



AUTOMOTIVE

GKN Automotive Sustainability  
Progress Report 2025

**DAUCH**<sup>TM</sup>





# Contents

## **Our Approach**

GKN Automotive at a glance	3
Our sustainability framework	4
GKN Automotive's sustainability journey	5
Our approach to sustainability	6

## **Our People**

Health, safety and wellbeing	8
Developing our talent	9
Equity and inclusion	11

## **Climate Action**

Our net zero strategy	14
Switching to renewable electricity	16
Emissions in our value chain	17
Product sustainability	18
Biodiversity and natural resources	19

## **Responsible Sourcing**

Supporting our suppliers on their sustainability journey	21
--	----

## **Our Impact**

Reducing our carbon footprint	24
Charitable giving	25
Expanding our approach to build tomorrow's future talent	26

## **Ethics, Compliance and Security**

Respecting human rights	28
Ethics and compliance	29
Product safety	30
Information, physical and personnel security	31

## **Appendix**

2025 performance against our KPIs	32
-----------------------------------	----



# GKN Automotive at a glance

## About GKN Automotive

As a trusted partner to 90% of the world’s global automotive companies\*, GKN Automotive specialised in developing and supplying market-leading drive system technologies, from sideshafts to advanced torque management systems, with world-leading system integration expertise. Its origins date back to 1759 and for the last 70 years it put key technologies into series production.

## Leading the transition to net zero

The business operated under a clear purpose to “drive a cleaner, more sustainable world”, which was focused on delivering ambitious sustainability goals related to its people, its approach to responsible sourcing and the impact it had on local communities around the world. The business’ strategy also centred on leading the transition to net zero, with 53% of its electricity consumption coming from renewable sources in 2025, surpassing its target of 50%.

## Our presence in China

GKN Automotive’s joint venture in China, SDS, is the region’s market leader in sideshafts and propshafts, the technology leader in ePowertrain products and a trusted partner to 80% of OEMs in China. Together, SDS and GKN Automotive were able to offer competitive, cutting-edge technologies tailored specifically to meet the requirements of Chinese OEMs.

## Dauch acquisition

Dauch Corporation (Dauch), formerly American Axle & Manufacturing, completed the acquisition of Dowlais and its subsidiaries – GKN Automotive and GKN Powder Metallurgy, on Feb 3, 2026. We now operate under one united corporate brand, named Dauch.

Going forward, all sustainability reporting will be carried out on a combined basis through Dauch, which will continue to focus on environmental, social, and governance (ESG) areas. In addition, commitments from the prior organisations will be reviewed as part of our larger integration process, including revised baselines and strategies.

For more information, visit [www.dauch.com](http://www.dauch.com).



\* Global automotive companies with an annual production of more than 100,000 light vehicles, with production locations in more than one region.



### GKN Automotive highlights

47

manufacturing sites

£4.027bn

2025 adjusted revenue

~24,000

employees

#1

in all segments of our core product portfolio

90%

of global automotive manufacturers choose GKN Automotive

Net zero

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



# Our sustainability framework

Our sustainability strategy was built on our core foundations of ethics, compliance, safety, and security. Its four pillars – People, Climate Action, Responsible Sourcing, and Impact – were each tied to ambitious targets that helped to focus our efforts up to 2030 and beyond. We also 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.

As a trusted partner to over 90% of global car manufacturers and with technology on approximately 45% of vehicles worldwide, we have played a critical role in ensuring that we are reducing our environmental footprint and having a positive impact on the lives of our employees and the communities in which we operate. In addition, as a Tier 1 supplier, we were committed to helping our customers meet their environmental, social and governance (ESG) goals. We saw a competitive advantage in building sustainability into our customer relationships.

We identified the areas where our customers needed to see the most urgent action, which aligned with our most material issues, and are pleased that, over the course of our strategy we made substantive progress on our mission to drive a cleaner, more sustainable world.



Reflecting our growing sustainability activities, data, and disclosures, our EcoVadis rating improved from Gold to Platinum in 2025.

## 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

### 0.05 AFR

Accident Frequency Rate (2024: 0.1)

## Responsible Sourcing

Our targets:

- 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
- Zero substances classified as conflict minerals to be knowingly sourced

### Zero

substances classified as conflict minerals knowingly sourced

## 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

### 53%

electricity certified as renewable (2024: 11%)

## 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

### £590,000

of charitable cash donations

# GKN Automotive's sustainability journey

GKN Automotive has had a long history of embedding sustainability into every aspect of our company. Over the last five years, we worked to accelerate our impact through defining an overarching sustainability strategy, establishing ambitious targets, and seeking to embed the approach across the organisation. We are proud of the progress made in this time, with tangible advances made across our targets. The timeline below provides an overview of some of the key highlights from the last five years.

2021



GKN Automotive completed its first double materiality assessment. The outputs are used to shape a sustainability strategy ('Innovating for Change') to provide a new framework for the company to coordinate sustainability activities.



2022



Established our carbon emissions baseline, identified priority actions, and set clear targets for reducing our Scope 1, 2 and 3 carbon footprint.

Launched our new Responsible Sourcing Policy, which set out the framework for how we work with suppliers to meet our sustainability strategy.

New Global Data Security Policy established to ensure a consistent security management system and processes across all GKN Automotive sites.

2023



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCIENCE  
BASED  
TARGETS

Our net zero and near-term targets to reduce direct and indirect greenhouse gas emissions are validated by the Science Based Targets initiative (SBTi).

Launched our first diversity, equity and inclusion (DE&I) plan, following consultation with high-potential female leaders in our business around the world.

2024



Signed our first virtual power purchase agreement (VPPA) to deliver over 200,000MWh of renewable electricity per year to our European operations.

Launched new programmes in Mexico, Poland and India to support STEM (Science, Technology, Engineering, and Mathematics) education in the local communities.



2025



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



53%

electricity certified as renewable, exceeding our 2025 target of 50%.

# Our approach to sustainability

**Driving a cleaner, more sustainable world was GKN Automotive’s corporate purpose. To enable this, sustainability was at the heart of our business strategy.**

**With our drive systems and eDrive technologies turning the wheels of nearly half the cars on the road, we have had the opportunity and responsibility to play a leading role in decarbonising the automotive sector.**

Since launching our sustainability strategy in 2021, we continued to work to embed it into decision-making in every area of our business.

## Materiality is key for successful sustainability

In 2023, our parent company, Dowlais Group, 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.

Building on this work in 2024, we also worked with Dowlais Group to complete a double materiality assessment, aligning with obligations for CSRD compliance for the future. In 2025, we made progress on improving our disclosure readiness and solidifying our CSRD compliance strategy, aligning with updated guidance from the European Financial Reporting Advisory Group (EFRAG).

## Sustainability governance

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

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

## Our materiality matrix



● Planet and Climate ● People and Society ● Governance

# Our People

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

1. Including JVs.

## Our people targets

Maintain an Accident Frequency Rate of

**<0.1**

**33%**

female membership of the Executive Team by 2030

**100%**

of eligible, permanent employees provided with an opportunity to have an annual performance conversation

**2022**

Incorporated diversity criteria into leadership recruitment processes.

Developed behaviour-based safety roadmap to understand how work-related accidents can be better avoided.

Launched “GKN TOP” in Mexico; an internship programme which provides interns with training and practical experience.



**2023**

Engaged over 100 employees through focus groups to seek input into our DE&I strategy. This, along with the Senior Leaders conference, informed our DE&I roadmap, which was shared with the entire organisation.

**40%**

year-on-year improvement in Lost-Time Accidents (LTAs).

Launched a Learning Academy portal across the business to promote self-learning and provide visibility on all available learning content.

**2024**

Our operation in Brazil launched its “Women in Movement” project, to provide training and career development opportunities to women entering the automotive industry for the first time.

**98%**

of eligible employees participated in annual performance reviews.

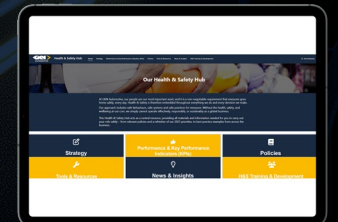
H&S Learning Academy launched to provide employees with access to resources, courses, and expert contacts.

**2025**

**0.05**

Accident Frequency Rate, achieving our target.

Launched an online “Health & Safety Hub” across the organisation, which educates employees on everything they need to perform their roles safely.



