

SUSTAINING TRANSFORMATION



Welcome to Dowlais' Sustainability Report

While this year has been one of considerable volatility in our sector, the trend towards ever more sustainable processes has been remarkably consistent. OEMs have remained focused on hitting net zero targets and reducing the 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 proud of the work we have done this year to deliver on the ambitions we set out last year.

Health and safety remains our number one priority, and we are pleased to have again hit our Group target, although there has been a slight deterioration in performance. We are focused on understanding the root causes of this and taking the necessary steps to improve.

Tenders from OEMs across the world, including China, frequently demand that we use renewable electricity, and we are pleased to have signed our first virtual power purchase agreement (VPPA) with Recurrent energy which would deliver over 200,000MWh of renewable electricity per year to GKN Automotive, covering 65% of its European energy needs.

Our Group-level Sustainability Committee, which I chair, has been instrumental in driving progress. This year, we have covered all our top material issues, including deep dives into our transition plan and human rights, which we will keep under constant review in 2025.

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.

Liam Butterworth
Chief Executive Officer

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Financial highlights

£4,937m (2023: £5,489m)	£324m (2023: £355m)	6.6% (2023: 6.5%)
Adjusted ¹ Revenue, representing 6.4% year-on-year decline ²	Adjusted ¹ Operating Profit representing 4.2% year-on-year decline ²	Adjusted ¹ Operating Profit Margin, representing 10 bps year-on-year expansion ²
£4,337m (2023: £4,864m)	£(106)m (2023: £(450)m profit)	£15m (2023: £93m)
Statutory revenue, representing 11% year-on-year growth	Statutory operating loss	Adjusted ¹ Free Cash Flow
11.4p (2023: 13.8p)	4.2p	Full-year dividends per share (subject to final dividend approval by shareholders)
Adjusted ¹ earnings per share		

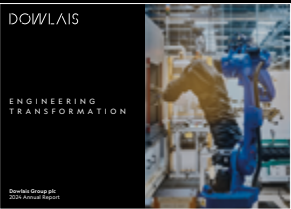
Sustainability highlights

B rating from CDP ³ for our climate 2023 change disclosures	Gold EcoVadis medal received by both businesses	<0.1 Group Accident Frequency Rate
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1. All adjusted financial measures and explanation about our use of Alternative Performance Measures (APMs) can be found in our 2024 Annual report.

2. At constant currency, as defined on page 184 of our Annual Report.

3. Formerly, the Carbon Disclosure Project.



2024 reporting suite
See our Annual Report 2024

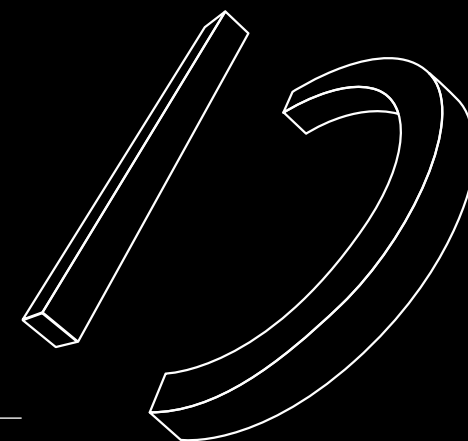
DOWLAIS AT A GLANCE

WE ARE DOWLAIS

We are a specialist engineering group focused on the automotive sector

We generate growth through a portfolio of transformative and innovative businesses

We develop exceptional products that drive transformation in our world



DOWLAIS AT A GLANCE

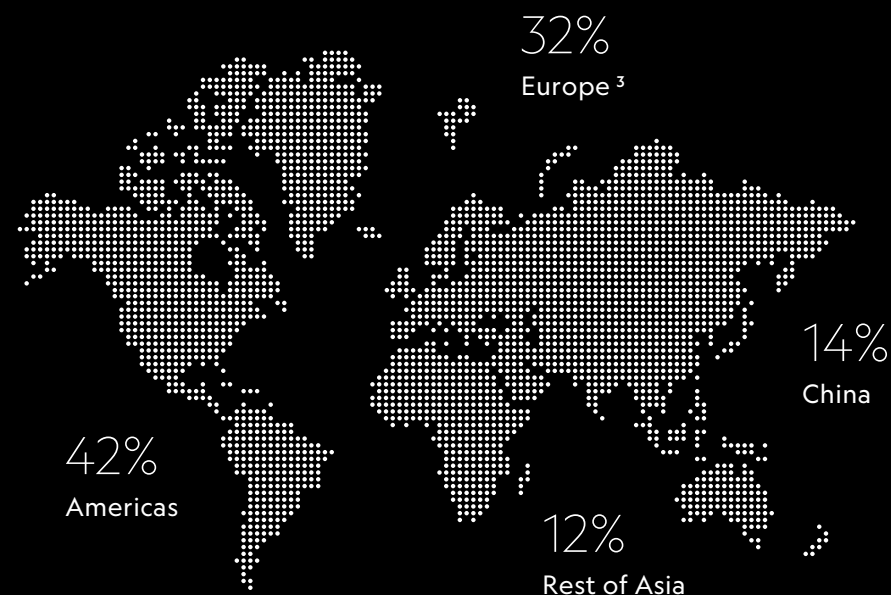
#1 global drive system supplier ¹	#1 sinter metals supplier	79 manufacturing facilities	22 countries
		>29,000 employees globally ²	
>90% of global OEMs ¹ served	~45% of all light vehicles ¹ worldwide contain our technology	£4,937m adjusted revenue	

1. See Glossary on page 188 of our Annual Report.

2. Total employees of the Group's undertakings, including its non-consolidated joint ventures.

3. Includes Europe, Middle East and Africa (EMEA).

REVENUE BY REGION



STRATEGIC FRAMEWORK

We have a clear purpose: Engineering transformation for a sustainable world. This forms part of our wider Strategic Framework within which our purpose, our strategy and our values are aligned.

OUR PURPOSE

Engineering transformation for a sustainable world.

OUR STRATEGY

We are a portfolio of market-leading, high-technology engineering businesses that advance the world’s transition to sustainable vehicles.

Lead

Market leadership and industry-leading financial performance.

Transform

Technological innovation to enable a net zero economy.

Accelerate

Sustainable organic growth and disciplined M&A.

OUR VALUES

Agility

We have a lean central structure and fast, clear decision making; we move at pace and respond quickly to opportunity

Accountability

We make things happen, get things done and deliver on our commitments; we are accountable for our actions and act responsibly and with integrity.

Ambition

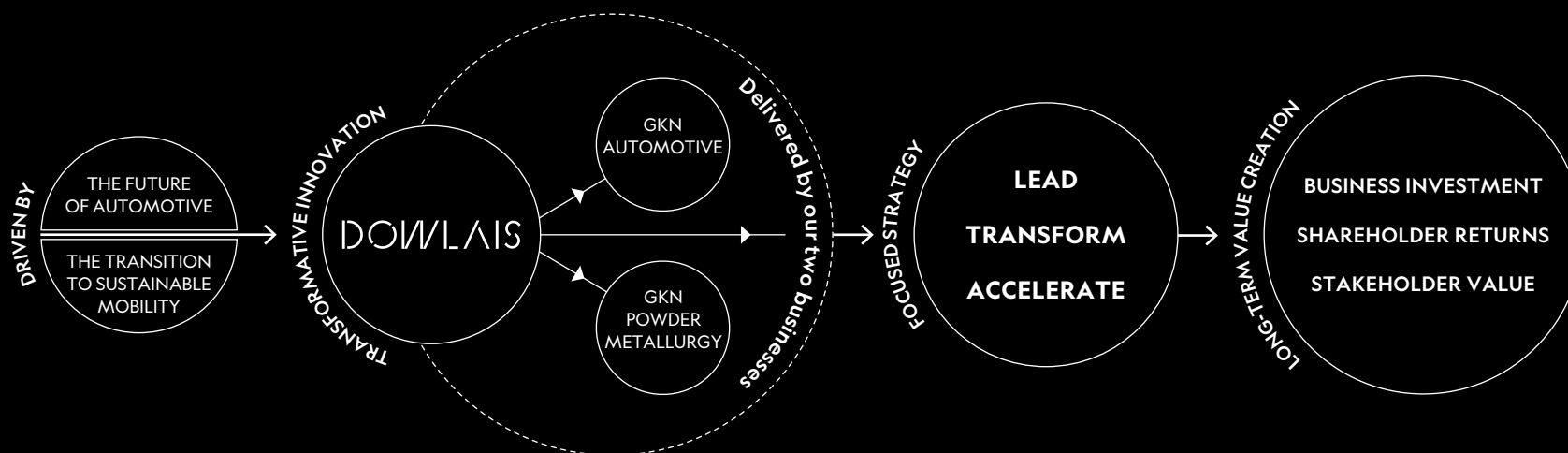
We set ambitious goals to realise the full potential of our businesses; we find opportunities to apply our expertise in new ways and in new markets.

OUR BUSINESS MODEL

CREATING VALUE IN ENGINEERING TRANSFORMATION

Dowlais is a portfolio of market-leading, high-technology engineering businesses that advance the world's transition to sustainable vehicles

Guided by our purpose
Engineering transformation for a sustainable world

**Inspired by our values**

- Agility
- Accountability
- Ambition

Dowlais' value proposition

- A highly experienced team of automotive leaders
- A diversified portfolio of market-leading businesses
- A relentless focus on achieving industry-leading financial performance
- Strong commitment to sustainability
- Flexibility to complement organic growth with strategic acquisitions
- A culture of fast, bold decision making

What sets our businesses apart

- Trusted brands with strong heritage
- Market-leading positions
- Compelling product portfolios aligned to the transition to electrification
- Industry-leading technologies
- Strong, lasting relationships with global customers
- Talented and committed workforce
- Global vertically-integrated manufacturing footprint, delivering quality products at scale
- Sustainable practices embedded throughout our operations

Focused strategy for growth

- **Lead**
Market leadership and industry-leading financial performance
- **Transform**
Technological innovation to enable a net zero economy
- **Accelerate**
Sustainable organic growth and disciplined M&A

Value created and shared

- **Our People:** inspired by our shared purpose and proud of our inclusive working environment
- **Society and Communities:** supporting a nature-positive, net zero and just transition
- **Our Customers:** long-lasting technology partnerships
- **Our Suppliers:** growing together responsibly
- **Our Investors:** a clear dividend policy and a commitment to generate value



See pages 84 to for 87 of our 2024 Annual Report more information about our stakeholders

SUSTAINABILITY BUSINESS CASE

ENGINEERING TRANSFORMATION FOR A SUSTAINABLE WORLD

Sustainability goes hand in hand with our commitment to engineering excellence.

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

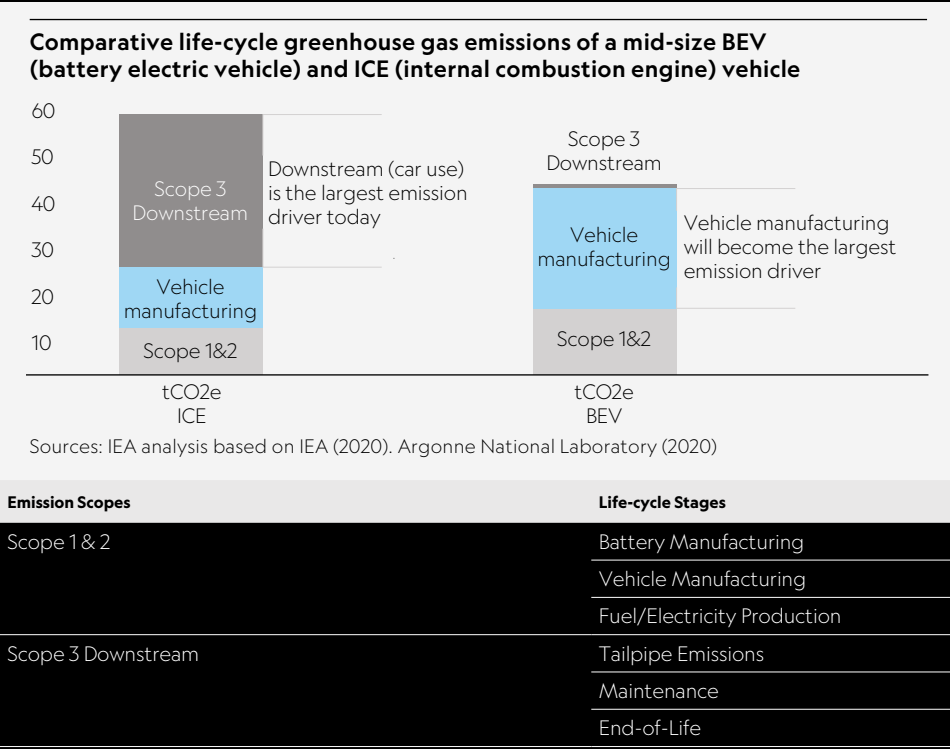
In addition, as both a Tier 1 and Tier 2 supplier, we know that our customers cannot meet their environmental, social and governance (ESG) goals, without us meeting ours. We see a competitive advantage in building sustainability into our customer relationships.

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 in all areas.

How Dowlais meets the needs of customers:

1 Reducing carbon emissions

The business case for sustainability is self-evident. As the following diagram shows, our impacts directly contribute to the emissions of our customers. The move to electric vehicles (EVs) will only accelerate this trend.



We have set ourselves ambitious science-based targets to reduce our own carbon footprint, which are also our customer’s Scope 3 emissions. We are making good progress on meeting those ambitious goals.

Using green steel and recycled materials in our products puts us ahead of the field in our sector. For example, GKN Automotive’s European supply chain typically achieves a carbon footprint of 1.5 kg CO₂e¹ per kilogram, less than half that of Chinese suppliers.

We signed our first virtual power purchase agreement (VPPA) to secure supply of renewable electricity. We have also published our first Transition Plan, demonstrating how we will reach the targets by 2050.

➔ **More on how we reduce our emissions in pages 17 to 24.**

1. CO₂e – carbon dioxide equivalent, this figure includes GHGs in addition to carbon dioxide

21%

of energy consumed in 2024 is from renewable sources

>206k

tonnes CO₂e reduction in Scope 1 and Scope 2 emissions on a market basis

-21.8%

reduction in Scope 1 and 2 emissions intensity on a market basis

SUSTAINABILITY BUSINESS CASE CONTINUED

2 Product safety and quality

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. 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.

100%

product portfolio (by revenue) certified to ISO 9001 or IATF 16949

>2 billion

parts produced in 2024 by both businesses

One

safety-related product recall



For more on product safety and quality, see page 44.

3 Meeting regulatory & reporting requirements

Global regulations on non-financial reporting and compliance are becoming increasingly stringent and interconnected. We need to meet these rules, but importantly so do our customers, and they rely on the information we provide. In addition to customer requirements, we are preparing for compliance with the EU's suite of reporting requirements, the Chinese Sustainability Disclosure Standards, and alignment with the work of the International Sustainability Standards Board.

Best ESG report

at 2024 Corporate and Financial Awards

'B'

CDP Climate disclosure

'C'

CDP Water Security disclosure



For TCFD disclosures and SECR tables, see pages 42 to 55 in our 2024 Annual report and for full SASB disclosures, see pages 53 to 56.

4 Resilient and ethical supply chains

One of our core values is Accountability and, with global supply chains that span the world, we are committed to ensuring ethical practices at every level. We want to differentiate ourselves not just by what we do, but how we do it.

This year, we completed a formal review to identify the salient human rights risks within our operations and supply chains, strengthened our policies and processes to monitor current mitigation measures, and we developed further mitigation measures to address the risks more effectively.

Our key strength is a long-standing relationships with suppliers and our global footprint, which equips us to navigate market fluctuations without increasing the risks to workers in our supply chain.



For more on responsible sourcing and human rights, see pages 45 to 46.

5 Technological innovation, optimised design

We are an engineering company and innovation is crucial to our progress. Our advanced technologies, particularly for EVs, enable customers to make sustainable choices as they embrace a digital, electrified, and greener future.

Understanding the environmental impact of our products across their entire life cycle – from manufacturing to the use phase – is essential for driving sustainability in our sector. We can provide customers with full life-cycle assessments (LCAs) for products, along with accurate carbon footprinting.

Our innovations drive efficiencies for customers too. One of GKN Automotive's flagship technologies, the Disconnect AWD, reduces AWD emissions by 80% compared to conventional systems, while GKN Powder Metallurgy's thermal cooling systems – for energy-intensive AI computing solutions – can reduce energy consumption by 30%.



For more on product sustainability, see pages 24 to 26.

OUR APPROACH

Q&A WITH CHIEF PEOPLE, SUSTAINABILITY AND COMMUNICATIONS OFFICER

Helen Redfern

Chief People, Sustainability and Communications Officer



“OEMs see the sustainability of their supply chain as vitally important.”

Q How has the sustainability agenda developed over the past 12 months for Dowlais?

This year, I have been particularly encouraged by the consistent interest our customers have shown in the sustainability of our products and our processes.

Amidst all the talk of an ESG backlash, we are confident that OEMs still see the sustainability of their supply chain as vitally important. They continue to demand clean electricity in our production processes, life-cycle assessments for new products, and evidence of our progress reducing carbon and water usage in our business.

We have also maintained a strong focus on our operational approach to health and safety. While we met our target, we did see performance dip slightly, which is disappointing. To that end, we are focused on continuing to mature our approach and further develop our safety culture.

Q What key challenges did Dowlais face in 2024, and how were they addressed to maintain progress and resilience?

The truth is that our businesses are already being impacted by the physical effects of climate change. The most telling example was the floods in Brazil in May, which resulted in the temporary closure of GKN Automotive's plants in Porto Alegre and Charqueadas. Fortunately, we were able to support team members who had seen their homes submerged, and get the factory back on line promptly, without interrupting supplies for customers. But it was a stark reminder of what we are facing if we fail to address the challenges of climate change.

Q How does the evolving regulatory landscape impact Dowlais; what is your strategy in this area?

The complexities of global regulatory frameworks in our area are well documented and – as a global business – we ensure we are complying with all national and regional rules.

Our approach this year has been to prepare for compliance with the EU Corporate Sustainability Reporting Directive. We completed our double materiality process and have identified how the various standards will apply to us. We are confident we will be compliant by the deadline.

