligence Directive (CSDDD), HORSE has undertaken a comprehensive Human Rights Due Diligence process aimed at identifying, assessing, and managing adverse impacts on individuals across its value chain.

This initiative was carried out between April and July 2025, encompassing 100% of HORSE Technologies' plants and operational centres, including its sites in Spain, Turkey, Brazil, Chile, Argentina, Romania, and Portugal. Furthermore, the global corporate context was considered, incorporating central functions and relationships with key business partners.

The analysis was aligned with leading international standards on human rights and due diligence, such as the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the COSO ERM-ESG framework, and the European Sustainability Reporting Standards (ESRS).

Methodology

The methodology applied followed a structured approach across six key stages. The steps undertaken are outlined below:

1. External analysis ("outside-in"). A thorough review of relevant external sources was conducted, including international regulations and standards, financial analyst reports, claims made by civil society organisations, publicly available information from comparable companies within the sector, and industry benchmarks, in order to identify common risks.
2. Internal analysis ("inside-out"). Interviews were held with representatives from all key corporate areas (Human Resources, Procurement, Compliance, Quality, ESG, Legal, etc.), as well as with the managers of each plant. Internal documentation—such as policies, procedures, codes of conduct, and management systems—was also reviewed. In addition, external interviews were conducted with key stakeholders.
3. Impact identification. Drawing on both analyses, a catalogue of impacts was developed, classifying each by value chain stage, affected group, human rights issue, and type of involvement.

4. Impact assessment. Each impact was evaluated based on its severity (including scale, scope, and irremediability) and likelihood of occurrence, in accordance with criteria established by EFRAG and the Danish Institute for Human Rights and internal ERM risk methodology. A materiality matrix was used to prioritise the most critical impacts.
5. Gap analysis. A specific questionnaire was distributed to each plant, comprising over 80 questions covering working conditions, health and safety, collective rights, among other topics. Each plant provided documentary evidence to validate its level of management.
6. Governance. HORSE technologies's governance model based on the three levels of defense in relation to human rights was reviewed, including policies, procedures, roles and responsibilities, reporting channels, training programmes, organisational culture, and monitoring mechanisms.
7. Development of a roadmap. Finally, an action plan was formulated, detailing specific measures, assigned responsibilities, and an implementation schedule to support compliance with the CSDDD and enhance the management of the identified impacts.

This process/assessment will be reviewed at least every 3 years to ensure its validity and alignment with international regulations and standards.

2.0 Impacts & Risks Assessment

As a result of the analysis process, a series of potential human rights impacts have been identified at various stages of HORSE's value chain. One of the key conclusions drawn from the assessment of severity, likelihood, and irremediability is that no actual impacts have been found to have materialised at any of the plants. Additionally, no risks associated with these impacts have been identified. These potential impacts may affect different stakeholder groups, referred to as rightsholders, and are organised around key themes that reflect the principal human rights risks.

Main rightsholders affected:

- Own employees: This includes staff working at plants and operational sites who may be exposed to risks related to working conditions, occupational health and safety, and collective rights.
- Workers in the supply chain: Individuals employed by suppliers and subcontractors, with particular attention to women, especially in stages such as raw material extraction and processing.
- Local communities: Populations residing near operational sites or along the supply chain, who may be impacted by environmental or social effects.
- Children and vulnerable individuals: Particularly in high-risk contexts such as child labour or precarious working conditions.

- Consumers and end users: Individuals who use HORSE products and may be exposed to risks associated with product design, safety, or misuse.
- Indigenous peoples: Communities with specific rights that may be affected by activities carried out in sensitive territories.

During the due diligence process, various issues have been identified that concentrate the main risks in terms of human rights.

Key themes identified

- Child labour and forced labour. Risks related to the presence of minors in work activities and coercive working conditions, especially in the early stages of the supply chain.
- Working conditions. This includes aspects such as job stability, adequate wages, working hours and respect for basic labour rights.
- Health and safety at work. Risks arising from hazardous working environments, exposure to harmful substances, lack of preventive measures and conditions that may affect the physical and mental well-being of workers.
- Freedom of association and collective bargaining. Restrictions on the exercise of trade union rights, worker representation and participation in collective bargaining processes.
- Discrimination and harassment. Situations of unequal treatment or hostile behaviour towards individuals based on gender, origin, age, sexual orientation, disability or other personal characteristics.
- Just transition. Risks associated with the transformation of the sector, such as vehicle electrification, which may lead to job displacement or the need for staff retraining.
- Consumer and end-user safety. Possible impacts arising from defective, poorly designed or unsafe products that may endanger the health or life of users.
- Public safety. Risks related to the misuse of products that may have unintended applications or generate negative consequences for society.
- Information security and artificial intelligence. Risks arising from digital system failures, software vulnerabilities, or the use of technologies that may affect people's privacy, safety, or integrity.
- Healthy environment. Environmental impacts that may affect air and water quality, ecosystems and, consequently, the health and well-being of communities near operations.
- Rights of local and indigenous communities. Risks related to access to natural resources, lack of prior consultation and respect for the collective rights of communities living in areas affected by business activities.

The identified impacts have been prioritised according to their severity and irremediability, as well as their probability of occurrence, allowing HORSE to focus its efforts on the most critical and urgent risks.

3.0 Mitigation Actions Roadmap

Although no actual impacts nor risks have been identified, potential impacts have been found. HORSE Technologies has therefore defined mitigation actions, which are included in a roadmap to advance the management of potential human rights impacts identified in its operations and value chain. This plan includes progressive actions that encompass both strengthening the governance model and implementing operational mechanisms to prevent, mitigate and remedy the most significant risks.

The roadmap includes mitigation actions in the following key areas:

- Policies and procedures: Ensure the integration of specific human rights policies in all relevant functions of the company.
- Roles and responsibilities: Review and ensure clear definition of those responsible for managing impacts, including the involvement of senior management and internal committees.
- Training and awareness: Develop training programmes on human rights
- Supply chain management: Keep working on risk criteria, traceability and ESG requirements for suppliers, with special attention to high-risk suppliers.
- Stakeholder engagement: Design an explicit stakeholder engagement model, including communication and consultation channels.
- Reporting channels: Expansion and strengthening of reporting mechanisms, ensuring accessibility, confidentiality and protection against retaliation.
- Monitoring and reporting: Implementation of systems for reporting and escalating risks.

This plan will be rolled out gradually between 2025 and 2027, with defined milestones and assigned responsibilities applying to each one of our plants, reflecting HORSE Technologies' commitment to responsible management in line with international human rights standards.

4.0 Human Rights Assessment in our Suppliers

HORSE Technologies maintains a strong commitment to respecting human rights across its entire value chain, including its network of suppliers. In line with the Corporate Sustainability Due Diligence Directive (CSDDD) and our internal ESG strategy, we have continued to strengthen our supplier evaluation processes throughout 2025.

As of September 2025, we have assessed the ESG performance of 85% of our top 100 supplier groups—representing 95% of our total purchasing volume—through the EcoVadis methodology. These evaluations allow us to monitor supplier practices, identify potential risks, and ensure alignment with our human rights standards.

This approach reflects our proactive stance in managing third-party risks, particularly in high-risk geographies and sectors. It also supports the implementation of targeted mitigation actions and reinforces our commitment to transparency, accountability, and continuous improvement in human rights due diligence.

