







# GKN Automotive Sustainability Progress Report 2024





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# GKN Automotive at a glance

## About GKN Automotive

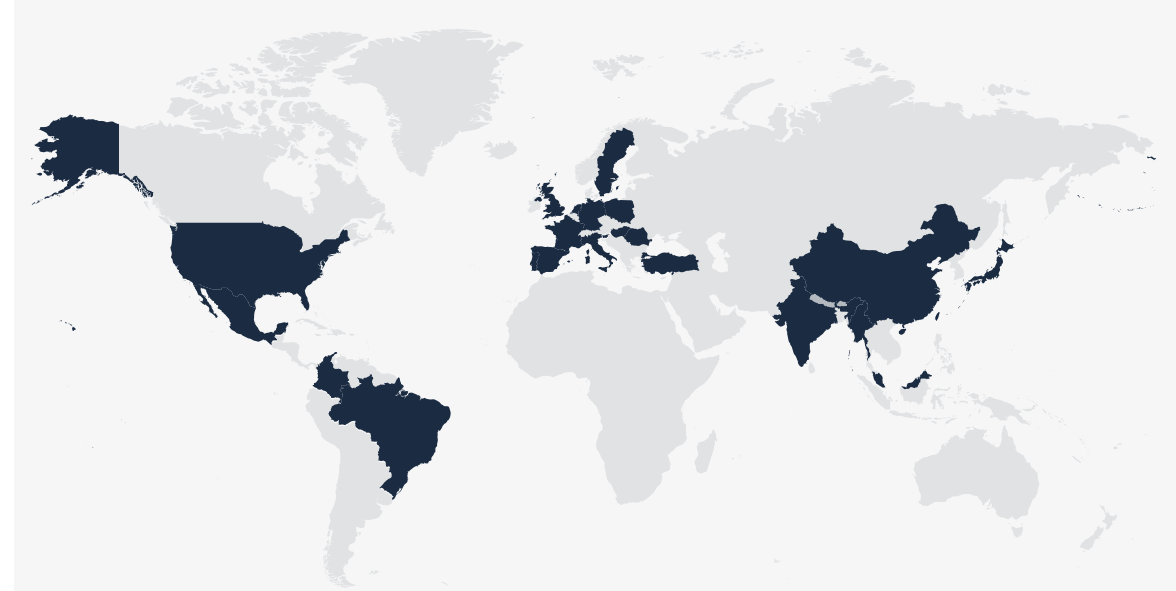
GKN Automotive is the global leader in drive systems and trusted partner to 90% of the world's global automotive companies. It specialises in market-leading propulsion agnostic drive system technologies, from sideshafts to advanced torque management systems and devices, with core capabilities in systems integration.

## Committed to leading the transition to net zero

The business has a clear purpose to 'drive a cleaner, more sustainable world' and is committed to leading the transition to net zero whilst delivering ambitious sustainability goals related to its people, its approach to responsible sourcing and the impact it has on local communities around the world.

## Our presence in China

Through our joint venture, SDS, we are well positioned to capture growth in China as the market leader in drive systems. SDS is a trusted partner for 80% of OEMs in China.



~24,000

employees (including joint ventures)

90%

of global manufacturers choose  
GKN Automotive

#1

In all segments of our core  
product portfolio

~£3.9bn

2024 adjusted revenue

48

Manufacturing sites including  
joint ventures

Net zero

SBTi-validated greenhouse gas  
(GHG) reduction targets for 2030  
and net zero by 2045 target



# 2024 performance highlights

## Our People

Inspiring our people to reach their full potential in a safe and inclusive environment; developing talent for the next generation.

0.1 AFR

Accident Frequency Rate  
(2023: 0.04)

Over 120

women attended our annual Americas Women's Leadership Conference

98%

of eligible employees participated in annual performance review  
(2023: 98%)

## Climate Action

Decarbonising our products and operations through innovation, resource efficiency and waste management.

Net zero

target approved by the Science Based Targets initiative (SBTi)

11%

electricity sourced from renewable sources (2023: 10%)

30%

scope 1 and 2 emissions year-on-year reduction

## Responsible Sourcing

Working with our suppliers to uphold our values and adhere to the social and environmental standards required of them, collectively driving positive change.

80%

direct material spend covered by supplier assessment questionnaire assessments

Zero

substances classified as conflict minerals knowingly sourced

78%

procured steel produced using Electric Arc Furnaces (EAFs)

## Our Impact

Delivering a positive impact on society through our products and services, and positively contributing to our local communities around the world.

85%

research and development spend on decarbonisation (2023: 87%)

£740,000

of charitable cash donations (2023: £550,000)

86%

sites had local charitable relationships (2023: 84%)





# CEO introduction

**At GKN Automotive, our purpose is to drive a cleaner, more sustainable world. To enable this, it is crucial that sustainability is at the heart of our business strategy.**

As a trusted partner to over 90% of global car manufacturers and with technology on approximately 45% of vehicles worldwide, we have a critical role in ensuring that we are reducing our environmental footprint and having a positive impact on the lives of our employees and communities in which we operate.

2024 was a challenging year for our business, reflecting the considerable volatility in our industry. However, the trend towards ever more sustainable processes has been consistent. Our customers have remained focused on hitting net zero targets and reducing the environmental impact of their operations.

Sustainability is intertwined with our long-term commercial success, because if our customers are to reach their targets, then we must meet ours, which is why I am extremely proud of the work we have done this year across our sustainability strategy. This was reflected in GKN Automotive achieving a gold EcoVadis rating for the first time, compared to silver in 2023 and bronze in 2022.



## Gold EcoVadis rating

In 2024 GKN Automotive was awarded an EcoVadis Gold rating for sustainability, highlighting the continuous progress the organisation has made since it was awarded a Silver rating in 2023 and a Bronze rating in 2022.

## Our focus on Health and safety

Health and safety remains our number one priority. This year we were disappointed to see our performance dip compared with the prior year. We are focused on understanding the root causes of this and taking the necessary steps to improve.

## Delivering net zero

At the start of 2024, we announced that our 2045 net zero carbon emissions target had been validated by the Science Based Targets initiative (SBTi). Since then, we have been working to turn our targets into action, which has included defining the key actions required by 2045 across our top 20 sites.

Tenders from OEMs across the world, including China, frequently demand that we use renewable electricity. During the year we were pleased to have signed our first virtual power purchase agreement (VPPA) which will deliver over 200,000MWh of renewable electricity per year, covering 65% of our electricity consumption in our European operations.

## Supporting our local communities

This year, we continued to support our local communities around the world. I was particularly proud of the support we provided in the aftermath of the floods in Brazil in May, where we were able to support team members who had seen their homes submerged.

Another key focus of our community initiatives is through working to increase the number of children pursuing Science, Technology, Engineering, and Mathematics (STEM) subjects and careers. In 2024,

we launched new programmes with local partners in Mexico, Poland and India to support future STEM talent, while increasing our community outreach work in these countries.

## Looking ahead

I am pleased with the progress we have made during 2024. The sustainability journey is only getting more complex, as we move beyond easy wins and into real delivery, but these are the changes that will make the most difference, and we are excited about the opportunities ahead.

## Markus Bannert

Chief Executive Officer



**“We have a critical role in ensuring that we are reducing our environmental footprint and having a positive impact on the lives of our employees and communities in which we operate.”**



# Q&A with Director of Sustainability

## Tom Salisbury: Director of Sustainability, GKN Automotive

Tom Salisbury joined GKN Automotive at the start of 2023 as Director of Sustainability. He is responsible for the delivery of GKN Automotive's sustainability strategy. This involves leading a team of people across the sustainability programme, ensuring the implementation of the strategy, as well as managing the business' sustainability reporting and governance.



**“Over the past year, we have seen consistent interest from our customers in the sustainability of our products and our processes and we are actively partnering with them across the business.”**

### Q How has the sustainability agenda developed over the past 12 months for GKN Automotive?

I am pleased with the progress made by GKN Automotive across our sustainability strategy in 2024. We began the year by announcing that our net zero and short-term emission reduction targets had been validated by the Science-Based Targets initiative (SBTi). Since then, we have made tangible progress: we announced our first Europe-wide virtual power purchase agreement to increase the amount of renewable electricity we use; defined the key actions required to reach net zero at our top 20 sites; and reduced our year-on-year scope 1 and 2 emissions by 30%. There is, of course, more to do, but we have strong foundations in place to build from.

Beyond the environment, we have been focused on evolving our global philanthropic programme to be more strategically focused on local education initiatives. I am looking forward to seeing how our work in Mexico, Poland and India evolves over the next year, as we support the next generation of talent and expand the support we are providing to the local communities in which we operate.

A particular area of focus for 2025, will be our health and safety performance, which saw a slight decline in 2024 versus previous years. Following a global review, we will be implementing a clear action plan to continue to deliver industry leading performance and reinforce our health and safety culture across every part of our business.

### Q How important is sustainability to GKN Automotive's customers?

Over the past year, we have seen consistent interest from our customers in the sustainability of our products and our processes and we are actively partnering with them across the business.

As new regulation comes into effect in key markets, we are confident that OEMs will continue to see the sustainability of their supply chain as vitally important. We are partnering with them on demands for clean electricity in our production processes, life-cycle assessments for new products, and evidence of our progress in reducing carbon and ensuring human rights are protected in our business and supply chain.

It has also been encouraging to see our approach being recognised. In 2024, we received a number of awards, including a sustainability certificate from Nissan North America; an ARDÁN Indicator award recognising circular economy initiatives at our site in Vigo, Spain; and an award from Moto Solutions for our Polish site's commitment to Corporate Social Responsibility activities.





## Sustainability Q&A *continued*

### Q How is GKN Automotive expanding its approach to sustainability across its global supply chain?

Our global supply chains play a significant role in shaping the social and environmental impact of our business. Over the past two years, we have significantly expanded our strategy to further engage with our suppliers on sustainability.

A key element of our approach has been to embed our Supplier Assurance platform, which provides suppliers with an ESG rating, based on their response to a self-assessment questionnaire (SAQ). We have recently committed to 95% of all direct supplier spend being with partners that hold a SAQ rating of “C” or better by 2030.

Our procurement team is also working to reduce carbon emissions in our supply chain. We are actively encouraging more of our suppliers to have set a science-based emissions reduction target (committing for 50% of spend by 2030) and are working to prioritise greener steel suppliers.

### Q What do you see as the main areas of focus for GKN Automotive in 2025?

I am excited about the opportunities for 2025. Though the commercial environment will remain challenging for our industry, our continued focus on delivering for our people, customers, communities and wider stakeholders means that we can continue to make positive progress across our sustainability strategy.

We will continue delivering against our net zero roadmap, ensuring that we are on-track to meet our 2030 target to reduce GHG emissions by 45%.

We will also have a strong focus on Our People pillar within our sustainability strategy, both in terms of improving health and safety performance as well as ensuring that we continue to make GKN Automotive a more diverse and inclusive place to work.

**“Over the past two years, we have significantly expanded our strategy to engage with our suppliers on sustainability.”**

**Tom Salisbury**  
Director of Sustainability, GKN Automotive





# Our approach to sustainability

Driving a cleaner, more sustainable world is our corporate purpose at GKN Automotive.

As a supplier to over 90% of global automotive manufacturers, we play an essential role in the transition to sustainable mobility, delivering the technological innovation required to enable a net zero economy.