We are also pleased to be publishing our first transition plan, following the guidelines set out by the Transition Plan Taskforce. This plan will continue to iterate, but we have a clear roadmap to meet our interim science-based targets by 2030. Finally, we have made our first steps to understanding our relationship with the natural world, beyond just climate change, and will report in future following the recommendations of the Taskforce for Nature Related Financial Disclosures.

Q Looking ahead, what will be Dowlais' strategic priorities for 2025 and beyond?

Our focus is on delivering for our customers, and our sustainability strategy will support that priority. The automotive sector is transitioning to a clean future and we will be part of that, if we are to fulfil our purpose of engineering transformation for a sustainable world.

We have made good progress across the board this year, but there is always more to do. One continued area of focus will be human rights. Having identified our salient human rights risks this year, we will move beyond compliance in 2025, to help address some of the systemic challenges in global supply changes.

OUR COMMITMENTS

OUR SUSTAINABILITY COMMITMENTS

ADDRESSING OUR MOST MATERIAL ISSUES

<p>Health and safety</p> <p>We are committed to protecting our employees and contractors from injury and harm, focusing on continuous improvement to provide a safe and healthy workplace for all and maintain a market leading accident frequency rate (AFR).</p> <p>AFR of</p> <p><0.1</p>	<p>Product safety and quality</p> <p>We are committed to maintaining the highest standards in product safety and quality to ensure the safety of end users and maintain the trust of our customers.</p> <p>100%</p> <p>of manufacturing sites certified to</p> <p>ISO 9001 or IATF 16949</p>	<p>Climate change</p> <p>We are committed to avoiding the negative impacts of climate change by cutting our emissions in line with the best science, to achieve Net Zero 2050, with ambitious absolute Scope 1 and Scope 2 2030 reduction targets.</p> <p>Net Zero</p> <p>by 2050 backed by science-based targets</p>
<p>Diversity, equity & inclusion</p> <p>We are committed to being a diverse, equitable and inclusive organisation and are setting our tone from the top with clear business unit goals.</p> <div><div>1</div>40% of the Board are women</div> <div><div>2</div>At least one of the senior Board positions (Chair, CEO, CFO or SID) is a woman</div> <div><div>3</div>At least one member of the Board is from an ethnic minority background</div>	<p>Ethics and integrity</p> <p>We are committed to maintaining the highest standards of business ethics, meeting our legal obligations and conducting ourselves with integrity.</p> <p>Comprehensive, clear, and well communicated policies, targeted at the compliance and ethical risks we face.</p> <p>Zero tolerance</p> <p>for any material deviations to ethical or compliance policies</p>	<p>Responsible sourcing</p> <p>We are committed to high standards of sourcing in a complex, global supply chain, meeting the expectations of customers and employees.</p> <p>In 2024, we completed a comprehensive human rights risk review, and in 2025, we commit to developing an “beyond compliance” strategy for human rights and responsible sourcing.</p> <p>Maintain zero substances</p> <p>classified as “conflict minerals” knowingly sourced</p>

OUR APPROACH

OUR APPROACH

WHAT WE DO

SUSTAINABILITY IN OUR BUSINESSES

SUSTAINABILITY IS CENTRAL TO OUR CUSTOMER OFFERING AND A KEY INTERNAL FOCUS ACROSS OUR BUSINESS UNITS

GKN AUTOMOTIVE

**Driveline**

Sideshafts | Propshafts

ePowertainAWD Systems | eDrive Systems
ePowertrain Components

GKN Automotive is the global leader in drive system technologies, from sideshafts for battery electric vehicles to advanced torque management products and systems integration expertise. Enabling the sustainable transition of the automotive industry is at the heart of its business strategy.

It has a clear sustainability strategy with four focus areas: People, Climate Action, Responsible Sourcing and Impact. Key progress from 2024 include securing a European VPPA, increasing focus on STEM at key locations, and achieving EcoVadis Gold.

Sustainability at GKN Automotive is overseen by a global team, which is led by its Chief People, Communications and Sustainability Officer, supported by a Director of Sustainability, and a cross-functional steering committee. The topic is on the agenda at executive team meetings on a quarterly basis.

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

EcoVadis

Gold rating

>24,000
employees¹

GKN POWDER METALLURGY



Sintered Metal Components | Metal Powders | Additive Manufactured Components

GKN Powder Metallurgy solves complex challenges in automotive and industrial markets with sustainable and innovative solutions through best-in-class powder metallurgy technology. The company is a world-class provider of powder metal materials, components, applications, and electrification solutions.

The principles of circular economy are innate to GKN Powder Metallurgy's business, as the raw materials it uses to produce its powders are from scrap metals. Key progress in 2024 includes getting its 2030 GHG reduction targets and 2050 net zero Science Based Targets Initiative (SBTi) validated.

Sustainability at GKN Powder Metallurgy is overseen by the Chief HR & Sustainability Officer and led by the Global Head of ESG and Health, Safety and Environment (HSE), supported by a global team that coordinates activity across functions.

SBTi-validated GHG reduction targets for 2030 and net zero by 2050

EcoVadis

Gold rating

>5,000
employees

1. Total employees of the Group's undertakings within GKN Automotive, including its non-consolidated joint ventures.

MATERIAL ISSUES

MATERIALITY

THE FOUNDATION OF OUR STRATEGY

Materiality is key for successful sustainability

Materiality assessments have underpinned successful sustainability strategies for many years. We completed our impact materiality analysis in 2023, and we have continued to use these findings to guide our work.

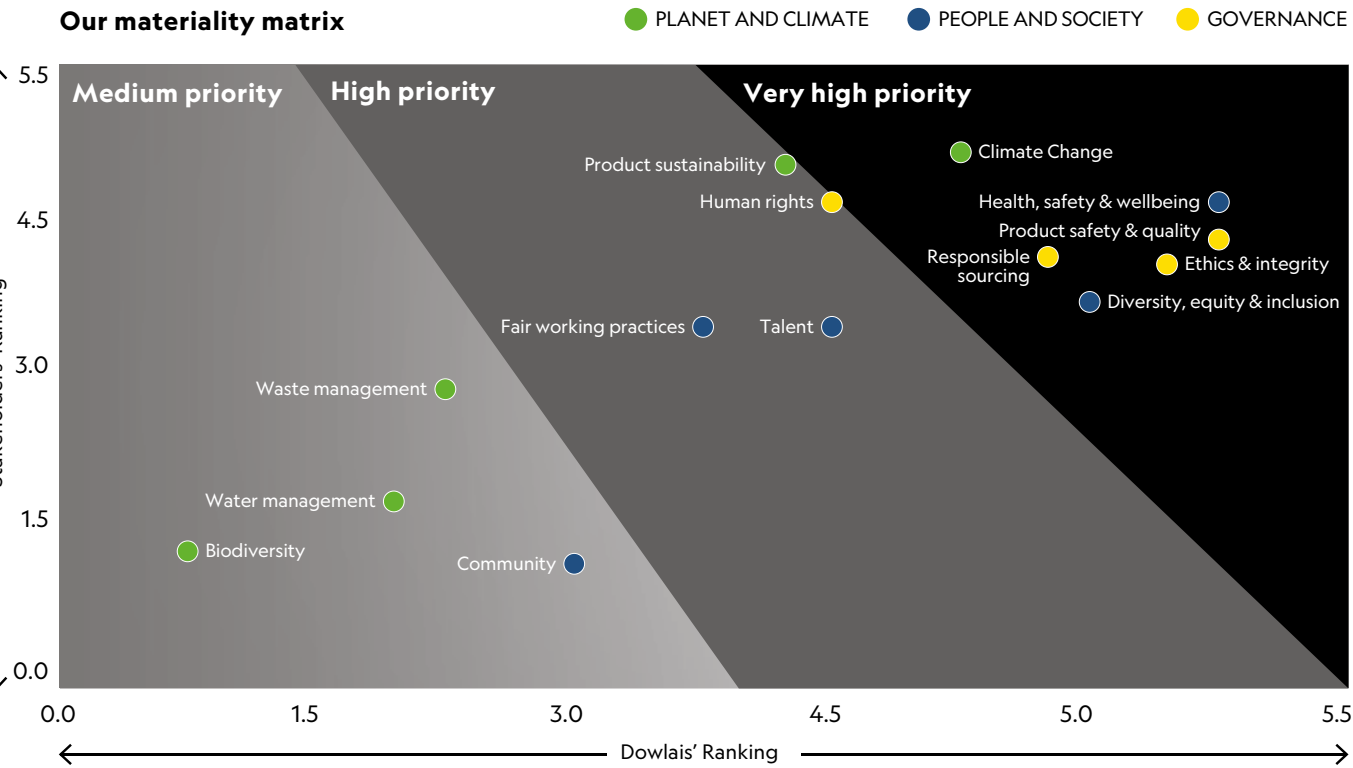
The 2023 assessment, which leveraged years of extensive work across our businesses, identified the key sustainability areas (our materiality topics) where our activities have the greatest impact on, and are most affected by, the environment, people, and society. This process highlighted our most significant economic, social, and environmental impacts, risks, and opportunities (IROs), forming the foundation for our Group’s sustainability strategy. A full description of our 2023 assessment can be found in our 2023 sustainability report.

Our double materiality process

This year, we have also completed a double materiality assessment (DMA)* which will underpin a refreshed strategy, aligning with our obligations for CSRD compliance.

We began by mapping our materiality topics to the European Sustainability Reporting Standards (ESRS) identifying relevant topics, subtopics, and sub-subtopics.

All 10 ESRS topics were found to align to some extent with Dowlais’ existing material topics, warranting further action to identify specific IROs.



Next steps

In 2025, we will take this work and ensure all the relevant narrative and data disclosure points have been identified, in addition towards any appropriate assurance processes, including any required by CSRD. While CSRD only applies to our EU operations, we intend to comply at a global level, further demonstrating best practice in sustainability for our customers.

→ See pages 51 to 52 in the appendix for a detailed description of our double materiality process

* With reference to the ESRS adopted by the EU Commission in July 2023 and applied the guidance available from EFRAG, Implementation Guidance: EFRAG IG 1 Materiality Assessment and Implementation Guidance: EFRAG IG 2 Value Chain. The DMA has been performed on a consolidated level, which covers Dowlais Group plc and our business units.

HOW WE DO IT

SUSTAINABILITY FRAMEWORK

COMMUNICATING OUR STRATEGY

Our sustainability framework

We developed our group sustainability framework to guide disclosures of key material issues and to support our general approach, that each business unit is empowered to manage its day-to-day activities and deliver on its respective targets. Irrespective of how initiatives and programmes are delivered or communicated inside each business unit, remembering that they are two, large, complex businesses, the framework means we can drive transparency on actions and progress to targets.

This report uses the framework to order the content, so that stakeholders can easily find data points and narrative disclosures that are of particular salience.

Governance

It is vital that sustainability is not an isolated activity, but is embedded in all areas of the business. Our sustainability and climate governance framework, in page 12, demonstrates how specific sustainability responsibilities are shared across the board and various sub-committees. The Board has decided that all ESG-related policies are a retained matter, while relevant sub-committees take responsibility for relevant areas.

For example, the Remuneration Committee is responsible for ensuring the appropriate integration of sustainability priorities into the executive remuneration structure.

The Group Sustainability Committee, which is chaired by the chief executive, takes responsibility for the development and day-to-day delivery of the Group's sustainability strategy. The Committee uses our sustainability framework to guide its work.

→ **A full description of our Sustainability governance is set out in our Task Force on Climate-related Financial Disclosures Statement on pages 42 to 52 of our 2024 Annual Report.**

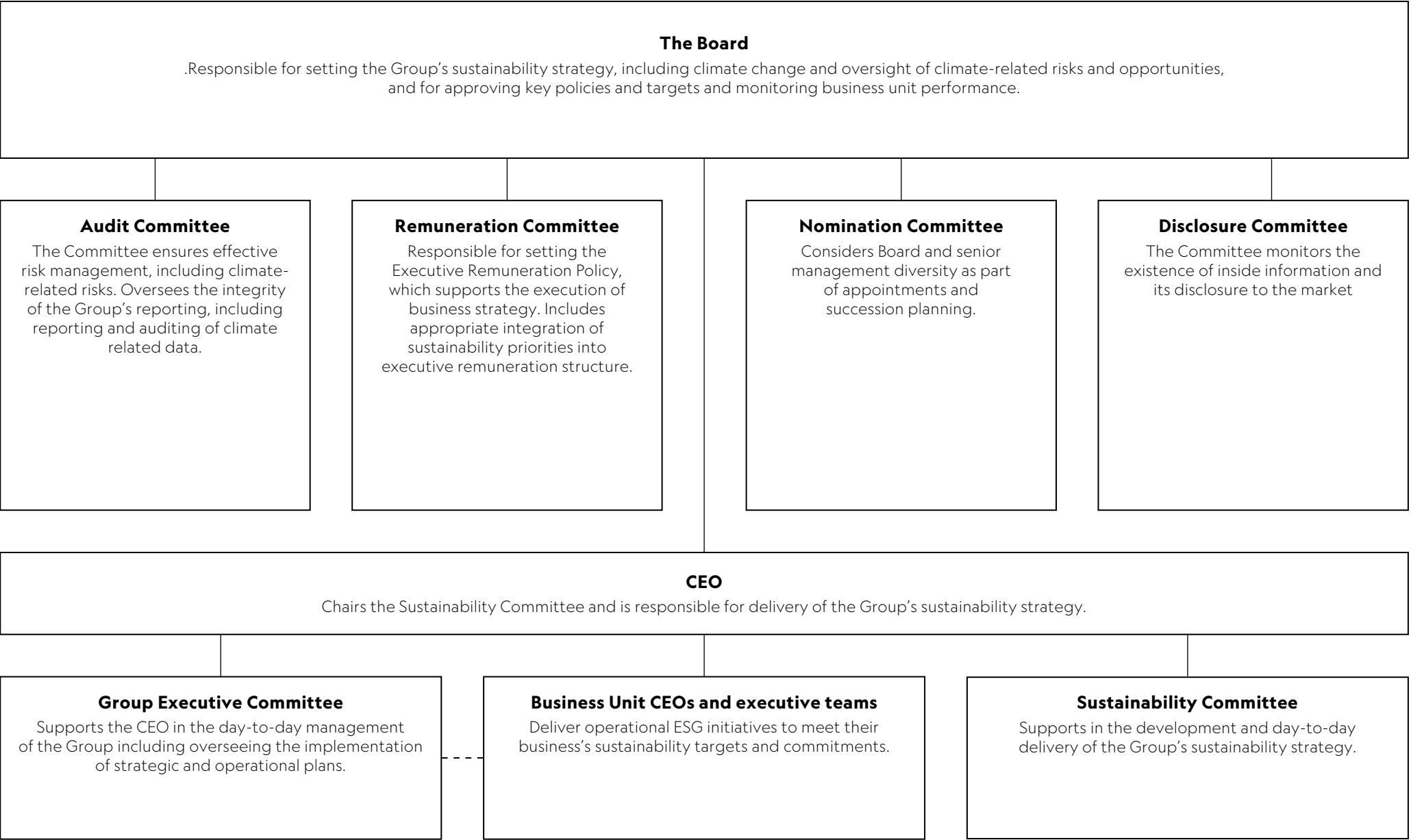
**Material topics under our sustainability pillars**

Our framework has been designed to provide stakeholders with clarity on how we are managing our material issues. Where appropriate, some material issues have been grouped together under a single topic:

- Water, waste and biodiversity material issues are grouped as Natural Resources, sitting under our Planet and Climate pillar.
- DE&I, talent and fair working practices are grouped together under our People and Society pillar.
- Responsible sourcing and human rights are grouped together under our Governance pillar.

SUSTAINABILITY GOVERNANCE

OUR SUSTAINABILITY AND CLIMATE GOVERNANCE FRAMEWORK



OUR GOVERNANCE FRAMEWORK CONTINUED

SUSTAINABILITY COMMITTEE REPORT

Liam Butterworth
Chief Executive Officer



The Group's Sustainability Committee is responsible for implementing the business's sustainability strategy into its operations, ensuring compliance with policies and regulations while driving progress toward our ambitious objectives.

Sustainability Committee membership, roles and responsibilities:

The Sustainability Committee is chaired by the Group's Chief Executive Officer and its members include the Chief People, Sustainability and Communications Officer; the Director of Sustainability; business unit Chief Executive Officers and relevant supporting sustainability experts.

Business unit CEOs are responsible for implementing the strategy within their areas, supported by sustainability leads. They work with regional and divisional teams to track key performance indicators (KPIs) and required actions and prepare reports to share in the committee meetings.

Site managers report to regional and divisional leads, ensuring a structured flow of information. Through the Committee, business unit CEOs escalate material sustainability risks and opportunities to the Group, ensuring these factors are considered in strategic and financial decision making.

The committee met five times in 2024, discussing the most important material issues in detail to identify areas of improvement. This is summarised in the table to the right.

The key responsibilities of the committee and its objectives are set out in its terms of reference and include:

- Evaluating business unit's adherence to group ethics, environmental, H&S, sourcing, and diversity policies.
- Ensuring identification of and compliance with ESG-related regulations and reporting requirements.
- Reviewing business unit and Group sustainability targets, KPIs, strategies, and programmes for ambition and coherence
- Monitoring progress toward achieving sustainability objectives for both Group and business unit
- Discussing horizon scanning prepared by the Group or other sources for sustainability IROs and feeding into the risk framework.
- Sharing best practices from business units within the Group
- Providing support for the communication of sustainability initiatives across the entire Group and its business units.

2024 Meeting Summary of discussion Topics

Data readiness for reporting, plan for 2024

- Discussed the findings of the data readiness assessment and agreed on the next steps to ensure future compliance with CSRD.
- The 2024 plan, including key projects, targets, and dates for upcoming ESG committee meetings, was finalised.

Health, safety & wellbeing

- Reviewed business performance against various health and safety-related KPIs.
- Businesses shared key learnings, best practices, and follow-up actions in cases of deviations from expected behaviour.
- GKN Powder Metallurgy reported significant improvements in safety performance, attributing this to an improved organisational structure and additional training days.

Diversity, equity & inclusion, product safety & quality

- Businesses presented their strategies and actions to enhance DE&I within operations, with a particular focus on gender diversity.
- Various KPIs and performances against targets were discussed, and the committee concluded that further efforts are needed in this area in the coming years.
- An external expert provided insights on human rights.