# Health, safety and wellbeing

**As an engineering company, with manufacturing operations around the globe, we have worked hard to create and maintain a safe and healthy workplace with a zero-tolerance for injuries and fatalities.**

Through implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of operational practices, we were committed to protecting our employees from injury and harm.

We have upheld the highest operational health and safety standards; our 2025 Accident Frequency Rate (AFR) of 0.05 was an improvement compared to the previous year.

Our Health and Safety Policy applied to all employees, visitors, and contractors working on our sites or on our behalf. The policy required that all manufacturing sites be certified to ISO 45001, ensuring that each location operated a robust safety management system, covering all relevant aspects, including occupational health, exposure to hazardous substances and ergonomics.

In 2025, we maintained 100% compliance on ISO 45001 certifications at our manufacturing sites, covering all our products and sales.

The comprehensive policy also included our commitment to proactive, preventative and behaviour-based safety and the importance of employee engagement in hazard identification.

During 2025, two of our sites passed significant “Zero LTA” milestones: our Nagoya site in Japan celebrated 15 years of Zero Lost Time Accidents and Eskişehir in Turkey celebrated 12 years. In addition, our site in Penang, Malaysia, received positive recognition of the site’s health and safety approach from key customers, Perodua and Honda, during on-site customer audits.

## Wellbeing programmes creating a safer workplace

A key component of our approach was to recognise the importance of employees’ emotional, social, and physical health. In 2023, we launched a wellbeing framework. After initially focusing on increasing employee awareness through monthly sessions on topics like nutrition, exercise, financial wellbeing, and mental health, this framework was further embedded with upskilling, new tools for monitoring wellbeing, and the development of a network of local wellbeing champions.

During 2025, we launched a Health and Wellness learning page on our employee intranet. This was made up of resources that span across the “six pillars of wellbeing” for our employees to gain better access to tools and materials that could support them in their

own wellbeing journey. These are accessible to all colleagues via the Learning Academy and also include optional, self-guided learning courses and resources provided to us by LinkedIn Learning.

## Raising employee awareness and capability

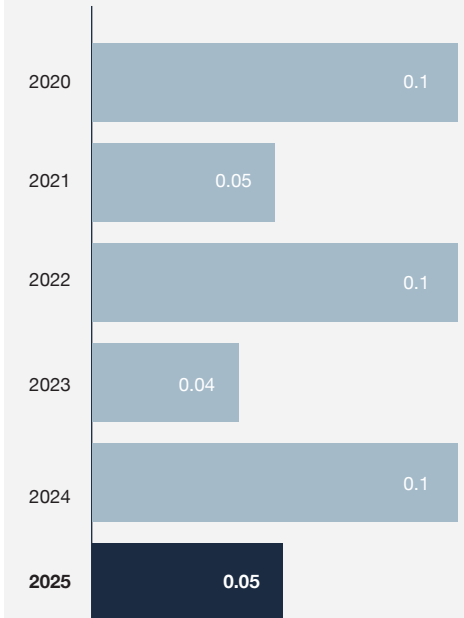
During 2025, GKN Automotive continued to implement H&S training and awareness through locally managed onboarding programmes and centralised initiatives like the thinkSAFE and Topic of the Month themes. The H&S Learning Academy, launched in 2024, provided employees with access to resources, courses, and expert contacts. We also continued to roll out Behaviour-based Safety (BBS) eLearning modules and workshops across global sites, with key campaigns, including a focus on Slip, Trip, and Fall hazards.

In 2025, we also launched the H&S Hub, where every employee could access H&S policies, information on strategy, training and awareness materials on the intranet.

# 100%

compliance on ISO 45001 certifications at our manufacturing sites in 2025.

Accident Frequency Rate (AFR)



# Developing our talent

**Having the right talent with the right experience was essential to our success. We have employed exceptional people, with a belief in empowering them to reach their full potential through a commitment to career development and lifelong learning.**

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

## Attracting and retaining diverse talent

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

Internal benchmarking has shown that our job adverts for roles in engineering, information technology and human resources were above average for the sector

in terms of attractiveness to women. We worked to utilise software to identify ways in which we could expand the neutrality of language within our job adverts to encourage more women to apply for our roles.

## Employee engagement

We continued to strengthen employee engagement through structured listening, targeted action and transparent communication in 2025. An Engagement Pulse Survey was launched across 21 locations, with over 400 colleagues participating and providing valuable feedback on their experience. In addition, we supported an externally facilitated Culture Survey across our indirect employee population, achieving a 66% participation rate. This survey explored how our culture was experienced by employees and aspirations for the future. Beyond formal surveys, we also engaged employees through focus groups and leadership forums to shape organisational priorities and people initiatives. Through these mechanisms, we aimed to ensure employees' voices were heard and that feedback was translated into meaningful action at both local and global levels.



## Developing future talent across our business

Developing early-career talent was a core component of our long-term workforce strategy. While graduates and apprentices were recruited locally and do not follow a single global scheme, in 2025 we supported over 400 individuals through early careers programmes around the world.

In 2022, we launched our “GKN TOP” (Talent Opportunity Partnership) Programme in Mexico. The latest round of the initiative in 2025 enrolled 34 students, 44% of whom were female, and partnered with regional universities to bridge the

gap between academic learning and industry experience. Participants worked on live engineering projects, delivering measurable business impact, including significant project savings.

In Germany, we supported 118 apprentices through a structured two-year pathway combining technical training and plant-based experience.

In Hungary, our onsite training facility, delivered in partnership with a local university, supported the recruitment and upskilling of over 90 machining employees, helping to close critical skills gaps.

## Developing our talent *continued*

In 2025,

# 345

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

# 98%

of eligible employees participated in annual performance reviews.

### Leadership development and training

Training was fundamental to successful talent development. We have invested in structured leadership training to equip managers with the skills required to lead effectively, support performance and foster a positive working environment. In 2025, we delivered targeted leadership development programmes across multiple regions, including training for new managers, refresher programmes for experienced leaders and focused development for senior teams. We also introduced curated leadership learning pathways and practical toolkits to support people managers in areas such as coaching, performance management, engagement and team development.

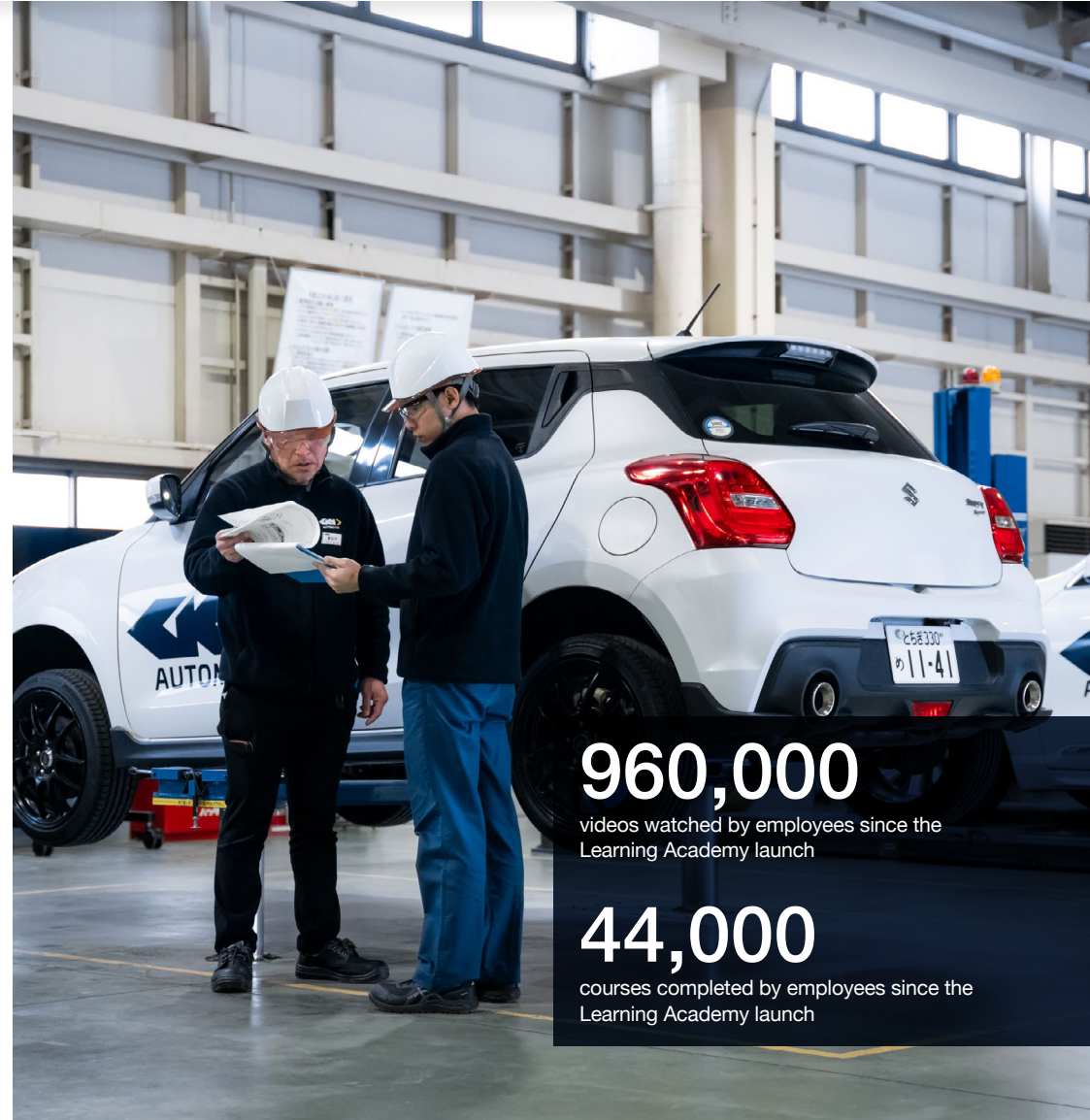
More broadly, our online Learning Academy portal provided visibility on all available learning content covering behavioural, technical and functional topics. In addition, we made extensive use of LinkedIn™ Learning, which was available to all employees. Since the Learning Academy portal launched in 2021, employees have watched over 960,000 videos and completed nearly 44,000 courses.

