

# Sustainability Report 2022



# Contents

1

Overview

10

The Group

15

Sustainability approach

25

Environment

32

Social

43

Governance

49

Appendix

# TI Fluid Systems

For the past **100 years**, we have provided advanced fluid handling and thermal management **solutions** for increasingly efficient internal combustion vehicles.

Now we are using our expertise and technologies to **Take the Turn** to support electrification with products designed for hybrid and battery electric vehicles, contributing to a greener and cleaner environment and making the world a better place to live.

We seek to achieve our **long-term success** in a sustainable, socially responsible, ethical and compliant manner and strive to reduce our impact on the environment by focusing on resource conservation, energy efficiency, renewable energy sourcing and water conservation.

# Our corporate purpose

## Our corporate purpose

Our purpose is to help make vehicles cleaner and greener to protect our environment and make our world a better place to live.

In pursuit of our purpose, we work together with our many OEM customers and suppliers around the globe to design, develop, manufacture and deliver a wide range of award-winning, industry-leading automotive fluid systems, operating in a sustainable manner out of 98 manufacturing locations in 28 countries.

## Our sustainability mission

As a company, TI Fluid Systems is committed to a sustainable future and improving the environmental and social wellbeing of the communities we operate in. We strive to provide a workplace that embraces change, promotes diversity and inclusion, and supports the development of our workforce by offering opportunities for continued education. We are dedicated to environmental improvements and decreasing our global emissions to foster a sustainable future. We are committed to working with our stakeholders to develop products for the low carbon economy of the future.



## Our sustainability strategy

### Take the Turn



#### Technology

At the heart of our Take the Turn strategy is product development and application engineering which supports the electrification of

the automotive industry. To meet the unique requirements of hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs), the Group is capitalising on our extensive knowledge of fluid components, lighter-weight materials, systems architecture and manufacturing processes to provide our OEM customers with advanced designs and products, especially thermal management systems, which are efficient and cost-effective.



#### Transformation

Climate change is a significant issue, and the need to decarbonise our industry is crucial. The Group is committed to being an

automotive industry leader to reduce greenhouse gas emissions and build a more sustainable future. While it is key that our technology and advanced products support the automotive industry's transition to cleaner and greener electric vehicles, we recognise that we must transform our business in line with new standards and expectations of environmental responsibility to deliver sustainable value to our stakeholders – investors, customers, suppliers, employees and the communities we operate in.



#### Talent

The talent of our workforce is crucial to us. The Group's success is directly linked to our ability to recruit, retain, motivate, educate and develop

a diverse and talented workforce ready for the new electrified future. In 2021, we introduced our 'Fluid Learning' online learning platform that provides every salaried employee with access to a variety of educational and developmental tools to improve their skills and abilities to be a valuable and enthusiastic participant in our collaborative organisation. In 2022, we expanded the use of the online learning platform and further encouraged our managers to incorporate this tool into their teams' objectives.

## Our Core Values



#### Customers

- Ensure our customers are the focus of our business
- Build a foundation for positive, mutual success



#### Compliance

- Comply with all laws applicable to our business, operations, workforce and products
- Demonstrate the highest levels of integrity by embracing our Code of Business Conduct



#### Innovation and improvement

- Stay ahead of business challenges
- Develop new methods and skills to improve our business
- Maintain and strengthen a continuous improvement culture in all areas of our business



#### Environment

- Encourage the prevention of pollution and the conservation of resources



#### Employees

- Hire, develop and retain talented people
- Provide a safe, respectful and inclusive working environment
- Foster teamwork through communication



#### Communities

- Be a responsible member of our communities
- Support local engagement in charitable and other activities that benefit our communities

# Sustainability in the automotive industry

## Transition to electric vehicles and cleaner ICE vehicles

As the automotive industry seeks to address climate change by transitioning from internal combustion engines (ICEs) to electric vehicles (EVs), the Group is using its expertise and technologies to develop and supply customers with fluid handling products specifically designed to meet the requirements of hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs), contributing to a greener and cleaner environment and making the world a better place to live.

The automotive industry is transforming into a more sustainable industry, which is being driven by three megatrends:

- Long-term shift to BEVs
- Near-term continuation of ICE programmes with leverage of ICE assets to support HEVs
- Lower carbon footprint for Tier 1 supplier manufacturing (our Scope 1 & 2) and downstream supply chain (our Scope 3)

The shift to EVs is accelerated by governmental regulations and changing consumer preferences. Manufacturers have responded to these trends by

increasing the number of electric vehicles in their mix and providing flexible mobility solutions.

Meanwhile, investors and lenders are also paying more attention: they want to understand the climate risks faced by car manufacturers and suppliers and promote more sustainable business practices.

Two of the key transformational issues are reducing carbon emissions from manufacturing to address climate change together with sustainability in the value chain.

Lawmakers have made carbon emissions regulations considerably more onerous in recent years. Car manufacturers are required to reduce their carbon emissions during the manufacturing process and of the vehicles themselves. In this context, the use of alternative powertrains such as BEVs are expected to play an important role.

Sustainable value chains (based on the principle of reusing and recycling resources) are becoming increasingly important for the automotive industry. Car manufacturers and suppliers are considering how to implement innovative solutions such as a circular economy, battery recycling, biodegradable components and sustainable manufacturing processes.

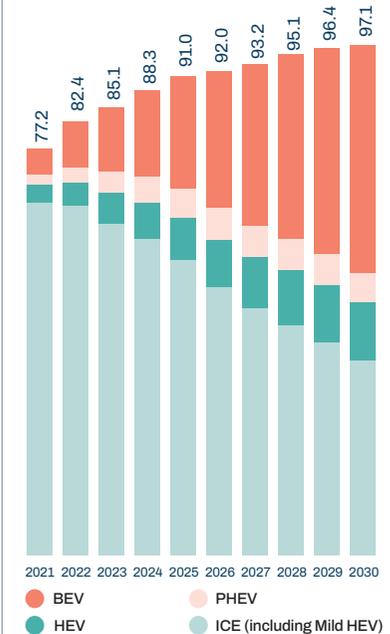
# 11%

HEVs forecasted CAGR

# 22%

BEVs forecasted CAGR

## Global light vehicle forecasted production etc



\* Source: S&P Global Mobility Jan 2023 & company estimates



# Sustainability in the automotive industry

Continued

## Megatrend: Transition to electric vehicles

### Hybrid electric vehicles (HEVs)

HEVs run on both an internal combustion engine (ICE) and an electric motor that uses energy stored in a battery. In these applications, the electric motor also provides extra power for auxiliary systems to allow for a smaller ICE. In addition, the battery is also able to reduce engine idling when the vehicle is stopped. In combination, these features create better fuel economy without sacrificing performance.

Standard HEVs primarily use the ICE to charge the battery but some also use regenerative braking to charge the battery.

Plug-in hybrid electric vehicles (PHEVs) expand on the concept of the standard HEV. Like standard HEVs, PHEVs have an internal combustion engine and a battery-powered electric motor. However, PHEVs have a much larger battery that is primarily charged by plugging in. This allows the battery to store enough power to run the electric motor for a longer period of time and over a wider range of driving cycles and, in turn, decrease the reliance on the ICE power. PHEVs can travel much longer distances on electric power alone, rather than the short distance that a standard HEV can travel on electric power.

### What this means for TI Fluid Systems

Traditional vehicles with ICEs typically have two main thermal management loops. HEVs (including PHEVs) contain traditional ICE fluid systems but also have additional fluid handling systems (up to six thermal loops) to manage electrification-related component temperatures, including chassis, power electronics, electric motor drive and the battery. These thermal management systems typically include fluid lines, manifolds and connectors that the Group produces as well as pumps, sensors, valves and other mechatronics that the Group is seeking to add to its product portfolio through collaborative sourcing, joint ventures and acquisitions.

In addition to increased thermal management requirements, the Group produces fuel tank systems for HEVs (and PHEVs) that can accommodate increased fuel vapour pressure that builds up when the ICE is not operating and cannot purge the fuel vapour.

### Battery electric vehicles (BEVs)

BEVs use an electric motor powered by an onboard battery and do not have ICEs. Instead of fuel, these vehicles run solely on battery power. Drivers can charge them at home or at charging stations. Removing the ICE opens up the packaging space for more battery capacity, thus resulting in a longer range for the vehicle on a single charge than a hybrid vehicle.

### What this means for TI Fluid Systems

BEVs are expected to have additional thermal management loops. Based on recent platform launches, we expect significantly higher line and tubing content than traditional ICEs, depending on vehicle size and system design. In addition, we expect EV thermal management systems will become more efficient and lighter through increasingly modular designs that include integrated manifolds which the Group produces using its blowmoulding capabilities. Furthermore, OEMs will work with suppliers to design and integrate mechatronics (pumps, valves, compressors, etc.) into thermal management systems.

As the thermal components and systems in BEVs may not be exposed to the same heat generated by ICEs, the systems may contain different materials, such as plastic, to help optimise system weight, temperature and pressure.

Plastic lines have an approximate 30–60% weight advantage compared to rubber and aluminium lines. Therefore, plastic lines would reduce vehicle weight and help to extend battery life (required for extended driving range) of EVs. The Group has existing material 'know-how' in plastic and aims to utilise its existing industrialised capacity to support plastic usage.

### Autonomous electric vehicles (AEVs)

AEVs use sensors, cameras, radar and artificial intelligence (AI) together with BEV technology to transport passengers more efficiently, without the need for drivers or fossil fuel driven ICEs.

### What this means for TI Fluid Systems

AEVs increase the requirement of thermal lines as more electronic components are needed, which require cooling.

# Sustainability in the automotive industry

Continued

## Megatrend: Reducing ICE emissions Megatrend: Lighter EVs

### Reducing exhaust emissions

To address climate change, governments have adopted requirements focused on reducing exhaust emissions from automobiles, some including a phase-out of sales of new ICE vehicles over an extended period. Some developed markets have mandated CO<sub>2</sub> emission reductions, with emerging markets increasingly following.

#### What this means for TI Fluid Systems

OEMs have sought to introduce higher pressure fuel systems and turbochargers to improve the efficiency of the combustion reaction in an engine to achieve lower exhaust emissions.

Our product offering includes products that optimise the efficiency of the ICE process, including gasoline direct injection (GDI) fuel rails, fuel pumps and turbocharger engine lines.

For example, we design, engineer and manufacture efficient fuel pumps so an ICE vehicle will burn less fuel and reduce the level of CO<sub>2</sub> emitted into the environment.

### Reducing evaporative emissions

Evaporation of fuel while stored in the fuel tank has been a source of hydrocarbon emissions from permeation through walls and various other components on the tank. Regulations now require OEMs to reduce these evaporative emissions from automotive fuel systems.

For example, in California, USA, low emissions vehicle (LEV) standards dictate the evaporative emissions thresholds that OEMs are required to achieve. LEV II standards, which came into effect in 2004, lowered emissions thresholds by approximately 75%. LEV III standards, which are expected to be phased in over the next decade through to the 2025 model year, require a reduction of 30% in the emissions threshold from 2010 levels.

Similarly, the European Union established an emissions target in 2021 that requires an evaporative emissions reduction of 27% from 2015 levels. In addition, China has introduced its Beijing-6 evaporative emissions targets similar to California's LEV II standards.

#### What this means for TI Fluid Systems

We have specific technology in our plastic fuel tanks to reduce evaporative emissions. The six-layer wall structure includes a barrier layer to capture the hydrocarbons and prevents them from being emitted into the environment.

We are the only supplier with a fully integrated design, development, manufacturing and supply capability for the fuel tank system.

### Reducing vehicle weight to increase EV range

Range is a key selling point for many EVs and can be enhanced if there is less weight to move. The EV battery is a significant heavy component within a vehicle and there is a focus on solutions on the other elements of the vehicle to offset this weight and thus improve the range.

#### What this means for TI Fluid Systems

With lower engine bay temperatures, this provides an opportunity to replace heavy metal and rubber tubing with plastic tubing. We have expertise in manufacturing plastic tubing for fluid handling and have innovative applications in EV products. We also produce heat pumps that take waste heat and recycle it for heating the cabin that would otherwise use energy from the battery, thus improving range.

# Development of our sustainability approach

## Our progress:

### Environmental

- Joined the UN Global Compact
- Calculated and published our Scope 3 emissions inventory
- Adopted updated, science-based GHG emissions reduction targets
- Public disclosure to CDP
- Set water conservation targets
- Increased renewable energy use

### Social

- Diversity and inclusion (D&I) committees and working groups formed and meeting regionally
- Developed D&I targets
- Expanded our inclusivity assessments to the next level of management
- Enhanced our recruitment policies to limit unconscious bias
- Expanded our safety management system and had it certified by a third party

### Governance

- Added a formal ESG Steering Committee

## UN Global Compact

TI has a long history of supporting the ten principles that are the foundation of the United Nations Global Compact.

1. We support and respect the protection of internationally proclaimed human rights
2. We have a strong Code of Business Conduct that assures we are not complicit in human rights abuses
3. We uphold the freedom of association and the effective recognition of the right to collective bargaining
4. We do not accept any form of forced and compulsory labour
5. We do not accept any child labour
6. We actively support the elimination of discrimination in respect of employment occupation
7. We support using a precautionary approach to environmental challenges
8. We promote and undertake initiatives that drive greater environmental responsibility
9. We encourage the development and use of environmentally friendly technologies
10. We are committed to anti-corruption by working against corruption in all its forms, including extortion and bribery

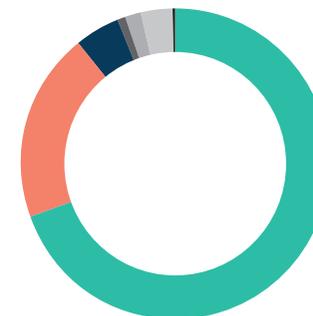
We submitted our application to become members of the UN Global Compact in 2022, and in 2023, we were formally recognised as a signatory member. We will be completing our first communication on progress in 2023.

## Scope 3 GHG reporting

Using data from calendar year 2021, we developed a baseline Scope 3 emissions inventory based on the GHG Protocol. Our evaluation covered all 15 categories as defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Similar to most other manufacturing companies, not all of the Scope 3 categories are applicable to our business. For our operations, the following categories were determined to be not applicable or optionally reportable: Processing of sold products, Use of sold products, Downstream leased assets, Franchises, and Investments.

Using the same methodology we have completed our 2022 Scope 3 emissions inventory.



- Purchased goods and services
- Capital goods
- Fuel and energy-related activities
- Upstream and downstream support (combined)
- Waste generated in operation
- Business travel
- Employee commuting
- Upstream leased assets
- End of life of sold products

## Accreditations



TI has furthered its commitment to environmental transparency by disclosing its environmental impact through CDP for the second year running.

# Development of our sustainability approach

Continued

## CASE STUDY

### SBTi target setting, energy efficiency, and renewable energy opportunity assessment

In 2022, we established a plan to evaluate updating our GHG reduction targets consistent with the Science-Based Target Initiative (SBTi). In early 2023, we adopted our revised targets: a 50% reduction in Scopes 1 and 2 and a 30% reduction of Scope 3, in each case by 2030 from a 2021 baseline.

Our work in 2022 involved completing an updated greenhouse gas (GHG) emission inventory, including the development of Scope 3 emissions. We worked with our external consultant to evaluate the renewable electricity market in the countries that we operate in. Additionally, we completed a robust survey of our manufacturing locations to evaluate energy conservation opportunities.

With our updated emissions inventory we began the process of determining the required emissions reductions to qualify for an SBTi target. Our Scope 3 emissions make up over 70% of our total emission and, as such, require that we also set a formal Scope 3 target to qualify for SBTi target approval.

Once we understood the magnitude of the required reduction needed to meet the SBTi 1.5°C targets we worked with our consultants to evaluate the potential energy savings available in our manufacturing locations. Our management and plant teams worked in concert to complete a very detailed survey to define potential energy-saving opportunities across the various types of manufacturing sites that we operate.

Simultaneously, we evaluated renewable electricity opportunities in the vast majority of the countries that we operate in. This information was coupled with our projected growth over the next eight years to build a predictive model for the costs required for us to meet the SBTi target.

We presented a proposed SBTi target of a 50% reduction in Scopes 1 and 2 and a 30% reduction in Scope 3, in each case by 2030 from a 2021 baseline. We highlighted the expected costs to meet the target to the ESG Steering Committee and the Board in the first quarter of 2023. The Board approved the reduction targets that align with, and can be approved by, the SBTi.

The application has been completed and submitted to the SBTi for official validation.



# Development of our sustainability approach

Continued

## CASE STUDY

### e-Mobility Innovation Centre

We opened our first e-Mobility Innovation Centre (e-MIC), in Rastatt, Germany in April 2022

This collaborative space:

- Facilitates the next generation of design, prototyping, and testing of thermal management systems and components for electric vehicles
- Provides a 'one-stop shop' for customers, helping develop products and allowing us to bring the engineered designs to the market more efficiently

The Rastatt e-MIC is the first of five to open across Asia, Europe and North America throughout 2022 and 2023 as a key part of the Company's Take the Turn strategy.

The unique collaborative environment comprises six core competencies: virtual engineering, design, processing, prototyping, product testing, and vehicle testing. This means that our engineers can efficiently design, develop, simulate and visualise thermal management systems and components for EVs, all under one roof.

In addition to the significant improvement in overall development cycles, the e-MIC building itself includes a number of enhanced sustainability features.