Human rights, responsible sourcing and community

- Discussed the findings of our 2024 human rights risk review, formally noting identified risks and current mitigation strategies. Next steps were discussed.
- Businesses reaffirmed their commitment to supporting local communities and shared exemplary community initiatives across various sites.

Transition plan, GHG emissions

- Businesses presented their respective transition plans, highlighting successes such as securing VPPAs for GKN Automotive and increasing the use of renewable energy in GKN Powder Metallurgy operations.






























OUR TARGETS AND PROGRESS

OUR TARGETS AND PROGRESS

WE HAVE A COMPREHENSIVE SET OF TARGETS AND COMMITMENTS AGAINST ALL OUR PRIORITY MATERIAL ISSUES, WHICH WE'VE MAPPED TO THE UN SUSTAINABLE DEVELOPMENT GOALS

FULL DISCLOSURES ARE AVAILABLE IN THE APPENDIX

 On track  Achieved

Material issue	Progress	Dowlais commitment/target	UN SDG alignment
Planet and Climate			
Climate change		- Commit to Net zero by 2050 with ambitious absolute Scope 1 and Scope 2 2030 reduction targets.	
Product sustainability		- Committed to maintaining 100% ISO 14001 certification (currently 100%) at all manufacturing sites.	 
Natural resources (Water)		- Committed to implementing a Group Water Stewardship Programme across our businesses by end of 2025	
Natural resources (Waste)		- We are committed to diverting 100% of (solid, non-hazardous) waste from landfill by 2030.	
Natural resources (Biodiversity)		- We are committed to publishing first Taskforce on Nature-related Financial Disclosures Statement (TNFD), with work beginning in 2024 to understand our nature risks.	  
People and Society			
Health, safety and wellbeing		- We are committed to protecting our employees from injury and harm, focusing on continuous improvement to provide a safe and healthy workplace for all and maintain an AFR of <0.1.	 
Diversity, equity & inclusion		- We are committed to maintaining best practice on board diversity. - 40% of the Board are women - At least one of the senior Board positions (Chair, CEO, CFO or SID) is a woman - At least one member of the Board is from an ethnic minority background	
Community		- We are committed to maintaining community initiatives at all sites.	   
Governance			
Product safety and quality		- We are committed to maintaining the highest standards in product safety and quality to ensure the safety of end users and maintain the trust of our customers. - We are committed to maintaining 100% ISO 9001 or IATF 16949+ certification at all manufacturing sites.	
Responsible sourcing and human rights		- In 2024, we completed a comprehensive human rights risk review, and in 2025, we commit to developing an "beyond compliance" strategy for human rights and responsible sourcing. - We remain committed to zero substances classified as "conflict minerals" being knowingly sourced.	 
Ethics and integrity		- All employees, suppliers and contractors must comply with our Code of Ethics, conducting business with integrity and in a responsible, ethical and sustainable manner. We have zero tolerance for any material deviations.	

PLANET AND CLIMATE

PLANET AND CLIMATE



PLANET AND CLIMATE CONTINUED

WE ARE COMMITTED TO ADDRESSING THE WORLD'S ENVIRONMENTAL CHALLENGES WHILE DELIVERING EXCELLENCE FOR OUR CUSTOMERS

Our Group Environmental Policy, approved by the Board, demonstrates our commitment to driving sustainable production methods and infrastructure, and minimising the potential negative impact that our businesses may have on the environment over the longer term. It covers climate change, biodiversity, water, energy, waste, how we make products, and the environmental standards we expect in our manufacturing locations. The following pages of our report set out our approach to climate change, product sustainability and natural resources.

CLIMATE CHANGE

Dowlais recognises the serious threat posed by climate change and the urgent need for meaningful action. 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 no exception and have ambitious goals, validated or awaiting validation by the SBTi, aligned to active programmes across our global operations.



→ See pages 17 to 23 for more information on our approach to managing our emissions and energy use.

PRODUCT SUSTAINABILITY

Understanding the environmental impact across the life cycle of our products – from manufacture through to the use phase – is critical for the sustainability of our sector. Innovation and research and development into new products and services is a key priority, in order to reduce our environmental impact.



→ See pages 24 to 26 for more information on how we are reducing the impact of our products and investing in for net zero.

NATURAL RESOURCES

Ultimately, all business is dependent on nature, whether that is primary resources used in our products, the water we use in our operations, the waste we generate, or our impact on biodiversity and fragile ecosystems around the world. We are committed to operating in harmony with nature, with full transparency for stakeholders. We are pleased that no material environmental fines or penalties were issued against any of the businesses in 2024 or in the previous five years.



→ See pages 27 to 28 for more information on how we are managing water, waste and biodiversity.

CLIMATE CHANGE

Very high priority

Climate change

Target
Net Zero by 2050 backed by science-based targets

Progress
 **On track**



13.1 – strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Highlights

-30%

Scope 1 and 2
 absolute reduction
 in 2024

>206k

tonnes CO₂e
 reduction in Scope 1
 and 2 emissions on a
 market basis

-21.8%

reduction in
 Scope 1 and 2
 emissions intensity
 in 2024 on
 market basis

We recognise the importance of urgent and meaningful action to address climate change. Our Group Environmental Policy explicitly sets our commitment to reduce our greenhouse gas emissions in a way that supports the goals of the Paris Agreement. In line with this, our businesses have set science-based targets to reduce emissions.

For an ICE vehicle, the largest proportion of carbon emissions comes from its use. As the expected global transition to EVs removes much of that impact, see graph in page 4, the focus is turning to reducing the emissions caused by the material extraction and manufacturing stage, requiring suppliers in all tiers to take action. Reducing our emissions is not only the right thing to do, but it is also a commercial priority.

In short, to remain competitive we must decarbonise. Performance in 2024 was positive with a ~30% reduction in the Group's Scope 1 and 2 (market-based) emissions, compared to prior year, representing a 21.8% decrease in emissions intensity. This was achieved through a significant increase in renewable electricity usage across the business, which accounted for 21% of total electricity consumed (2023: 10%), alongside various energy efficiency initiatives.

The Group's ambitions are captured in our science-based targets, which are set at a business unit level, reflecting the difference in operational activity. The targets for both businesses have now been validated by the SBTi, giving us confidence that our ambitions are in line with urgency of the transition.

This year we were delighted that our carbon disclosure score from CDP (formerly the Carbon Disclosure Project) improved to a B, reflecting the work we have done since the creation of the business to improve our carbon disclosures.

Data accuracy is vitally important, and a key milestone in 2024 was the development of our Group-level Basis of Reporting (BoR). The BoR provides a clear framework and definitions for energy and emissions-related metrics that all sites can refer to, ensuring consistency across the Group. The businesses are currently training relevant staff at sites to align with the BoR, and implementing necessary changes to our systems, ensuring that data collected in 2025 will be fully aligned with this new standard. We are confident that this will greatly enhance the quality of the emissions data we gather, enabling more accurate reporting and informed decision making.

This year, we have updated our Task Force on Climate-related Financial Disclosures Statement, in our Annual Report, and published our first transition plan, see pages 22 to 23, in line with the recommendations of the Transition Plan Taskforce, outlining the steps we will take to achieve the necessary emission reductions to meet both near-term and net zero targets. We will develop our transition plan further in 2025.

CLIMATE CHANGE CONTINUED

GKN Automotive

GKN Automotive is a global leader in powertrain agnostic automotive products, such as sideshafts, propshafts, AWD systems and advanced differentials. This year has seen an increase in demand for the use of renewable electricity for the manufacture of the new products, with this requirement frequently being written into tenders received from OEMs.

The business designs its products to meet the highest international standards, actively minimising the CO2 footprint of its customers’ vehicles, and there has been consistent progress in all areas to reduce its own emissions, including improving energy efficiency and purchasing more renewable electricity.

The business has developed net zero strategies for its top 20 sites in 2024, 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 clean electricity. The business has also taken measures to improve data collection to align with the group basis of reporting, and developed transition plans to outline the measures required to achieve the emission reduction targets.

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 its targets.

The business has set interim renewable electricity targets of 50% by 2025 and 75% by 2030. In 2024, 11% of GKN Automotive’s electricity consumption across its sites came from renewable sources. Notably, sites in Olenisca, Bruneck, and Köping have already achieved 100% renewable electricity, with a site in Pune, India achieving over 40% renewable electricity in 2024. Securing renewable electricity, while also protecting the business from price volatility, is a critical challenge. VPPAs offer a unique opportunity to achieve both goals of managing energy costs while driving down Scope 2 emissions.

→ See case study on VPPAs in page 19.

Energy efficiency projects driving impact

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 the Celaya site in Mexico, an £85,000 investment in upgrades is expected to save over 140,000 kWh annually. Over £441,000 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 Zreche, 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.

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.

Employee engagement

GKN Automotive has launched a sustainability e-learning platform to ensure as many employees as possible feel informed and engaged in its decarbonisation journey. Improved systems controls in various locations also demands additional workforce training to ensure operations are optimised, maximising energy savings.

For the wider workforce, there is active promotion of sustainable mobility to the workforce, where possible, including continuing efforts to encourage employees to cycle to work and the promotion of salary sacrifice schemes for electric or hybrid vehicles.

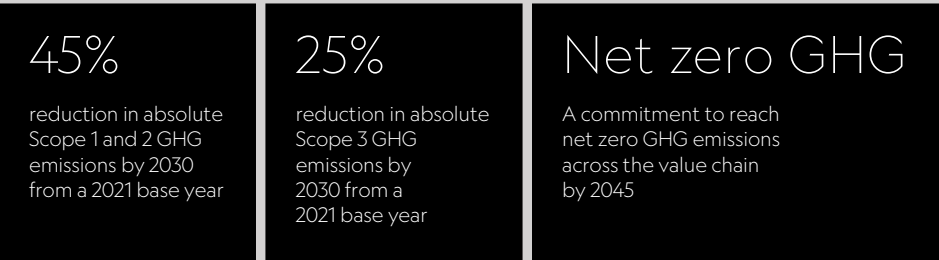
Outlook for 2025

GKN Automotive is well-positioned to benefit from the global shift towards electrification. The company remains focused on developing sustainable drive systems for both internal combustion engines ICE and EVs, continually aligning its product portfolio with the growing e-mobility trend.

Looking to 2025, the business will continue to reduce its emissions, primarily by phasing out gas use, increased onsite and offsite renewable electricity through VPPA procurement programmes along with improvements such as installing more energy-efficient equipment and improving building insulation.

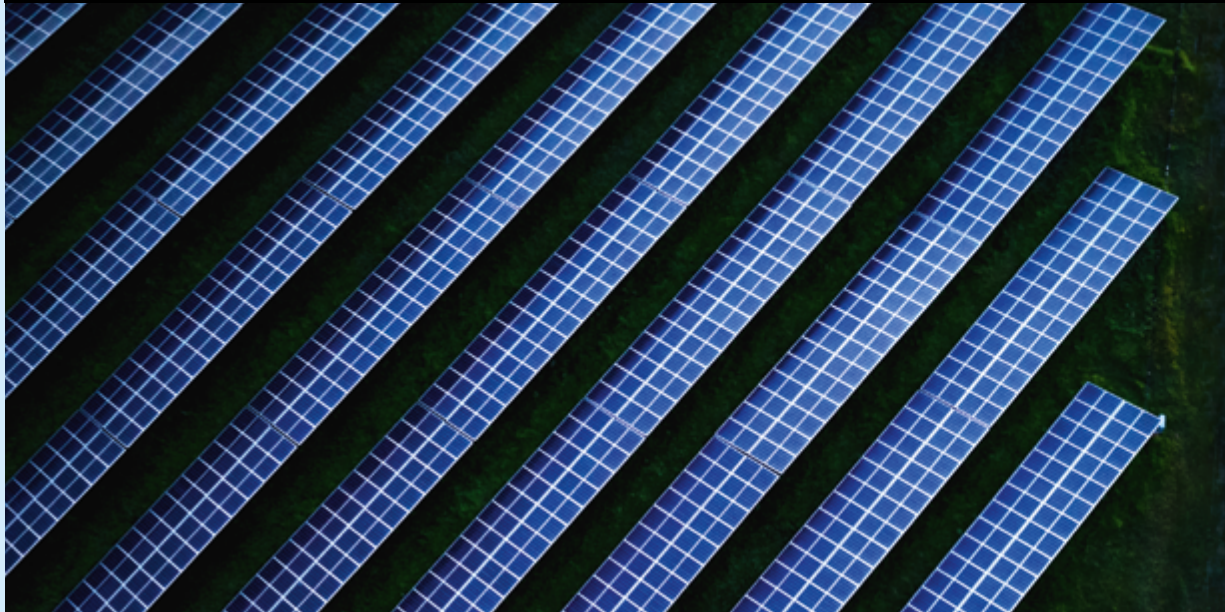
With a strong focus on renewable electricity, efficiency improvements, and strategic partnerships, GKN Automotive is set to remain a leader in sustainable manufacturing and operational practices, continuing to innovate in both environmental performance and product development.

GKN Automotive’s science-based targets



CASE STUDY: VPPAS

ENGINEERING TRANSFORMATION



GKN AUTOMOTIVE VPPAS

GKN Automotive has an ambitious target for 50% of its electricity to come from renewable sources by 2025. This increases to 75% by 2030.

To help achieve that goal, the business has signed a 10-year Virtual Power Purchase Agreement (VPPA), which will cover approximately 30% of their global demand – a significant contribution.

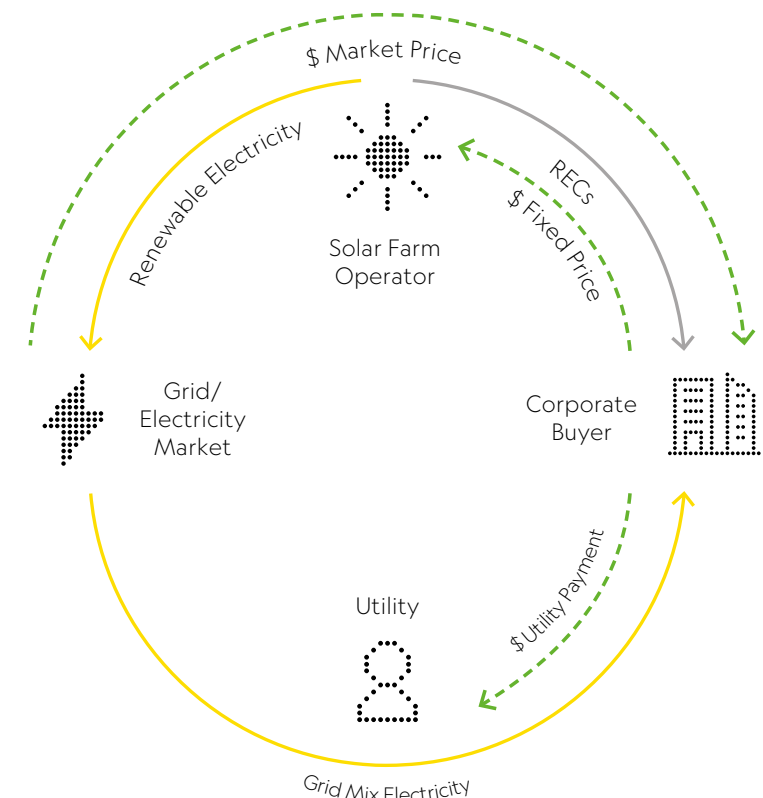
VPPAs are an complex financial agreement between the developer or owner of a large renewable electricity asset, such as a wind or solar farm, and a large business that is keen to secure renewable electricity.

GKN Automotive has 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 does a VPPA work?

1. A large corporate buyer, who wants to secure renewable electricity, agrees to pay a fixed fee to a large solar or wind farm developer in one part of the world (in this case, Spain).
2. The corporate buyer continues to source local electricity in the usual way, but they also receive the income from the renewable development, offsetting the local procurement price.
3. The corporate buyer also receives renewable energy certificates, which it can use to claim carbon reductions against the electricity used locally.

What is a Virtual Power Purchase Agreement (VPPA)?



CLIMATE CHANGE CONTINUED

GKN Powder Metallurgy

GKN Powder Metallurgy provides sustainable and innovative solutions through best-in-class powder metallurgy technology to the automotive and industrial sectors. The business is actively working to reduce its environmental impact and contribute to global efforts to combat climate change. Its ambitious GHG reduction targets for 2030 and net zero target for 2050 were validated by SBTi in 2024, and the business has developed an action plan to meet these goals.

GKN Powder Metallurgy has consistently achieved significant energy savings by maintaining a culture of constant improvements in the efficiency of its production processes over the years. The business has expanded its strategy to include the procurement of renewable electricity to address its Scope 2 emissions. At the end of 2024, 11 of its sites have green energy contracts in place, reducing emissions approximately by 56,000 tCO2e. This has led to a 35% reduction in emissions intensity in 2024.

Improved operational and production efficiency

The ongoing strategy of driving energy efficiency in the business has continued to generate consistent carbon savings for GKN Powder Metallurgy. Seemingly simple measures, such as upgrading cartridge valves in hydraulic presses, can reduce energy demand by 20% per valve. In 2025, the business completed a multi-year rollout of these valves, baking in long-term carbon reductions.

Sintering furnaces that run 24 hours a day are some of the most energy-intensive equipment essential to GKN Powder Metallurgy’s processes. The business plans to upgrade to electric arc furnaces where feasible, which are not only much more efficient, but can also be more easily run on renewable electricity.

Other key initiatives include retrofitting LED lighting, conducting life cycle assessments, and implementing CO2 tracking for select customers. The business has also enhanced data collection to align with the group’s BoR and launched a project to improve Scope 3 emissions data by engaging with key customers, major suppliers, and logistics partners. Additionally, more than 50 EV chargers have been installed across sites in Germany, Italy, Romania, and China, providing onsite charging for employees.