### Reviews, rewards and recognition

We recognised the importance of retaining exceptional talent and celebrating the contribution of our people. Our performance and reward framework was designed to incentivise high performance, recognise achievement and support long-term career development.

In 2025, 98% of eligible employees participated in annual performance reviews (2024: 98%). Our structured performance management process applied clear evaluation criteria and included leadership calibration discussions to promote consistency, transparency and merit-based outcomes. This ensured employees were recognised and rewarded fairly, while aligning performance with strategic priorities.

We also actively worked to encourage internal mobility as part of our approach to developing and retaining top talent. In 2025, 345 positions were filled internally, with opportunities promoted through company-wide communications to ensure visibility and access.



# 960,000

videos watched by employees since the Learning Academy launch

# 44,000

courses completed by employees since the Learning Academy launch

# Equity and inclusion

Achieving greater gender balance in the automotive industry was historically a challenge. At GKN Automotive, committed to being part of the solution, we recognised that varied perspectives strengthen decision-making and performance. We promoted an inclusive working environment that encompassed gender, race, ethnicity, nationality, social and cultural background, religion, family and caring responsibilities (including pregnancy), sexuality, age and disability. This approach was centred on providing equal opportunity for all and attracting and retaining the best talent.

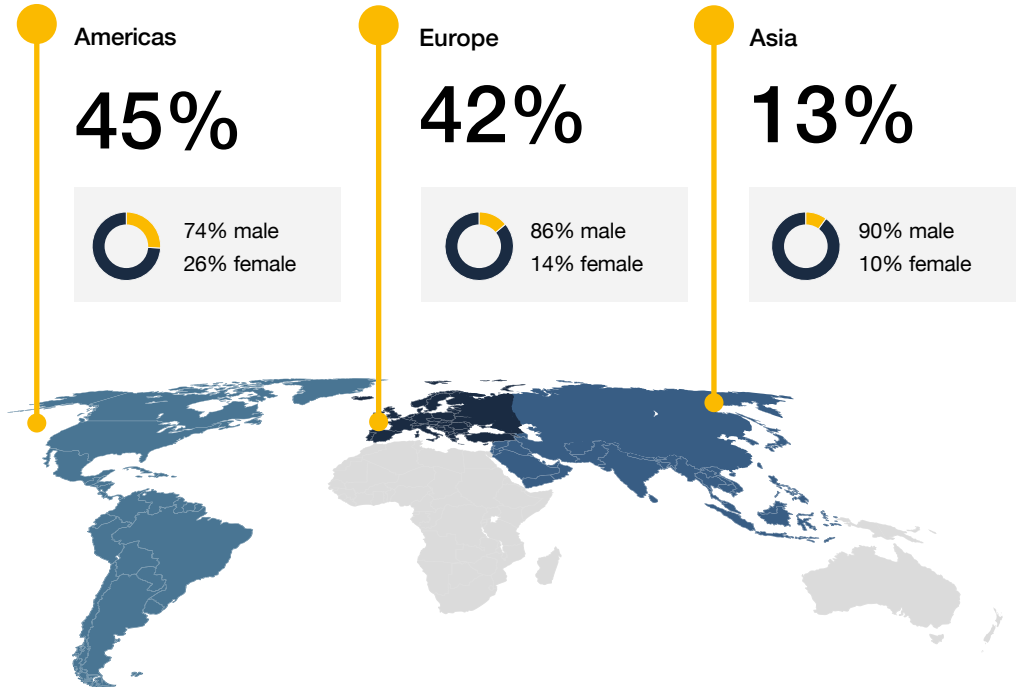
## Equal opportunity for all

Our approach to equity and inclusion sought to provide equal opportunity for all, whilst also supporting us to attract the best talent.

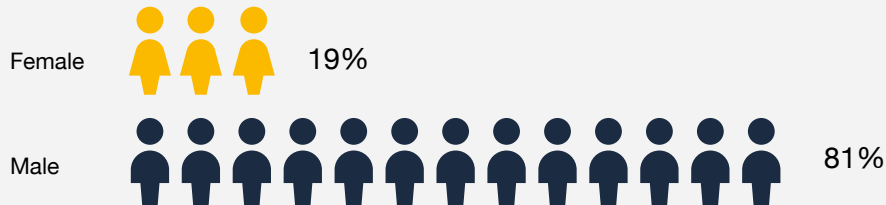
To support this approach, we set a commitment to achieve 33% female representation on our Executive Team by 2030. In 2025, 10% of our Executive Team was female.

We also monitored the percentage of female representation at other levels across the organisation. In 2025, 19% of our global workforce (2024: 16%) and 13% of our management population (2024: 13%) were female.

## Where our employees were based



## Understanding our gender diversity across GKN Automotive in 2025



## Equity and inclusion *continued*

### Training leadership to support a diverse workforce

In 2025, we strengthened leadership capability through structured development programmes and enhanced people processes. Building on cultural awareness training delivered to our Executive Team, we launched an Inclusive Leadership Development Programme for our Senior Leadership Team. Nearly 100 leaders completed the programme. Each participant committed to short- and long-term actions to support equitable practices, with commitments incorporated into personal development plan discussions to reinforce accountability. We also introduced eLearning pathways and cultural awareness resources via our Learning Portal, providing employees with practical guidance on fostering respectful and inclusive behaviours across global teams.

### Supporting families and enabling inclusive workplaces

We progressed work to better support families and employees with disabilities through strengthened policy development and workplace practices. We developed a new Global Family Leave policy this year to establish a more consistent framework across the organisation, covering maternity, adoption and paternity leave, alongside a dedicated Manager Toolkit to support colleagues before, during and after family leave. While implementation was paused

pending organisational developments, several regions already provided maternity and paternity benefits above statutory requirements. We maintained a global reasonable adjustments process to support candidates and employees with disabilities, complemented by locally managed initiatives aligned with legal requirements. In 2025, we enhanced workplace practices, including clearer accessible facilities signage and targeted hiring workshops to improve attraction and retention of people with disabilities.

We have set a commitment to achieve

# 33%

female representation on our Executive Team by 2030.

This year

# over 413

employees participated in our Engagement Pulse Survey, across 21 locations to provide insights and support our Global Listening Strategy.



# ↑ Climate Action

We have recognised the importance of urgent and meaningful action to address climate change and were committed to reducing our greenhouse gas emissions in a way that supported the goals of the Paris Agreement. GKN Automotive committed to a 2045 net zero carbon emissions target, which was validated by the Science Based Targets initiative (SBTi).

## Our Climate Action 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

### 2022

Established our carbon emissions baseline, identified priority actions, and set clear targets for reducing our Scope 1, 2 and 3 carbon footprint.