#### Our building

- The Rastatt e-MIC uses 100% renewable electricity and green gas
- Low energy consumption bulbs (LEDs) have been installed across the entire engineering facility
- An innovative irrigation system with weather reactive control units outside adjusts water usage consumption and also helps us manage costs

| Design & Development |             |             |         |
|----------------------|-------------|-------------|---------|
| Designing            | Engineering | Prototyping | Testing |



| Manufacturing     |                   |                      |                               |                     |
|-------------------|-------------------|----------------------|-------------------------------|---------------------|
| Global Footprint  | Quality Systems   | Vertical Integration | Experienced Management        | Safety              |
| Waste Elimination | Energy Efficiency | Water Conservation   | CO <sub>2</sub> (e) Reduction | Supplier Management |



| Delivery             |           |                              |                  |
|----------------------|-----------|------------------------------|------------------|
| Just-in-time Systems | Logistics | Returnable Racks/ Containers | Customer Support |



**A sustainable business that creates value for all stakeholders**

# Development of our sustainability approach

Continued



## Our employees:

- Our hybrid working model allows high utilisation of our office environment and space for our engineering teams
- Ergonomically equipped workplaces have been installed throughout the entire facility, including sustainably built chairs and height adjustable desks
- New optimised lighting for the workplace was installed
- Standardised IT equipment reduces maintenance activities and related CO<sub>2</sub>(e) emissions
- Desk sharing scheme has allowed our employees to sit in different areas related to their current project work/team connection
- Open space environment is used by all departments ensuring that there is close collaboration and good communication channels
- Cafeteria and coffee stations have been designed with sustainability in mind
- More than 30 charging stations have been provided for employees to recharge electric vehicles
- We have changed our company car policy to limit CO<sub>2</sub>(e) emissions and our new policy only permits leasing of HEV/BEV vehicles

## Product development:

- 3D simulation tools are used to model the product development at an early stage with a high accuracy. This reduces the time, effort, and unnecessary prototyping. Up to a 30% time saving can be realised using our 3D simulation tools
- All product development is designed based on the lowest material input required which further minimises our CO<sub>2</sub>(e) footprint
- Projects have been initiated which are focused on recycling, regrinding and the use of organic material to minimise waste
- Product development is focused on optimising the CO<sub>2</sub>(e) footprint of the product through modularisation. Benefits include weight reduction, improved space efficiency and less assembly work required by the customer



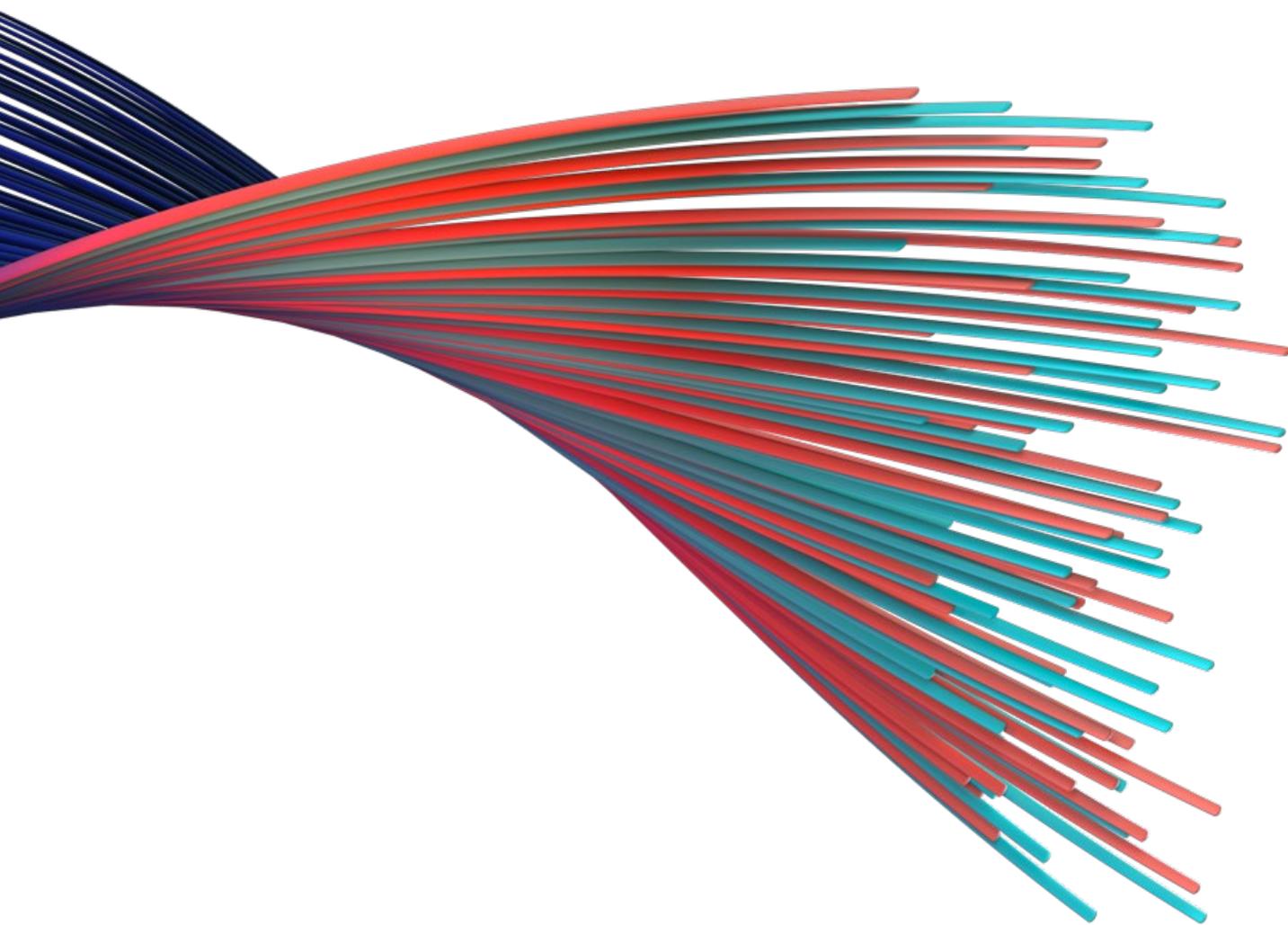
*Our Take the Turn strategy empowers TI Fluid Systems to navigate the largest shift the automotive industry has ever seen. The Rastatt e-Mobility Innovation Centre embodies our mission to embrace change, prioritise strategic thinking and encourage innovation across our global business.*

*Working closely with many of the world's largest vehicle manufacturers, we have a deep appreciation of the need to provide our clients with a one-stop shop to meet their fluid innovation needs. Our unique global centres will do just that – cementing TI Fluid Systems' position as a trusted thermal management technology partner for OEMs all over the world.*

**Hans Dieltjens**  
President and CEO



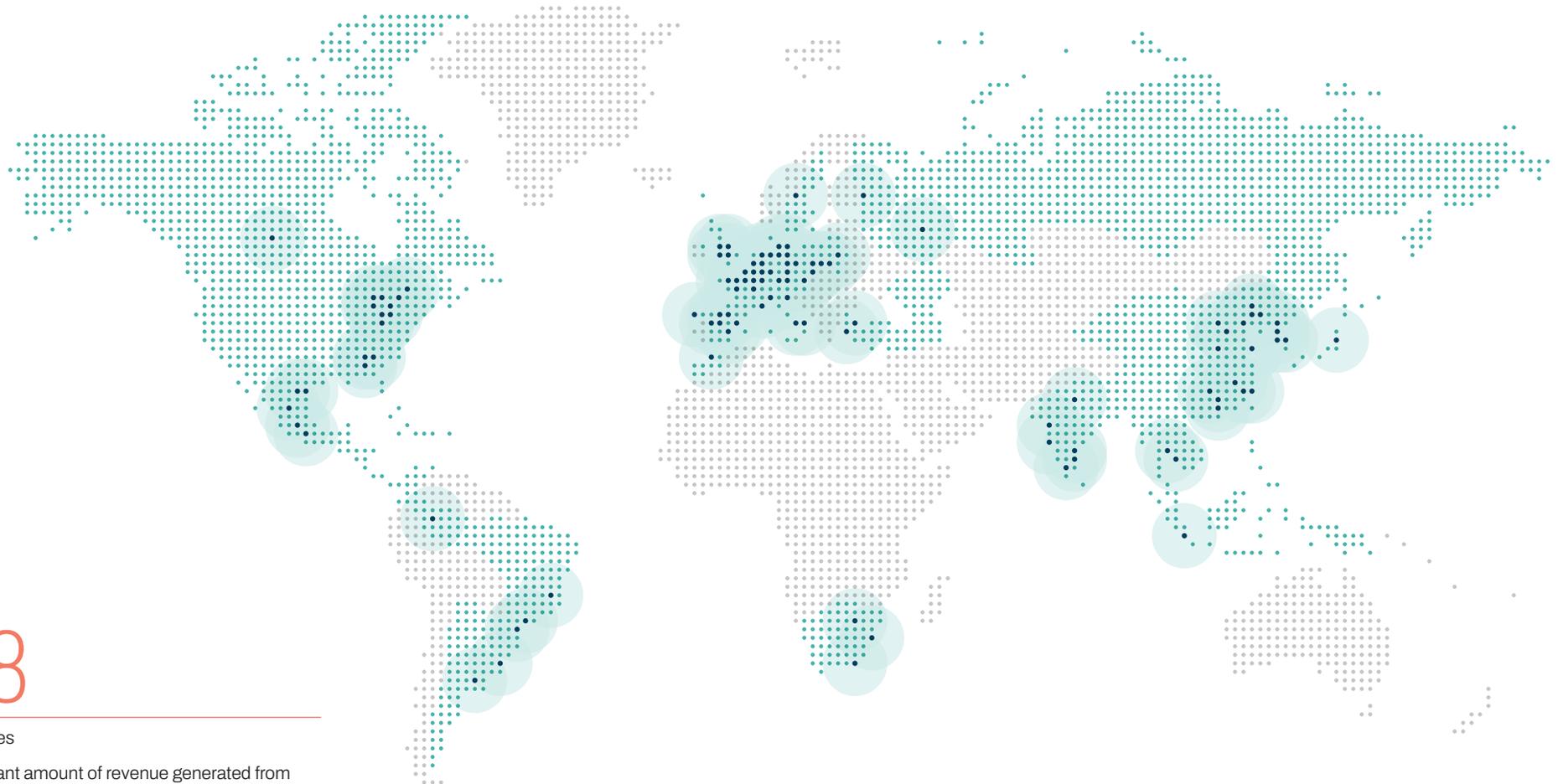
# The Group



## In this section

|                          |    |
|--------------------------|----|
| Geographical footprint   | 11 |
| Organisational structure | 12 |
| Product offering         | 13 |

# Geographical footprint



28

Countries

Significant amount of revenue generated from global OEM platforms (i.e. platforms produced in three or more regions)

Footprint includes regional manufacturing centres and assembly locations near customers that provide logistics competitiveness and customer service

98

Manufacturing locations

Facilities in every major automotive manufacturing market

Well positioned through the global manufacturing footprint to cost effectively expand fluid handling content, business and infrastructure to OEMs transitioning to the EV market

# Organisational structure

## TI Fluid Systems plc



### Fluid carrying systems

Products include: brake and fuel lines and bundles, thermal management fluid systems (including HEV and BEV heating and cooling lines), powertrain components and quick connectors.



### Fuel tank and delivery systems

Products include: plastic fuel tanks, filler pipes, vent lines, fuel pumps and modules.



#### Brake and fuel

We design and manufacture a wide range of multilayer low-permeation plastic tubes, high-pressure steel double-wall and single-wall tubes and a variety of quick connectors and flexible lines.

€1,869.7m

Revenue



#### Thermal products

We develop a variety of thermal management products. This includes traditional aluminium air conditioning lines, modern multilayer plastic tubing, rubber lines, battery cooling lines, and thermal modules.

20,100

Employees



#### Powertrain products

We develop and produce powertrain products that help to improve fuel economy. These include gasoline direct injection and high-pressure diesel systems, as well as cooling and lubrication systems for turbochargers.



#### Fuel tanks

We develop and manufacture award-winning fuel tank systems for diesel, petrol, flex-fuel and hybrid vehicle applications. We have revolutionised the production of plastic fuel tanks through our ship-in-a-bottle (SIB) and tank advanced process technology (TAPT) manufacturing methods. Our fuel tanks improve fuel system performance and are engineered for a wide range of packaging options, reduced evaporative emissions and low weight.

€1,398.6m

Revenue

5,500

Employees



#### Fuel pumps

Our pumps and modules for petrol, diesel and flex-fuel vehicles are designed for quiet, efficient, low-voltage performance and durability.

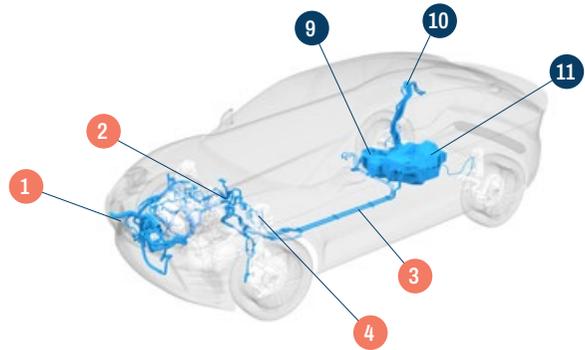


#### Aftermarket products

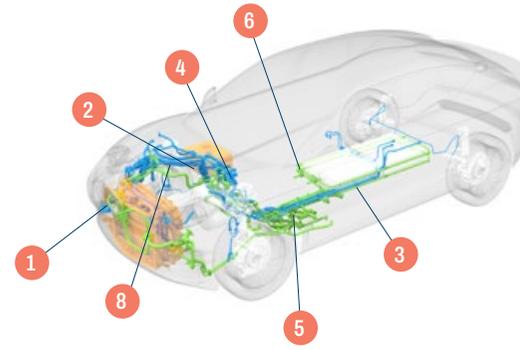
The Group has been manufacturing fuel pumps for decades. We manufacture drop-in fuel pumps and modules for the aftermarket segment.

# Product offering

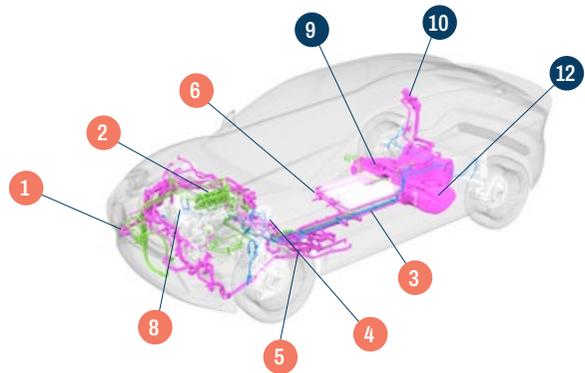
Internal combustion engine (ICE) vehicle



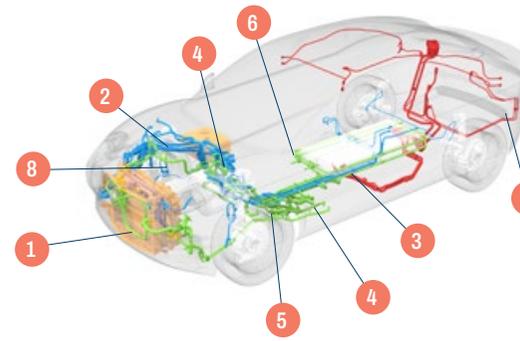
Battery electric vehicle (BEV)



Hybrid electric vehicle (HEV)



Autonomous electric vehicle (AEV)



# Product offering

Continued

## Fluid carrying systems (FCS)

The FCS division manufactures brake lines, fuel lines, brake and fuel bundles, A/C lines and assemblies, battery coolant lines and thermal management modules.

1 Under-Hood Thermal Rubber Lines



2 A/C Cabin Climate Control Lines



3 Brake and Fuel Bundle Assembly



4 Brake Bundle Assembly



5 Chassis Thermal Plastic Manifolds



6 Battery Thermal Plastic Lines and Connectors



7 Autonomous Vehicle Thermal Plastic Lines



8 Integrated Thermal Manifold 1.2 (ITMa)



## Fuel tank and delivery systems (FTDS)

The FTDS division manufactures plastic fuel tanks, plastic filler pipes and electric fuel pumps and modules.