In addition, as a Tier 1 supplier, we know that our customers cannot meet their environmental, social and governance (ESG) goals, without us meeting ours. We see a competitive advantage in building sustainability into our customer relationships. We have identified the areas where our customers need to see the most urgent action, which aligns with our most material issues, and are pleased that, in 2024, we made substantive progress across our strategy.

Reflecting our growing sustainability activities, data, and disclosures, our EcoVadis rating improved from Silver to Gold in 2024.

## Materiality is key for successful sustainability

In 2023, our parent company, Dowlais Group plc, conducted a Group-level materiality assessment to understand the sustainability priorities of internal and external stakeholders.

The assessment analysed the impact of our business on the environment and society, as well as how environmental, social and governance issues could affect our financial performance and stability.

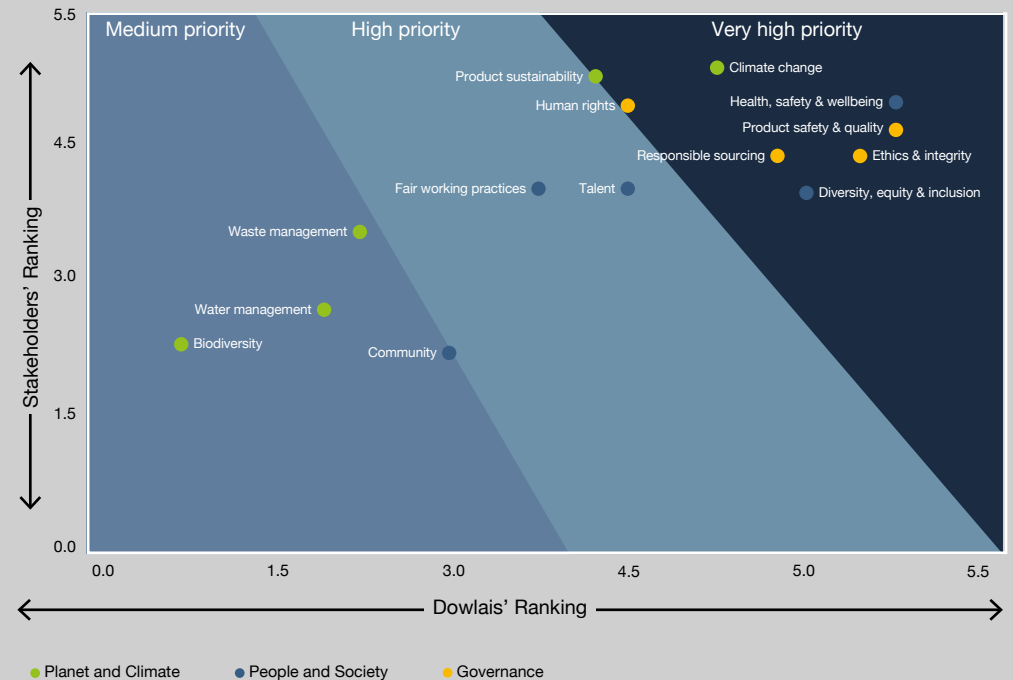
This year, we have also worked with Dowlais Group plc to complete a double materiality assessment which will underpin a refreshed strategy, aligning with our obligations for CSRD compliance for the future.

## Sustainability governance

Responsibility for our sustainability strategy starts with our Executive Team, which reviews sustainability progress and initiatives quarterly. We have also established a Sustainability Working Group, formed of experts from all functions of the business, to drive the day -to -day implementation of initiatives. It is led by our Director of Sustainability.

In addition, our CEO, Chief People, Communications and Sustainability Officer, and Director of Sustainability attend Dowlais Group's Sustainability Committee. This committee is responsible for developing and delivering Dowlais Group's sustainability strategy, including monitoring, assuring, and reporting on performance.

## Our materiality matrix








## Our approach to sustainability *continued*

Our sustainability strategy is built on our core foundations of ethics, compliance, safety, and security. Its four pillars – People, Climate Action, Responsible Sourcing, and Impact – are each tied to ambitious targets that focus our efforts up to 2030 and beyond. We have aligned our strategy to the UN Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Auto Parts Standards.

Through Dowlais Group plc, we also measure our climate-related risks and opportunities in accordance with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD).

In 2024, we began tracking our emissions, energy, water, and waste metrics on a new software platform, giving us a centralised and rolling monthly view of our environmental progress.

Bringing our people with us on this journey is critical to our success. We keep our 24,000+ employees, across our core business and joint ventures, up to date on our strategy, targets, and progress through regular communications, including quarterly virtual town halls with the Executive Team. In 2024, we rolled-out bespoke e-learning modules for employees on how we integrate sustainability into our business.



### Our People

**Our targets**

- Maintain an Accident Frequency Rate of <0.1
- Achieve 33% female membership of the Executive Team by 2030
- Provide 100% of eligible, permanent employees with an opportunity to have an annual performance conversation by 2024



### Climate Action

**Our targets**

- Net zero by 2045
- 75% of our electricity to be certified as renewable by 2030; 50% by 2025
- 100% of waste to be diverted from landfill by 2030



### Responsible Sourcing

**Our targets**

- Zero substances classified as conflict minerals to be knowingly sourced

**New targets established in 2025:**

- 95% of all direct supplier spend with suppliers with SAQ rating of “C” or better by 2030
- 50% of supplier spend with suppliers that have set a Science-Based carbon emissions reduction target by 2030
- 90% of steel sourced from EAFs by 2030



### Our Impact

**Our targets**

- 90% of research and development expenditure per annum to contribute to the decarbonisation of the industry by 2025
- 50% of new products to contribute to the decarbonisation of the industry by 2025
- All locations to have established charity partnerships aligned with our values and services by 2025





# Our people

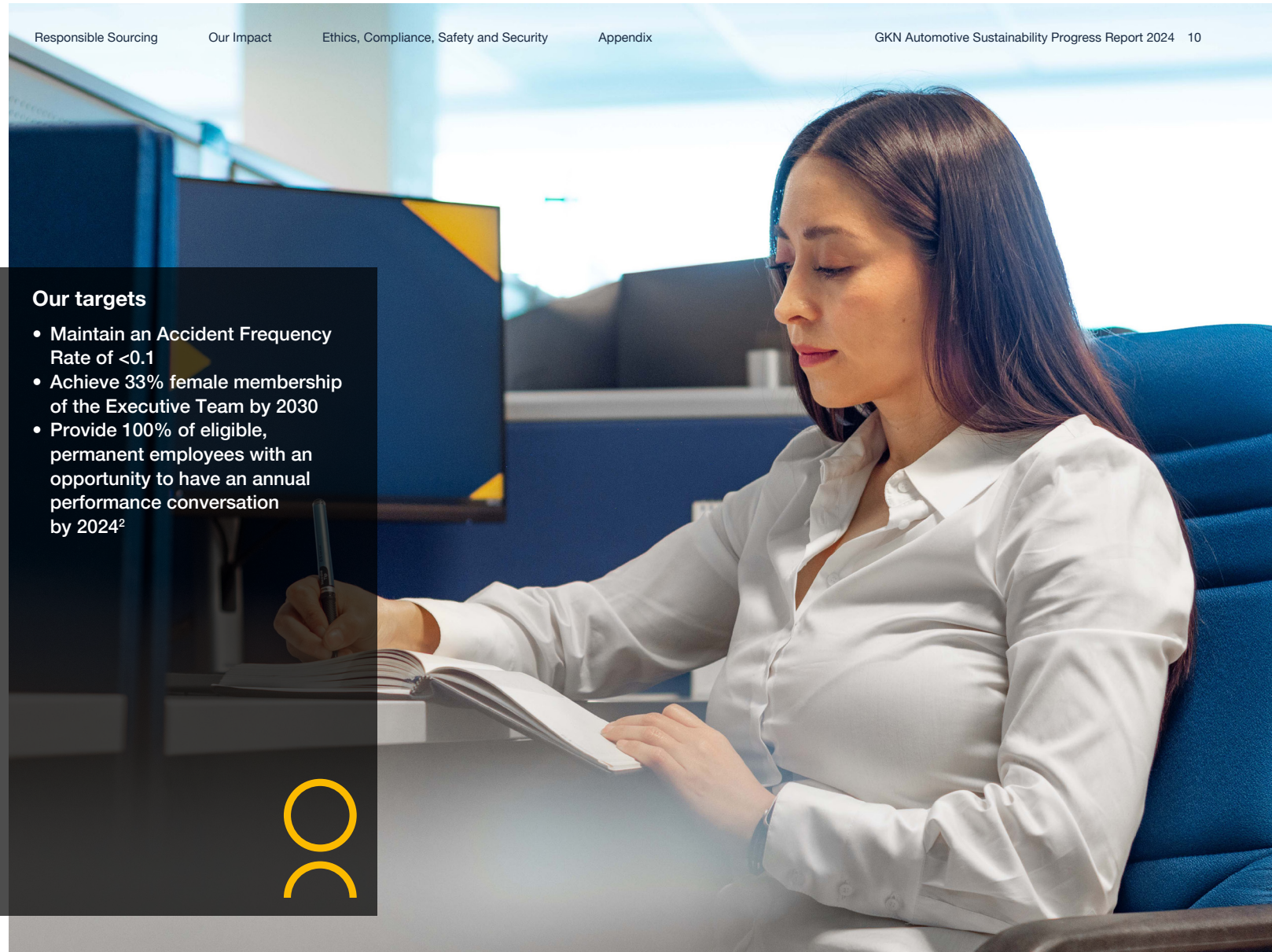
With over 24,000<sup>1</sup> employees in 21 countries, our people are our most important asset. We are committed to ensuring their safety at all times, reducing the number and severity of any accidents, as well as providing opportunities for them to grow.

We operate in a sector with structural issues around diversity, especially in terms of gender, and we are committed to having an inclusive environment in which everyone can reach their full potential, as well as ensuring fair working practices for everyone involved in our operations and supporting the communities where we operate.

## Our targets

- Maintain an Accident Frequency Rate of <0.1
- Achieve 33% female membership of the Executive Team by 2030
- Provide 100% of eligible, permanent employees with an opportunity to have an annual performance conversation by 2024<sup>2</sup>

1. Including JVs.
2. Eligible employees are those employees who are full time and meet a particular set of criteria based on local employment laws and our own internal processes.





# Health, safety and wellbeing

As an engineering company, with manufacturing operations around the globe, health and safety is vitally important. We work hard to create and maintain a safe and healthy workplace with a zero tolerance to injuries and fatalities. This is accomplished by implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of business unit operations, as well as those of their subcontractors.

We uphold the highest operational health and safety standards, our 2024 Accident Frequency Rate (AFR) of 0.1 was a deterioration compared to 2023. As a result, though this AFR remains industry-leading, we commissioned an independent assessment of the health and safety of our business, which will help inform how we drive continuous performance improvements in our procedures, management system and culture.

Our health and safety commitments are outlined in our Health and Safety Policy, which applies to all employees, visitors, and contractors working on our sites or on our behalf. Our policy requires that all manufacturing sites be certified to ISO 45001, ensuring that each location is operating a robust safety management system, covering all relevant aspects, including occupational health, exposure to hazardous substances and ergonomics.

We have maintained 100% compliance on ISO 45001 certifications at our manufacturing sites in 2024, covering all our products and sales. The comprehensive policy also covers our commitment to proactive, preventative and behaviour-based safety and the importance of employee engagement in hazards identification.

## 100%

compliance on ISO 45001 certifications at our manufacturing sites in 2024.