GKN Powder Metallurgy’s science-based targets

42%

reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2022 base year

25%¹

reduction in absolute Scope 3 GHG emissions by 2030 from a 2022 base year

Net zero GHG

A commitment to reach net zero GHG emissions across the value chain by 2050

1. Covering fuel- and energy-related activities, upstream transportation and distribution, downstream transportation and distribution, and processing of sold products

ENGINEERING TRANSFORMATION

Innovating for efficiency

Innovating processes for sustainability is key to GKN Powder Metallurgy’s strategy. One example is a project at their Bad Bruckenau facility in Germany to use the waste heat from sinter furnaces to heat central water cycles for use water.

The CO2 saving is about 140 tonnes each year. The business is investigating the potential to roll this out across all suitable locations.



CLIMATE CHANGE CONTINUED

Switching to renewable electricity

When electricity is purchased from the grid, emissions can vary significantly between countries and states. To address this, the business focuses on procuring Energy Attribute Certificates (EACs) where they are readily available and where emissions from grid electricity are highest. The business currently has existing EACs covering 100% of its electricity consumption at its sites in Buzau (Romania) and Hortolandia (Brazil).

GKN Powder Metallurgy has also procured green electricity for its sites in Germany, Italy, China, and Gallatin (USA) through Guarantees of Origin (GOs) and RECs, covering 50% of electricity-related emissions in Italy, 10% in China, and 50% at few other sites, with coverage in Germany and Italy set to increase to 100% by 2025.

The business has expanded its photovoltaic (PV) power systems to reduce grid dependency at its Bruneck site, and installed new solar panels at its sites in Milan, Bad Bruckenau in Germany, Danyang in China, and Pimpri in India. Collectively, these installations have reduced the emissions by 1115 tCO₂e and generated around 2000 MWh of electricity.

In the medium term, GKN Powder Metallurgy will continue to focus on solar PV installations and energy-efficiency projects, while also assessing the feasibility of direct power purchase agreements (PPAs) and VPPAs.

Outlook for 2025

GKN Powder Metallurgy has a well-rounded strategy focused on improving efficiency and transitioning to renewable energy while actively reducing emissions. The business is also developing sustainability-focused products, including EV-specific metallic components, differential gears for battery EVs, powders for LFP batteries, generators, and green energy solutions, helping to lower its Scope 3 emissions. By optimising operations and enhancing EV offerings, the business aims to support the automotive industry's transition to net zero.

CLIMATE CHANGE CONTINUED

GROUP TRANSITION PLAN

Our Net Zero plan

Sustainability is central to the Dowlais strategy and through our portfolio of market-leading, high-technology engineering businesses, we will play a key role in the global transition to net zero emissions.

Road transport is responsible for more than 15% of global energy-related emissions and, for net zero emissions to be achieved by 2050, 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.

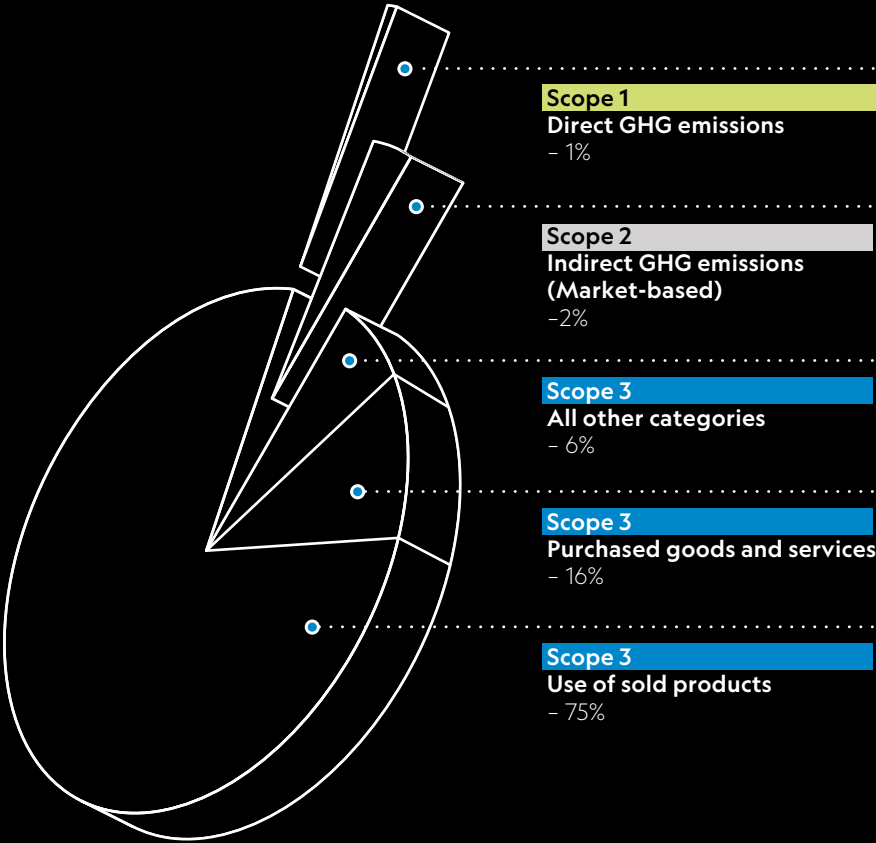
Our emissions profile

Given the nature of our businesses, our emissions profile is dominated by a small number of Scope 3 categories, but as it relates to our value chain, it is also the area over which we have the least influence.

By comparison, Scope 1 (direct) emissions represent less than 1% of our carbon footprint. However, as Scope 1 emissions are primarily caused by the use of natural gas, LPG, and propane in our manufacturing processes, reducing or replacing these hydrocarbons is critical for our net zero target. Our Scope 2 (indirect) emissions accounted for around four times our Scope 1 emissions in 2024 and will be reduced by improving energy efficiency and using onsite and offsite renewable energy.

Our Scope 3 emissions are significantly greater than our operational footprint, representing over 95% of our emissions. As a supplier to the automotive industry, use of sold products (Scope 3, Category 11) is the single largest contributor of emissions, accounting for 75% of total group emissions. This category represents the lifetime use phase of emissions associated with the vehicles in which our GKN Automotive component parts are used. Our other key Scope 3 categories are purchased goods and services (Category 1) representing the embedded carbon within our raw materials and purchased items across the businesses; processing of sold products (Category 10) which represents GKN Powder Metallurgy’s most material Scope 3 category due to the processing of powdered metals; and transport and distribution (categories 4 and 9).

Our emissions profile



→ See our Streamlined Energy and Carbon Reporting for more details in pages 57 to 59.

CLIMATE CHANGE CONTINUED

Our Transition Plan

Dowlais Group is committed to reaching net zero by 2050. We have developed our first Group-level transition plan to bring together the decarbonisation pathways developed by our two businesses, GKN Automotive and GKN Powder Metallurgy, which underpin the validated science-based targets.

We are well on our way to achieving our near-term targets for Scope 1 and 2, with an ongoing programme of projects focused on energy efficiency, electrification and a shift to renewables. Longer term, we are confident that the technologies will exist to remove the need for fossil-fuel-powered equipment, although risks remain in the availability of renewable energy either through renewable energy contracts or grid decarbonisation.

Scope 3 represents a larger challenge to our businesses ability to meet the net zero target. Specifically, the pace of transition from ICE vehicles to EVs, and grid decarbonisation will directly influence emissions related to use of sold products.

Targets

Our businesses – GKN Automotive and GKN Powder Metallurgy – have autonomy over their transition plans and targets. Both have set science-based targets across scopes 1, 2 and 3 which have been validated by the SBTi, providing a pathway for significant emissions reductions to 2030 and beyond.

Together, the validated science-based targets support the Group's commitment to reach net zero emissions by 2050.

→ See page 18 for GKN Automotive's SBTi targets, and page 20 for GKN PMs SBTi targets.

As a company that manufactures products suitable for EVs, we are helping to enable the transition. Through continued innovation and R&D, we will help to improve EVs worldwide and their accessibility to consumers. The reduction in our Scope 3 emissions, however, relies on uptake of EVs by consumers, supported by improved infrastructure and government support. Likewise, we cannot directly influence grid decarbonisation and instead rely on governments to implement policies to achieve a suitable pace of decarbonisation.

We will monitor the delivery of our plan and review progress against our science-based targets regularly, allowing us to accommodate any unforeseen issues and emerging technologies as they arise.

Roadmap to emissions reduction

Scope 1 emissions

Our focus is on improving energy efficiency and electrifying our processes. Where appropriate, we are replacing gas furnaces with electric furnaces and electrifying washing processes. We have installed more than 50 EV chargers across our sites and are transitioning our vehicle fleet to electric.

Near-term actions include- retiring old, fossil-fuel-powered equipment, optimising furnace efficiency, electrifying vehicle fleet, and implementing heat recovery systems.

Long-term actions include- improving energy efficiency, electrifying manufacturing processes, exploring the use of alternative fuels, exploring future net zero furnace technologies and investing in electrolyzers for hydrogen generation.

Scope 2 emissions

Induction furnaces and hydraulic presses are the primary consumers of electricity in our manufacturing processes. We have a programme for updating equipment to improve energy efficiency. Initially, we are retiring our oldest furnaces and replacing them with more-efficient furnaces and upgrading our hydraulic presses. We also have initiatives in place for heat recovery and improvement in yield of equipment, as well as retrofitting LED lighting and motion sensors.

We have renewable energy instruments in place at 26 sites and onsite renewable infrastructure at 12 sites, having installed solar PV units at sites 4 during 2024.

We will de-risk our Scope 2 emissions reduction plan as far as possible. However, we rely on there being availability of offsite renewable energy instruments, such as power purchase agreements and energy attribute certificates, and grid decarbonisation to meet our near-term and long-term targets.

Scope 3 emissions

To address our Scope 3 emissions, the key focus areas include increasing EV product offerings, supporting grid decarbonisation, improving data accuracy, and working with suppliers to align decarbonisation strategies. The use of sold products (Scope 3, Category 11) accounts for 75% of total group emissions. While the shift to EVs and grid decarbonisation are key to reducing these emissions, they are beyond our direct control.

We can influence emissions in other Scope 3 categories, including purchased goods and services (Category 1), processing of sold products (Category 10), and transport and distribution (categories 4 and 9) through product innovation and collaboration.

Supplier engagement is central to reducing emissions from purchased goods and services. Dowlais will collaborate with suppliers to understand their decarbonisation efforts, prioritising partnerships with those using lower-carbon methods, such as electric arc furnaces in steel production. We will also explore alternative materials and improve product efficiency to reduce material consumption.

For emissions from sold product processing, we have modelled our customers' decarbonisation targets and will engage both those with and without targets to gather insights and share progress.

To address transport and distribution emissions, we will first improve data accuracy. Once reliable data is available, we will work with logistics providers to assess their carbon reduction efforts and explore alternatives if these efforts fall short. In line with the SBTi criteria, our Group transition plan does not include the use of carbon offsets.

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 environmental impact while delivering products with reduced emissions and waste.

When assessing the sustainability of our products, we 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 45 to 46. 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.

Our Group Environmental Policy specifically sets out our commitment to product sustainability and to reducing and minimising the impact our products have on the environment. This applies across all business units and sites, supported by our commitment to having all sites ISO14001 certified and disclosing the proportion of R&D spend focused on decarbonising the automotive sector. Relevant disclosures under the SASB Auto Parts framework can be found on pages 53 to 56.

GKN Automotive

GKN Automotive’s strategy for achieving product sustainability focuses on choosing right materials, optimising design, reducing embedded carbon, and enhancing product efficiency. The use of renewable energy, sustainable materials like green steel, and recycled content in its 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, as illustrated in the chart on page 4. Increased customer requests for LCAs and product carbon footprint (PCF) data reflect the integration of carbon impact considerations into product development. Over the years, GKN Automotive has expanded its carbon footprint assessments and LCA efforts to quantify material use and energy consumption, enabling data-driven decisions to reduce the environmental impact of its products.

Circular economy in product design and manufacturing

GKN Automotive prioritises circular economy principles in its product design and manufacturing processes. Products are designed for longevity, reduced resource consumption, and recyclability. For example, the business uses electric arc furnace steel and incorporates high levels of recycled content in its 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 CO2e per kg of parts, less than half of that from Chinese suppliers. Furthermore, the business is committed to reducing this figure by 38% through its PPA renewable energy supply.

PRODUCT SUSTAINABILITY CONTINUED

Innovative technologies for reduced environmental impact

One of GKN Automotive's flagship technologies, the Disconnect AWD, reduces AWD-related CO2 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. The business is currently researching the quantifiable impacts of lighter-weight driveshafts and improved grease, using life cycle assessment techniques to measure the environmental benefits at a vehicle level.

End-of-life considerations and circular economy recognition

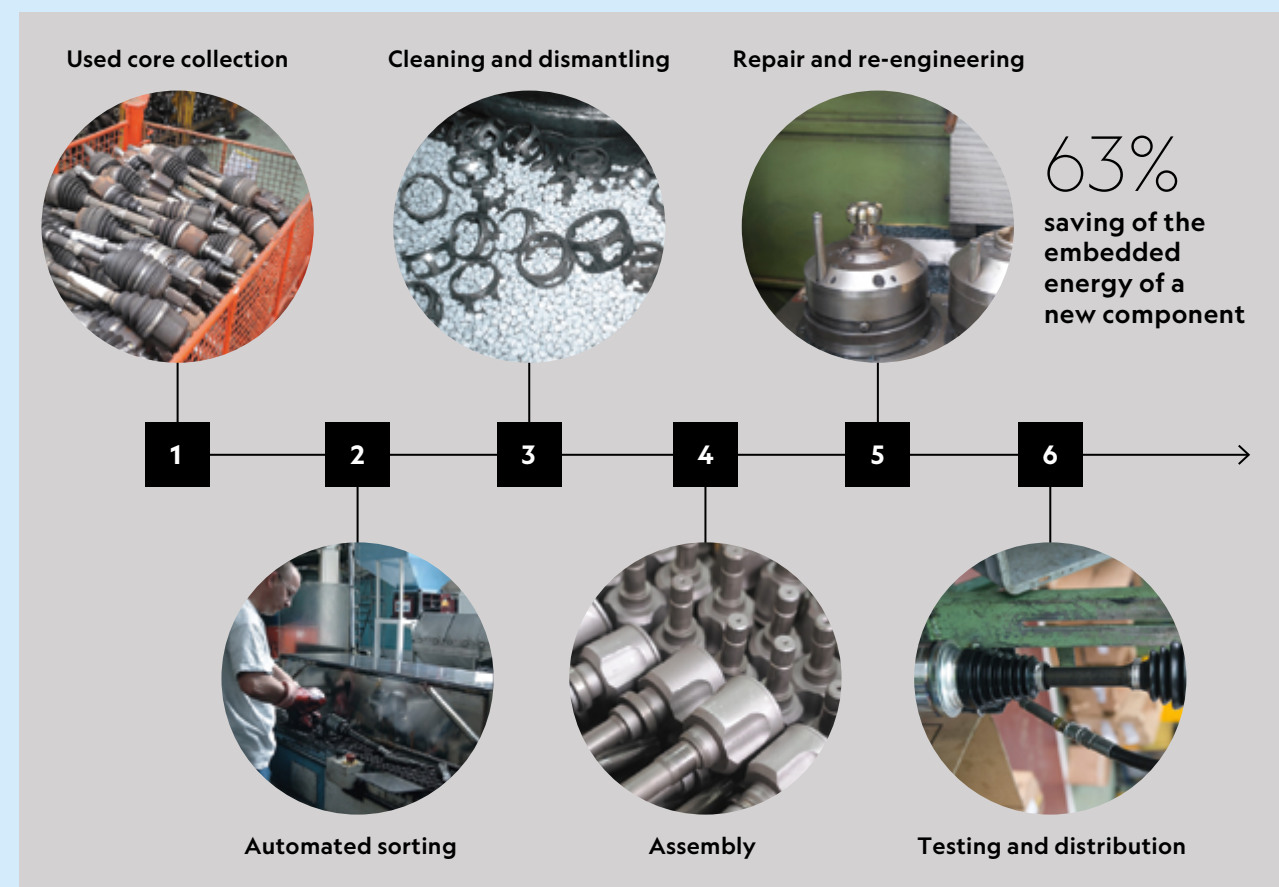
GKN Automotive is dedicated to minimising the environmental impact of its products at the end of their life. To achieve this, the business is exploring takeback programmes, repair services, and enhancing the recyclability of components. The business's commitment to the circular economy was recognised by the ARDÁN Indicator in Galicia, Spain, where GKN Automotive was awarded the Circular Economy Business 2024 accolade. This award acknowledges the business's successful implementation of circular economy strategies, including collaborative partnerships in product design and production.

ENGINEERING TRANSFORMATION

Sideshaft remanufacturing

Embracing the circular economy in automotive manufacturing

Every new driveline component developed by GKN Automotive consumes less energy than its predecessor and reduces friction and weight within the vehicle. With certain of its customers, GKN Automotive also collects old driveshafts from designated garages and transforms them into "as good as new" products, generating savings in energy, water, emissions and steel in production. In 2024, this highly efficient remanufacturing process produced more than 300,000 sideshafts, saving 63% of the embedded energy of a new component.



PRODUCT SUSTAINABILITY CONTINUED

GKN Powder Metallurgy

As one of its main raw materials is iron scrap, GKN Powder Metallurgy has circular economy principles embedded in its product offering. The business is committed to using recycled iron in all its base iron products, buying back green scrap, powder and selected sintered scrap from customers to remill and reuse, thus extending the life cycle of materials and reducing waste.

Environmental impact is a key consideration in material selection and product design at GKN Powder Metallurgy. LCAs on key product groups have helped them identify measures to reduce emissions in these products by identifying opportunities for continued improvement.

Energy-efficient components for high-performance systems in operations

One notable example of GKN PM's sustainability efforts is its thermal hardware used in high-end computing systems, particularly those employed in AI technologies. These components significantly reduce energy consumption by improving the thermal performance of the systems. As a result, cooling energy requirements are lower, allowing the systems to run faster and more efficiently. For systems with heat dissipation exceeding 1 kW, GKN PM's components can reduce energy consumption by up to 30%, resulting in more efficient overall system performance.

Sustainable induction coils for production efficiency

GKN Powder Metallurgy has also enhanced manufacturing processes with the introduction of induction coils used for hardening components. These coils have demonstrated significant efficiency improvements compared to conventional manufacturing methods, particularly in the GKN Driveline and GKN Bruneck operations. By utilising these coils, production set-up times are reduced, scrap rates are minimised, and the lifespan of the product is extended – up to five times longer than conventional coils. Additionally, these coils reduce total energy consumption by up to 20%, further improving energy efficiency in the production process.