9 Brushless Fuel Pump Module with Electronics



10 Plastic Fuel Filler Pipe and Emissions Vent Line



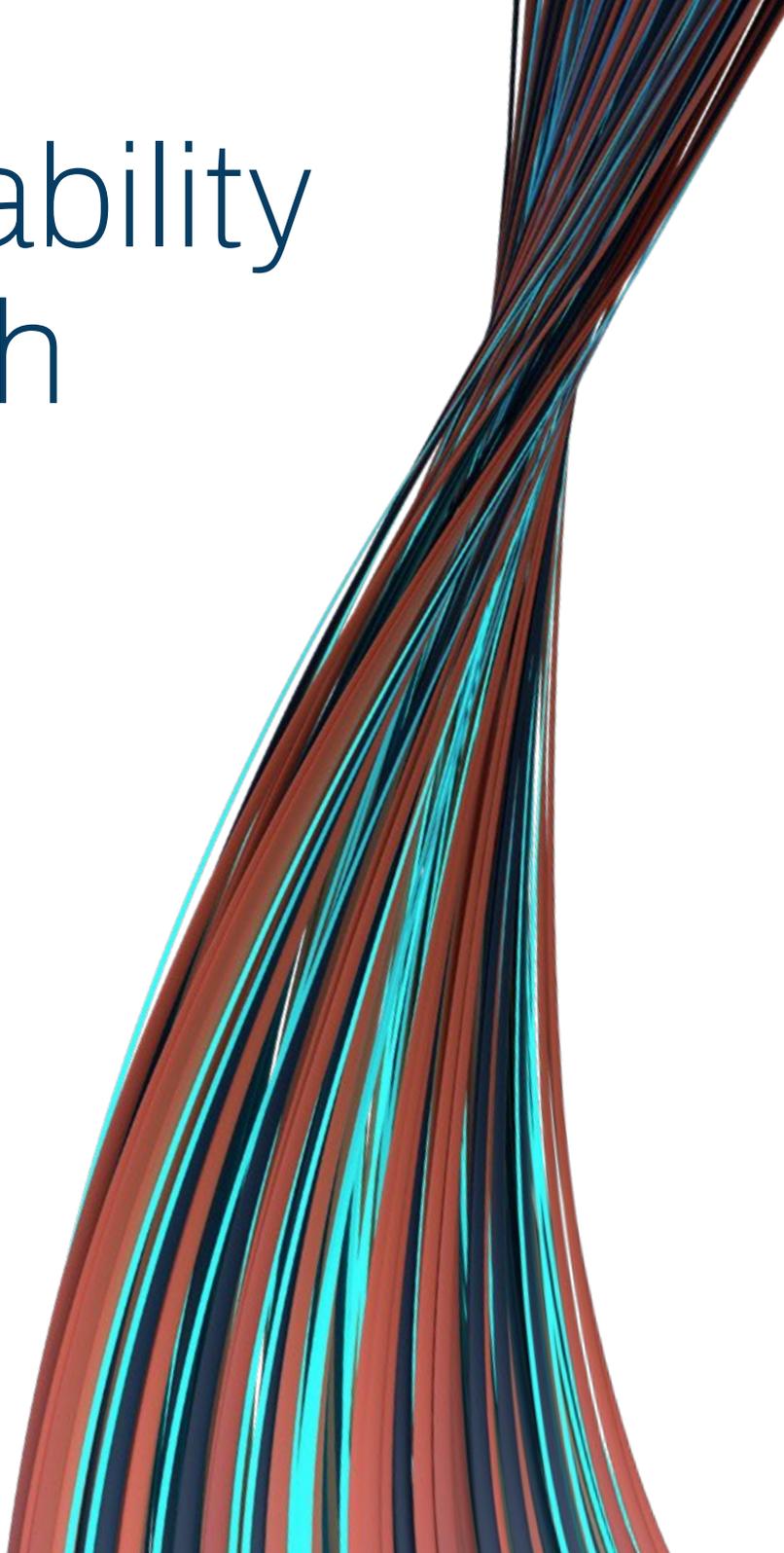
11 ICE Plastic Fuel Tank Assembly



12 HEV Pressure-Resistant Fuel Tank Assembly



# Sustainability approach



## In this section

|                             |    |
|-----------------------------|----|
| Stakeholder engagement      | 16 |
| Material issues             | 18 |
| Our sustainability strategy | 21 |
| Alignment with the UN SDGs  | 22 |
| Sustainability metrics      | 24 |

# Stakeholder engagement on sustainability

Engaging with stakeholders is central to our corporate purpose and strategy to achieve the long-term success and sustainability of our business.

| Stakeholder         | Why we engage  | Interests of the stakeholder  | How we engage  | Outcomes   |
|---------------------|--|---|--|--|
| <b>Shareholders</b> | <ul style="list-style-type: none"> <li>Quality of governance</li> <li>Effectiveness of the Board and management</li> <li>Growth potential and profitability</li> <li>Share price appreciation</li> <li>Dividends</li> </ul>  | <ul style="list-style-type: none"> <li>Climate technology that limits GHG emissions, GHG emissions reductions, net zero, privacy and social impact</li> <li>Diversity, inclusion and equity</li> <li>Board diversity</li> <li>Corporate governance</li> <li>Executive compensation</li> </ul> | <ul style="list-style-type: none"> <li>Investor meetings</li> <li>Annual reporting</li> <li>Completion of shareholder survey requests</li> <li>Capital markets events</li> </ul>   | <ul style="list-style-type: none"> <li>Adopted updated, science-based GHG emissions reduction targets</li> <li>Implemented a range of greenhouse gas reduction initiatives in line with stakeholder expectations, including our OEM customers</li> </ul>   |
| <b>Employees</b>    | <ul style="list-style-type: none"> <li>Good communications improves motivation, morale and productivity</li> <li>Fosters retention and reduces employee turnover</li> <li>Identify issues and solutions quickly</li> <li>Identify needs for resources and support</li> </ul>         | <ul style="list-style-type: none"> <li>Safe work places</li> <li>Commitment to environmental stewardship</li> <li>Social concerns</li> <li>Diversity and inclusion</li> </ul>   | <ul style="list-style-type: none"> <li>Surveys</li> <li>Regular newsletters and bulletins</li> <li>All-employee meetings</li> <li>Management engagement</li> <li>Diversity Committees</li> <li>Inclusivity assessments and training</li> </ul> | <ul style="list-style-type: none"> <li>TI established programmes to support diverse hiring in line with local graduation rates</li> <li>Employee engagement on D&amp;I events</li> <li>Expanded ISO safety management scheme</li> </ul>  |
| <b>Customers</b>    | <ul style="list-style-type: none"> <li>Drive revenue growth and business success</li> <li>Identify sourcing opportunities</li> <li>Align product and technology development with customer needs</li> <li>Effectively and efficiently address any supply or quality issues</li> </ul> | <ul style="list-style-type: none"> <li>Using partners with good safety records</li> <li>GHG reduction</li> <li>Net zero</li> <li>Renewable energy programmes</li> <li>Circular economy</li> <li>Recycling</li> <li>Safe, high-quality parts</li> </ul>  | <ul style="list-style-type: none"> <li>Customer meetings</li> <li>Surveys</li> <li>CDP</li> <li>Ecovadis</li> </ul>  | <ul style="list-style-type: none"> <li>Opened first of five e-MICs to support development of thermal management products in collaboration with our OEM customers to support ongoing transition to more efficient HEVs and BEVs</li> <li>Better GHG reporting, including CDP reporting</li> <li>Adopted updated, science-based GHG emissions reduction targets</li> </ul> |

 Continue on next page.

# Stakeholder engagement on sustainability

Continued

| Stakeholder      | Why we engage  | Interests of the stakeholder   | How we engage   | Outcomes  |
|------------------|--|--|---|---|
| <b>Community</b> | <ul style="list-style-type: none"> <li>Promote our reputation as a responsible and ethical business</li> <li>Attract, motivate and retain employees</li> <li>Conserve resources and reduce our impact on the environment to ensure we are a sustainable business</li> </ul>  | <ul style="list-style-type: none"> <li>Clean air, water and land</li> <li>Fair and equitable treatment with respect to labour practices</li> <li>Community support</li> <li>Good corporate citizens</li> </ul> | <ul style="list-style-type: none"> <li>Our global facilities seek to be a responsible member of its local community</li> <li>Strive to consistently operate our business that minimises our impact on the environment through energy efficiency, waste reduction and conservation of resources</li> <li>Expansion of our EHS group has improved our processes to measure, report and assess our greenhouse gas emissions and the environmental impact our operations have on the wider community</li> <li>Our Code of Business Conduct includes policies to enhance our reputation for excellent business conduct, including anti-corruption, anti-bribery, fair competition (anti-trust), and positive work environment and inclusion (anti-discrimination and anti-harassment)</li> </ul> | <ul style="list-style-type: none"> <li>Provided support for various charitable functions in our communities</li> <li>TI funds annual scholarships in each major region to support women in STEM studies as well as local internship opportunities for recipients</li> </ul> |
| <b>Suppliers</b> | <ul style="list-style-type: none"> <li>Build strong, collaborative and strategic relationships to obtain competitive pricing, quality products, reliability of supply, and logistics efficiency</li> <li>Ensure we have access to advanced materials and components that meet our technical requirements</li> <li>Ensure responsible sourcing and ethical business practices and conduct by our supply base</li> </ul> | <ul style="list-style-type: none"> <li>GHG emissions</li> <li>Fair sourcing practices</li> <li>Ethical business practices</li> </ul>   | <ul style="list-style-type: none"> <li>Our purchasing organisation has regular, extensive contact with our suppliers regarding quoting and sourcing opportunities, delivery logistics, and quality controls and testing</li> <li>Our engineering organisation works closely with suppliers on development activities, validation testing and cost reduction initiatives (value engineering)</li> <li>Our business and compliance expectations is in our global supplier requirements manual, on our dedicated supplier portal and in our purchasing terms and conditions</li> </ul>   | <ul style="list-style-type: none"> <li>Produced several global supplier manuals, policies and provisions to ensure fair and ethical business practices</li> </ul>   |

# Material issues

## Materiality assessment process



### STAGE 1: Identifying internal and external stakeholders

Our key stakeholders consist of our shareholders, customers, employees, suppliers and community. Engaging with, and giving consideration to, these stakeholders is central to our corporate purpose and strategy to achieve the long-term success and sustainability of our business. In doing so, we are considering the:

- likely consequences of any decision in the long term;
- interests of employees;
- importance of authentic relationships with suppliers, customers and others;
- impact of our operations on the community and environment;
- desirability of maintaining our reputation for high standards of business conduct; and
- need to act fairly

Internal stakeholders were identified as: employees, management and the Board.  
External stakeholders were identified as: shareholders, customers, suppliers and communities we operate in.

### STAGE 2: Identifying and prioritising key ESG issues

We utilised the ESG Risk Ratings definitions of material ESG issues and Corporate Governance guidance, by Sustainalytics, to develop our key issues assigned to ESG categories.

#### Key environmental sub-categories:

1. **Emissions – Effluents** focuses on the management of emissions and releases from a company's own operations to air, water and land, excluding GHG emissions.
2. **Carbon – Own Operations Carbon** refers to a company's management of risks related to its operational energy use and GHG emissions (Scope 1 and 2). It also includes parts of Scope 3 emissions, such as transport and logistics. It does not include emissions in the supply chain or during the use phase/end-of-life cycle of a product.
3. **Carbon – Products and Services Carbon** refers to a company's management of the energy efficiency and/or GHG emissions of its services and products during the use phase.
4. **Impact of Products and Services** refers to the management of environmental or social impacts of products or services, including inherent characteristics of input materials, both positive and negative, and impacts during use, disposal and recycling.
5. **Land Use and Biodiversity** focuses on how companies manage the impact of their operations on land, ecosystems and wildlife. Topics covered include land conversion, land rehabilitation and forest management, and the protection of biodiversity and ecosystems.
6. **Land Use and Biodiversity – Supply Chain** focuses on how companies manage the impact of their suppliers' operations on land, ecosystems and wildlife.

# Material issues

Continued

- 7. **Resource Use** focuses on how efficiently and effectively a company uses its raw material inputs (excluding energy and petroleum-based products) in production and how it manages related risks.
- 8. **Resource Use – Supply Chain** focuses on how efficiently and effectively a company manages risks related to raw material inputs (excluding energy and petroleum-based products) within its supply chain.
- 9. **Water Use** focuses on water scarcity and how effectively a company uses its water supply.
- 10. **Waste Management** focuses on the generation and management of hazardous and non-hazardous waste, including waste minimisation and recycling.

## Key social sub-categories:

- 1. **Community Relations** focuses on how companies engage with local communities (including indigenous people) through community involvement and development, and/or measures to reduce negative impacts on local communities.
- 2. **Data Privacy and Security** focuses on data governance practices, including how companies collect, use, manage and protect data. The emphasis is on measures to ensure safe and secure use and/or maintenance of customers' personally identifiable data.
- 3. **Human Rights** focuses on how companies manage and respect fundamental human rights within their own operations. Emphasis is on measures taken to protect civil and political rights, and economic, social and cultural rights, including child and forced labour.
- 4. **Human Rights – Supply Chain** focuses on a company's management of fundamental human rights issues occurring in its supply chain. For subindustries that rely on conflict minerals, this also includes a company's handling of conflict minerals in its supply chain.
- 5. **Human Capital** focuses on the management of human resources. It includes the management of risks related to scarcity of skilled labour through retention and recruitment programmes, and includes career development measures such as training programmes. Additionally, it includes labour relations issues, such as the management of freedom of association and non-discrimination, working hours and minimum wages.
- 6. **Occupational Health and Safety** focuses on the management of workplace hazards affecting a company's employees and on-site contractors.
- 7. **Product Safety** focuses on how companies manage their responsibilities regarding clients (quality and/or safety of their products and services). Emphasis is on quality management systems and product safety.

## Key governance sub-categories:

- 1. **Corporate Governance** comprises six pillars: Board/management quality and integrity; Board structure; ownership and shareholder rights; remuneration; audit and financial reporting; and stakeholder governance.
- 2. **Business Ethics** focuses on the management of general professional ethics, such as taxation and accounting, anti-competitive practices and intellectual property issues. Business Ethics includes bribery and corruption, which focuses on the management of risks related to alleged or actual illicit payments, such as kickbacks, bribes and facilitation payments to government officers, suppliers or other business partners, as well as the receipt of those payments from suppliers or business partners.

## STAGE 3: Internal stakeholder outreach

We conducted an employee engagement and culture survey in North America, and held all-employee meetings and calls throughout the year to provide updates on the business, such as our COVID-19 response, financial performance, leadership changes and strategic objectives. Our designated Non-Executive Director for workforce engagement attended these all-employee meetings, and reviewed our survey results, employee feedback and whistle-blower reports.

In addition, we held several top-level management meetings to review our Take the Turn strategy, including reviewing and incorporation of management input and ideas on our technology and products, sustainability and learning initiatives.

# Material issues

Continued

## STAGE 4: Reviewing external stakeholder ESG requests and expectations

### Shareholder engagement included:

- Executive Directors, supported by our investor relations team, had numerous interactions with the shareholders that represent over 80% of our shareholder base (by shareholding value);
- The annual Capital Markets Event was held in April 2021 and the next one will take place in 2023, which provided an in-depth review of our business model, strategy and product portfolio to all shareholders;
- Our Remuneration Chair met with our top 20 shareholders to gain their input on our remuneration practices and policies. One element of our remuneration practice is our long-term incentive programme. This programme incorporates several ESG concepts designed specifically to reward the management team for achieving key Environmental and Social improvement targets;
- The two Non-Executive Directors who represent the Bain shareholders attend and actively participate in our Board meetings; and
- All shareholders are regularly informed of the performance of the business through trading updates in January, May and November, half and full-year announcements in August and March, and our full annual report in April

### Customer engagement included:

- Extensive and regular contact with our OEM customers at all organisational levels and regions regarding sourcing, commercial matters, product performance and quality, programme launches, and development and planning of new products;

- Our Executive Vice Presidents, CCO and CEO communicate directly with customers' senior executives regarding significant commercial matters and strategic initiatives;
- Our customers provide us with their clear communication regarding ESG-related expectations and requirements; and
- Our reporting on several key ESG-related metrics to customers through third parties like CDP, Ecovadis, Open-es and NQC

### Supplier engagement included:

- Our purchasing organisation has regular, extensive contact with our suppliers regarding specific quoting and sourcing opportunities, delivery logistics and quality controls and testing;
- Our engineering organisation works closely with suppliers on development activities, validation testing and cost-reduction initiatives (value engineering); and
- Our compliance expectations and how to do business with us are communicated through our global supplier requirements manual, dedicated supplier portal and purchasing terms and conditions

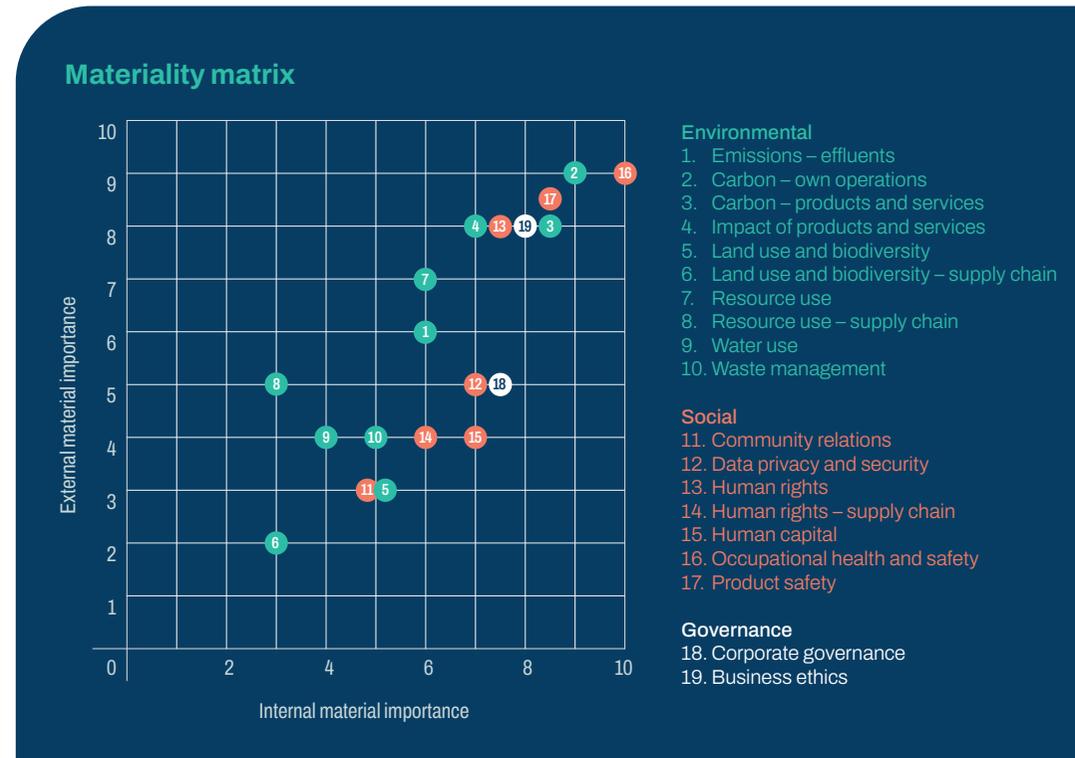
### Community engagement included:

- Striving to consistently operate our business in a manner that minimises our impact on the environment through energy efficiency, waste reduction and conservation of resources;
- Expansion of our EHS group has improved our processes to measure, report and assess our greenhouse gas emissions and the environmental impact our operations have on the wider community;

- Individual plants have membership on many community-related forums, which allows our local teams to selectively support causes and initiatives that are important for their local communities. We believe that this drives better engagement for our team members in their local communities; and
- We participate in charitable donation programmes

## STAGE 5: Creating materiality matrix

The ESG sub-categories were assigned a score of 1–10 based on our internal assessment of the information we have compiled from various sources, which was then put into a graph. As these results are commercially sensitive, we will not be publishing these. Here is an example of how the graph looks; the X-axis represents material importance from internal stakeholders, and the Y-axis represents material importance from external stakeholders.