Energy efficiency programme initiated to better understand opportunities across the business to reduce energy consumption.

## ~30kMWh

saved through energy efficiency initiatives in 2022

### 2023

Our net zero and near-term targets to reduce direct and indirect greenhouse gas emissions validated by the Science Based Targets initiative (SBTi).



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

### 2024

Invested in new data management software to provide a centralised view of our emissions, energy, water and waste performance on a monthly basis.

## ~200kMWh

of renewable electricity per year to our European operations delivered via our first virtual power purchase agreement (VPPA)



### 2025

# 25%

reduction in scope 1 and 2 emissions year-on-year.

# 53%

electricity certified as renewable, exceeding our 2025 target of 50%.

# Our net zero strategy

Our approach to climate action has been shaped by our commitment to reducing our Scope 1, 2 and 3 greenhouse gas emissions as we progressed towards achieving net zero by 2045. This year, our total direct CO<sub>2</sub>e emissions (Scope 1 and 2) were 193,100 tonnes.

This represents a 25% reduction compared to the previous year (2024: 258,500 tonnes CO<sub>2</sub>e). Of this, ~38,900 tonnes were generated from our direct use of fuels such as gas and oil (Scope 1) and ~154,200 tonnes were generated indirectly from the production of electricity we purchase (Scope 2, market-based).

A key driver of this reduction was the significant increase in the renewable electricity purchased by the business; which increased from 11% in 2024 to 53% in 2025. In addition, energy savings have continued to play an important contribution, often through operational improvements.

## Employee engagement

It was vital to engage everyone in GKN Automotive in our decarbonisation journey to ensure its success. In 2024, we launched a sustainability e-learning platform to ensure as many employees as possible understood our strategy and the role they could 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

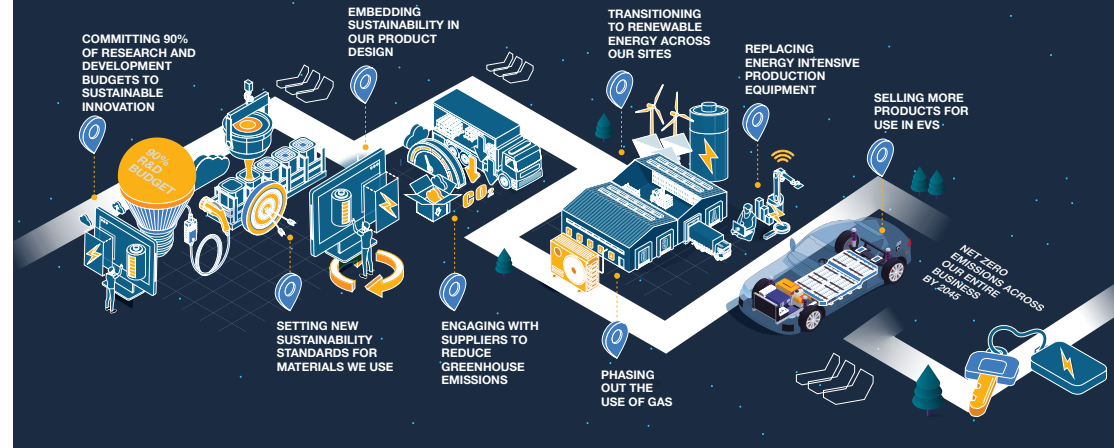
A commitment to reach net zero GHG emissions across our value chain by 2045

## Our journey to net zero

Our near- and long-term carbon reduction targets were approved by the Science Based Targets initiative (SBTi) in 2024.

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 also worked to reduce our Scope 3 emissions through better understanding the role of our products in decarbonising the automotive sector. We also engaged our suppliers and joint venture partners on our net zero strategy.



## Our net zero strategy *continued*

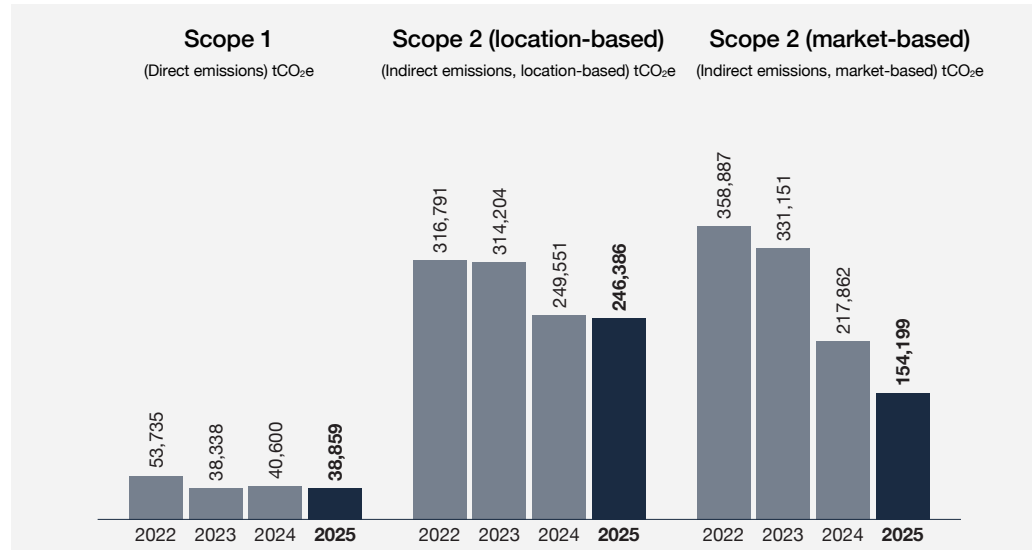
### Reducing Scope 1 and 2 emissions

We have worked to define the key actions to reduce our direct carbon emissions. These were mainly focused on energy efficiency and purchasing renewable electricity. During the year, we made progress across both these areas.

Energy efficiency remained central to GKN Automotive's decarbonisation efforts. Over the last few years, upgrades to compressed air systems,

including new master control installations and compressor replacements, have helped to deliver significant energy savings. In addition, over 90% of GKN Automotive's sites now use energy-efficient LED lighting, with a number of sites implementing further improvements, such as advanced lighting controls and motion sensors.

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



## Reducing Scope 1 and 2 emissions around the world



### Poland and Slovenia

At Zreče, in Slovenia and Oleśnica, Poland, heat pump installations predicted payback periods of just 3.5 and 2.4 years respectively, demonstrating the economic case for continued investment in decarbonisation.



### 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, enabled Rayong to track and optimise its energy use.



### Mexico

At our Celaya site in Mexico, an investment in upgrades expected to save over 140,000 kWh annually. Almost £500,000 was allocated to air compressor upgrades across the business so far.



### Italy

Our manufacturing facility in Bruneck, Italy, has several examples of measures we have implemented to improve energy efficiency and reduce carbon emissions. It was our first plant to be powered by 100% green electricity. In addition, a groundwater cooling system installed at the plant saved 1MWh of energy annually and incorporated a heat recovery system that means waste heat from machinery was used to supplement the hot water and heating supply in our buildings, reducing the amount of energy the plant used for heating.



### Spain

At our machining and assembly plant in Vigo, Spain, we have implemented a variety of energy-saving initiatives. These 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.

# Switching to renewable electricity

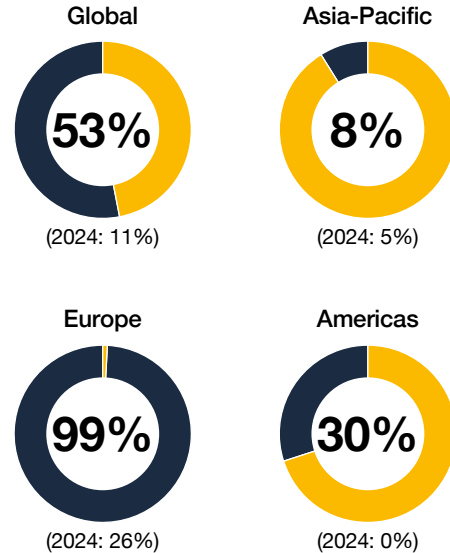
The largest single contributor to GKN Automotive’s carbon footprint was the use of electricity. Switching to renewable sources, especially prior to 2030, is crucial if the business is to meet our targets.

We set interim renewable electricity targets of 50% by 2025 and 75% by 2030. In 2025, 53% of GKN Automotive’s electricity consumption across our sites came from renewable sources (2024: 11%). Europe achieved 99%, Americas 30% and Asia-Pacific 8%.