Sustainability training and compliance

In addition to product innovations, GKN Powder Metallurgy has made significant strides in educating employees on product sustainability. The business's employees undergo sustainability training through the internal iLearn tool, which covers key topics such as greenhouse gas emissions, carbon footprint, and ESG reporting. The training ensures that employees are well equipped to make informed decisions in line with environmental regulations. Furthermore, compliance with environmental standards is managed by HSE specialists, who ensure that all legal requirements are met, and that training is provided as needed.

GKN Powder Metallurgy's dedication to sustainability is evident in its continued efforts to improve product performance, reduce environmental impact, and foster a circular economy. These initiatives not only enhance product efficiency but also contribute to a more sustainable future across the manufacturing and automotive sectors.

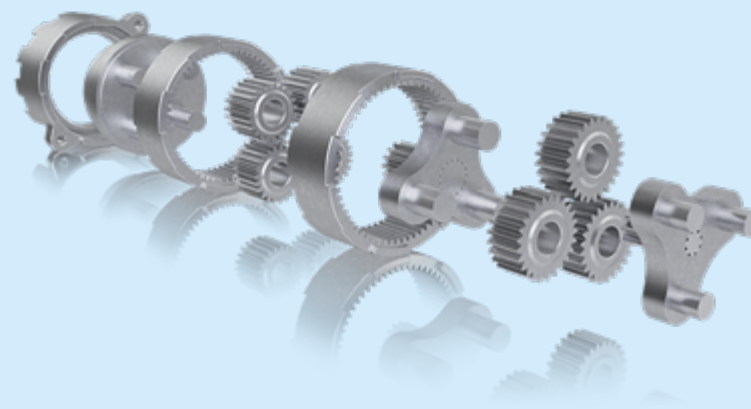
ENGINEERING TRANSFORMATION

Advancing mobility with electromechanical braking systems

Electromechanical braking systems are revolutionising the automotive industry by requiring less energy and reducing solid dust emissions.

GKN Powder Metallurgy is at the forefront of this innovation, co-developing components that maximise efficiency, minimise noise, and enhance safety. With first-off-tool prototypes slated for testing in 2025 and production scheduled for 2026, these brakes are set to deliver up to a 32% improvement in energy recovery and a 5g/km reduction in CO2 emissions.

Every car features four brakes, one on each wheel, highlighting the enormous market potential for these innovations. Their integration into BEVs, hybrids, and ICE platforms not only supports sustainability but also boosts overall efficiency, positioning them as a key advancement in the future of mobility.



NATURAL RESOURCES

Medium Priority

Natural resources

Target
100% of waste to be diverted from landfill by 2030

Progress
 **On track**

Target
Implement Group Water Stewardship Programme across our businesses by end of 2025

Progress
 **On track**

Target
Publish first Taskforce on Nature-related Financial Disclosures Statement

Progress
 **On track**



6.3 – by 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally



15.1 – by 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

Dowlais is committed to protecting and operating in harmony with the natural environment. We are working to fully understand our broader effects on nature and biodiversity, using the TNFD framework, and have set clear commitments to divert all waste from landfill by 2030 and build a robust approach to water stewardship.

While our dependency on natural resources is limited, as reflected in our materiality assessments, we recognise our responsibility to minimise our impact on the surrounding ecosystem. We are actively working towards improving our knowledge in this area. We carried out a Group-wide assessment of our water and waste data collection processes, as part of our preparation for the EU's Corporate Sustainability Reporting Directive, and, in 2024 we developed and rolled out a Group-level BoR which aims to provide all sites with clear definitions of waste and water metrics collected. The necessary system changes are being implemented this year to ensure that the systems are aligned with BoR for data collected in 2025 onwards.

Our Group Water Policy sets out our commitment to improve water management practices through the reduction of water withdrawal and responsible use of this scarce resource, while our Group Environmental Policy sets our commitment to divert waste from landfill.

Water

Recognising the global importance of water, Dowlais is committed to treating freshwater as a vital resource and contributing to its 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. To provide detailed insights to customers and stakeholders and to ensure transparency and alignment with global water stewardship goals, we have participated in CDP Water Security questionnaire this year for the first time. We were pleased to have been awarded a C.

Our comprehensive Group Water Policy advocates for sustainable and equitable water use, including understanding usage patterns, ensuring effective governance, and monitoring water quality in high-risk areas.

All our manufacturing sites follow 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 ensures that all workers have access to safe water, sanitation, and hygiene, supporting fair practices and community resilience.

Water conservation is a priority for our businesses, and we focus on process optimisation to reduce consumption. Most of the water used is recycled, with replacements only needed for evaporation and maintenance losses. We monitor water risks, including quality and stress, and review water withdrawal targets annually. Key processes, such as high-pressure atomisation and cooling systems, use closed water recycling systems, underscoring the importance of efficiency and quality.

NATURAL RESOURCES CONTINUED

GKN Powder Metallurgy implemented several initiatives to reduce water withdrawal and optimise usage. For example, at the North Carolina site in the US, replacing the cooling tower and adjusting operations to run 20 days a month instead of full time resulted in a 14% reduction in monthly water intake. Process improvements, like gradually ramping up water circulation pumps, also reduced usage during start-up. Investments in infrastructure, including stormwater rehabilitation, pollution control, and low-water-use innovations, further reinforce our commitment to sustainable water practices. We continue to monitor climate-related physical risks and review our mitigation measures annually.

Group water data 2024

(For the period 1 January 2024 to 31 December 2024)

Water withdrawal in operations in m ³	1,826,007
Water withdrawal per £1,000 turnover	421
Total consumption in m³	1,074,466

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 Group-level definitions for various waste streams collected by the businesses, ensuring a clean data flow from site level to the Group. The relevant colleagues who capture this data are currently being trained by the businesses, and system changes to reflect the new guidelines will be implemented in time for FY2025 reporting.

Our businesses are actively encouraged to reduce the amount of waste they generate and to divert waste from landfill. To support this, we have implemented a Group-level target to divert 100% of all (solid, non-hazardous) waste from landfill by 2030.

Aligning with the Group, GKN Automotive has set a target of diverting 100% of the waste it produces from landfill by 2030, as of 2024, 97.3% of waste produced has been diverted from landfill.

GKN Powder Metallurgy’s manufacturing processes are based around the recycling of scrap metal, which mean that circular economy principles are embedded in how it sources raw materials and recycles and reuses materials. The business remains committed to effective waste management by reducing internal waste through material reuse, recovery, and recycling, alongside employee training on waste segregation and recycling practices. Waste mapping and year-on-year targets support progress toward the goal of 100% landfill diversion by 2030. In 2024, the waste diverted from landfill was 97%.

For chemical and hazardous materials, robust assessments guide process design and material acquisition, replacing hazardous substances with more sustainable materials. Safe handling, storage, and disposal procedures, regular emissions monitoring, and annual legal compliance assessments ensure environmental safety, supported by employee training. Additionally, customised emergency response plans and site-level business continuity plans (BCP), which are reviewed annually, help minimise soil, water, and air impacts during environmental emergencies. At Group level, 81% of waste produced in 2024 has been recycled.

Group waste data 2024

(For the period 1 January 2024 to 31 December 2024)

	(in tonnes)
Non-hazardous solid waste total	175,631
Hazardous solid waste total	15,822
Total waste	211,499
Total recycled	170,538
Total incinerated waste	13,988
Total waste to landfill	5,877
Percentage(%) recycled waste	81%
Percentage (%) hazardous waste	7%

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 highlighted in our Group Biodiversity Policy.

→ A copy of our Biodiversity Policy can be found at- www.dowlais.com/our-company/policies/

We acknowledge the critical role of protected areas in biodiversity conservation. These areas safeguard essential habitats, support species migration and natural processes, and maintain ecosystem stability. As of 2024, none of our sites are located near nature-protected areas or regions with endangered biodiversity. All our businesses comply with and respect local biodiversity laws. Additionally, we prioritise the preservation of High Conservation Areas and the protection of threatened and endangered species

We have 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 pages 45 to 46 for more details.

To enhance our understanding of nature-related risks, we have initiated efforts to align with the recommendations of the TNFD and strengthen our approach to biodiversity conservation.

PEOPLE AND SOCIETY

PEOPLE AND SOCIETY

An aerial, high-angle photograph of a city street intersection. The scene is captured in warm, golden-hour light, casting long shadows. A zebra crossing with white stripes is prominent in the center. Three pedestrians are crossing the street: a man in a light shirt and dark trousers, a woman in a dark dress, and another person further back. A silver car is partially visible on the left, and a red car is on the right. The street has various markings, including a bicycle symbol and arrows. The overall atmosphere is urban and dynamic.

PEOPLE AND SOCIETY

WE ARE COMMITTED TO THE SAFETY, WELLBEING AND DEVELOPMENT OF EVERYONE WHO TOUCHES OUR BUSINESS

With over 29,000 employees, operating in 22 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 and equitable 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.

HEALTH, SAFETY AND WELLBEING

As a high-tech 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 that is free from injuries, fatalities, and illness. 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.

3GOOD HEALTH AND WELLBEING

8DECENT WORK AND ECONOMIC GROWTH

→ See pages 31 to 32 for more information on Health, safety and wellbeing.

DIVERSITY, EQUITY & INCLUSION, TALENT AND FAIR WORKING PRACTICES

Our commercial success depends on retaining, attracting and developing a highly skilled workforce. For us, this includes but is not limited to training, employee performance reviews, anticipating short- and long-term employment needs and skills requirements, monitoring employee turnover and having an approach to diversity, equity and inclusion that allows everyone to reach their full potential, as well as ensuring there are fair working practices across all our operations.

5GENDER EQUALITY

→ See pages 33 to 37 for more information on DE&I, talent and fair working practices.

COMMUNITY

Throughout our history, which dates back to 1759 and the founding of an ironworks in Dowlais in South Wales, we have always been a part of the communities where we operate. Now, our sites around the world play an active part helping their local communities, including providing education and skills development, supporting specific tracks of education, providing scholarships, and funding wider community education programmes.

4QUALITY EDUCATION

5GENDER EQUALITY

8DECENT WORK AND ECONOMIC GROWTH

10REDUCED INEQUALITIES

→ See pages 38 to 41 for more information on Community.

HEALTH, SAFETY AND WELLBEING

Very high priority

Health, safety and wellbeing

Commitment

We are committed to protecting our employees, contractors and visitors from injury and harm, focusing on continuous improvement to provide a safe and healthy workplace for all.

Target

Accident Frequency Rate (AFR) <0.1

Progress

● **Achieved and maintained**



3.9 – by 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



8.8 – protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Highlights

100%

of manufacturing sites with health and safety management systems certified to ISO 45001

Zero

employees or contractor fatalities

<0.1

accident frequency rate

The health and safety of Dowlais employees, contractors and visitors is our highest priority. We are committed to a safe and healthy workplace for all, while maintaining an AFR of less than 0.1.

We uphold the highest operational health and safety standards and are pleased to be able to report that we have maintained an AFR of below 0.1, with zero fatalities across both employees and contractors in 2024 (as in 2023 and 2022). We are, however, disappointed that there has been a slight deterioration in performance. As a result, we commissioned an independent review of the health and safety of our Automotive 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 Group Health and Safety Policy, which applies to all employees, visitors, and contractors working on our sites or on our behalf.

At the heart of our proactive approach to safety management is our Health and Safety Policy, which requires that all manufacturing sites be certified to ISO45001, 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 ISO45001 certifications at our manufacturing sites in 2024, covering all our products and sales. The comprehensive policy also covers our commitment to behaviour-based safety and the importance of raising concerns.

Each quarter, the Board, which holds ultimate responsibility for health and safety, monitors key performance indicators (KPIs), such as training rates, near-miss reporting, and accident statistics. This ensures the Board sets the right “tone from the top” for all our business units. Behaviour-based initiatives are essential to ensuring a strong safety culture throughout the organisation.

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.

Several sites in Thailand, Turkey, Slovenia, and the USA celebrated years without lost-time accidents (LTAs), demonstrating the success of these efforts. 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.

HEALTH, SAFETY AND WELLBEING CONTINUED

In 2024, a new HSE organisational structure at GKN Powder Metallurgy, with regional directors providing direct support, and monthly KPI reviews, has helped ensure ongoing progress across the business.

GKN Powder Metallurgy continued to deliver the programmes that put safety at the heart of its thinking. All new employees undergo HSE onboarding training and are introduced to GKN safety expectations, while existing employees receive annual refresher training and attend quarterly ThinkSafe, ThinkGreen and ThinkHealth sessions.

In 2024, the focus was on prevention and containment, with lessons learned from 2023 incidents driving improvements in systems, standards, employee behaviour, risk assessments, and containment measures.

The safety alert system was updated, and the near miss programme revamped to prioritise hazard identification and action closure.

Safety Awareness Week in May involved activities to identify hazards and reduce risks. These combined efforts have resulted in a significant reduction in accidents and the achievement of the AFR target for the year.

Wellbeing programmes creating a safer workplace

The Group recognises the importance of employees' mental, social, and physical health and is committed to reducing stress and promoting overall wellbeing. Employee wellbeing programmes are implemented at the business level to ensure maximum impact and cultural alignment. In response to feedback from the annual engagement survey, GKN Automotive 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 at GKN Automotive in 2024 included expanded employee assistance programmes (EAPs), European workshops addressing psychosocial risks, and health and safety weeks emphasising wellbeing themes. Six wellbeing webinars were conducted in the first half of the year for all employees, and two sessions on psychosocial risk assessment and engagement were held in Europe during the second half, involving Plant Directors, Human Resources, and H&S teams.

GKN Powder Metallurgy sites in the USA also benefit from an EAP and wellness programme that incentivise employees and drive initiatives such as quarterly wellness challenges. The Virgin Pulse app supports personal health challenges with rewards of up to \$250, and incentives for annual physicals offer \$250 for employees and their insured spouses or partners.

DE&I, TALENT AND FAIR WORKING PRACTICES

Very high priority

DE&I, Talent and Fair Working Practices

Target

**Maintain alignment with best practice on board diversity
as per FCA regulations***

Progress

● **Achieved and maintained**



5.5 – ensure women's full and effective participation and equal opportunities for leadership at all levels of the business

Highlights

***40%**

of Board are women, at least one of the senior Board positions is held by a woman, at least one of the Board members is from an ethnic minority background.

72%

of workforce received training in 2024

>£4M

spent on workforce training in 2024

Diversity, equity and inclusion

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

We understand the value of diversity in building a high-calibre workforce and are dedicated to promoting inclusivity in its broadest sense – encompassing gender, sex, race, ethnicity, nationality, social and cultural background, religion, family responsibilities (including pregnancy), sexual orientation, age, and disability. We remain committed to non-discrimination and are actively pursuing initiatives to enhance diversity across the Group.

Our goal is to ensure fair access to opportunities and equitable treatment for all, regardless of individual characteristics, across working conditions and employment decisions. Our Code highlights the importance of diversity and inclusion and is supported by our Diversity, Equity and Inclusion Policy, which applies to all business units and employees. It is reviewed by our Nomination Committee and reported on to the Board, which has ultimate responsibility over DE&I issues. We have also adopted the Board of Directors Policy which outlines the Group's recognition of the value of diversity to its long-term success and commitment to ensuring the Board's membership, and the pipeline for succession planning is diverse.



Copies of these policies can be found on our website at:
dowlais.com/our-company/policies/

The Board is committed to promoting diversity at all levels and, to that end, adopts a "tone from the top" approach, ensuring its own makeup meets best practice. 40% of the Board are female, with the post of senior independent director also being held by a woman. We also have one director from an ethnic minority background. A full breakdown of Board and Executive Committee diversity is available in our Annual Report on page 58.

Representation across all levels

Beyond board diversity targets, our commitment extends to increasing female representation at all levels and across all geographies. Our human rights risk review has highlighted that in high-risk countries, gender-related challenges are intensified by the under representation of women in the workforce. To bridge this gap, our STEM programmes play a crucial role in fostering diversity in high-skill jobs, creating opportunities for women in traditionally male-dominated fields. By investing in education and career pathways, we are driving meaningful change. See page 36 for a case study on our impactful STEM initiatives in Poland, Mexico, and India.

GKN Automotive is working towards its commitment to achieve 33% female representation on their Executive Committee by 2030. They are currently at 10%. Underpinning this is a plan that includes monitoring the percentage of female representation every year at more senior levels and interim milestones to help monitor progress and identify barriers. They have completed a Gender Pay Gap Review in 2023 and refined their DE&I strategy in 2024.

DE&I, TALENT AND FAIR WORKING PRACTICES CONTINUED

GKN Powder Metallurgy actively monitors diversity KPIs, with women comprising 17% of the workforce. Their global DE&I Committee, plant-level DE&I committees, and management teams work collaboratively to implement and advance the company's DE&I strategy. Policies and training systems are in place to educate and protect employees, including a Global Whistleblowing Policy with hotline access, a contractual grievance process for unionised locations, and harassment and discrimination training conducted during onboarding and biannually. Additional measures include diversity and unconscious bias training in the US, Code of Conduct training as part of the onboarding process, and anti-sexual-harassment compliance training.

Training leadership to support the diverse workforce

As part of its DE&I roadmap, in 2025 GKN Automotive will extend cultural awareness training, focusing on inclusive leadership, to the senior leadership team and people managers. Training also began in 2024 to enhance diversity in recruitment, and a DE&I e-learning pathway will launch in early 2025 for all employees. It also plans to establish a global and local network of DE&I champions to support initiatives and events across regions. This year over 120 women attended the 4th Annual Women's Leadership Conference in the USA, covering various learning and networking topics.

More DE&I embedded learning courses and leadership programmes are in the pipeline for 2025, with targets identified to embed into performance reviews, alongside an ongoing audit of progress in recruitment and retention. GKN Powder Metallurgy has rolled out unconscious bias training in the US, as part of the onboarding process, alongside the development of KPI dashboards to monitor progress.