# Our sustainability strategy

## Take the Turn

Our Take the Turn strategy addresses the transitional risks and opportunities associated with vehicle electrification, as well as the need to operate a business in a more sustainable manner to address climate change and maintain a diverse and talented workforce. We have further refined our Take the Turn strategy to reflect three main pillars that combine to drive sustainable growth: Technology (Electrification), Transformation (Sustainability) and Talent (Learning).

| Pillar   | Description   | Material issues  | Our pipeline/targets   |
|--|---|--|--|
|  <p><b>Technology</b></p>     | <p>At the heart of our Take the Turn strategy is product development and application engineering to support the electrification of the automotive industry. To meet the unique requirements of HEVs and BEVs, we are capitalising on our extensive knowledge of fluid components, lighter weight materials, systems architecture and manufacturing processes to provide our OEM customers with advanced designs and products, especially thermal management systems, that are efficient and economical. Our technology and advanced products are supporting the automotive industry's transition to greener vehicles.</p> | <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>Impact of products and services</li> <li>Carbon – products and services</li> <li>Resource use</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>Product safety</li> </ul>  | <p>Bookings on lifetime revenue basis in 2022</p> <p>€1.3bn<br/>HEV</p> <p>€1.3bn<br/>BEV</p>  |
|  <p><b>Transformation</b></p> | <p>Climate change is a significant issue, and the need to decarbonise our industry is crucial. We are committed to being an automotive industry leader to reduce greenhouse gas emissions and build a more sustainable future. We recognise that we must also transform our business in line with new standards and expectations regarding the environment and broader business practices to deliver sustainable value to our stakeholders – investors, customers, suppliers, employers and the communities we operate in.</p>  | <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>Emissions – effluents</li> <li>Carbon – own operations carbon</li> <li>Land use and biodiversity</li> <li>Water use – particularly scarcity</li> <li>Waste management</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>Community relations</li> <li>Data privacy and security</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics</li> </ul> | <p>Greenhouse gas emissions* – 2030 targets</p> <ul style="list-style-type: none"> <li>50% reduction of our Scope 1 and 2 emissions and 30% reduction of our Scope 3 emissions, in each case compared to 2021 levels on a like-for-like basis</li> </ul> <p>Water conservation – 2030 target</p> <ul style="list-style-type: none"> <li>FCS Process Plants: 25% reduction from 2020 baseline (3.00% annual reduction)</li> <li>FCS Thermal Plants: 10% reduction from 2020 baseline (1.25% annual reduction)</li> <li>FCS Systems, FTDS Pump and FTDS Tank Plants: change to 100% low-flow fixtures by 2030</li> </ul> |
|  <p><b>Talent</b></p>       | <p>Our success is directly linked to our ability to recruit, retain, motivate and develop a diverse and talented workforce ready for the new electrified future. In 2022, we embraced our 'Fluid Learning' online learning platform that provides every salaried employee with access to a variety of relevant educational and developmental tools to improve their skills and ability to be a valuable and enthusiastic participant in our collaborative organisation.</p>   | <p><b>Social</b></p> <ul style="list-style-type: none"> <li>Human rights</li> <li>Human capital</li> <li>Occupational health and safety</li> </ul>   | <ul style="list-style-type: none"> <li>Targeting diversity hiring rates that are in line with or greater than the available candidate pool, measured by national university graduation rates for women</li> <li>Ensure middle management is assessed for and provided training on inclusivity, as a fundamental management style to ensure our diversity initiatives are sustainable and embraced by the organisation</li> <li>In 2022 our global gender split improved to 2.3/1.0 (male to female)</li> </ul>   |

# Alignment with the UN SDGs

Our purpose and sustainability focus aligns with many United Nations Sustainable Development Goals (UN SDGs).

## UN Global Compact

We have employed the ten principles of the UN Global Compact for several years.

| SDG  | Description  | Alignment with our sustainability approach  | Link to strategy  |
|--|--|---|---|
|  <p>3 GOOD HEALTH AND WELL-BEING</p>              | Ensure healthy lives and promote wellbeing for all at all ages               | <p>We have committed to having all manufacturing locations certified to ISO 45001, an internationally recognised safety management system. Since adopting this in 2021, we have aggressively expanded this certification effort. More than half of our locations were certified by the end of 2022, and we expect all locations to be certified by 2024.</p> <p>At various locations, we promote a variety of health-related programmes, including mobile vaccination clinics, mammogram screening and other wellness programmes.</p>   |    |
|  <p>7 AFFORDABLE AND CLEAN ENERGY</p>             | Ensure access to affordable, reliable, sustainable and modern energy for all | <p>We are actively pursuing renewable energy in our markets. Where appropriate, we are committing to adaptive energy projects to bring more renewable energy to the grid; for example, our MI GreenEnergy commitment in Michigan with DTE where we have committed to purchasing 100% renewable energy from them for a ten-year period. Our support assists with building solar fields to provide a new source of solar power for Michigan.</p> <p>We have adopted updated GHG reduction targets in line with a 1.5°C model and consistent with the SBTi Science Based Targets initiative.</p> |    |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | Ensure sustainable consumption and production patterns                       | <p>We are tracking water use in the manufacturing locations that we operate in.</p> <p>We have programmes to promote inclusive sourcing in the supply chain, including women-owned businesses.</p> <p>We actively track and report on conflict minerals.</p>  |    |
|  <p>5 GENDER EQUALITY</p>                       | Achieve gender equality and empower all females                              | <p>We have contracted an outside consultant to provide assessments and training on unconscious bias in order to promote a more inclusive business environment, particularly for our female workforce.</p> <p>We have developed formal diversity and inclusion committees in all operational regions to promote diversity and inclusion.</p> <p>We are actively looking at developing a STEM (science, technology, engineering and mathematics) scholarship programme aimed at school-age girls.</p>   |  |

 Continue on next page.

# Alignment with the UN SDGs

Continued

| SDG   | Description  | Alignment with our sustainability approach  | Link to strategy  |
|---|--|---|---|
|  <p>6 CLEAN WATER AND SANITATION</p> | Ensure available and sustainable management of water and sanitation for all                    | <p>We have set water conservation targets for our business groups.</p> <p>We continue to provide strong leadership and stewardship of our water resources. Where we treat water and return it to rivers or local sewerage systems, we do so by meeting the effluent limitations set out by local government.</p>                                    |    |
|  <p>13 CLIMATE ACTION</p>            | Take urgent action to combat climate change and its impacts                                    | <p>We have adopted updated GHG reduction targets in line with a 1.5°C model and consistent with the SBTi Science Based Targets initiative.</p> <p>We are working on a long-term strategy for the purchase of renewable energy in our markets.</p> <p>We are developing an energy efficiency plan for the organisation.</p>                          |   |
|  <p>14 LIFE BELOW WATER</p>          | Conserve and sustainably use the oceans, seas and marine resources for sustainable development | <p>We meet or exceed all effluent requirements for discharge to sanitary sewage systems and, in limited cases, rivers. Clean fresh water is vital in assuring that estuaries and oceans provide healthy food sources.</p> <p>As we procure transportation, we will assess vendors with lower carbon transport for oceanic transportation needs.</p> |    |

# Sustainability metrics



## Scope 1 emissions

|             |               |
|-------------|---------------|
| 2019        | 39,170        |
| 2020        | 30,680        |
| 2021        | 27,763        |
| <b>2022</b> | <b>30,383</b> |

Global Scope 1 emissions (CO<sub>2</sub>(e)T)

## Scope 2 emissions

|             |                |
|-------------|----------------|
| 2019        | 267,913        |
| 2020        | 235,947        |
| 2021        | 230,279        |
| <b>2022</b> | <b>229,185</b> |

Global Scope 2 emissions (CO<sub>2</sub>(e)T)

## Total energy consumed (kWh)

|             |                    |
|-------------|--------------------|
| 2019        | 526,434,728        |
| 2020        | 457,404,458        |
| 2021        | 485,749,751        |
| <b>2022</b> | <b>498,613,698</b> |

## 2022

**4.6**

% of energy consumed that is from renewable sources

## Gender diversity

| At 31 December 2022                   | M            | Percent Men | F            | Percent Women | Grand Total  |
|---------------------------------------|--------------|-------------|--------------|---------------|--------------|
| CEO                                   | 1            | 100%        |              |               | 1            |
| Executive Committee                   | 7            | 88%         | 1            | 13%           | 8            |
| Direct Reports to Executive Committee | 43           | 75%         | 14           | 25%           | 57           |
| Other Salaried                        | 2,781        | 68%         | 1,280        | 32%           | 4,061        |
| <b>Grand Total</b>                    | <b>2,832</b> | <b>69%</b>  | <b>1,295</b> | <b>31%</b>    | <b>4,127</b> |

## 2022

**€1.3bn**

BEV products lifeline revenue

**73%**

of our salaried staff took voluntary learning and completed 5,400 certifications

## 2022

**2.65**

Temporary employee, contractor and visitor recordable injury frequency

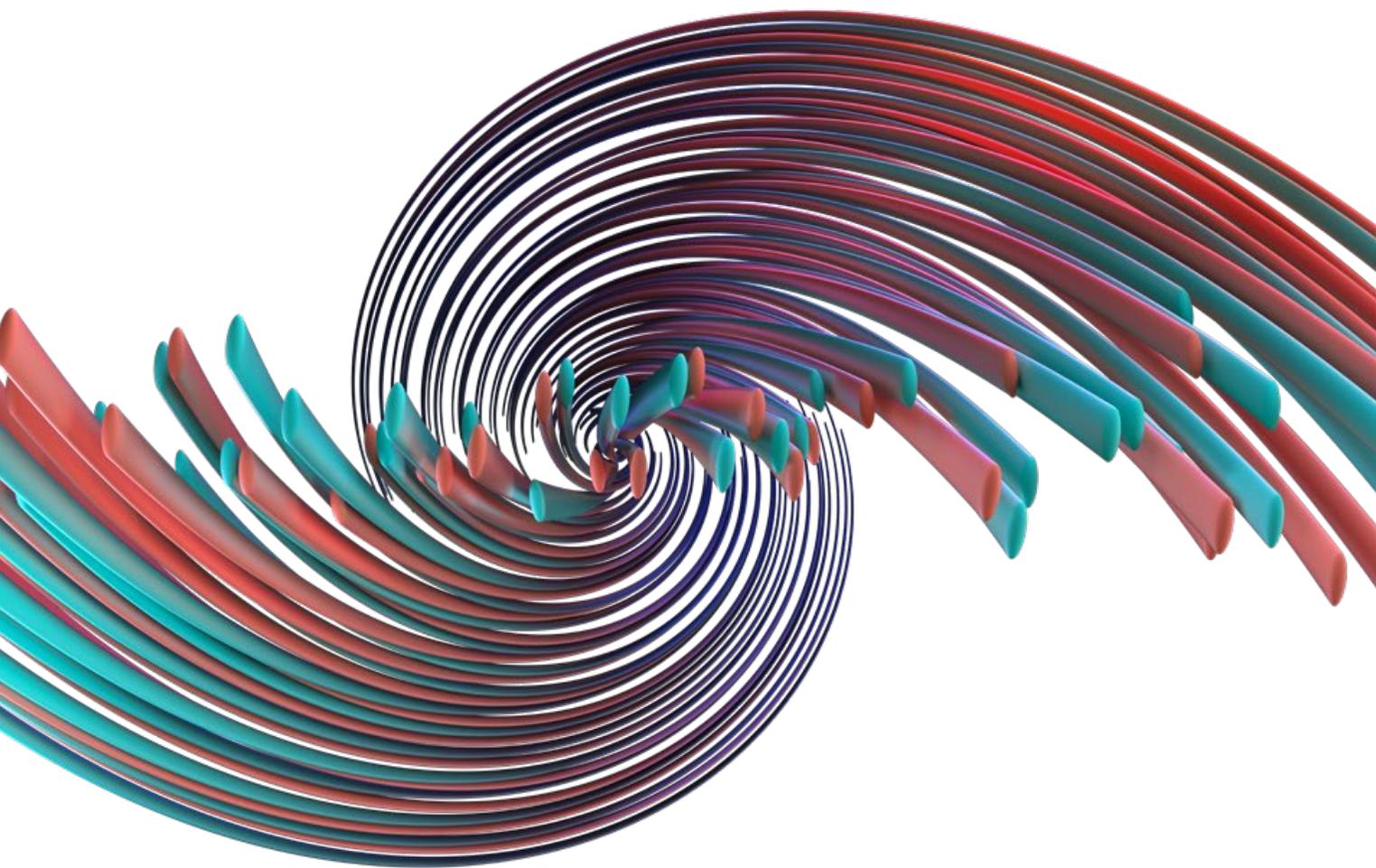
## 2022

**1.96**

Employee, contractor and visitor lost time injury frequency

| 2021 | 2020 | 2019 |
|------|------|------|
| 1.75 | 1.67 | 2.87 |

# Environment



## In this section

|                                |    |
|--------------------------------|----|
| Carbon – own operations        | 26 |
| Carbon – products and services | 28 |
| Water use                      | 29 |
| Waste management               | 30 |

# Carbon – own operations

Carbon – own operations refers to a company’s management of risks related to its own operational energy use and GHG emissions (Scope 1 and 2).

## Our ambition

In 2022, we engaged Schneider Electric to assist us to develop updated, GHG emissions reduction targets in line with a 1.5°C model and consistent with the SBTi Science Based Targets initiative.

As a result of the work in 2022, we adopted updated targets in March 2023. Specifically, our new goal is to achieve a 50% reduction of our Scope 1 and 2 emissions by 2030 compared to 2021 levels on a like-for-like basis. In addition, with support from Schneider Electric, we also developed renewable electricity and energy efficiency plans to support achievement of our new targets.

We have submitted our new targets to SBTi for validation.

We look forward to communicating approval of our target from SBTi.

## Reduction in energy consumption

One of the pillars of our GHG reduction strategy is the reduction of energy consumption across our manufacturing footprint. In 2022 we started an energy efficiency programme. All manufacturing locations were thoroughly surveyed with respect to the building envelope and energy consuming processes. This data will be validated by a selective audit process in 2023. We will then develop a playbook for our plants to systematically address energy conservation moving forward.

We have seen a year-on-year increase in electrical consumption and a 2021 to 2022 increase in fossil fuel consumption. In 2022 we believe this is strongly correlated to our increase in revenue.

## Greenhouse gas emissions

Our GHG emissions have decreased from 2019 significantly. This is due in large extent to volume reduction related to COVID-19 and the microchip shortage. We have also reduced emissions through the procurement of renewable energy. Overall we have seen a minor increase in emissions in Scope 1 and 2 categories from 2021 to 2022. 258,042 to 260,709 or approximately 1.03% increase respectively. This is well below the increase in overall revenue of over 8% from 2021 to 2022.

## Energy intensity

Intensity factor (CO<sub>2</sub>(e)T per €m revenue)

|      |       |
|------|-------|
| 2020 | 94.72 |
| 2021 | 87.26 |
| 2022 | 79.43 |

## Electricity consumption

Global electricity consumption (kWh)

|      |             |
|------|-------------|
| 2020 | 457,404,458 |
| 2021 | 485,749,751 |
| 2022 | 498,613,698 |

## Scope 1 emissions

Global Scope 1 emissions (CO<sub>2</sub>(e)T)

|      |        |
|------|--------|
| 2020 | 30,680 |
| 2021 | 27,763 |
| 2022 | 30,383 |

## Scope 2 emissions

Global Scope 2 emissions (CO<sub>2</sub>(e)T)

|      |         |
|------|---------|
| 2020 | 235,947 |
| 2021 | 230,279 |
| 2022 | 229,185 |

### Link to SDGs



### Link to Strategy



# Carbon – own operations

Continued



## CASE STUDY

### CDP public disclosure

At TI Fluid Systems, we believe in, and are committed to, conserving natural resources and protecting the environment for the benefit of our employees and communities, as well as for future generations. This commitment to environmental responsibility and sustainability is reflected in our business strategy, objectives and commercial priorities.

Transparency is an essential element of our environmental policy. In keeping with this, we are proud to announce that, in 2022, we have begun publishing a wide range of our environmental data through CDP, a global non-profit organisation that is the world's leading repository of environmental data. Disclosing environmental data via CDP has become a best practice, with over 18,700 companies doing so in 2022 – a record for the organisation.

As part of our disclosure, we completed rigorous questionnaires covering our environmental policies and governance, energy consumption, greenhouse gas emissions, waste generation, and water use.

In recent years, we have strived to improve the manner and method in which we collect and verify energy, waste and water consumption data across all our global locations. In the long term, we are dedicated to putting renewable

electricity and energy efficiency programmes in place to reduce energy consumption and our carbon footprint.

For example, from 2024, we will begin sourcing almost all of our electricity for our plants and offices in Michigan through DTE Energy's MIGreenPower Program. This initiative enables customers of DTE Energy to attribute their electricity usage to DTE's wind and solar projects in Michigan, contributing towards a cleaner future for all.

