






ENGAGING WITH OUR STAKEHOLDERS AND SECTION 172 STATEMENT



Ensuring we engage with our stakeholders and properly consider their interests is crucial to the long-term success of the Group.

Our Board recognises the importance of considering the interests of the Company's stakeholders in its decision making. It has identified the Company's key stakeholder groups, which are set out below.

Stakeholder group	Why we engage	How we engage	The impact of that engagement
<p>Our Investors</p>  <p>Our shares are held by institutional and retail investors from across the world. Other key stakeholders include our lenders, covering analysts, proxy advisers and rating agencies.</p>	<ul style="list-style-type: none"> - To ensure access to equity and debt capital. - To comply with our regulatory obligations. - To drive high-quality governance and effective management. - To ensure our business and performance are well understood. - Our shareholders own our Company, making them our key stakeholder. 	<ul style="list-style-type: none"> - In 2023 our Executive Directors had over 100 meetings with shareholders or potential new investors. - Our investor relations team regularly engages with covering analysts and the Board receives updates on share price performance, the shareholder register and shareholder views and sentiment. - We held a capital markets day prior to the demerger and hosted an investor site visit in Vigo, Spain in October 2023. - Our Remuneration Committee Chair wrote to major shareholders to seek their input on our proposed Directors' Remuneration Policy. - The Chair meets with major shareholders on request. - We engaged with significant shareholders on our sustainability materiality process. 	<ul style="list-style-type: none"> - Feedback from investors was reflected in the Group's purpose, strategic framework and strategy reviews. - Feedback from investors was reflected in our proposed Directors' Remuneration Policy. - The Board reviewed and approved all trading updates, results announcements and similar shareholder communications.
<p>Our People</p>  <p>We have a global workforce made up of approximately 30,000 employees. We also engage with our non-employee workers, and those who no longer work for us but are members of our pension schemes.</p>	<ul style="list-style-type: none"> - Our employees are a key strategic asset. - To improve workforce motivation, morale and productivity. - To improve employee retention and reduce turnover. - To identify solutions to problems we face. - To identify the needs of our workforce. 	<ul style="list-style-type: none"> - We undertake engagement surveys in all business units, with Powder Metallurgy and Hydrogen undertaking updated surveys in 2023. - The Chair and Senior Independent Director met with employees and trade union representatives when they visited GKN Automotive Oleśnica in October. - Regular town-hall and 'skip-level' meetings are hosted by Business Unit Leadership teams. - The Group operates a Workforce Advisory Panel to review employee engagement across its business units. - We consult with unions and employee representative bodies on relevant decisions, such as the closure of our site in Mosel, Germany. 	<ul style="list-style-type: none"> - The Board approved and adopted Our Code, which sets out our expectations for all our employees. - The Board approved our Diversity, Equity & Inclusion Policy and approved ethnic diversity targets for the Group's senior management. - We achieved an Accident Frequency Rate of less than 0.1 in the year, helping to keep our people safe. - We successfully navigated the impact of the UAW strikes in the US whilst minimising the impact on our workforce and supporting them throughout. - We negotiated successful agreements with recognised trade unions and workers representatives across our business.