Attracting and retaining diverse talent

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

7% of line managers are female in GKN Automotive and 11% at GKN Powder Metallurgy. To ensure that more women apply for roles, special software has been used to scan job postings for key words, and improvements are made to career's site to use neutral language. Last year, GKN Automotive interviewed 59 high-potential women to understand how to improve retention and now they have scaled a recruitment diversity mandate across all hiring. Voluntary attrition rates have reduced by 10% in the past year across the businesses. Voluntary attrition rates for females are at 1% are lower than males (9%) at GKN Powder Metallurgy.

TRAINING WOMEN IN STEM

The GKN Automotive site 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.

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 planning how the programme can continue to develop in 2025.



DE&I, TALENT AND FAIR WORKING PRACTICES CONTINUED

INCLUSIVE WORKPLACES

At GKN Powder Metallurgy site in Bruneck, Italy, a dedicated kindergarten facility is available to support employees by providing childcare while parents are at work.



Fair and flexible working arrangements

GKN Powder Metallurgy provides flexibility and hybrid-working arrangements where practical through their transition workshops. This approach has improved both productivity and job satisfaction.

GKN Automotive plans 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. This update, informed by external research and regional benchmarking, aims to further encourage more male colleagues to utilise family leave and help eliminate the stereotypes and stigma surrounding it. This initiative goes above and beyond the local workplace policies aligned with local laws. Plans are in place to extend this to include carers and bereavement leaves in the future.

Accessible workplace for all, providing disability support

Our Group policy is explicit that disabilities are a key aspect of the DE&I agenda. This year, the focus has been on developing local agreements for reasonable adjustments, so that every person can fulfil their working potential.

In our commitment to fostering a supportive work environment, we strive to accommodate the flexible working needs of our people within the parameters of their roles and intend to continue refining our approach in the future through further policy review.

The businesses manage disability accessibility practices locally, aligned with regional laws and working practices. Globally, they offer a designated adjustments process for job applicants and reasonable accommodations throughout the recruitment process.

Locally, they provide accessible parking, ramps, lever handles, elevators, and bathroom stalls. Recent adjustments include sit-stand desks, additional break periods, tinted glasses for visual impairments, and earmuffs for employees with hearing aids. In 2025, GKN Automotive aims to create clear guidelines for managers on supporting employees requesting adjustments and accommodations.

DE&I, TALENT AND FAIR WORKING PRACTICES CONTINUED

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 engineers and 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.

Employee Engagement

Employee engagement and motivation is a priority at Dowlais. Through regular surveys and leadership development initiatives, we strive to create a workplace where employees feel heard and valued. In 2024, GKN Automotive and GKN Powder Metallurgy conducted engagement surveys to assess employee satisfaction and address underperforming areas.

GKN Automotive achieved 89% participation rate in its 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.

GKN Powder Metallurgy conducted its annual My Voice survey in October 2024, gathering valuable feedback from employees across all sites. This feedback has been shared with employees, and individual action plans are being updated for each site to address specific needs in 2025. Additionally, global and central actions have been identified and are being prepared from a corporate perspective for implementation in the coming year.

In 2024, several initiatives were implemented as a result of the previous survey, fostering stronger engagement and communication. These included all-hands meetings, global messages from the CEO, newsletters from local management teams, and various employee recognition activities. Celebrations such as Ganesh Chaturthi, Christmas, and Chinese New Year, as well as employee gatherings, created opportunities to build camaraderie and acknowledge contributions. These efforts underscore the company's commitment to fostering an inclusive, supportive, and responsive work environment.

ENGINEERING TRANSFORMATION

Developing future talent

GKN Automotive implemented a Future Talent Programme across a number of sites across the world in 2024, engaging young minds and opening the world of immense opportunities in STEM careers. In Poland, the Young Engineer Academy fosters hands-on learning for children. In Mexico, colleagues inspire students to explore science and technology through the vehicle of astronomy. In India, they have constructed new classrooms and refurbished those in need of care, running educational sessions and enhancing learning environments for underprivileged students. These efforts aim to nurture future talent, bridge education gaps, and encourage innovation through STEM-focused activities, ensuring more children have access to quality education and career opportunities.



DE&I, TALENT AND FAIR WORKING PRACTICES CONTINUED

Leadership development

Leadership development is central to our strategy. Over 70 participants have successfully completed the GKN Automotive's Global Leader Programme in 2024, with the next phase planned for 2026. 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.

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 GKN Automotive's eligible employees participated in annual performance reviews.

Internal mobility is actively encouraged. In 2024, GKN Automotive filled 289 positions, (2023: 354) internally, spotlighting opportunities in newsletters circulated company-wide. GKN Powder Metallurgy similarly filled 147 (2023: 132) vacancies with internal candidates], reflecting our commitment to fostering career growth.

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.

Fair working practices

Our employment practices and culture support fairness for all employees, ensuring that they feel represented and empowered to speak up on any issues they observe.

Our Code lays out our expectations for how all employees can conduct themselves in accordance with our values, and our Whistleblowing Policy encourages a culture of 'speaking up' to report concerns.

We aim to comply with all legal obligations relating to our workforce, including those relating to pay, working hours and practices, rest breaks, and family leave. Across our businesses, we monitor a range of fair working practice KPIs, including the number of employees covered by collective agreements, the proportion of sites which have human/labour rights assessments and/or audits, and the number and proportion of employees that have non-compensation benefits, including pension and retirement.

The rights of workers to participate in collective bargaining and their freedom of association is respected across all businesses. Workers are entitled to join or form trade unions of their own choosing and to bargain collectively where legally permissible within their jurisdiction. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. Trade union membership fluctuates year-on-year depending on the Group composition.

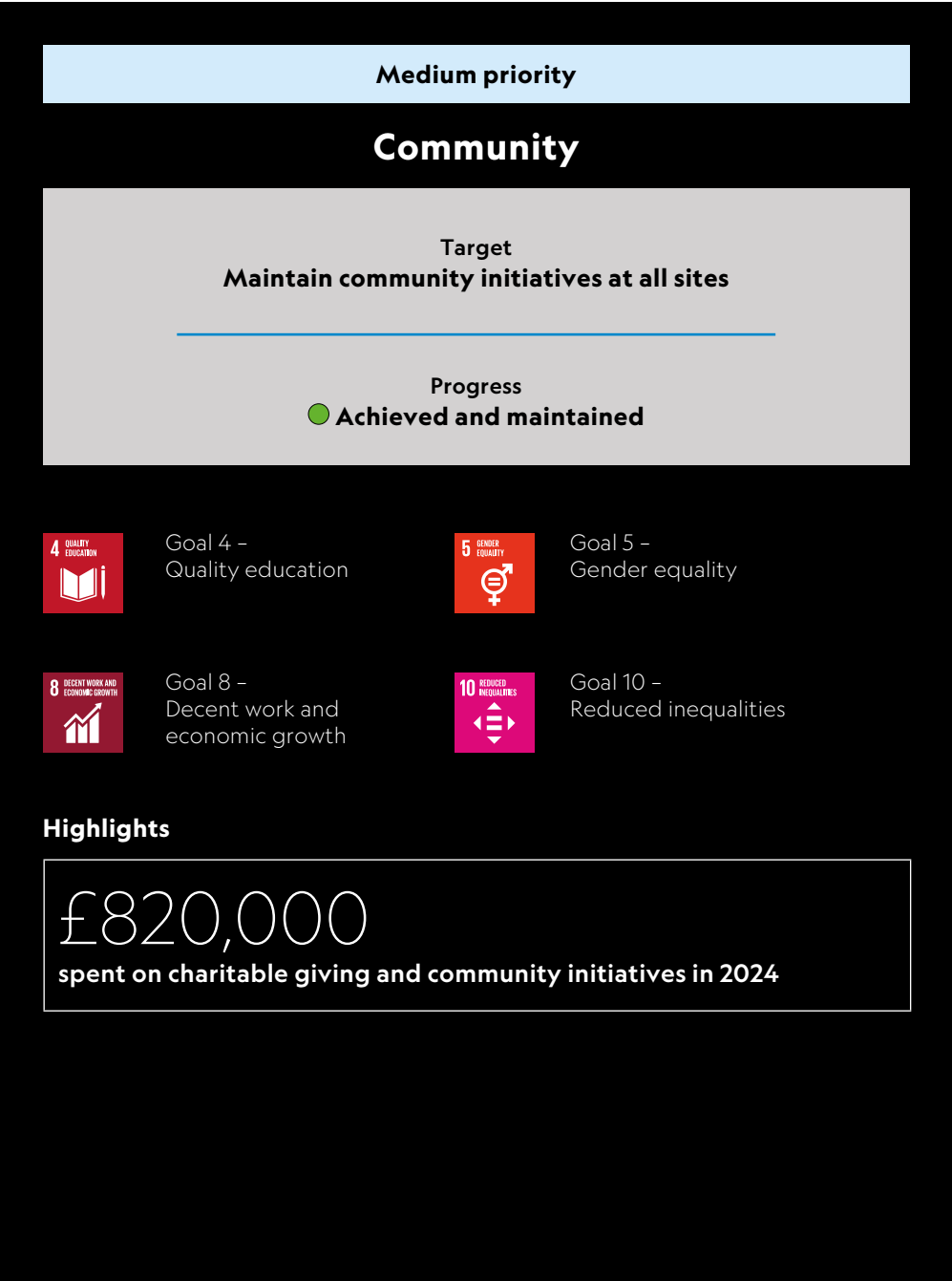
To help ensure fair working practices are maintained, all employees have access to the Group's externally managed Employee Disclosure Hotline, where information can be provided on a confidential and anonymous basis 24/7. Information provided to the hotline is shared with the Group's legal function. The Group encourages openness and will support all employees who raise genuine concerns.

TRAINING AND DEVELOPMENT

GKN Powder Metallurgy has been running its Powder Metallurgy Leaders Programme (PMLP) since 2010, with the latest cohort starting in June 2023. To date, 123 employees have participated in this 18-month program, designed to help employees transition from supervisor or team leader to managerial roles and beyond. The program consists of six modules, including three five-day, face-to-face training sessions. Topics include virtual guest lectures, progress presentations to the executive team, and project development. Participants benefit from case studies, mentoring, networking, and professional development activities. The program culminates in a final meeting with the executive team, featuring keynote sessions, team-building exercises, and a graduation ceremony.



COMMUNITY



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

Community investment is driven at Group level, and our shared commitment to positively contribute to the communities where we operate unites us, whilst recognising that the methods to achieve these goals can differ across countries, sites, and departments. Each business has the autonomy to decide which specific causes it wishes to support, in alignment with our overall mission.

Our approach to communities includes direct financial support, equipment donations, and encouraging volunteering . Our businesses back many international, national and local charities and community organisations. Many of our sites have long-standing relationships with charitable and community organisations based locally to their operations. This year Dowlais has selected two charities to partner with and support at Group level alongside with current partnership with Dowlais Rugby Club in Dowlais, Wales.

During 2024, charitable cash donations by our businesses totalled more than £820,000 and all businesses participated in a wide range of community development initiatives, providing significant investment in both volunteering time and material resources.

Having engaged all its sites to understand current volunteering activity and charitable partnerships, in 2023 GKN Automotive launched a new charitable giving framework and network of local community champions. The framework lays out roles and responsibilities, budgets, processes and the causes GKN Automotive is focused on to enable site autonomy. GKN Automotive has also set a target for all sites to have at least one charitable partnership that aligns with its strategic purpose by 2025. A key focus of GKN Automotive’s community work is to empower, educate and develop pathways to increase the number of girls pursuing STEM subjects and careers. The business has developed a global philanthropic STEM programme launched in 2024. Initially focusing on Mexico, Poland and India, the programme aims to support future STEM talent while increasing its community outreach work in these countries.

COMMUNITY CONTINUED

Key KPIs focus on the percentage of sites engaging with local community organisations rather than monetary spend, with a target to increase site participation globally reaching 100% by 2025.

In 2024, GKN Powder Metallurgy engaged in diverse community initiatives across its global locations, focusing on education, disaster relief, environmental conservation, and social support. In the USA, efforts included partnerships with schools to hire skilled trade graduates, outreach to colleges, and prioritising veterans for job opportunities, alongside activities such as beach cleanups and DE&I projects with the Girl Scouts. In India, the team donated science lab equipment to rural schools, provided school supplies to orphanages, and participated in charitable events like the Runathon of Hope and Diwali celebrations with orphaned children.

In China, GKN Powder Metallurgy sponsored scholarships at Central-South University, while in Brazil, food donation campaigns supported flood relief and DE&I Week. Their sites in Germany contributed through blood drives and marathons that raised donations. These efforts highlight GKN Powder Metallurgy's dedication to fostering positive impacts within its communities worldwide.

Italian colleagues supported local schools, fire departments, sports, music groups, and participation in the National Food Collection. In China, the business sponsored scholarships at Central-South University, while, in Brazil, food donation campaigns supported flood relief efforts. These initiatives highlight GKN Powder Metallurgy's dedication to fostering positive impacts within its communities worldwide.

SUPPORTING OUR COMMUNITIES

Rescue team celebrates 10 years

GKN Automotive plant in Olesnica, Poland has been operating a 'Little First Aiders' programme for over 10 years, where 114 trained first aiders teach 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.



COMMUNITY CONTINUED

SUPPORTING OUR COMMUNITIES

Heavy floods halted operations

Earlier in the year, 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 teams worked together to assist employees and their families experiencing extremely challenging times.

£100k
donated to organisations providing emergency housing, food, medication and other much needed support on the ground.

Prioritising the safety of our people

In the immediate aftermath of the flooding, GKN Automotive chartered a small plane to help a group of employees who were stranded far from home to get back to their families.



Managing ongoing impact

Damage to bridges and infrastructure in the region made commuting to our sites very difficult, even when the flood had subsided. Our teams worked hard to ensure we safely maintained production, with some colleagues travelling long distances to ensure production continued.



COMMUNITY CONTINUED

SUPPORTING OUR COMMUNITIES

A “sanctuary”
for women

The team at Dowlais HQ assembled care packages containing essential winter and hygiene items to support the 24/7 drop-in service of Marylebone Project, the UK’s only women-only homelessness service, offering safety and support 365 days a year for women facing homelessness. Additionally, a cash donation was made to the project, which was matched by Big Give, bringing the total contribution to £15,000.

Inclusive dining,
empowering lives

GKN Powder Metallurgy is a proud sponsor of PizzAut – an inclusive restaurant in Italy where the staff is made up entirely of autistic employees. Its innovative social inclusion model has helped many autistic children gain dignity and autonomy through work.



Formula to future dreams

GKN Automotive is inspiring and nurturing the next generation of engineers through our support of Formula Student teams in Turkey, UK, Poland, and the US. Reinforcing their commitment to nurturing talent and promoting STEM education worldwide. Formula Student is a prestigious educational engineering competition that leverages motorsport to motivate students. In 2024, GKN Automotive was one of the main sponsors for the 2024 Formula SAE Electric competition in the US.



Culture for a cause

Colleagues at our sites in India celebrated Diwali with orphaned children, spreading joy and festive spirit. Funds were raised to organise puppet and magic shows, as well as to gift new clothes to the children, making the celebration even more special.

GOVERNANCE

GOVERNANCE

GOVERNANCE

IMPLEMENTING STRONG GOVERNANCE FOUNDATIONS

Dowlais is committed to the highest standards of governance for sustainability. Our approach is driven by robust Group policies, clear allocation of responsibilities, Board oversight and executive-level coordination. However, we believe the principles of good governance go deeper. We consider how we manage product quality and safety, human rights, responsible sourcing, and ensure we are operating ethically and with integrity, to be fundamental to good governance, and so cover our response to those issues here.

→ See pages 84 to 86 of our Annual Report for our section 172 statement

→ See page 12 for our full sustainability governance diagram

→ See pages 42 to 52 of our Annual Report for our full TCFD statement

PRODUCT SAFETY AND QUALITY

The safety of our products is critical to our success. A rigorous focus on product safety and quality is integrated into our culture and embedded in all aspects of our businesses' design and manufacturing processes through robust policies and procedures. As captured in our Product Safety Policy, we follow relevant industry standards relating to product safety, and it is a core component of our ongoing training programmes.



→ See page 44 for more information on Product Safety and Quality

RESPONSIBLE SOURCING AND HUMAN RIGHTS

Maintaining high sourcing standards is another way we are striving to improve our environmental and social impact. We are assessing and engaging with our suppliers about the sustainability of their operations and their own supply chains. We expect them to follow our own high standards of environmental, social and ethical responsibility, as detailed in our Responsible Sourcing Policy and Conflict Minerals Policy.



→ See pages for 45 to 46 for more information on Responsible Sourcing and Human rights.

ETHICS, COMPLIANCE AND INTEGRITY

At Dowlais, one of our core values is Accountability. Being accountable means being responsible for our actions, but it also means acting responsibly. Maintaining the highest standards of business ethics, meeting our legal obligations and conducting ourselves with integrity, are all core to what we do at Dowlais. We have a strong track record in this regard, and we intend to maintain it.



→ See pages 47 to 49 for more information on Ethics, Compliance and Integrity

PRODUCT SAFETY AND QUALITY

Very high priority


Product safety and quality

Commitment

We are committed to maintaining the highest standards in product safety and quality to ensure the safety of end users and maintain the trust of our customers.

Progress

Achieved and maintained



9.1 – develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all

Highlights

One

safety-related product recall in 2024

100%

of manufacturing sites certified to ISO 9001 or IATF 16949+

>2B

parts produced by both businesses in 2024

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 the Group’s 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.

GKN Automotive promotes safety and quality through its Product Safety Portal, while its 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. The company promotes safety feedback through various procedures for visitors, contractors, vendors and drivers. GKN Automotive’s 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. The company is committed to maintaining robust product safety, security, and cyber-security management, prioritising fail-safe states and aiming for zero recalls. Additionally, GKN Automotive responds quickly to security incidents and reflects on lessons learned to prevent future issues.

GKN Powder Metallurgy monitors product safety and quality KPIs, addressing variances through improvement plans and conducting annual surveillance audits. Business Continuity Plans (BCPs) ensure preparedness and response for incidents at all plants. Customer concerns, including warranty issues, are managed through a concern log system, with procedures in place to mitigate potential health and safety risks.