Hans Dieltjens, our CEO, said: 'As more and more of our shareholders, employees and customers are looking for environmental transparency, disclosing through CDP is a major step forward in demonstrating our commitment to environmental sustainability.'

Our CDP data is available by visiting the CDP home page ([www.cdp.net/en](http://www.cdp.net/en)). Please note that you will need to register with CDP to view any company that has made its data publicly available, including ours.



# Carbon – products and services

Carbon – products and services refers to a company’s management of the energy efficiency and/or GHG emissions of its services and products during the use phase.

## Our ambition

We provide product offerings to help reduce exhaust and evaporative emissions, as well as reduce the weight of material in the vehicle. Reducing weight directly affects the fuel efficiency for ICE powered cars and allows EVs to go further on a charge.

## Reduction in energy requirements of products and services

The Company has been awarded the London Stock Exchange’s Green Economy Mark in recognition of the positive environmental impact our product technologies have by helping make cars greener. We are proud that our technology and products support the green economy, and that we deliver safety-critical technology for the environmental benefit of vehicles.

These products include lightweight pressure-resistant fuel tanks, lightweight plastic lines and connectors for coolants and refrigerants.

We also manufacture high-pressure fuel rails that allow for the optimisation of internal combustion engines and increased fuel efficiency.

## Products for electric vehicles

Chassis thermal plastic manifolds, battery thermal plastic lines and connectors, aluminium lines and connectors, rubber lines.



€1.3bn

2022 BEV products lifetime revenue

31%

of BEVs for nameplates launched during 2021

Link to SDGs



Link to Strategy



# Water use

Water use focuses on water scarcity and how effectively a company uses its water supply.

## Our ambition

Reduce water use, especially in areas with high water scarcity risks. Protect the quality of the water in the communities that we operate and live in.

## Water recycled and reused

We are implementing a strategy to reduce the use of water and increase our conservation efforts, particularly in areas that have water scarcity issues. In 2021, the following water conservation targets were established for us to achieve by 2030:

- FCS Process Plants: 25% reduction from 2020 baseline (3.00% annual reduction)
- FCS Thermal Plants: 10% reduction from 2020 baseline (1.25% annual reduction)
- FCS Systems, FTDS Pump and FTDS Tank Plants: Change to 100% low-flow fixtures by 2030

In 2023, we will reassess our baseline year for water consumption. In 2020 we had many plants that were shutdown due to COVID-19 and we want to assure that have set targets that are achievable and appropriate for the scale of our operations.

## Water recycled and reused

The majority of the water that we use is related to non-contact cooling. As such, much of this water is discharged to local sanitation departments.

We have several initiatives used to minimise the volume of water that we use in our production environment.

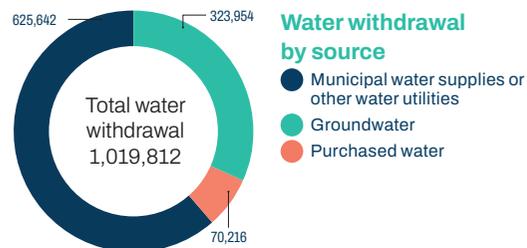
## Water sources significantly affected by withdrawal of water

None.

### Link to SDGs



### Link to Strategy



## Total water withdrawal

by source in m<sup>3</sup>

|             |                  |
|-------------|------------------|
| 2020        | 888,388          |
| 2021        | 988,177          |
| <b>2022</b> | <b>1,019,812</b> |

# Waste management

## Generation of Waste

A key element of our business's sustainability is built around management of the non-hazardous and hazardous waste that the Company generates. Our focus is based around the following four elements: Reduce, Reuse, Refurbish, Recycle.

### Reduce

Over the past several years we have worked with suppliers and our customers on the development of reusable containers. The use of reusable containers reduces the amount of waste generated, particularly for wood and cardboard waste streams. We have a very strong scrap reduction initiative. Our operations, quality, and environmental teams work together to try to eliminate scrap production. Scrap rates have been set as business KPIs and are tracked monthly. The reduction of scrap is an important waste and raw material conservation effort.

### Reuse

Several elements of the business have found ways to reuse material and resources to minimise the generation of waste. Both of our divisions have programmes where we collect plastic that has been either blow molded or injection molded that can be mechanically reground and reused in certain products that we produce. The reuse is an important step used to both minimise waste generation and conserve raw materials.

### Refurbish

Several of our plants are involved in returning slightly used or damaged wood pallets for refurbishment. This prolongs the life of the pallet and ultimately reduces the need to harvest additional wood for pallet construction.

## Recycle

Our Company has a strong recycling culture. Our plants have sought out recycling opportunities for cardboard, wood, plastics and metals for years. This culture supports our significant landfill avoidance.

## Our ambition

In 2022, our EHS teams established a new baseline waste generation volume that incorporates hazardous and non-hazardous waste generation. We have been working on waste minimisation and reduction for years. With this new baseline, we are in the process of formalising a waste minimisation target and new landfill avoidance target.

We anticipate announcing waste management targets in 2023.

## Waste disposal

As our sustainability initiatives develop, we are selecting waste vendors that have strong approaches to sustainability. In some regions we have our food waste or 'organic waste' completely segregated, supporting landfill avoidance. We have many plants that are able to divert some of the waste streams that they generate to waste to energy facilities. Finding and using responsible and sustainable waste management partners is a key focus for our Board, senior management team, and our employees. We are committed to minimising our impact in the local communities that we live and operate in.

## Hazardous waste generation

|  |                   | 2021            | 2022            |
|--|-------------------|-----------------|-----------------|
| <b>Hazardous total</b>                               | <b>metric ton</b> | <b>2,233.70</b> | <b>2,035.93</b> |
| (i) Reuse (hazardous)                                | metric ton        | 43.76           | 43.93           |
| (ii) Recycling (hazardous)                           | metric ton        | 575.83          | 738.30          |
| (iii) Composting (hazardous)                         | metric ton        | 0.00            | 0.00            |
| (iv) Recovery, including energy recovery (hazardous) | metric ton        | 117.85          | 329.40          |
| (v) Incineration (mass burn) (hazardous)             | metric ton        | 355.46          | 362.76          |
| (vi) Deep well injection (hazardous)                 | metric ton        | 0.00            | 0.00            |
| (vii) Landfill (hazardous)                           | metric ton        | 225.74          | 123.20          |
| (viii) On-site storage (hazardous)                   | metric ton        | 602.50          | 124.34          |
| (viii)) Others (hazardous)                           | metric ton        | 312.56          | 313.99          |

## Non-hazardous waste generation

|  |                   | 2021             | 2022             |
|--|-------------------|------------------|------------------|
| <b>Non-hazardous total</b>               | <b>metric ton</b> | <b>31,874.00</b> | <b>31,381.69</b> |
| (i) Reuse                                | metric ton        | 4,885.48         | 4,555.77         |
| (ii) Recycling                           | metric ton        | 15,691.10        | 18,306.67        |
| (iii) Composting                         | metric ton        | 60.81            | 193.13           |
| (iv) Recovery, including energy recovery | metric ton        | 356.83           | 389.43           |
| (v) Incineration (mass burn)             | metric ton        | 714.02           | 825.96           |
| (vi) Deep well injection                 | metric ton        | 0.00             | 0.00             |
| (vii) Landfill                           | metric ton        | 8,752.60         | 5,857.95         |
| (viii) On-site storage                   | metric ton        | 18.51            | 19.70            |
| (vii) Others                             | metric ton        | 1,394.65         | 1,233.06         |

### Link to SDGs



### Link to Strategy



# Waste management

Continued

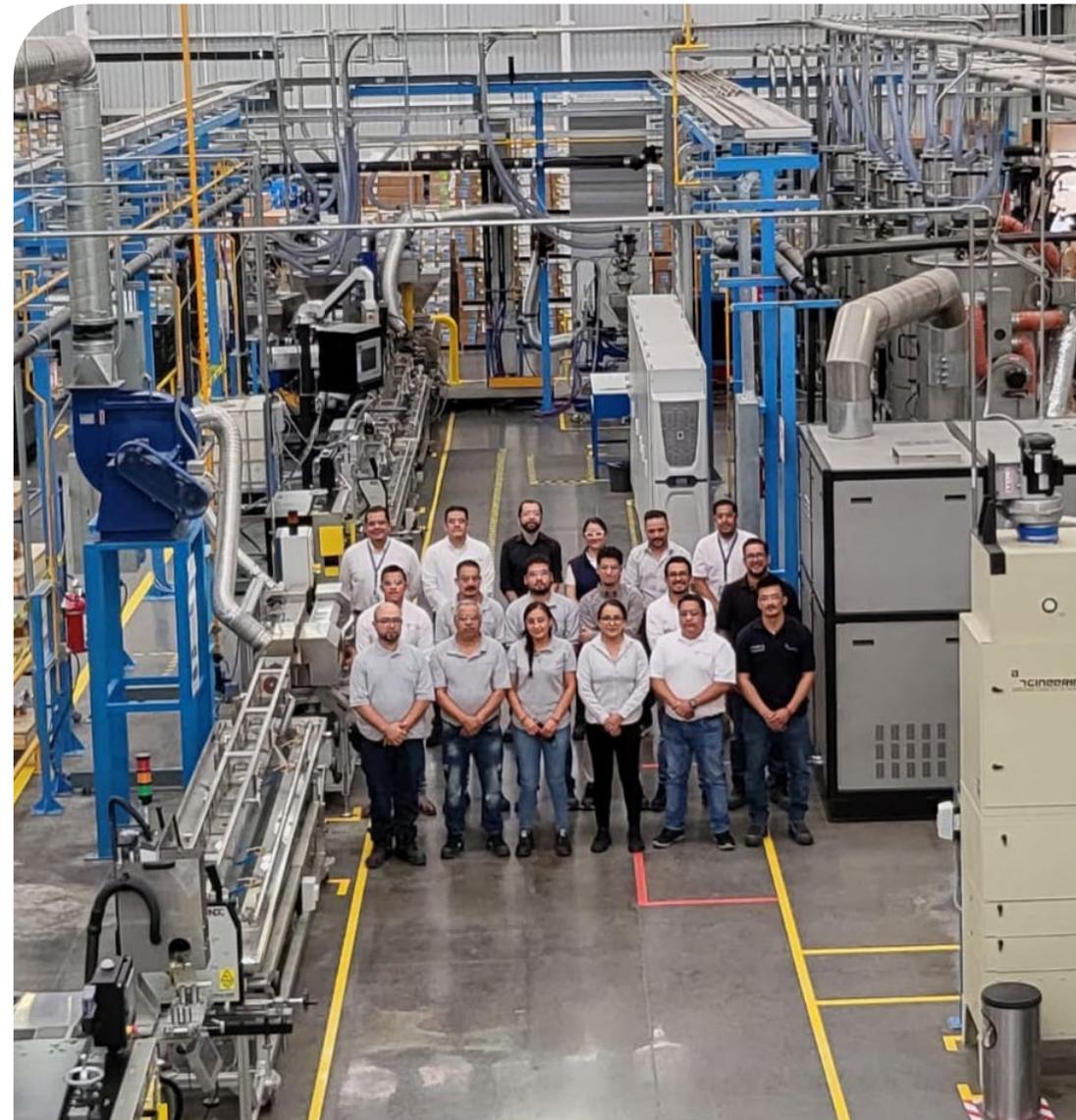
## CASE STUDY

### San Luis Potosí Multi-Layer Extrusion Line

San Luis Potosí, Fuldabrück and Global Engineering teams completed the installation of a new Multi-Layer Extrusion Line at our San Luis Potosí, Mexico plant.

The project began in Q1 2021 and was completed in May 2022. The new machine will support production of fuel and coolant lines, giving us the capability to produce these products locally in Mexico. The machine is truly state of the art and will be able to produce up to six different layers of plastic. Additionally, the localisation of this important set of lines will also eliminate the need to ship these products from other TI facilities in North America. One of the benefits of this is the reduction of non-hazardous waste associated with the shipping dunnage. Additionally, any material that we can make on site eliminates GHG emission from the logistics supply chain.

Not only is this an important milestone in our localisation initiative, it will also give the business a competitive advantage in the future, as Stefan Rau, Executive Vice President FCS, explains: 'The completion of this project is very important in the execution of our strategy. Thank you to everyone involved for all of your hard work. Next, we are to install a corrugated tube line in SLP, with the project set to finish next year.'



# Social



## In this section

|                                |    |
|--------------------------------|----|
| Community relations            | 33 |
| Data privacy and security      | 35 |
| Human rights                   | 36 |
| Human capital                  | 38 |
| Occupational health and safety | 39 |
| Product safety                 | 41 |
| Responsible purchasing         | 42 |

# Community relations

Community relations focuses on how companies engage with local communities (including indigenous peoples) through community involvement, community development and/or measures to reduce negative impacts on local communities.

## Our ambition

We operate in 28 countries worldwide. Our people and operations are encouraged to develop a local strategy to make positive contributions to their communities through participation in local events. In 2022, our employees participated in and contributed to many community and charitable projects across the world.

We also seek to make a positive impact in the many local communities where we operate through local charitable and outreach activities.

We established a scholarship programme to support and provide opportunities for female students (55 in 2022) to pursue their STEM (science, technology, engineering and mathematics) studies at colleges and universities in countries where we have significant operations.

### Link to SDGs



### Link to Strategy



## USA (40K EUR)

3

Students

Partners

- National Action Council for Minorities in Engineering

## Germany (20K EUR)

2

Students

Partners

- University of Karlsruhe ("Karlsruhe Institute of Technology")
- Economy foundation of Germany ("Stiftung der deutschen Wirtschaft")

## Poland (20K EUR)

4

Students

Partners

- Adam Mickiewicz University, Poznań
- AGH University of Science and Technology, Krakow

## Mexico (20K EUR)

20

Students

Partners

- Technological University of San Luis Potosí (UTSLP)
- Autonomous University of San Luis Potosí – Faculty of Engineering (UASLP)

## China (20K EUR)

26

Students

Partners

- Shanghai University of Engineering Science
- Jilin University (Changchun)
- Civil Aviation University of China (Tianjin)

# Community relations

Continued

## CASE STUDY

### TI Fluid Systems Ukraine Support

The Russian war with Ukraine has resulted in a humanitarian disaster for the people in Ukraine. Our businesses have helped to unite people behind a common cause, and provide them with a platform from which to provide assistance. We saw that at times throughout the COVID-19 pandemic and that is exactly what we have seen again in response to the crisis in Ukraine.

At TI Fluid Systems, we are incredibly proud to work with such compassionate teams all over the world. Many of our employees have gone above and beyond to raise money and supplies for displaced Ukrainians. These efforts have taken place throughout the entire Company's network of global locations. This really has been a collaborative approach across the board.

An example of these phenomenal efforts comes from Poznan, Poland, where the TI team had a lasting impact on the city's efforts to send goods to Ukrainian refugees. Volunteering at the Poznan International Fair and at the main railway

station in the city, the team put their professional experience to good use, implementing changes to the refugee servicing process. These changes significantly accelerated the process of addressing the needs of those who have had to flee Ukraine.

The impact of the work undertaken by the TI staff was huge; the organisers of these efforts asked the team to train other volunteers to ensure that these standards were maintained. Many members of staff have insisted that, although the work was physically exhausting, it was worthwhile to meet the needs of those affected by the war. In Poznan, the TI team's commitment has been incredible, and has been recognised by the Charitable Caritas Foundation and the local fire brigade, with both bodies awarding the team with certificates.

This support has extended further, beyond Poznan. In the Czech Republic, our team at Mlada Boleslav has played a crucial role in organising the delivery of essential goods to those in need. The team has also contributed financially to ensure that Ukrainian refugees don't go without food, water, clothing and shelter. At our Jablonec site, our employees have donated money and supplies to the People in Need charity and have bought medical supplies and medicines that are to be shipped to Ukraine. The team has demonstrated its compassion by arranging for Ukrainian members of staff to have access to a meeting room to make free internet calls to their homeland, and by offering the relatives of these individuals employment.

Even further afield, in Telford, England, the team has sent multiple donations of essential items, ranging from medical supplies to baby equipment.

TI staff in Ukraine's bordering countries have also demonstrated their solidarity with their neighbours, with many offering their homes and spare rooms to displaced Ukrainian people. This goodwill has extended throughout the entire Company. So far, TI employees have contributed €33,500 to the Red Cross and to various organisations that have supported Ukrainian relief efforts. The Company itself has added an extra €58,500 on top of this, taking our overall donation to €92,000.



# Data privacy and security

Data privacy and security focuses on data governance practices, including how companies collect, use, manage and protect data. The emphasis is on measures taken to ensure safe and secure use and/or maintenance of customers' personally identifiable data.

We are committed to safeguarding the privacy of our stakeholders and have established a robust data protection policy to ensure compliance with applicable laws.

At the core, sitting alongside our Information Security policy and Record Retention policies, is our Privacy policy, which details the general data protection principles, responsibilities and expectations of the Company regarding the handling of the personal data of our employees for legitimate business purposes as required by law or with individual consent.

Regular training is delivered to ensure knowledge regarding the processing of such data is current as well as requiring an annual acknowledgement of employees confirming their ongoing commitment to the policy. The policy is available on the intranet and in our facilities, and we also have an external-facing policy available on our website.

The establishment of a dedicated email (privacy@tifs.com) for queries, requests and reporting of potential and actual data breaches, ensures timely management of queries and prompt investigation of reports.

Audits are performed locally throughout Europe, recording the categories of personal data held, the purpose of the processing, the technical and organisational security measures in place to safeguard such information and the lawful basis of the processing according to the General Data Protection Regulation.

As well as ensuring the internal safeguarding of stakeholder data, we have adopted measures to ensure such requirements are met by relevant third-party service providers through data processing agreements.