Several sites in Thailand, Turkey, Slovenia, and the USA celebrated years without lost-time accidents (LTAs), demonstrating the robustness of health and safety procedures at these sites. Our operations in Turkey received external recognition with the British Safety Council's Distinction WINNER Award. Global participation in health and safety weeks and emergency teams training further underlined our commitment to safety, alongside regular awareness sessions, such as Mexico's weekly Topic of the Week.

## Wellbeing programmes creating a safer workplace

We recognise the importance of employees' emotional, social, and physical health and we are committed to promoting overall wellbeing. In response to feedback from the annual engagement survey, we launched a new wellbeing framework in 2023. The framework initially focused on increasing employee awareness through monthly sessions on topics like nutrition, exercise, financial wellbeing, and mental health. In 2024, this framework was further embedded with upskilling, new tools for monitoring wellbeing, and the development of a network of local wellbeing champions.

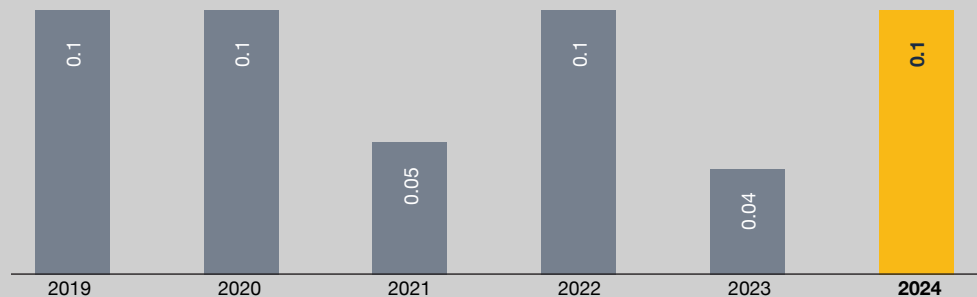
Wellness initiatives across the business in 2024 included expanded employee assistance programmes (EAPs), European workshops addressing psychosocial risks, and health and safety weeks emphasising wellbeing themes. Wellbeing webinars were conducted for all employees, and sessions on psychosocial risk assessment and engagement in Europe.



## Raising employee awareness and capability

In 2024, GKN Automotive enhanced its H&S training and awareness through locally managed onboarding programmes and centralised initiatives like the thinkSAFE and Topic of the Month themes. The H&S Learning Academy, launched in Q1 2024, provides employees with access to resources, courses, and expert contacts. Behaviour-based Safety (BBS) eLearning modules and workshops were introduced across global sites, with key campaigns, including a focus on Slip, Trip, and Fall hazards.

Accident Frequency Rate (AFR)







# Diversity, equity and inclusion

**Gender diversity has long been a challenge in the automotive industry, and we are committed to being part of the solution.**

We understand the value of diversity in building high performing teams and are dedicated to promoting inclusivity in its broadest sense — encompassing gender, race, ethnicity, nationality, social and cultural background, religion, family and caring responsibilities (including pregnancy), sexuality, age, and disability. We remain committed to actively pursuing initiatives to enhance diversity and inclusion across GKN Automotive.

Our approach to diversity, equity and inclusion (DE&I) seeks to provide equal opportunity for all and support us to attract the best talent. At GKN Automotive, we continue to work hard to attract the best female talent in the industry and to enable them to reach their full potential whilst working for us.

We know we have more to do to attract women into the industry and encourage them to choose to develop their career with us. We have set a commitment to achieve 33% female representation on our Executive Team by 2030. Currently, only 10% of our Executive Team is female. As we work towards this commitment, we also monitor the percentage of female representation at other levels across the organisation. In 2024, 16% of our global workforce (2023: 16%) and 13% of our management population (2023: 13%) were female.

Last year, building on findings from our global engagement survey, we interviewed over 50 high-potential women to understand how we can do more to improve retention. In addition to these interviews, we engaged over 100 employees through focus groups to seek input into our global DE&I strategy. This, along with the Senior Leader conference, informed our DE&I roadmap, which was shared with the entire organisation, and which continues to inform our ongoing approach to DE&I.

**We have set a commitment to achieve**

**33%**

female representation on our Executive Team by 2030.

**This year**

**over 120**

women attended the 4<sup>th</sup> Annual Women's Leadership Conference in our Americas region, covering various learning and networking topics.

## **Training leadership to support a diverse workforce**

As part of our DE&I roadmap, we began to roll-out cultural awareness training, focusing on inclusive leadership, starting with our Executive Team in 2024. This is now being expanded to our senior leadership team and people managers.

Development of our in-house DE&I learning pathways began in 2024 and will be available to all employees in early 2025, enabling all employees to have a foundational level understanding of key DE&I topics and understanding of what this means at GKN Automotive.

In 2025, we also plan to establish a network of DE&I champions to support programmes, initiatives and events across all sites and functions. This year, over 120 female employees attended the 4<sup>th</sup> Annual Women's Leadership Conference in our Americas region.

More DE&I embedded learning courses and leadership programmes are in the pipeline for 2025, with identified actions to be embedded into performance reviews, alongside an ongoing audit of progress in recruitment and retention.



## **Women in Movement**

Our operation in Brazil recently launched its Women in Movement project, an initiative dedicated to providing essential training and career development opportunities to women entering the automotive industry for the first time.

The programme delivers 170 hours of training, covering essential subjects such as applied mathematics, statistical process control and health and safety at work. The programme then moves on to provide practical training, equipping participants with the theoretical and functional skills to reach their full potential, with a range of career opportunities available upon successful completion of the programme. The first 13 participants have already started the programme, and the team is already planning how the programme can continue to develop in 2025.





## Diversity, equity and inclusion *continued*

### Attracting and retaining diverse talent

Using neutral language in job adverts, scaling diversity in recruitment processes, unconscious bias training, engaging senior leadership, and supporting the workforce through flexible working arrangements, where possible, are a few of the ways we are working towards attracting, developing and retaining diverse talent.

Internal benchmarking has shown that our job adverts for roles in engineering, information technology and human resources are above average for the sector in terms of attractiveness to women. We continue to utilise software to identify ways in which we can expand the neutrality of language within our job adverts to encourage more women to apply for our roles.

### Expanding our approach to family leave

In 2025, following extensive consultation, we plan to introduce an updated Global Family Leave Policy, encompassing Maternity, Adoption, and Paternity leave, which will establish a clear global minimum standard for paid paternity leave.

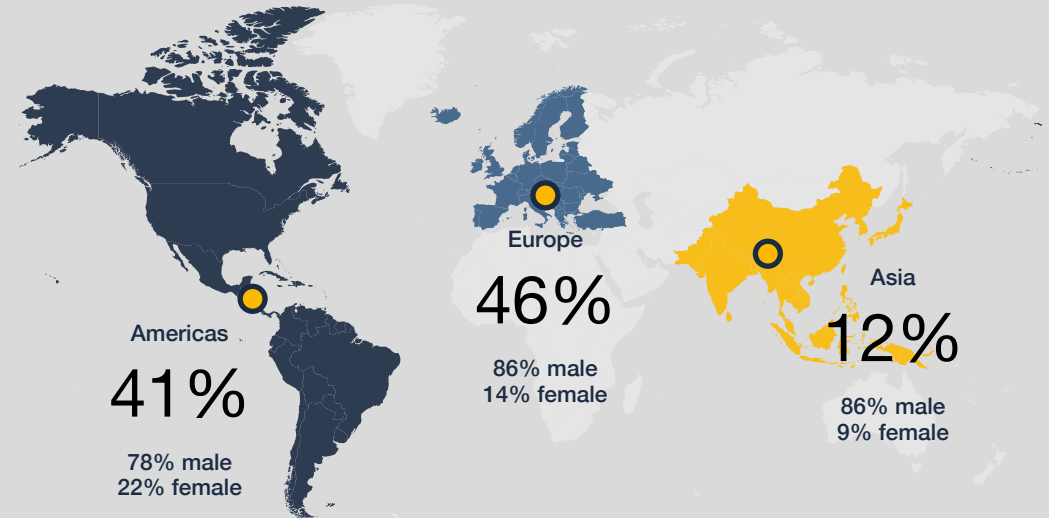
Alongside an updated policy, we plan to introduce a toolkit that provides guidance to people managers and HR business partners enabling greater levels of support for employees before, during and after periods of family leave.

This update, informed by external research and global benchmarking, aims to further encourage more of our colleagues to take family leave and help eliminate the stereotypes and stigma surrounding family and caring responsibilities.

### Understanding our gender diversity across GKN Automotive in 2024



### Where our employees are based





# Developing our talent

Having the right talent with the right experience is essential to our success. We employ exceptional people and believe in empowering them to reach their full potential through a commitment to career development and lifelong learning.

Our commercial success depends on anticipating both short- and long-term employment needs and skills requirements to meet the demands of a rapidly evolving industry. We actively invest in developing talent and nurturing the next generation of leaders. Through mentorship, training programmes, and opportunities for growth, we strive to create a culture where individuals can thrive and contribute meaningfully to our success.

## Leadership development and training

Training is fundamental to successful talent development. We offer a wide range of learning opportunities, from e-learning courses accessible to all employees to monthly gatherings with site learning leads.

In 2024, over 70 participants successfully completed GKN Automotive's Global Leader Programme. This programme equips leaders with tools for transformation, collaboration, and effective communication.

Regional and local leadership initiatives complement these efforts. In Hungary, a leadership training programme was launched for new and recently promoted supervisors to build foundational leadership skills and to align with company values.

In Porto, leadership training was delivered to over 40 leaders across three career levels, boosting engagement and reducing attrition. In Mexico, two local leadership programmes were introduced for the forge and engineering teams, focusing on people management, innovation, and operational excellence.

More broadly, our online Learning Academy portal is used across the business to enable self-learning and provide visibility on all available learning content, covering behavioural, technical and functional topics. In addition, we make extensive use of LinkedIn™ Learning, which has been made available to employees. Since the Learning Academy portal launched in 2021, employees have watched over 760,000 videos and completed nearly 35,000 courses.



# 35,000

courses completed by employees since the Learning Academy launch



# 760,000

videos watched by employees since the Learning Academy launch





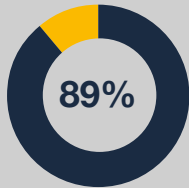
## Talent *continued*

### Employee Engagement

Employee engagement and motivation is a priority for our business. Through regular surveys and leadership development initiatives, we strive to create a workplace where employees feel heard and valued.

In 2024, we conducted our annual engagement survey to assess employee satisfaction and address underperforming areas. We achieved an 89% participation rate in our engagement survey, reflecting employees' eagerness to provide feedback. Results highlighted strengths in customer focus, strategic clarity, workplace safety, and employee pride, while also identifying areas for improvement, including leadership visibility, DE&I, resources, and career development.

Key themes and local results were shared in a global town-hall, with leaders tasked to develop action plans. Workshops held across Europe provided training on addressing survey feedback and psychosocial risks. Progress is highlighted through the "You Said, We Did" campaign, ensuring accountability and focus into 2025.



**participation rate  
in engagement  
survey**

used to assess  
employee satisfaction  
and address  
underperforming areas

### Reviews, Rewards and Recognition

We recognise the value of retaining exceptional talent and celebrating their contributions. Annual salary reviews are conducted alongside performance cycles, to ensure that pay remains competitive and aligned with individual and business achievements. In 2024, 98% of eligible employees participated in annual performance reviews.

We continue to encourage internal mobility. In 2024, GKN Automotive filled 289 positions internally, spotlighting opportunities in newsletters circulated company-wide.