Securing renewable electricity, while also protecting the business from price volatility, was a critical challenge. In 2024 we signed our first virtual power purchase agreement (VPPA) which delivered over 200,000MWh of renewable electricity per year to our European business, covering at least 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.

## 2025 performance

Percentage of renewable electricity used



# 53%

of GKN Automotive’s electricity consumption across its sites came from renewable sources in 2025

# 99%

of electricity used in European Operations from renewable sources in 2025



# Emissions in our value chain

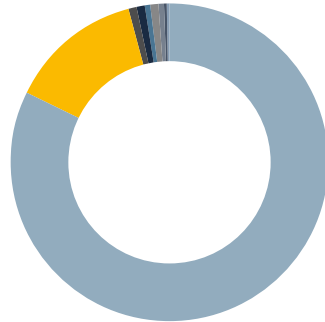
Reducing Scope 3 emissions was a significant focus for us, as we have worked towards our 2045 net zero target.

In 2025, Scope 3 emissions accounted for over 98% of our measured carbon footprint and 82% of it arose mainly from the use of our sold products. Through investment in research and development we have worked to tackle this challenge and to drive change across the industry to help realise a decarbonised future for the automotive sector.

We have also worked to reduce emissions in our supply chain, see page 22 for more information, as well as engaged with our joint venture partners, such as SDS, on our net zero strategy (outlined further on this page).

In 2025, total Scope 3 emissions were 14.0 million tonnes CO<sub>2</sub>e (2024: 14.9 million tonnes CO<sub>2</sub>e). The year-on-year change was primarily due to methodology improvements, and decrease in raw-material spend.

Estimated 2025 scope 3 emissions breakdown



	Tonnes CO <sub>2</sub> e
Use of sold products	11,563,496
Purchased goods and services	1,890,970
End-of-life treatment of sold products	1,972,40
Capital goods	121,992
Processing of sold products	113,563
Investments	110,754
Upstream transportation and distribution	88,249
Fuel- & energy-related activities	76,376
Downstream transportation and distribution	41,319
Employee commuting	20,578
Business travel	5,694
Waste generated in operations	1,854



## Prioritising sustainability in China

China continues to be the world's largest market for electric vehicles (EVs), with sales of all types of electric vehicles rising more than 20% in 2025. We played 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 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 established a goal to use 100% renewable energy for operations by 2030. In 2025, 53% of SDS' total energy consumption was from renewable sources.

In 2025, SDS completed the deployment of a 1.54 MW solar project at its Changchun Plant (located in Northeast China). With this addition, SDS's cumulative installed solar capacity reached 10.85 MW.

In recent years, SDS has worked to improve energy efficiency. In 2025, SDS piloted the rollout of new LED lighting. Compared to the LEDs installed in 2018, the new units achieved a 50% reduction in energy consumption, a 12% increase in illumination level, and a 38% decrease in procurement cost. Replacement activities are underway across multiple factories.

At the same time, SDS launched a "Carbon Research" channel on its employee learning platform Go-Learn, uploading ESG-related materials and case studies of the SDS's energy-saving and cost-reduction projects, aiming to enhance employees' awareness of green production, energy conservation, and cost efficiency.

# Product sustainability

**Product sustainability is a critical lever in decarbonising the automotive industry. It also enabled us to deliver products and technologies with reduced emissions and waste to our customers without compromising on safety, quality and durability. Our products and technologies were designed to help tackle global sustainability challenges by integrating circular economy principles into raw material choices, design and manufacturing.**

When assessing the sustainability of our products, our engineering teams focused on several key factors these included considerations such as how we sourced materials and managed our supply chain, which are addressed under the responsible sourcing and human rights sections on pages 22 and 28. Additionally, we considered 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 24.

The use of renewable energy, sustainable materials and recycled content in its supply chain already positioned GKN Automotive ahead of the curve, with continuous efforts to improve and meet the highest environmental standards, our European supply chain typically achieved a carbon footprint of 1.5 kg CO<sub>2</sub>e per kg of part, less than half of that from Chinese suppliers.

Reducing embedded carbon, enhancing product efficiency and eliminating critical materials were other key components of our product sustainability strategy. In 2025, in line with the business's ambition to reduce the footprint of finished automotive products, the Product Sustainability Office (PSO)

developed a Product Carbon Footprint (PCF) procedure aligned with ISO 14067 and the Catena-X rulebook V4. The procedure shortened assessment timelines from up to three months to three weeks and was externally certified by TÜV Rheinland Energy & Environment GmbH, enabling the Group to provide customers with credible footprint data. The European Commission Sustainable Product Policy estimates that 80% of a product's environmental impact is determined at the design stage. The PSO applied LCAs at the design phase to incorporate sustainability early, de-risk manufacturing decisions, and reduce cost and carbon where possible.

## Sideshaft remanufacturing

GKN Automotive was dedicated to minimising the environmental impact of our products at the end of their life. To achieve this, we developed takeback programmes, repair services, and enhanced the recyclability of components. With some of our customers, we partnered 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 right for an illustration of the process). This highly efficient remanufacturing process reduced 63% of the embedded energy of a new component.



1

**Core identification & shaft sorting**



2

**Disassembly**



3

**Cleaning & shotblasting**



4

**Machining & grinding of materials**



5

**Reassembly & quality testing**



6

**Testing & distribution**



# Biodiversity and natural resources

**The materials we used and waste we generated through our processes had an impact on our surroundings. From sourcing the right materials to using only what we needed and responsibly disposing of our waste, we remained committed to reducing our waste footprint in all our activities.**

## Waste

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

Data accuracy was a key barrier to properly understanding our waste footprint. It has stemmed from variation in waste definitions and understanding across geographies who were aligning with local legislation and reporting requirements. This variation resulted in unreliable data. We made progress in this area by assessing our waste data collection processes across our businesses, and 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 were 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 2025, 98% of waste produced has been diverted from landfill. The slight improvement compared to 2024 (97.3%) was due to improvements made across various sites.

## Water

Recognising the global importance of water, we were committed to treating freshwater as a vital resource and contributing to our sustainable management. While water was not a critical resource for production in our operations, we focused on enhancing resilience against water-related risks, improving water availability and quality, and promoting responsible water practices. All manufacturing sites adhered to environmental management systems certified to ISO 14001 or equivalent, ensuring compliance with water-related legal obligations across 100% of our products. Additionally, our health and safety framework ensured all workers access to safe water, sanitation and hygiene, further supporting fair practices and community resilience.

## Biodiversity

Our approach to biodiversity was based on 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 2025, none of our sites were located near nature-protected areas or regions with endangered biodiversity.

During the year, we assessed whether our business activities contributed to biodiversity loss and assessed their effects on ecosystems and ecosystem services. While our direct operations had 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 28 for more details).

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

**990k m<sup>3</sup>**

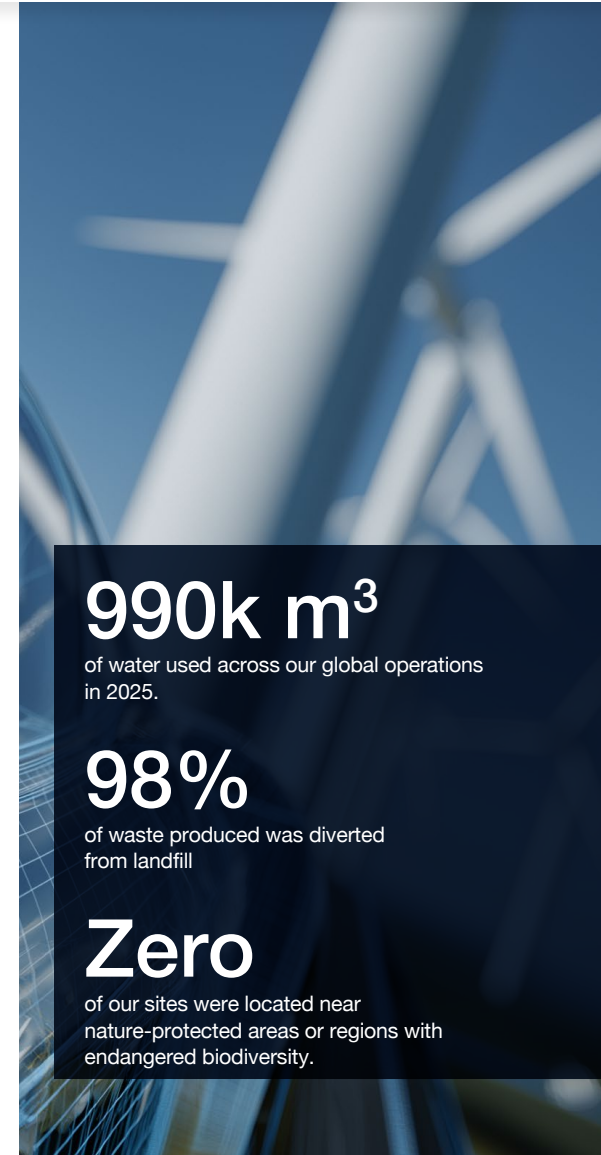
of water used across our global operations in 2025.