We continue to closely monitor developments in the privacy landscape and update our data protection policy as necessary.

## CASE STUDY

# Data Transfer Agreement

Following the EU Commission's publication on 4 June 2021 of new Standard Contractual Clauses, TI Fluid Systems has updated its International Data Transfer Agreement. These updates ensure that, where personal data is required to be transferred between group entities, such transfers are done in accordance with the law.

[Link to SDGs](#)



[Link to Strategy](#)



# Human rights



Human rights focuses on how companies manage and respect fundamental human rights within their operations. Emphasis is on measures taken to protect civil and political rights, as well as economic, social and cultural rights, including child and forced labour.

## Our ambition

We are committed to conducting business in an ethical and professional manner at all times. The foundation of our Human Rights policy is respect for the fundamental and essential human rights of our employees, customers, suppliers and other stakeholders.

Our Human Rights policy aligns with internationally recognised human rights standards, including the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. This Human Rights policy is intended to serve as a supplement to our Code of Business Conduct. Our management team works to eliminate or reduce the risk of human rights violations in all areas of our business across all global locations. We recognise the diverse racial, social and economic conditions where we operate and seek to uniformly apply our Human Rights policy and Code of Business Conduct at all locations. Consistent with our commitment to fundamental human rights, we seek to maintain the highest standards and values across all locations while fully complying with any specific human rights regulations applicable in the jurisdictions we operate in.

We applied to be a signatory to the UN Global Compact. The UN Global Compact aligns well with our Company's core values.

The foundation for our Human Rights policy is respect for the fundamental and essential human rights of our employees, customers, suppliers and other stakeholders.

The Group is committed to doing business ethically. We fully support generally accepted human rights conventions as reflected in our Human Rights policy as well as Code of Business Conduct and in our annual Modern Slavery Statement.

We take the protection of human rights seriously and have zero tolerance for the use of slave and child labour.

### Link to SDGs



### Link to Strategy



# Human capital

Human capital focuses on the management of human resources, including the management of risks related to scarcity of skilled labour through retention and recruitment programmes and career development measures such as training programmes. Additionally, it includes labour relation issues, including the management of freedom of association and non-discrimination, as well as working hours and minimum wages.

Our strength as a global Tier 1 automotive supplier is directly tied to the talent and diversity of our staff, management and Board leadership. We are committed to treating individuals with respect, and to building and maintaining a culture that values and promotes ethical business practices, compliance, diversity and inclusion. We welcome employees with diverse perspectives who share our vision of a world marked by knowledge and compassion.

Our Core Values promote our social programmes by valuing our employees, sustaining enduring relationships with our customers, and making positive contributions in the communities where we operate.

Our people are considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of age, gender, sexual orientation, religion or ethnic origin. These messages are reinforced by our Core Values.

Consistent with our Core Values and focus on our employees, we have continued to develop and improve our global safety and our diversity programmes.

In 2022, we again engaged directly with our workforce through our Global Employee Engagement Survey.

We learned the importance that our employees place on work-life balance and implemented a Group-wide hybrid work model that provides many employees the opportunity to work from home 40% of the time.

We take our employees' health, both physical and mental, seriously, and we have implemented several initiatives to support our employees. These include a Global Employee Assistance Programme across all countries which provides resources for our employees' emotional and mental health, a robust health and safety programme ensuring our workplaces are safe, a feedback loop with employees through skip level meetings, employee engagement surveys and a hotline for employees to address potential issues they might have in their location.

Our diversity programmes include an inclusivity assessments and inclusivity education of our top management, anti-bias training, the implementation of regional diversity committees, programmes to increase gender diversity, and mentoring programmes for women.



[Link to SDGs](#)



[Link to Strategy](#)



# Human capital

Continued



## Code of Business Conduct

We expect that all employees will conduct their business in accordance with our Code of Business Conduct (COBC), and all applicable laws, rules and regulations of all jurisdictions that may apply to our business activities.

Compliance with our COBC and all applicable law, both in letter and in spirit, is the foundation on which our ethical standards are built.

The Code of Business Conduct addresses the following:

- Gifts, loans and other benefits to employees
- Conflicts of interest
- Confidential information
- Record keeping
- Business-related expenses
- Facilitation payment to government employees or officials
- Competition and fair dealing
- Positive work environment
- Intellectual property
- Product safety and quality
- Environmental standards
- Workplace health and safety

All employees receive regular training on the COBC and compliance issues relevant to their function. In addition, employees are required to annually certify their understanding and compliance with the COBC.

## CASE STUDY

# Global Employee Assistance Programme

As part of our investment in our employees wellness and wellbeing we have established a Global Employee Assistance Programme (EAP). An EAP is a voluntary, work-based programme that offers free and confidential assessments, short-term counselling, referrals, and follow-up services to employees who have personal and/or work-related problems.

Our HR team has selected and implemented an EAP that addresses a broad and complex range of issues affecting mental and emotional well-being, such as alcohol and other substance abuse, stress, grief, family problems, and psychological disorders. Our third party EAP counsellors also work in a consultative role with managers and supervisors to address employee and organisational challenges and needs when they arise.

We believe that our EAP has the capacity to provide critical mental health support. We also believe that we have shown a strong commitment to our employees physical and mental health by providing and maintaining a strong, worker centered, EAP.

# Occupational health and safety



Occupational health and safety focuses on the management of workplace hazards affecting a company’s own employees and on-site contractors.

### Our ambition

To have world-class safety for all locations we operate in.

The health and safety of our employees remains an overarching priority and is central to everything we do. We focus on safe working environments and eliminating work-related injuries and illnesses.

We report safety statistics to the Board at every meeting, including all potentially life-threatening incidents and lost time injury frequency (LTIF) for the organisation as a whole. This information, with a detailed breakdown of injury by plant and open injury reports, is provided to each regional Managing Director on a monthly basis.

The Corporate Safety Steering Committee consists of the Chief Legal Officer and Chief HR Officer, the Divisional Executive Vice Presidents and the Global EHS Director. The Committee is responsible for providing the

architecture and direction for the Group’s safety-related programmes. This Committee determines our safety KPIs and objectives, and helps to implement our safety strategy.

The corporate safety team helps to steer and implement policies and programmes approved by the Corporate Safety Steering Committee.

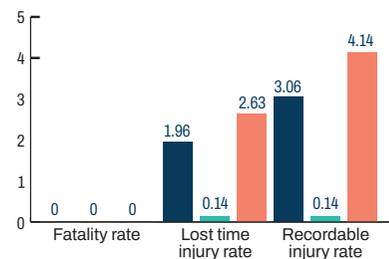
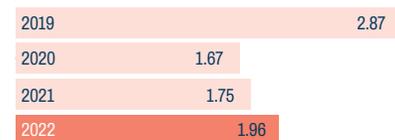
At a local level, each plant is required to have a Safety Committee that comprises the plant manager, at least one other senior manager, and operators and supervisors working on the plant floor. The mandates of local safety committees vary depending on the plant but, generally, include hazard identification and assessments, accident investigations, safety audits, safety training and recommending personnel protective equipment.

LTIF for the period 2020 to 2022 is presented in the graphic below. Our LTIF has increased slightly over the course of the last two years. The slight increase in LTIF from 2020 to 2022 is primarily driven by our initiative to have more accurate and timely safety reporting by our Asia Pacific plants. Our reporting from Asia Pacific has continued to improve as evidenced by the number of injuries reported in the region compared to previous years

Our LTIF compares very favourably to industrial benchmarks.

### Lost time injury frequency

(Lost time incidents ÷ hours worked) x 1m hours



### Safety data reporting

- All employees
- Visitors, contractors and temps
- TI Fluid Systems full time

### Link to SDGs



### Link to Strategy



# Occupational health and safety

Continued

## CASE STUDY

### ISO 45001 Occupational Health and Safety Management System

In 2021, we began our journey to align our plants to a central occupational health and safety management system. In 2022, we added an additional 20 plants to the scheme. Our goal is to continue to roll this programme out across the globe and to have all manufacturing locations certified by the beginning of 2024.

Our ISO 45001 occupational health and safety management system is compliant with the standard and includes the following system elements: hazard identification, risk ranking and management, safety reporting, training, emergency preparedness, internal and external audits, and management inclusion and review. A key focus of our programme revolves around contractor safety. We treat our contract employees and external contractors as employees. We hold all individuals on our sites to our stringent safety protocols, which, in most cases, are more stringent than local law requires. This system was integrated into plants located in Europe and North America. A total of 29 plants and the Auburn Hills corporate offices were certified by our third-party registrar in 2021.

This system was designed by our EHS team to allow our plants to integrate ISO 14001 environmental management and our ISO 45001 occupational management systems into one environmental health and safety management system. This will allow our plants to leverage the existing ISO 14001 framework that we have in place at most locations into our new combined management system.

We are actively increasing the number of safety professionals that we have in the organisation at the plant level. Adding additional talent to our Safety team in 2022 has resulted in the development of new learning and networking opportunities for our existing team of safety professionals. We are proud of our teams' safety performance and we look forward to continuing to improve our safety programme as we strive for world-class safety across our operations.



# Product safety

TI Fluid Systems has established product safety processes that ensures our products are consistently reliable and comply with all applicable customer, industry, legal and government regulatory requirements.

## Our ambition

The majority of our manufacturing locations are IATF 19649 certified. We have a very low rate of non-conforming pieces that have been rejected by customers verses pieces sold. This is shown in the graph on the right.

Our Customer Safety or Critical Concern Process (CSCC) provides clear direction regarding concerns that could be classified as safety or critical in nature and that could impact the performance of saleable products.

We ensure that the importance of product safety is understood and prioritised by all our employees and, to support this, we provide continuous training, starting with the initial induction process, and continuing to annual roadshow events.

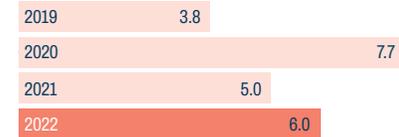
In the event that a performance concern is suspected, internally or externally, our teams initiate the CSCC process, triggering a structured approach to analyse, classify and communicate the issue within the organisation. Potential critical or safety concerns are automatically logged, escalated and monitored via our portal to conclusion by senior staff members working with team members on appropriate resolutions of the issue.

Mandatory lessons learned from each safety or critical concern event is used to drive product and process improvements across the organisation. Corrective actions are cascaded across similar products and manufacturing lines to prevent future issues with product guidelines updated for reference during advanced product quality planning (APQP) team design reviews.

In addition, we conduct on-site Safety, Regulatory and Functional (SRF) audits to verify that production practices comply with the latest knowledge.

## Customer satisfaction

(parts per million sold)



The quantity of non-conforming pieces rejected by external customers versus pieces sold, measured in parts per million

34

Certified product safety and conformance representatives

276

SRF audits conducted

99

Updated product and process standards

### Link to SDGs



### Link to Strategy



# Responsible purchasing

## Definition of material issue

Integrating issues related to supplier sustainability into our purchasing methodology for selecting vendors and rating vendors is critical to understanding where our network of suppliers are in their sustainability journey.

## Our ambition

Develop a formal system for promoting and monitoring the sustainability of our supply chain. Creation of a systematic methodology for evaluation of sustainability status within the supply chain.

## Setting standards

Our purchasing team elected to use ISO 20400 Sustainable procurement guidance as the keystone for developing our sustainable purchasing programme and other ESG improvements within the purchasing function. This work will promote the use of more ESG concepts in both our purchasing strategies and sourcing process, in turn leading to a more sustainably sourced supply base.

### Link to SDGs



### Link to Strategy

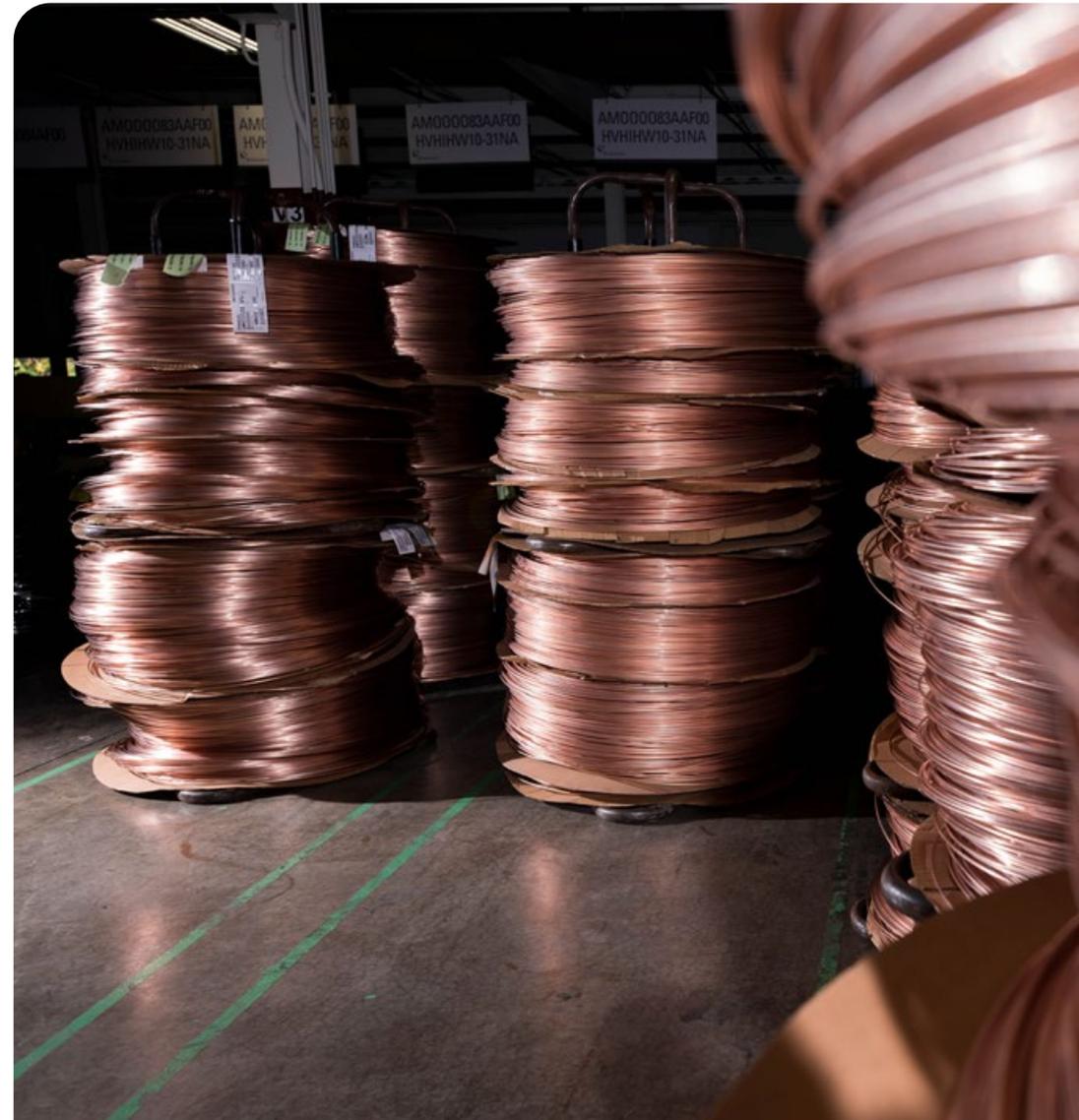


## Assessing suppliers and supplier engagement

The purchasing teams from both divisions worked together to develop an initial supplier survey in late 2022 to begin to evaluate 44 of our largest suppliers.

## Development of a sustainable purchasing programme

The purchasing team is now formalising our global sustainable purchasing policy which we expect to issue in 2023. This policy will establish the formal mechanism for compliance with our Safety, Environmental, and Human Rights policies by our supply base. We intend to train our global purchasing team on ESG requirements so that they will be able to properly deploy our policy and updated purchasing guidance in 2023. We plan to continue our discussions around the development of internal and external KPIs associated with sustainable purchasing.



# Governance

## In this section

|                               |    |
|-------------------------------|----|
| The Board                     | 44 |
| Corporate governance          | 45 |
| ESG Steering Committee report | 47 |
| Business ethics               | 48 |

# The Board

## The Board – Leadership, strategy and development, controls and values

|  |   |   |
|--|---|---|
| <b>Hans Dieltjens</b><br>Chief Executive Officer and President | <b>Tim Cobbold</b><br>Independent Non-Executive Chair       | <b>Elaine Sarsynski</b><br>Independent Non-Executive Director |
|  | <b>Julie Baddeley</b><br>Independent Non-Executive Director | <b>Trudy Schoolenberg</b><br>Senior Independent Director      |
| <b>Ron Hundzinski</b><br>Chief Financial Officer               | <b>Susan Levine</b><br>Non-Executive Director               | <b>John Smith</b><br>Independent Non-Executive Director       |
|  | <b>Jane Lodge</b><br>Independent Non-Executive Director     | <b>Stephen Thomas</b><br>Non-Executive Director               |

| Nomination Committee   | Audit & Risk Committee   | Remuneration Committee  | ESG Steering Committee   |
|--|--|---|--|
| <b>Chair</b><br>Tim Cobbold  | <b>Chair</b><br>Jane Lodge   | <b>Chair</b><br>John Smith  | <b>Chair</b><br>Elaine Sarsynski   |
| <b>Members</b><br>Julie Baddeley<br>Trudy Schoolenberg   | <b>Members</b><br>Elaine Sarsynski<br>John Smith   | <b>Members</b><br>Julie Baddeley<br>Jane Lodge  | <b>Members</b><br>Julie Baddeley<br>Susan Levine<br>Hans Dieltjens<br>Ron Hundzinski   |
| <b>Key responsibilities</b><br>Evaluating the size, structure and composition of the Board<br>Assisting the Board in relation to the composition of the Board, including evaluating the balance of skills, knowledge, experience and diversity<br>Consideration of succession planning | <b>Key responsibilities</b><br>Reviewing and monitoring the integrity of the financial statements<br>Ensuring effective systems of internal controls, internal audit and risk management are maintained<br>Advising on the appointment of the external auditors and monitoring non-audit work undertaken by the external auditor | <b>Key responsibilities</b><br>Setting the Remuneration policy for all Executive Directors and the Chair<br>Determine remuneration packages, including bonuses and awards, for Executive Directors and Senior Management in consultation with the Chair and Chief Executive Officer, as appropriate | <b>Key responsibilities</b><br>Recommending the overarching Environmental, Social and Governance (ESG) vision and strategy road map to the Board in order to ensure that sustainability priorities are met.<br>Monitors the Group's corporate responsibility, sustainability and stakeholder engagement activities |

# Corporate governance

## Our ambition and sustainability governance

Corporate governance comprises six pillars: Board/management quality and integrity; Board structure; ownership and shareholder rights; remuneration; audit and financial reporting; and stakeholder governance.