In recognition of our employees' efforts, we prioritise creating opportunities for performance-related pay and career progression. This performance-driven culture ensures that our employees feel valued and motivated to contribute to the success of the business.

In 2024,

**289**

positions were filled internally,  
spotlighting opportunities in newsletters  
circulated company-wide.

In 2024,

**98%**

of eligible employees participated in  
annual performance reviews.





# Climate Action

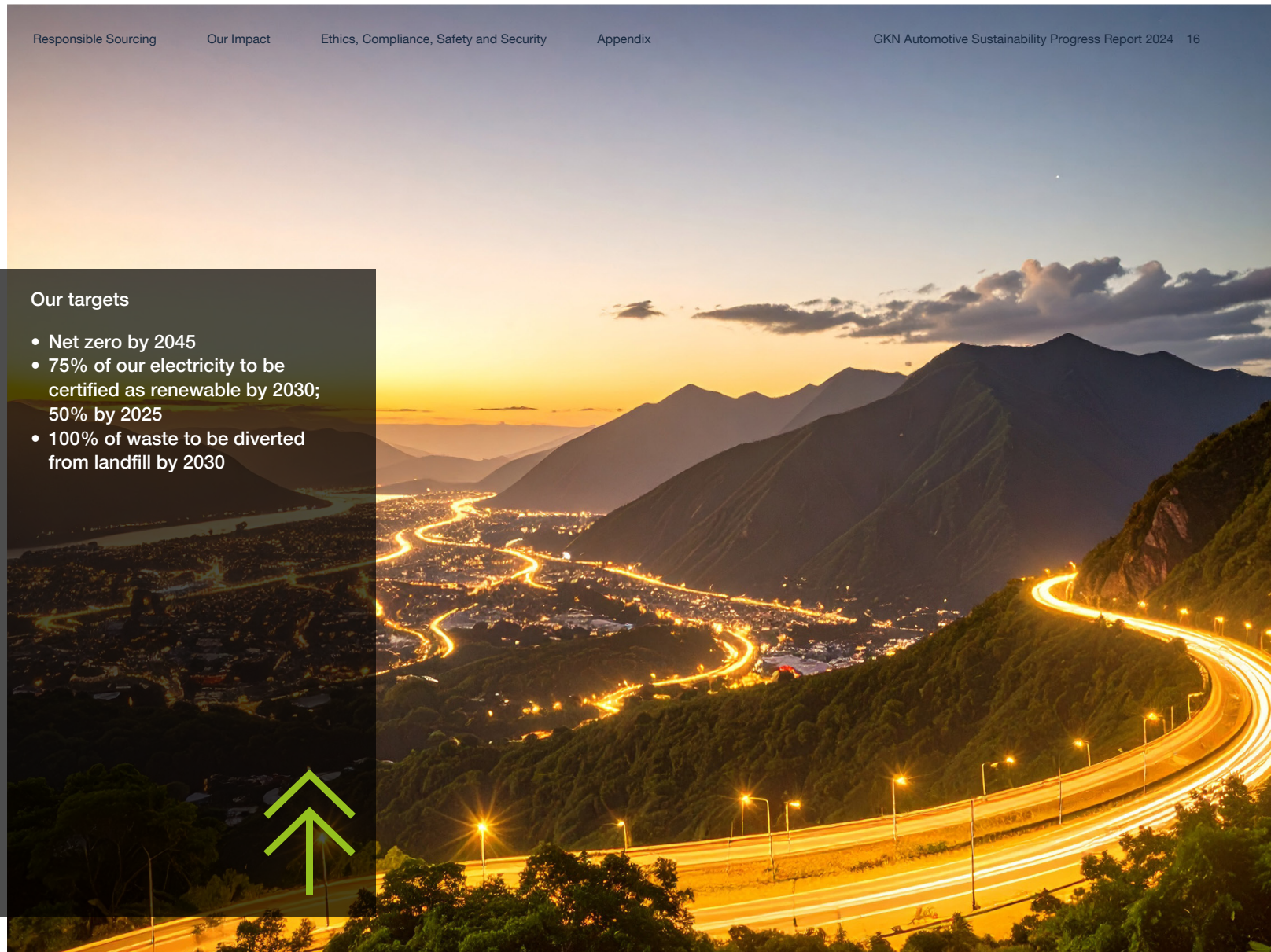
We recognise the importance of urgent and meaningful action to address climate change. The reality is that all businesses must cut their emissions of greenhouse gases to achieve net zero by 2050 at the absolute latest.

We are committed to reducing our greenhouse gas emissions in a way that supports the goals of the Paris Agreement. In line with this, in 2024 we announced that our 2045 net zero carbon emissions target had been validated by the Science Based Targets initiative (SBTi).

For an internal combustion engine (ICE) vehicle, the largest proportion of carbon emissions comes from its use. As the expected global transition to EVs removes much of that impact, the focus is turning to reducing the emissions caused by the material extraction and manufacturing stage, requiring suppliers in all tiers to take action.

## Our targets

- Net zero by 2045
- 75% of our electricity to be certified as renewable by 2030; 50% by 2025
- 100% of waste to be diverted from landfill by 2030







# Our net zero strategy

We are committed to reducing our scope 1, 2 and 3 greenhouse gas emissions as we progress towards achieving net zero by 2045. This year, our total direct CO<sub>2</sub>e emissions (scope 1 and 2) were 258.5 thousand tonnes. This represents a 30% reduction compared to the previous year (2023: 369.5 thousand tonnes CO<sub>2</sub>e). Of this, 40.6 thousand tonnes were generated from our direct use of fuels such as gas and oil (scope 1) and 217.9 thousand tonnes were generated indirectly from the production of electricity we purchase (scope 2).

Energy savings have contributed the majority of on-site emissions reductions, often through operational improvements. In addition, we have increased the amount of renewable electricity we purchase, notably in Poland and India.

## Employee engagement

It is vital to engage everyone in GKN Automotive in our decarbonisation journey. In 2024 we launched a sustainability e-learning platform to ensure as many employees as possible understand our strategy and the role they can play to contribute towards it.

## Our science-based targets

# 45%

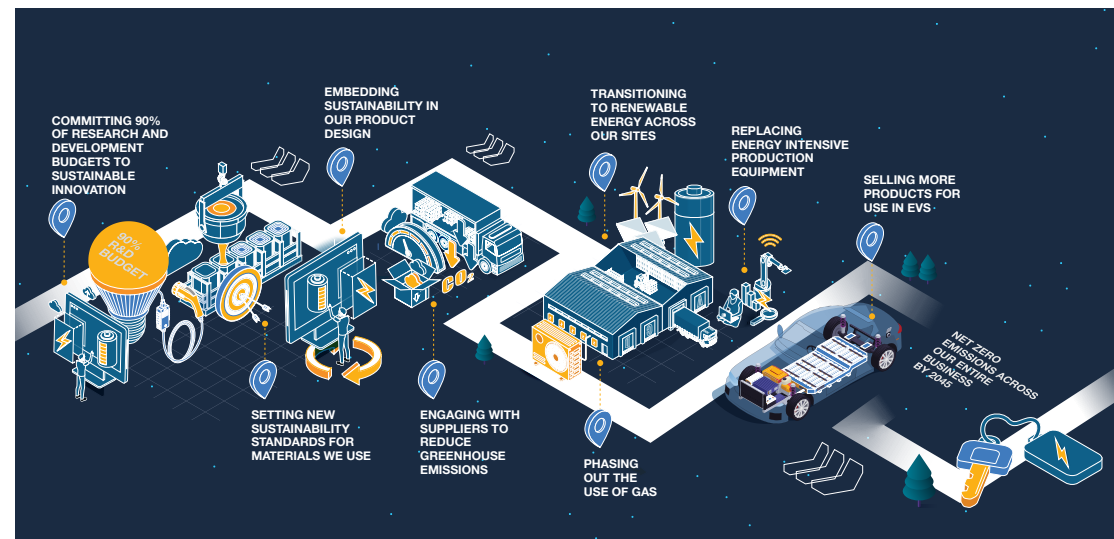
reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2021 base year

# 25%

reduction in absolute Scope 3 GHG emissions by 2030 from a 2021 base year

# Net zero GHG

A commitment to reach net zero GHG emissions across the value chain by 2045



## Our journey to net zero

In 2024, we announced that our near- and long-term carbon reduction targets were approved by the Science Based Targets initiative (SBTi).

Since then, we have worked to operationalise our strategy across the business. This has included developing net zero action plans for our top 20 sites, focusing on three key pillars: improving energy efficiency through optimised processes, fuel switching from fossil fuels to cleaner alternatives, and implementing market-based measures like purchasing renewable electricity.

We are also working to reduce our scope 3 emissions through better understanding the role of our products in decarbonising the automotive sector. We also seek to engage with our suppliers and joint venture partners on our net zero strategy.





## Our net zero strategy *continued*

### Reducing scope 1 and 2 emissions

We have worked to define the key actions to reduce our direct carbon emissions. These are mainly focused on energy efficiency and purchasing renewable electricity. We were able to make progress across both these areas in 2024.

Energy efficiency remains central to GKN Automotive's decarbonisation efforts. Upgrades to compressed air systems, including new master control installations and compressor replacements, are already delivering significant energy savings.

For example, at our Celaya site in Mexico, an investment in upgrades is expected to save over 140,000 kWh annually. Almost £500,000 has been allocated to compressor upgrades across the business so far.

Heat pumps are also being installed across the business to replace less efficient heating systems.

At Zreče, in Slovakia, a new heat pump installation is projected to save 831,000 kWh annually. Financially, the investment has a payback period of just 3.5 years, demonstrating the economic case for continued investment in decarbonisation.

At our machining and assembly plant in Vigo, Spain, we have implemented a variety of energy-saving initiatives. These have included the implementation of a preventive maintenance plan designed to detect compressed air leaks, enabling the team to identify and solve 400 air leaks in 2024. We also implemented a more efficient water-cooling system, continuous improvement activities such as 'switched off in manufacturing' initiatives and a new, more efficient boiler system. These initiatives altogether saved over 2GWh of energy in 2024, a significant reduction in energy consumption at the plant.

Over 90% of GKN Automotive's sites now use energy-efficient LED lighting, and further improvements, such as advanced lighting controls, are planned for 2025.



### Improving energy efficiency in Thailand

In 2024, our machining, assembly and all-wheel drive plants in Rayong, Thailand, installed a new 110 kW highly efficient air compressor, replacing 330kW worth of redundant capacities. This new air compressor, alongside an integrated smart compressor control system, enables Rayong to track and optimise its energy use.

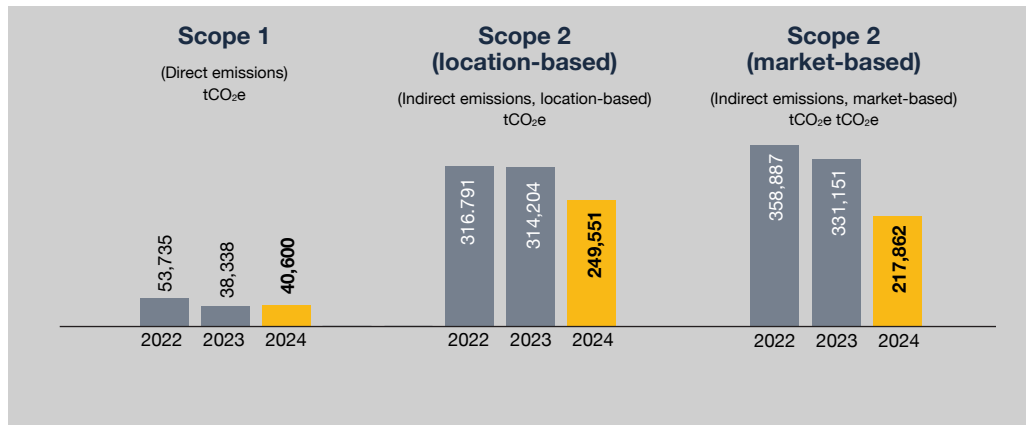
As a result, our team in Thailand is able to save over 886 000 kWh worth of electricity and over 363 tonnes of CO<sub>2</sub> annually.