Stakeholder group

	Why we engage	How we engage	The impact of that engagement
<p>Our Customers</p>  <p>Our major customers are light vehicle manufacturers. We also have many customers at other tiers of the automotive supply chain, or in other industries.</p>	<ul style="list-style-type: none"> - To help maintain our market-leading positions. - To identify and secure new business opportunities and ensure our products meet our customers' needs. - To ensure uninterrupted supply and address issues or concerns where they arise. 	<ul style="list-style-type: none"> - We operate account teams dedicated to each of our vehicle OEM customers and have regular contact with our customers at all levels of our business. - On significant commercial matters, our Chief Commercial Officers, Account Team Vice Presidents and other senior leaders communicate directly with senior executives at our customers. - We host customer-focused "Drive" events, to give our customers the opportunity to see our products in action. - We engaged with key customers on our sustainability materiality process. 	<ul style="list-style-type: none"> - The Board receives regular updates from the Executive Committee and Business Unit CEOs on customer topics. - In response to the high inflation environment, we successfully negotiated inflation pass-through arrangements with our customers. - We engaged with our customers in the US to minimise the impact of the UAW strike action.
<p>Our Suppliers</p>  <p>We operate in global supply chains, work with hundreds of suppliers who provide us with raw materials, sub-components and services we need to deliver our products and run our business.</p>	<ul style="list-style-type: none"> - To obtain competitive pricing, quality and reliability of supply. - To access advanced materials and components. - To ensure we have reserved manufacturing capacity where we need it. - To ensure responsible sourcing practices in our supply chains. 	<ul style="list-style-type: none"> - We aim to build deep relationships with our strategic suppliers, managed by dedicated procurement teams who are specialists in the products and services we source. - Inviting our strategic suppliers to Supplier Conferences, so they can understand our strategy and what we need from them. - Undertaking supplier audits and inspections, to ensure our suppliers are meeting their obligations. 	<ul style="list-style-type: none"> - There were no new major supplier quality concerns in the year. - We issued our Group Supplier Code of Conduct, which can be found at dowlais.com/suppliercodeofconduct. - Our business units addressed requests for price increases in a fair and consistent manner.
<p>Society and Communities</p>  <p>As a global business, we understand that we have an impact on society, the environment and the local communities in the countries in which we operate. Across the world hundreds of millions of people use vehicles containing our products every day.</p>	<ul style="list-style-type: none"> - To maintain our reputation as a responsible and ethical business. - To attract, motivate and retain employees at all levels of the organisation. - To conserve resources and reduce our impact on the environment. 	<ul style="list-style-type: none"> - Regular meetings with key local stakeholders in the locations in which we are based, and membership of local community organisations and forums. - Supporting local charities and not-for-profit organisations by donations and volunteering. - Participating in university and educational partnerships and supporting employment and apprenticeship schemes. 	<ul style="list-style-type: none"> - We established our purpose: engineering transformation for a sustainable world. - GKN Automotive and GKN Powder Metallurgy submitted net zero targets to the SBTi for validation. - The Board reviewed and approved our sustainability materiality assessment. - We made cash donations of around £710,000 to charities and good causes in 2023. - We published our first Modern Slavery and Human Trafficking Statement. - The Board adopted our Product Safety Policy.

Stakeholder group			
	Why we engage	How we engage	The impact of that engagement
<p>Governments, Regulators and Non-Government Organisations</p>  <p>As a global business, we interact with governments, regulators and other organisations in the markets and territories in which we work.</p>	<ul style="list-style-type: none"> - To allow us access to opportunities. - To help protect our reputation and to be a responsible corporate citizen. - To fulfil our legal obligations. - To maintain our "licence to operate". 	<ul style="list-style-type: none"> - We engage with governments on key local and national issues that affect our industry and our business. - We engage in regular dialogue with relevant tax authorities, including with HMRC in the UK with whom we communicate frequently. - We are a member of numerous industry bodies and trade associations in the automotive industry. 	<ul style="list-style-type: none"> - We paid approximately £61 million of corporate income taxes in 2023. - We published our Tax Strategy which can be found at dowlais.com/our-company/policies. - We engaged with the Hungarian Investment Promotion Agency and local authorities on the construction of our new manufacturing plant in Hungary.
<p>Our Joint Venture Partners</p>  <p>We operate parts of our business through joint ventures and seek to create long-lasting and mutually beneficial relationships with our joint venture partners.</p>	<ul style="list-style-type: none"> - To ensure our joint ventures are successful. - To protect our market-leading positions. 	<ul style="list-style-type: none"> - Our management teams meet regularly with management teams from our joint venture partners. - We have seats on the boards of our material joint ventures, and we engage constructively and positively in joint venture board and shareholder meetings. - We interface with our joint ventures at all levels of our organisation where necessary. 	<ul style="list-style-type: none"> - We celebrated the 35th anniversary of the establishment of our SDS joint venture in China. - We worked with our JV partner HASCO on the future strategy for the SDS business as the Chinese vehicle market continues to rapidly evolve. - We continued to successfully operate our other long-running joint ventures.