## Our ambition

Governance remains a top priority for the Board and executive leadership in order to promote the strategic development and sustainable success of the Group.

The Group has long recognised the importance of effective corporate governance in supporting the long-term success and sustainability of our business. Our robust governance framework not only satisfies the provisions of the UK Corporate Governance Code but also supports the effective operation of our business, enabling us to deliver our strategy. The Annual Report covers our governance arrangements, the operation of the Board and its Committees, and describes

how the Board discharges its collective responsibilities. The Board's decision-making reflects the balancing of stakeholder interests and how we have engaged is explained in our Section 172(1) statement.

## Sustainability governance

The ESG Steering Committee was established in 2021 to support the Board to fulfil its oversight responsibilities for ESG matters. The Terms of Reference are available on our website. As a leader in the automotive industry, we recognise the part the Group plays in the global community. Environmental and social performance is now a part of the wider management team's strategic objectives for 2023 and beyond. Sustainability targets have also been included as a performance element of our Long-Term Incentive Plan for Executive Directors and senior management. The alignment of our purpose and strategy using our remuneration will ensure we will continue to develop and supply products to support hybrid and battery electric vehicles in the most sustainable way. Colleagues from different areas of the business attend the meetings and support the discussions. Elaine Sarsynski, Committee Chair, regularly reports to the Board on key sustainability issues considered by the Committee, and Matt Paroly, Chief Legal Officer, has been appointed as the Group's ESG Director

to act as a liaison between the Committee, senior management and the wider workforce.

## Sustainability progress

The Committee has shown its commitment to operating our business in a more environmentally responsible and sustainable manner to provide long-term success for all stakeholders. Especially, focusing on the enhanced measurement and reporting of our carbon footprint, including Scope 3, and establishing appropriate CO<sub>2</sub>(e) emissions reduction and water conservation targets. Additionally, introducing more robust safety procedures to protect our workforce and developing initiatives to promote further diversity within our organisation.

In 2022, we revised updated targets to reduce our Scope 1 and 2 CO<sub>2</sub>(e) emissions, and have begun implementing conservation and renewable energy programmes to achieve these objectives. We have completed our baseline Scope 3 inventory for the 2021 year. In addition, we have also completed the 2022 Scope 3 inventory.

Other initiatives continue to be supported, including evaluating our greenhouse gas reduction programme to ensure our objectives and efforts remain appropriate. Our social initiatives include updating and enhancing

our Safety policy, procedures and processes, and updating our Human Rights policy. We have implemented a new learning platform to support education and career development for all employees. Other initiatives and educational programmes to promote ethics, diversity and inclusion within our organisation are also underway.

In addition, the Board has continued to incorporate environmental and social performance targets as a significant element of our long-term incentive programme for Executive Directors and senior management, as described in more detail in the Remuneration Report in the latest Annual Report.



*We are very pleased with the Company's work this year to build a more sustainable business. We will continue to review measures and targets to gauge our progress and ensure accountability at all levels of our organisation.*



**Elaine Sarsynski**  
**ESG Steering Committee Chair**

### Link to SDGs



### Link to Strategy



# Corporate governance

Continued

The Board of Directors recognises that sustainability is essential to the Group's long-term success and that sound environmental, social and governance practices are fundamental and necessary to a sustainable business.

## ESG Steering Committee

To assist the Board in its oversight of ESG matters, the ESG Steering Committee was formed in 2021. The Committee was charged with recommending the overarching sustainability vision and strategy to the Board, together with annual plans and targets for ESG matters, as well as supporting management to prioritise sustainability within the Group's overall corporate strategy. The Committee seeks to solicit and understand the views of the Group's stakeholders to inform the Group's long-term strategic decisions and identify the relevant sustainability priorities that most significantly impact the Group and its stakeholders, reputation and public interest role.

## Integration of ESG into all aspects of the business through cross-functional teams

We have a top-down approach to facilitate ESG integrations across the business. The Board and senior management understand the value and relevance of ESG initiatives and engage regularly to ensure employee and supplier awareness. Cross-functional teams are working to establish and communicate our initiatives, KPIs, goals, strategies, and long-term vision for our ESG programmes.

## Consideration of ESG in determining Executive remuneration

The decision to link a significant portion of the long-term incentive to sustainability, favouring the quantitative environmental measure and the quasi-quantitative social measure, was supported by the ESG Steering Committee. The inclusion of the reduction of Scope 1 and 2 emissions is in line with specific long-term public commitments made to our customers, so is well aligned to the business imperative.

The Committee is aware that 25% of the long-term incentive allocated to sustainability is at the 'high end' of expectations but felt this was appropriate as it aligns directly with the overall role of the Group in helping the automotive business through the transition away from fossil fuels.

The Committee was insistent, however, that the measures used should be quantitative and/or independently assured to provide confidence that genuine progress had been delivered and that the targets were suitably challenging.

## Sustainability governance framework



# ESG Steering Committee report

## Committee membership

|                          | Meetings attended |
|--------------------------|-------------------|
| Elaine Sarsynski (Chair) | 5/5               |
| Julie Baddeley           | 5/5               |
| Hans Dieltjens           | 5/5               |
| Ron Hundzinski           | 5/5               |

## 2022 highlights

- Published the Group's first stand-alone 2021 Sustainability report
- Supported the engagement of a 3rd party consultant as an adviser to help with the Group's CO<sub>2</sub>(e) emissions reduction target setting, Scope 3 measurement, renewable electricity plan and energy efficiency initiatives
- Reviewed the Group's diversity and inclusion programme, including key focus areas and metrics
- Recommended approval and adoption of the Group's new science-based CO<sub>2</sub>(e) emissions reduction target consistent with the 1.5°C scenario
- Progressed data collection for water and waste

## Focus for 2023

- Review implementation of the Group's renewable electricity plan and energy efficiency initiatives
- Refine measurement of Scope 3 emissions
- Evaluate potential net zero pathway for the Group
- Monitor progress on our CO<sub>2</sub>(e) emissions reduction targets
- Support development of our supplier sustainability policy and engagement process to support Scope 3 reduction



## Dear shareholder,

I am pleased to present the ESG Steering Committee report for the year ended 31 December 2022.

The Committee supports the Board to fulfil their oversight responsibilities with respect to sustainability matters. The Committee's Terms of Reference are available on our website.

We recognise that the Group, as a leader in the automotive industry, has an obligation to operate our business in an environmentally responsible and sustainable manner in order to provide long-term success for all of our stakeholders. As such, our Take the Turn strategy includes sustainability as a core element.

From an environmental standpoint, it is critical that we address climate change not only by supporting vehicle electrification with an expanded product portfolio, but also by decarbonising our own operations, reducing waste, and conserving water. In 2022, we made great progress on all fronts.

First and foremost, with analytical and advisory support from Schneider Electric, the Group has adopted a new CO<sub>2</sub>(e) emissions reduction target that calls for a 50% reduction of Scope 1 and 2 emissions and a 30% reduction of Scope 3

emissions, in each case by 2030 on an absolute basis from a 2021 baseline. Our new targets and have been submitted to the Science-Based Target initiative (SBTi) for review and validation. Importantly, we have also developed a renewable electricity plan and an energy efficiency programme to support achievement of our target. We have also established water conservation targets and are developing waste reduction targets for all locations.

I am very happy to report that the Group received a B grade for Climate Change from CDP. This very good score recognises our progress, going from a D to B in just two years.

On the social side, we have taken a number of steps to support safety, diversity and inclusivity.

We have implemented enhanced safety processes to protect our workforce, including expanding our ISO 45001 safety management framework to cover an additional 20 plants in 2022, with a goal of having every manufacturing location included by the end of 2024. We have hired additional EHS personnel in every region to assist with the training and implementation of our safety programme. The Committee and the Board regularly review the Group's safety metrics.

To further support our employees, we have continued diversity and inclusivity training and assessments for the entire senior management team. Furthermore, the Group's recruitment processes have been reviewed and guidance issued to all locations to minimise unconscious bias and promote diverse hiring. Our progress will be tracked by monitoring against gender diversity targets based on local university graduation rates.

In order to connect to our larger communities and prepare the next generation of women to succeed in the automotive industry, the Group has established scholarship programmes in

Germany, Poland, Mexico, the US, and China for female students enrolling in universities to study STEM subjects. In 2022, the Group awarded 55 scholarships totalling €120,000. These scholarship recipients are also introduced to local TI facilities for potential internships and other extracurricular learning opportunities. Within the business, a Women's Mentorship programme has been established to support and guide women on strategies for success.

Both environmental and social targets continue to be included as a performance element of our Long-Term Incentive Plan for Executive Directors and senior management. The alignment of remuneration with our purpose and strategy ensures that we will continue to focus on Taking the Turn to develop and manufacture products to support vehicle electrification in the most sustainable way.

The Committee is very pleased with the Company's work this year to build a more sustainable business. We will continue to review measures and targets to gauge our progress and ensure accountability at all levels of our organisation.

I look forward to updating you on our continuing sustainability journey.

**Elaine Sarsynski**  
**ESG Steering Committee Chair**

15 March 2023

# Business ethics

Business ethics focuses on the management of general professional ethics, such as accounting controls, employment practices, legal compliance, anti-competitive practices, bribery and conflicts of interest.

## Our ambition

Our goal is to integrate ethics and compliance into our organisational culture, empowering our employees to make ethical decisions and encouraging them to speak up if they have any concerns.

## Communication and awareness

We understand that creating a culture of ethics and compliance within our Company goes beyond one-time training sessions. It requires a continuous learning process and reinforcement. Over the last few years, we have been gradually implementing various initiatives to improve communication and awareness of ethics and compliance within the organisation. Some of these include: displaying posters promoting our speak-up hotline and rolling out globally our new app-based speak up platform, featuring ethics and compliance messages on our intranet homepage, using all-employee meetings as an opportunity to educate a wider employee base, regularly hosting workshops and meetings featuring external speakers and experts in the field of ethics and compliance, and conducting our first Corporate Compliance and Ethics Week celebrations across all our locations in 2022 (see case study).

## Education and development

Each year, our salaried employees are required to complete certification of our Code of Business Conduct. In addition, targeted training is provided in specific areas of the business. We have also implemented an employee learning and development platform to offer ethics and compliance education to our salaried staff. These efforts aim to increase understanding of our business policies and practices in order to minimise and mitigate ethics and compliance risks for our employees and Company.

## Moving forward

In 2022, we implemented various initiatives to enhance ethics and compliance support for our employees, including a new ethics reporting platform, ethics education modules on our learning and development platform, a survey on ethics risk and sentiment, an Adequate Procedures Review, and a Corporate Ethics and Compliance Week.

In 2023 and beyond, we plan to use the survey and review findings to improve our ethics and compliance efforts, and hold discussion groups to further integrate the training modules within the organisation.

### Link to SDGs



### Link to Strategy



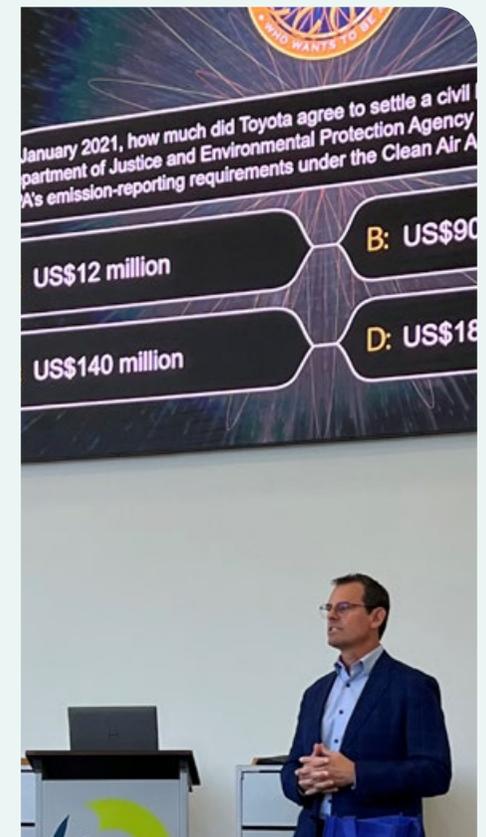
## CASE STUDY

# Compliance Week 2022

From 6 to 12 November 2022, we held our first Corporate Compliance and Ethics Week celebration.

Local HR teams were provided with a variety of ideas for ethics and compliance-related games such as an ethics version of the popular TV game show *Who Wants To Be A Millionaire*. Employees actively participated in the activities, some locations even created their own games and offered prizes. Daily emails related to ethics and compliance were sent out to employees, highlighting the activities happening globally.

The event was well received and helped increase awareness of ethics and compliance in an engaging and interactive way.



# Appendix



## In this section

|                         |    |
|-------------------------|----|
| GRI Content Index       | 50 |
| SASB Index              | 58 |
| TCFD Index              | 59 |
| UN Global Compact Index | 60 |
| Glossary                | 61 |

# GRI Content Index

This report was prepared in accordance with the GRI standards. The consolidated set of GRI Sustainability Reporting Standards 2022 served as the basis. The following index gives the page references for required information and provides information on the completeness of the answer.

## General disclosures

| Disclosure   | Description   | Comments/page reference | Completeness (self assessment) |
|--|---|-------------------------|--------------------------------|
| <b>1. The Organisation and its Reporting Practices</b> |   |                         |                                |
| 2-1  | Organisational details  | 10                      | Partially reported             |
| 2-2  | Entities included in the organisation's sustainability reporting            | 12                      | Partially reported             |
| 2-3  | Reporting period, frequency, and contact point                              | N/A                     | Not reported                   |
| 2-4  | Restatements of information   | N/A                     | Not reported                   |
| 2-5  | External assurance  | N/A                     | Not reported                   |
| <b>2. Activities and Workers</b>                       |   |                         |                                |
| 2-6  | Activities, value chain, and other business relationships                   | 2, 18–23                | Partially reported             |
| 2-7  | Employees   | 33–34, 37–39            | Partially reported             |
| 2-8  | Workers who are not employees   | N/A                     | Not reported                   |
| <b>3. Governance</b>                                   |   |                         |                                |
| 2-9  | Governance structure and composition  | 44–46                   | Partially reported             |
| 2-10   | Nomination and selection of the highest governance body                     | N/A                     | Not reported                   |
| 2-11   | Chair of the highest governance body  | 47                      | Fully reported                 |
| 2-12   | Role of the highest governance body in overseeing the management of impacts | 45–47                   | Partially reported             |
| 2-13   | Delegation of responsibility for managing impacts                           | 45–47                   | Partially reported             |
| 2-14   | Role of the highest governance body in sustainability reporting             | 45–47                   | Partially reported             |
| 2-15   | Conflicts of interest   | N/A                     | Not reported                   |
| 2-16   | Communication of critical concerns  | 48                      | Partially reported             |
| 2-17   | Collective knowledge of the highest governance body                         | N/A                     | Not reported                   |
| 2-18   | Evaluation of the performance of the highest governance body                | N/A                     | Not reported                   |
| 2-19   | Remuneration policies   | N/A                     | Not reported                   |
| 2-20   | Process to determine remuneration   | 44, 46                  | Partially reported             |
| 2-21   | Annual total compensation ratio   | N/A                     | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

| Disclosure                                  | Description  | Comments/page reference     | Completeness (self assessment) |
|---|--|-----------------------------|--------------------------------|
| <b>4. Strategy, Policies, and Practices</b> |  |                             |                                |
| 2-22  | Statement on sustainable development strategy      | 2–9                         | Partially reported             |
| 2-23  | Policy commitments                                 | 6, 16–21, 26, 29, 30, 36–40 | Partially reported             |
| 2-24  | Embedding policy commitments                       | 45–48                       | Partially reported             |
| 2-25  | Processes to remediate negative impacts            | N/A                         | Not reported                   |
| 2-26  | Mechanisms for seeking advice and raising concerns | N/A                         | Not reported                   |
| 2-27  | Compliance with laws and regulations               | N/A                         | Not reported                   |
| 2-28  | Membership associations                            | N/A                         | Not reported                   |
| <b>5. Stakeholder Engagement</b>            |  |                             |                                |
| 2-29  | Approach to stakeholder engagement                 | 16–20                       | Fully reported                 |
| 2-30  | Collective bargaining agreements                   | N/A                         | Not reported                   |
| <b>GRI 3 Disclosures on Material Topics</b> |  |                             |                                |
| 3-1   | Process to determine material topics               | N/A                         | Not reported                   |
| 3-2   | List of material topics                            | N/A                         | Not reported                   |
| 3-3   | Management of material topics                      | N/A                         | Not reported                   |