# 886,000kWh

worth of electricity saved annually

# 363 tonnes

of CO<sub>2</sub>e saved annually







# Switching to renewable electricity

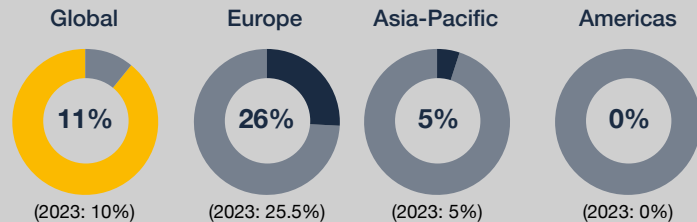
The largest single contributor to GKN Automotive's carbon footprint is the use of electricity. Switching to renewable sources, especially between now and 2030, is crucial if the business is to meet our targets.

We have set interim renewable electricity targets of 50% by 2025 and 75% by 2030. In 2024, 11% of GKN Automotive's electricity consumption across our sites came from renewable sources (2023: 10%). Europe achieved 26%, while Asia-Pacific reached 5%. Notably, our sites in Olenisca (Poland), Bruneck (Italy), and Köping (Sweden) have already achieved 100% renewable electricity. In India, our site in Pune, reached 45%.

Securing renewable electricity, while also protecting the business from price volatility, is a critical challenge. This year we signed our first virtual power purchase agreement (VPPA) which will deliver over 200,000MWh of renewable electricity per year to our European business, covering 65% of our electricity needs for that region. VPPAs offer a unique opportunity to achieve both goals of managing energy costs while driving down Scope 2 emissions. Read more in the case study on the next page.

## 2024 performance

Percentage of renewable electricity used



# 11%

of GKN Automotive's electricity consumption across its sites came from renewable sources in 2024

# 100%

of electricity used in Olenisca, Bruneck and Köping was from renewable sources







# Our first Virtual Power Purchase Agreement (VPPA) in Europe

Fossil fuels still currently account for 79% of the world's energy production.

Organisations work with renewable energy providers through agreements (VPPAs) that help support the creation of new renewable energy resources and supply more renewable energy to the world's grids, increasing our renewable electricity purchasing in Europe.

VPPAs are a complex financial agreement between the developer or owner of a large renewable electricity asset, such as a wind or solar farm, and a large business that is keen to secure renewable electricity.

GKN Automotive has a target for 75% of our electricity to come from renewable sources by 2030. To help achieve that goal, in 2024 we signed a 10-year Virtual Power Purchase Agreement (VPPA), which will cover approximately 30% of our global demand.

We have partnered with Recurrent Energy, a subsidiary of Canadian Solar Inc, which is building a new large-scale solar farm in Seville, Spain. The development is scheduled to come on stream in 2026 and will supply approximately 200,000 MWh of renewable electricity every year.

## How a VPPA works

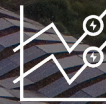


**GKN Automotive and the renewable energy provider sign an agreement for the generation of renewable energy at a newly-built\* offsite facility.**

\* VPPAs can also be signed to support already operational energy facilities



**Energy provider builds a new offsite renewable facility and supplies this energy to the grid operator.**



**GKN Automotive benefits from or covers the difference between the agreed fixed rate with the energy provider and the wholesale market rate the energy is supplied to the grid at.**



**Energy Attribute Certificates are delivered to GKN Automotive as a result of its support and contribution to the supply of renewable energy to the grid.**



**GKN Automotive directly contributes towards expanding the pool of renewable energy available in the world's grids, making cleaner energy more readily available for all.**





# Emissions in our value chain

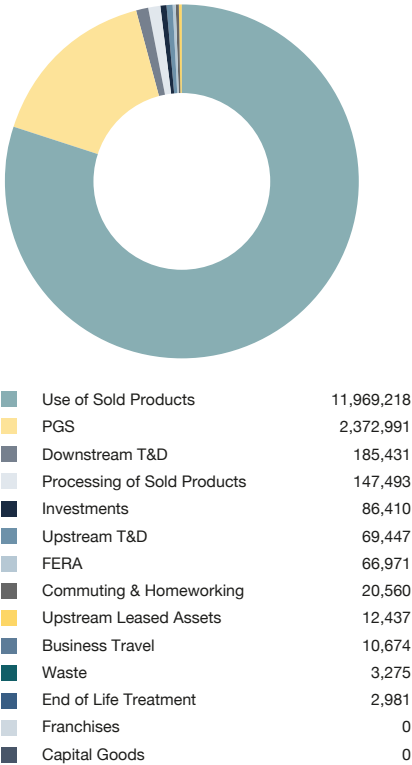
Reducing scope 3 emissions is a significant focus for us, as we work towards our 2045 net zero target.

Scope 3 emissions account for over 95% of our measured carbon footprint and arise mainly from the use of our sold products. Through investment in research and development we are working to tackle this challenge and to drive change across the industry to help realise a decarbonised future for the automotive sector.

We are also working to reduce emissions in our supply chain (see page 26 for more information), as well as engaging with our joint venture partners, such as SDS, on our net zero strategy (outlined further on this page).

In 2024, total scope 3 emissions were 14.9 million tonnes CO<sub>2</sub>e (2023: 13.7 million tonnes CO<sub>2</sub>e). The year-on-year change was primarily due to methodology improvements, notably relating to purchased goods and services and investments.

Estimated 2024 scope 3 emissions breakdown



## Prioritising sustainability in China

China is the world's largest market for electric vehicles (EVs), with sales of all types of electric vehicles rising more than 40% in 2024. We have a critical role in this rapidly evolving automotive market through our Chinese joint venture Shanghai GKN HUAYU Driveline Systems (SDS). Founded in 1988 as the first ever Tier 1 automotive supplier joint venture in China, SDS is today the country's number one supplier of driveshafts, serving most Chinese OEMs as well as car makers abroad.

SDS is committed to carbon neutral operations by 2040. To support this ambition, it has also established a goal to use 100% renewable energy for operations by 2030. In 2024, 40% of SDS' purchased electricity was from renewable sources.

The business is also actively seeking ways to generate on-site renewable electricity. In 2024, SDS deployed solar installations at two new sites, with a total capacity of 2.4 MW.

In addition, the installation of energy storage equipment at SDS' site in Pinghu (near Shanghai) will also help the site reduce carbon emissions.

SDS is also committed to reducing energy consumption. In 2024, the business organised an energy-saving workshop to share best practices, covering topics such as improving water pump efficiency, optimising machinery start-stop processes and waste heat utilisation. These best practices will be promoted and implemented within SDS.

In 2024 we continued to work closely SDS, through exchanging knowledge and best practices. This included our Director of Sustainability participating in a workshop in Shanghai with SDS colleagues focused on sustainability strategy and implementation.



# Product sustainability

**Product sustainability, along with safety, quality and durability, is a key focus in our offering to customers. Our products and technologies are designed to help tackle global sustainability challenges. By integrating circular economy principles into raw material choices, design and manufacturing, we reduce our environmental impact while delivering products with reduced emissions and waste.**

When assessing the sustainability of our products, our engineering teams focus on several key factors. These include their role in decarbonising the automotive sector, which is central to our strategy, as well as how we source materials and manage our supply chain, which are addressed under the Responsible Sourcing and human rights sections on pages 28 and 37. Additionally, we consider product longevity and recyclability at end of life, the use of fewer input materials (e.g. lighter or thinner parts) and compliance with international standards for substances of concern. Read more on our approach to contributing towards the decarbonisation of our sector on page 32.

Our product sustainability strategy is focused on eliminating critical materials, reducing embedded carbon, and enhancing product efficiency. The use of renewable electricity, sustainable materials like green steel, and recycled content in our supply chain already positions GKN Automotive ahead of the curve, with continuous efforts to improve and meet the highest environmental standards.

As EVs lower carbon emissions during car usage, attention has now turned to reducing the environmental footprint of manufacturing and the supply chain. Increased customer requests for Lifecycle Assessment (LCA) and product carbon footprint (PCF) data reflect the integration of carbon impact considerations into product development. Over the years, we have worked to expand our carbon footprint assessments and LCA efforts to quantify material use and energy consumption, enabling data-driven decisions to reduce the environmental impact of our products.

GKN Automotive prioritises circular economy principles in our product design and manufacturing processes. We aim to design products for longevity, reduced resource consumption, and recyclability. For example, we seek to increase the amount of electric arc furnace steel from renewable sources we procure, as well as incorporating higher levels of recycled content in our products. This approach reduces the carbon footprint of components significantly — GKN Automotive's European supply chain typically achieves a carbon footprint of 1.5 kg CO<sub>2</sub>e per kg of parts, less than half of that from Chinese suppliers.

## Sideshaft remanufacturing

GKN Automotive is dedicated to minimising the environmental impact of our products at the end of their life. To achieve this, we are working to develop takeback programmes, repair services, and enhancing the recyclability of components.

With some of our customers, we partner with designated garages to collect old driveshafts

and transform them into “as good as new” products, generating savings in energy, water, emissions and steel in production (see below for an illustration of the process). In 2024, this highly efficient remanufacturing process produced more than 300,000 sideshafts, saving 63% of the embedded energy of a new component.

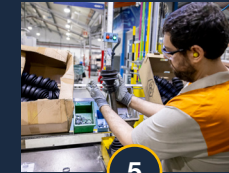
### Core identification & shaft sorting



### Cleaning & shotblasting

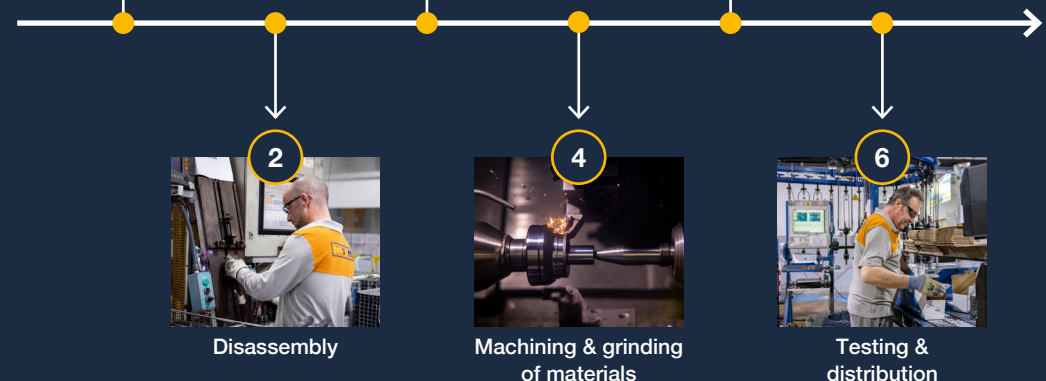


### Reassembly & quality testing



**63%**

saving of the embedded energy of a new component







# Biodiversity and natural resources

The materials we use and waste we generate through our processes have an impact on our surroundings. From sourcing the right materials to using only what we need and responsibly disposing of our waste, we are committed to reducing our waste footprint in all our activities.