In 2024, GKN Powder Metallurgy was awarded the EcoVadis Gold Medal for sustainability, along with several quality accolades, including the Aisin Quality Award, VW Quality Award, Ford Q1 Award, Ford Quality Award, Stackpole Preferred Supplier Award and Magna Zero Defect Award. These high standards of product quality are recognised by our customers, as evidenced by multiple industry awards for excellence in quality, service and performance.

RESPONSIBLE SOURCING AND HUMAN RIGHTS

Very high priority

Responsible sourcing and human rights

Target

In 2025, we commit to developing an “beyond compliance” strategy for human rights and responsible sourcing.

Progress

● In progress

Commitment

We remain committed to zero substances classified as “conflict minerals” knowingly sourced.

Progress

● Achieved and maintained



5.1 – end all forms of discrimination against all women and girls everywhere



8.8 – protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Highlights

Zero
identified incidents
of human rights
violations in 2024

Zero
material
environmental fines
and penalties

Zero
substances classified
as conflict minerals
knowingly sourced

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.

Dowlais is 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.

All our policies are publicly available at www.dowlais.com.

To reinforce these standards, we actively collaborate with our suppliers to uphold our shared values.

2024 human rights risk assessment

Dowlais carried out a Group-wide 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 Dowlais and its business units.

With the help of third-party consultants we:

- Interviewed key internal stakeholders across functions like ESG, sustainability, HR, procurement, H&S, quality, and compliance, across Dowlais and the business units, 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 Co-operation 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.

RESPONSIBLE SOURCING AND HUMAN RIGHTS CONTINUED

GKN Automotive has implemented comprehensive measures to identify, assess, and mitigate labour and human rights risks, including modern slavery, in its operations and supply chain. Key actions include adherence to a strengthened Supplier Code of Conduct, covering expectations on social and environmental standards, and training over 90% of senior procurement teams on sustainability and responsible sourcing.

The business also made significant progress in enhancing supplier sustainability and ESG performance, partnering with NQC a well-known service provider within the automotive sector. NQC provides a platform to assess suppliers on their ESG performance in several key areas such as business ethics, health and safety, human rights, environment and conflict minerals.

Building on its partnership with NQC, the company rolled out the SAQ5.0 sustainability assessment to 276 direct material suppliers in 2024, covering 80% of spend. To further improve supplier performance, 53 quality improvement programmes were completed, involving 327 suppliers and 5,303 components.

In addition to leveraging insights from the SAQ assessments, GKN Automotive developed and tested a new supplier onsite audit with six suppliers in 2024, 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. GKN Automotive remains committed to fostering collaboration with its suppliers to drive continuous improvement and embed sustainability across its supply chain.

In GKN Powder Metallurgy, purchasing staff are trained on a standard process that requires checks on whether critical suppliers comply with ISO 14001 and ISO 45001. In 2024, the business also began work with NQC to improve monitoring of suppliers.

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.

Conflict minerals

We have a stand-alone Conflict Mineral Policy, which sets out the requirement for business units to adopt procedures to identify the use of conflict minerals and, if they are found, to stop using them.

In 2024, GKN Automotive conducted extensive due diligence on conflict and critical minerals, assessing 229 Tier 1 suppliers based on the International Material Data System submissions an increase from 155 suppliers assessed in 2023. The analysis identified compliant smelters but flagged one non-compliant smelter, prompting further supplier engagement. GKN Automotive adheres to its Conflict Mineral Policy, requiring suppliers to follow the Conflict-Free Sourcing Initiative (CFSI) template and regularly conducting risk assessments. Employee training included three new participants, though supplier training programmes are currently limited as the suppliers are not Tier 1. Risk management strategies encompass supplier diversification, monitoring, and alignment with global compliance standards. Annual reports and due diligence processes ensure materials are procured from conflict-free supply chains, with an emphasis on mitigating regulatory and reputational risks through proactive supplier engagement and compliance oversight.

GKN Powder Metallurgy's standard procurement framework includes the requirement for suppliers to provide data regarding origins of raw materials, and other specific content from the Conflict Minerals Policy. Their sourcing systems trace the flow of raw materials through the supply chain helping avoid materials linked to human rights violations and conflicts zones. In line with this requirement, GKN Powder Metallurgy's raw material suppliers receive the CFSI template annually. 95% of their raw material suppliers were asked to complete this in 2024, and smelters associated with suppliers are identified accordingly.

To the best of our knowledge and belief, neither of our businesses source raw materials containing tungsten, tantalum, tin, or gold from the Democratic Republic of Congo or an adjoining country.

Modern slavery

The Group has a zero-tolerance approach to any form of modern slavery, as set out in the Dowlais Anti-Slavery and Human Trafficking Policy, which is available on our website. In accordance with the Modern Slavery Act 2015, Dowlais publishes its own Modern Slavery Statement, which is approved by the Board annually.



Copy of our latest modern slavery statement can be found at [dowlais.com](https://www.dowlais.com)

Under the Group structure, each business is responsible, where applicable, for publishing its own Modern Slavery Statement in accordance with the requirements under the Modern Slavery Act 2015, with support provided by Dowlais where needed. This approach ensures that those senior managers closest to the business operations devise appropriate measures to ensure that slavery is not present within their supply chains.

ETHICS, COMPLIANCE AND INTEGRITY

Very high priority

Ethics, compliance and integrity

Target

All employees, suppliers and contractors must comply with our Code of Ethics, conducting business with integrity and in a responsible, ethical and sustainable manner. We have zero-tolerance of any material deviations.

Progress

● **Achieved and Maintained**



16.3 – promote the rule of law at the national and international levels and ensure equal access to justice for all

16.5 – substantially reduce corruption and bribery in all their forms

16.6 – develop effective, accountable and transparent processes at all levels

Highlights

100%

Ethics, compliance and integrity framework adopted across the Group

Zero

material compliance or ethics violations

Global

whistleblowing programme with all disclosures investigated

Legal compliance

As Dowlais' businesses operate globally, we are subject to numerous laws and regulations that apply in the countries in which we are based or operate. It is Dowlais' policy to always comply with the laws and regulations to which we are subject. Some of the key legal areas that apply to us as a global business and how we ensure compliance in these areas, are set out below.

Anti-bribery and corruption. We have a zero-tolerance approach to bribery and corruption. It is our policy to comply with all anti-bribery and corruption laws in the countries in which we operate and to adopt procedures that robustly and visibly ensure compliance. Key controls include our Anti-Bribery and Corruption Policy, our due diligence procedures, our rigorous and regular training of our people on bribery risks and annual bribery and corruption risk assessments by each business unit.

Competing fairly. We recognise we must compete hard, but fairly and within the restrictions of the law. Illegal anti-competitive behaviour has been a major problem in the automotive and other industries in the past, and many other companies have been prosecuted for breaching the rules. We know we must never become one of them. Key controls include our Competition & Antitrust Policy and regular training of relevant employees, with a focus on how to avoid inadvertently breaching competition laws.

Personal data and privacy. We collect, store and use personal data relating to thousands of people, including our employees, customers, and suppliers. Holding and processing that personal data comes with increasingly strict legal responsibilities. We recognise that we must use, store and dispose of that data carefully, in a way that respects individual privacy, and is compliant with relevant laws in all the countries in which we operate. We, therefore, operate within a rigorous data protection framework, with policies and procedures tailored to the specific legal requirements of the countries in which we operate, and frequently train for employees who are required to handle personal data.

ETHICS, COMPLIANCE AND INTEGRITY CONTINUED

At Dowlais, one of our core values is Accountability. Being accountable, means being responsible for our actions, but it also means acting with integrity.

Maintaining the highest standards of business ethics, meeting our legal obligations and conducting ourselves with integrity, are all core to what we do at Dowlais. We have a strong track record in this regard, and we intend to maintain it. We expect our people to do the right thing at all times, whether that is in how they perform their role, how they interact with each other in the workplace, and how they represent Dowlais as a Group.

Our ethics, compliance and integrity framework

Culture	Creating a culture of doing the right thing, in which our leaders set the right example through clear and consistent communication.
Policy	Comprehensive, clear and well-communicated policies, targeted at the compliance and ethical risks we face.
Training	Frequent, targeted training on key compliance- and ethics-related risk areas.
Transparency	A visible whistleblowing programme, with a culture of supporting those who raise concerns.
Assurance	Leadership assurance on an annual basis and regular audits of compliance risk areas.

Our Code

To ensure that everyone who works for Dowlais understands what is expected of them, we have adopted Our Code. This explains how our people do the right thing. It sets out the standards and behaviours we expect of all our employees and workers, whatever their job and wherever they are located, without exception. It’s there to guide how our people behave, how they do their jobs and how they interact with other employees and stakeholders.

→ A copy of Our Code is available at [dowlais.com](https://www.dowlais.com)

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 Policy, which is available at [dowlais.com](https://www.dowlais.com), sets out our policy in this area. 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 and regularly reviewed by our Executive Committee.

Our Code explains how we:

- Respect and protect each other and our business
- Behave ethically and lawfully
- Care for our communities and our world

Ethical Conduct

Laws and regulations set out the minimum standards that we must meet, but complying with the law is not enough. We expect our people to go further, always behave with the highest ethical standards and conduct themselves in a way that reflects Dowlais’ values. This means being honest and transparent, conducting ourselves professionally, acting with integrity, being trustworthy and keeping our promises, and when we make mistakes, being open and not covering them up.

We provide our employees with dedicated ethical conduct training, which covers a wide range of topics, including explaining the principles of Our Code, legal compliance, honesty, transparency and integrity, respecting each other, conflicts of interest, human rights, use of business resources, accounts and records, communication, misuse of Information and whistleblowing.

ETHICS, COMPLIANCE AND INTEGRITY CONTINUED

There were no identified material compliance or ethics incidents or violations within the Group in 2024.

Board oversight of ethics and compliance

The Dowlais Board has ultimate responsibility for the Group's management of ethics, compliance and integrity. The Board has delegated authority to the Audit Committee to review and monitor the adequacy of the Group's whistleblowing procedures, and its systems and controls for the prevention of bribery. The Audit Committee receives detailed reports on these areas at each meeting.

Tax transparency

Dowlais is committed to paying taxes that are due, complying with all applicable laws, and engaging with all applicable tax authorities in an open and cooperative manner. The Group does not engage in aggressive tax planning. The Group's tax strategy is reviewed, discussed and approved by the Board annually. The Audit Committee periodically reviews the Group's tax affairs and risks. The Group has adopted a policy in respect of the prevention of the facilitation of tax evasion, which has been implemented by the businesses, with guidance on undertaking risk assessments and training of employees in relevant roles. The Group does not operate in countries considered as partially compliant or non-compliant according to the OECD tax transparency report, or in any countries blacklisted by the EU, for the purposes of tax avoidance and/or harmful tax practices, per the lists released as at 8 October 2024.



ESG DISCLOSURES

ESG DISCLOSURES



OUR DOUBLE MATERIALITY ASSESSMENT METHODOLOGY

In 2024, we began working towards our first double materiality assessment (DMA) to fulfil the requirements of the CSRD. This new assessment has formed the basis of our reporting for 2024 and beyond. Double materiality involves identifying and reporting on the ESG matters that affect a company’s financial wellbeing (financial risks and opportunities), or how a company’s actions impact people and the environment (material impacts), or both.

Building on the foundations of the 2023 materiality assesment

Dowlais Group conducted its first materiality assessment including stakeholder engagement to identify high-level material topics as the first step in the company’s sustainability management process. This helped set the scope for management’s focus, and structure disclosure within the Dowlais Group 2023 Sustainability Report. In 2024, the materiality assessment was reviewed and expanded to align with the requirements of a DMA with reference to new EU CSRD and the underlying ESRS, applying the guidance available from EFRAG, Implementation Guidance: EFRAG IG 1 Materiality Assessment and Implementation Guidance: EFRAG IG 2 Value Chain. The DMA has been performed on a consolidated level, which covers Dowlais Group plc and its subsidiaries. The 2023 materiality assessment distilled a long list of sustainability topics into 14 key issues. An open and inclusive dialogue with stakeholders inside and outside our organisation, including customers, helped us to identify and prioritise the most pressing issues.

Mapping of Dowlais’ material topics to the ESRS topics

To enable the completion of the DMA and alignment with the future reporting requirements of the CSRD, the 14 Dowlais material topics were mapped to ESRS topics to identify whether any could be excluded from further analysis. In the event, all 10 ESRS topics mapped to a Dowlais material topic to some extent, hence warranting further action in terms of identification of specific IROs.

Impacts, risks and opportunities (IROs) identification

Identification and assessment of material IROs to the ESRS sustainability matters is central to the DMA. Individual IROs were identified for each ESRS topic and sub-topic (where relevant) considering a number of factors such as the existing definitions of the Dowlais material topics, stakeholder engagement, existing climate-related risks and opportunities as identified in the 2023 TCFD Report, Dowlais and business unit risk registers, and the Dowlais human rights risk assessment & gap analysis project report (June 2024). Consideration was given to both Dowlais’ own operations, as well as the value chain. In total, over 100 individual IROs were identified across the ESRS sustainability matters.

Impact and financial materiality

In line with the principles of double materiality, identified IROs were then scored according to the following methodologies to determine materiality:

- Impact materiality scoring – to assess the impact of each IRO on society or the environment, three aspects were scored each on 1 to 5 (low to high): scale of impact, scope of impact and remediability. Both positive and negative impacts were considered as well as actual and potential impacts. Likelihood of the impact occurring was also scored for potential impacts.
- Financial materiality scoring – both the potential magnitude of the financial effect plus the likelihood of it occurring was assessed. Risks and opportunities were assessed in line with the existing group risk management framework and the same thresholds have been applied.

			Priority rating		
			Medium	High	Very High
Environmental					
ESRS Topics		Dowlais Material Topic	Material Topic Descriptions		
E1 Climate Change	●	Climate change	Greenhouse gases are significant contributors to climate change, which can have a major impact on business model resilience. As an automotive OEM, there are multiple businesses risks associated with climate change including transitional risks such as changing customer behaviour, carbon pricing and regulation, new technologies as well as physical risks that could impact facilities and supply chains, such as flooding and severe weather events. This topic addresses the company's management of energy and GHG emissions in manufacturing and/or for provision of products and services derived from utility providers (grid electricity) not owned or controlled by the company. It includes the management of energy efficiency and intensity, energy mix, as well as grid reliance.		
E5 Circular Economy	●	Product sustainability	Innovation and research and development of new products and services in order to reduce the environmental impact across the life cycle of the product from manufacture through to the use phase. This topic also considers the company's ability to address customer and societal demand for more sustainable products and services as well as to meet evolving environmental and social regulation.		
E3 Water and Marine Resources	●	Water management	The company's water use, water consumption and other impacts of operations on water resources, which may be influenced by regional differences in the availability and quality of the competition for water resources. It addresses management strategies including, but not limited to, water efficiency, intensity and water recycling.		
E2 Circular Economy- Pollution	●	Waste management	Environmental issues associated with non-hazardous waste and materials generated by the company. It addresses management of solid non-hazardous waste in manufacturing and other industrial processes. It covers treatment, handling, storage, disposal and regulatory compliance, as well as increased reuse/recycling of materials and efficient raw materials utilisation to reduce operational waste.		

OUR DOUBLE ASSESSMENT METHODOLOGY CONTINUED

			Priority rating
			Medium High Very High
E4 Biodiversity and ecosystems	● Biodiversity	Biodiversity addresses environmental issues arising from a company's operational impact. All potential impacts on land cover should be assessed and managed (i.e. the different ecosystems, habitats or vegetation types impacted). Failure to be a responsible caretaker around the locations the company operates could result in reputational damage and liabilities.	
Social			
S1 Own Workforce	● Health, safety & wellbeing	The businesses work hard to create and maintain a safe and healthy workplace that is free from injuries, fatalities, and illness (both chronic and acute), accomplished through implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of their own practices as well as those of their subcontractors. The topic further captures how the businesses ensure physical and mental health of workforce through technology, training, corporate culture, regulatory compliance, monitoring and testing and personal protective equipment.	
S1 Own Workforce	● Diversity, equity & inclusion	The company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the make-up of local talent pools and its customer base. It addresses the issues of discriminatory practices on the bases such as but not limited to race, gender, ethnicity, religion, age and sexual orientation. Although the automotive sector typically lacks diversity, there is an increasing focus on diversity from Board level downwards by external stakeholders.	
S1 Own Workforce	● Talent	The company's ability to retain, attract and develop a highly skilled workforce. It includes but is not limited to employee training, employee performance reviews, anticipating short- and long-term employment needs and skill requirements, employee turnover.	
S1 Own Workforce	● Fair working practices	The company's employment practices and employee culture across the organisation. Supporting a culture of fairness for all employees while ensuring that colleagues feel represented and able to speak up on issues they observe.	
S3 Affected Communities	● Community	Supporting the local community by providing well-paid and secure employment opportunities. Education and skills development within the communities, such as provision of apprenticeships; supporting specific tracks of education, for example STEM; providing scholarships; or support to wider community education programmes.	
S4 Consumers and end-users	● Product safety & quality	Issues involving unintended consequences of products sold or services provided that may create health or safety risks to end users. It addresses a company's ability to offer manufactured products that meet customer expectations with respect to their health and safety characteristics. It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing and chemical/content management in products.	
S2 Workers in the value chain, E5 Circular Economy, G1 Business Conduct	● Responsible sourcing	Supply chain management and responsible sourcing are critical for the businesses. Increasing focus is being placed on sustainable procurement of materials from both an environmental (e.g. emissions, water and waste management) and social (e.g. human rights in Tier 1 suppliers and our Conflict Minerals Policy) perspective. Oversight and reporting on supplier codes of conduct and the impacts of sourcing practices from across the full value chain is expected.	
S1 Own Workforce, S2 Workers in the value Chain	● Human rights	The company's oversight, management and reporting on human rights in its own operations and its supply chain, including consideration of modern slavery risk, child labour and more broadly working conditions, hours and wages.	
Governance			
G1 Business Conduct	● Ethics & integrity	Ensuring that the company is disclosing all relevant information in line with regulations and stakeholder expectations. This should include the implementation and disclosure of policies and practices designed to reduce the incidence or likelihood of incidents of bribery/corruption.	

ESG DISCLOSURES

Dowlais ESG performance

Data in the following tables covers 100% of sites under operational control of Dowlais and its businesses unless otherwise stated, covering the period 1 January to 31 December for each year disclosed. For our key climate change, emissions and energy metrics see our SECR disclosures on pages 57 to 59.