**98%**

of waste produced was diverted from landfill

**Zero**

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



# Responsible Sourcing

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

## Our Responsible Sourcing targets:

### 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

### Zero

substances classified as conflict minerals to be knowingly sourced

## 2022

Launched new Responsible Sourcing Policy, which set out the framework for how we work with suppliers to meet our sustainability strategy.

Strengthened our Supplier Code of Conduct, which all suppliers were required to conform to.



## 2023

Began to roll out the Supplier Assurance sustainability assessment questionnaire, helping us to better understand the ESG performance of suppliers.

Introduced a sustainability award as part of the annual Supplier Conference. It was awarded to one of our strategic steel suppliers, recognising work towards zero emissions steel production.



## 2024

### 89%

of our strategic direct material suppliers had shared their sustainability roadmaps.

Rolled-out the SAQ 5.0 sustainability assessment to almost 300 direct material suppliers, covering 80% of spend.

GKN Automotive became a member of Drive+, to better support cross-industry collaboration on sustainability.



## 2025

Launched new targets to help the business further engage with suppliers on reducing carbon emissions and strengthening human rights.

Rolled-out supplier onsite audit programme, leveraging insights from the SAQ assessments.

### 79%

of our procured steel was from Electric Arc Furnaces (EAFs).

# Supporting our suppliers on their sustainability journey

**Our long-standing relationships with suppliers have enabled us to navigate market fluctuations without increasing risks to workers in our supply chain. Maintaining high sourcing standards was an important way we improved our environmental and social impact. We continually assessed and engaged with our suppliers about the sustainability of their operations and their own supply chains to ensure high sourcing standards were met.**

By being a supportive and open partner, we helped them meet our high standards of environmental, social and ethical responsibility.

All our suppliers were expected to comply with our Supplier Code of Conduct, which set out our expectations for suppliers and informed them of the targets that we committed to achieving and how they could support us in doing so. Our Responsible Sourcing Policy also set out the framework for how we procured what we needed and worked with our suppliers.



[View our Supplier code of conduct on GKN Automotive website – click here.](#)

To support effective implementation, our senior commercial and procurement teams received regular training on sustainability and responsible sourcing.

We required 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 comply with all legal obligations.

Working together with our partners to demonstrate the highest standards of business ethics and conduct was in our mutual interests. Our relationships were 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.

During 2025, we developed strategies for key human rights and supply chain areas where we had the most leverage and potential impact, with the aim of reducing risks and improving performance. Read more on the assessment on page 28.

## Engaging with our suppliers

To support the effective implementation of our Responsible Sourcing Policy, our procurement team assessed suppliers on their ESG performance in areas such as business ethics, health and safety, human rights, environment, and conflict minerals through the Supplier Assurance platform, using a standardised Supplier Assurance Sustainability Assessment Questionnaire (SAQ).

The platform digitises the end-to-end process, collecting and validating supplier sustainability evidence. Since launching, we rolled out the SAQ 5.0 sustainability assessment to almost 300 direct material suppliers, covering 80% of spend.

In 2025, 70% of all direct supplier spend was with suppliers with a SAQ rating of “C” or better, making progress towards our 2030 target of 90%.

In addition to leveraging insights from the SAQ assessments, we completed supplier onsite audits with 20 suppliers, which is an improvement from the six audits completed in the inaugural year of 2024. Non-compliance issues were proactively addressed through targeted support and improvement plans, ensuring alignment with the company’s sustainability and ethical standards.

By the end of 2025, 93% of our strategic direct material suppliers had shared their sustainability roadmaps and targets through the Supplier Assurance platform (2024: 89%).

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 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 the Congo and surrounding countries, for example, has had a significant impact on the global supplies of tin, tungsten, tantalum and gold.

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

In 2025, we continued to conduct extensive due diligence. We assessed 96% of Tier 1 suppliers based on the International Material Data System submissions; a 10% increase compared to the number of suppliers assessed in 2024. 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 required our suppliers to follow the industry-standard Conflict-Free Sourcing Initiative (CFSI) template and regularly conduct risk assessments. Risk management strategies encompassed supplier diversification, monitoring, and alignment with global compliance standards.

Our whistleblowing disclosure hotline allowed 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 the Congo or an adjoining country in 2025.

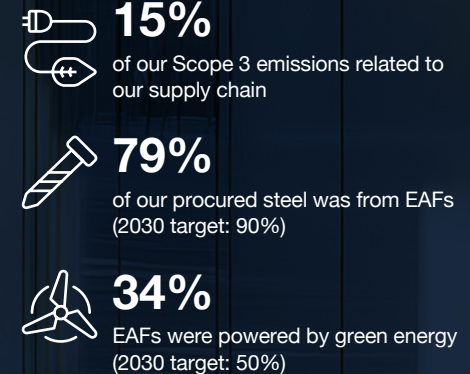
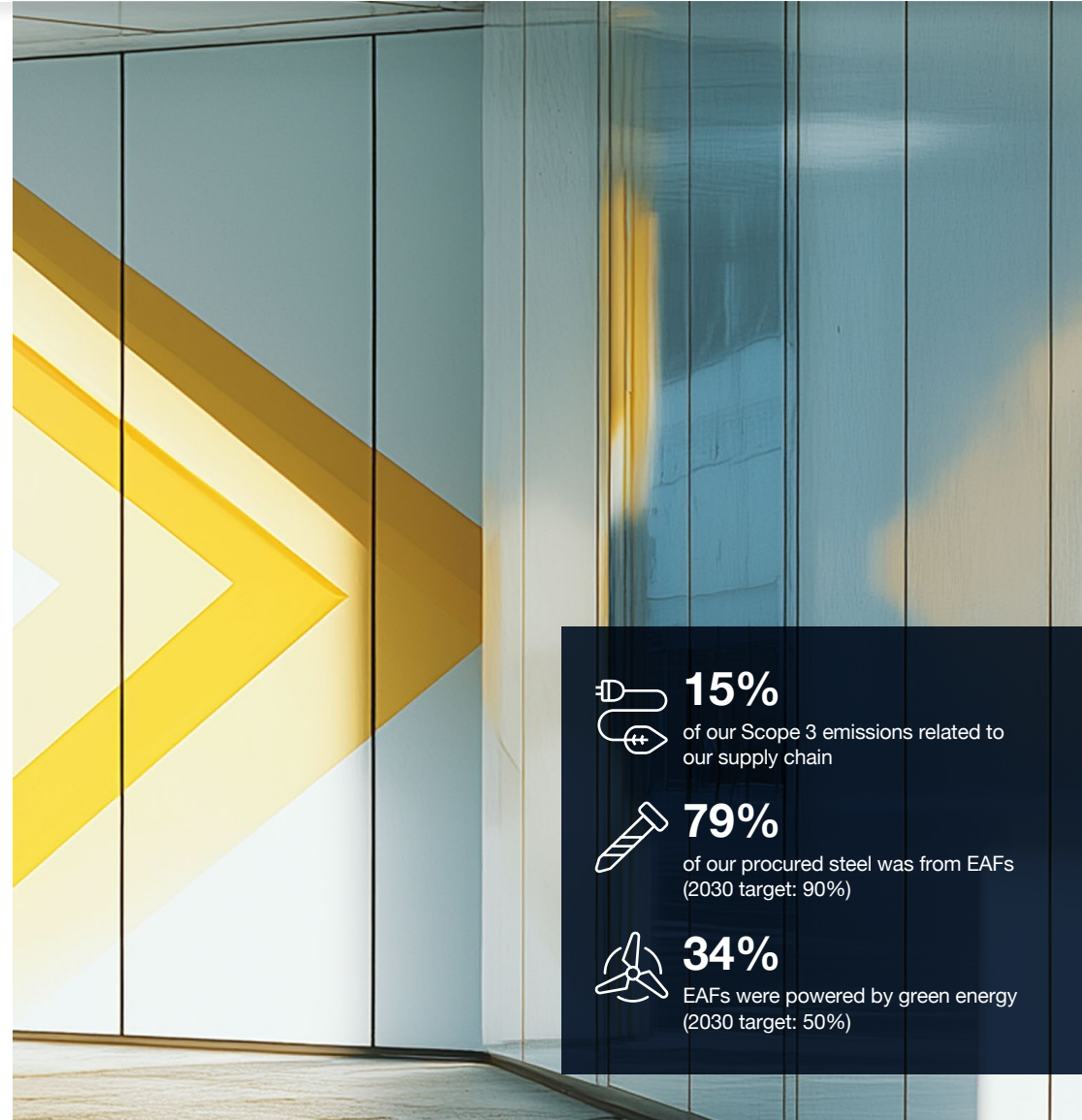
### Reducing supply chain carbon emissions

As we worked towards our 2045 net zero target, it was critical to continue to engage with our suppliers: in 2025, around 15% of our Scope 3 emissions were related to our supply chain.