## Waste

Circular economy thinking underpins our approach to waste. From sourcing recyclable-low-carbon materials, to using only what we need, and responsibly managing our waste, we are committed to reducing our waste footprint in all our activities.

One of the key challenges we faced on understanding our waste footprint stemmed from variation in waste definitions and understanding across geographies, which resulted in unreliable data. Last year, we assessed waste data collection processes across our businesses, and this year, we have improved our waste management disclosures by setting clearer definitions for various waste streams collected by the businesses. This also included work to improve waste stream mapping to better control and improve waste stream disposal.

Our sites are actively encouraged to reduce the amount of waste they generate and to divert waste from landfill. To support this, we have implemented a target to divert 100% of all (solid, non-hazardous) waste from landfill by 2030. As of 2024, 97.3% of waste produced has been diverted from landfill. The slight reduction compared to 2023 (98%) was due to improvements in the accuracy of reporting.

**97.3%**

of waste produced has been diverted from landfill

## Water

Recognising the global importance of water, we are committed to treating freshwater as a vital resource and contributing to our sustainable management. While water is not a critical resource for production in our operations, we focus on enhancing resilience against water-related risks, improving water availability and quality, and promoting responsible water practices.

We used

**0.98 million**  
m3 of water across our global  
operations in 2024.

## Biodiversity

Our approach to biodiversity is a commitment to the “No Net Loss” principle, actively seeking opportunities to reduce deforestation, and offsetting any potential negative impacts through reforestation and regeneration initiatives. As of 2024, none of our sites are located near nature-protected areas or regions with endangered biodiversity.

During the year, we assessed if our business activities contribute to biodiversity loss and assessed their effects on ecosystems and ecosystem services. While our direct operations have minimal impact, we identified some dependencies within the upstream supply chain, particularly linked to mining activities. These findings were also highlighted in the human rights risk review conducted this year (see page 37 for more details).

To enhance our understanding of nature-related risks, we have initiated efforts to align with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and strengthen our approach to biodiversity conservation.

**Zero**

of our sites are located near  
nature-protected areas or regions  
with endangered biodiversity.





# Responsible Sourcing

We recognise that our global supply chains play a significant role in shaping the social and environmental impact of our business. Upholding our human rights commitments is not just a corporate responsibility — it is fundamental to how we operate.

As a first-tier supplier to many of the world's largest automobile manufacturers, our role is also crucial in the reduction of carbon emissions, as well as the elimination of modern slavery and conflict minerals within the automotive industry.

## Our targets:

- Zero substances classified as conflict minerals to be knowingly sourced

## New targets established in 2025:

- 95% of all direct supplier spend with suppliers with SAQ rating of "C" or better by 2030
- 50% of supplier spend with suppliers that have set a Science-Based carbon emissions reduction target by 2030
- 90% of steel sourced from EAFs by 2030





# Supporting our suppliers on their sustainability journey

**Maintaining high sourcing standards is an important way we are improving our environmental and social impact. We continually assess and engage with our suppliers about the sustainability of their operations and their own supply chains. By being a supportive and open partner, we are helping them to follow our high standards of environmental, social and ethical responsibility.**

We expect all our suppliers to comply with our Supplier Code of Conduct. It sets out our expectations for suppliers and informs suppliers of the targets that we are committed to achieving and how they can support us in doing so. Our Responsible Sourcing Policy also sets out the framework for how we procure what we need and work with our suppliers.

To underpin our approach, we also ensure that our senior commercial and procurement teams receive regular training on sustainability and responsible sourcing.

Working together with our partners to demonstrate the highest standards of business ethics and conduct is in our mutual interests. Our relationships are anchored by a zero-tolerance approach to bribery and corruption, respecting human rights and not using any form of child, forced, bonded or involuntary labour. We require our suppliers to treat their employees and workers with dignity and respect, meet the highest standards of health and safety, engage in ethical sourcing practices and meet all legal obligations.

During 2024, we completed a human rights and supply chain risk assessment to identify the salient human rights risks that are at risk of most negative impacts through the activities of our business. Read more on the assessment on page 37.



➔ View our Supplier code of conduct on GKN Automotive website – click here.

## Engaging with our suppliers

To make the Responsible Sourcing Policy more effective, our procurement team uses the Supplier Assurance platform. This helps us assess suppliers on their ESG performance in areas such as business ethics, health and safety, human rights, environment, and conflict minerals. The data is collected by asking suppliers to answer the Supplier Assurance sustainability assessment questionnaire.

**To ensure we continue to make further progress, we have evolved our targets. By 2030:**

# 95%

of all direct supplier spend will be with suppliers with a SAQ rating of “C” or better; and

# 100%

of strategic indirect spend will be with suppliers with a SAQ rating of “C” or better.

**We will continue to engage with our suppliers to support these targets.**

The platform digitises the end-to-end process, collecting and validating supplier sustainability evidence as part of the process. During 2024, we rolled out the SAQ5.0 sustainability assessment to almost 300 direct material suppliers, covering 80% of spend. To further improve supplier performance, more than 50 quality improvement programmes were completed, involving over 300 suppliers and 5,303 components.

In addition to leveraging insights from the SAQ assessments, during the year we developed and completed a new supplier onsite audit with six suppliers, with plans to expand audits to 30 additional targeted suppliers in 2025. Non-compliance issues are proactively addressed through targeted support and improvement plans, ensuring alignment with the company’s sustainability and ethical standards.

By the end of 2024, 89% of our strategic direct material suppliers had shared their sustainability roadmaps and targets through the Supplier Assurance platform (2023: 39%).

In 2024, GKN Automotive became a member of Drive+. As part of Drive Sustainability, Drive+ is a sector-wide platform to enable collaboration between peer companies and automotive manufacturers to address common sustainability challenges and find common solutions.

➔ Find out more about Drive+ here:  
<https://www.drivesustainability.org/driveplus/>







## Supporting our suppliers on their sustainability journey *continued*

### Conflict minerals

Many of the core components and processes used by the automotive industry currently require the extraction and supply of rare earth minerals found in specific areas of the world. The mining and trading of these minerals is impacted by conflict and other disruptive factors in some of these areas. Prolonged conflict in the Democratic Republic of Congo and surrounding countries, for example, has a significant impact on the global supplies of tin, tungsten, tantalum and gold.

We are committed to ensuring that we are not knowingly or negligently sourcing any conflict minerals. Our processes and policies are aligned to our Conflict Mineral Policy, and we regularly conduct conflict minerals analysis with relevant suppliers.

In 2024, we conducted extensive due diligence on conflict and critical minerals to assess whether any suppliers sourced minerals from conflict zones. We assessed 229 Tier 1 suppliers based on the International Material Data System submissions; a 48% increase compared to the number of suppliers assessed in 2023. The analysis only flagged one non-compliant smelter, prompting further supplier engagement to confirm that GKN Automotive did not receive any parts from the identified smelter.

Our Conflict Mineral Policy requires our suppliers to follow the Conflict-Free Sourcing Initiative (CFSI) template and regularly conducting risk assessments. Risk management strategies encompass supplier diversification, monitoring, and alignment with global compliance standards.

Our whistleblowing disclosure hotline allows for any interested party to voice concerns regarding the circumstances of mineral extraction, trade, handling and export in a conflict-affected and high-risk area.

We did not knowingly source raw materials containing tungsten, tantalum, tin, or gold from the Democratic Republic of Congo or an adjoining country in 2024.

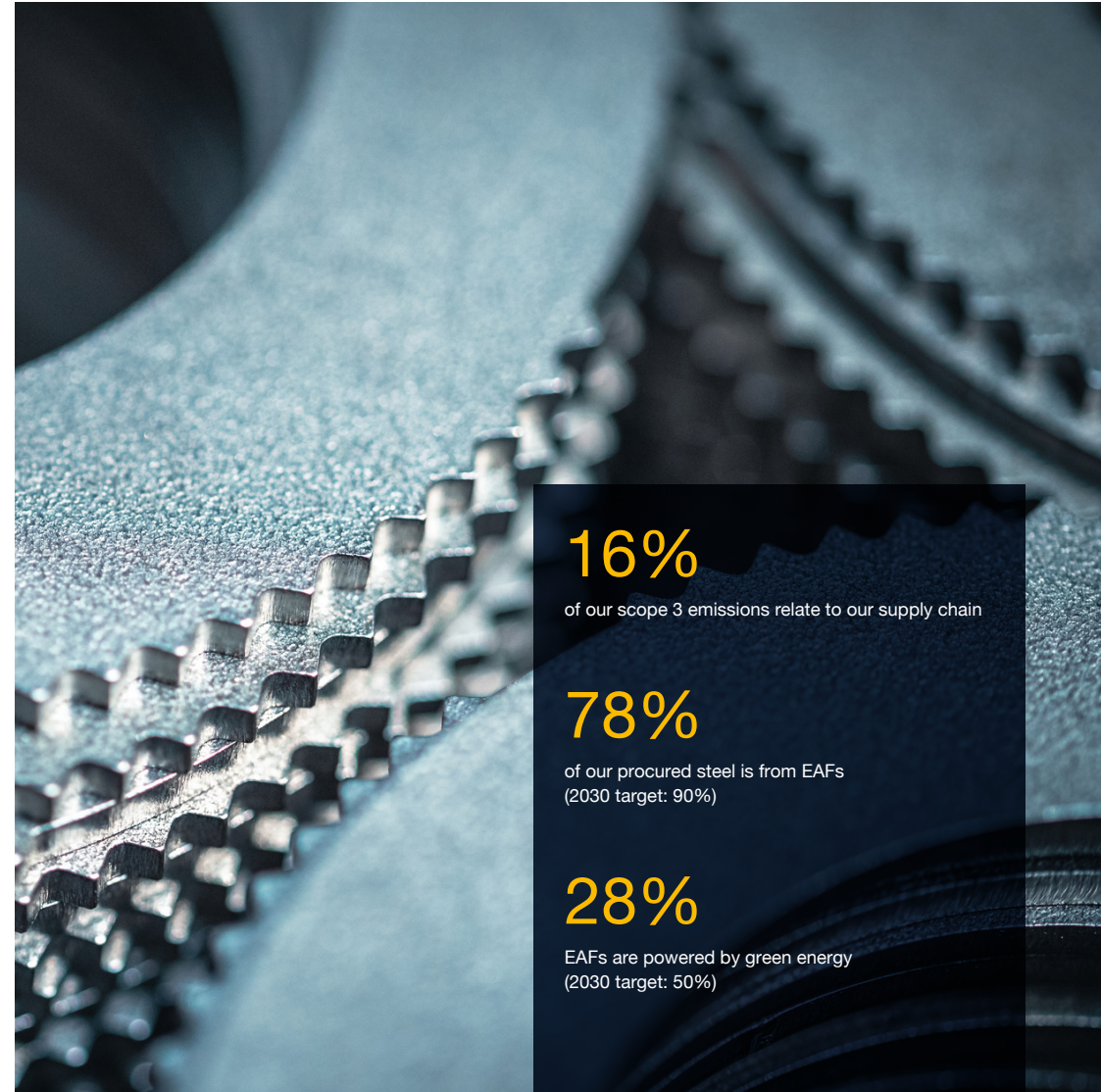
### Reducing supply chain carbon emissions

As we work towards our 2045 net zero target, it will be critical to continue to engage with our suppliers: 16% of our scope 3 emissions relate to our supply chain.