Metric Name	Metric type	SASB topic & code ¹	2024 performance	2023 performance	2022 performance
Planet and Climate					
Product sustainability					
Number of parts produced	number	SASB activity metric, TR-AP-000.A	2,095,265,339	2,201,527,679	2,354,278,865
Weight of parts produced (kg)	kg	SASB activity metric, TR-AP-000.B	562,181,528	704,269,996	725,457,359
Area of manufacturing plants (m ²)	m ²	SASB activity metric, TR-AP-000.C	1,305,616	1,463,919	1,490,400
Revenue from products designed to increase fuel efficiency and/or reduce emissions ²	£	Design for Fuel Efficiency TR-AP-410a.1	15,477,275	18,282,017	12,48,448
% of products sold that are recyclable	%	Materials Efficiency TR-AP-440b.1	94%	93%	90%
% of input materials from recycled or re-manufactured content	%	Materials Efficiency TR-AP-440b.2	54%	48%	55%
Cost of environmental fines and penalties	£		0	0	0
% of new products that contribute to the decarbonisation of their sectors	%		46%	38%	44%
% total R&D that is climate related	%		66%	70%	65%
Number of manufacturing sites certified to ISO 14001	number		72	77	78
% of manufacturing sites certified to ISO 14001	%		100%	100%	100%
Waste					
Non-hazardous solid waste total	tonnes		175,631	215,606	-
Hazardous solid waste total	tonnes		15,822	9,242	-
Total waste (sum of hazardous and non-hazardous waste)	tonnes	Waste Management TR-AP-150a.1	211,499	224,848	-
Total recycled	tonnes		170,538	199,588	-
Total incinerated waste	tonnes		13,988	3,555	-
Total waste to landfill (solid, non-hazardous)	tonnes		5,877	4,353	-
% recycled waste	%	Waste Management TR-AP-150a.1	81%	89%	-
% of hazardous waste	%	Waste Management TR-AP-150a.1	7%	4%	-

1. Per the SASB Auto Parts Standards, for the metrics related to Energy Management, TR-AP-130a.1, see our SECR disclosures on pages 57 to 59.

2. Restatement of 2023 and 2022 figures to correct a decimal error in the previously reported numbers.

ESG DISCLOSURES CONTINUED

Metric Name	Metric type	SASB topic & code ¹	2024 performance	2023 performance	2022 performance
Water²					
Water withdrawal in operations	m ³		1,826,007	1,931,046	-
Water withdrawal per £1,000 turnover	m ³ /£1,000 turnover		421	397	-
Total consumption	m ³		1,074,466	-	-
Biodiversity					
Number of sites in designated biodiversity protection areas	number		-	-	-
People and Society					
Health, safety & wellbeing					
Major Accident Frequency Rate	the average number of LTAs that have resulted in more than three days off work (defined as 'major' accidents), per 200,000 hours worked		0.081	0.05	0.07
Accident Frequency Rate ¹	the average number of LTAs, both major and minor, per 200,000 hours worked		0.097	0.08	0.1
Accident Severity Rate	the average number of days an employee takes off work following an accident at work		46.72	18	20
% of manufacturing sites with health and safety management systems certified to ISO 45001 (or OHSAS 18001 prior to 2021)	%		100%	100%	100%
Number of employees who received health and safety training	number		16,214	15,722	16,114
% of employees who received health and safety training in the year	%		70%	57%	60%
Number of employee fatalities	number		0	0	0
Number of contractor fatalities	number		0	0	0
Number of fatalities of employees and contractors	number		0	0	0

1. Includes Lost Time Accidents (LTAs) of employees at all sites including non-operational locations.

2. Restatement of 2023 and 2022 figures to correct a decimal error in the previously reported numbers.

ESG DISCLOSURES CONTINUED

Metric Name	Metric type	SASB topic & code*	2024 performance	2023 performance	2022 performance
Talent					
Total annual spend on workforce training	£		4,414,723	5,130,228	3,243,422
Total annual training hours	number		287,030	236,110	245,200
Number of current employees in the reporting period who received training	number		21,234	20,321	19,388
Number of current employees in the reporting period that received annual performance evaluations	number		7,866	8,016	9,019
Annual spend on workforce training per employee	£		169.59	186.73	121.44
Training hours per employee	number		11	8.59	9.18
Number of open positions filled by internal candidates	number		436	486	441
Total number of open positions	number		3,594	5,204	4,791
% of employees who received training	%		72%	74%	73%
% of eligible employees that receive annual performance evaluations	%		98%	98%	92%
Fair working practices					
Involuntary turnover	number		1,957	1,461	1,568
Voluntary turnover	number		2,627	2,961	3,050
Total turnover	number		4,584	4,422	4,618
Number of employees which have non-compensation benefits including pension and retirement	number		23,982	-	-
% of eligible employees which have non-compensation benefits including pension and retirement	%		81%	-	-
Community					
Cash donations made to registered not-for-profit charitable organisations	£		820,243	709,707	798,324
Political donations	£		-	-	-
Governance					
Product safety & Quality					
Number of product safety-related recalls issued	number	Product Safety TR-AP-250a.1	1	0	1
Total units recalls issued	number	Product Safety TR-AP-250a.1	8,692	-	25
% of product portfolio (by revenue) with a quality management system certified to ISO 9001, ISO/IATF 16949 or EN/AS9100	%		100%	100%	100%
Ethics & Integrity					
Number of staff disciplined or dismissed due to non-compliance with Anti-Bribery and Corruption policy	number		6	2	2
Monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	£	Competitive Behaviour TR-AP-520a.1	0	0	0

ESG DISCLOSURES CONTINUED

Metric Name	Metric type	SASB topic & code*	2024 performance	2023 performance	2022 performance
Diversity, Equity & Inclusion*					
Females at Board level	%		43%	40%	-
Board ethnic diversity	% BAME		14%	10%	-
Percentage of females under Total Group employees	%		16.5%	16.4%	-
Number of temporary employees	number		-	941	-
Number of female employees	number		3852	4,052	-
Number of part-time employees	number		210	274	-
Number of employees with disabilities	number		890	453	-
Total Group Employees	number		23,327	24,635	-

Metric Name	Metric type	SASB topic & code	Dowlais 2024 response
SASB Additional Disclosures			
Description of the management of risks associated with the use of critical materials	Discussion	Materials Sourcing TR-AP-440a.1	The management of risks associated with the use of critical materials is an essential element of responsible sourcing for the Group. A critical material is defined as a material that is essential in use for the manufacture of our products but also subject to the risk of supply restriction. Critical materials, such as cobalt and lithium, are typically used in metal alloy products associated with clean energy technologies, such as batteries, fuel cells and wiring. It is acknowledged that deeper focus is required to ensure the robustness of business supply chains in relation to these materials, and appropriate mitigation procedures are in place to combat any price increases. Strategic measures put in place to mitigate physical and economic risks across Group's businesses, the strategic approach taken by GKN Automotive to manage risks associated with the use of critical materials includes working closely with suppliers to understand potential risks to supply in advance and having multi-year agreements with suppliers inclusive of capacity allocations. For more information, please see our Conflict Minerals Policy.

* Only 2024 and 2023 DE&I numbers are shown, as Dowlais as a Group didn't exist before 2023.

ESG DISCLOSURES CONTINUED

STREAMLINED ENERGY AND CARBON REPORTING

Total energy consumption and GHG emissions for the period 1 January 2024 to 31 December 2024

Energy consumption (MWh)	UK 2024	Global (excl. UK) 2024	Total 2024	UK 2023	Global (excl. UK) 2023	Total 2023	Change (2024/23)
Total operational energy consumption	679	1,921,206	1,921,885	647	2,066,179	2,066,826	-7.0%
Total renewable energy consumption	-	269,908	269,908	-	144,697	144,697	86.5%
Share of renewable electricity in total electricity mix	0%	21%	21%	-	10%	10%	103.6%
Energy consumption intensity	-	-	443	-	-	425	4.3%
Fuels							
Total fuels consumption	259	628,476	628,735	219	656,313	656,532	-4.2%
Non-renewable fuels consumption	259	628,476	628,735	219	656,313	656,532	-4.2%
Renewable fuels consumption	-	-	-	-	-	-	-
Electricity							
Total electricity consumption	420	1,290,325	1,290,745	428	1,408,344	1,408,772	-8.4%
Renewable electricity consumption (self-generated, purchased or acquired)	-	269,908	269,908	-	144,697	144,697	86.5%
Non-renewable electricity consumption (purchased or acquired)	420	1,020,417	1,020,837	428	1,263,647	1,264,075	-19.2%
Steam							
Steam consumption (purchased or acquired)	-	2,405	2,405	-	1,522	1,522	58.0%
Operational emissions (tCO₂e) ¹							
Scope 1: Direct GHG emissions ²	173	119,858	120,031	41	123,060	123,101	-2.5%
Scope 2: Indirect GHG emissions (location-based) ³	74	421,754	421,828	89	531,769	531,858	-20.7%
Total purchased electricity	74	421,322	421,396	89	531,496	531,585	-20.7%
Steam (purchased or acquired)	-	432	432	-	273	273	58.0%
Scope 2: Indirect GHG emissions (market-based)	162	356,052	356,214	88	559,572	559,660	-36.4%
Total purchased electricity	162	355,620	355,782	88	559,299	559,387	-36.4%
Steam (purchased or acquired)	-	432	432	-	273	273	58.0%
Total Scope 1 and Scope 2 emissions (location-based)	247	541,612	541,859	130	654,829	654,959	-17.3%
Total Scope 1 and Scope 2 emissions (market-based)	335	475,910	476,245	129	682,632	682,761	-30.2%
Emissions intensity ⁴ (market-based)			110			140	-21.8%
Total Scope 3 emissions ⁵			15,384,804			14,230,328	8.1%
Total emissions							
Total Scope 1, Scope 2 (location-based) and Scope 3 emission			15,929,663			14,885,287	7.0%
Total Scope 1, Scope 2 (market-based) and Scope 3 emissions			15,861,049			14,913,089	6.4%

1. CO₂e – carbon dioxide equivalent, this figure includes GHGs in addition to carbon dioxide

2. Scope figures include emissions from fuel used on premises, transport emissions from owned or controlled vehicles, losses of refrigerant, and process and fugitive emission.

3. Scope 2 figures include emissions from electricity and heat purchased.

4. Company's chosen intensity measurement: emissions reported above normalised tonnes CO₂e per £m revenue. The data has been standardised from the source units in which it was initially collected. The revenue figures used to calculate the intensity ratio include continuing operations under operational control only.

5. Please see pages 58 to 59 for the full breakdown of Scope 3 upstream emissions.

ESG DISCLOSURES CONTINUED

Methodology

This section has been prepared for the reporting period of 1 January 2024 to 31 December 2024. We report on all the material emission sources in line with an operational control approach method, as required in Part 7 under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and under the UK's Streamlined Energy and Carbon Reporting (SECR) requirements. These emission sources fall within our Consolidated Financial Statements. We do not have responsibility for any emission sources that are not included in our Consolidated Financial Statements.

Our energy consumption and emissions data is reported in accordance with the reporting requirements of the Greenhouse Gas Protocol (GHG Protocol), Revised Edition and the Environmental Reporting Guidelines, including the SECR guidance dated March 2019. The GHG Protocol standard covers the accounting and reporting of seven Greenhouse gases covered by the Kyoto Protocol. The statement of alignment with the GHG Protocol and statement on SECR disclosures can be found in our Annual and Sustainability reports. We currently disclose Scopes 1 and 2 and select Scope 3 GHG emissions, representing a breakdown of the Group's emissions by type and intensity measurement.

Emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023 (the Department for Environment, Food and Rural Affairs (DEFRA) factors) have been used to calculate Scope 1 emissions. Scope 2 emissions associated with the GHG Protocol "location-based" method have been calculated using International Energy Agency (IEA) country-specific emission factors. Scope 2 emissions associated with the GHG Protocol "market-based" method have been calculated using residual mix emission factors from Association of Issuing Bodies 2022 (AIB) where applicable. In the absence of residual mix emission factor availability, IEA country-specific emissions factors have been used in line with the GHG Protocol guidance. If sites generate their own renewable electricity or purchase electricity backed by contractual instruments (such as Renewable Energy Guarantee Origin), this has been taken into consideration within the calculations.

Energy efficiency action

A number of approaches were in place during the year to lower our energy consumption, including:

- Upgrades to compressed air systems, including new master control installations and compressor replacements across multiple sites.
- Heat pump installations across the business.
- Solar PV installations at multiple sites, including in Italy, Germany, China and India.
- Installation of heat recovery furnaces.
- Installation of EV charging points on site.
- Enhanced sintering processes to increase efficiency.
- Installation of an improved and more efficient building heating system in Italy.
- Multi stacking to achieve maximum load capacity in our furnaces.
- Shift pattern adjustment to fully utilise equipment and shut down underutilised equipment.
- Extensive awareness training on energy management.
- Peak load management.
- Slag door improvements for energy reduction.
- LED lighting installation.
- Recycling of heat waste wherever possible.
- Efficient belt loading of products.
- Double layer sintering wherever possible.
- Shut off furnaces and implementation of weekend energy saving mode.
- Use of automation loading units for direct loading.

Scope 1 & 2 emissions

Proportionally, renewable energy consumption increased to 21% of total energy consumption (from 10% in 2023), a result of the procurement of energy attribute certificates (EACs) for energy use at sites in Germany, Italy, China and USA. The proportion of renewable energy will continue to increase as further renewable energy instruments are procured, including GKN Automotive's VPPA (see page 19).

Meanwhile, total electricity and fuel consumption decreased, in part due to energy efficiency actions taken as detailed above, leading to an overall decrease in non-renewable electricity consumption of 19% as well as a fall in our Scope 1 and Scope 2 market-based emissions.

Scope 3 emissions

Dowlais carried out a full assessment of our value chain emissions in 2024. Scope 3 emissions increased 8.1% year-on-year, primarily due to an increase in purchased goods and services emissions. Excluding the increase in purchased goods and services emissions, the Group's scope 3 emissions decreased by 2%. This reflected a 2% fall in its use of sold products, which contributes 78% of total scope 3 emissions, linked to a decrease in sold products.

Our emissions associated with purchased goods and services increased as a result of an enhancement of our measurement methodology. We applied more accurate emission factors to our spend data, resulting in greater granularity of data which will allow us to more accurately track our emissions reduction initiatives and their effect on our scope 3 emissions in the future.

Processing of sold products remains GKN Powder Metallurgy's most material category of scope 3 emissions. However, similarly to the use of sold products emissions, these have fallen principally due to the decrease in sold products.

ESG DISCLOSURES CONTINUED

Three categories contributed a combined 96% of Scope 3 emissions in 2024 (2023: 96%). Identifying our carbon hotspots has enabled us and our business units to develop a decarbonisation roadmap. The three categories are:

- Use of sold products (78% of scope 3) – only relevant to GKN Automotive and calculated using sales records with volume of product sold, type of vehicle and lifetime mileage data. Emissions were approximated using the proportionate weight of the product by weight of vehicle. At present, calculation of use of sold products is estimated based on several assumptions; however, Dowlais will strive to improve the accuracy of its emissions data over time and subject to data availability. Emissions associated with use of sold products decreased year-on-year.

- Purchased goods and services (16% of scope 3) – as previously disclosed, purchased goods and services emissions increased substantially year-on-year for GKN Automotive due to an update to the methodology used for greater granularity and accuracy of data. GKN Powder Metallurgy's emissions were calculated using a mix of average data and purchase data by spend of raw materials, components and services. GKN Powder Metallurgy's emissions associated with purchased powdered metal were approximated using emissions figures associated with its own powdered metal production, which applies meaningfully similar processes to those of its competitors. The remaining purchased goods and services emissions were estimated using EEIO models; as more granular data becomes available we will refine this methodology and look to move towards a greater coverage using an "average data based" approach.

- Processing of sold products (2% of scope 3) – calculated using an average data approach. Processing of sold products is GKN Powder Metallurgy's most material category, due to the processing of its sold powdered metal. Emissions were approximated using emissions associated with its own sintering and processing of powdered metals operations, which are meaningfully similar to those of its competitors. GKN Automotive used peer-reviewed scientific literature to estimate an emissions intensity metric, which was applied to weight of sold products. This category also decreased year-on-year due to efficiencies in production processes, a reduction in sales volume and better granularity of data.

Dowlais continues to take actions to increase the accuracy of its greenhouse gas emissions measurement.

Scope 3 categories

tCO ₂ e	Group		Dowlais HQ		GKN Auto		GKN PM	
	2024	2023	2024	2023	2024	2023	2024	2023
Category 1: Purchased goods and services	2,506,955	1,025,380	1,317	803	2,372,991	885,623	132,647	138,954
Category 2: Capital goods	15,635	12,171	11	110	-	-	15,624	12,061
Category 3: Fuel-and-energy-related activity	116,372	125,554	-	-	66,971	66,705	49,400	58,849
Category 4: Upstream logistics	85,981	129,970	-	-	69,447	112,703	16,534	17,267
Category 5: Waste generated in operations	4,960	7,162	-	-	3,275	4,262	1,685	2,900
Category 6: Business travel	13,284	10,812	389	128	10,674	8,178	2,221	2,506
Category 7: Employee commuting	26,953	29,302	19	15	20,560	22,415	6,373	6,872
Category 8: Upstream leased assets	12,438	26,973	-	-	12,438	26,973	-	-
Category 9: Downstream logistics	196,117	243,719	-	-	185,431	232,366	10,686	11,353
Category 10: Processing of sold products	345,986	428,473	-	-	147,493	154,183	198,493	274,290
Category 11: Use of sold products	11,969,218	12,164,245	-	-	11,969,218	12,164,245	-	-
Category 12: End-of-life treatment of sold products	4,233	9,472	-	-	2,981	9,472	1,252	-
Category 13: Downstream leased assets	-	-	-	-	-	-	-	-
Category 14: Franchises	-	-	-	-	-	-	-	-
Category 15: Investments	86,672	17,095	-	-	86,410	16,900	262	195
Scope 3 total	15,384,804	14,230,328	1,736	1,056	14,947,889	13,704,025	435,177	525,247

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