In 2025, we committed that by 2030, 50% of our supplier spend would come from suppliers which have set a science-based carbon emissions reduction target.

As part of our net zero roadmap, we prioritised greener steel suppliers. This included prioritising supplier partnerships with those who had transitioned to EAFs (electric arc furnaces). These are powered by electricity and produce significantly fewer carbon emissions (vs traditional coal-fired blast furnaces).

In 2025, 79% of our procured steel came from EAFs, of which 34% were powered by green energy. By 2030, we set targets to increase the proportion of EAF steel to 90% and the green energy proportion to 50%.





# Our Impact

At GKN Automotive, we recognised our position as a global organisation capable of influencing the world and the communities in which we worked. Our goal was to make a positive contribution to society through our products, services and ongoing contributions to local communities.

## Our impact targets:

# 90%

of research and development expenditure per annum to contribute to the decarbonisation of the industry by 2025

# 50%

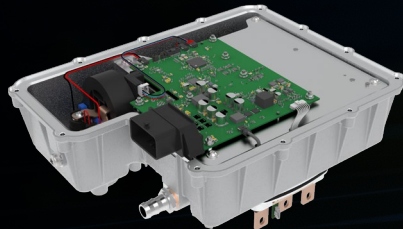
of new products to contribute to the decarbonisation of the industry by 2025

## All locations to have established charity partnerships

aligned with our values and services by 2025

### 2022

Launched our next-generation inverter, offering our customers the most advanced 800V electric vehicle technology available.



### 2023

Established a Product Sustainability Office, dedicated to developing our internal capability for both carbon footprinting and product life cycle assessments.

Launched charitable giving framework and network of local community champions. The framework laid out roles and responsibilities, processes, and focus areas for local contributions.

### 2024

Launched new programmes in Mexico, Poland and India to support STEM (Science, Technology, Engineering, and Mathematics) education in the local communities.



### 2025

# £590,000

of charitable cash donations.

# 3,000+

children participated in our STEM programme around the world, which now has been expanded to our site in Pune, India, making it the third site in the country with a STEM programme in place.



# Reducing our carbon footprint

## 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 sids shafts to global OEMs was powertrain agnostic, and we expanded our product portfolios to support EV production. Enabling the global transition went hand in hand with achieving our own emissions reduction targets.

Within our engineering function, our Product Sustainability Office was dedicated to leading our work on carbon footprinting and product life cycle assessments. Insights from this work helped us better understand and reduce the environmental impact of our products. Read more on page 18.

GKN Automotive spent the last two decades driving the world towards net zero mobility. As part of this, our technologies enabled vehicle manufacturers to work towards the electric revolution. Over 70% of our sales in 2025 came from driveline products, such as sids shafts, which electric vehicles (EVs) continue to require, as well as more specific EV and Hybrid solutions, such as eAxle components and fully-integrated Electric Drive Unit systems.

Nearly 3 million electrified vehicles have been produced with GKN Automotive's eDrive systems and since 2010 we have supplied components for over 20 million electric vehicles. In 2025, 68% of our research and development spend (2024: 85%) and 45% of our new products (2024: 46%) contributed to the decarbonisation of the sector. These reductions were both related to changes in GKN Automotive's product portfolio, reflecting the market's revised focus on a broader spectrum of propulsion types.

## All Wheel Drive (AWD)

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

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



**20 million**

electric vehicles supplied with GKN Automotive components since 2010



**45%**

new products contributing to decarbonisation



**68%**

research and development spent on decarbonisation

**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 was an integral part of our operations.**

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

We defined a charitable-giving framework, which established a network of local community champions. The framework laid out roles and responsibilities, budgets, processes and the causes that GKN Automotive was focused on. From there, sites had a high level of autonomy to decide which causes to support.

During 2025, charitable cash donations totalled approximately £590,000 (2024: £740,000) 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, 95% of our sites had local charitable relationships (2024: 86%).

## Supporting local communities around the world



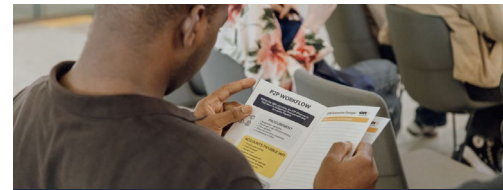
### Thailand

“Happy Workplace” initiative led by employees to support local communities, completed 10 years. 2025 activities included a local school sports facility renovation and a plastic recycling project.



### Poland

Since launching in 2014, over 3,000 children have been trained by employee volunteers in first aid through our “Little First Aiders” programme at our plant in Oleśnica.



### Portugal

Our Porto facility hosted university students from across Portugal for Connect Day 2.0. Students toured the plant, joined intern roundtables and attended presentations to learn about GKN Automotive and career opportunities.



### Hungary

Our Felsőzsolca plant hosted its family day, bringing employees and families together for activities, food and celebrations that strengthened connections and community spirit.



### USA

Women’s Leadership Conference hosted in partnership with Safe Harbor, to support women facing homelessness and hardships. Kits were delivered to women in need which included clothing, toiletries and food.





# Expanding our approach to build tomorrow's future talent

Science, technology, engineering and mathematics (STEM) education is central to developing the next generation of talent for our industry. Practical learning plays an important role in translating concepts into real-world capability. Through our Future Talent Programme, we were committed to improving access to STEM education and creating meaningful hands-on learning opportunities in the communities where we operated.

Building on the strong foundation established through our 2024 initiatives, we expanded the reach and impact of our Future Talent Programme in 2025 across Mexico, Poland and India. Our efforts focused on delivering practical, experience-based learning that enhanced technical skills, encouraged innovation and supported the development of future talent.

## Mexico

In 2025, in partnership with the University of Celaya, GKN Automotive launched the Future Uni Kids programme, strengthening our commitment to STEM education. Building on the 2024 STEM Rally "UniExplorando," the initiative evolved into a semester-long programme offering more than 400 children biweekly classes in science, engineering, health and humanities across multiple municipalities. Parents also participated in workshops on entrepreneurship and personal development, creating a more holistic learning environment.



## Poland

In Oleśnica, we continued our partnership with NGO Sky Blue Education to deliver free STEM classes and workshops. In 2025, 300 children participated in the Young Engineer Academy, engaging in hands-on sessions with modern technologies and real engineering projects. Alongside this, the STEM Summer Camp welcomed 90 children, offering a five-day immersive experience of creative experiments and collaborative learning. Together, these initiatives expanded our reach, fostering technical skills, curiosity and teamwork among young learners.



## India

In 2025, our Future Talent Programme expanded from Bengaluru and Oragadam to Pune, partnering with the Learning Links Foundation (LLF) to establish a refurbished STEM Innovation Lab. The facility provides access to electronic tools, mechanical kits and prototyping equipment. In Bengaluru, STEM training supported more than 300 students, with the Innovation Fest showcasing projects and building confidence through the support of employee volunteers. In Oragadam, in partnership with the SRF Foundation, innovation labs reached over 400 students across three schools.

Collectively, these initiatives engaged more than 2,200 students, reinforcing our commitment to empowering young people and fostering sustainable growth.



# 3,000+

total children participants in our STEM programmes in 2025.

# Ethics, Compliance, Security and Safety

Our sustainability strategy was built on the foundations of human rights, ethics, compliance, product safety and security, helping protect our people and everyone affected by our products and operations while driving a sustainable future for GKN Automotive.