To support our approach, we have committed that by 2030, 50% of our supplier spend will come from suppliers which have set a Science-Based initiative (SBTi) target.

As part of our net zero roadmap, we are working to prioritise greener steel suppliers. Whilst we don't directly operate steel furnaces, we use a lot of steel, and therefore we actively prioritise supplier partnerships with those who have transitioned to EAFs (electric arc furnaces). These are powered by electricity and produce significantly fewer carbon emissions (vs traditional coal-fired blast furnaces).

Currently, 78% of our procured steel is from EAFs, of which 28% are powered by green energy. By 2030, we want to increase the proportion of EAF steel to 90% and the green energy proportion to 50%.







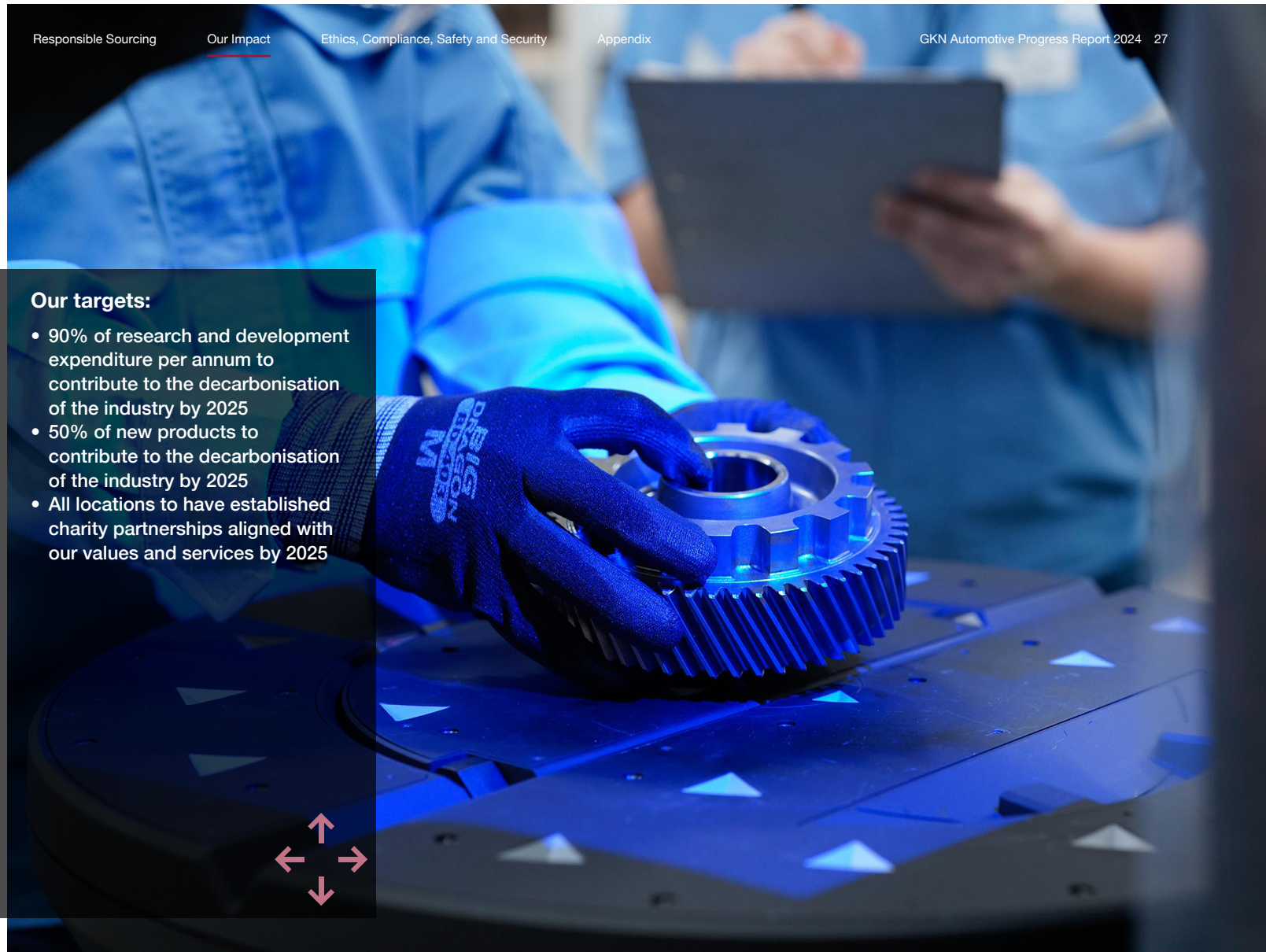
# Our impact

At GKN Automotive, we recognise our position as a global organisation capable of influencing the world and the communities in which we work. The challenges we face as an industry and as a society need to be addressed if we are to deliver on a cleaner, more sustainable world and contribute to our local communities.

Our goal is to make a positive contribution to society through our products, services and ongoing contributions to local communities. We will do this through continued investment in innovation and new products, as well as by maintaining our long history of giving.

## Our targets:

- 90% of research and development expenditure per annum to contribute to the decarbonisation of the industry by 2025
- 50% of new products to contribute to the decarbonisation of the industry by 2025
- All locations to have established charity partnerships aligned with our values and services by 2025





# Reducing the carbon footprint of our products

## Supporting the transition to sustainable mobility

Road transport is responsible for more than 15% of global energy-related emissions and, for net zero emissions to be achieved by 2050, electric vehicle (EV) sales will need to reach around 60% of total sales of light-duty vehicles. Our core offering of sideshafts to global OEMs is powertrain agnostic, and we have expanded our product portfolios to support EV production. Enabling the global transition goes hand in hand with achieving our own emissions reduction targets.

Within our engineering function, our Product Sustainability Office is dedicated to leading our work on carbon footprinting and product life cycle assessments. Insights from this work help us better understand and reduce the environmental impact of our products. Read more on page 22.

GKN Automotive has spent the last two decades driving the world towards net zero mobility. As part of this, our technologies enable vehicle manufacturers to work towards the electric revolution. Approximately 70% of our sales in 2024 came from driveline products, such as sideshafts, which electric vehicles (EVs) continue to require, as well as more specific EV and Hybrid solutions, such as eAxe components and fully-integrated Electric Drive Unit systems.

To date, more than 2.5 million electrified vehicles have been produced with GKN Automotive's eDrive systems and since 2010, we have supplied components for over 15 million electric vehicles. In 2024, 85% of our research and development spend (2023: 87%) and 46% of our new products (2023: 46%) contributed to the decarbonisation of the sector.



# 15 million

electric vehicles supplied with GKN Automotive components since 2010



# 46%

new products contributing to decarbonisation



# 85%

research and development spend on decarbonisation



## All Wheel Drive (AWD)

One of GKN Automotive's flagship products, the Disconnect AWD technology, reduces AWD-related CO<sub>2</sub> emissions by 80% compared to conventional systems. Additionally, the new generation AWD components are 30% more efficient and 20% lighter than previous models, contributing to significant reductions in both energy consumption and material usage.

These improvements have also increased product durability by 25%, with components now achieving over 200,000 miles. This means less material and energy are embedded into products that last longer, enhancing both environmental and customer value.

# 80%

reduction in AWD-related emissions

# 20%

lighter

# 30%

more efficient



# Charitable giving

**Making a positive impact on society by providing ongoing contributions to our local communities remains an integral part of our operations.**

**Our approach to communities includes direct financial support, equipment donations, and encouraging volunteering. Many of our sites have long-standing relationships with charitable and community organisations based locally to their operations.**

In 2023, we defined a charitable-giving framework, which established a network of local community champions. The framework lays out roles and responsibilities, budgets, processes and the causes GKN Automotive is focused on. From there, sites have a high level of autonomy to decide which causes to support.

During 2024, charitable cash donations totalled more than £740,000 (2023: £550,000) and our sites participated in a wide range of community development initiatives, providing significant investment in both volunteering time and material resources. Throughout the year, 86% of our sites had local charitable relationships (2023: 85%).



Charitable cash donations totalled more than

**£740,000**



**86%**

of our sites had local charitable relationships



## Supporting our local community and employees in Brazil

In May 2024, heavy rains and severe floods affected the state of Rio Grande do Sul in Brazil, resulting in widespread damage, landslides, and loss of life. The flooding impacted GKN Automotive operations, employees and customers in the region.

Our top priority being the safety and wellbeing of our employees, regional leaders across operations and HR worked together to assist employees and their families experiencing extremely challenging times.

In the immediate aftermath of the flooding, our local business chartered a small plane to help a group of employees who were stranded far from home to get back to their families. In addition, we made a

donation of £100,000 to organisations providing emergency housing, food, medication and other much needed support on the ground.

Permanent damage to bridges and infrastructure meant inaccessible commuting even when the floods subsided. Our teams worked hard to ensure we safely and efficiently resumed production, with some colleagues travelling up to 5 hours to help ensure production continued.

**£100,000**

donated to provide support





# Supporting our local communities around the world

During 2024, 86% of our sites had programmes to support their local communities. The examples from around the world below illustrate some of the ways through which we made a contribution.

## USA

Our team in Auburn Hills, sponsored the Formula SAE Electric event at Michigan International Speedway – a competition which challenges university students to conceive, design, fabricate, develop and compete with small, formula-style vehicles. Through the programme, participants are encouraged to develop skills in project management, leadership, problem-solving, and technical abilities, helping prepare them for future roles in the industry and beyond.

## Turkey

In November, our team in Eskişehir, Turkey, held an event welcoming high school students from the local community who are either part of, or a representative of, LÖSEV which is a Foundation for Children with Leukaemia. During the event, the students participated in a site tour as well as a session to understand possible career pathways and were then supported to plan their future career goals and aspirations.

## Japan

On 1 January 2024, a magnitude 7.6 earthquake struck the Noto Peninsula in Ishikawa prefecture, Japan. The impact on the local environment and the people living within it was enormous, with many being displaced, power and water supplies being cut and communications were cut for many. To support those impacted, GKN Automotive made donation of £38,000 to Ishikawa prefecture through the Japan Red Cross.



## India

To enable easier access to education for children at a local school in Jadavpura, India, our employees at our plant in Kadi last year set about revamping the school's infrastructure. This included providing two new classrooms which can now accommodate over 50 students.

## Poland

Our plant in Olesnica, Poland has been operating a 'Little First Aiders' programme for over 10 years, where 114 trained first aiders have taught children of the local community how to deliver first aid and respond to accidents. In 2024, the team delivered training to 2,150 children from the Olesnica area.

## Thailand

At our Rayong plant in Thailand, employees support litter picking throughout the year. This includes collecting plastic bottles from the local area or saving consumed ones. After a year, they recycle the accumulated plastic for community projects, often chosen through employee voting. Since 2020, over 30,000 plastic bottles have been collected by employees.



# Expanding our approach to build tomorrow's future talent

Science, technology, engineering, and mathematics (STEM) education is essential for developing the future talent we need to tackle some of the challenges we collectively face. But providing practical experience and career opportunities for STEM talent is important too.

We are committed to developing the next generation and providing a space for them to hone their skills, expand their knowledge and put their critical thinking to good use. As well as supporting our local communities, this will help support the future talent pool of potential employees with the skills needed in our industry.