Reflecting stakeholders and section 172 factors in Board decisions

Section 172(1) of the Companies Act 2006 provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to: (a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; (c) the need to foster business relationships with suppliers, customers and others; (d) the impact of operations on the community and the environment; (e) the desirability of maintaining a reputation for high standards of business conduct; and (f) the need to act fairly between shareholders of the Company.

Examples of decisions taken by the Board in 2023 and the stakeholders and other section 172 factors that the Board considered when taking those decisions are set out below. These examples demonstrate how the Board, both individually and collectively, has had regard to the matters set out in section 172(1)(a) to (f) when performing its duty under section 172, during the year ended 31 December 2023.

	Board decision	Stakeholders and 172 factors considered
Purpose and strategic framework	The Board approved and adopted the Group's purpose at its September Board meeting. The Group's purpose is engineering transformation for a sustainable world. At the same time the Board adopted the Group's wider strategic framework (see page 4). In taking these decisions, a wide range of relevant stakeholders were considered, as were the long-term consequences of adopting our purpose and strategic framework, which are intended to guide the Board's decision making in both the short and long term.	Our Investors, Our People, Our Customers, Our Suppliers, Society and Communities, Environment Long-term consequences, Reputation for high standards of business conduct
Dividend policy	The Group's dividend policy was considered and approved at the September Board meeting, following which the Company declared its first interim dividend. In determining the dividend policy, the Board was mindful of balancing the interests of investors in receiving an attractive dividend, with the longer-term capital requirements and growth opportunities of our businesses. The Board also recognised that shareholders have differing views on the value of dividends and on how the Group uses its cash, and the dividend policy seeks to achieve a fair balance between the interests of shareholders.	Our Investors Long-term consequences, Acting fairly between shareholders
Our Code	Our Code is the Group's employee code of conduct. It sets out the standards expected of all our employees globally. In preparing and adopting Our Code, which was adopted at the June Board meeting, the Board considered the interests not only of employees, who are the principal focus of Our Code, but of the Group's wider stakeholders including customers, who increasingly take an interest in documentation of this nature and our reputation for ethical conduct. Our Code expressly addresses the interests of a range of the Group's stakeholders, including customers, suppliers, society, communities and regulators.	Our Investors, Our People, Our Customers, Our Suppliers, Society and Communities, Environment, Governments, Regulators and NGOs Reputation for high standards of business conduct
ESG materiality assessment	As set out on page 36, the Group has undertaken an ESG materiality assessment which was reviewed and approved by the Board at its November meeting. The purpose of such an assessment is to ensure that the interests of all relevant stakeholders are reflected and understood, and as such the Board considered those interests when approving the assessment. An average was taken of stakeholder scores, to give a combined measure of stakeholder importance of each topic and ensure that the interests of stakeholders was balanced. The assessment will help shape our long-term sustainability strategy.	Our Investors, Our People, Our Customers, Our Suppliers, Society and Communities, Environment Long-term consequences, Reputation for high standards of business conduct
First annual budget	At its November meeting, the Board approved the first annual Dowlais Group budget. This necessitated the consideration of the impact on a range of stakeholders, most crucially our investors, but also our customers, our people and our joint venture partners, for whom our investment decisions and financial targets are very relevant.	Our Investors, Our People, Our Customers, Our Joint Venture Partners
Policy framework	As Dowlais prepared for its demerger and listing in April 2023, the Board approved our Group policy framework, to ensure that the necessary processes and controls were place to effectively operate as a stand-alone listed company. In doing so, the Board was mindful first and foremost of preserving the Group's reputation for high standards of business conduct, but also the interests of other stakeholders to whom the policy framework relates.	Our Investors, Our People, Society and Communities Reputation for high standards of business conduct