## 2022

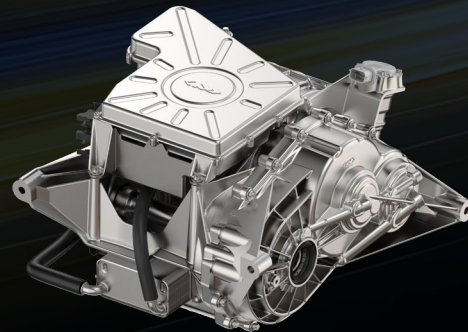
Updated our Code of Conduct (“Our Code”). This outlined our values, expectations and policies within one simple framework.

Launched a product safety dashboard to provide live updates from across the business units showing the status of pre-launch safety audits.

Rolled out a new Global Data Security Policy to manage the implementation of controls that protect our organisation against security threats.

## 2023

Strengthened controls to mitigate malware risks, such as locking down USB ports, and expanded approach to raise awareness of phishing attacks.



## 2024

# 100%

of our product portfolio certified to a recognised international quality management standard of ISO 9001 or IATF 16949.

Conducted a business-wide human rights and supply chain risk assessment to identify our salient human rights risks.

## 2025

# 14

sites it total had been awarded TISAX labels, demonstrating international best practice on information management security.



# Respecting human rights

**We recognised 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.**

We remained committed to respecting and upholding human rights through our processes, behaviours, operations and conduct, including in our supply chain. These commitments were 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 set out clear expectations for suppliers, required 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 aligned with Dowlais Group policies on water, biodiversity, conflict minerals, and human rights to ensure a fully integrated approach.

## Human rights risk assessment

A risk-based approach was applied to identifying modern slavery risks within our own operations and supply chains. In 2024 and 2025, this included working with external experts to assess inherent country risk, workforce characteristics and relevant people data across our operations. We also reviewed supplier types, geographic exposure and key upstream commodity supply chains.

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

Our salient human rights risks identified in our supply chains were: forced labour, occupational health and safety, working conditions (access to effective grievance mechanisms), child labour, community and indigenous people rights.

Relevant policies and procedures were reviewed and implemented across the business and direct suppliers to ensure that the identified risks were adequately managed and to identify any areas for future improvement. In 2025, with the support of an external expert, Dowlais Group reviewed leading peer practices. This review identified opportunities to strengthen supply-chain mapping, risk-based due diligence, management systems and engagement in industry initiatives.

Pilot focus areas were identified where we have the greatest leverage and potential impact: agency labour, gender discrimination within own operations, 3TG due diligence, and supply-chain health and safety. Strategies were developed to address risks across these areas. Shared governance and delivery structures were designed to support efficient and scalable implementation over time.



# Ethics and compliance

**Beyond meeting our legal obligations and regulatory standards, we expected our people to behave to the highest ethical standards and conduct themselves in an honest and transparent manner.**

To ensure that all our people understood what was expected of them, our Code of Conduct (“Our Code”) set out the standards and behaviours that were expected of all our employees and workers – whatever their job was and wherever they were located. It provided guidance on conduct in the workplace and in interactions with colleagues and external stakeholders.

## Speaking up

We recognised that however hard we tried to do the right thing, sometimes things could go wrong. When they did, it was important that the issue was quickly identified so that it could be dealt with and to prevent it from happening again. We therefore encouraged a culture of speaking up in which we asked our people to bring issues of concern to our attention, and we were clear that these concerns were listened to, investigated and dealt with properly and sensitively.

Our Whistleblowing and Employee Disclosure Policy set out our policies, procedures and oversight with regards to complaints and concerns. We worked to support those who raised genuine concerns, even if they turned out to be mistaken. In order to encourage our people to speak up, we maintained a confidential and anonymous Employee Disclosure Hotline and Portal, which could be used to report issues of concern. This was open 24 hours a day, seven days a week, and was hosted by an external, independent company.

[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.](#)



# 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, relied on us to ensure their safety. We were dedicated to upholding the highest standards of product quality, reliability, and safety across our businesses.**

To meet this responsibility, we embedded safety processes across our operations. From the earliest stages of design and development, safety was prioritised, and our sourcing and supplier quality assurance processes ensured that our partners upheld the same high standards. We ensured our manufacturing processes delivered each product right, at the first time. Additionally, our traceability, governance, and incident response procedures ensured that if any issues arose, we could act swiftly to resolve them and eliminate any potential risks.

In 2025, 100% of our product portfolio 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 were conducted annually by all businesses to ensure the standards were maintained, and re-certification occurs every three years.

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

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

We had two safety-related recalls in 2025. One was related to a supplier where a global corrective action was read across to all similar suppliers. The second related to a part which was in the interface of multiple parts, with the customer finding that GKN Automotive was not at fault. In response to both recalls, we implemented several enhancements to our engineering and manufacturing standards for all future programmes, helping us prevent similar issues in the future.

# 100%

product portfolio certified to international quality management standard



# Information, physical and personnel security

Information, physical and personnel security were integral to GKN Automotive's operational resilience, helping to ensure that our data, systems and assets are protected. We achieved 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 helped ensure that we maintained operational continuity, including continuing to reinforce cyber security awareness, resilience and defence capabilities across all areas of the business.

Over the last year we continued to improve our organisational security maturity by adhering to our information security policies and procedures, risk management framework and security best practices.



14 of our sites have been awarded Trusted Information Security Exchange (TISAX) labels. 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.

## ISO/IEC 27001 certification

In 2025, our site in Eskişehir (Turkey) achieved ISO/IEC 27001 certification, a globally recognised standard for Information Security Management Systems (ISMS).

The scope of the certification was comprehensive, covering topics from Supply Chain and Communications to Network Infrastructure, Physical Access, and Business Continuity.

Over the course of the audit, the team identified and documented more than 200 processes and assets, with each being mapped to regulatory and standard requirements, ensuring full alignment with ISO/IEC 27001.

ISO/IEC 27001 sets the benchmark for how companies manage information security, providing a systematic framework for protecting the confidentiality, integrity, and availability of data.

Achieving this certification demonstrated our dedication to building a resilient and compliant security infrastructure. It enhanced our credibility in the marketplace, boosted customer trust, and opened doors to new partnerships, especially those where security is a top priority.



## Raising security awareness around the world

Following the success of inaugural sessions in India in 2024, our global IT Security team continued to strengthen cybersecurity awareness in 2025 at our Porto (Portugal) and Vigo (Spain) sites.

The Security Awareness Roadshow was a global initiative to educate and empower employees to recognise and respond to cyber threats more effectively. These engaging, on-site events were designed to:

- Increase awareness of phishing, social engineering, and password security techniques

- Facilitate interactive discussions to reinforce security best practices
- Deliver real-world phishing attack demonstrations to encourage hands-on learning

During each session in Porto and Vigo, colleagues participated in lively Q&A segments that demonstrated high levels of engagement and awareness. Much like the debut roadshows at our Faridabad and Dharuhera sites in India, these events have sparked insightful conversations and encouraged proactive thinking about everyday security risks.



# Appendix

KPI	Target	2025 performance
<b>Our People</b>		
% 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	0.05
% 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.
<b>Climate Action</b>		
Net zero GHG emissions	Net zero GHG emissions across the value chain by 2045	25% Scope 1 and 2 GHG reduction
% of renewable electricity consumed	50% of electricity consumed to be certified renewable by 2025	53%
% of waste diverted from landfill	100% of waste to be diverted from landfill by 2030	98%
<b>Responsible Sourcing</b>		
Number of substances classified as 'conflict minerals' knowingly sourced	Zero substances classified as 'conflict minerals' knowingly sourced	Zero
% of direct supplier spend with suppliers with SAQ rating of "C" or better	95% of direct supplier spend with suppliers with SAQ rating of "C" or better by 2030	70%
% of supplier spend with suppliers that have set a science-based carbon emissions reduction target	50% of supplier spend with suppliers that have set a science-based carbon emissions reduction target by 2030	27% of direct suppliers
% of steel sourced from EAFs	90% of steel sourced from EAFs by 2030	79%
<b>Our Impact</b>		
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	95% of sites had charitable partnerships in 2025.
% 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	68%
% 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	45%

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.



# About this report

## Date of publication:

The reporting period covers GKN Automotive's Financial Year 2025, from 1 January to 31 December 2025. Performance data relates to this period unless otherwise stated.

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

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