In 2023, we made the decision to expand our work on STEM (such as some of the examples highlighted on the previous page). Following this in 2024, we developed and launched a global philanthropic STEM programme across three strategically-important locations: Poland, Mexico and India.



## Mexico

In 2024, the Future Talent program in Mexico engaged approximately 500 young children in hands-on STEM activities. Partnering with the University of Celaya, this kicked-off with an event for employees' children, who participated in various interactive challenges, applying scientific and technological principles to solve real-world problems.

GKN Automotive is also supporting the University of Celaya's Future Uni Kids programme, which provided over 400 children the opportunity to take part in bi-weekly sessions focused on enhancing learning across STEM subjects.



## Poland

In Olesnica, Poland, we have launched a partnership with local NGO Sky Blue Education to provide free STEM classes and workshops for children from the local community.

During 2024, 130 children participated in a series of workshops and hands-on activities where they delved into different engineering tasks including assembling models and exploring the laws of physics through interactive learning. We plan to expand this programme in 2025, aiming to reach 300 children in the local community.



## India

In India, we have established partnerships at two of our site locations: Oragadam (near Chennai) and in Bangalore. At each location, we are working with local non-profit partners to develop teaching labs at local schools, which will then be used to enhance STEM education for students. The labs will be formally launched in 2025.

In 2024, we launched our collaboration with the SRF Foundation, which is a non-profit organisation committed to transforming education in India. Our site in Oragadam hosted a STEM Lab at a local secondary school where students participated in various activities, including building a surveillance robot model and a humanoid robot operated via bluetooth technology. The event saw active participation from teachers and members of the Parent-Teacher Association.





# Ethics, compliance Security and Safety

To drive a sustainable future for GKN Automotive, we have built our sustainability strategy upon the foundations of human rights, ethics, compliance, product safety and security. We are a values-led company, and our 'Principled' value ensures we are committed to doing the right thing. Our General Counsel is responsible for ensuring that we maintain high standards of ethics, compliance, product safety and security.

We are also committed to respecting internationally recognised human rights as set out in the International Bill of Human Rights.





# Respecting human rights

We are fully committed to upholding the human rights outlined in the United Nations Universal Declaration of Human Rights, the ten principles of the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These commitments are detailed in our Human Rights Policy and Anti-Slavery & Human Trafficking Policy, reflecting our dedication to maintaining the highest standards in these areas.

Our Responsible Sourcing Policy sets clear expectations for suppliers, requiring compliance with local environmental laws and regulations, proactive efforts to decarbonise their operations, and a focus on circular economy principles when designing and delivering products. It also aligns with our Group policies on water, biodiversity, conflict minerals, and human rights to ensure a fully integrated approach.

## Human rights risk assessment

During 2024 we carried out a business-wide human rights and supply chain risk assessment to identify our salient human rights risks.



➔ Read Dowlais Group plc's latest Modern Slavery Statement – [click here](#)

With the help of third-party consultants we:

- Interviewed key internal stakeholders across functions like ESG, sustainability, HR, procurement, H&S, quality, and compliance, to understand potential impacts.
- Conducted data reviews on own workforce and supplier data. Data sources such as HR data, H&S KPIs, Tier 1 supplier data, third-party data (e.g. trade flow data), consultant's proprietary data sets (e.g. mineral database).
- Identified salient human rights risks in operations and supply chain.
- Reviewed existing policies and processes against the Organisation for Economic Cooperation and Development (OECD) guidelines.

**Our salient human rights risks identified in our own operations are:** Forced labour, gender-based discrimination and harassment, occupational health and safety.

**Our salient human rights risks identified in our supply chains are:** Forced Labour, Occupational health and safety, working conditions (access to effective grievance mechanisms), child labour, community & indigenous people rights.

Identifying our most salient human rights risks helps to ensure that we focus our mitigation strategy on the areas that are at risk of the most negative impacts through the activities of our business.

In 2025, building on the work to identify our salient human rights, we will refresh our strategy and approach, to ensure we move beyond compliance and address some of the systematic issues in global supply chains.



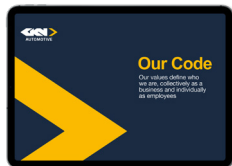




# Ethics and compliance

Laws and regulations set out the minimum standards we meet, but we always aim to go further than just complying with the law. We expect our people to always behave to the highest ethical standards and conduct themselves in an honest and transparent manner. We must all conduct ourselves professionally, act with integrity and keep our promises. It also means that when we do make mistakes, we are open and do not cover them up.

To ensure that all our people understand what is expected of them, our Code of Conduct (Our Code) sets out the standards and behaviours we expect of all our employees and workers – whatever their job and wherever they are located. It guides how our people behave, how they do their jobs and how they interact with other employees and stakeholders.



➔ View 'Our Code' in the GKN Automotive website – click here.



➔ Read more about our culture of 'Speaking Up' on the GKN Automotive website – click here.

## Speaking up

We recognise that however hard we try to do the right thing, sometimes things do go wrong. When they do, it is important that we quickly identify the issue so that we can deal with it and prevent it from happening again. We, therefore, encourage a culture of speaking up in which we ask our people to bring issues of concern to our attention, and are clear that these concerns will be listened to, investigated and dealt with properly and sensitively.

Our Whistleblowing and Employee Disclosure Policy sets out our policies, procedures and oversight with regards to complaints and concerns. We will always support those who raise genuine concerns, even if they turn out to be mistaken. In order to encourage our people to speak up, we maintain a confidential and anonymous Employee Disclosure Hotline and Portal, which can be used to report issues of concern. This is open 24 hours a day, seven days a week, and is hosted by an external, independent company. This service is promoted at all sites, and calls are monitored by our legal and HR functions.







# Product safety

Product safety is a non-negotiable requirement in the Automotive industry. Our customers, along with the end users of the vehicles featuring our products, rely on us to ensure their safety. We are dedicated to upholding the highest standards of product quality, reliability, and safety across our businesses.

To meet this responsibility, we embed safety processes across all aspects of our operations. From the earliest stages of design and development, safety is prioritised, and our sourcing and supplier quality assurance processes ensure that our partners uphold the same high standards. We ensure our manufacturing processes deliver each product right, first time. Additionally, our traceability, governance, and incident response procedures ensure that if any issues arise, we can act swiftly to resolve them and eliminate any potential risks. In 2024, 100% of our product portfolio (by revenue) was certified to a recognised international quality management standard of ISO 9001 or IATF 16949.

Since 2021, all sites have been integrated in a corporate audit scheme according to the IATF rules. Surveillance audits of all quality management systems are conducted annually by all businesses to ensure the standards are maintained, and re-certification occurs every three years.

We work to promote safety and quality through our Product Safety Portal, while our product safety dashboard provides regular performance updates. For recall procedures, GKN Automotive follows a concern management procedure, escalating issues that require field action, such as recalls, to the Product Safety & Security Committee. We also promote safety feedback through various procedures for visitors, contractors, vendors and drivers.

Our Product Safety and Security Policy ensures the protection of products from risks and unauthorised access, with all employees responsible for reporting potential safety and security concerns. We are committed to maintaining robust product safety, security, and cyber-security management, prioritising fail-safe states and aiming for zero recalls.

In 2024, we had one safety-related recall. We work to respond quickly to all product safety and security incidents and reflect on lessons learned to prevent future issues.



## 100%

product portfolio certified to international quality management standard



# Information, physical and personnel security

Information, physical and personnel security are integral to GKN Automotive's operational resilience, helping to ensure that our data, systems and assets are protected. We achieve this through proactive risk management, policy creation, advanced security measures, dedication to security training, integrating security by design and compliance with customer and regulatory standards.

Our security incident and vulnerability management teams help to ensure that we maintain operational continuity. This includes overseeing potential cyber threats to reduce the likelihood of incidents that could adversely impact our IT systems and affect our business operations.

In 2024, we continued to improve our organisational security maturity by adhering to our information security policies and procedures, risk management framework and security best practice.

14 of our sites have been awarded Trusted Information Security Exchange (TISAX) labels (2023: four sites). TISAX is a German automotive industry information security assessment aligned with international best practice standard ISO/IEC 27001. TISAX provides assurance that a company's information security management system and supporting controls comply with defined security standards. During 2024, 13 of our sites were audited against this standard and our site in Bangalore achieved certification for the first time.

**TISAX**



14

Sites have been awarded TISAX Labels



13

sites were audited during 2024 against the TISAX standards.



## Raising security awareness around the world

During 2024, we worked to develop a Security Awareness roadshow, which was recently launched at our Faridabad and Dharuhera sites in India. The aim of the Security Awareness roadshow, which will be visiting all of our sites globally, is to:

- Increase awareness of phishing, social engineering and password security
- Conduct interactive discussions with colleagues to reinforce security best practices.

- Provide real-world phishing attack demonstrations for practical learning.





During the first roadshows in Faridabad and Dharuhera, the IT security team had direct conversations about security awareness with the teams onsite and hosted a phishing awareness training session where participants could test their knowledge to win prizes.

Following the roadshows, a subsequent phishing simulation found that click rates decreased and reporting rates increased at both sites, demonstrating the positive impact of the roadshows.





# Appendix

Pillar	KPI	Target	2024 performance
<div>Our People</div> 	% of female members on the Executive Team.	33% female membership of the Executive Team by 2030.	⬆ 10%
	Accident Frequency Rate (AFR).	Maintain an AFR of <0.1.	⬆ 0.1
	% of eligible, permanent employees receiving annual performance reviews. <sup>1</sup>	100% of eligible, permanent employees to receive annual performance reviews by 2024.	↔ 98% of eligible employees.
<div>Climate Action</div> 	Net zero GHG emissions	Net zero GHG emissions across the value chain by 2045.	⬇ 30% Scope 1 and 2 GHG reduction
	% of renewable electricity consumed.	50% of electricity consumed to be certified renewable by 2025.	⬆ 11%
	% of waste diverted from landfill.	100% of waste to be diverted from landfill by 2030.	⬇ 97.3%
<div>Responsible Sourcing</div> 	Number of substances classified as ‘conflict minerals’ knowingly sourced.	Zero substances classified as ‘conflict minerals’ knowingly sourced.	↔ Zero
<div>Our Impact</div> 	Locations with charity partnerships aligned with our values and services.	All locations to have established charity partnerships aligned with our values and services by 2025.	⬆ 86% of sites had charitable partnerships in 2023.
	% of total research and development (R&D) expenditure per annum contributing to the decarbonisation of the automotive sector.	90% of total R&D expenditure per annum to contribute to the decarbonisation of the automotive sector by 2025.	⬇ 85%
	% of new products that contribute to the decarbonisation of the automotive sector.	50% of new products to contribute to the decarbonisation of the automotive sector by 2025.	↔ 46%

1. Eligible employees are those employees who are full-time and meet a particular set of criteria based on local employment laws and our own internal processes.

[Our Approach](#)[Our People](#)[Climate Action](#)[Responsible Sourcing](#)[Our Impact](#)[Ethics, Compliance, Safety and Security](#)[Appendix](#)[GKN Automotive Sustainability Progress Report 2024](#)

# About this report

## Date of publication:

The reporting period covers GKN Automotive's Financial Year 2024, from 1 January to 31 December 2024. Performance data relates to this period unless otherwise stated.

To further improve our reporting, we have used the GRI reporting principles to describe our approach and performance related to the management of our material sustainability topics.

With reference to the DE&I section of this report, US employees are currently excluded from targets and future commitments.



➔ View more of the Dowlais Group's sustainability reporting – [click here](#).