## Topic-specific disclosure obligations (by materiality)

### GRI 200: Economic

| Disclosure | Description  | Comments/page reference | Completeness (self assessment) |
|------------|--|-------------------------|--------------------------------|
| <b>201</b> | <b>Economic Performance</b>  |                         |                                |
| 201-1      | Direct economic value generated and distributed                                | N/A                     | Not reported                   |
| 201-2      | Financial implications and other risks and opportunities due to climate change | N/A                     | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

| Disclosure | Description  | Comments/page reference | Completeness (self assessment) |
|------------|--|-------------------------|--------------------------------|
| 201-3      | Defined benefit plan obligations and other retirement plans                      | N/A                     | Not reported                   |
| 201-4      | Financial assistance received from government                                    | N/A                     | Not reported                   |
| <b>202</b> | <b>Market Presence</b>   |                         |                                |
| 202-1      | Ratios of standard entry level wage by gender compared to local minimum wage     | N/A                     | Not reported                   |
| 202-2      | Proportion of senior management hired from the local community                   | N/A                     | Not reported                   |
| <b>203</b> | <b>Indirect Economic Performance</b>   |                         |                                |
| 203-1      | Infrastructure investments and services supported                                | N/A                     | Not reported                   |
| 203-2      | Significant indirect economic impacts  | N/A                     | Not reported                   |
| <b>204</b> | <b>Procurement Practices</b>   |                         |                                |
| 204-1      | Proportion of spending on local supplier   | N/A                     | Not reported                   |
| <b>205</b> | <b>Anti-Corruption</b>   |                         |                                |
| 205-1      | Operations assessed for risks related to corruption                              | N/A                     | Not reported                   |
| 205-2      | Communication and training about anti-corruption policies and procedures         | 20, 42, 48              | Partially reported             |
| 205-3      | Confirmed incidents of corruption and actions taken                              | N/A                     | Not reported                   |
| <b>206</b> | <b>Anti-Competitive Behaviour</b>  |                         |                                |
| 206-1      | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | N/A                     | Not reported                   |
| <b>207</b> | <b>Tax</b>   |                         |                                |
| 207-1      | Approach to tax  | N/A                     | Not reported                   |
| 207-2      | Tax governance, control, and risk management                                     | N/A                     | Not reported                   |
| 207-3      | Stakeholder engagement and management of concerns related to tax                 | N/A                     | Not reported                   |
| 207-4      | Country-by-country reporting   | N/A                     | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

## GRI 300: Environment

| Disclosure | Description   | Comments/page reference  | Completeness (self assessment) |
|------------|---|--------------------------|--------------------------------|
| <b>301</b> | <b>Materials</b>  |                          |                                |
| 301-1      | Materials used by weight or volume  | N/A                      | Not reported                   |
| 301-2      | Recycled input materials used   | N/A                      | Not reported                   |
| 301-3      | Reclaimed products and their packaging materials  | N/A                      | Not reported                   |
| <b>302</b> | <b>Energy</b>   |                          |                                |
| 302-1      | Energy consumption within the organisation  | 26                       | Fully reported                 |
| 302-2      | Energy consumption outside of the organisation  | 6, Annual Report page 56 | Fully reported                 |
| 302-3      | Energy intensity  | 26                       | Fully reported                 |
| 302-4      | Reduction of energy consumption   | 26                       | Partially reported             |
| 302-5      | Reductions in energy requirements of products and services  | N/A                      | Not reported                   |
| <b>303</b> | <b>Water</b>  |                          |                                |
| 303-1      | Interactions with water as a shared resource  | N/A                      | Not reported                   |
| 303-2      | Management of water discharge-related impacts   | N/A                      | Not reported                   |
| 303-3      | Water withdrawal  | 29                       | Fully reported                 |
| 303-4      | Water discharge   | N/A                      | Not reported                   |
| 303-5      | Water consumption   | N/A                      | Not reported                   |
| <b>304</b> | <b>Biodiversity</b>   |                          |                                |
| 304-1      | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas | N/A                      | Not reported                   |
| 304-2      | Significant impacts of activities, products, and services on biodiversity   | N/A                      | Not reported                   |
| 304-3      | Habitats protected or restored  | N/A                      | Not reported                   |
| 304-4      | IUCN Red List Species and national conservation list species with habitats in areas affected by operations                          | N/A                      | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

| Disclosure | Description  | Comments/page reference  | Completeness (self assessment) |
|------------|--|--------------------------|--------------------------------|
| <b>305</b> | <b>Emissions</b>   |                          |                                |
| 305-1      | Direct (Scope 1) GHG emissions   | 26                       | Partially reported             |
| 305-2      | Indirect (Scope 2) GHG emissions   | 26                       | Partially reported             |
| 305-3      | Other indirect (Scope 3) GHG emissions   | 6, Annual Report page 56 | Partially reported             |
| 305-4      | GHG emissions intensity  | 26                       | Partially reported             |
| 305-5      | Reduction of GHG emissions   | N/A                      | Not reported                   |
| 305-6      | Emissions of ozone-depleting substances (ODS)                                  | N/A                      | Not reported                   |
| 305-7      | Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions | N/A                      | Not reported                   |
| <b>306</b> | <b>Effluents and Waste 2016</b>  |                          |                                |
| 306-3      | Significant spills   | N/A                      | Not reported                   |
| <b>306</b> | <b>Waste 2020</b>  |                          |                                |
| 306-1      | Waste generation and significant waste-related impacts                         | 30                       | Partially reported             |
| 306-2      | Management of significant waste-related impacts                                | N/A                      | Not reported                   |
| 306-3      | Waste generated  | 30                       | Fully reported                 |
| 306-4      | Waste diverted from disposal   | 30                       | Fully reported                 |
| 306-5      | Waste directed to disposal   | 30                       | Fully reported                 |
| <b>307</b> | <b>Environmental Compliance</b>  |                          |                                |
| 307-1      | Non-compliance with environmental laws and regulations                         | N/A                      | Not reported                   |
| <b>308</b> | <b>Supplier Environmental Assessment</b>                                       |                          |                                |
| 308-1      | New suppliers that were screened using environmental criteria                  | N/A                      | Not reported                   |
| 308-2      | Negative environmental impacts in the supply chain and actions taken           | N/A                      | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

## GRI 400: Social

| Disclosure | Description   | Comments/page reference | Completeness (self assessment) |
|------------|---|-------------------------|--------------------------------|
| <b>401</b> | <b>Employment</b>   |                         |                                |
| 401-1      | New employee hires and employee turnover  | N/A                     | Not reported                   |
| 401-2      | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | N/A                     | Not reported                   |
| 401-3      | Parental leave  | N/A                     | Not reported                   |
| <b>402</b> | <b>Labour/Management Relations</b>  |                         |                                |
| 402-1      | Minimum notice periods regarding operational changes  | N/A                     | Not reported                   |
| <b>403</b> | <b>Occupational Health and Safety</b>   |                         |                                |
| 403-1      | Occupational health and safety management system  | 39–40                   | Partially reported             |
| 403-2      | Hazard identification, risk assessment, and incident investigation  | N/A                     | Not reported                   |
| 403-3      | Occupational health services  | 38                      | Partially reported             |
| 403-4      | Worker participation, consultation, and communication on occupational health and safety                       | 39–40                   | Partially reported             |
| 403-5      | Worker training on occupational health and safety   | N/A                     | Not reported                   |
| 403-6      | Promotion of worker health  | 38                      | Partially reported             |
| 403-7      | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | N/A                     | Not reported                   |
| 403-8      | Workers covered by an occupational health and safety management system  | N/A                     | Not reported                   |
| 403-9      | Work-related injuries   | 39                      | Fully reported                 |
| 403-10     | Work-related ill health   | 39                      | Fully reported                 |
| <b>404</b> | <b>Training and Education</b>   |                         |                                |
| 404-1      | Average hours of training per year per employee   | N/A                     | Not reported                   |
| 404-2      | Programmes for upgrading employee skills and transition assistance programmes                                 | 2, 16, 37               | Partially reported             |
| 404-3      | Percentage of employees receiving regular performance and career development reviews                          | N/A                     | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

| Disclosure | Description  | Comments/page reference | Completeness (self assessment) |
|------------|--|-------------------------|--------------------------------|
| <b>405</b> | <b>Diversity and Equal Opportunity</b>   |                         |                                |
| 405-1      | Diversity of governance bodies and employees   | 24                      | Partially reported             |
| 405-2      | Ratio of basic salary and remuneration of women to men   | N/A                     | Not reported                   |
| <b>406</b> | <b>Non-discrimination</b>  |                         |                                |
| 406-1      | Incidents of discrimination and corrective actions taken   | N/A                     | Not reported                   |
| <b>407</b> | <b>Freedom of Association and Collective Bargaining</b>  |                         |                                |
| 407-1      | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk             | N/A                     | Not reported                   |
| <b>408</b> | <b>Child Labour</b>  |                         |                                |
| 408-1      | Operations and suppliers at significant risk for incidents of child Labour   | N/A                     | Not reported                   |
| <b>409</b> | <b>Forced or Compulsory Labour</b>   |                         |                                |
| 409-1      | Operations and suppliers at significant risk for incidents of forced or compulsory Labour                                  | N/A                     | Not reported                   |
| <b>410</b> | <b>Security Practices</b>  |                         |                                |
| 410-1      | Security personnel trained in human rights policies or procedures  | N/A                     | Not reported                   |
| <b>411</b> | <b>Rights of Indigenous Peoples</b>  |                         |                                |
| 411-1      | Incidents of violations involving rights of indigenous peoples   | N/A                     | Not reported                   |
| <b>412</b> | <b>Human Rights Assessment</b>   |                         |                                |
| 412-1      | Operations that have been subject to human rights reviews or impact assessments  | N/A                     | Not reported                   |
| 412-2      | Employee training on human rights policies or procedures   | N/A                     | Not reported                   |
| 412-3      | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | N/A                     | Not reported                   |
| <b>413</b> | <b>Local Communities</b>   |                         |                                |
| 413-1      | Operations with local community engagement, impact assessments and development programs                                    | N/A                     | Not reported                   |
| 413-2      | Operations with significant actual and potential negative impacts on local communities                                     | N/A                     | Not reported                   |

 Continues on next page.

# GRI Content Index

Continued

| Disclosure | Description   | Comments/page reference | Completeness (self assessment) |
|------------|---|-------------------------|--------------------------------|
| <b>414</b> | <b>Supplier Social Assessment</b>   |                         |                                |
| 414-1      | New suppliers that were screened using social criteria  | N/A                     | Not reported                   |
| 414-2      | Negative social impacts in the supply chain and actions taken                                 | N/A                     | Not reported                   |
| <b>415</b> | <b>Public Policy</b>  |                         |                                |
| 415-1      | Political contributions   | N/A                     | Not reported                   |
| <b>416</b> | <b>Customer Health and Safety</b>   |                         |                                |
| 416-1      | Assessment of the health and safety impacts of product and service categories                 | N/A                     | Not reported                   |
| 416-2      | Incidents of non-compliance concerning the health and safety impacts of products and services | N/A                     | Not reported                   |
| <b>417</b> | <b>Marketing and Labeling</b>   |                         |                                |
| 417-1      | Requirements for product and service information and labeling                                 | N/A                     | Not reported                   |
| 417-2      | Incidents of non-compliance concerning product and service information labeling               | N/A                     | Not reported                   |
| 417-3      | Incidents of non-compliance concerning marketing communications                               | N/A                     | Not reported                   |
| <b>418</b> | <b>Customer Privacy</b>   |                         |                                |
| 418-1      | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | N/A                     | Not reported                   |
| <b>419</b> | <b>Socioeconomic Compliance</b>   |                         |                                |
| 419-1      | Non-compliance with laws and regulations in the social and economic area                      | N/A                     | Not reported                   |

# SASB Index

The following index shows TI Automotive’s sustainability activities described in the context of the industry-specific reporting standards of the Sustainability Accounting Standards Board (SASB) for automotive suppliers (Automotive Parts).

| Disclosure                        | Description   | Comments/page reference | Completeness (self assessment) |
|-----------------------------------|---|-------------------------|--------------------------------|
| <b>Energy Management</b>          |   |                         |                                |
| TR-AP-130a.1                      | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable                                  | 26                      | Partially reported             |
| <b>Waste Management</b>           |   |                         |                                |
| TR-AP-150a.1                      | (1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled                       | 30                      | Partially reported             |
| <b>Product Safety</b>             |   |                         |                                |
| TR-AP-250a.1                      | Number of recalls issued; total units recalled  | N/A                     | Not reported                   |
| <b>Design for Fuel Efficiency</b> |   |                         |                                |
| TR-AP-410a.1                      | Revenue from products designed to increase fuel efficiency and/or reduce emissions                                    | 21, 24                  | Fully reported                 |
| <b>Materials Sourcing</b>         |   |                         |                                |
| TR-AP-440a.1                      | Description of the management of risks associated with the use of critical materials                                  | N/A                     | Not reported                   |
| <b>Materials Efficiency</b>       |   |                         |                                |
| TR-AP-440b.1                      | Percentage of products sold that are recyclable   | N/A                     | Not reported                   |
| TR-AP-440b.2                      | Percentage of input materials from recycled or remanufactured content   | N/A                     | Not reported                   |
| <b>Competitive Behavior</b>       |   |                         |                                |
| TR-AP-520a.1                      | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | N/A                     | Not reported                   |
| <b>Activity Metrics</b>           |   |                         |                                |
| TR-AP-000.A                       | Number of parts produced  | N/A                     | Not reported                   |
| TR-AP-000.B                       | Weight of parts produced  | N/A                     | Not reported                   |
| TR-AP-000.C                       | Area of manufacturing plants  | N/A                     | Not reported                   |

# TCFD Index

The following index shows our sustainability activities described in the context of the disclosure recommendations for climate reporting by the Task Force on Climate-related Financial Disclosures (TCFD). References are made to TI Fluid Systems plc's 2022 Annual Report.

|                            | TCFD recommended disclosures   | Reference pages (from 2022 Annual Report)                                       | Compliance   |
|----------------------------|--|---|--|
| <b>Governance</b>          | Describe the board's oversight of climate-related risks and opportunities  | See Governance – Board of Directors on pages 72–74                              | Consistent   |
|                            | Describe management's role in assessing and managing climate-related risks and opportunities   | See Governance – Management on page 54  | Consistent   |
| <b>Strategy</b>            | Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term                                | See Background and Framework and Strategy and Financial Planning on pages 52–53 | Consistent   |
|                            | Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning                          | See Strategy and Financial Planning on pages 52–53                              | Consistent   |
|                            | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | See Strategy and Financial Planning on pages 52–53                              | Consistent except only one scenario used for sustainability transition |
| <b>Risk management</b>     | Describe the organisation's processes for identifying and assessing climate-related risks  | See Risk Management on pages 54–55  | Consistent   |
|                            | Describe the organisation's processes for managing climate-related risks   | See Risk Management on pages 54–55  | Consistent   |
|                            | Describe how processes for managing climate-related risks are integrated into the organisation's overall risk management                                 | See Risk Management on pages 54–55  | Consistent   |
| <b>Metrics and targets</b> | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process    | See Metrics and Targets on page 56  | Consistent   |
|                            | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks  | See Metrics and Targets on page 56 and Sustainability on pages 40–41            | Consistent   |
|                            | Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets                          | See Metrics and Targets on page 56  | Consistent   |

# UN Global Compact Index

The following index serves as the 2022 Communication on Progress for TI Fluid Systems in relation to the implementation of the principles of the UN Global Compact and, in this regard, presents the sustainability activities described in the context of the principles of the UN Global Compact.

| Topic area             | Principle   | Page reference |
|------------------------|---|----------------|
| <b>Human rights</b>    | 1. Businesses should support and respect the protection of internationally proclaimed human rights.                         | 6, 36          |
|                        | 2. Make sure that they are not complicit in human rights abuses.  | 6, 36          |
| <b>Labour</b>          | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 6, 36          |
|                        | 4. The elimination of all forms of forced and compulsory labour.  | 6, 36          |
|                        | 5. The effective abolition of child labour.   | 6, 36          |
|                        | 6. The elimination of discrimination in respect of employment and occupation.   | 6, 36–38       |
| <b>Environment</b>     | 7. Businesses should support a precautionary approach to environmental challenges.  | 26–31          |
|                        | 8. Undertake initiatives to promote greater environmental responsibility.   | 26–31          |
|                        | 9. Encourage the development and diffusion of environmentally friendly technologies.  | 7–9, 21        |
| <b>Anti-corruption</b> | 10. Businesses should work against corruption in all its forms, including extortion and bribery.                            | 48             |

# Glossary

|                |  |
|----------------|--|
| <b>AEVs</b>    | autonomous electric vehicles                 |
| <b>AI</b>      | artificial intelligence                      |
| <b>BEVs</b>    | battery electric vehicles                    |
| <b>D&amp;I</b> | diversity and inclusion                      |
| <b>e-MIC</b>   | e-Mobility Innovation Centre                 |
| <b>EVs</b>     | electric vehicles                            |
| <b>GDI</b>     | gasoline direct injection                    |
| <b>HEVs</b>    | hybrid electric vehicles                     |
| <b>HPD</b>     | high-pressure diesel                         |
| <b>ICE</b>     | internal combustion engine                   |
| <b>LEVs</b>    | low emissions vehicle                        |
| <b>LTIF</b>    | lost time injury frequency                   |
| <b>OEM</b>     | original equipment manufacturer              |
| <b>PHEVs</b>   | plug-in hybrid electric vehicles             |
| <b>PZEV</b>    | partial zero emissions vehicle               |
| <b>SBTi</b>    | Science Based Targets initiative             |
| <b>SCR</b>     | selective catalytic reduction                |
| <b>SIB</b>     | ship-in-a-bottle                             |
| <b>STEM</b>    | science, technology, engineering, and maths  |
| <b>TAPT</b>    | tank advanced process technology             |
| <b>UN SDGs</b> | United Nations Sustainable Development Goals |



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